

No. RITES/SECY/NSE  
Date: August 20, 2022

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

**Sub: Notice of the 48<sup>th</sup> Annual General Meeting (AGM) and Annual Report for the Financial Year 2021-22**

We hereby enclose the Notice of the 48<sup>th</sup> Annual General Meeting of the members of the Company, scheduled to be held on Friday, 16<sup>th</sup> September 2022, at 11:00 A.M. through Video Conferencing ("VC")/ Other Audio-Visual Means ("OAVM") to transact the businesses as set out therein.

Further, pursuant to the provisions of Regulation 34 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015, please find enclosed Annual Report for the Financial Year 2021-22.

Notice along with the Annual Report for the Financial Year 2021-22 is available on the website of the Company at [www.rites.com](http://www.rites.com) under the heading: NEWS & INSIGHTS > INVESTORS RELATIONS > SHAREHOLDERS MEETING/ POSTAL BALLOT or the same may be accessed through following link:  
<https://www.rites.com/ShareholdersMeeting>

Kindly take this information on record and acknowledge the same.

Thanking You,

Yours faithfully,  
For RITES Limited

  
**Joshit Ranjan Sikidar**  
Company Secretary & Compliance Officer  
Membership No.: A32442

**Transforming to GREEN**



**Registered office:** SCOPE Minar, Laxmi Nagar, Delhi-110092, India  
**Corporate Office:** Shikhar, Plot No.1, Sector - 29, Gurugram, Haryana - 122001  
**Email:** cs@rites.com, **Website:** www.rites.com  
**Phone:** +91 124 257 1666, **Fax:** +91 124 257 1660  
**CIN:** L74899DL1974GOI007227

## NOTICE

Notice is hereby given that the **48<sup>th</sup>** Annual General Meeting of the Members of RITES LIMITED will be held on **Friday, September 16, 2022, at 11:00 AM** through Video Conferencing ("VC")/ Other Audio-Visual Means ("OAVM") to transact the following business:

### ORDINARY BUSINESS:

- (1) To receive, consider and adopt the Audited Financial Statements (Standalone and Consolidated) of the Company for the Financial Year ended 31<sup>st</sup> March 2022 along with the Directors Report and Auditors Report thereon and, in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

**"Resolved that the Audited Standalone & Consolidated Financial Statements of the Company for the financial year ended on 31<sup>st</sup> March 2022 along with the Directors Report and Auditors Report thereon, as circulated to the Members, be and are hereby considered and adopted."**

- (2) To confirm the first, second and third interim dividend declared in the FY 2021-22 and to declare final dividend on equity shares for the financial year ended 31<sup>st</sup> March 2022 and, in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

**"Resolved that approval of the shareholders be and is hereby accorded for payment of final dividend @35% (₹ 3.5/- per equity share) on the paid-up equity share capital of the company for the financial year 2021-22. as recommended by the Board of Directors and for confirmation of the payment of the first, second and third interim dividend @ 20%, 40% and 75% (₹ 2.00, ₹ 4.00/- and ₹ 7.5/- per equity shares) on the paid-up equity share capital of the company as approved by the Board and already paid in the month of September, 2021, December, 2021 and March, 2022 respectively."**

- (3) To appoint a Director in place of Shri Bibhu Prasad Nayak, Director Finance (DIN: 08197975), who retires by rotation and being eligible, offers himself for re-appointment and, in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

**"Resolved that Shri Bibhu Prasad Nayak, Director Finance (DIN: 08197975), who offered himself for re-appointment be and is hereby reappointed as Director finance of the Company liable to retire by rotation."**

- (4) To appoint a Director in place of Shri Anil Vij, Director Technical (DIN: 07145875), who retires by rotation and being eligible, offers himself for re-appointment and, in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

**"Resolved that Shri Anil Vij, Director Technical (DIN: 07145875), who offered himself for re-appointment be and is hereby reappointed as Director Technical of the Company liable to retire by rotation."**

- (5) To authorize the Board of Directors of the Company to fix the remuneration of the Statutory Auditors to be appointed by the Comptroller & Auditor General of India for the Financial Year 2022-23, in terms of the provisions of section 142 of the Companies Act, 2013 and, in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

**"Resolved that the Board of Directors of the Company be and is hereby authorised to fix an appropriate remuneration of Statutory Auditors of the Company, to be appointed by the Comptroller and Auditor General of India for the financial year 2022-23."**

BY ORDER OF THE BOARD

(JOSHIT RANJAN SIKIDAR)

Company Secretary  
 Membership No.- A32442

Dated: 28.07.2022  
 Place: Gurugram

**NOTES:**

1. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs (MCA) has vide its General Circular No. 02/2022 dated May 05, 2022, read with General Circular No. 02/2021 dated January 13, 2021, General Circular No. 20/2020 dated May 5, 2020, General Circular Nos. 17/2020 dated April 13, 2020 and 14/2020 dated April 8, 2020 and Circular number SEBI/HO/CFD/CMD1/ CIR/P/2020/79 dated May 12, 2020, SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021, SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 issued by the Securities and Exchange Board of India (SEBI) (collectively referred to as Circulars), has further allowed companies to conduct the Annual General Meeting (AGM) through Video Conferencing (VC) or Other Audio Visual Means (OAVM) without the physical presence of the Members at a common venue. In compliance with the Circulars, the AGM of the Company is being held through VC/OAVM.
2. Since this AGM is being held pursuant to MCA circulars through VC/OAVM, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
3. Members attending the AGM through VC/OAVM shall be reckoned for the purpose of quorum for the AGM as per Section 103 of the Companies Act, 2013 (Act).
4. Members under the category of Institutional Investors are encouraged to attend and vote at the AGM through VC/OAVM. Corporate members are requested to send a scanned duly certified copy of the Board Resolution / Power of Attorney authorizing their representative to attend and vote on their behalf at the Annual General Meeting through VC/OAVM. The said Resolution/Authorization should be sent at [cs@rites.com](mailto:cs@rites.com).
5. The Register of Members and Share Transfer books of the Company will remain closed from **Saturday, 10.09.2022 to Friday, 16.09.2022 (both days inclusive)**.
6. Brief resume of Directors seeking appointment as prescribed under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the Secretarial Standards issued by the Institute of Company Secretaries of India is annexed hereto and forms part of the notice.
7. The Annual Report of the Company is also available on the company's website [www.rites.com](http://www.rites.com).
8. None of the Directors of the Company is in any way related to each other.
9. Members are advised to submit their Electronic Clearing System (ECS) mandates to enable the Company to make remittance by means of ECS. Those holding shares in dematerialized form may send the ECS Mandate to their Depository Participants (DP). Those who have already furnished the ECS Mandate Form to the Company/ Depository Participant/Registrar & Share Transfer Agent with complete details need not to send it again. Members holding shares in physical form may send the ECS Mandate Forms to the RTA of the Company.
10. Members holding shares in dematerialised form are requested to intimate all particulars of bank mandates, nominations, power of attorney, change of address, e-mail address, contact numbers, etc. to their Depository Participant (DP). Members holding shares in physical form are requested to intimate such details to the RTA.  
  
In order to enable the Company to remit dividend electronically through National Automated Clearing House (NACH), National Electronic Funds Transfer (NEFT), etc., Members holding shares in physical form are requested to provide/update details of their bank accounts indicating the name of the bank, branch, account number and the nine digit MICR code and IFSC code (as appearing on the cheque) along with scanned copy of the cheque/ cancelled cheque at [vinay.kumar@linkintime.co.in](mailto:vinay.kumar@linkintime.co.in).  
  
Members holding shares in dematerialised form are requested to provide the said details to their Depository Participant. The Income Tax Act, 1961, as amended by the Finance Act, 2020, mandates that dividends paid or distributed by Company after April 1, 2020 shall be taxable in the hands of the Shareholders.
11. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company/RTA.
12. Non-Resident Indian members are requested to inform Company/RTA, regarding:
  - I. Change in their residential status on return to India for permanent settlement.
  - II. Particulars of their bank account maintained in India with complete name, branch, account type, account number, IFSC Code and address of the Bank with pin code number, if not furnished earlier.
13. The Board of Directors of the Company in its meetings held on August 12, 2021, November 11, 2021 and March 14, 2022 declared first interim dividend, second interim dividend and third interim dividend of ₹ 48 crore i.e. ₹ 2 per share of ₹ 10 each, ₹ 96 crore i.e. ₹ 4 per share of ₹ 10 each and ₹ 180 crore i.e., ₹ 7.5 per share of ₹ 10 each respectively. Final dividend of ₹ 84 crore i.e. ₹ 3.5 per share of ₹ 10 each on equity shares, as recommended by the Board of Directors in its meeting held on 24.05.2022, for the year ended on 31.03.2022, if approved by the members at the Annual General Meeting, will be paid subject to deduction of tax at source:

- (i) To those members holding shares in physical form and whose names appear in the Register of Members of the Company as on **Friday, 09.09.2022**.
- (ii) To those members whose names appear in the Statements of beneficial ownership furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) at the end of business hours on **Friday 09.09.2022**.
14. Pursuant to Finance Act 2020, dividend income will be taxable in the hands of shareholders w.e.f. April 1, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The shareholders are requested to update their PAN with the M/S Link Intime India Private Limited (RTA) (in case of shares held in physical mode) and depositories (in case of shares held in demat mode).
- A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by email to [vinaykumar@linkintime.co.in](mailto:vinaykumar@linkintime.co.in) till 05:00 PM IST on **09.09.2022**. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%.
15. Pursuant to Section 139(5) of the Companies Act, 2013, the Auditors of a Government Company are to be appointed/ re-appointed by the Comptroller and Auditor General (C&AG) of India and, in terms of provisions contained in Section 142 of the Companies Act 2013, their remuneration shall be fixed by the company in a General Meeting or in such manner as the company in a General Meeting may determine. **As the appointment/reappointment of statutory auditors and branch auditors is yet to be done by CAG, the members may authorize Board of Directors to fix their remuneration as per the communication to be received from CAG.**
16. Pursuant to General Circular No. 02/2022 dated May 05, 2022, read with General Circular No. 02/2021 dated January 13, 2021, General Circular No. 20/2020 dated May 5, 2020, General Circular Nos. 17/2020 dated April 13, 2020 and 14/2020 dated April 8, 2020 and Circular number SEBI/HO/CFD/CMD1/ CIR/P/2020/79 dated May 12, 2020, SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021, SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 Notice of the AGM and Annual Report for the year ended March 31, 2022 are being sent electronically to those Members whose email addresses are registered with the DP/ RTA. Notice of the AGM along with Annual Report for the year ended March 31, 2022, circulated to Members is also available on the websites of the Company [www.rites.com](http://www.rites.com) and on the websites of BSE Limited and National Stock Exchange of India Limited.
17. All relevant documents and registers referred to in the Notice will be available for inspection by the Members without payment of any fee from the date of circulation of this notice upto the date of the AGM i.e. September 16, 2022. Members seeking to inspect such documents are requested to send an email to [cs@rites.com](mailto:cs@rites.com). Inspection shall be provided when it is mutually suitable.
18. Members desiring any information as regards the Financial Statements are requested to write to the Company at least 7 days before the date of meeting at [cs@rites.com](mailto:cs@rites.com) to enable the management to keep the information readily available at the duration of the meeting.
19. Members holding shares in physical form in single name are advised to make nomination in respect of their shareholding in the Company, as permitted under Section 72 of the Companies Act, 2013, are requested to write to RTA of the Company in prescribed form i.e. Form No. SH -13 as per the Companies (Share Capital and Debentures) Rules, 2014.
20. In case of shares held in dematerialized form, the nomination form has to be lodged directly with the respective Depository Participant (DP).
- The Company's Registrar & Share Transfer Agent (RTA) is M/S Link Intime India Private Limited. The Communication address of the RTA is Noble Heights, 1<sup>st</sup> Floor, NH -2, C1- Block LSC, Near Savitri Market, Janakpuri, New Delhi - 110058, email: [vinaykumar@linkintime.co.in](mailto:vinaykumar@linkintime.co.in) Please write Unit: RITES Limited.
21. In case of joint holders attending the AGM, only such joint holder who is higher in the order of names will be entitled to vote.
22. Members are requested to :-
- Quote DP ID and Client ID/Ledger Folio numbers in all their correspondence;
  - Approach the RTA for consolidation of multiple ledger folios into one; and
  - To avoid inconvenience, get shares transferred in joint names, if they are held in a single name and/or appoint a nominee.
23. In compliance with provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), the Company is pleased to provide members the facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system will be provided by Link Intime India Private Limited.
24. Kindly note that the members can opt for only one mode of voting i.e. either through Remote e-voting or voting at the AGM through VC or OAVM. Therefore, members who have cast their votes by remote e-voting prior to the AGM may attend the AGM through VC or OAVM but shall not be entitled to cast their votes again. If a member casts votes by

both modes then voting done through remote e-voting shall prevail and vote at the AGM shall be treated as invalid.

25. Members desiring to exercise their vote by e-voting are requested to carefully read the enclosed instructions which inter-alia provide the process and manner for e-voting, login ID, generating password and time schedule, including the time period during which the votes may be cast, etc.
26. In order to scrutinize the e-voting process in a fair and transparent manner and to carry out the required activities the Company has appointed Shri Deepak Kumar, Partner of M/S. Akhil Rohatgi & Company, Company Secretaries, as the Scrutinizer.
27. Members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of dematerialized shares with the Depository through their concerned Depository Participants.
28. Annual listing fee for the year 2022-23 has been paid to the Stock Exchanges wherein shares of the company are listed.
29. Members are requested to notify immediately any change in their address:
  - i) to their Depository Participants (DP) in respect of shares held in dematerialized form, and
  - ii) to the company at its registered office or its Registrar and Share transfer Agent, Link Intime India Private Limited in respect of their physical shares, if any, quoting their Folio Number.
30. Since the AGM will be held through VC/ OAVM, the route map is not annexed in this notice.
31. Information and other Instructions relating to e-voting are given with e-voting communication.

**The remote e-voting facility will be available during the following voting period:**

- a. **Commencement of remote e-voting: From 9.00 a.m. (IST) on Tuesday, 13.09.2022.**
- b. **End of remote e-voting: Up to 5:00 p.m. (IST) on Thursday, 15.09.2022.**

**The voting rights of members shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date i.e., Friday, 09.09.2022.**

32. As shares of the Company are traded under compulsory demat, Members are requested to dematerialize their shareholding to avoid inconvenience.
33. The Members may join the AGM in the VC/OAVM mode 15 minutes before the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/ OAVM will be made available for 1000 members on first come first serve basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and

Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first serve basis.

**Remote e-Voting Instructions for shareholders:**

As per the SEBI circular dated December 9, 2020, individual shareholders holding securities in demat mode can register directly with the depository or will have the option of accessing various ESP portals directly from their demat accounts.

**Login method for Individual shareholders holding securities in demat mode is given below:**

1. Individual Shareholders holding securities in demat mode with NSDL
  1. Existing IDeAS user can visit the e-Services website of NSDL viz.. <https://eservices.nsdl.com> either on a personal computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name i.e. LINKINTIME and you will be re-directed to "InstaVote" website for casting your vote during the remote e-Voting period.
  2. If you are not registered for IDeAS e-Services, option to register is available at <https://eservices.nsdl.com> Select "Register Online for IDeAS Portal" or click at <https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp>
  3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://eservices.nsdl.com> either on a personal computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen-digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name i.e. LINKINTIME and you will be redirected to "InstaVote" website for casting your vote during the remote e-Voting period.
2. Individual Shareholders holding securities in demat mode with CDSL
  1. Existing users who have opted for Easi / Easiest, can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <https://web.cdslindia.com/myeasi/home/login> or [www.cdslindia.com](http://www.cdslindia.com) and click on New System Myeasi.

2. After successful login of Easi/Easiest the user will be able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. LINKINTIME. Click on LINKINTIME and you will be redirected to "InstaVote" website for casting your vote during the remote e-Voting period.
  3. If the user is not registered for Easi/Easiest, option to register is available at <https://web.cdslindia.com/myeasi/Registration/EasiRegistration>.
  4. Alternatively, the user can directly access e-Voting page by providing demat account number and PAN No. from a link in [www.cdslindia.com](http://www.cdslindia.com) home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. LINKINTIME. Click on LINKINTIME and you will be redirected to "InstaVote" website for casting your vote during the remote e-Voting period.
3. Individual Shareholders (holding securities in demat mode) login through their depository participants

You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name i.e. LINKINTIME and you will be redirected to "InstaVote" website for casting your vote during the remote e-Voting period.

**Login method for Individual shareholders holding securities in physical form/ Non-Individual Shareholders holding securities in demat mode is given below:**

Individual Shareholders of the company, holding shares in physical form / Non-Individual Shareholders holding securities in demat mode as on the cut-off date for e-voting may register for e-Voting facility of Link Intime as under:

1. Open the internet browser and launch the URL: <https://instavote.linkintime.co.in>
2. Click on "Sign Up" under 'SHARE HOLDER' tab and register with your following details: -

**A. User ID:**

Shareholders holding shares in physical form shall provide Event No + Folio Number registered with the Company. Shareholders holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID; Shareholders holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID.

**B. PAN:** Enter your 10-digit Permanent Account Number (PAN) (Shareholders who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.

**C. DOB/DOI:** Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format)

**D. Bank Account Number:** Enter your Bank Account Number (last four digits), as recorded with your DP/Company.

\*Shareholders holding shares in **physical form** but have not recorded 'C' and 'D', shall provide their Folio number in 'D' above

\*Shareholders holding shares in **NSDL form**, shall provide 'D' above

- Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#\$%&\*), at least one numeral, at least one alphabet and at least one capital letter).
- Click "confirm" (Your password is now generated).

3. Click on 'Login' under '**SHARE HOLDER**' tab.
4. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on '**Submit**'.

**Cast your vote electronically:**

1. After successful login, you will be able to see the notification for e-voting. Select '**View**' icon.
2. E-voting page will appear.
3. Refer the Resolution description and cast your vote by selecting your desired option '**Favour / Against**' (If you wish to view the entire Resolution details, click on the '**View Resolution**' file link).
4. After selecting the desired option i.e. Favour / Against, click on '**Submit**'. A confirmation box will be displayed. If you wish to confirm your vote, click on '**Yes**', else to change your vote, click on 'No' and accordingly modify your vote.

**Guidelines for Institutional shareholders:**

Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIPL at <https://instavote.linkintime.co.in> and register themselves as '**Custodian / Mutual Fund / Corporate Body**'. They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the '**Custodian / Mutual Fund / Corporate Body**' login for the Scrutinizer to verify the same.

**Helpdesk for Individual Shareholders holding securities in physical mode/ Institutional shareholders:**

Shareholders facing any technical issue in login may contact Link Intime INSTAVOTE helpdesk by sending a request at [enotices@linkintime.co.in](mailto:enotices@linkintime.co.in) or contact on: - Tel: 022 - 4918 6000.

**Helpdesk for Individual Shareholders holding securities in demat mode:**

Individual Shareholders holding securities in demat mode may contact the respective helpdesk for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 or 22- 23058542-43.

**Individual Shareholders holding securities in Physical mode has forgotten the password:**

If an Individual Shareholders holding securities in Physical mode has forgotten the USER ID [Login ID] or Password or both then the shareholder can use the "Forgot Password" option available on the e-Voting website of Link Intime: <https://instavote.linkintime.co.in>

- o Click on 'Login' under 'SHARE HOLDER' tab and further Click 'forgot password?'
- o Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on "SUBMIT".

In case shareholders is having valid email address, Password will be sent to his / her registered e-mail address. Shareholders can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/ DOI, Bank Account Number (last four digits) etc. as mentioned above. The password should contain minimum 8 characters, at least one special character (@!#\$%&\*), at least one numeral, at least one alphabet and at least one capital letter.

User ID for Shareholders holding shares in Physical Form (i.e. Share Certificate): Your User ID is Event No + Folio Number registered with the Company

**Individual Shareholders holding securities in demat mode with NSDL/ CDSL has forgotten the password:**

Shareholders who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned depository/ depository participants website.

- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.
- During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular "Event".

**Process and manner for attending the Annual General Meeting through InstaMeet:**

1. Open the internet browser and launch the URL: <https://instameet.linkintime.co.in>
  - Select the "Company" and 'Event Date' and register with your following details: -
    - A. **Demat Account No. or Folio No:** Enter your 16 digit Demat Account No. or Folio No
      - Shareholders/ members holding shares in **CDSL demat account shall provide 16 Digit Beneficiary ID**
      - Shareholders/ members holding shares in **NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID**
      - Shareholders/ members holding shares in **physical form shall provide Folio Number** registered with the Company
    - B. **PAN:** Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.
    - C. **Mobile No.:** Enter your mobile number.
    - D. **Email ID:** Enter your email id, as recorded with your DP/Company.
  - Click "Go to Meeting" (You are now registered for InstaMeet and your attendance is marked for the meeting).

Please refer the instructions (annexure) for the software requirements and kindly ensure to install the same on the device which would be used to attend the meeting. Please read the instructions carefully and participate in the meeting. You may also call upon the InstaMeet Support Desk for any support on the dedicated number provided to you in the instruction/ InstaMEET website.

**Instructions for Shareholders/ Members to Speak during the Annual General Meeting through InstaMeet:**

1. Shareholders who would like to speak during the meeting must register their request 3 days in advance with the company on the email id: cs@rites.com.
2. Shareholders will get confirmation on first cum first basis depending upon the provision made by the client.
3. Shareholders will receive "speaking serial number" once they mark attendance for the meeting.
4. Other shareholder may ask questions to the panellist, via active chat-board during the meeting.
5. Please remember speaking serial number and start your conversation with panellist by switching on video mode and audio of your device.

Shareholders are requested to speak only when moderator of the meeting/ management will announce the name and serial number for speaking.

**Instructions for Shareholders/ Members to Vote during the Annual General Meeting through InstaMeet:**

Once the electronic voting is activated by the scrutinizer/ moderator during the meeting, shareholders/ members who have not exercised their vote through the remote e-voting can cast the vote as under:

1. On the Shareholders VC page, click on the link for e-Voting "Cast your vote"
2. Enter your 16 digit Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMEET and click on 'Submit'.
3. After successful login, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.

4. Cast your vote by selecting appropriate option i.e. "Favour/ Against" as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/ Against'.
5. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on "Save". A confirmation box will be displayed. If you wish to confirm your vote, click on "Confirm", else to change your vote, click on "Back" and accordingly modify your vote.
6. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

Note: Shareholders/ Members, who will be present in the Annual General Meeting through InstaMeet facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the meeting. Shareholders/ Members who have voted through Remote e-Voting prior to the Annual General Meeting will be eligible to attend/ participate in the Annual General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.

Shareholders/ Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience.

Shareholders/ Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

Please note that Shareholders/ Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

In case shareholders/ members have any queries regarding login/ e-voting, they may send an email to [instameet@linkintime.co.in](mailto:instameet@linkintime.co.in) or contact on: - Tel: 022-49186175.

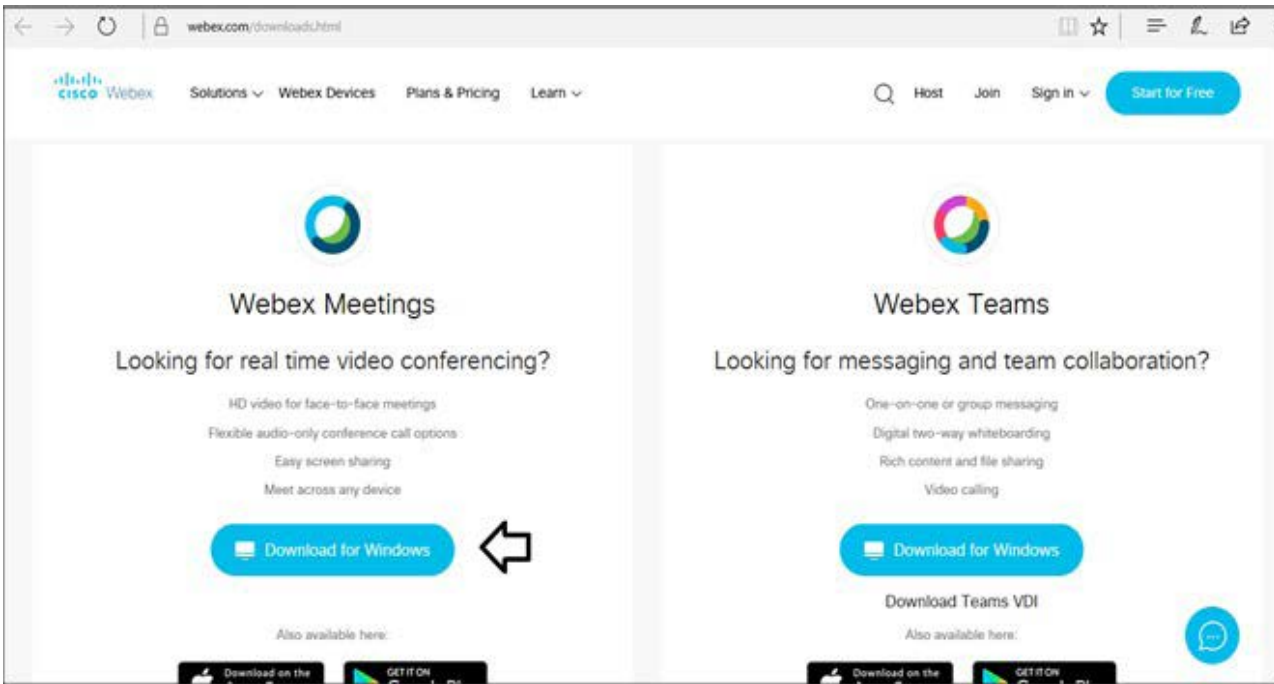


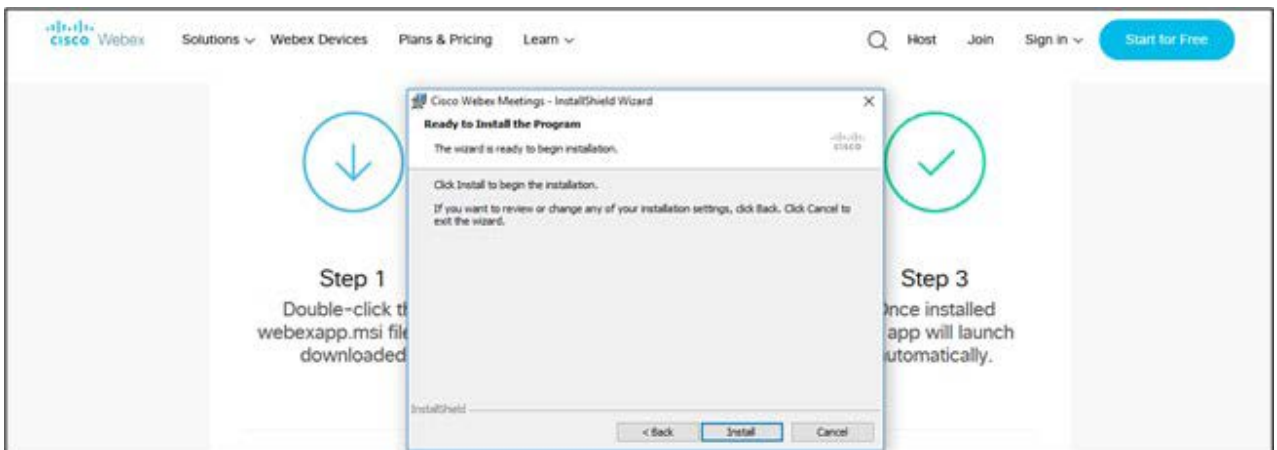
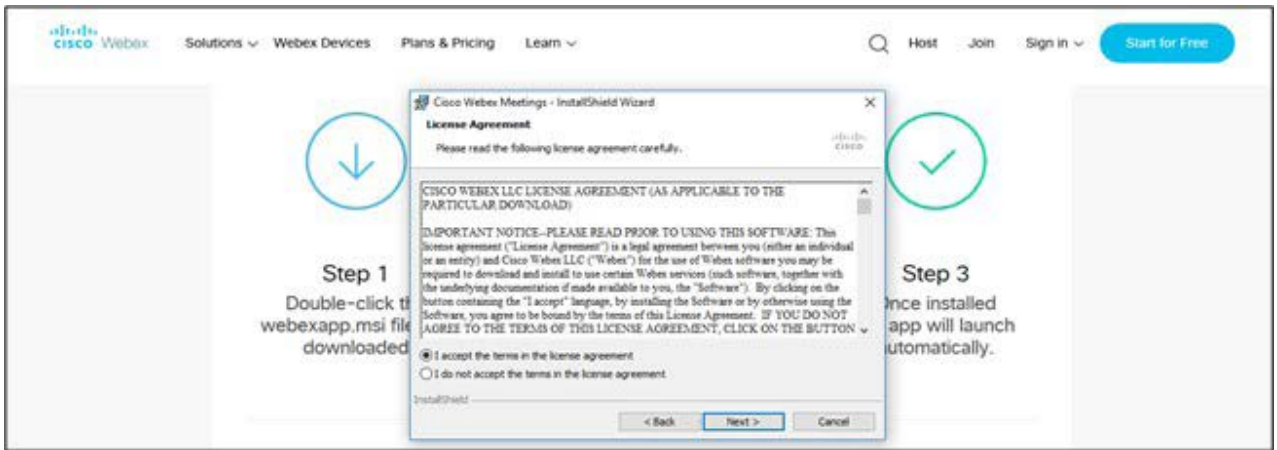
# Annexure

## Guidelines to attend the AGM proceedings of Link Intime India Pvt. Ltd.: InstaMEET

For a smooth experience of viewing the AGM proceedings of Link Intime India Pvt. Ltd. InstaMEET, shareholders/ members who are registered as speakers for the event are requested to download and install the Webex application in advance by following the instructions as under:

- a) Please download and install the Webex application by clicking on the link <https://www.webex.com/downloads.html/>





b) If you do not want to download and install the Webex application, you may join the meeting by following the process mentioned as under:

**Step 1 Enter your First Name, Last Name and Email ID and click on Join Now.**

1 (A) If you have already installed the Webex application on your device, join the meeting by clicking on Join Now

1 (B) If Webex application is not installed, a new page will appear giving you an option to either Add Webex to chrome or **Run a temporary application.**

Click on **Run a temporary application**, an exe file will be downloaded. Click on this exe file to run the application and join the meeting by clicking on Join Now



**GENERAL GUIDELINES FOR SHAREHOLDERS**

- The voting rights of members shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date i.e., Friday, 09.09.2022.

Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at [instameet@linkintime.co.in](mailto:instameet@linkintime.co.in)

- The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than 48 hours of the conclusion of the AGM, a consolidated scrutinizer’s report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

The Results declared along with the report of the Scrutinizer shall be placed on the website of the company i.e. [www.rites.com](http://www.rites.com) and on the website of M/S Link Intime India Private Limited immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the NSE and BSE.

**Additional information on Directors being appointed/re-appointed as required under Regulation 36(3) the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in the order of the items mentioned in the Notice:**

**1. Shri Bibhu Prasad Nayak, Director Finance**

<b>Age</b>	59 years
<b>Date of first appointment on Board</b>	07.11.2019
<b>Qualification</b>	Qualified Cost Accountant, B.Tech. in Metallurgy (1985) from the Indian Institute of Technology, Kharagpur
<b>Brief Resume including experience</b>	He worked as an Executive Director (Finance) in Bhilai Steel Plant of Steel Authority of India Limited (SAIL) having a turnover of more than ₹16000 crore. He has a vast experience of over 34 years in SAIL- Bhilai Steel Plant, in the areas of Finance, technical and Project Management. Under his leadership in Bhilai Steel Plant, modernization & expansion program involving investment of ₹20,000 crore was executed. As Chairman of PF Trust of Bhilai Steel Plant, he managed a corpus of ₹ 5000 crore having annual investment of ₹600 crore.

<b>Nature of his expertise in specific functional areas</b>	He has a vast experience of over 34 years in SAIL- Bhilai Steel Plant, in the area of Finance, technical and Project Management. During his tenure in RITES Limited, company has successfully completed offer for sale (OFS) of ₹ 1130 crore and buy back of ₹ 257 crore. Under his leadership, the Company has been awarded for excellence in financial reporting for the financial year 2019-20 and 2020-21 by The Institute of Chartered Accountants of India. Further Awards have also been received from South Asian Federation of Accountants and from Institute of Cost Accountants of India for excellence in Cost Management.
<b>Other Directorship</b>	1 (REMC Limited)
<b>Chairmanship/Membership of Committees in RITES</b>	Three (3)
<b>Relationship with other Directors, Managers and other Key Managerial Personnel of the Company</b>	Shri Bibhu Prasad Nayak is not related to any other Director of the Company.
<b>No. of equity shares held in the Company</b>	NIL
<b>No. of board meetings attended during the year</b>	Eight (8) out of Eight (8)
<b>Terms and conditions of appointment or re-appointment including remuneration</b>	Appointment as per the order of The President of India vide Ministry of Railways Order No.2018/E(O)II/40/22 dt. 04.11.2019

## 2. Shri Anil Vij, Director Technical

<b>Age</b>	59 years
<b>Date of first appointment on Board</b>	04.11.2019
<b>Qualification</b>	Mechanical Engineer, IRSME
<b>Brief Resume including experience</b>	He possesses graduate qualification in three disciplines of engineering – Mechanical, Electrical and Electronics & Communications (Gold Medalist). He has also done full time MBA at the Management Development Institute, Gurugram specialising in Operations & Finance. He has done Management/ Leadership training at Railway Staff College, Baroda, ISB and ASCI, Hyderabad. In addition to the above, he had also undergone extensive technical training including in modern diesel locomotive technology at General Motors, USA.
<b>Nature of his expertise in specific functional areas</b>	He has over 37 years of work experience, having joined the Indian Railways service of Mechanical Engineering (IRSME) as a Group "A" officer in May 1985 after successful completion of the four year integrated training at the Indian Railways Institute of Mechanical and Electrical Engineering (IRIMEE), Jamalpur.
<b>Other Directorship</b>	Nil
<b>Chairmanship/Membership of Committees in RITES</b>	Two (2)
<b>Relationship with other Directors, Managers and other Key Managerial Personnel of the Company</b>	Shri Anil Vij is not related to any other Director of the Company.
<b>No. of equity shares held in the Company</b>	Nil
<b>No. of board meetings attended during the year</b>	Eight (8) out of Eight (8)
<b>Terms and conditions of appointment or re-appointment including remuneration</b>	Appointment as per the order of The President of India vide Ministry of Railways Order No.2018/E(O)II/40/22 dt. 04.11.2019



**RITES Limited**

(A Government of India Enterprise)

CIN: L74899DL1974GOI007227

**Registered office:** SCOPE Minar, Laxmi Nagar, Delhi-110092, India

**Corporate Office:** RITES Bhawan, Plot No.1, Sector – 29, Gurgaon – 122001, Haryana

**Email:** cs@rites.com, **Website:** www.rites.com

**Phone:** +91 124 257 1665, **Fax:** +91 124 257 1187

**E-COMMUNICATION REGISTRATION FORM**

Folio No. / DP ID & Client ID : .....

Name of 1<sup>st</sup> Registered Holder : .....

Name of Joint Holder(s) : .....

Registered Address : .....

E-mail ID (to be registered) : .....

I/we shareholder(s) of RITES Limited agree to receive communication from the Company in electronic mode. Please register my above e-mail in your records for sending communication through e-mail.

Signature: .....

(First Holder)

Date: .....

**Note: Shareholder(s) are requested to keep the Company informed as and when there is any change in the e-mail address.**



# Shaping Tomorrow's Mobility

**RITES Ltd.**  
(A Govt of India Enterprise)



**Annual Report  
2021-22**

Consultancy for AHMEDABAD METRO



To know more  
about us scan  
above QR code

### Forward Looking Statement

Some of the information in this report may contain forward-looking statements, which include statements regarding the Company's expected financial position and results of operations, business plans and prospects, etc. They are generally identified by forward-looking words, such as "believe", "plan", "anticipate", "continue", "estimate", "expect", "may", "will", or other similar words. Forward-looking statements are dependent on assumptions or the basis underlying such statements. We have chosen these assumptions or basis in good faith, and we believe that they are reasonable in all material respects. However, we caution that the actual results, performances or achievements could differ materially from those expressed or implied in such forward-looking statements. We undertake no obligation to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.





● Cape Gauge locomotives for CFM, Mozambique.

# What's Inside

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# Corporate Information

## Registered Office:

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

## Corporate Office:

Shikhar, Plot No.1, Sector - 29,  
Gurugram - 122001, (Haryana)  
Phone No.: +91 1242571666,  
Fax: +91 12 42571660

**Website:** www.rites.com

**E-mail ID:** cs@rites.com

## Company Secretary & Compliance Officer

**Mr. Joshit Ranjan Sikidar**

## Registrar & Share Transfer Agent:

### Link Intime India Private Limited

Noble Heights 1st Floor, Plot No. NH2 LSC,  
C-1 Block Near Savitri Market Janakpuri,  
New Delhi - 110058  
Ph: +91 11 41410592; Fax: +91 11  
41410591  
Website: www.linkintime.co.in  
E-mail: swapann@linkintime.co.in

## Shares Listed at:

National Stock Exchange of India Limited  
BSE Limited

## Depositories:

National Securities Depository Limited  
Central Depository Services (India) Limited

## Scrp Code:

NSE: RITES  
BSE: 541556

## ISIN No.

INE320J01015

## FOR THE FINANCIAL YEAR UNDER REVIEW 2021-22

### Statutory Auditor:

#### M/s J.C. Bhalla & Co.

Chartered Accountants  
B-5, Sector - 6, Noida - 201301 (U.P.)  
Phone No.: +91 120 4241000,  
Fax: +91 120 - 4241007  
E-Mail: taxaid@jcbhalla.com

### Branch Auditors:

#### ● M/s S.N. Guha & Co.

Chartered Accountants  
12, Waterloo Street, Kolkata - 700069  
Phone No.: +91 33 22488032/8033  
Fax: +91 33 22488033  
Email: snguha23@dataone.in  
snguha1949@gmail.com

#### ● M/s DMKH & Co.

Chartered Accountants  
803-4, Ashok Heights,  
Gundavali, Andheri East, Mumbai  
Phone No: + 91 22 - 26824877  
Email: contact@dmkhca.in

#### ● M/s Nisar & Kumar

Chartered Accountants  
Flat IIC Royal Court No. 41,  
Venkat Narayana Road, T. Nagar,  
Chennai - 600017  
Phone No.: +91 44 24313811,  
42083811  
Mobile: +91 9840276525  
E-mail: nisarandkumar@gmail.com

### Bankers:

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

# Innovative technology is the enabler through which we overcome limitations of the present and build solutions for the future.

At RITES, it is through technology that we drive change in the mobility and infrastructure space and deliver quality and value to the client.

The new normal in the mobility space will focus on changing consumer behaviours, new roles for regulators, new forms of collaboration, and a shift in innovation strategy. To adapt ourselves to these changing dynamics,

we have developed an organised ecosystem to address new challenges and seize new opportunities while supporting a more sustainable world.

For over four decades, we have been taking on challenges with foresight and fortitude. In a year marked by several headwinds, we did the same and registered a commendable performance.

Our goal is to constantly innovate and adapt state-of-the-art technology to help our partners and customers adjust to the changing landscape, thus

## Shaping Tomorrow's Mobility.

# About RITES



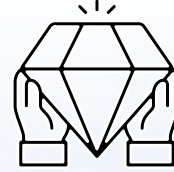
## Vision

Future Ready:  
Not just more  
of the same, but  
much more of  
the new



## Mission

To take on  
the best  
in class



## Values

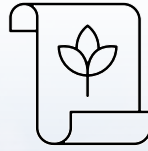
Leadership  
Efforts  
Results  
Teamwork  
Enjoy





## Objectives

- Diversification: Innovating and adapting new technologies & methodologies
- Sustainability to be the touchstone of our every activity.
- Be a Master Systems Integrator: Concept to Commissioning
- Leveraging the 'E' in RITES
- Partnerships: Fostering cooperation & collaboration



## Green Statement

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

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

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

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

# Year Round-Up

₹2575 crore

Operating Turnover

₹652 crore

Core EBITDA

₹497 crore

Profit After Tax



● Supply of Cape Gauge DMU to CFM, Mozambique

Supply of **150 main line** passenger coaches and **02** sets of air-conditioned DEMUs comprising **26 coaches** to Sri Lanka

Supply of **3 Cape Gauge** Diesel Electric Locomotives, 24 coaches and 1 DEMU to CFM, Mozambique

Establishment and maintenance of CORS network for **Mumbai Ahmedabad High-Speed Rail** project

Final Alignment Design, including aerial LiDAR survey and other related works for **Delhi-Ahmedabad High-Speed Rail Corridor**

PMC-cum-ETA for **Greenfield Purvanchal Expressway**

PMC for construction of Grade Separators at **NAD Junction** in **Visakhapatnam**



● A locomotive is being exported to Mozambique

₹1070 crore

of Exports, including services

₹17 per share

Dividend for the year

₹4939 crore

Order Book

Feasibility study for new standard gauge Railway line in **Gabon** for the Government of Gabon

Project Management Consultancy for **Banka ropeway** in Bihar

Post construction QA and Safety Audit of **Kundali-Manesar section** of **KMP Expressway**



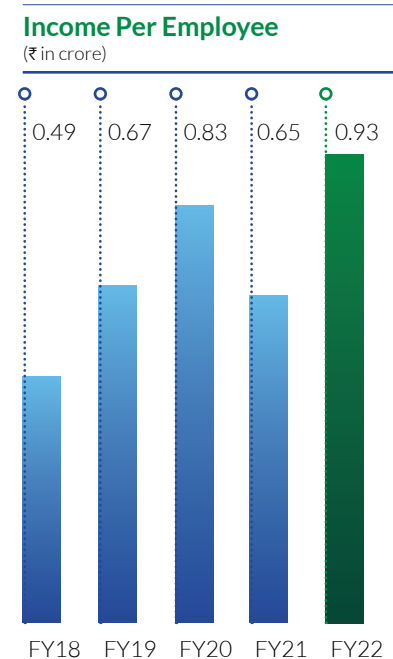
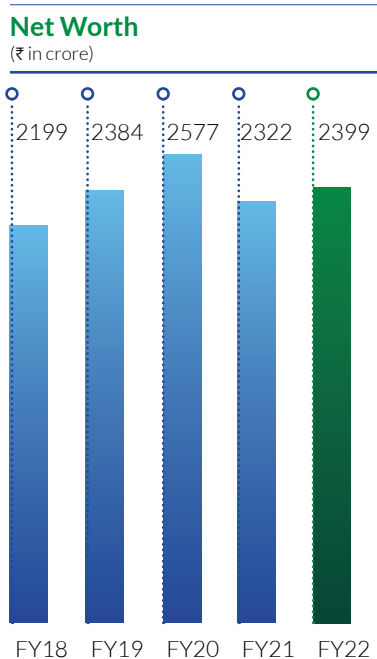
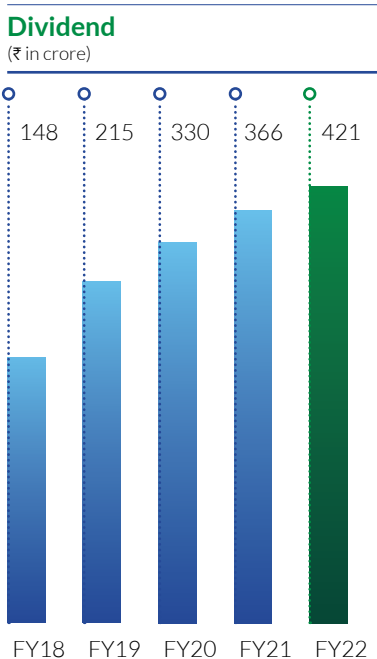
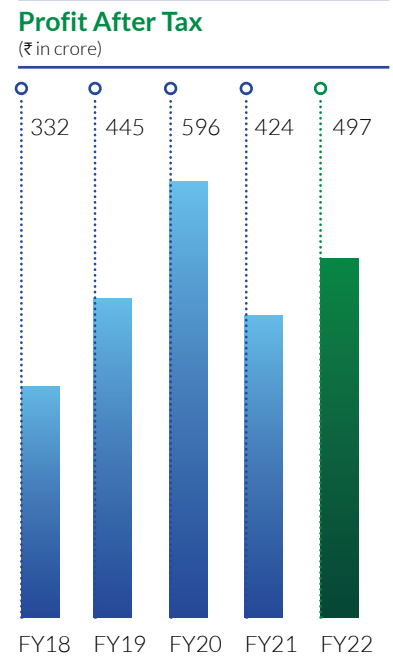
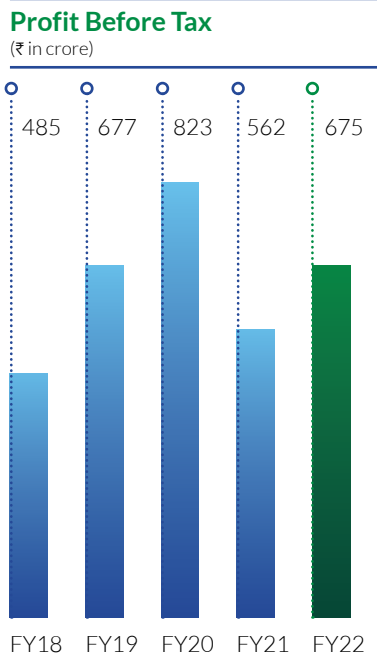
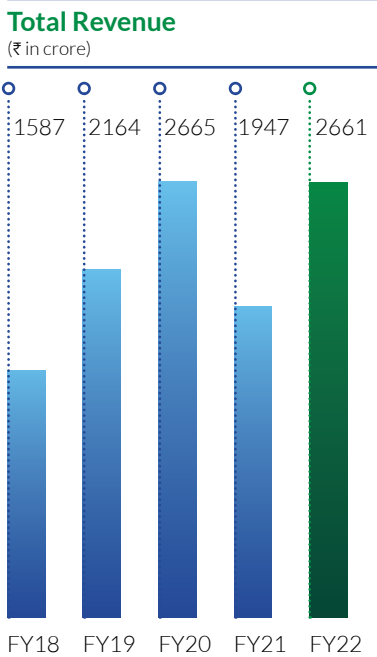
● Project Management Consultancy for Mandar Ropeway in Banka, Bihar



● PMC for construction of Grade Separators at NAD Junction in Visakhapatnam



# Financial Highlights (Standalone)





# Board of Directors



**Mr. Rahul Mithal**  
Chairman and  
Managing Director



**Mr. Rajeev Mehrotra**  
(CMD till June 30,2021)

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

## Whole-time Directors



**Mr. Gopi Sureshkumar Varadarajan**  
Director Projects

In 1984, he obtained a first-class degree in Civil Engineering from REC (now NIT) Trichy. He joined IRCON International Limited as an Assistant Manager in 1985 and got elevated upto General Manager on a fast-track mode serving for 26 years in various capacities for projects in India and abroad. In October,2011 he got selected by EPI as the Executive Director, where he served as the Regional Head for Southern Region including overseas projects for Sri Lanka.



**Mr. Anil Vij**  
Director Technical

He possesses graduate qualification in three disciplines of engineering – Mechanical, Electrical and Electronics & Communications (Gold Medalist). He has also done full time MBA at the Management Development Institute, Gurugram specialising in Operations & Finance. He has done Management/ Leadership training at Railway Staff College, Baroda, ISB and ASCI, Hyderabad. In addition to the above, he had also undergone extensive technical training in modern diesel locomotive technology at General Motors, USA. He has over 37 years of work experience, having joined the Indian Railway Service of Mechanical Engineers (IRSME) as a Group “A” officer in May 1985 after successful completion of the four year integrated training at the Indian Railways Institute of Mechanical and Electrical Engineering (IRIMEE), Jamalpur.



**Mr. Bibhu Prasad Nayak**  
Director Finance

He worked as an Executive Director (Finance) in Bhilai Steel Plant of Steel Authority of India Limited (SAIL) having a turnover of more than ₹16000 Crores. He has a vast experience of over 34 years in SAIL- Bhilai Steel Plant, in the areas of Finance, Technical and Project Management. Under his leadership in Bhilai Steel Plant, modernization & expansion program involving investment of ₹20,000 Crores was executed. As Chairman of PF Trust of Bhilai Steel Plant, he managed a corpus of ₹5000 Crore having annual investment of ₹600 Crore.

During his tenure in RITES Limited, company has successfully completed offer for sale (OFS) of ₹1130 Crore and buy back of ₹257 Crore. Under his leadership, the Company has been awarded for excellence in financial reporting for the financial year 2019-20 and 2020-21 by The Institute of Chartered Accountants of India. Further, Awards have also been received from South Asian Federation of Accountants and from Institute of Cost Accountants of India for excellence in Cost Management. He has also been appointed as a Nominee Director in REMC Limited, a subsidiary of RITES Limited from 01.07.2021.

## Government Nominee Directors



**Mr. Raj Kumar Mangla**  
Govt. Nominee Director

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



**Mr. Sandeep Jain**  
Govt. Nominee Director

He joined Indian Railway Service of Engineers (IRSE) in November, 1993 and held various positions i.e., AEN, DEN, Sr. DEN, Dy. Chief Engineer/Track Supply, Sr. DEN/Coord., Dy. Chief Engineer (Construction), CGM/IRCON. Presently, he is working as Executive Director Planning (Civil & PSU), Railway Board since October, 2021.



**Mr. Vinay Srivastava**  
(Till September 6, 2021)

## Independent Directors



**Dr. Godawari Mishra**  
Independent Director

She is social activist who holds Master degree and PhD in Sociology from Kanpur University. Along with the Doctorate & Masters, she is also having Bachelors degree with specialization in Botany, Zoology and Chemistry from Lucknow University.

She possesses a diverse and wide ranging experience in the areas of teaching, women empowerment and social activities. She has served as an Assistant Teacher in Sumitra Intern College for over 35 years ranging from 1981-2016. She is presently working to improve the lives of women of rural & other backward areas.



**Mr. Laxman Tammanna Tapashi**  
Independent Director

He is a lawyer by profession and is having a vast experience as an Advocate in various area(s) of practice such as Civil/Criminal/Commercial etc. He obtained the degree of LLM from Kuvempu University and LLB from Karnatak University. Apart from his legal qualifications, he has also obtained MA (Economics) from Kuvempu University, and Bachelor of Arts from Karnatak University.

Being a Social Activist, he is working towards upliftment of backward classes. He actively participates in various forums to represent backward class.



**Dr. Dineshananda Goswami**  
Independent Director

Dr. Dineshananda Goswami has been appointed as Independent Director on the Board of RITES Limited since 11<sup>th</sup> November, 2021. He is a social activist who hold M.Com & PhD from Ranchi University. He possesses a diverse and wide ranging experience in the areas of Economics, Commerce, Social Science & Marketing. He served as a lecturer in Tata Steel's College from 1990 to 2004.



**Mr. Likha Togu**  
Independent Director

Mr. Likha Togu has been appointed as Independent Director on the Board of RITES Limited since 21<sup>st</sup> January, 2022. He is a post graduate from Arunachal University. He has vast experience in different fields. He served as President in All Yachuli Student Union (AYSU), Lower Subansiri District (1993-96). He was also appointed as Chairman, Nyishi Multipurpose Co-operative Society Ltd. and served there from 2000 to 2003. Later, he served as Chairman, Likha Pon Foundation (LPF) a non-profit charitable Organisation from 2014 to 2019. He is active in Agriculture / Horticulture, Development of Kiwi, Large Cardamom and Mithun (*Bros frontalis*) rearing. He is an author, lyricist and a singer of tribal folk tales and folklores and an avid Social worker.

He is visionary and an ideologue of Modern technological development including railways and implementation of various hydropower projects in the state of Arunachal Pradesh and advocates for inclusive development of all regions of the Country.

# Key Managerial Personnel



# Decade at a Glance

FINANCIAL PERFORMANCE OF DECADE AT A GLANCE (Standalone)										(₹ in crore)
Particulars	12-13	13-14	14-15	15-16	16-17	17-18	18-19	19-20	20-21	21-22
Total Income (including other income)	1076	1246	1166	1278	1507	1587	2164	2665	1947	2661
Expenditure (including increase / decrease in stock)	731	860	710	762	1019	1102	1487	1842	1385	1987
Operating Margin	245	288	345	331	303	358	519	630	458	589
Depreciation	16	20	26	32	32	30	32	41	45	58
Profit Before Tax	345	386	456	516	488	485	677	823	562	675
Profit After Tax	245	264	306	339	331	332	445	596	424	497
Earning Per Share (EPS)-Basic & Diluted(₹)*	9.80	10.56	12.24	13.56	13.24	13.28	17.79	23.86	17.22	20.69
Dividend	50	53	62	77	146	148	215	330	366	421
General Reserve including Retained Earning	1095	1297	1528	1778	1834	1999	2184	2327	2072	2149
Property, Plant & Equipment and Intangible Assets (Net Balance)	185	209	217	262	261	263	339	389	391	373
Inventories	26	17	7	11	50	9	105	11	286	119
Foreign Exchange Earnings	342	444	189	233	422	308	278	633	172	1039
Share Capital	100	100	100	100	200	200	200	250	240	240
Capital Employed	1195	1397	1628	1878	2035	2199	2384	2577	2322	2399
Government Investment**	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
Net Worth	1195	1397	1628	1878	2035	2199	2384	2577	2322	2399
Profit Before Tax to Capital Employed (in %)	29	28	28	27	24	22	28	32	24	28
Operating Margin to Capital Employed (in %)	20	21	21	18	15	16	22	24	20	25
Profit After Tax to Share Capital (in %)	245	264	306	339	166	166	222	238	176	207
Profit After Tax to Net Worth (in %)	21	19	19	18	16	15	19	23	18	21
Expenditure to Income (in %)	68	69	61	60	68	69	69	69	71	75
Number of Employees***	3247	3226	3227	3153	3200	3267	3233	3199	2976	2856
Income per Employee	0.33	0.39	0.36	0.41	0.47	0.49	0.67	0.83	0.65	0.93
Foreign Exchange Earning per Employee	0.11	0.14	0.06	0.07	0.13	0.09	0.09	0.20	0.06	0.36
Current Ratio	3.60	3.29	4.02	4.60	2.79	2.84	3.73	4.82	2.90	3.85
Investments	318	231	238	274	373	180	180	292	314	229

\*Earning per share has been computed on the basis of post bonus issued during financial year 2012-13, 2016-17 & 2019-20. Consequent to buy back of shares, earning per share for the financial year 2020-21 has been computed on the basis of weighted average number of shares outstanding during financial year 2020-21. Earning per share for the financial year 2021-22 has been computed on the basis of number of shares outstanding.

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

\*\*\* Average Employees during the year.

Figures from FY 2015-16 are as per Ind AS.

1 crore = 10 million

1 US \$ = ₹75.32 (31.03.2022)

# Chairman & Managing Director's Message



We constantly aim to push the boundaries of what is possible with smart and sustainable solutions to enhance connectivity, accessibility, mobility everywhere.



## Dear shareholders,

Let me at the outset say that I take pride and great privilege in being blessed with an opportunity to head this prestigious organisation having an illustrious past, a brand value to bank upon and a strong team that delivers consistent results.

The world has changed and is changing, setting new benchmarks. In the past year, your company has risen to the challenge and **lived up to its commitment of not only reaching the pre-Covid levels but also surpassing these**. International business revenue saw a substantial jump while your company saw momentum across all sectors in the domestic consultancy segment as well.

We achieved a consolidated revenue of **₹2745 crore** against ₹2005 crore in FY 2020-21, up by **36.9%**. The operating revenue, excluding other income, stood at **₹2662 crore** against ₹1905 crore in FY

2020-21. Also, we had a successful year in delivering Profit Before Tax and Profit After Tax of **₹735 crore** as against ₹593 crore in FY 2020-21, up by **24.1%**, and **₹539 crore** as against ₹444 crore in FY 2020-21, up by **21.2%**. As aimed, our performance reached our pre-Covid levels with the operating revenue (standalone) of **₹2575 crore** was the highest-ever achieved, being **7.3%** higher than the pre-Covid levels of FY 2019-20. Encouraged with the performance of the company, your Board of Directors has recommended **₹3.5 per share** as final dividend in addition to the three interim dividends totalling **₹13.5 per share** which have already been paid during the year. The total dividend of **₹408 crore (₹17 per share)** takes the dividend payout (on an accrual basis) of the company to the highest ever and **82.2%** of the profits earned. The employee productivity saw a jump by **43%** at **₹0.93 crore/employee**, even 12% higher than FY 2019-20.

Your company, with its diversified business portfolio, has a healthy order book of **₹4,939 crore** as on March 31, 2022. And with the numerous opportunities provided by the Union Budget 2022-23 with an increased capital outlay for infrastructure projects, it is raring to go and leverage this momentum.

Your company is fully aware of the changing ecosystem wherein competitive bidding is becoming more and more prevalent across sectors and clients and has a concrete action plan in place to ensure tighter controls on expenses, to become more cost effective and continue to bag orders through competitive bidding. While the margins have been appreciable and the Core EBIDTA (standalone) margins rebounding to the pre-Covid levels, your company continues to focus on disciplined execution of turnkey projects as well as taking on more and more consultancy works in niche areas. The thrust is on consolidating international business revenue, both in exports of rolling stock and consultancy across sectors. With the world economy opening up, aggressive marketing efforts are being undertaken across continents to secure export of rolling stock orders both on the line of credit (LoC) and non-LoC modes of funding.

Going forward, your company has laid out a vision document for 'Transforming to GREEN' and has **chalked out a roadmap to enable sustainable solutions and accelerate green growth**. Also, your company is uniquely placed to leverage its expertise and 48-year experience to offer smart solutions that can shape "Tomorrow's Mobility".

Your company has made being 'Future Ready' its core mission. The use of IT, digitisation, and adoption of cutting-edge technology form the bedrock of all our initiatives moving forward. With our ear to the ground, we will be keep evolving and changing our business mix in sync with the ever-changing environment. In this endeavour, we will continue to forge partnerships to complement our strengths to take on the best in class.

Your company's Subsidiaries and Joint Ventures - REMC Ltd., SRBWIPL, and RAPL, have contributed ably to the overall performance. REMC Ltd. has shown 37% growth in operating revenue and 88% jump in profit and will play an important role in Indian Railways' Mission of Net Zero Carbon Emissions. SRBWIPL is aiming at stepping up production in the coming years. RAPL has recommenced its business operations and is pitching to secure orders across sectors.

We believe that our uniqueness and strength is our Human Resource Capital with extensive experience across sectors, which, in many ways, is incomparable. Employee-centric initiatives are continuously taken to preserve and leverage this strength.

'Changing Lives', our CSR interventions, continues to be a core tenet of your company delivering its commitment to bring about a lasting and holistic impact for enhancing social value with a contribution of **₹13.90 crore** towards CSR activities during the FY 2021-22. These encapsulate a large gamut including health, women empowerment and skill development with emphasis on aspirational districts across the country.

All the above would not have been possible without the continuous support and guidance of our parent Ministry and our stakeholders for which we are thankful. We assure them of giving our best and that we will continue to channelise our energies on leveraging our distinct brand identity, our endeavour always being to follow the mantra: **'Not just more of the same, but much more of the New'**.

**Rahul Mithal**

Chairman & Managing Director

# Directors' Report



● Hon'ble Prime Minister Mr. Narendra Modi at the inauguration of Purvanchal Expressway, for which RITES was construction supervisor-cum-ETA

**To,**  
**The Members,**  
 Directors of your Company are pleased to present the 48<sup>th</sup> Annual Report of the company together with the Audited Standalone and Consolidated Financial Statements for the financial year ended 31<sup>st</sup> March, 2022 and Auditors' Report thereon on behalf on Board of Directors.

## FINANCIAL HIGHLIGHTS

The financial summary of the Company for the year 2021-22 is given below:

(₹ in crore)

Particulars	Standalone		Consolidated	
	2021-22	2020-21	2021-22	2020-21
Revenue from Operations	2575	1843	2662	1905
Other Income	86	104	83	100
Profit/loss before Depreciation, Finance Costs, Exceptional items and Tax Expense	738	610	808	650
Less: Depreciation/Amortisation/Impairment	58	45	66	52
Profit/loss before Finance Costs, Exceptional items and Tax Expense	680	565	742	598
Less: Finance Cost	5	3	7	6
Profit/loss before Exceptional items and Tax Expense	675	562	735	592
Less: Tax Expense (Current & Deferred)	178	138	197	148
Profit/Loss for the Year (1)	497	424	538	444
Total Comprehensive Income/Loss (2)	1	5	1	5
Total (1+2)	498	429	539	449
Less: share of non-controlling interest	-	-	22	12
Total comprehensive income of the company	498	429	517	437
Balance of Retained earnings for earlier years	488	425	528	457
Less: Transfer to Debenture Redemption Reserve	-	-	-	-
Less: Transfer to Reserve	-	-	-	-
Less: Dividend Paid to Equity Shares	421	366	421	366
Less: Buy Back of Equity Shares including taxes and expenses thereon	-	-	-	-
Less: Dividend paid on Preference Shares	-	-	-	-
Balance carried Forward Retained Earnings	565	488	624	528

With a well-diversified and resilient business model, RITES has continued to play a catalytic role in driving growth and nation-building. Grown from strength to strength, RITES has become a multidisciplinary consultancy organization providing smart and sustainable business solutions to its clients in India and abroad in various sectors such as Railways, Highways, Urban Engineering

(Metros) & Sustainability, Bridges & Tunnels, Ports & Water Resources etc.

During the financial year 2021-22, the company's performance reached the pre-covid levels. It recorded consolidated revenue of ₹ 2745 crore and achieved highest-ever export revenue, including services. Profit after tax for the year stood at ₹ 538 crore.

Spreading its wings and opening up new vistas for opportunities, RITES has entered into the cape gauge market by supplying customized and cape gauge locomotives, DEMU trainsets and coaches to CFM, Mozambique.

The post-pandemic recovery of our economy is reflective of our country's strong resilience and policy making. The government's expenditure policy for 2021-22 had a strong emphasis on capital expenditure directed towards infrastructure-intensive sectors having a multiplier effect of employment generation and spurring growth.

In line with the government's thrust on infrastructure development and initiatives such as National Rail Plan, National Monetization Plan (NMP), PM Gati Shakti, National Ropeways Development Programme (Parvatmala), Make in India, Atamirbhar Bharat, etc. RITES, with wide consultancy expertise and a multi-pronged approach, finds itself fully aligned to tap opportunities in high-speed rail, multi-modal transport hubs, urban transport (metros) and export & leasing of rolling stock and other new-age areas of growth etc.

With global repute and sustained growth, RITES sets sights on executing projects that help 'Shaping Tomorrow's Mobility' and commits itself to building India@100 with sustainability as a guiding principle.

## STATE OF COMPANY'S AFFAIRS AND OUTLOOK

As a leading transport consultancy and engineering entity in India and abroad, the company continues to follow a path of systematic and professional operations, offering specialized and integrated solutions to its clients. Maintaining sustainable approach towards operational excellence, it continues to turn in impressive numbers in terms of revenue, profit and business growth. As a result of better utilization of resources, expansion of international consultancy business, improved efficiency from subsidiary and economies of scale in turnkey business, the company has sustained a strong financial base.

In the current financial year as the economy opened up world over, the Company excelled in its business operations and achieved

highest-ever revenue in exports and foreign consultancy and surpassed the pre-covid level operating revenues. Company also achieved higher overall profits due to focus on execution and better resource management.

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

As economies transit from fossil fuel-based energy to renewable energy sources, green infrastructure emerges as an important instrument for the overarching goal of the transport framework. Considering this, the Company has adopted 'Transforming to GREEN' as a branding concept and is pitching for promoting mobility solutions that emphasize sustainable performance, decarbonization, and digitally enabled efficiency. More so, the company is evolving to reflect its ambition of 'Shaping Tomorrow's Mobility'.

RITES' subsidiary REMC Limited is involved in power management and generation and has a mandate to handle the entire power procurement under open access for Indian Railways, besides handling renewable energy and energy-efficiency projects.

The company also undertakes wagon manufacturing and rehabilitation works through its joint venture, SAIL-RITES Bengal Wagon Industry Private Limited (SRBWIPL), which has manufactured 284 BCNAHSM1 wagons and rehabilitated 166 BOXNR wagons during FY 2021-22.

RITES' subsidiary RITES (Afrika) (Proprietary) Limited, Botswana, has achieved the turnover of BWP 3.84 million (₹ 2.51 crore) and earned a net profit after tax of BWP 0.10 million (₹ 0.066 crore) during FY 2021-22.



● Hon'ble Presidents of Mozambique and Zimbabwe at the launch of RITES-exported cape gauge locomotives at Beira.



## CHANGE IN THE NATURE OF BUSINESS

There was no material change in the nature of business of the Company during the FY 2021-22.

## RESERVES

The Company has not transferred any amount to the reserves during FY 2021-22.

## DIVIDEND

Your Company has a consistent track record of dividend payment. For FY 2021-22, based on Company's performance, the Directors have declared three interim dividends aggregating to ₹13.5 per equity share. The Directors have also recommended a final dividend of ₹3.50 per equity share. The total dividend for FY 2021-22 is ₹408.51 crore (i.e. ₹17.00 per share), which is 170% of paid-up share capital of the company, subject to shareholders approval of final dividend in the AGM.

The total dividend payout during the year works out to be ₹420.53 crore which includes ₹96.12 crore final dividend for FY 2020-21 and ₹324.41 crore interim dividend for the FY 2021-22.

## DIVIDEND DISTRIBUTION POLICY

The Dividend Distribution Policy, in terms of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") is annexed to this report as **Annexure -D** and is also available on the Company's website i.e., [www.rites.com](http://www.rites.com).

## PRESIDENTIAL DIRECTIVE

No Presidential Directive was received during the year.

## DEPOSITS

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

## MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION

No material changes or commitments are affecting the financial position of the Company during the financial year and changes after the close of the financial year up to the date of the report.

## CAPITAL STRUCTURE

During the FY 2021-22, the paid-up share capital of the company was ₹ 240.30 crore as against the Authorized Share Capital of ₹ 300 crore. There was no change in paid up and authorized capital of the company during the year.

## CREDIT RATING OF SECURITIES

During the FY 2021-22, the company has received a credit rating of IVRA1+/(IVRA One Plus) for short term Bank based facilities upto an amount of ₹ 1015 crore from Infomerics Valuation and Ratings Private Limited.

## INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

The Company has complied with the provisions relating to the Investor Education and Protection Fund (IEPF) under the Companies Act, 2013 and the rules made thereunder. Company Secretary is the nodal officer to deal with the IEPF Authorities and compliances related thereto. No amount is due for transfer to IEPF and details of unclaimed dividend as on March 31, 2022 are available on the website of the Company, and this is also disclosed in the Corporate Governance report. Further, the Company does not have shares in Demat Suspense Account/ Unclaimed Suspense Account/ Unclaimed dividend and has been disclosed in the Corporate Governance report.

## MEMORANDUM OF UNDERSTANDING

Evaluation of MoU performance for the Year 2021-22 as per DPE parameters is under process. Finalization of Memorandum of Understanding with Ministry of Railways for the Year 2022-23 is under process.

## 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 statements (Please refer to Note 7.1, 8, 16, 17 & 43 (d) of the standalone financial statements).

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

As on 31<sup>st</sup> March, 2022, the Company had 10 Directors comprising four Functional Directors, two Government Nominee Directors and four Independent Directors. During the year, 8 meetings of Board of Directors were held as mentioned below:

Board Meeting No.	Board Meeting Dates
268	16.06.2021
269	20.07.2021
270	12.08.2021
271	06.10.2021
272	11.11.2021
273	28.12.2021
274	08.02.2022
275	14.03.2022

The following Directors held office during the year:

#### Whole-time Directors:

Mr. Rahul Mithal (DIN: 07610499)	Chairman and Managing Director (w.e.f. 07.10.2021)
Mr. Gopi Sureshkumar Varadarajan (DIN: 08241385)	Chairman and Managing Director as additional charge (From 01.07.2021 upto 06.10.2021)
Mr. Rajeev Mehrotra (DIN: 01583143)	Chairman and Managing Director (upto 30.06.2021)
Mr. Gopi Sureshkumar Varadarajan (DIN: 08241385)	Director Projects
Mr. Anil Vij (DIN: 07145875)	Director Technical
Mr. Bibhu Prasad Nayak (DIN: 08197975)	Director Finance

#### Government Nominee Directors:

Mr. Sandeep Jain (DIN: 09435375)	Director (w.e.f. 17.12.2021)
Mr. Raj Kumar Mangla (DIN: 09533985)	Director (w.e.f. 14.03.2022)
Mr. Vinay Srivastava (DIN: 08638850)	Director (upto 06.09.2021)

#### Independent Directors:

Mr. Laxman Tammanna Tapashi (DIN: 01838521)	Director (w.e.f. 10.11.2021)
Smt. Godawari Mishra (DIN: 09394545)	Director (w.e.f. 10.11.2021)
Dr. Dineshananda Goswami (DIN: 09394294)	Director (w.e.f. 11.11.2021)
Mr. Likha Togu (DIN: 09470640)	Director (w.e.f. 21.01.2022)

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

Mr. Rahul Mithal (DIN: 07610499)	Chairman & Managing Director and Chief Executive Officer (w.e.f. 07.10.2021)
Mr. Gopi Sureshkumar Varadarajan (DIN: 08241385)	Chairman & Managing Director and Chief Executive Officer (From 01.07.2021 up to 06.10.2021)
Mr. Rajeev Mehrotra (DIN: 01583143)	Chairman & Managing Director and Chief Executive Officer (up to 30.06.2021)
Mr. Gopi Sureshkumar Varadarajan (DIN: 08241385)	Director Projects
Mr. Anil Vij (DIN: 07145875)	Director Technical

Mr. Bibhu Prasad Nayak (DIN: 08197975)	Director Finance Chief Financial Officer (w.e.f. 01.07.2021)
Mr. Parmod Kumar Narang	Chief Financial Officer (upto 30.06.2021)
Mr. Joshit Ranjan Sikidar	Company Secretary (w.e.f. 01.04.2021)

#### DIRECTORS AND KEY MANAGERIAL PERSONNEL

##### Inductions, Retirements and Resignations

The Company has inducted seven Directors and one key managerial person during the FY 2021-22. Appointment of Directors is done by the Government of India from a pool of professionals in varied fields, with due verification of expertise, integrity and experience.

During the FY 2021-22, Mr. Rahul Mithal took over the charge of the post of Chairman & Managing Director and Chief Executive Officer (CEO) of the Company. Mr. Bibhu Prasad Nayak, Director Finance took over the charge of Chief Financial Officer (CFO) and Mr. Joshit Ranjan Sikidar, took over the charge of the post of Company Secretary & Compliance Officer.

Mr. Rajeev Mehrotra superannuated from the post of Chairman & Managing Director of the Company, Mr. Parmod Kumar Narang retired as the Chief Financial Officer and the tenure of Government Nominee Director, Mr. Vinay Srivastava has ended.

Mr. Laxman Tammanna Tapashi, Dr. Godawari Mishra, Dr. Dineshananda Goswami and Mr. Likha Togu, joined the company's Board of Directors as Independent Directors.

##### DECLARATION BY INDEPENDENT DIRECTORS

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

##### COMMITTEES OF THE BOARD

The Company has Audit Committee, Nomination and Remuneration Committee, Risk Management Committee, Project Investment Committee, CSR Committee and Stakeholders' Relationship Committee of the Board in place. The separate meeting of independent directors was held on February 8, 2022 as per the provisions specified in regulation 25 of SEBI (Listing Obligations and Disclosure Requirements), 2015.

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

##### COMPANY'S POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION

As per the provisions of section 197(12) of the Companies Act, 2013 read with rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, every listed company is required to disclose the ratio of the remuneration of each Director to the median employee's remuneration and details of employees

receiving remuneration exceeding limit as prescribed from time to time in the Directors' Report.

However, as per notification dated June 5<sup>th</sup>, 2015 issued by MCA, Government Companies are exempted from complying with the provisions of Section 197 of Companies Act, 2013. Therefore, such particulars have not been included as a part of Directors' Report.

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

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

### RETIREMENT OF DIRECTORS BY ROTATION

As per the Companies Act, 2013 the provisions in respect of retirement of Directors by rotation is applicable. In view of this, all the directors, except Independent Directors and Chairman & Managing Director {As per Article 56(h) of the Articles of Association, CMD is a non-retiring Director} will be liable to retire by rotation. Accordingly, one third among all other directors will retire by rotation. Accordingly, Mr. Bhibhu Prasad Nayak (DIN:08197975) and Mr. Anil Vij (DIN:07145875) will retire by rotation and being eligible, offer themselves for reappointment.

### DIRECTORS' RESPONSIBILITY STATEMENT UNDER THE COMPANIES ACT, 2013

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

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

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

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

Your Directors draw attention of the members to Note No.43 to the financial statement which sets out related party disclosures. (The details of contracts entered into with related parties in prescribed format AOC-2 is placed at **Annexure -I**).

### SUBSIDIARIES AND JVs

#### SUBSIDIARIES

REMC Limited incorporated on 16<sup>th</sup> August, 2013 in Joint Venture with Ministry of Railways for taking up various assignments/tasks to develop potential business avenues in the field of power sector, including Green Energy, power trading etc.

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

#### JOINT VENTURES

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

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

### AUDITORS

The Comptroller & Auditor General of India appointed the following as Statutory and Branch Auditors for the year 2021-22.

M/s J.C. Bhalla & Co., Chartered Accountants	Statutory Auditors
M/s DMKH & Co., Chartered Accountants, Mumbai	Branch Auditors for Western Region
M/s S.N. Guha & Co., Chartered Accountants, Kolkata	Branch Auditors for Eastern Region
M/s Nisar & Kumar, Chartered Accountants, Chennai	Branch Auditors for Southern Region

The Auditors' Report for the FY 2021-22 does not contain any qualification, reservation or adverse remark. The Report is enclosed with the financial statements in this Annual Report.

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

## SECRETARIAL AUDIT REPORT

The Board has appointed M/s Akhil Rohatgi & Co., Practicing Company Secretary, to conduct Secretarial Audit for the FY 2021 -22. The Secretarial Audit Report for the financial year ended March 31, 2022 has been placed as **Annexure – III**.

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

Secretarial Auditor has also commented on the presence of woman director during the year 2021-22, however the woman director was appointed by the President of India from 10.11.2021

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

## COST RECORDS AND COST AUDIT

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

## FRAUDS REPORTED BY THE AUDITOR

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

## INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

RITES has adequate internal control and audit systems for enhancement of efficiency in operations and to ensure compliance with applicable laws, rules and regulations. Company has structured policies and guidelines for optimal delegation of authority for facilitation of business. RITES' internal audit is conducted by experienced professionals and external audit firms. The internal control and audit systems are also reviewed periodically. Corrective and preventive measures, whenever necessary, are taken up from time to time for continuous improvement.

**Internal Financial Controls:** The Internal Financial Control of the company is analyzed and audited for the compliances and accordingly the report under clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 is prepared and annexed to the Independent Auditor's Report. As per the report, the Company has, in all material respects, an adequate internal financial control with reference to the Standalone Financial Statements and such internal financial controls were operating effectively as on March 31, 2022, based on the internal control 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.

## CORPORATE SOCIAL RESPONSIBILITY & SUSTAINABILITY:

India is the first country in the world to make Corporate Social Responsibility (CSR) mandatory, following an amendment to the Companies Act, 2013 in April 2014. It is a continuing commitment by businesses to integrate social and environmental concerns in their business operations and through its disclose-or-explain mandate, is promoting greater transparency and disclosure.

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

At RITES, social responsibility and sustainable development are integrated throughout the organisation. RITES recognizes its responsibility toward society and strives to work consistently for its betterment by taking actions to address societal challenges. RITES not only delivers one of the best technological support in the field of transport & transport infrastructure, but it does it in a transparent, sustainable & ethical manner to create a meaningful impact on the beneficiaries.

In line with these principles, a total of ₹ 13.90 crore was spent during FY 2021- 22 on various CSR initiatives.

Further, the pandemic has engulfed the world and has posed serious challenges to the health and economic security of millions of people. In India too, the spread of the coronavirus has been alarming and has posed severe health and economic ramifications. Keeping in mind the need for dealing with this kind of emergency and to provide relief to the affected, the Company, as a part of its social responsibility, has taken wide ranging measures to strengthen the infrastructure in the health sector and support those impacted under these unprecedented times. RITES has contributed ₹1 crore out of the CSR Budget to the PM CARES Fund set up by the Government of India.

RITES has a strong corporate governance process in place to address new industry standards and regulations as they emerge. In line with the Guidelines on CSR issued by DPE and provisions of Section 135 of the Companies Act, 2013, a Board-level committee has been constituted to oversee the implementation of CSR & Sustainability policy and to assist the Board of Directors to formulate suitable policies & strategies in this regard. Currently, the CSR Committee is headed by Mr. Bibhu Prasad Nayak Chairperson / Director (Finance) and comprises Mr. Laxman T. Tapashi, Independent Director, and Mr. Anil Vij Director Technical as Members of this Committee.

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



## Healthcare

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



**IRITES**  
...Changing Lives  
**RITES LIMITED**  
(A GOVT. OF INDIA ENTERPRISE)  
GURGAON HARYANA  
2021-22



## Education

Supporting various interventions (from primary education to digital learning), ensuring equitable access to education, and learning at the bottom of the pyramid



**CSR Initiatives**



## Environment & Sustainability

Encouraging concrete action for the preservation of the environment and building a responsible future



### CERTIFICATE OF APPRECIATION

This Certificate is Awarded to  
**RITES LIMITED**  
for support to District Administration Gurugram  
under CSR during COVID-19

Presented by  
**Sh. Mool Chand Sharma**  
Hon'ble Transport Minister, Govt. of Haryana  
on the Republic Day, 2022 at Tsa Devi Lal Stadium, Gurugram

Dr. Yash Garg, IAS  
Deputy Commissioner, Gurugram



## Women Empowerment

Empowering women with new skillsets and opportunities to enhance their employability and address unequal treatment

...Changing Lives

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

### CONSERVATION OF ENERGY

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

#### I. Steps taken or impact on conservation of energy:

RITES has undertaken a few initiatives like setting-up of Solar Power Plants, Wind Power Plants and implementation of energy-efficiency measures besides suggesting/undertaking various energy conservation measures through energy efficiency studies and their implementation for various Clients, RITES Offices & various Zonal Railways in the country.

All these steps have resulted into the conservation of energy to RITES as well as its clients through savings in their electricity bills (due to reduced electricity consumption), besides reduction in their carbon emissions.

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

RITES has taken various steps for harnessing green energy through the use of renewable energy sources and to list a few are: 1) Installed Roof-top Solar Power Plants at i) its office buildings (Shikhar & Srijan) in Gurugram ii) One of the platforms in Gurugram Railway Station & iii) One of the platforms in Sahibabad Railway Station 2) Installed Wind Power Plants (through its subsidiary company- REMC Ltd) in Rajasthan, Tamil Nadu & Maharashtra for the Railways.

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

#### III. The Capital investment on energy conservation equipment:

During the year, Capital investment on energy conservation equipment is ₹ 24.69 Lakh.

- i. Repair and integration of installed 25 kWp Solar Photovoltaic Power Plant with grid and net metering for total cost of ₹ 3.87 Lakh.
- ii. Installation and commissioning of water softening plant at Shikhar at the cost of ₹ 7.89 lakh.
- iii. Installation and Commissioning of Variable Frequency Drives in Chiller Plants at the cost of ₹ 5.10 lakh.

- iv. Installation of LED Luminaries at Shikhar for at the cost of ₹ 7.83 lakh.

Due to adopting energy-efficient practices in operation and maintenance at Shikhar, approx 4 Lakhs units of electricity bill were saved in the last financial year worth approx ₹ 30 Lakh.

### TECHNOLOGY ABSORPTION

1. RITES for the first time proposed the micro-synthetic polyfibers in the permanent tunnel linings in the ShinkunLa tunnel project. Polyfibers have enhanced the fire resistance capabilities of the RCC/PCC permanent linings. Since, it's a road tunnel and the design requirement for fire loads for the tunnels is very high, this solution was introduced to add fire resilient properties to the lining. Synthetic polyfibers melt down under high temperatures and create voids inside concrete which act as buffer zones to release the high pressure created because of expansion of gases. This results in reduced spalling and increased durability of the lining. Additional advantage of using synthetic polyfibers is to reduce/ prevent cracking, increasing durability of concrete, reduced risk of corrosion, prevention of thermal contraction and expansion cracks.
2. Utilisation of state-of-art geophysical equipment, technology and software to fill the gap of sub-soil stratification in between two bore holes for the projects located at high altitudes i.e. Leh and Ladakh. This technology is useful where in acquisition of primary data with help of drilling of bore holes is not possible due to tough terrain and adverse climate conditions. With help of these data, the geological sections of the proposed tunnel structures have been designed more accurately and economically.
3. RITES, while working on doubling of Koraput- Rayagada an Kothavalasa-Kirandul lines of East Coast Railway, has integrated various software and field data to optimize the railway alignment for reduction in project cost and time. Both the projects were delayed due to alignment and land requirement issues. RITES team used advanced topographic technologies such as drone and LiDar to acquire high quality data from the site. Later, the data was processed in an integrated manner in software such as Bentley Power Rail Track, Global Mapper, Civil 3D and RocScience to find the best suitable solutions for the doubling alignment. Further, the proposal submitted by RITES reduced the impact on ecology and environment, this being a densely forested region. The proposal was put forward in such a way that the requirement for land was minimized and construction site was available to the railways for immediate construction. The projects, which were on hold for about 5 years, are now in construction tender phase and RITES worked hard to make it possible in a time span of 9 months.

### FOREIGN EXCHANGE EARNING & OUTGO

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

Total foreign exchange earnings during the year under review was ₹ 1039.17 crore (previous year ₹ 172.08 crore) and foreign exchange

outgo was ₹ 61.52 crore (previous year ₹ 33.78 crore). This resulted in net foreign exchange earnings of ₹ 977.65 crore (previous year ₹ 138.30 crore).

## ENVIRONMENT PROTECTION

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

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

Some of the initiatives and activities highlighting RITES' focus on minimizing Environment impact and promoting sustainable development include:

### • AT RITES OFFICE

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

### • AS A CONSULTING ORGANIZATION

- As a consulting organization, we take pride in facilitating and promoting non-polluting mode of transports such as metros and ropeways.
- We promote energy efficient and smart fittings, treatment/reuse of waste water, harnessing solar power,

using fly ash, using local construction material, soil conservation and enhancement of green cover etc.

- Installation of solar power plants at Jodhpur Railway Stations under RITES CSR scheme, solar lighting system in villages of UP to curb the dependence on shrinking non-renewable resources, in turn, reducing carbon emissions.
- RITES explores the project alternatives to reduce the environment and social impact.
- While consulting on infrastructure projects, RITES focus is on having environment-friendly sound engineering practices with minimal ecological disturbance for wildlife sanctuaries, water bodies and protected/reserve forests.
- The affected residential and/or commercial structure in the infrastructure projects, census and socio-economic survey are conducted and the Land Plan Schedule, along with R&R plans, is prepared. Public consultations are carried out and plans for suitable compensation are prepared to minimize the negative impact of the development projects.
- REMC Ltd., a subsidiary company of RITES, has 26MW windmill in Jaisalmer and has implemented many power procurement agreements under 'open access' policy of the Electricity Act, 2003 resulting in substantial energy savings to Indian Railways. REMC Ltd. also assisting Indian Railways in achieving Net Zero carbon emission.

## RISK MANAGEMENT

The Company's Risk Management Committee as on 31<sup>st</sup> March 2022 comprises Mr. Gopi Sureshkumar Varadarajan (Director Projects) as Chairman, Mr. Bibhu Prasad Nayak (Director Finance), Dr. Dineshananda Goswami (Independent Director) and Mr. Likha Togu (Independent Director) as members. Mr. Pawan Chaudhary, ED (B&A) was designated as the Chief Risk Officer.

The Company follows a consistent and comprehensive risk management strategy at all levels. Each SBU has a risk working committee to assess and mitigate risks at the operational level. The risk reported and mitigation plans across whole organization are reviewed by Enterprise Risk Management Committee consisting of senior executives of the Company, which, in turn, presents a consolidated report of companywide risks assessed and suggestions for risk mitigation to Risk Management Committee of Board for review and approval. During the year, two meetings of the Risk Management Committee were held.

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

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





● As part of Vigilance Week celebrations, RITES management, including CVO, launches RITES Vigilance Bulletin 2021

## VIGILANCE

Vigilance Cell works with objective to promote probity and integrity in governance. One of the primary objectives of Vigilance Cell is to create awareness among the employees of organization against corruption. The Cell works to improve systems and procedures in a way to reduce scope of discretion and eliminate corruption. Vigilance is a tool of management for good governance. For good governance in the organization, Vigilance Cell carries out Preventive Checks, Intensive Examination of Works/Procurements, Surprise Inspections etc.

Major activities carried out by the Vigilance Cell during the FY 2021-22 are:

- Surprise and Periodic inspections, and CTE-Type Intensive Examination of Major Works/Procurements.
- Systemic Improvements suggested by Vigilance Cell and implemented by the company.
- Scrutiny of Annual Property Returns of employees and Audit Reports.
- Training programs for creating awareness among the employees of organization.
- Preventive vigilance Measures by Management, employees working on sensitive posts were rotated/transferred. Review of services was undertaken in consideration of FR 56J rules and action taken accordingly.
- As per directives of CVC, Vigilance Awareness Week-2021 was observed from 26.10.2021 to 02.11.2021. Integrity pledge was taken by employees of the organization.
- Quarterly structured meeting of CVO with Management for review of vigilance work or matters by Directors.
- Periodic meetings and Co-ordination with Central Vigilance Commission and Vigilance/Railway Board.

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

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

## ANNUAL RETURN

Annual Return as per Section 92 (3) of the Companies Act, 2013 will be available on the website of the Company i.e. [https://www.rites.com/Upload/MediaGallery/PDF/3/Annual\\_Return\\_2021-22\\_pdf-2022-Aug-05-17-26-12.pdf](https://www.rites.com/Upload/MediaGallery/PDF/3/Annual_Return_2021-22_pdf-2022-Aug-05-17-26-12.pdf)

## MANAGEMENT DISCUSSION AND ANALYSIS

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

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

Your Company is committed to provide safe and secure work environment to its employees which is free from any kind of fear, intimidation, exploitation or harassment. We have adopted robust frameworks to counter any potential harassment or discrimination against women with policies that cover every aspect of employment. To empower women and protect them against sexual harassment, Committee for Prevention of Sexual Harassment of Women at Workplace as per the Government guidelines exists in all major locations of the Company. The Company has a dedicated helpline number and e-mail id on which employees can register their complaints for speedy action. POSH Committee is committed to

free & fair enquiry as per the laid down procedure. The summary of complaints received during the year:

No. of complaints pending at beginning of the year – 1

No. of complaints received during the year – 0

No. of complaints finalised during the year – 0

No. of complaints pending at the end of the year – 1

## WOMEN EMPOWERMENT

During the year, several programmes were organized on gender diversity, prevention of sexual harassment at workplace, women empowerment etc. International Women's Day was celebrated in the organization in recognition to the contributions made by women across the globe. RITES is an Equal Opportunity Employer (EOE) and has adopted a gender neutral approach in all its recruitment drives and assigning jobs /assignments in the organization in the existing roles. The women employees represent a significant number in the organization and many of them currently entrusted with critical responsibilities and important assignments.



● The Parliamentary Rajbhasha Committee at the inspection meeting of RITES registered office

## PROPAGATION OF HINDI (RAJBHASHA)

In pursuance of annual programme issued by the Department of Official Language, Ministry of Home Affairs and directions issued by Railway Board, Ministry of Railways, from time to time, all necessary steps were taken to ensure the progressive use of Hindi in official work. Some of the important activities are detailed below:

During the year, The Second Sub-Committee of The Committee of Parliament on Official Language inspected Regional Project Office, Secunderabad & Kolkata and Northern Region Inspection Office, Delhi. Rajbhasha inspection of Corporate Office was conducted by the Executive Director, Establishment (R)/Railway Board and team. During these inspections, the honourable members of the Committee and the Officers of Railway Board appreciated the steps taken by the company to promote the use of Hindi. During the inspections of the CPOL, assurances were given by the Head of Office of RITES Inspection and Project Offices. Compliance reports were sent to the Railway Board after taking necessary action on these assurances.

The company participated in the meetings of Railway Hindi Salahkar Committee held under the chairmanship of Hon'ble Minister of Railway, meetings of Railway Board Official Language Implementation Committee under the chairmanship of Chairman and Chief Executive Officer, Railway Board and Town Official Language Implementation Committee, Gurugram. CMD chaired

the RITES Official Language Implementation Committee meetings. In these meetings various items of the annual programme of the Department of Official Language, Ministry of Home Affairs were discussed and reviewed. Necessary actions were taken on the decisions taken in these meetings, as a result of that there is a gradual increase in Hindi correspondence and noting in the office.

Inspection of 4 departments of Corporate office, Project Office Secunderabad & Kolkata and Inspection Office, Delhi were conducted and 64 officers and employees were given training in Hindi typing. Apart from this, in view of the increasing use of e-office, a workshop was organized to train officers and staff to do their work in Hindi in E-office. Also, online meeting cum Hindi workshops was organized for Project and Inspection Offices.

The company is a member of Town Official Language Implementation Committee (TOLIC), Gurugram. We conducted translation and essay competition under the aegis of TOLIC, Gurugram. A total of 27 employees from the member offices participated in these competitions. In addition, the employees of our office participated in competitions organized by other member offices of TOLIC, Gurugram. Our staff excelled in these competitions, and they received cash prizes and certificates for their performance. In the past, we have also received Rajbhasha Gaurav Puraskar from Town Official Language Implementation Committee, Gurugram for successful implementation of Official Language Policy.

Hindi Pakwada was celebrated from 14<sup>th</sup> September to 28<sup>th</sup> September, 2021 at various offices of RITES. On this occasion, the 'Hindi Divas' message of the Chairman and Managing Director was also released. Essay, noting and drafting, poetry recitation, Hindi typing and elocution competitions were held and Hindi workshop was also organized. 65 officers and employees participated in various competitions and workshops organized. Apart from this, Mr. Sanjay Kumar Gupta, CITO, RITES has been awarded the Rail Mantri Rajbhasha Rajat Padak for the year 2020-21 by the Railway Board, Ministry of Railways. Cash prizes were given to 43 officers/employees under various award schemes related to the use of Hindi in the office.

In compliance with Rule 8(4) of the Official Language Rules, 1976, individual orders were issued on to all the officers and employees of the office to do their work in Hindi.

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

### SCHEDULED CASTE, SCHEDULED TRIBES AND OTHER BACKWARD CLASSES

The Company has adopted the best practices for providing equal opportunities and harmonious environment for advancement of SC, ST, OBC, Minorities and women employees. It has provided reservation in recruitment and promotions to SC/ST communities and in recruitment to OBC/EWS/Divyang candidates. Members of these communities are provided due relaxation in eligibility conditions and application fee while applying for recruitment and qualifying standards in recruitment and promotion as per the Govt of India guidelines. In selection committees for recruitment, due representation is given to SC, ST, OBC, minorities and women members. During the year, 46 employees belonging to EWS/SC/ST/OBC/Divyang categories (regular and contract inclusive) were inducted. The employees belonging to these communities are given due representation in the elected body of employees (CONCERT).

### SYSTEM ISO 9001-2015 CERTIFICATION

RITES Limited has been certified to Quality Management System (QMS) as per ISO 9000 series of standards since 2002. The certification has subsequently been upgraded to the revised versions of ISO 9001 as per ISO 9001:2008 and ISO 9001:2015. The ISO defines the requirements of internal controls through manuals and procedures which are to be formed both at the corporate level and at the Strategic Business Unit (SBU) level. The ISO based QMS involves regular internal audits so as to ensure the compliance with stipulated rules / regulations on a regular basis and therefore, forms a part of the internal control systems. QMS ensures quality output, quality in its operations, continual improvement and risk management practices in line & comparable to international norms. ISO 9001:2015 certificate has been awarded to RITES by NVTQC under ANAB accreditation.

To ensure compatibility of its operations and services to international norms, RITES is accredited by NABCB, a body under Quality Council of India, to ISO: 17020:2012 standards for its inspection services. RITES Inspection and testing labs at Kolkata and Faridabad are also accredited with ISO: 17025:2017 standards by National Accreditation Board for Testing and Calibration Laboratories (NABL).

The activities during the year 2021-2022 are enlisted below:

1. Internal Auditor training program conducted for corporate offices from all domains.
2. GET induction program: Training on ISO 9001:2015 awareness.
3. Introductory awareness training program as per ISO 9001:2015 conducted for RPOs in Ranchi & Bangalore, IT, HR, SBU's.
4. Internal Audits were conducted at Corporate and SBU levels as well as on projects sites.

### CORPORATE GOVERNANCE REPORT AND GREEN INITIATIVE

RITES believes in the principle that good corporate governance establishes a positive organisational culture, and it is evident by its responsibility, accountability, consistency, fairness and transparency towards stakeholders. As required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and DPE guidelines on Corporate Governance, a separate report on Corporate Governance practices followed by the Company forms part of this Report, placed at **Annexure- A**.

In support of the "Green Initiative" measure taken by the Ministry of Corporate Affairs, Government of India, which has enabled electronic delivery of documents, as well as in conformation to the circular issued by the Securities and Exchange Board of India (SEBI) dated November 05, 2011, and as prescribed under the relevant provisions of the Companies Act, 2013 and the Rules made thereunder, company has disseminated Annual Reports in electronic mode to the shareholders who have registered their e-mail addresses either with the Registrar and Share Transfer Agents or with the Depositories. The initiative is aimed at minimising the impact on the planet and supporting carbon neutrality.

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

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

### BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (BRSR)

SEBI, vide its circular dated May 10, 2021, made BRSR mandatory for the top 1,000 listed companies (by market capitalization) from fiscal 2023, while disclosure is voluntary for fiscal 2022. Fulfilment of environmental, social and governance responsibilities is part

of the Company's business culture, and thus your company has voluntarily undertaken BRSR. The reporting of the data is based on primary sources and secondary/representative data for small gaps. The BRSR is attached as Annexure – C which forms part of this report.

## KNOWLEDGE MANAGEMENT SYSTEM

Knowledge is the primary and most important asset in this fast-paced, ever-changing environment. It is transferred from one individual to the other, combined with personal experiences and expertise and built upon to create new ideas. Its value increases exponentially, the larger the knowledge pool, the more valuable the new knowledge received will be. RITES being a consultancy organisation has implemented knowledge management system so that the available knowledge is transformed to asset.

Knowledge management system involves capturing individual and group-held knowledge and making it accessible to the whole organization. It provides a way for finding, gathering, assessing, organizing, and sharing information and knowledge.

The ERP - SAP implemented in RITES has a provision for knowledge management to identify, capture, evaluate, retrieve, and share enterprise information. The system consolidates important information of its employees' knowledge and projects/ works for being available to all. A repository of MOUs, project documents, DPRs, Designs, circulars and office orders is maintained in KMS. A CV bank has also been developed to do matching of right skills for a particular project. The databank provided facility for searching the employee based on various factors. It also provides information of experts regarding their qualifications, experience, sector and sub-sector, projects handled etc. The available information helps the organisation in business development process, administration of new projects, skill mapping etc.

A new state-of-the-art application has been implemented to keep all board meeting proceedings, including agenda and minutes.

## HUMAN RESOURCES AND INDUSTRIAL RELATIONS

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

The Company's progressive HR policies have a purpose-driven approach for being established as an "Equal Opportunity Employer". Due to such policies, there is an ease in employee acquisition, retention, and maintenance of a very low attrition rate. The attrition rate during FY 2021-22 stood at a mere 1.81%.

As a part of succession planning and career progression, as well as to keep the employee motivated, a periodic review of cadres is done. The reviews are conducted in a supportive environment, with benchmarks outlined against the business goals of the Company and best practices in the industry. During FY 2021-22, the selection

process of more than 720 eligible candidates from across disciplines, levels & regions was conducted, and 523 employees (including both executive & non-executive staff) were promoted.

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

## IMPLEMENTATION OF RIGHT TO INFORMATION ACT, 2005

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

Addressing the supply-side of transparency in RITES, capacity as well as administrative culture, concerted efforts were made through conducting training programmes for officers & staff highlighting the significance and strategic approach with which RITES is pursuing the implementation of the Right to Information Act, 2005. The changes, thus in the mindset and attitude, had been catalytic in implementing the Act making the goals & objectives achievable with their concerted, creative and decisive actions.

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

RITES has been putting sincere efforts in creating informed citizenry & promoting transparency through pro-active disclosures on its website under Section 4(1)(b) of the Right to Information Act, 2005. Categories of information frequently sought, have also been identified, catalogued, and organized in a retrievable user-friendly database. RTI Transparency Audit of RITES for the period 2020-21, is the testimony of the organizational compliances to all the stipulated major statutory requirements of Section 4 of the Right to Information Act and compliances for DoPT OM/Circular dated April 15, 2013 for proactive/Suo-Motu disclosures and other provisions of the Right to Information Act.

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

Diminution in the number of new applications enunciates effective use of RITES' Website and Social Media platforms for dissemination of information. Efficient & scientific record keeping, ensuring timely



● RITES participates in the 3-day International Railway Equipment Exhibition at Pragati Maidan in New Delhi

and accurate information to the applicants under the provisions of the Act, vocalizes effective containment of First and Second Appeals in compliance with the letter and spirit of the Right to Information Act, 2005.

## EXHIBITIONS AND AWARDS

### Exhibitions:

As a part of business strategy, the company encourages participation in specialized trade exhibitions with the objective of displaying its multifarious capabilities and exploring business opportunities in

India and abroad. It believes these expositions play an important role in building business linkages and providing exposure to numerous prospective clients, delegations, and ministerial participation. This year, the Company participated in the following exhibitions:

1. International Railway Equipment Exhibition (IREE 2021) from December 16 - 18, 2021 in New Delhi
2. Azadi Ka Amrit Mahotsav (AKAM) exhibition by Research and Information System for Developing Countries (RIS) in New Delhi

### Awards:

- EEPIC Award for Top Exporter (2017-18) under the Merchant Exporter category
- IEI Industry Excellence Award 2021 under the Engineering Services & Consultancy category by the Institute of Engineering
- Technology Award by Japan Society of Civil Engineers for being General Consultant for Delhi Metro-Phase III
- Project of the Year (Small Category) PMI South Asia Awards 2021 for construction of store depot, scrap yard & allied works at Sabarmati
- ICAI Award, Plaque for Commended Annual Report, for excellence in financial reporting 2020-21
- Certificate of Merit from South Asian Federation of Accountants for Best Presented Annual Report awards, Integrated Reporting Award & AARC Anniversary Award for Corporate Governance Disclosures 2020



● RITES management receives Technical Award by Japan Society of Civil Engineers for General Consultant for Delhi Metro Phase-III



● Hon'ble J&K Lieutenant Governor Mr. Manoj Sinha presents EEPC Award for Top Exporter (2017-18) to Mr. Anil Vij, RITES Director (Technical), during a function at Jammu.

- Dun & Bradstreet Corporate Award 2021 for 'Best Growth Performance' in the Engineering Projects/Capital Good category
- 8<sup>th</sup> Governance Now PSU Award for 'Resilient Growth' in the financial category
- Awards for CSR activities

### GENERAL

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

1. Details relating to deposits covered under chapter V of the Act.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. Issue of shares (including sweat equity shares) to employees of the Company under any Scheme.
4. 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. There are no proceedings initiated / pending against your company under the Insolvency and Bankruptcy Code, 2016 which materially impact the business of the company.

### ACKNOWLEDGEMENT

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



● Hon'ble Minister Mr. Jitendra Singh presents ICAI Award to Team RITES, represented by Mr. BP Nayak, Director (Finance), Mr. Anjeev Jain, General Manager (Finance), Mr. KG Agarwal, General Manager (Finance) and others

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

The Directors are proud of the tireless efforts by RITES team of officers and staff for delivering this performance and valuable contribution in bringing the Company to such a height. Powered by the talent of our people and vesting reaffirmed faith in the resilience of our business model, we look forward to overcoming any challenges that may lie ahead.

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

For and on behalf of Board of Directors

**(Rahul Mithal)**

Chairman & Managing Director  
and Chief Executive Officer

Place: Gurugram  
Dated: 28.07.2022

DIN: 07610499

# Annexure – I

## FORM NO. AOC-2

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

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

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

RITES Limited has not entered into any contract or arrangement or transaction with its related parties which is not at arm's length during FY 2021-22.

### 2. Details of contracts or arrangements or transactions at arm's length basis:

#### A. Transactions during the year with Subsidiaries, Joint Ventures and Associates:

Particulars	1	2	3	4
(a) Name(s) of the related party and nature of relationship	RITES (Afrika) (Pty) Limited  Wholly Owned Subsidiary.	REMC Limited  Subsidiary (RITES shareholding 51%, Ministry of Railways shareholding 49%)	SAIL-RITES Bengal Wagon Industry Private Limited (SRBWIPL)  Joint Venture of RITES & SAIL (RITES shareholding 50%)	Indian Railway Stations Development Corporation Limited  RITES stake is 24%
(b) Nature of contracts/ arrangements/ transactions	Supply of technical manpower for the purpose of construction supervision of road & airport projects in Botswana.	Services of experts on man month basis for carrying day to day activities of the subsidiary company.	Inspection fee and Testing charges	
(c) Duration of the contracts / arrangements/ transactions	Ongoing-standing arrangements.	Ongoing till subsidiary does not have its own employees.	Ongoing	
(d) Salient terms of the contracts or arrangements or transactions including the value, if any:	RITES shall provide manpower at mutually agreed monthly rates. However, salary and related expenses incurred by RAPL on RITES personnel shall be adjusted from the amount payable to RITES.	Expert services are charged on man month rates as being charged to other clients.	Inspection fees and Testing charges	
Transactions during the year	<ul style="list-style-type: none"> <li>Consultancy Fee: ₹ 0.13 crore</li> <li>Dividend received: ₹0.03 crore</li> </ul>	<ul style="list-style-type: none"> <li>Consultancy Fee: ₹8.88 crore.</li> <li>Recoverable/ Reimbursement: ₹3.09 crore.</li> <li>Dividend received: ₹4.59 crore</li> <li>Deposit received for renovation of office building: ₹2.16 crore</li> </ul>	<ul style="list-style-type: none"> <li>Interest on loans given: ₹ 0.13 crore.</li> </ul>	Foreign service contribution/ remittance received: ₹0.09 crore
(e) Date(s) of approval by the Board, if any: -	Not applicable	Not applicable	Not applicable	Not applicable
(f) Amount paid as advances, if any:	NIL	NIL	NIL	NIL.

Place: Gurugram  
Date: 28.07.2022

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

# Annexure – II

## CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABILITY

### 1. Brief outline on CSR Policy of the Company

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

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

- i. 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.
- ii. 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.
- iii. Encouraging use of renewable energy resources such as solar, wind, biomass & others and reduce its carbon, water and waste footprints.
- iv. Engaging stakeholders in undertaking CSR & Sustainability projects in and around the areas of company's offices/projects and also other backward regions/areas with focus on creating the necessary infrastructure which will promote education, health, sanitation and provide connectivity/mobility, skills and preserve natural habitat, water resources, flora and fauna, greenery, environment, heritage and culture.
- v. Regular reporting of CSR & Sustainability performance of the company.
- vi. 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. This policy flows from the Corporate Mission of the company.

CSR Policy relates to the activities to be undertaken as specified in Schedule VII of the Companies Act, 2013. Government guidelines or circulars, issued time to time, shall also be required to be adhered to in addition to the existing policy.

The CSR policy can be accessed through the link [https://rites.com/Upload/MediaGallery/PDF/3/CSR-SustainabilityPolicyNov21\\_pdf-2021-Dec-15-17-10-36.pdf](https://rites.com/Upload/MediaGallery/PDF/3/CSR-SustainabilityPolicyNov21_pdf-2021-Dec-15-17-10-36.pdf)

### 2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
I.	Mr. Vinay Srivastava (Upto 06.09.2021)	Chairman/Government Nominee Director	2	2
II.	Mr.. Gopi Sureshkumar Vardarajan (Upto 09.11.2021)	Member/Director Projects	2	2
III.	Mr. Gopi Sureshkumar Vardarajan (w.e.f 10.11.2021 to 16.12.2021)	Chairman/Director Projects	1	1
IV.	Mr. Laxman Tammanna Tapashi (w.e.f 10.11.2021)	Member/Independent Director	4	4
V.	Mr. Bibhu Prasad Nayak (upto 16.12.2021)	Member/Director Finance	3	3
VI.	Mr. Bibhu Prasad Nayak (w.e.f 17.12.2021)	Chairman/Director Finance	3	3
VII.	Mr. Anil Vij (w.e.f 17.12.2021)	Member/Director Technical	3	3



3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company. The web link <https://www.rites.com/CSRRITES> can be accessed for Composition of CSR committee, CSR Policy and CSR projects approved by the board.
4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report).

Not Applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any.

Not Applicable

6. Average net profit of the company as per section 135(5): ₹693.40 crore

7. (a) Two percent of average net profit of the company as per section 135(5): ₹13.87 crore

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: **Nil**

(c) Amount required to be set off for the financial year, if any: **Nil**

(d) Total CSR obligation for the financial year (7a+7b- 7c): ₹13.87 Crores

**8. (a) CSR amount spent or unspent for the financial year :**

Total Amount Spent for the Financial Year (₹ In Lakh)	Amount Unspent (₹Lakh)			
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)	
	Amount	Date of transfer	Amount	Date of transfer
962.38	427.40	19.04.2022	Nil	NA

**(b) Details of CSR amount spent against ongoing projects for the financial year:**

1	2	3	4		5	6	7	8	9	10	
Sl. No.	Name of the Project.	Local area (Yes/No).	Location of the project.		Project duration	Amount allocated for the project (₹Lakh)	Amount spent in the current financial Year (₹Lakh)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (₹Lakh)	Mode of Implementation - Direct (Yes/No).	Name	CSR Registration number.
		State.	District.								
<b>A 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</b>											
1.	Community Healthcare Programme "JAN AROGYAM" (Running community health clinic, Mobile Medical Van unit & periodical health check-up etc.) in Nuh, Haryana.	Yes	Haryana	Nuh	18 months	117.36	50.00	67.36	No	Bisnoulis Sarvodaya Gramodyog Sewa Sansthan, New Delhi	CSR00001405
2.	Financial support for Eye & Health Checkup Camps in various district of PAN India.	Yes	Rajasthan	Baran & Sirhoi	16 months	52.00	18.00	34.00	No	Mahavir International, Delhi	CSR00002906
3.	Financial support to "Jan Arogyam" Community Healthcare Programme in Khora Colony, District Ghaziabad, Uttar Pradesh.	Yes	Uttar Pradesh	Ghaziabad	13 months	52.09	10.89	41.20	No	Bisnoulis Sarvodaya Gramodyog Sewa Sansthan, New Delhi	CSR00001405
4.	Financial Support for Medical Health Camp in District Belagavi, Karnataka.	Yes	Karnataka	Belagavi	13 months	25.34	5.07	20.27	No	Ashraya Foundation, Belagavi, Karnataka.	CSR00006350

1	2	3	4		5	6	7	8	9	10	
Sl. No.	Name of the Project.	Local area (Yes/No).	Location of the project.		Project duration	Amount allocated for the project (₹Lakh)	Amount spent in the current financial Year (₹Lakh)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (₹Lakh)	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
			State.	District.						Name	CSR Registration number.
5.	Financial support for Running Anchal Healthcare Centre for improving quality of life of people with injuries, illness and disability in Delhi/NCR.	Yes	Delhi	Delhi	13 months	20.00	8.00	12.00	No	Anchal Charitable Trust, Delhi	CSR00004190
6.	Community Based Mass Screening Programme for Ovarian Cancer & Relationship of risk factors of Vitamin D amongst the population belongs to Rural / Underprivileged Society of Delhi NCR.	Yes	Delhi	Delhi	13 months	39.93	8.00	31.93	No	Sahbhagita International Foundation, New Delhi	CSR00007621
7.	Supply, Installation, Operationalisation & Maintenance of Solar Photovoltaic based R.O Water Purification Plant at Community Health Centers in rural areas of Sitapur and Lakhimpur Kheri District of Uttar Pradesh.	Yes	Uttar Pradesh	Sitapur and Lakhimpur Kheri	13 months	27.31	0.00	27.31	Yes	RITES through Rajasthan Electronics and Instruments Limited (REIL), Jaipur	
8.	Improving Accessibility (Barrier free) for elderly and differently abled/ physically challenged persons at Gurgaon Railway Station. (Installation of 02 Escalators).	Yes	Haryana	Gurgaon	77 months	125.00	0.00	15.00	No	Indian Railways	
<b>B Promoting Education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects</b>											
9.	Empowerment of women through Skill Development Training Programmes by Setting up of Cutting and Tailoring Centre in Khora Colony, District Ghaziabad U.P.	Yes	Uttar Pradesh	Ghaziabad	12 months	5.94	2.97	2.97	No	Bisnoui Sarvodaya Gramodyog Sewa Sansthan, New Delhi	CSR00001405
<b>C 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</b>											
10.	Housing for 20 families in Saddal Village, district Udhampur, Jammu & Kashmir	Yes	Jammu & Kashmir	Udhampur	73 months	100.00	0.00	50.00	No	Vishwasthali Organization, Jammu & Kashmir	

1	2	3	4		5	6	7	8	9	10	
Sl. No.	Name of the Project.	Local area (Yes/No).	Location of the project.		Project duration	Amount allocated for the project (₹Lakh)	Amount spent in the current financial Year (₹Lakh)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (₹Lakh)	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
			State.	District.						Name	CSR Registration number.
<b>D Contribution to incubators funded by Central Government or State Government or any agency or Public Sector Undertaking of Central Government or State Government, and contributions to public funded Universities, Indian Institute of Technology (IITs), National Laboratories and Autonomous Bodies (established under the auspices of Indian Council of Agricultural Research (ICAR), Indian Council of Medical Research (ICMR), Council of Scientific and Industrial Research (CSIR), Department of Atomic Energy (DAE), Defence Research and Development Organisation (DRDO), Department of Science and Technology (DST), Ministry of Electronics and Information Technology) engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs)</b>											
11.	Financial support to IIT Madras, Incubation Cell for research and development of 'Tubular PEM Hydrogen Fuel Cell' with applications in defence, UAVs, UUVs, e-bikes, forklifts and factory equipment and other applications.	Yes	Madras	Chennai	37 months	210.00	0.00	105.00	No	IIT Madras Incubation Cell	
<b>Total</b>						<b>774.97*</b>	<b>102.93</b>	<b>407.04</b>			

\*Note:- Out of ₹774.97 Lakh allocated amount for eleven projects, ₹102.93 Lakh has been spent in FY 2021-22 and ₹407.04 Lakh has been transferred to Unspent Account as per CSR Rules. Further, the remaining amount had already been disbursed in preceding financial years. These figures are excluding 5% Admin. Overhead.

**(c) Details of CSR amount spent against other than ongoing projects for the financial year:**

1	2	3	4		5	6	7	
Sl. No.	Name of the Project.	Local area (Yes/No).	Location of the project.		Amount spent for the project (₹Lakh)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
			State.	District.			Name	CSR Registration number.
<b>A 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.</b>								
1.	Financial assistance for Procurement of various products/services to fight against COVID-19 Pandemic in Haryana.	Yes	Haryana	Nuh	99.46	No	Haryana State CSR Trust, Gurgaon	CSR00002371
2.	Financial assistance for Procurement of various products/services to fight against COVID-19 Pandemic for Northern Railway Hospital, New Delhi	Yes	Delhi	New Delhi	18.59	Yes	Indian Railways	
3.	Financial support for providing medical aid in terms of Medicines/ Salary for Doctors/Nurses for Old Age Home and a rescue center 'Gurukul' at Bandhwari Gurgaon, Haryana.	Yes	Haryana	Gurgaon	10.00	No	The Earth Saviours Foundation, Gurgaon	CSR00002026
4.	Financial support for Emergency food relief program for COVID-19 infected people, senior citizens, underprivileged etc. in Delhi/NCR.	Yes	Delhi	Delhi	15.00	No	International Society of Krishna Consciousness (ISKCON), Gurgaon	CSR00005241
5.	Financial support for providing Equipments for Training of 200 Impaired Persons as Fitters and Turners to make them self employed.	Yes	Delhi	Delhi	30.00	No	The All India Federation of the Deaf, New Delhi	CSR00006061

1	2	3	4		5	6	7	
Sl. No.	Name of the Project.	Local area (Yes/No).	Location of the project.		Amount spent for the project (₹Lakh)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
			State.	District.			Name	CSR Registration number.
6.	Community based mass distribution of Immunity booster supplements for Children 5-18 years as a preventive step towards 3 <sup>rd</sup> wave of COVID-19 amongst rural population/ underprivileged society of Delhi NCR.	Yes	Delhi	Delhi	15.00	No	Sahbhagita International Foundation, New Delhi	CSR00007621
7.	Financial support for Procurement and Distribution of Protective Gears (Face Masks) to fight against COVID-19 in Tripura.	No	Tripura	Dhalai	2.79	No	Socio Economic Research Institute, New Delhi	CSR00006843
8.	Providing 2000 numbers of COVID Care kits for Nuh, Haryana by Haryana State CSR Trust.	Yes	Haryana	Nuh	47.00	No	Haryana State CSR Trust, Gurgaon	CSR00002371
9.	Procurement of Two Mobile Medical Unit i.e VAN (without equipments) for running up programme "Mission TB-Free Haryana.	Yes	Haryana	PAN Haryana	26.83	No	Medanta Institute of Education and Research, Gurgaon	CSR00020811
10.	Support for Healthcare facilities at Old Age Home run by Help Age India, Patiala, Punjab.	Yes	Punjab	Patiala	10.33	No	Help Age India, New Delhi	CSR00000901
11.	Examining the impact of COVID - 19 Pandemic on Dietary and Lifestyle Behaviour of Children in Selected Schools of Coimbatore and Promotion of Healthy Dietary Habits.	Yes	Tamil Nadu	Coimbatore	9.57	No	Avinashilingam Institute for Home Science and higher Education for Women, Coimbatore	
12.	Financial support for Healing Little Hearts Suffering with Congenital Heart Disease by Sri Sathya Sai Health & Education Trust in Chhattisgarh, Haryana & Maharashtra.	Yes	Chhattisgarh, Haryana & Maharashtra	Chhattisgarh, Haryana & Maharashtra	60.00	No	Sri Sathya Sai Health & Education Trust, Bangalore	CSR00001048
13.	Empowerment of women by Financially Support for Production of Sanitary Pads for distribution to needy women and Railway Passengers.	Yes	Delhi	Delhi	2.97	No	Railway Women's Welfare Central Organization, New Delhi	
14.	Financial support for procurement of 03 Echocardiography machines and training of doctors in Echocardiography in selected government Hospitals of Delhi.	Yes	Delhi	Delhi	35.25	No	Child Heart Foundation, New Delhi	CSR00001384
15.	Contribution of One Ambulance available with RITES to any Hospital.	Yes	Haryana	Faridabad	12.71	Yes	RITES Limited	
16.	Financial support for eradication of malnutrition from rural tribal region and is meant for 2000 pregnant women & feeding mothers in Nashik and Palghar district of Maharashtra.	Yes	Maharashtra	Nashik and Palghar	20.40	No	Mr. Ramakrishna Arogyam Sansthan, Nashik, Maharashtra	CSR00006766
17.	Financial Support for Mega Health Camp in East Singhbhum District, Jharkhand.	Yes	Jharkhand	East Singhbhum	7.01	No	Citizens Foundation, Ranchi	CSR00000589
18.	Financial support for Installation of Seven Sanitary Pad(s) Vending Machine in Income Tax office Building in Faridabad and Gurgaon, Haryana	Yes	Haryana	Faridabad and Gurgaon	1.00	No	Konfyans Charitable Public Trust, New Delhi	CSR00003983
<b>B Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects</b>								
19.	Installation, Operationalisation & Maintenance of 100 Smart Classrooms solution in Government Schools in various districts.	Yes	Haryana & Uttar Pradesh	Mewat, Gurgaon & Jalaun	9.33	No	EdCIL (India) Limited	

1	2	3	4		5	6	7	
Sl. No.	Name of the Project.	Local area (Yes/No).	Location of the project.		Amount spent for the project (₹Lakh)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
			State.	District.			Name	CSR Registration number.
20.	Financial support for procurement of Accessories like Computers, Printer, Chair Table etc. for Computer Laboratory for Bhartiya Vidya Mandir, High School, District Doda, Jammu & Kashmir.	Yes	Jammu & Kashmir	Doda	25.30	No	Bhartiya Shiksha Samiti, Jammu & Kashmir	CSR00006547
21.	SOS children's villages of India: Sponsorship of 2 Family homes and distribution of clothing etc.	Yes	Haryana	Faridabad	47.74	No	SOS Children's villages of India, New Delhi	CSR00000692
22.	Financial Support for Promoting School / College education to the underprivileged & disadvantage economic backgrounds students of Swapna Sarthak School, Gurgaon, Haryana.	Yes	Haryana	Gurgaon	15.00	No	Gunjan Foundation, New Delhi	CSR00006272
23.	Financial support to Satat Navotkarsh Foundation for providing quality education to Differently Aabled Children in Delhi	Yes	Delhi	New Delhi	9.20	No	Satat Navotkarsh Foundation, New Delhi	CSR00006431
24.	Providing Furniture (350 Table & Chairs) in 03 Schools of Khatima town in District Udham Singh Nagar.	Yes	Uttarakhand	Udham Singh Nagar	9.28	No	Devwani Propkar Mission, Haridwar	CSR00013924
25.	Financial support for educational programmes in St. Andrew's Higher Secondary School Arakkonam town Ranipet district, Tamil Nadu.	Yes	Tamil Nadu	Ranipet	10.25	No	C. S. I. St. Andrew's Higher Secondary School Arakkonam	
26.	Providing financial support for Construction of Computer Laboratory Block for Bhartiya Vidya Mandir, High School, Bhaderwah, District Doda, Jammu & Kashmir.	Yes	Jammu & Kashmir	Doda	17.34	No	Bhartiya Shiksha Samiti, Jammu & Kashmir	CSR00006547
27.	Financial assistance for establishing of 03 Mini Science Center (One Center per School) in Three Government schools under District Nuh, Haryana.	Yes	Haryana	Nuh	0.00	No	Samabhavana Society, Mumbai	CSR00000687
28.	Financial support for promoting educational programmes for Vivekananda Institute of Values in Gurgaon, Haryana.	Yes	Haryana	Gurgaon	0.00	No	Ramakrishna Mission, New Delhi	CSR00006101
29.	Construction of Skill Development Center in village Ralawata, tehsil-Kishangarh, Ajmer, Rajasthan.	Yes	Rajasthan	Ajmer	23.29	No	Women Children Welfare and Rural Development Society, Ajmer	CSR00006284
30.	Skill Development Training programmes for deprived young girls / womens in stitching & tailoring in village ralawata, tehsil-Kishangarh, Ajmer, Rajasthan.	Yes	Rajasthan	Ajmer	3.89	No	Women Children Welfare and Rural Development Society, Ajmer	CSR00006284
<b>C</b>	<b>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</b>							
31.	Financial Assistance for 250 'DHUKU' mass marriage ceremony, a gender based social issue, for promoting gender equality & empowering women.		Jharkhand	Khunti & Gumla	28.11	No	Nimitta, Ranchi	CSR00002000
<b>D</b>	<b>Nursing 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</b>							
32.	Financial support for Rejuvenation of Johad (Pond) at Village Budhera, Gurugram, Haryana.	Yes	Haryana	Gurgaon	30.00	No	Gurujal Society, Gurgaon	CSR00007601

1	2	3	4		5	6	7	
Sl. No.	Name of the Project.	Local area (Yes/No).	Location of the project.		Amount spent for the project (₹Lakh)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
			State.	District.			Name	CSR Registration number.
33.	Financial support for improving and beautifying approaches of Delhi on the emanating routes from important Railway stations of Delhi.	Yes	Delhi	New Delhi	60.00	No	Indian Railways	
<b>E</b>	<b>Measures for the benefit of armed forces veterans, war widows and their dependents</b>							
34.	Contribution for the Armed Forces Flag Day Fund (AFFDF).	Yes	Pan India	Pan India	1.00	No	Indian Army	
<b>F</b>	<b>Contribution to the fund set up by the Central Government for socio - economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women. Contribution towards Prime Minister's National Relief Fund or Prime Minister's Citizen Assistance and Relief in Emergency Situation fund (PM CARES Funds) flowing out of budgetary resources, profits or from the balance sheets of PSUs are not accepted</b>							
35.	Contribution to PM CARES Funds		Pan India	Pan India	100.00	No	PM CARES Funds	
<b>Total</b>					<b>813.64</b>			

(d) Amount spent in Administrative Overheads : ₹ 66.18 Lakh

(e) Amount spent on Impact Assessment, if applicable : Nil

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹ 1389.79 Lakh

(g) Excess amount for set off, if any

Sl. No.	Particular	Amount (₹Lakh)
I.	Two percent of average net profit of the company as per section 135(5)	1387.00
II.	Total amount spent for the Financial Year	1389.79
III.	Excess amount spent for the financial year [(ii)-(i)]	2.79
IV.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
V.	Amount available for set off in succeeding financial years [(iii)-(iv)]	2.79

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (₹Lakh)	Amount spent in the reporting Financial Year (₹Lakh)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years. (₹Lakh)
				Name of the Fund	Amount (in ₹)	Date of transfer	
1.	2018-19	Nil	1022.53				Nil
2.	2019-20	Nil	1121.33		Not Applicable		Nil
3.	2020-21	Nil	1340.69				Nil
<b>Total</b>		<b>Nil</b>	<b>3484.55</b>				<b>Nil</b>

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

1	2	3	4	5	6	7	8	9
Sl. No.	Project ID.	Name of the Project.	Financial Year in which the project was Commenced	Project duration	Total amount allocated for the project (₹Lakh)	Amount spent on the project in the reporting Financial Year (₹Lakh)	Cumulative amount spent at the end of reporting Financial Year. (₹Lakh)	the project - Completed / Ongoing
1.		Improving Accessibility (Barrier free) for elderly and differently abled/ physically challenged persons at Gurgaon Railway Station. (Installation of 02 Escalators).	2017	77 months	125.00	0.00	110.00	Ongoing
2.		Installation, Operationalisation & Maintenance of 100 Smart Classrooms solution in Government Schools in various districts.	2019	36 months (incl. 24 months AMC)	9.33	9.33	0.00	Completed
3.		Providing financial support for Construction of Computer Laboratory Block for Bhartiya Vidya Mandir, High School, Bhaderwah, District Doda, Jammu & Kashmir.	2020	12 months	34.68	17.34	34.68	Completed
4.		Financial assistance for establishing of 03 Mini Science Center (One Center per School) in Three Government schools under District Nuh, Haryana.	2020	36 months (incl. 24 months AMC)	19.65	0.00	15.40	Completed
5.		Housing for 20 families in Saddal Village, district Udhampur, Jammu & Kashmir	2017	73 months	100.00	0.00	50.00	Ongoing
6.		Financial support for Rejuvenation of Johad (Pond) at Village Budhera, Gurugram, Haryana.	2019	36 months	100.00	30.00	100.00	Completed
7.		Financial support to IIT Madras, Incubation Cell for research and development of 'Tubular PEM Hydrogen Fuel Cell' with applications in defence, UAVs, UUVs, e-bikes, forklifts and factory equipment and other applications.	2020	37 months	210.00	0.00	105.00	Ongoing

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details).

(a) Date of creation or acquisition of the capital asset(s).

(b) Amount of CSR spent for creation or acquisition of capital asset.

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

Assets have been created for use of public at large. The details of these assets, including the expenditure incurred in the current Financial Year is as below: -

Sl. No.	Project Name	Date of creation or acquisition	Amount of CSR spent for creation or acquisition of capital asset (₹Lakh)	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	Details of the capital asset(s) created or acquired (including complete address and location of the capital asset)
1.	Financial assistance for Procurement of various products/services to fight against COVID-19 Pandemic in Haryana.	06.05.2021 & 27.05.2021	99.46	Haryana State CSR Trust	Oxygen castrator machine and oxymeter for use in Government Hospitals.
2.	Financial assistance for procurement of various products/services to fight against COVID-19 Pandemic for Northern Railway Hospital, New Delhi.	19.08.2021	18.59	Indian Railways	ICU Bed for Northern Railway Hospital, New Delhi.
3.	Financial support for providing Equipments for Training of 200 Impaired Persons as Fitters and Turners to make them self-employed.	09.02.2022	30.00	The All-India Federation of the Deaf, New Delhi	Equipments for Training of 200 Impaired Persons as Fitters and Turners
4.	Procurement of Two Mobile Medical Unit i.e VAN (without equipments) for running up programme "Mission TB- Free Haryana.	07.03.2022	26.83	Medanta Institute of Education and Research, Gurgaon	Two Mobile Medical Unit i.e VAN for running up programme "Mission TB- Free Haryana
5.	Contribution of One Ambulance available with RITES to any Hospital.	31.02.2022	12.17	RITES Ltd.	Ambulance for used in Government Hospital.
6.	Financial support for procurement of 03 Echocardiography machines and training of doctors in Echocardiography in selected government Hospitals of Delhi.	15.02.2022	35.25	Child Heart Foundation, New Delhi.	03 Echocardiography machines Government Hospitals of Delhi.
7.	Financial support to "Jan Arogyam" Community Healthcare Programme in Khora Colony, District Ghaziabad, Uttar Pradesh	29.03.2022	10.89	Bisnoui Sarvodaya Gramodyog Sewa Sansthan, New Delhi	Furniture and equipments for established the "Jan Arogyam" Community Healthcare Programme in Khora Colony, District Ghaziabad, Uttar Pradesh
8.	Financial support for Installation of Seven Sanitary Pad(s) Vending Machine in Income Tax office Building in Faridabad and Gurgaon, Haryana	29.03.2022	1.00	Konfyans Charitable Public Trust, New Delhi.	Sanitary Pad(s) Vending Machine in Income Tax office Building in Faridabad and Gurgaon, Haryana.
9.	Installation, Operationalisation & Maintenance of 100 Smart Classrooms solution in Government Schools in various districts.	24.03.2022	9.33	EdCIL (India) Limited (CPSE)	AMC of Smart Classroom in different district of Haryana and Uttar Pradesh.
10.	Providing Furniture (350 Table & Chairs) in 03 Schools of Khatima town in District Udham Singh Nagar.	15.12.2021 & 18.02.2022	9.28	Devwani Propkar Mission, Haridwar	Furniture (350 Table & Chairs) in 03 Schools of Khatima town in District Udham Singh Nagar
11.	Financial support for educational programmes in St. Andrew's Higher Secondary School Arakkonam town Ranipet district, Tamil Nadu.	31.01.2022	10.25	C.S.I. St. Andrews Higher Secondary School	
12.	Financial support for procurement of Accessories like Computers, Printer, Chair Table etc. for Computer Laboratory for Bhartiya Vidya Mandir, High School, District Doda, Jammu & Kashmir.	21.12.2021 & 29.03.2022	25.30	Bhartiya Shiksha Samiti, Jammu & Kashmir	Accessories like Computers, Printer, Chair Table etc. for Computer Laboratory for Bhartiya Vidya Mandir, High School, District Doda, Jammu & Kashmir

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).

**Not Applicable.**

(Chief Executive Officer or  
Managing Director or Director)

(Chairman CSR Committee)



# Annexure – III

## Form MR – 3

### SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> March 2022

[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 31<sup>st</sup> March, 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2022 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulations) Act, 1956 and the rules made thereunder
- (iii) The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.
- (iv) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under.
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 and any amendment thereto (hereinafter collectively referred to as "Listing Regulations");
  - (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - (e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (Not applicable to the Company during the period under review);
  - (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during the period under review);
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the period under review);
  - (h) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agent) Regulations, 1993 regarding the Companies Act and dealing with client.
  - (i) The Securities and Exchange Board of India (Buy back of Securities) Regulations, 1998/2018;
  - (j) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018: and
  - (k) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preferences Shares) Regulations, 2013 (Not applicable to the company during the period under review).

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

- i. Secretarial Standards issued by the Institute of Company Secretaries of India:
- ii. SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(vii) Other applicable Laws, rules and Guidelines as mentioned here-in-below:

- a. DPE guidelines on Corporate Governance for Central Public Sector Enterprises issued by the 'Department of Public Enterprises', Ministry of Heavy Industries and Public Enterprises, Government of India.
- b. Right to Information Act 2005
- c. Micro, Small & Medium Enterprises Development (MSMED) Act, 2006
- d. Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013
- e. Shops & Establishment Act, Delhi and Haryana
- f. Applicable provisions of Foreign Exchange Management Act 1999
- g. Labour Laws as applicable
- h. Environmental Laws as applicable

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

1. As per regulation 17(1)(b) of Securities and Exchange Board of India (Listing Obligations and Disclosure requirements) Regulations, 2015, Clause 3.1.4 of DPE Guidelines and as per the Section 149(4) of the Companies Act, 2013, atleast 50% of the Board of Director shall comprise of Independent Directors. Being a Government Company, Directors on the Board are appointed by the Ministry of Railways. Accordingly, Ministry of Railways had appointed four Independent Directors namely Dr. Godawari Mishra w.e.f. 10<sup>th</sup> November, 2021, Mr. Laxman Tammanna Tapashi w.e.f. 10<sup>th</sup> November, 2021, Dr. Dineshananda Goswami w.e.f. 11<sup>th</sup> November 2021

and Mr. Likha Togu w.e.f. 21<sup>st</sup> January 2022 on the Board of the Company against the requirement of Six Independent Directors.

2. As per regulation 17(1)(a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as per the second proviso of Section 149(1)(a) of the Companies Act, 2013, the Board of Directors of the Company shall consist an Independent Women Director. Being a Government Company, Directors on the Board are appointed by the Ministry of Railways. Accordingly, Ministry of Railways had appointed an Independent Woman Director on the Board of the Company on 10<sup>th</sup> November, 2021.

We further report that the Board is duly constituted with proper balance of Executive Directors and Non-Executive 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 (except the Board Meeting dated 06.10.2021) and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

**For Akhil Rohatgi & Co.**

Company Secretaries  
Reg. no. P1995DE072900

**CS Deepak Kumar**

Partner

M.No.- F 10189

C.P.No. 11372

UDIN: F010189D000692651

Date : 27/07/2022

Place: New Delhi

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

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

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

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

**CS Deepak Kumar**  
Partner  
M.No.- F 10189  
C.P. No. 11372  
UDIN: F010189D000692651

Date : 27/07/2022  
Place: New Delhi

## Annexure – A

# Report on Corporate Governance

RITES is a Mini-ratna (Schedule A) enterprise of Government of India. The company has established a sound framework of Corporate Governance. Its commitment to follow good corporate governance practices is based upon transparency, fairness, conscience, team work, professionalism and accountability, paving the way for following the best standards and building confidence among all the stakeholders which is necessary to achieve its overall objectives.

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

## 1. Corporate Governance Philosophy

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

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

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

## 2. BOARD OF DIRECTORS:

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

As on 31<sup>st</sup> March, 2022, the Board of Directors of the company comprises of Ten Directors viz four functional Directors including Chairman & Managing Director, the two Government Nominee Directors and four Independent Directors.

Being a Government Company, Directors on the Board are appointed by the Ministry of Railways. During the year, four Independent Directors were appointed against the requirement of six Independent Directors.

Composition of Board of Directors as undergone a change during FY 2021-22, which is as follows:

### Whole Time Directors:

S. No	Name	Designation
1.	Mr. Rahul Mithal (DIN:07610499) (w.e.f 07.10.2021)	Chairman & Managing Director
2.	Mr. Rajeev Mehrotra (DIN: 01583143) (upto 30.06.2021)	Chairman & Managing Director
3.	Mr. Gopi Sureshkumar Varadarajan (DIN: 08241385) (from 01.07.2021 to 06.10.2021)	Chairman & Managing Director (Additional Charge)
4.	Mr. Gopi Sureshkumar Varadarajan (DIN: 08241385)	Director Projects
5.	Mr. Anil Vij (DIN: 07145875)	Director Technical
6.	Mr. B.P. Nayak (DIN: 08197975)	Director Finance

### Government Nominees:

S. No	Name	Designation
1.	Mr. Sandeep Jain (DIN:09435375) (w.e.f. 17.12.2021)	Director
2.	Mr. R. K. Mangla (DIN:09533985) (w.e.f. 14.03.2022)	Director
3.	Mr. Vinay Srivastava (DIN: 08638850) (upto 06.09.2021)	Director

### Independent Directors:

S. No	Name	Designation
1.	Dr. Godawari Mishra (DIN:09394545) (w.e.f 10.11.2021)	Director
2.	Mr. Laxman Tammanna Tapashi (DIN:01838521) (w.e.f 10.11.2021)	Director
3.	Dr. Dineshananda Goswami (DIN:09394294) (w.e.f 11.11.2021)	Director
4.	Mr. Likha Togu (DIN: 09470640) (w.e.f 21.01.2022)	Director

The quantum and quality of information supplied by the Management to the Board goes well beyond the requirement stipulated in the SEBI (LODR) Regulations. The information being provided to the Board inter-alia includes the following:

- a. Yearly, half yearly and quarterly results for the company.
- b. Minutes of meetings of audit committee and other committees of the board.
- c. Minutes of Subsidiary Companies.
- d. Related Party transactions.
- e. Quarterly Information on currency risk management.
- f. Capital and Revenue budgets and any updates.
- g. Status of on-going Arbitration cases.
- h. Status of risk management and mitigation plans.
- i. Status of major statutory and commercial claims on the company.
- j. Particulars of Related Party transactions.
- k. Any issue, which involves possible public or product liability claims of substantial nature, including any judgment or order involving substantial amounts and which may have passed strictures on the conduct of the company, if any.
- l. Half yearly statements of write off of outstanding payments of ₹2 lakhs & above from clients.
- m. Sale of material nature of investments, subsidiaries, assets, which is not in normal course of business.
- n. Major investments, formation of subsidiaries and Joint Ventures, Strategic Alliances, etc.
- o. Quarterly Report on Investment of Funds.
- p. Compliance of various laws by the company.
- q. Action taken report on matters desired by the Board.
- r. Changes in significant accounting policies and practices and reasons for the same.
- s. Disclosure of interests made by directors to the company.
- t. Major orders secured and bids lost on quarterly basis and quarterly Information on works awarded on single tender/nomination basis.
- u. All other information required to be presented to the Board for information or approval

No Director of the company holds office at the same time as director in more than ten (10) Companies and no Director (including Independent Directorship) holds office in not more than seven (7) Listed Companies as specified in Regulation 17A of SEBI (LODR), 2015 and section 165 of Companies Act, 2013. No Director of the company is a member in more than ten (10) committees or is a Chairman of more than five (5) committees across all Companies in which he/she is a director, as specified in Regulation 26(1) of SEBI (LODR), Regulations 2015.

During the year, 8 meetings of Board of Directors were held as mentioned below:

Board Meeting No.	Board Meeting Dates
268	16.06.2021
269	20.07.2021
270	12.08.2021
271	06.10.2021
272	11.11.2021
273	28.12.2021
274	08.02.2022
275	14.03.2022

## 2.1 Composition of the Board of Directors

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

S. No.	Name and Designation	Category of Directors	No. of other Directorship**	No. of Committee Membership**	
				As Chairman	As Member
1.	Mr. Rahul Mithal Chairman & Managing Director	Managing Director	1	Nil	Nil
2.	Mr. Gopi Sureshkumar Vardarajan Director Projects	Whole Time Director	2	Nil	1
3.	Mr. Anil Vij Director Technical	Whole Time Director	Nil	Nil	Nil
4.	Mr. Bibhu Prasad Nayak Director Finance	Whole Time Director	1	Nil	1
5.	Mr. Sandeep Jain Director	Government Nominee	Nil	Nil	1
6.	Mr. Raj Kumar Mangla Director	Government Nominee	Nil	Nil	Nil
7.	Mr. Laxman Tammanna Tapashi Director	Independent Director	Nil	1	Nil

S. No.	Name and Designation	Category of Directors	No. of other Directorship**	No. of Committee Membership**	
				As Chairman	As Member
8.	Dr. Dineshananda Goswami Director	Independent Director	Nil	1	Nil
9.	Dr. Godawari Mishra Director	Independent Director	Nil	Nil	1
10.	Mr. Likha Togu Director	Independent Director	Nil	0	1

\*\* Other Notes

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

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

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

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

Name of the Director	Name of the Listed entity	Category of Directorship
Nil	Nil	Nil

## 2.2 Brief Resume of Directors who joined the Board as Whole - time / Part - time Directors during the year 2021-22:

### Mr. Rahul Mithal

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

### Dr. Godawari Mishra

She is social activist who holds Master degree and PhD in Sociology from Kanpur University. Along with the Doctorate & Masters, she is also having Bachelors degree with specialization in (Botany, Zoology and Chemistry) from Lucknow University. She possesses a diverse and wide ranging experience in the areas of teaching, women empowerment and social activities. She has served as an Assistant Teacher in Sumitra Intern College for over 35 years ranging from 1981-2016. She is presently working to improve the lives of women of rural & other backward areas.

### Mr. Laxman Tammanna Tapashi

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

### Dr. Dineshananda Goswami

Dr. Dineshananda Goswami is 63 years of age. He is PHD and M.com from Ranchi University. His area of specialization is Commerce and Marketing. He served as lecturer in Tata steel from 1990 to 2004..

### Mr. Sandeep Jain

He joined Indian Railway Service of Engineers (IRSE) in November, 1993 and held various positions i.e., AEN, DEN, Sr. DEN, Dy. Chief Engineer/Track Supply, Sr. DEN/Coord., Dy. Chief Engineer (Construction), CGM/IRCON. Presently, he is working as Executive Director Planning (Civil & PSU), Railway Board since October, 2021.

### Mr. Likha Togu

He is a post graduate from Arunachal University. He has vast experience in different fields. He served as President in All Yachuli Student Union (AYSU), Lower Subansiri District (1993-96). He was also appointed as Chairman, Nyishi Multipurpose Co-operative Society Ltd. and served there from 2000 to 2003. Later, he served as Chairman, Likha Pon Foundation (LPF) a non-profit charitable Organisation from 2014 to 2019. He is active in Agriculture / Horticulture, Development of Kiwi, Large Cardamom and Mithun (Bros frontalis) rearing. He is an author, lyricist and a singer of tribal folk tales and folklores and an avid Social worker.

He is visionary and an ideologue of Modern technological development including railways and implementation of various hydropower projects in the state of Arunachal Pradesh and advocates for inclusive development of all regions of the Country.

He is a speaker on sustainability related topics in various forum.

The quantum and quality of information supplied by the Management to the Board goes well beyond the requirement stipulated in the SEBI (LODR) Regulations. The information being provided to the Board inter-alia includes the following:

- a. Yearly, half yearly and quarterly results for the company.
- b. Minutes of meetings of audit committee and other committees of the board.
- c. Minutes of Subsidiary Companies.
- d. Related Party transactions.
- e. Quarterly Information on currency risk management.
- f. Capital and Revenue budgets and any updates.
- g. Status of on-going Arbitration cases.
- h. Status of risk management and mitigation plans.
- i. Status of major statutory and commercial claims on the company.
- j. Particulars of Related Party transactions.
- k. Any issue, which involves possible public or product liability claims of substantial nature, including any judgment or order involving substantial amounts and which may have passed strictures on the conduct of the company, if any.
- l. Half yearly statements of write off of outstanding payments of ₹2 lakhs & above from clients.
- m. Sale of material nature of investments, subsidiaries, assets, which is not in normal course of business.
- n. Major investments, formation of subsidiaries and Joint Ventures, Strategic Alliances, etc.
- o. Quarterly Report on Investment of Funds.
- p. Compliance of various laws by the company.
- q. Action taken report on matters desired by the Board.
- r. Changes in significant accounting policies and practices and reasons for the same.
- s. Disclosure of interests made by directors to the company.
- t. Major orders secured and bids lost on quarterly basis and quarterly Information on works awarded on single tender/nomination basis.
- u. All other information required to be presented to the Board for information or approval

No Director of the company holds office at the same time as director in more than ten (10) Companies and no Director (including Independent Directorship) holds office in not more than seven (7) Listed Companies as specified in Regulation 17A of SEBI (LODR), 2015 and section 165 of Companies Act, 2013. No Director of the company is a member in more than ten (10) committees or is a Chairman of more than five (5) committees across all Companies in which he/she is a director, as specified in Regulation 26(1) of SEBI (LODR), Regulations 2015.

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273	28.12.2021
274	08.02.2022
275	14.03.2022

## 2.1 Composition of the Board of Directors

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

S. No.	Name and Designation	Category of Directors	No. of other Directorship**	No. of Committee Membership**	
				As Chairman	As Member
1.	Mr. Rahul Mithal Chairman & Managing Director	Managing Director	1	Nil	Nil
2.	Mr. Gopi Sureshkumar Vardarajan Director Projects	Whole Time Director	2	Nil	1
3.	Mr. Anil Vij Director Technical	Whole Time Director	Nil	Nil	Nil
4.	Mr. Bibhu Prasad Nayak Director Finance	Whole Time Director	1	Nil	1
5.	Mr. Sandeep Jain Director	Government Nominee	Nil	Nil	1
6.	Mr. Raj Kumar Mangla Director	Government Nominee	Nil	Nil	Nil
7.	Mr. Laxman Tammanna Tapashi Director	Independent Director	Nil	1	Nil

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

S. No.	Type of the Directorship	Required Qualification / Expertise / Skill
1.	Functional Director	
A.	Chairman & Managing Director	<p>Persons with Degree in Engineering / MBA / CA / CS / CMA / Post Graduation in any discipline and having experience in management and experience in Engineering / Marketing / Production / Management/ Finance are eligible. He should possess adequate experience at a senior level of management in a large organization of good repute, preferably in the Infrastructure sector.</p> <p>Provided that minimum qualification is relaxable in the case of internal candidates with sound and adequate background and experience.</p> <p>The Chairman and Managing Director is the Chief Executive of the corporation. He is responsible for the efficient functioning of the Corporation for achieving its corporate objectives and performance parameters.</p> <p>The Chairman and Managing Director of the company, Mr. Rahul Mithal has the requisite skills.</p>
B.	Director (Finance)	<p>(i) The applicant should be a Chartered Accountant or cost accountant a full time MBA/PGDM course with good academic record from a recognized University/Institution.</p> <p>(ii) Officers of Organized Group 'A' Accounts Services (i.e. Indian Audit and Accountants Service, Indian Defence Accounts Service, Indian Railway Accounts Service, Indian Civil Accounts Service, Indian P&amp;T Accounts &amp; Finance Service and Indian Cost Accounts Service) working in the appropriate level are exempted from these educational qualifications.</p> <p>(iii) Further, applicants from the Central Government/Armed Forces of the Union/All India Services, will also be exempted from the educational qualifications as per (i) above provided the applicants have 'the relevant experience'.</p> <p>In respect of applicants from Organized Group 'A' Accounts Services/Central Government/Armed Forces of the Union/All India Services, Chartered Accountant/Cost Accountant / MBA/PGDM will be a desirable educational qualification.</p> <p>Director (Finance) is a member of Board of Directors and reports to Chairman and Managing Director. He is overall in-charge of finance, accounts and funds management of the organization and is responsible for evolving and formulating policies relating to finance and accounts as well as implementation thereof.</p> <p>The Director Finance of the company, Mr. Bibhu Prasad Nayak has the requisite skills.</p>
C.	Director (Technical)	<p>A Graduate in Engineering from a recognized University / Institution with good academic record.</p> <p>Holding MBA / Post Graduate Diploma in management will have an added advantage.</p> <p>Adequate technical / operational / project management experience at a senior level in a large organization of repute, out of which at least five years in the last ten years should have been in consultancy, logistic / infrastructure sector.</p> <p>Should also have adequate experience in services associated with operation and maintenance of rolling stock of varied suspension system, axle loads and speeds on different rail gauges, industrial engineering practices and new technologies in rolling stock maintenance, which is desirable.</p> <p>Director (Technical) is a member of Board of Directors and reports to Chairman and Managing Director. He is required to exercise statutory and corporate responsibilities for the efficient and profitable operation of the company and provide technical guidelines to the various consultancy service group.</p> <p>The Director Technical of the company, Mr. Anil Vij has the requisite skills.</p>
D.	Director (Projects)	<p>A Graduate in Engineering with good academic record from a recognized University / Institution.</p> <p>Holding MBA / Post Graduate Diploma in management will have an added advantage.</p> <p>Adequate technical / operational / project management experience at a senior level in a large organization of repute, out of which at least five years in the last ten years should have been in project planning &amp; management design &amp; consultancy.</p> <p>Experience in consultancy / technology / projects in areas like Rail Transport / Infrastructure will have an added advantage.</p> <p>Director (Projects) is a member of Board of Directors and reports to Chairman and Managing Director. He is required to discharge statutory and corporate responsibilities for the efficient and profitable operation of the company. As the professional head, mainly of the civil engineering projects discipline, he is expected to direct and provide technical guidelines to the various consultancy service group.</p> <p>The Director Projects of the company, Mr. Gopi Sureshkumar Varadarajan has the requisite skills.</p>



S. No.	Type of the Directorship	Required Qualification / Expertise / Skill
2.	<b>Government Nominee (Part-time Official) Directors</b> (2 Directors)	As may be decided by the Ministry of Railways, Government of India.
3.	<b>Independent Directors (Part-time non-official) Directors</b> (6 Directors)	As may be decided by the Ministry of Railways and DPE subject to fulfillment of conditions laid down in Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

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

### 2.7 Confirmation from Board of Directors

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

### 2.8 Detailed reasons for the resignation of Independent Directors

During the year under review none of the Independent Directors resigned or vacated their office before expiry of the tenure.

### 2.9 Independent director databank registration

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

### 2.10 Code of Conduct:

RITES Code of Conduct for Board Members and Senior Management Personnel as laid down by BOD pursuant to applicable provisions and other statutory requirements is a comprehensive code that applies to all Directors and Senior Management Personnel. The Code of Conduct is available on the website of the company i.e. [www.rites.com](http://www.rites.com).

All Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for the year ended 31<sup>st</sup> March, 2022 and a declaration to this effect signed by the Chairman and Managing Director is placed as **Appendix -II** to this report.

## 3 Code of Insider Trading

Board has laid down "The Code of internal procedures and conduct for prohibition of insider trading in dealing with the securities" in pursuance of the Securities and Exchange Board of India (Prohibition

of Insider Trading) Regulations, 2015, with an aim that 'Designated Persons' shall not derive any benefit or assist others to derive any benefit from the access to and possession of Unpublished Price Sensitive Information about the company which is not available in the public domain and thus constitutes insider information. Company Secretary has been designated as Compliance Officer for this Code.

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

## 4. Committees of the Board of Directors:

### 4.1 Audit Committee:

The company has constituted the audit committee in line with the section 177 of Companies Act, 2013 and the SEBI Listing Obligations and Disclosure Requirements (LODR), 2015..

#### Composition of Audit Committee:

As on 31<sup>st</sup> March, 2022, the Audit Committee comprised of the following Directors:

Name	Position in the Committee	Designation
Dr. Dineshananda Goswami (w.e.f 17.12.2021)	Chairman	Independent Director
Dr. Godawari Mishra (w.e.f. 17.12.2021)	Member	Independent Director
Mr. Gopi Sureshkumar Varadarajan (w.e.f. 17.12.2021)	Member	Director Projects

During the year the composition of committee changed twice i.e. on 10.11.2021 and 17.12.2021 accordingly following changes was incurred:

Name	Position in the Committee	Designation
Mr. Vinay Srivastava (upto 06.09.2021)	Chairman	Government Nominee Director
Dr. Godawari Mishra (from 10.11.2021 to 16.12.2021)	Chairman	Independent Director

Name	Position in the Committee	Designation
Dr. Dineshananda Goswami (w.e.f. 17.12.2021)	Chairman	Independent Director
Mr. Laxman Tammanna Tapashi (from 10.11.2021 to 16.12.2021)	Member	Independent Director
Mr. Anil Vij (upto 16.12.2021)	Member	Director (Technical)
Dr. Godawari Mishra (from 17.12.2021)	Member	Independent Director
Mr. Gopi Sureshkumar Vardarajan (upto 09.11.2021)	Member	Director (Projects)
Mr. Gopi Sureshkumar Vardarajan (w.e.f. 17.12.2021)	Member	Director (Projects)

Company Secretary acts as Secretary to the Committee.

#### Terms of Reference:

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

The Terms of Reference of the Audit Committee are as under:

- Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommendation to the Board for fixation of remuneration to the auditors;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the annual financial statements and auditors' report thereon before submission to the Board for approval, with particular reference to:
  - Matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
  - Changes, if any, in accounting policies and practices and reasons for the same;
  - Major accounting entries involving estimates based on the exercise of judgment by management;
  - Significant adjustments made in the financial statements arising out of audit findings;
  - Compliance with listing and other legal requirements relating to financial statements;
- Disclosure of any related party transactions;
- Modified opinion(s) in the draft audit report;
- Reviewing, with the management, the quarterly/half yearly financial statements before submission to the Board for approval;
- Reviewing with the management, the statement of uses/application of funds raised through an issue (i.e. public issue, rights issue, preferential issue etc.) the statement of funds utilised for purposes other than those stated in the offer document/prospectus, notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in these matters;
- Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- Approval or any subsequently modification of transactions of the company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the company wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing with the management, performance of Internal Auditors, adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors of any significant findings and follow up there on;
- Review the findings of any internal investigations by the internal auditors into matters where there is a suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- Review observations of statutory, internal and government auditors and provide recommendations based on the same;
- To review the follow up action on the audit observations of the C&AG audit;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- To look into the reasons for substantial defaults in the payment of the depositors, debenture holders, shareholders (in case of non-payment of declared dividend and creditors);
- To review the functioning of the whistle blower mechanism;
- Approval of appointment of chief financial officer after assessing the qualifications, experience and background etc. of the candidate;

- Review and monitor the auditor's independence and performance and effectiveness of audit process;
- Examination of the financial statements and auditor's report thereon;
- Reviewing the utilization of loans and/ or advances from/ investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.
- Carrying out any other function or matter that may be referred to the Audit Committee by the Board from time to time.

The audit committee mandatorily reviews the following information:

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

#### Meetings of Audit Committee:

The Audit Committee met six(6) Times during the financial year 2021-22 on 16<sup>th</sup> June, 2021, 12<sup>th</sup> August, 2021, 11<sup>th</sup> November, 2021, 28<sup>th</sup> December, 2021, 08<sup>th</sup> February, 2022 and 14<sup>th</sup> March, 2022. The attendance of each member at Audit Committee meetings is as under:

Member	Position in the Committee	Audit Committee meeting held during the year 2021-22	
		Meetings held (during their respective tenures)	Meetings attended
Mr. Vinay Srivastava	Chairperson	2	2
Dr. Godawari Mishra	Chairperson	1	1
Dr. Dineshananda Goswami	Chairperson	3	3

Member	Position in the Committee	Audit Committee meeting held during the year 2021-22	
		Meetings held (during their respective tenures)	Meetings attended
Dr. Godawari Mishra	Member	3	3
Mr. Gopi Sureshkumar Varadarajan	Member	5	5
Mr. Anil Vij	Member	3	3
Mr. Laxman Tammanna Tapashi	Member	1	1

Company Secretary acts as Secretary to the Committee.

#### Powers of Audit Committee:

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

#### 4.2 Nomination and Remuneration Committee:

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

The company has constituted Nomination and Remuneration Committee in line with the requirements of Section 178 of the Companies Act, 2013, the provisions of the SEBI Listing Regulations and the Guidelines on Corporate Governance for Central Public Sector Enterprises issued by the Department of Public Enterprises.

#### Performance Evaluation of Directors:

The requirement of specifying the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency under Section 178(2) of the Companies Act, 2013 has been done away with for Government Companies vide Ministry of Corporate Affairs' (MCA) Notification dt. 5<sup>th</sup> June 2015.

Further, MCA vide its notification dated 5<sup>th</sup> July, 2017 has made an amendment in the Schedule IV of the act, whereby it has exempted Government Companies from complying with the requirement of performance evaluation by the Independent Director of Non-Independent Directors and Chairman and performance evaluation of the independent Directors by the Board, if the concerned departments or ministries have specified these requirements.

**Composition of Nomination and Remuneration Committee:**

As on 31<sup>st</sup> March, 2022, the Nomination and Remuneration Committee comprised of the following Directors:

Name	Position in the Committee	Designation
Dr. Godawari Mishra (w.e.f. 17.12.2021)	Chairperson	Independent Director
Mr. Laxman Tammanna Tapashi (w.e.f. 17.12.2021)	Member	Independent Director
Mr. Sandeep Jain (w.e.f. 17.12.2021)	Member	Government Nominee Director

During the year the composition of committee changed once i.e., on 17.12.2021 accordingly following changes was incurred:

Name	Position in the Committee	Designation
Mr. Vinay Srivastava (upto 06.09.2021)	Chairman	Government Nominee Director
Dr. Godawari Mishra (w.e.f. 17.12.2021)	Chairperson	Independent Director
Mr. Gopi Sureshkumar Varadarajan (upto 16.12.2021)	Member	Director (Projects)
Mr. Anil Vij (upto 16.12.2021)	Member	Director (Technical)
Mr. Laxman Tammanna Tapashi (w.e.f. 17.12.2021)	Member	Independent Director
Mr. Sandeep Jain (w.e.f. 17.12.2021)	Member	Government Nominee Director

Company Secretary acts as Secretary to the Committee.

**Terms of reference:**

The terms of reference of Nomination and Remuneration Committee are as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, Section 178 of the Companies Act, 2013. Terms of reference of the Nomination and Remuneration Committee are as under:

- To identify persons who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal;
- To recommend to the Board a policy, relating to the remuneration for the key managerial personnel and other employees;
- Decide on the annual bonus/ performance pay/variable pay pool and policy for its distribution across the executives;
- Formulation and modification of schemes for providing perks and allowances for executives;
- Any new scheme of compensation to executives and non-executives as the case may be;
- Framing suitable policies and systems to ensure that there is

no violation, by an employee of any applicable laws in India or overseas, including:

- The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as and when the same come into force; or
- The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003; and
- Recommend to the board, all remuneration, in whatever form, payable to senior management.
- Perform such other activities as may be delegated by the Board and/or are statutorily prescribed under any law to be attended to by the Nomination and Remuneration committee

**Meetings of Nomination and Remuneration Committee:**

The Nomination and Remuneration met Four (4) times during the financial year 2021-22 on 16<sup>th</sup> June, 2021, 20<sup>th</sup> July, 2021, 28<sup>th</sup> December, 2021 and 14<sup>th</sup> March, 2022. The attendance of the each member of Nomination and Remuneration Committee is as under:

Name	Position in the Committee	Held during their tenure	Attended
Dr. Godawari Mishra	Chairperson	2	2
Mr. Vinay Srivastava	Chairman	2	2
Mr. Gopi Sureshkumar Varadarajan	Member	2	2
Mr. Anil Vij	Member	2	2
Mr. Laxman Tammanna Tapashi	Member	2	2
Mr. Sandeep Jain	Member	2	2

Details of Remuneration of Functional Directors of the company during the year 2021-22 are as under:

Name of Director	Salary (₹)	Benefits* (₹)	Performance linked incentives (₹)	Total (₹)
Mr. Rahul Mithal (Chairman & Managing Director)	25,31,266	9,46,582	Nil	34,77,848
Mr. Rajeev Mehrotra (Chairman & Managing Director)	14,75,689	39,72,081	31,80,990	86,28,760
Mr. Gopi Sureshkumar Varadarajan (Director Projects)	45,28,442	10,53,911	22,33,001	78,15,354
Mr. Anil Vij (Director Technical)	43,61,285	17,81,889	16,71,031	78,14,205
Mr. Bibhu Prasad Nayak (Director Finance)	50,48,434	30,70,907	9,03,400	90,22,741

\* Benefits includes Post Employment Benefits, Perquisites and Other Long Term Benefits During the year 2021-22 the Independent Directors were paid sitting fee of ₹ 40,000/- each for attending Board meetings and ₹ 25,000/- each for attending Committee meetings.

Total sitting fees paid to Independent Directors during the Year 2021-22.

S. No	Name	Amount (₹)
1.	Mr. Laxman Tammanna Tapashi	₹ 3,85,000/-
2.	Dr. Godawari Mishra	₹ 3,60,000/-
3.	Dr. Dineshananda Goswami	₹ 3,10,000/-
4.	Mr. Likha Togu	₹ 1,55,000/-

#### 4.3. Risk Management Committee:

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

##### Composition of Risk Management Committee:

As on 31<sup>st</sup> March, 2022, the Risk Management Committee comprised of the following Directors:

Name	Position in the Committee	Designation
Mr. Gopi Sureshkumar Varadarajan	Chairman	Director (Projects)
Mr. Bibhu Prasad Nayak	Member	Director (Finance)
Dr. Dineshananda Goswami	Member	Independent Director
Mr. Likha Togu	Member	Independent Director

During the year the composition of committee changed twice i.e. on 17.12.2021 and 31.01.2022 accordingly following changes were incurred:

Name	Position in the Committee	Designation
Mr. Vinay Srivastava (Upto 06.09.2021)	Chairman	Government Nominee Director
Mr. Gopi Sureshkumar Varadarajan (Designated as Chairperson on 17.12.2021)	Chairman	Director (Projects)
Mr. Gopi Sureshkumar Varadarajan (upto 16.12.2021)	Member	Director (Projects)
Dr. Dineshananda Goswami (w.e.f. 17.12.2021)	Member	Independent Director
Mr. Likha Togu (w.e.f. 31.01.2022)	Member	Independent Director

Company Secretary acts as Secretary to the Committee.

##### Terms of Reference:

Terms of reference for the Risk Management Committee were revised during the year and are as follows:

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

##### Meetings of Risk Management Committee:

Risk Management Committee met two (2) times during the financial year 2021-22, i.e., on 12<sup>th</sup> August, 2021 and 08<sup>th</sup> February, 2022. The attendance of the each member of Risk Management Committee is as under:

Name	Position in the Committee	Held during their tenure	Attended
Mr. Vinay Srivastava	Chairman	1	1
Mr. Gopi Sureshkumar Varadarajan (Designated as Chairman on 31.01.2022)	Member/ Chairman	2	2
Mr. Bibhu Prasad Nayak	Member	2	2
Dr. Dineshananda Goswami	Member	1	1
Mr. Likha Togu	Member	1	1

#### 4.4. Project Investment Committee:

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

**Composition of Project Investment Committee:** As on 31<sup>st</sup> March, 2022, the Project Investment Committee comprised of the following Directors:

Name	Position in the Committee	Designation
Mr. Anil Vij	Chairperson	Director (Technical)
Dr. Godawari Mishra	Member	Independent Director
Dr. Dineshananda Goswami	Member	Independent Director

During the year the composition of committee changed once on 17.12.2021 and accordingly following changes were incurred:

Name	Position in the Committee	Designation
Mr. Anil Vij (w.e.f. 17.12.2021)	Chairman	Director (Technical)
Mr. Vinay Srivastava (upto 06.09.2021)	Chairman	Government Nominee Director
Dr. Godawari Mishra (w.e.f. 17.12.2021)	Member	Independent Director
Dr. Dineshananda Goswami (w.e.f. 17.12.2021)	Member	Independent Director
Mr. Bibhu Prasad Nayak (upto 16.12.2021)	Member	Director (Finance)
Mr. Anil Vij (upto 16.12.2021)	Member	Director (Technical)

Company Secretary acts as Secretary to the Committee.

#### Meetings of Project Investment Committee:

Project Investment Committee met once (1) during the financial year 2021-22, i.e., on 28<sup>th</sup> December, 2021. The attendance of the each member of Project Investment Committee is as under:

Name	Position in the Committee	Held during their tenure	Attended
Mr. Anil Vij	Chairman	1	1
Dr. Godawari Mishra	Member	1	1
Dr. Dineshananda Goswami	Member	1	1

#### 4.5 Corporate Social Responsibility Committee:

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

#### Composition of Corporate Social Responsibility Committee:

As on 31<sup>st</sup> March, 2022, the Corporate Social Responsibility Committee comprised of the following Directors:

Name	Position in the Committee	Designation
Mr. Bibhu Prasad Nayak	Chairman	Director (Finance)
Mr. Anil Vij	Member	Director (Technical)
Mr. Laxman Tammanna Tapashi	Member	Independent Director

During the year the composition of committee changed twice i.e. on 10.11.2021 and 17.12.2021 accordingly following changes were incurred:

Name	Position in the Committee	Designation
Mr. Vinay Srivastava (upto 06.09.2021)	Chairman	Government Nominee Director
Mr. Gopi Sureshkumar Varadarajan (upto 09.11.2021)	Member	Director (Projects)
Mr. Gopi Sureshkumar Varadarajan (from 10.11.2021 to 16.12.2021)	Chairman	Director (Projects)
Mr. Bibhu Prasad Nayak (upto 16.12.2021)	Member	Director (Finance)
Mr. Bibhu Prasad Nayak (Appointed as Chairman from 17.12.2021)	Chairman	Director (Finance)
Mr. Laxman Tammanna Tapashi (w.e.f. 10.11.2021)	Member	Independent Director
Mr. Anil Vij (w.e.f. 17.12.2021)	Member	Director (Technical)

#### Terms of Reference:

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

#### Meetings of Corporate Social Responsibility Committee:

During the year 2021-22 Six (6) meetings of CSR Committee were held on June 16, 2021, August 12, 2021, November 11, 2021, December 28, 2021, February 08, 2022 and March 14, 2022 respectively. The attendance of each member of CSR Committee is as under:

Name	Position in the Committee	Held during their tenure	Attended
Mr. Vinay Srivastava	Chairman	2	2
Mr. Gopi Sureshkumar Varadarajan	Member	2	2
Mr. Gopi Sureshkumar Varadarajan	Member	1	1

Name	Position in the Committee	Held during their tenure	Attended
Mr. Laxman Tammanna Tapashi	Member	4	4
Mr. Bibhu Prasad Nayak	Chairman	3	3
Mr. Bibhu Prasad Nayak	Member	3	3
Mr. Anil Vij	Member	3	3

Company Secretary acts as Secretary to the Committee.

#### 4.6. Stakeholders' Relationship Committee

The company has constituted Stakeholders' Relationship Committee in line with the provisions of Section 178(5) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The scope and function of the Stakeholders' Relationship Committee is in line with the provisions of Section 178 (5) of the Companies Act, 2013 and Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

##### Scope of the Committee

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

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

- 1) Resolving the grievances of the security holders including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- 2) Review of measures taken for effective exercise of voting rights by shareholders.
- 3) Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- 4) Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

As on 31<sup>st</sup> March, 2022, the Stakeholders' Relationship Committee comprised of the following Directors:

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

Company Secretary acts as Secretary to the Committee

During the year the composition of committee changed twice i.e. on 17.12.2021 and 31.01.2022 and accordingly following changes were incurred:

Directors	Position in the Committee	Designation
Mr. Laxman Tamanna Tapashi (w.e.f. 17.12.2021)	Chairman	Independent Director
Mr. Vinay Srivastava (upto 06.09.2021)	Chairman	Government Nominee Director
Mr. Anil Vij (upto 16.12.2021)	Member	Director (Technical)
Mr. Sandeep Jain (w.e.f. 17.12.2021)	Member	Government Nominee Director
Mr. Likha Togu (w.e.f. 31.01.2022)	Member	Independent Director

##### Terms of reference:

Redressal of shareholders/investors' grievances related to:

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

##### Meetings of Stakeholders' Relationship Committee:

During the year 2021-22 Three (3) meetings of Stakeholders' Relationship Committee were held on June 16, 2021, August 12, 2021 and February 08, 2022 respectively. The attendance of each member of Stakeholders' Relationship Committee is as under:

Name	Position in the Committee	Held during their tenure	Attended
Mr. Vinay Srivastava (upto 06.09.2021)	Chairman	2	2
Mr. Laxman Tammanna Tapashi (appointed as Chairman w.e.f 31.01.2022)	Chairman	1	1
Mr. Bibhu Prasad Nayak	Member	3	3
Mr. Anil Vij	Member	2	2
Mr. Sandeep Jain	Member	1	1
Mr. Likha Togu	Member	1	1

#### Status of Investors' Complaints

Quarter ending	Number of investors' Complaints received so far	Number not solved to the satisfaction of shareholders	Number of pending complaints
30 <sup>th</sup> June, 2021	14	0	0
30 <sup>th</sup> September, 2021	21	0	0
31 <sup>st</sup> December, 2021	16	0	0
31 <sup>st</sup> March, 2022	10	0	0

#### 5. SEPARATE MEETING OF INDEPENDENT DIRECTORS:

The separate meeting of independent directors was held on February 8, 2022 as per the provisions specified in regulation 25 of SEBI (Listing Obligations and Disclosure Requirements), 2015.

The attendance of Separate Committee is as under:

S. No.	Name	February 08, 2022
1.	Dr. Godawari Mishra	Present
2.	Mr. Laxman Tammanna Tapashi	Present
3.	Dr. Dineshananda Goswami	Present
4.	Mr. Likha Togu	Present

\* Dr. Godawari Mishra acted as the Chairperson of the Meeting held on 08<sup>th</sup> February, 2022.

#### 6. FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS:

The company familiarizes the Independent Directors with the activities and functioning of the company and their roles, rights, responsibilities in the company, nature of the industry in which the company operates, business model of the company, etc., through various programmes and presentations. The details of such familiarization programme are disclosed on the company's website under the link: [https://rites.com/Upload/MediaGallery/PDF/3/Details-Familiarization-programme\\_pdf-2022-Jun-10-09-51-5.pdf](https://rites.com/Upload/MediaGallery/PDF/3/Details-Familiarization-programme_pdf-2022-Jun-10-09-51-5.pdf)

#### 7. NAME AND DESIGNATION OF COMPLIANCE OFFICER:

**Name:** Mr. Joshit Ranjan Sikidar

**Designation:** Company Secretary and Compliance Officer

#### 8. GENERAL BODY MEETING:

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

AGM/ EGM	Year	Date of holding Meeting	Time	Venue	Special Resolution
47 <sup>th</sup> AGM	2020-21	29 <sup>th</sup> September, 2021	11:00 HRS	Through Video Conferencing/ Other Audio Visual Means	Nil
46 <sup>th</sup> AGM	2019-20	28 <sup>th</sup> August, 2020	11:30 HRS	Through Video Conferencing/ Other Audio Visual Means	Nil
45 <sup>th</sup> AGM	2018-19	30 <sup>th</sup> July, 2019	10.00 HRS	Zoravar Hall - Manekshaw Centre, Khyber Lines, Delhi Cantonment, New Delhi 110010	Nil

#### 9. RESOLUTIONS PASSED THROUGH POSTAL BALLOT:

During the financial year 2021-22 the company had circulated One (1) postal ballot for shareholders' approval, voting of which started on 11<sup>th</sup> March, 2022 and the same was concluded on 9<sup>th</sup> April, 2022.

#### 10. SUBSIDIARY COMPANIES:

The company has one Indian Subsidiary i.e.

- REMC Limited incorporated on 16<sup>th</sup> August, 2013 in Joint Venture with Ministry of Railways for taking up various assignments/tasks to develop potential business avenues in the field of power sector including Green Energy, power trading etc.

Further, the company has one subsidiary company abroad namely RITES AFRICA (PTY) Limited, Botswana.

The company has also adopted a policy for determining material subsidiaries; the policy is available on company's website. Web link for the same is <https://www.rites.com/Upload/upload/misc/Balancesheet/Policy-Material-Subsidiaries.pdf>

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



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

## 11. GENERAL SHAREHOLDERS' INFORMATION

### I. Annual General Meeting Date: 16<sup>th</sup> September, 2022 (Friday)

Time: 11:00 A.M.

Venue: Through Video Conferencing/ OVAM

#### Financial Year

The company's Financial Year is from 1<sup>st</sup> April to 31<sup>st</sup> March.

### II. Book Closure

The Register of Members and Share Transfer Books of the company will remain closed from 10.09.2022 to 16.09.2022 (both days inclusive).

### III. Payment of dividend

Payment of final dividend for the financial year 2021-22 is ₹ 3.5/- per share amounting to ₹ 84 crore and interim dividends paid during the said period is ₹ 13.5/- per share amounting to ₹ 324 crore.

### IV. The record date for the payment of Dividend is 09.09.2022

### V. Dividend History

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

## VI. Listing on Stock Exchange:

Company equity shares are listed on the following Stock Exchanges:

### 1. National Stock Exchange of India Limited

Exchange Plaza, C-1,G Block, Bandra-Kurla Complex,  
Bandra (East), Mumbai - 400 051  
Scrip code: RITES

### 2. BSE Limited

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

Company ISIN - INE320J01015

Annual Listing fee for the aforesaid Stock Exchanges has been paid for the financial year 2022-23.

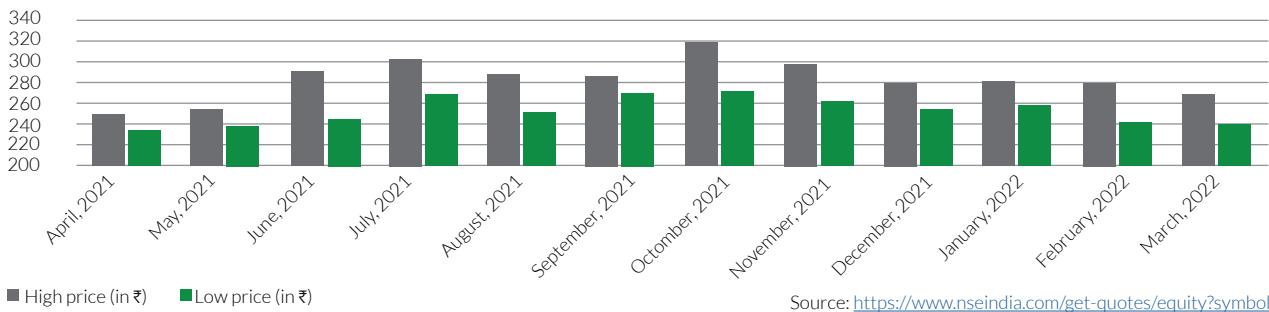
## VII. Shares Market Price (NSE)

Months	High (₹)	Low (₹)
April,2021	248.60	232.20
May,2021	253.50	237.25
June,2021	290.00	243.25
July, 2021	303.00	267.30
August, 2021	287.00	250.10
September, 2021	284.80	269.70
October, 2021	317.90	270.10
November, 2021	298.00	262.00
December, 2021	279.65	253.40
January, 2022	280.50	257.50
February, 2022	278.40	240.10
March, 2022	268.75	238.85

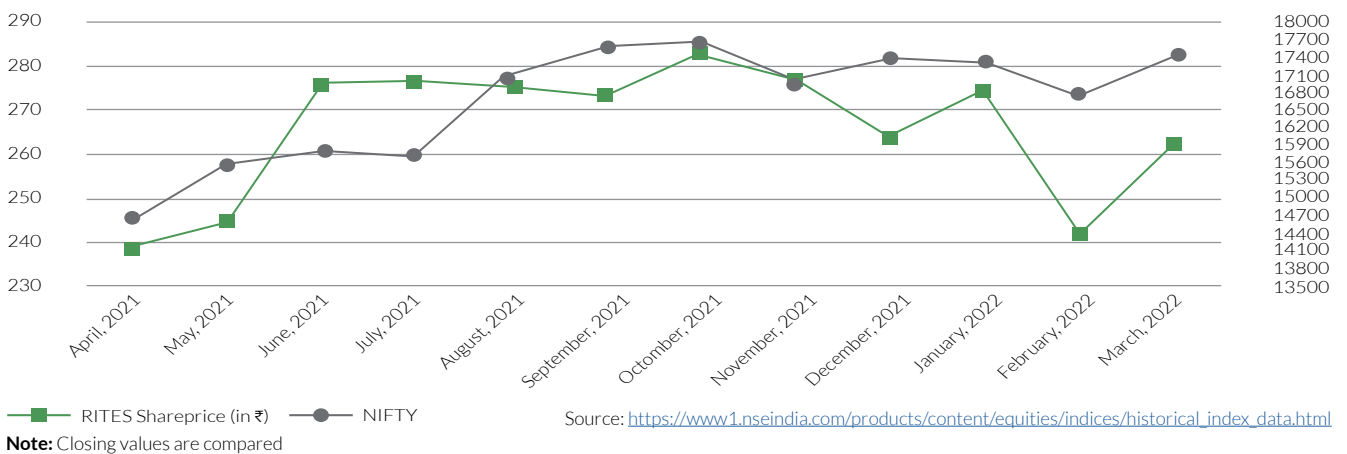
## Shares Market Price (BSE)

Months	High (₹)	Low (₹)
April,2021	249.75	232.40
May,2021	253.00	237.00
June,2021	290.10	243.25
July, 2021	302.95	267.60
August, 2021	286.60	249.85
September, 2021	285.00	264.05
October, 2021	318.00	270.00
November, 2021	297.60	262.35
December, 2021	279.15	254.50
January, 2022	280.20	255.00
February, 2022	278.00	240.50
March, 2022	268.55	239.00

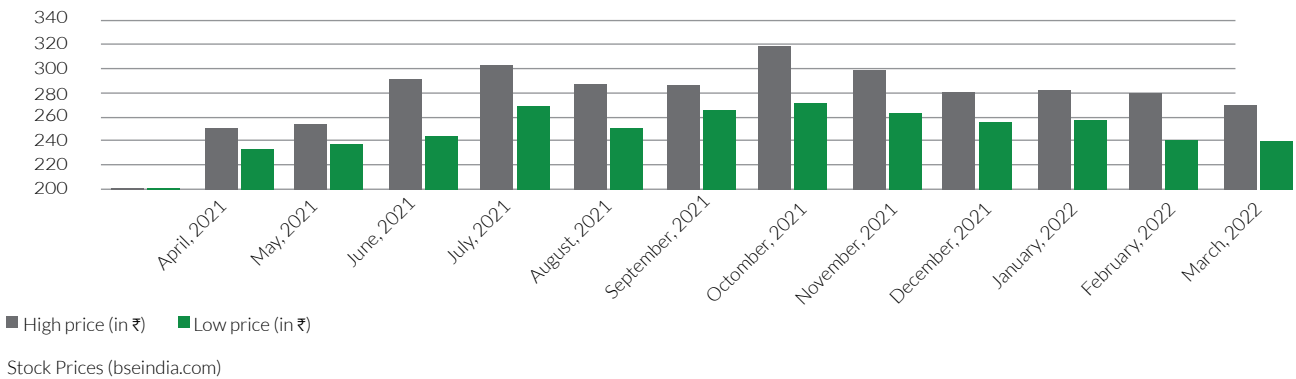
NSE (Highs and Lows)



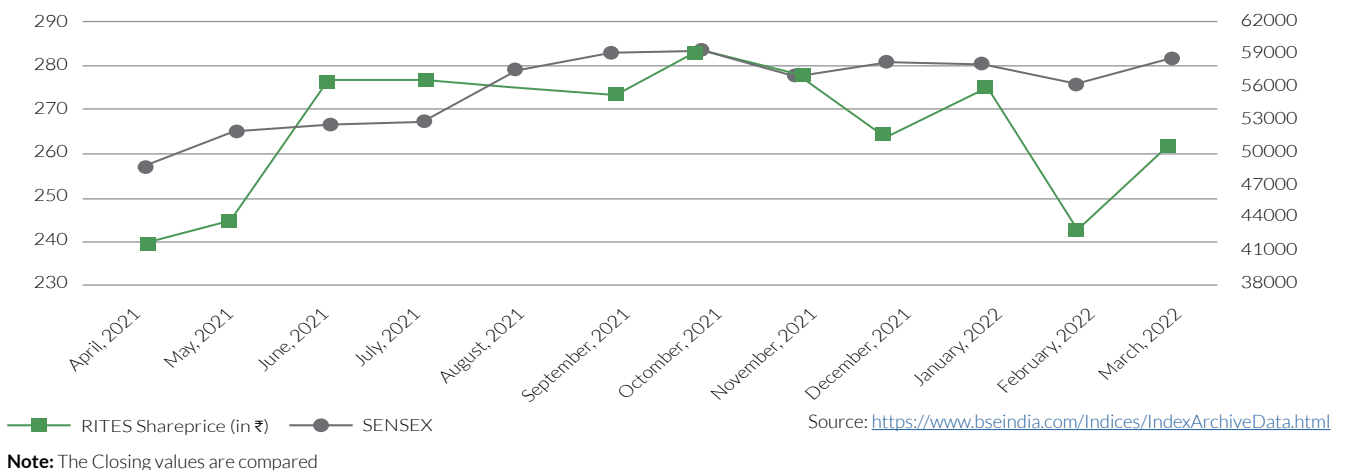
Performance of Company's share in comparison to indices NSE nifty



BSE (High and Lows)



Performance of Company's share in comparison to indices BSE sensx



## X. Unpaid Dividend

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

Time frame of transfer of Unclaimed Dividend to Investor Education and Protection Fund (IEPF):

Date of Declaration of Dividend	Dividend for the year	Due Date of transfer to IEPF
19 <sup>th</sup> September, 2018	Final Dividend for the year 2017-18	23 <sup>rd</sup> November, 2025
17 <sup>th</sup> December, 2018	First Interim Dividend for the year 2018-19	21 <sup>st</sup> February, 2026
11 <sup>th</sup> March, 2019	Second Interim Dividend for the year 2018-19	12 <sup>th</sup> May, 2026
30 <sup>th</sup> July, 2019	Final Dividend for the year 2018-19	05 <sup>th</sup> October, 2026
27 <sup>th</sup> December, 2019	First Interim Dividend for the year 2019-20	03 March, 2027
06 <sup>th</sup> March, 2020	Second Interim Dividend for the year 2019-20	12 <sup>th</sup> May, 2027
28 <sup>th</sup> August, 2020	Final Dividend for the year 2019-20	3 <sup>rd</sup> November, 2027
30 <sup>th</sup> December, 2020	First Interim Dividend for the year 2020-21	6 <sup>th</sup> March, 2028
12 <sup>th</sup> March, 2021	Second Interim Dividend for the year 2020-21	18 <sup>th</sup> May, 2028
29 <sup>th</sup> September, 2021	Final Dividend for the year 2020-21	5 <sup>th</sup> December, 2028
12 <sup>th</sup> August, 2021	First Interim Dividend for the year 2021-22	18 <sup>th</sup> October, 2028
11 <sup>th</sup> November, 2021	Second Interim Dividend for the year 2021-22	17 <sup>th</sup> January, 2029
14 <sup>th</sup> March, 2022	Third Interim Dividend for the year 2021-22	20 <sup>th</sup> May, 2029

## XI. Registrar and Share Transfer Agent:

### Link Intime India Private Limited

**Address:** Link Intime India Private Limited  
 Noble Heights, 1<sup>st</sup> Floor, Plot No. NH 2, LSC, C-1 Block,  
 Near Savitri Market, Janakpuri,  
 New Delhi-110058

Ph: +91 1141410592; Fax: +91 1141410591

**Website:** www.linkintime.co.in

**E-mail:** swapann@linkintime.co.in

**Contact person:** Mr. Swapan Kumar Naskar

**SEBI registration No.:** INR000004058

## XII. Share Transfer System:

Entire share transfer activities are carried out by Link Intime India Pvt. Limited. Company obtains a yearly certificate from Practicing Company Secretary as per the requirement of Regulation 40 (9) of Listing Regulations and the same is filed with the Stock Exchanges and uploaded on the website of the company. In terms

of amendments to Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, effective from 01<sup>st</sup> April, 2020, transfer of securities in physical form, except in case of request received for transmission or transposition of securities, shall not be processed unless the securities are held in the dematerialized form with a depository.

## XIII. Distribution of shareholding

### • According to size, % of holding as on 31<sup>st</sup> March, 2022

Category	No. of Shareholders	No. of shareholders (%)	Total Shares	Total Shares (%)
1-500	99461	95.01	6974786	2.90
501-1000	2787	2.66	2136947	0.89
1001-2000	1310	1.25	1891401	0.78
2001-3000	394	0.38	987176	0.41
3001-4000	189	0.18	671921	0.28
4001-5000	121	0.12	560358	0.24
5001-10000	189	0.18	1359315	0.57
10001 and above	236	0.22	225719983	93.93
<b>Total</b>	<b>104687</b>	<b>100</b>	<b>240301887</b>	<b>100</b>

### • Shareholding of various categories as on 31<sup>st</sup> March, 2022

Category	Total Shares	% to equity
President of India	173504773	72.20
FII/FCB/FPI	3476184	1.45
Mutual Funds	16558815	6.89
Indian public	16481725	6.86
Insurance Companies	21307739	8.87
Bodies corporate	3970814	1.65
Banks & FIs	2671140	1.11
NRIs and OCBs	1297143	0.54
Others	1033554	0.44
<b>Total</b>	<b>240301887</b>	<b>100</b>

### • Major Shareholders

Details of shareholders holding more than 1% of paid-up capital, other than promoter group of the company as on 31<sup>st</sup> March, 2022.

S. No.	NAME OF THE SHAREHOLDER	SHARES	%	CATEGORY
1.	Life Insurance Corporation of India	19584120	8.15	Insurance Companies
2.	Hdfc Trustee Company Ltd - A/C Hdfc Mid - Cap Opportunities Fund	6781375	2.82	Mutual Fund
3.	Nippon Life India Trustee Ltd-A/C Nippon Power Infra Fund	9497459	3.95	Mutual Fund

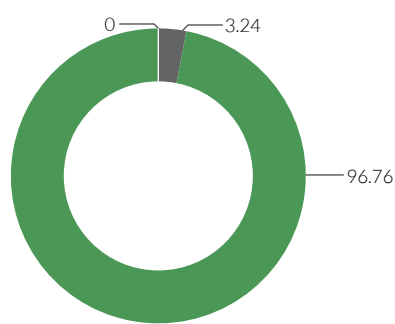
## XIV. Dematerialization of Shares and Liquidity

The shares of the company are in compulsory dematerialized mode and are available for trading on of both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

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

#### Number of shares held in dematerialization and physical mode (as on 31.03.2022):

S. No.	Physical/demat	Number of holders	Number of Shares	% of total issued capital
1.	Held in dematerialized form in NSDL	44888	232525850	96.76
2.	Held in dematerialized form in CDSL	59736	7774779	3.24
3.	Physical	63	1258	0.00
<b>Total</b>		<b>104687</b>	<b>240301887</b>	<b>100</b>



□ Physical   ■ Securities held in NSDL   ■ Securities held in CDSL

#### XV. Outstanding GDRs / ADRs / Warrants or any convertible instruments:

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

#### XVI. Commodity Price Risk or Foreign Exchange Risk and Hedging Activities:

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

#### XVII. Location of Plants:

Company has no plants as it is in the business of Consultancy, Leasing & Trading.

#### XVIII. Address for correspondence:

	Registered Office	Registered Office
<b>Address</b>	SCOPE Minar, Laxmi Nagar, Delhi - 110 092, India	Shikhar, Plot No. 1, Sector 29, Gurugram- 122001, India
<b>Telephone</b>	+91 11 22024610	+91 124 2571665
<b>Fax</b>	+91 11 22024660	+91 124 2571187
<b>Contact Person</b>	Mr. Joshit Ranjan Sikidar, Company Secretary and Compliance Officer	
<b>E-mail</b>	cs@rites.com	

#### XIX. Credit ratings obtained by the Company

During the Financial year 2021-22, the company has received a credit rating of IVR A1+/ (IVR A One Plus) for short term Bank based facilities upto an amount of ₹1015 crore from Infomeric Valuation and Ratings Private Limited.

#### 12. DISCLOSURES:

- During the year, there has been no materially significant related party transaction that have a potential conflict with the interest of the company. The policy relating to related party transaction is amended as per the latest amendments and approved by the Board of Directors and is being uploaded on website of company. The web link of which is as follows: <http://ritesltd.com/upload/misc/Balancesheet/Project-Gati-Related-Party-Transaction-Policy.pdf>
- Details of related party transactions are included in the Notes to Accounts as Indian Accounting Standards -Ind AS-24 notified by Central Government (Note 43).
- The company has followed the IND AS in the preparation of Financial Statements.
- No penalties imposed or strictures passed against the company by any statutory authorities on any matters related to any guidelines issued by the Government during the last three years.
- During the year under review, the company was in compliance with all the applicable requirements except to the extent that the composition of the Board was not as per Regulation 17(1) of SEBI (LODR) Regulations, 2015.
- We have a corporate policy on materiality for disclosure of events to the Stock Exchanges.
- The compliance with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 have been made except for the Regulation 17(1) as stated above. RITES being a Public Sector Undertaking, the power to appoint Directors vests with Ministry of Railways, Government of India.

#### 13. MEANS OF COMMUNICATION:

All important information pertaining to the company is mentioned in the Annual Report of the company containing inter-alia Audited Accounts, Directors' Report, Report on Corporate Governance which is circulated to the members and others entitled thereto for each financial year. The Company communicate with its shareholders through Annual Reports, General Meeting, newspapers and Disclosures through official website i.e., [www.rites.com](http://www.rites.com).

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

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

- Quarterly/ half yearly / Annual Financial Results
- Quarterly compliances as per SEBI (LODR), including shareholding patterns, corporate governance report, Reconciliation of share capital audit report, Investor Grievance Report etc.
- Half Yearly compliances such as Compliance Certificate signed by RTA and Company Secretary of the company, Compliance Certificate regarding transfer of Shares, Summary of Related Party transactions.
- Other disclosures made to stock exchange pursuant to regulation 30 of SEBI (LODR).

The annual accounts of the company are made available on the website of the company i.e., www.rites.com. Compliance report of Corporate Governance is also being sent to Ministry of Railways on quarterly basis/yearly basis for onward submission to DPE.

#### Publication of Financial Results in newspaper

S. No.	Publication of Financial Result for quarter/year ended	Date of publication	Newspaper	
			English	Hindi
1.	Year ended on 31.3.2021	17 <sup>th</sup> June, 2021	FE	Jansatta
2.	Quarter ended on 30.06.2021	13 <sup>th</sup> August, 2021	FE	Jansatta
3.	Quarter ended on 30.09.2021	12 <sup>th</sup> November, 2021	ET & TOI	NT
4.	Quarter ended on 31.12.2021	09 <sup>th</sup> February, 2022	ET & TOI	NT
5.	Year ended on 31.3.2022	25 <sup>th</sup> May, 2022	TOI, HT, Mint & ET	NT

#### 14. TRAINING OF BOARD MEMBERS:

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

#### 15. WHISTLE BLOWER POLICY AND VIGIL MECHANISM

The company has separate Vigilance Department which deals with fraud or suspected fraud involving employees/representatives of suppliers, contractors, consultants, service provider or any other party doing business with RITES. Whistle Blower and Fraud Prevention Policy have been approved by the Board of Directors and the same has been uploaded on the website of RITES. No personnel have been denied access to audit committee.

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

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

Complaints pending at the beginning of the year	No. of complaints filed during the year	No. of complaints disposed of	No. of complaints pending at the end of financial year
1	0	0	1

#### Women Empowerment

During the year, several programmes were organised on gender issues, prevention of sexual harassment at workplace, women empowerment etc. On 8<sup>th</sup> March 2022, International Women's Day was celebrated in the organization in recognition to the various contributions made by women across the globe and as an opportunity to express their opinions on the issues. As an Equal Opportunity Employer (EOE), RITES Management has adopted a gender-neutral approach in all its recruitment drives and also for assigning jobs/assignments in the organization in the existing roles. The women employees represent a significant number in the organization and many of them even marking their presence on the field/ site jobs.

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

The company has obtained a certificate from Ms. Poonam (Membership No. ACS no. 37303, COP no. 24827), M/s Agarwal S. & Associates, Company Secretaries regarding confirmation that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of the company by the Board (i.e. SEBI) / Ministry of Corporate Affairs or any such statutory authority. The requisite certificate from Ms. Poonam, the Practicing Company Secretary, confirming compliance of this condition has been obtained (placed as Appendix-III to this report).

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

### Mandatory Requirements

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

### Non Mandatory Requirements

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

**Shareholder Rights:** The Quarterly/Half yearly/Yearly financial results during the year 2021-22 were published in various newspapers in both English and Hindi. Separate reports have however, not been sent to each shareholder. Significant events have been promptly disclosed on the company website.

**Audit Qualifications:** There are no audit qualifications on the financial statement for the year 2021-22 as shown in Independent Auditors' Report

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

## 19. Fees paid to Statutory Auditors

Total fees for all services paid by RITES Limited and its subsidiaries, on a consolidated basis, to Statutory Auditors, Branch Auditors and other firms in the network entity of which they are part, as included in the consolidated financial statements of the company for the year ended March 31, 2022, is INR ₹ 0.39 crore.

## 20. CEO/CFO Certification:

The certification by Chairman and Managing Director (Chief Executive Officer) and Director Finance (Chief Financial Officer) was placed before the Board of Directors at the meeting held on May 24, 2022 (placed as **Appendix- IV** to this report).

## 21. Compliance

The company complies with the requirements of the Guidelines on Corporate Governance for CPSEs 2010 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

**Appendix - I**
**Attendance of Board of Directors Meeting during the year 2020-21**

Name of Directors	268 BOD Meeting 16 <sup>th</sup> June, 2021	269 BOD Meeting 20 <sup>th</sup> July, 2021	270 BOD Meeting 12 <sup>th</sup> August, 2021	271 BOD Meeting 06 <sup>th</sup> October, 2021	272 BOD Meeting 11 <sup>th</sup> November, 2021	273 BOD Meeting 28 <sup>th</sup> December, 2021	274 BOD Meeting 08 <sup>th</sup> February, 2022	275 BOD Meeting 14 <sup>th</sup> March, 2022	Total BOD Meeting 8(Eight)
<b>Mr. Rajeev Mehrotra</b> Chairman & Managing Director	✓	NA	NA	NA	NA	NA	NA	NA	Held - 1 Attended - 1
<b>Mr. Rahul Mithal</b> Chairman & Managing Director	NA	NA	NA	NA	✓	✓	✓	✓	Held - 4 Attended - 4
<b>Mr. Gopi Sureshkumar Varadarajan</b> Director Projects	✓	✓	✓	✓	✓	✓	✓	✓	Attended all
<b>Mr. Anil Vij</b> Director Technical	✓	✓	✓	✓	✓	✓	✓	✓	Attended all
<b>Mr. B.P. Nayak</b> Director Finance	✓	✓	✓	✓	✓	✓	✓	✓	Attended all
<b>Mr. Vinay Srivastava</b> Government Nominee Director	VC	VC	VC	NA	NA	NA	NA	NA	Held - 3 Attended - 3
<b>Dr. Dineshananda Goswami</b> Independent Director (from 11.11.2021)	NA	NA	NA	NA	✓	✓	✓	✓	Held - 4 Attended - 4
<b>Dr. Godawari Mishra</b> Independent Director (from 10.11.2021)	NA	NA	NA	NA	✓	✓	✓	✓	Held - 4 Attended - 4
<b>Mr. Likha Togu</b> Independent Director (from 21.01.2022)	NA	NA	NA	NA	NA	NA	✓	✓	Held - 2 Attended - 2
<b>Mr. Laxman Tammanna Tapashi</b> Independent Director (from 10.11.2021)	NA	NA	NA	NA	✓	✓	✓	✓	Held - 4 Attended - 4
<b>Mr. Sandeep Jain</b> Government Nominee Director (from 17.12.2021)	NA	NA	NA	NA	NA	✓	✓	✓	Held - 3 Attended - 3
<b>Mr. Raj Kumar Mangla</b> Government Nominee Director (from 14.03.2022)	NA	NA	NA	NA	NA	NA	NA	✓	Held - 1 Attended - 1

**NOTE:**

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

**Appendix - II**
**DECLARATION BY CHAIRMAN & MANAGING DIRECTOR REGARDING COMPLIANCE WITH THE CODE OF CONDUCT BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL DURING THE YEAR 2021-22**

I, Rahul Mithal, Chairman & Managing Director, RITES Limited do hereby declare that all the members of the Board of Directors and the Senior Management Team of the Company have affirmed their compliance of the Code of Conduct during the year 2021-22.

Place: Gurugram  
Date: 24<sup>th</sup> May, 2022

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

## Appendix - III

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**  
(Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

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

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

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations/ representations furnished to us by the Company & its Director/officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority:

S. No.	Name of Director	DIN	Date of appointment in Company
1.	Mr. Laxman Tammanna Tapashi	01838521	10/11/2021
2.	Mr. Anil Vij	07145875	04/11/2019
3.	Mr. Rahul Mithal	07610499	07/10/2021
4.	Mr. Bibhu Prasad Nayak	08197975	07/11/2019
5.	Mr. Gopi Sureshkumar Varadarajan	08241385	27/09/2018
6.	Dr. Dineshananda Goswami	09394294	11/11/2021
7.	Dr. Godawari Mishra	09394545	10/11/2021
8.	Mr. Sandeep Jain	09435375	17/12/2021
9.	Mr. Likha Togu	09470640	21/01/2022
10.	Mr. Raj Kumar Mangla	09533985	14/03/2022

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

For **Agarwal S. & Associates,**  
**Company Secretaries,**  
ICSI Unique Code: P2003DE049100  
Peer Review Cert. No.: 626/2019

**CS Poonam**  
**Partner**

ACS No. : 37303  
C.P No. : 24827

UDIN: A037303D000317165

Date: 13.05.2022  
Place: New Delhi



**APPENDIX - IV**

**CERTIFICATE BY CHAIRMAN AND MANAGING DIRECTOR  
(CHIEF EXECUTIVE OFFICER) AND CHIEF FINANCIAL OFFICER  
(Pursuant to Reg 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)  
(Listing Obligations and Disclosure Requirements) Regulations, 2015)**

- (a) We have reviewed financial statements and the cash flow statements for the year ended on March 31, 2022 and to the best of our knowledge and belief:
- i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
  - ii. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of Company's internal control systems pertaining to financial reporting and we have disclosed to the auditors and the audit committee that to the best of our knowledge and belief there are no material deficiencies in the design or operation of such internal control.
- (d) We have indicated to the Auditors and the Audit Committee:
- i. That there are no significant changes in internal control system during the year.
  - ii. That there are no significant changes in accounting policies. The change in accounting policies which have no significant financial implication, have been approved by the Board of Directors during the year and the same have been disclosed in the notes to the financial results.
  - iii. That there are no instances of significant fraud of which we have become aware.

For **RITES Limited**

**Rahul Mithal**

Chairman & Managing Director and Chief Executive Officer  
DIN: 07610499

**Bibhu Prasad Nayak**

Director Finance and Chief Financial Officer  
DIN: 08197975

Place: Gurugram

Date: 24<sup>th</sup> May, 2022

## APPENDIX - V

## CERTIFICATE

To  
The Members  
RITES LIMITED

We have examined the compliance of conditions of Corporate Governance by RITES LIMITED ("Company") for the year ended 31<sup>st</sup> March, 2022 as stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 [SEBI (LODR) Regulations] in respect of Equity Shares of the Company listed with Stock Exchanges and the DPE guidelines on Corporate Governance for Central Public Sector Enterprises issued by the 'Department of Public Enterprises', Ministry of Heavy Industries and Public Enterprises, Government of India.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination, carried out in accordance with the Corporate Governance (Models of Best practices) issued by the Institute of Company Secretaries of India, was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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

In our opinion and to the best of our knowledge and information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI (LODR) Regulations, 2015 and amendment therein from time to time and in the guidelines on corporate governance issued by the 'Department of Public Enterprises' except:

1. As per regulation 17(1)(b) of Securities and Exchange Board of India (Listing Obligations and Disclosure requirements) Regulations, 2015, Clause 3.1.4 of DPE Guidelines and as per the Section 149(4) of the Companies Act, 2013, atleast 50% of the Board of Director shall comprise of Independent Directors. Being a Government Company, Directors on the Board are appointed by the Ministry of Railways. Accordingly, Ministry of Railways had appointed four Independent Directors namely Dr. Godawari Mishra w.e.f. 10<sup>th</sup> November, 2021, Mr. Laxman Tammanna Tapashi w.e.f. 10<sup>th</sup> November, 2021, Dr. Dineshananda Goswami w.e.f. 11<sup>th</sup> November, 2021 and Mr. Likha Togu w.e.f. 21<sup>st</sup> January 2022 on the Board of the Company against the requirement of Six Independent Directors.
2. As per regulation 17(1)(a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as per the second proviso of Section 149(1)(a) of the Companies Act, 2013, the Board of Directors of the Company shall consist an Independent Women Director. Being a Government Company, Directors on the Board are appointed by the Ministry of Railways. Accordingly, Ministry of Railways had appointed an Independent Woman Director on the Board of the Company on 10<sup>th</sup> November, 2021.

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.  
Company Secretaries  
Reg. no. P1995DE072900

**CS Deepak Kumar**

Partner

M.No.- F 10189

C.P.No. 11372

Date : 04/08/2022

Place: New Delhi

UDIN: F010189D000738378

# Management Discussion and Analysis



● RITES offers rail infrastructure services for building mini rail systems for industrial players.

**2021-22** was another good year for RITES with financial performance indicators well above the targeted levels. Forging ahead with a strong dynamics of growth and internationalisation, the company is pursuing the ‘Transforming to GREEN’ plan more than ever and implementing projects that help ‘Shaping Tomorrow’s Mobility’.

## ECONOMIC OVERVIEW

The financial year gone by was yet another eventful year, depicting the tale of many from Covid 2.0 to sequential revitalisation of the economy. Notwithstanding the upside geopolitical uncertainties and continuing fear of coronavirus still haunting some parts of the globe, the world economy is set to be on a better footing.

As per the International Monetary Fund’s World Economic Outlook (April), global growth is projected to be 3.2% and 2.9% Year CY2022 and CY2023 with the emerging and developing

Asian market is expected to grow 4.6% and 5.0% in CY2022 and CY2023, respectively. However, the surging inflation, impacting the vulnerable populations, especially in low-income countries, has prompted central banks to increase interest rates – a red flag to the fragile economic recovery. Still, corporate leaders, according to a survey by Mckinsey & Company, are having optimistic outlook for the global economy, including Asia-Pacific.



**8.7%**  
India GDP Growth  
FY 2021-22



**₹ 7.5 lakh crore**  
India Budgeted Capex  
for FY 2022-23



**\$422 bn**  
Exports, up by 44%  
FY 2021-22



**\$607 bn**  
India Forex Reserve\*  
(\*As on March 31, 2022)

On the domestic front, the Indian economy affirms a cautious pulse with the Reserve Bank of India predicting a growth of 7.2 % in FY 2022-23. Moreover, the central bank has been withdrawing the pandemic-triggered accommodation as it races to anchor the inflation within the targeted band. It has also cautioned against the headwinds from global spillovers due to geopolitical tension and moderating external demand.

However, India's record revenue collection for the financial year, and structural reforms promise an uptick in economic sentiments. The Economic Survey (February 2022) too stated that a combination of higher foreign exchange reserves, sustained foreign direct investment, and rising export earnings would provide an adequate buffer against the possible global liquidity tapering in FY 2022-23.

Going forward, sustainable development requires disruptive changes in the way our societies and businesses are organized. Countries agreeing to build on the 2015 Paris Pact and curb the worst effects of climate change at COP26, and a shift towards the circular economy by many economies are progressive steps to the sustainable development. As per Accenture Research, circular economy, which promotes the elimination of waste and the continual safe use of natural resources, can generate up to \$4.5 trillion in economic benefits by 2030.

## INDUSTRY OVERVIEW

Mobility solutions that ensure the vital flow of people, goods and services, while mitigating climate change are the need of hour. Recovering from the pandemic, transport infrastructure has once again become the political and economic priority for many countries. Infrastructure projects in sectors such as railways, roadways, ports, airports, metro etc. are being commissioned to stimulate sluggish economies, build systems, upgrade systems, provide mass transport solutions to fast-growing population and cater to increasing urbanisation. Countries are ambitiously investing in solutions which are providing quality public transport, interconnection of cities, and cleaner technologies.

India is using infrastructure as a force-multiplier for sustained economic growth. To speed up the economic normalisation, the Government is pitching for the public-private investment in the infrastructure sector and investment-led growth supported by various initiatives such as the 'Atmanirbhar Bharat Mission', Make in India, National Infrastructure Pipeline, National Monetisation

Policy, PM Gati Shakti - National Master Plan for Multimodal Connectivity, and National Rail Plan etc.

The thrust on fast-paced electrification/doubling of railway lines, road construction, investment in urban mobility and ropeways, private participation in construction and maintenance of highways, ports and airports and unlocking funds through monetisation of non-core assets has to the creation of mega transport asset like high-speed railways, dedicated freight corridors, expressways, greenfield/brownfield airports and ports, metros demonstrating advancement in the transport infrastructure. This growth momentum is expected to continue with projects worth approximately ₹142 lakh crore identified under the dynamic National Infrastructure Pipeline and the National Rail Plan envisaging railway infrastructure expansion for FY 2029-30 with more than 35% y-o-y increase in capital expenditure (capex) with a proposed infrastructure spend of over ₹10 lakh crore in the Budget 2022-23.

As India aspires to be a \$5-trillion economy, it is not just investment that will be key to spurring growth but aligning country's ambitious proposals with climate choices. Acting in the direction, India, along with the United Kingdom (UK), launched a 'Roadmap 2030' in May 2021 to collaborate and combat climate change by 2030. Green mobility initiatives like multi-modal transport hub, movement of people through mass transport mediums, e-vehicles, and so on, are set to turn the wheels for 'Shaping Tomorrow's Mobility'.

The South-East Asian region has some of the world's fastest-growing economies which led to an increase in the demand for new and improved transportation infrastructure. The market for transportation infrastructure in the region is expected to grow at a fast pace over the next few years to meet the needs of increasing population and expanding urbanisation. Similarly, the African Development Bank estimates that the Africa continent's infrastructure financing needs will be as much as \$170 billion a year by 2025, with an estimated gap of around \$100 billion a year. African nations have realised that investment in infrastructure is the vital to increase Africa's competitiveness and potential in productive sectors such as agriculture, manufacturing, mining, and industry. The Latin American region is also experiencing increase in the demand for urban mass transport systems, railway networks and airports. The gap between demand and existing infrastructure in these areas can be filled by creating a friendly ecosystem, investing in bankable quality infrastructure projects, and fostering of greater public and private investments.

## RITES' BUSINESS

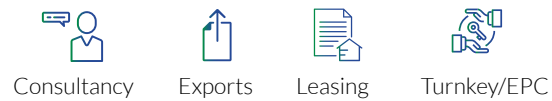
### I. ABOUT US

RITES Limited, a Miniratna (Category-I) Schedule 'A' Central Public Sector Enterprise was established under Ministry of Railways, Government of India, in 1974. RITES is a key multi-disciplinary engineering & consultancy organisation, providing customized, competitive, diversified, and comprehensive, concept to commissioning services and integrated solutions in the transport and infrastructure sector in India and abroad. The company has so far served the clients in more than 55 countries across Asia, Africa, Latin America, South America and Middle East region.

#### Sectors of Operation



#### Segments



#### Service Spectrum



#### Subsidiaries & Joint Ventures



## II. STRENGTHS & WEAKNESS

RITES has an excellent track record of over 48 years and has received high international visibility and reputation through high-quality engineering and project management consultancy services and exports to over 55 countries across the globe.

The company has a comprehensive range of offerings and a diversified portfolio, uniquely positioning itself in industry. It has integrated offerings in its export portfolio where the company, other than supplying rolling stock, provides commissioning support, after-sales warranty services, spare part supports and operation and maintenance services. It is also capable of customising its exports products as per clients' requirements. The enterprise's ability to cooperate and collaborate through joint ventures/consortiums and with associates enables it to offer a comprehensive bouquet of services to its clients.

The company's ability of harnessing relevant technology for mega projects such as dedicated freight corridors, high-speed rail, long-span bridges and tunnels, MRTS/LRTS/MetroLite/high-capacity bus system, expressways, greenfield airports and ports development and other state-of-the-art technologies in critical areas of infrastructure, provides it an edge over others. Equipped with sophisticated software (including for designs) and modern equipment, RITES is a unique inspection organisation with in-house material-testing laboratories with national/international accreditation/certification.

The entity adds value through its technical expertise, experienced talent pool of over 2,000 accomplished engineers and professionals. Besides full-time professionals, the company also maintains a panel of experts and engages in project-based hirings, providing an unmatched strength in meeting the needs of clients worldwide and workforce flexibility. RITES also draws on the expertise and human capital of the Indian Railways and other government ministries and departments.

RITES, being a CPSE, is a preferred consultant for the Central/state government departments for executing sensitive/strategic assignments. Also, the company's extensive experience of working with multilateral-funding agencies and international organisations adds to its credence of 'being preferred by clients'.

Amid extremely competitive, dynamic, and ever-changing business scenario, attracting and retaining a skilled workforce is a challenge. With increased thrust on attaining accelerated growth, more and more organisations are making inroads into the market, posing a difficulty in acquiring and retaining the best of the talent.

## III. OPPORTUNITIES & THREATS

The infrastructure will play a leading role not only in rebuilding economies, but in the geopolitical shifts that may occur as the world continues to respond, in an agile and decisive manner, to the Covid-induced challenges. The increased need for transportation services enables us to apply our expertise in transportation dynamics, system design, management and transport economics. African, South-East Asian and Latin American countries' push to fill the infrastructural gaps will



provide RITES a great opportunity to partner them in their goal to identify bankable projects and build Infra4Future.

The Indian economy's sharp rebound is reflective of our country's strong resilience. India's economic growth in the FY 2021-22 is estimated at 8.7% making it one of the fastest-growing major economies. The momentum is expected to continue with a further increase in allocation, given the multiplier benefits that can boost employment and economic development. PM Gati Shakti - National Master Plan for Multimodal Connectivity, essentially a digital platform to bring 16 Ministries, including Railways and Roadways, together for integrated planning and coordinated implementation of infrastructure connectivity projects. The multi-modal connectivity will provide integrated and seamless connectivity for movement of people, goods and services from one mode of transport to another. It will facilitate the last-mile connectivity of infrastructure and also reduce travel time. The National Highways network will be expanded by 18,000km in FY 2022-23, on the other side the Ministry of Railways has announced plans to upgrade its system by 2030. Upgrades include 100% electrification of railways, upgrading existing lines with more facilities and higher speeds, expansion of new lines, upgrading railway stations, introducing and eventually developing a large High Speed Train network interconnecting major cities of India and development of dedicated freight corridors to cut down cargo costs within the country. As a part of the Atmanirbhar Bharat mission, new-generation 'Vande Bharat' trains with better energy efficiency will be developed to boost passenger experience and increase exports potential. Further, The National Ropeways Development Programme - 'Parvatmala', announced in the 2022-23 Union Budget will improve connectivity in hilly areas. As a preferred ecologically sustainable alternative to conventional roads in the mountainous terrains, the 'Parvatmala' programme will turn out be a game-changer in the ropeway sector.

Amid already highly competitive market, the policy shift favouring more competition poses a challenge to the company. Opening infrastructure sectors, including railways, for private participation is a healthy sign for the Indian economy, but may moderate margins of the company. However, banking on its strengths, Company takes these as opportunities, instead of challenges.

#### IV. FINANCIAL PERFORMANCE

The performance of the company in the reporting year reached the pre-Covid levels. It recorded a total income of ₹2661 crore compared to ₹1947 crore in the previous year. Profit after tax for the year stood at ₹497 crore as against ₹424 crore in the year before.

During the financial year, the company has earned a highest-ever operating turnover of ₹2575 crore as against ₹1843 crore in the previous year. This revenue is achieved on account of consultancy and leasing reaching the pre-Covid levels and highest exports during the year. The net worth has grown from ₹2322 crore to ₹2399 crore and the company remained debt-free. During the year, the company has spent ₹13.90 crore towards corporate social responsibilities as compared to ₹13.41 crore last year.

Continuous satisfactory performance to win clients' confidence and efforts on business development have contributed to close the year with an order book of ₹4939 crore.

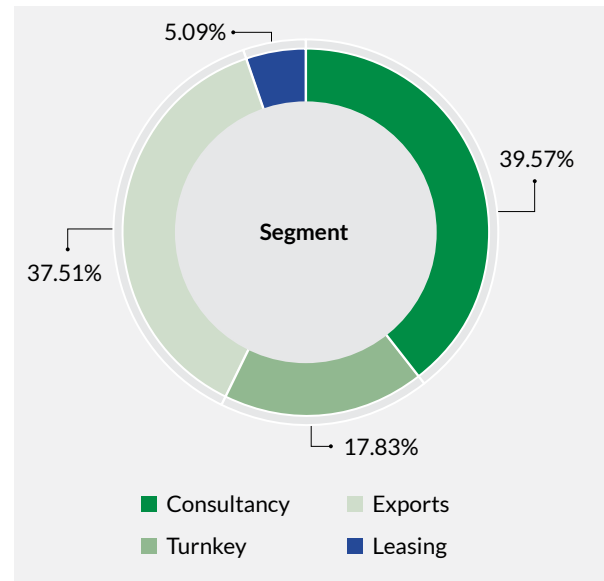
##### Key financial ratios

Particulars	2021-22	2020-21
(i) Debtor Turnover (days)	89	101
(ii) Current Ratio	3.85	2.90
(iii) Operating profit margin (%)	22.86	24.85
(iv) Net profit margin (%) (PAT / Total Revenue)	18.68	21.79
(v) Return on net worth (%) (PAT/Avg. net worth)	21.02	17.27

#### SEGMENT-WISE PERFORMANCE

RITES business activities has been divided into the following four segments.

- Consultancy which includes techno-economic studies, detailed reports, project management, quality assurance services and other engineering & technical services which has continued to provide highest percentage of revenue during the year.
- Exports is another key segment where RITES is exporting locomotives, rolling stocks and spares to clients, customised as per the requirements of the clients and recorded highest ever exports revenue during the year.
- Turnkey construction projects where company is providing services ranging from basic and detailed design of the project to construction and commissioning of project
- Leasing where company is providing locomotives on wet lease to non-railway clients.



##### A segment-wise comparison is given below:

Particulars	2021-22		2020-21	
	Operating Income (₹ in crore)	%	Operating Income (₹ in crore)	%
Consultancy				
Domestic	915	35.53	903	49.00
Abroad	104	4.04	79	4.28
Turnkey construction projects	459	17.83	624	33.86
Export	966	37.51	129	7.00
Leasing	131	5.09	108	5.86
<b>Total</b>	<b>2575</b>	<b>100</b>	<b>1,843</b>	<b>100</b>

#### EXPENDITURE

During the year, with resumption of normalcy in business activities, total expenditure has increased to ₹1987 crore from ₹1385 crore last year. The increase is in mainly on account of, increase in employee-benefit and project & business development travel expenses to ₹559 crore from ₹512 crore and as corresponding to increase in exports revenue the cost related exports sales, has increased to ₹706 crore from ₹58 crore last year. Expenditure on supplies and services decreased to ₹560 crore from ₹683 crore due to less turnkey construction..

## V OPERATIONAL PERFORMANCE

RITES is a listed entity with NSE and BSE and is ranked among the top 500 listed companies in the country in terms of market capitalisation. As the 'Infrastructure People', RITES continues to be a 'Force Behind Mobility & Growth'.

The four-decade-long journey of RITES, preferred by clients across the globe, including Central/ state governments, public sector undertakings, large corporations and private enterprises, is a testimony to high quality of solutions and services delivered, driven by its talented pool of professionals.

### OVERSEAS

Having footprints in more than 55 countries, RITES continues to build on its legacy and international presence. This year, the company has achieved its highest-ever revenue from exports, including services, on account of multiple project execution.

RITES executed export orders and supplied 150 main line passenger coaches and two sets of fully air-conditioned DMUs, comprising 26 coaches, to Sri Lanka. With this, the Sri Lankan Railways' order of coaches and DEMUs trainset is completed. The company also supplied 3 cape gauge diesel-electric locomotives, 24 cape gauge coaches and 1 set of diesel train set to CFM/Mozambique.

The flagship foreign projects for which the company has been providing consultancy are feasibility study for the extension of Metro Express in Mauritius; consultancy and preliminary design services for Bahrain Metro Extension to Bahrain Sport City; supervision of Metro Express Line (a light rail transit system) in Mauritius; 4-lane national highway in Bangladesh; Tshesebe to Masunga Road in Botswana; Integrated Check Posts at Biratnagar and Birgunj in Nepal; runway rehabilitation at Gautam Buddha International Airport, Nepal.

The company has secured assignments for construction supervision of dual gauge railway line from Bogura to Shahid M. Mansur, Bangladesh Railways; Project Management Consultancy for construction of Integrated Check Post at Bhairawaha, Nepal; and Detailed Project Report for link road at Indorama Complex and heliport design, Indorama, Nigeria. Overall, the company, in addition to repeat orders from existing client countries, expanded its footprints to two more countries i.e. Nigeria and Bahrain during the year.

### DOMESTIC

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

During the year, the company provided consultancy for various railway projects including DFC, high-speed passenger corridors, semi high-speed corridors, rail connectivity for industry/ports for bulk movement of freight, capacity augmentation projects, railway electrification, signalling and telecommunication, Metropolitan Transport Projects, production units and workshop modernisation, traffic

studies, Port Connectivity Projects, energy and sustainability, detailed engineering of bridges, tunnels and geo-technical investigations, including structural health (condition) monitoring of railway bridges and other assets.

RITES has continuously been making significant progress and has considerably enhanced its quality assurance business with Indian Railways, and non-railway & private clients such as SAIL, BHEL, Oil PSUs, NTPC, state PHEDs, state electricity boards/ utilities, smart city projects, state rural and urban development projects, etc. RITES is also associated with SAIL for providing third-party inspection services for inspection of long products at their conversion and wet leasing agents across India. More than 9 Lakh MT of rails was inspected this year. RITES also has expertise in inspection of head hardened rails used for DFCCIL and metro projects.

The company continued to provide services for projects on turnkey construction basis for Indian Railways and undertook various contracts of setting up/augmentation of workshops and related facilities. RITES is executing turnkey contracts of augmentation of wagon POH facilities at Kurduwadi Workshop/CR; setting up of facilities for refurbishment of LHB coaches at New Bongaigaon/NFR and facilities for provision of DEMU/main line electric unit shed at Lumding/NFR.

In the rolling stock leasing segment, RITES owns 65 locomotives which are operating on wet lease basis at major ports (Adani-Dhamra, Visakhapatnam, Paradip, Mumbai, Mormugaon, etc), steel plants (Bhilai, Rourkela, Burnpur, Tata Steel-Kalinganagar and more) and other sectors. The company also continues to provide services for operation and maintenance of railway system to domestic clients in power, steel, cement, coal, and port sectors. At present, it is engaged in maintenance of over 130 diesel locomotives and 1,500 wagons owned by NTPC, SAIL etc.

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

## VI. OUTLOOK

With the Government of India continues to unveil projects under National Infrastructure Pipeline, Gati Shakti Mission, National Monetisation Pipeline, National Rail Plan and other cutting-edge flagship schemes, RITES, with wide consultancy expertise, pragmatic interventions, and a multi-pronged approach, finds itself fully aligned to tap such opportunities.

Also, in several countries where RITES pursues business interests, there is an increased thrust on the expansion and upgrade of infrastructure, including rail and road network, Light Rail System (Metro) and multi-modal transport network, to ensure faster, safer, and timely movement of goods and passengers. It provides opportunities for technical consultancy and export of rolling stock (indigenously developed and customised offerings) to these countries, adding credence to the idea of Atmanirbhar Bharat.

South-East region and Africa are the geographical zones that harbour strongest growth potential for RITES business. As a business expansion strategy, RITES is exploring opportunities with prospective/existing clients abroad for services such as





● RITES locomotive being leased to Adani Ports, Dahej, Gujarat

supply of modern loco and BG/MG coaches, container flats, train sets and tourist coaches, export of in-service diesel locomotives, development of ICDs, railway electrification, signalling and transmission works, including state-of-the-art safety systems, train maintenance facilities and installation of Kavach, artificial intelligence for rail transport, Intelligent Traffic Management System, Internet of Things and concept-to-commissioning for ports/airports, consultancy for highways, including safety audit, and more.

Also, the vision 2025 (for the port sector) is to improve hinterland connectivity, port modernisation and computerisation to reduce logistics cost and turnaround time, and increase output per ship berth. The company also focuses on both port and water resources sector opportunities arising globally, in countries such as Sri Lanka, Myanmar, Indonesia, Mozambique, Bangladesh and Mauritius.

As economies transit from fossil fuel-based energy to renewable energy sources, green infrastructure emerges as an important instrument for the overarching goal of transport framework. Promoting green infrastructure, RITES offers sustainable mobility solutions such as Comprehensive Mobility Plans for urban areas, Feasibility and Detailed Project Reports and Project Management for transport systems, Multimodal Integration Planning, Environmental & Social Impact Assessment, Remote Sensing and GIS Studies, Environmental and Social Auditing/Water Audit/Energy Audit, Lake/ River Conservation Plan, Climate Change and Environmental Sustainability (Climate Resilience), Low

Carbon Economy Transition (Renewable/ Green/Clean Energy, Alternative Fuel) and more.

REMC Ltd. will be assisting Indian Railways to meet the Renewable Purchase Obligations (RPOs) of procuring 20% traction power from renewable energy sources. The company is also exploring the possibilities of undertaking renewable energy projects for clients other than Indian Railways. As per the National Infrastructure Pipeline, about ₹30 lakh crore has been earmarked for the energy sector out of which ₹14 lakh crore has been allocated for renewable energy projects.

RITES has identified collaborative/alliance route to enter new/existing areas of business. Partners have been identified and need-based MoUs and joint bid arrangements have been made with leading players in various business segments. This has strengthened the capability to meet qualification criteria and competitive pricing to win and execute the projects.

With a sustainable track record and vision of being 'Future Ready: Not just more of the same; but much more of the New', RITES sets sights on developing world-class infrastructure by seizing more and more opportunities and commits itself to building India@100 with sustainability as a guiding principle.

## VII. SECTORS OF OPERATION

With well-diversified business model, RITES continues to follow a path of systematic and professional operations to provide

integrated solutions for 'Shaping Tomorrow's Mobility' and drive growth in sectors such as railways, highways, urban engineering (metros) & sustainability, airports, ports, ropeways, institutional buildings, inland waterways, and renewable energy.

## RAILWAYS

The company envisages its continued presence in projects under execution/planned in the railway sector such as DFC, high-speed passenger corridors, network expansion, capacity augmentation projects, railway electrification, sub-urban railway projects, production units and workshop modernisation, traffic studies, port connectivity projects, freight terminals/logistics parks, redevelopment of railway stations, coastal connectivity programme, energy and sustainability, improving train speed, design of bridges, and tunnels and geo-technical investigations, including condition monitoring of railway bridges and other assets.

### The Offerings

**Infrastructure Studies:** State-of-the-art facility, expertise, and experience in the field of Feasibility Studies, Preliminary Engineering-cum- Traffic Studies, Final Location Surveys, Detailed Project Reports and Detailed Engineering of Conventional Railways, High-Speed Railways and Dedicated Freight Railways, using state-of-the-art surveying and optimization technologies such as Aerial LiDAR survey, Quantum Alignment Optimization software, Bentley Rail Design and Concept Station software, etc.

**Engineering Services:** Detailed Engineering, Integrated Design Services and technical support for railway projects and rehabilitation and modernisation of existing railway systems; Conceptualisation and design of rail-based transportation

system, including 'merry-go-round' systems for transportation of bulk commodities; Project management services including turnkey solutions for development of rail infrastructure, construction of railway sidings and connectivity projects of varied industries.

**Rolling Stock Design:** Studies and implementation of technological upgradation of rolling stock; maintenance and operational facilities such as Smart Yards, Coaching and Freight Maintenance Depots; design and development of rolling stock, including modification/upgrade of rolling stock designs, for domestic as well as for export markets; design validation; marketing of Special Purpose Wagons; and procurement and supply of wagons on project management consultancy/turnkey basis.

**Railway Equipment Services:** Leasing of RITES locos; operation and maintenance of locomotives and wagons; rehabilitation, upgradation and maintenance of freight stocks; rehabilitation and maintenance of railway tracks; operation and maintenance of machineries, plants and equipment; train running and related operation in private yards and sidings; periodic overhaul/ major schedules of locomotives, wagons and diesel generator sets; management of entire railway system, including operations, workshops, depots and ancillary facilities; study for upgrade, rehabilitation of rail systems; Rolling Stock Programme (RSP), capital expenditure works like conversion of coaches to NMG.

**Signalling & Telecommunications:** Field survey and data collection, feasibility studies, Supervisory Control And Data Acquisition (SCADA), smart city solutions, design of panel interlocking / route relay interlocking/ electronic interlocking, optical fibre communication networks, obIMLe train radio communication (GSM-R), intelligent highway traffic management system.



● Setting up of facilities for refurbishment of LHB coaches at New Bongaigaon.

**Electrical Engineering:** Construction supervision and commissioning of railway electrification, sub-station, grid sub-station, building electrification, HVAC and fire alarm system, E&M work, escalators and elevators, DG sets, rural electrification, solar modules photo voltaic system, quality assurance and surveillance inspections in the field of railway electrification and electric substations, building electrification, air conditioning, illumination systems, installation of lifts and preparation of operation and maintenance manual, and so on.

#### On the job

During the FY 2021-22, the company has executed and secured the following projects (select ones) under the railway sector. Works in progress are categorised as ongoing assignments.

Select Projects secured:

- Construction supervision of dual gauge railway line from Bogura to Shahid M. Mansur, Bangladesh Railways
- Third Line project- Development of ballast depot
- Project Management Consultancy for 3 ROB/flyovers at Amritsar and rail infrastructure at Bajalta, Jammu
- Supervision & inspection for fabrication of open web & composite steel girder for construction of 16 bridges between Akbarpur-Barabanki section
- Railway electrification work for Mysore-Hassan-Mangalore and Lumding-Badarpur lines
- Techno-economic feasibility study for Regional Rail transit System (RRTS) in and around Ahmedabad
- Consultancy service towards Railway Traffic Study of CKP & KUR division for Iron Ore Movement
- DPR for Conversion of Private Siding to Private Freight Terminal (PFT) for RINL Mumbai
- Rehabilitation and up-gradation of SWS Railway track (Phase-III) inside Bokaro steel plant
- Detailed Engineering Survey/ Route Alignment Survey for Feasibility Study and Detailed Project Report & obtaining approval of Railway for construction of railway siding for Rohini-Karkatta mines of CCL at Chatra, Jharkhand

#### Select Ongoing assignments:

- Third railway line work from Pendra Road to Anuppur (50.1 Km) of Bilaspur Division of SECR
- Railway electrification works for new BG railway line (110 kms) between Kalaburagi (Gulbarga)-Bidar
- Railway siding works for THDCIL at Khurja, NTPC Mouda, Korba, Lara and Sipat, CSPGCL Marwa & Korba, MSPGCL Chandrapur & Koradi, CONCOR MIHAN Nagpur & Naya Raipur, MPPGCL Khandawa Sarni, Ghoradongri & Birsinghpur, SAIL Bhilai, SECR Bilaspur,

Rudrampur, Bhadradi-Kothagudem, BTPS, Manuguru, Bhadradi, Kothagudem, Telangana, UPRVUNL Thermal Power Plant at Etah, NUPPL Thermal Power Plant at Ghatampur

- PMC work of railway electrification of sidings for clients such as SAIL, NTPC, SCCL, BCCL, SECL, MUNPL, BRBCL, THDCIL, NUPPL, UPRVUNL, DFCCIL and Mainline Railway Electrifications works for more than 2200 TKMs
- DPR, Detailed Engineering and PMC for Supply, Installation, Testing and Commissioning of Signalling and Telecommunication system (including Modification in existing EI system at few locations) for the proposed private railway sidings for clients such as NTPC, MPPGCL, SECL, SCCL, MSPGCL, NUPPL in various states.
- S&T works in connection with the Gooty-Dharmavaram doubling project
- Detailed Project Report for development of Sadiya-Dhubri stretch of Brahmaputra River for enhancement of cargo transportation
- Preparation of Comprehensive White Paper on Transport Infrastructure of Odisha
- Supervision of ROB works at Vidyavihar for MCGM & Naigoan, reconstruction of Hancock bridge on Central Railway
- Consultancy for detailed design engineering and bid process management in connection with the doubling project of Rajkot-Kanulus section for Western Railway
- Detailed engineering & project supervision for development of ICD at Karambeli, Vapi
- PMC services for ROB for PWD Maharashtra, MSRDC, PWD Raipur, PWD MP & PWD CG and Box pushing works for VIDC, MPD Gondia
- Construction supervision and quality control work of substructure for 47 Bridges in Maharashtra
- PMC for track renewal of BG railway yard of NFL siding at Vijapur, Guna, in Ruthiyai-Maksi railway section
- FSR and DPR for railway line modifications at Rajshree Cement Works, Gulbarga, along with connectivity towards Sedam Railway Station and for rail connectivity to the proposed APHSL plant in YSR Kadapa Dist to the nearest railway line of YSRCL of AP Govt.

#### Select Works Executed:

- S&T works of construction of third line in Pendra Road - Anuppur section (50.10 km) of Bilaspur Division
- DPR, Detail Engineering and PMC for coal transportation system for NTPC-Meja, NTPC- Talcher, NTPC-Sipat, RSP-Odisha, SECL-Junadih, MPPGCL- Khandwa.
- DPR for Dedicated Port Rail Connectivity/ construction of Railway siding/ Railway Electrification/Metro corridor

for clients such as IPRCL-Paradip, THDCIL-Khurja, RVUNL- Chhabra, DB Power- Niwas Road, M.P, NTPC Korba, Rihand, JAL- Madhya Pradesh, RVNL, TISCO-Kalinganagar, DMRC.

- PMC for S&T works in connection with provision of sidings/ Additional lines for JNSTPP, VPT, MPJML, JPVL, NTPC, MSPGCL, TVNL, IOCL, TSL, TISCL, Maharashtra State Electricity Board, IOCL.
- PMC work for Modernization of signaling system on Ghaziabad – Kanpur Section of Northern Railway.
- Preliminary Engineering cum Traffic Survey report for Dedicated Freight Corridor Phase- II.
- Feasibility study for new standard guage Railway line in Gabon for the Government of Gabon
- PMC for Implementation of Enterprise-Wide Access Control & Surveillance System at 330 sites across India and for Optical Fibre System on Vasai-Diwa section of Central Railway
- Preparation of feasibility report, signaling and telecom Survey and preliminary design, manuals, tender evaluation for 85 stations along 3 routes for DMRC and for 42.3 kilometres for BMRCL
- Supply, Installation, Testing, Commissioning, Operations and Maintenance of RFID based Electronic Toll Collection System for 13 toll plazas of Delhi
- Railway siding of Bokaro Thermal Power Station of DVC and Construction Supervision of MGR siding as Authority's Engineer for OPGC, Jharsuguda, Odisha



● Laying of crossover in main line at Varnama.

## HIGHWAYS

RITES provides comprehensive road transport consultancy services covering all aspects of conceptual, preliminary and detailed design, proof-checking of design and drawings, construction supervision, authority's engineer and independent engineer services, project management services, external technical audit, third party inspection/ quality assurance, safety audit, operation and maintenance of expressways, highways, feeder/rural roads, long bridges/ viaducts, skywalk and tunnels, maintenance planning/ management of road networks, strategic planning for improvement/ upgrading of road system.

### The offerings

Pre-Feasibility and Feasibility Studies; Transportation and Traffic Studies; Proof-checking and review of design and

tender documentation; ROB, RUB, flyovers, skywalk and grade separator; Construction Supervision/Project Management; Authority's Engineer/Independent Engineer Services; Road safety audit and External technical Audit; Third Party Inspection/Quality Assurance; Expressway studies

### On the job

During the FY 2021-22, the company has executed and secured the following projects (select ones) under the highway sector. Works in progress are categorised as ongoing assignments.

### Select Projects Secured:

- Engineering Study of Road Network and Detailed Design of Link Road and Helipad at Indorama Eleme Complex, Nigeria

- Construction Supervision of Tshesebe–Masunga Road, Bostwana
- DPR for 2-Laning of 340-km road in Manipur
- DPR for 680-km greenfield expressway from Raxaul to Haldia Port
- DPR of Comprehensive Traffic Management Plan for Nabadiganta Industrial Township in West Bengal,
- Road Safety Audit of Black Spots on National Highways in Goa
- Feasibility Study and Detailed Design for widening of RUBs in Jharkhand
- Feasibility Study for construction of bridges in West Bengal
- Feasibility Study for 4-lane connection at Kendrapa in Odisha
- DPR for 4-laning of Kharagpur–Moregram section of NH-14 in West Bengal

**Select Ongoing Assignments:**

- PMC for Improvement of Ashuganj Akhaura Land Port Road as 4-Lane NH Project in Bangladesh
- DPR for Expressway and NHs of length more than 2000 km under Bharatmala scheme in Bihar, Haryana, Jharkhand, Madhya Pradesh, Maharashtra, Punjab, Telangana, West Bengal



● Upgradation of Baharaghora-Singhara Highway in Odisha

- PMC for road and bridge projects and Technical Review of Transport Sector Projects funded by KIIFB in Kerala
- Independent Quality Audit of Transport and Non-Transport Projects of KIIFB in Kerala and Proof Checking of 10 ROBs across Kerala,
- PMC-cum-ETA for Greenfield Purvanchal Expressway, Bundelkhand Expressway and Gorakhpur Link Expressway in Uttar Pradesh
- PMC for construction of Grade Separators at NAD Junction in Visakhapatnam

- Quality checks for various roads, bridges, buildings etc. in Goa

**Select Works Executed:**

- Road Safety Consultancy for PPP Project from Delhi to Agra in Delhi/Uttar Pradesh
- DPR for left turning ramp of Maa Flyover in West Bengal,
- Post construction QA and Safety Audit of Kundali-Manesar section of KMP Expressway,
- Study of Revenue Generation from Infrastructure of BRO,
- DPR of 2-lane Flyover in Guwahati,
- Feasibility Study of roads in Jammu & Kashmir
- Feasibility Study of Bridge over river Damodar
- TPI /QA of Entry No. 3 of redevelopment of East Kidwai Nagar in Delhi.

**URBAN INFRASTRUCTURE (METROS) & SUSTAINABILITY**

The company is a strong player in the Mass Rapid Transit Systems (MRTS) and focuses on consolidating its position by capturing sizeable business of the technical consulting market for preparation of feasibility reports, DPRs, general consultancy, project management and construction supervision in areas of road-based transit systems, metro rail systems, light rail transit systems, suburban rail system, Metro Lite and Metro-Neo systems.

**The offerings**

Detailed engineering studies and preparation of detailed project reports (DPRs); detailed design and project management, including construction supervision of MRTS projects; transport planning and policy at city, regional and national levels; comprehensive Traffic and Transport studies and Transport master plan; integrated multi-modal mass rapid transport planning; bus system planning and design; transit-oriented development studies; environmental and social impact assessment studies.

Comprehensive Project Management Consultancy Services in all aspects of urban rail transit systems such as Interim Consultancy, Detailed Design, General Consultancy and Project Management of Public Transport Infrastructure Systems. The Systems include High, Medium and Light Capacity Mass Rapid Rail Transit (MRT).

**On the job**

During the FY 2021-22, the company has executed and secured the following projects under the urban engineering (metro) & sustainability sector.

**Select projects**

- Feasibility Study for the extension of Metro Express in Mauritius
- Supervision of Metro Express Line (A Lite Rail Transit System) in Mauritius,

- Consultancy, Preliminary Design services for Bahrain Metro Extension to Bahrain Sport City
- Project Management Consultancy (limited PMC) for Bangalore Metro line 2A & 2B
- General Consultancy for Haryana Orbital Rail Corridor of HRIDC, Delhi Metro Phase-IV, Ahmedabad Metro & Nagpur Metro
- Detailed design consultancy works for Power Supply, distribution System, 750V DC 3<sup>rd</sup> Rail Traction & SCADA system for Bhopal, Indore, Ahmedabad- Phase 2 and Surat Phase-1 MRTS
- Detailed Design Consultancy for Civil works of two rolling stock depots- one at Bhopal and one at Indore
- DPR for Gurgaon Metro, Bangalore Metro Ph III, Coimbatore LRT, MetroNeo for Electronic City-Bangalore, Bus Port at Chandigarh and Trivandrum
- CMP & AAR for Varanasi, Guwahati; AAR and DPR for Thane Metro Ph II; AAR and DPR for HCMTR in PCMC
- Comprehensive Mobility Plan for GNIDA, Ayodhya, Jhansi, Saharanpur, Salem, Coimbatore and Chandigarh Tri-City Complex
- Environmental Studies for 12 tunnels in Odisha; ESIA, RAP and LA for 19 stations and CBTS of Mumbai, MRVC
- Environment studies for preshila ropeways, Shillong ropeway, Har Ki Pauri (Haridwar) ropeway
- Preparation of redevelopment plans for monetisation of two depot areas of Gurugram metro
- Social Impact Assessment (SIA) study for Kanpur Metro, Agra Metro Phase-I, MEGA Phase II Ahmedabad Metro
- Feasibility Assessment of Integrated Mass Transit System & Allied Infrastructure Project in Leh & Kargil
- DPR for IMS Katra and Feasibility Report of Commercial Zone at IMS Katra
- DPR of Bihar Ropeways: Rohtasgarh, Mudeshwari, Brahmayoni Hill and Dungeshwari Hill in Gaya, Vanavar Hill, Jehanabad
- Detailed Design Consultancy and PMC for design for Borivali- Virar section for MRVC



● Project Management Consultancy for Mauritius Metro

## AIRPORTS

RITES offers a wide range of consultancy services in the field of aviation infrastructure and its related subdisciplines with vast experience in planning, design, pavement analysis and construction management for development of various airports. RITES remains a pioneer consultant to Airports Authority of India, Ministry of Defence, various State Governments, Ministry of Home Affairs, Ministry of External Affairs and various other clients in India. RITES also pioneered the concept of International Cross-Border Management through Integrated Check Posts (ICPs).

## The offerings

Master planning, site selection and obstruction surveys; Air traffic surveys, demand assessment and forecasting; Project Feasibility Studies, Detailed Project Reports, EIA; Design and construction management of passenger terminals, cargo terminals, hangars, workshops and maintenance facilities; Design and construction management of airport pavements, control tower, technical and operational buildings; ATC systems design, communication and navigational aids, visual ground aids; Non-destructive evaluation of airfield pavement using 'HWD'; Design of heliports and allied infrastructure; Design and PMC for Development of Land ports.

### On the job

During the FY 2021-22, the company has undertaken the following projects (select ones) under the airport sector.

#### Select Projects:

- Design and PMC for Development of Gautam Buddha International Airport at Bhairahawa in Nepal
- Design and PMC for Development of Integrated Check Post at Nepalgunj; Design and PMC for Development of Integrated Check Post at Bhiarahwa
- Design & PMC for expansion of Gwalior Airport and Srinagar International Airport
- PMC for Development of UG structures at 5 locations
- Design & PMC for development of Shivamogga, Hassan & Vijayapura Airports in Karnataka and for development of Cargo Terminals at Chandigarh, Ahmedabad airports
- Design and PMC for Development of Airport's at Chitrakoot U.P.
- Independent Engineer Services for operations, management, and development of Thiruvananthapuram International Airport
- Preparation of Masterplan, DPR and EIA for development of airport at Raichur, Karnataka for day VFR operations.
- Design and PMC services for upgradation of infrastructure at Belora Airport, Amravati
- Development of Heliport at Noida, Uttar Pradesh

### BRIDGES & TUNNELS

RITES provides services from concept-to-commissioning involving planning, investigation, design, bid management and designer support during construction for new as well as rehabilitation of rail bridges, rail-cum-road bridges, road over/under bridges, approach structures like rail/road viaduct, suspension, cable-stayed and extra-dosed bridges. It also provides consultancy for River Engineering works involving Hydraulic Model Study, design of river training and protection measures.

RITES provides Road/Railway Tunnels engineering services for various modes of operation including PPP, EPC, and so on.

#### The offerings

**Bridge:** Techno-economic/Pre-feasibility Studies, Feasibility Study, Engineering Surveys and Detailed Project preparation; River Training and Hydraulic Modelling; Slope stability, Geological, Geophysical and Geomorphological Studies; Detailed Engineering Studies, Design, Review and Proof-checking; Technical Support, Designer's Association/Supervision during construction, Bridge Launching; Project Management, Quality Assurance and Bid process Management; Structural Health Assessment and Monitoring, Repair and Rehabilitation of Structures; Standardisation of Bridge Inspection Procedure and preparation of Maintenance Manual; Long span extra-dosed/cable stayed and pre-stressed bridge.

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



● Design of Bridge No. 39 for the USBRL project in Jammu & Kashmir

### On the job

During the FY 2021-22, the company has undertaken multiple projects related to bridges and tunnels.

#### Select Projects:

- Repair and rehabilitation of 2<sup>nd</sup> Hooghly Bridge (Vidyasagar Setu, Kolkata)
- Detailed design including designer's support during construction for Rail Bridge over River Yamuna in connection with 3<sup>rd</sup>-4<sup>th</sup> line between Anand Vihar and Tilak Bridge stations of Northern Railway
- Detailed engineering including designer's support during construction of 2 rail flyovers & 45 ROBs on various sections of Eastern Dedicated Freight Corridor
- Design & Proof Checking of 19 major bridges for East Central Railway.
- Design of Rail/Road bridges for USBRL project in J&K
- Structural Health Monitoring System for the 4.94-km Bogibeel Bridge across the Brahmaputra
- DPRs for 4 highway tunnels across Key La, Shinkun La, Tanglang La & Lachalung La including approaches in Himachal Pradesh and Union Territory of Ladakh for BRO
- DPRs including detailed design and GT investigations for 32 bridges and 52 tunnels on KK Line and KR line of East Coast Rly.
- DPR for the proposed tunnel in connection with Nathdwara- Nathdwara Town New BG Line project for NW Railway
- Supply, installation, instrumentation, 3D monitoring & construction supervision of 6 tunnels for doubling line between Jarati-Maligura station of KK Line of Waltier Division, East Coast Railway
- GT investigations, including carrying out marine boreholes, for LPG import facility of HPCL at Dahej, Gujarat

- Hydrographic and topographic survey of bridges along the Thiruvananthapuram-Kasargo corridor for Semi High Speed Rail Corridor (Silver Line)
- Stability assessment and rehabilitation measures for 6 flyovers in Kolkata
- Detailed design of sub & superstructure of 3 important river bridges across River Gowthami, Vyanatheya & Vasistha on Kotipalli-Narsapur New rail line for SC Rly.
- DPR for the proposed tunnel and other structure including formation in the section between Dongargarh-Bortalab in connection with Rajnandgaon-Kaluma 3<sup>rd</sup> line project for SEC Rly.

### EXPORT OF ROLLING STOCK

RITES offers integrated export packages for rolling stock including supply, leasing, rehabilitation, maintenance and spare part support. It also renders technical consultancy for establishment of new and modernization of workshops, facility planning for rolling stock maintenance, training and technology transfer to overseas clients. Rolling stock is sourced from the production units of the Indian Railways and is customized to suit the transport requirements of clients in other countries. Spare part support is also assured for several years after the delivery of the stock.

#### The offerings

Supply and commissioning of locomotives and rolling stock; rehabilitation/ upgrade of rolling stock; supply, installation, commissioning of machinery and plant for railway maintenance facilities; supply of maintenance equipment for P-Way and other railway infrastructure; consultancy/turnkey execution for upgrading rolling stock maintenance facilities; leasing of locomotives and provision of expert technical services; technical assistance and feasibility study, detailed planning and techno-economic analysis for optimising investment decisions in rolling stock maintenance; consultancy in operation, maintenance of rolling stock and training.



- DMU trainsets and passenger coaches, being exported to Sri Lanka.



**On the job**

During the FY 2021-22, the company has undertaken the following projects under the export (of rolling stock) sector.

**Ongoing assignments:**

- Supply of 90 Cape Gauge Passenger Coaches, including 05 sets of DEMUs to CFM Mozambique, 24 Cape Gauge coaches and 1 set of Diesel Train set (each consisting of 6 coaches) have been shipped
- Warranty support to Sri Lanka for maintenance of diesel locomotives, diesel train sets and coaches

**Works executed:**

- Supply of 150 main line passenger coaches and 02 sets of fully air conditioned DMUs comprising 26 coaches to Sri Lanka
- Supply 06 of Cape Gauge AC-AC Traction Diesel Electric Locomotives, to CFM Mozambique, 05 Cape Gauge Diesel-Electric Locomotives, have been shipped to CFM/ Mozambique out of which 04 Locomotives have also been commissioned.

**BUILDINGS & STATION DEVELOPMENT**

RITES provides Project Management Consultancy and Third-Party Inspection, quality assurance, technical audit services to Central/State Govt. Organisations/PSUs, educational institutions/universities, institution of national importance, autonomous bodies. It has successfully executed various prestigious projects concerning educational, institutional, industrial, commercial, workshops and residential buildings, hospitals, office /sports complexes, inland container depots, and bus terminals. Notably, the buildings are being constructed in compliance with the green certification norms.

Marrying its extensive experience in railway engineering, urban development and building projects, RITES has taken up assignments in areas of station development to assist the Government in redeveloping railway stations to world-class standards.



● Redevelopment works being carried out at Ayodhya station; interiors of the Ayodhya station

**The offerings**

Conceptualisation, reconnaissance, feasibility studies, detailed project report; Detailed Engineering, Project Planning, Scheduling and Controlling; Contract Management, Construction Project Management, Turnkey Construction; Quality Assurance, Inspection, Third Party Inspection and Technical audit; Architecture – Programme and space planning, predesign, preparation of master plan / layout-plan and architectural designs; HVAC, firefighting-cum-detection services; Acoustical Services and Landscaping

Station Development: Site Evaluation and Land due diligence studies, Field studies, Techno-Commercial Feasibility Studies, Detailed Engineering designs, Bid Process Management, Project Management and Construction Supervision, Performing role of Authority Engineer, Turnkey Projects.

**On the job**

During the FY 2021-22, the company has undertaken the following projects under the institutional building (including stations).

**Select Projects**

- Planning, Design and Construction of various buildings and its services for IIT-Delhi under EPC Mode of Contract
- OIL India Project at Duliajan, Assam - work comprises staff quarters, HR building, Asset Building and G&R building
- Redevelopment of Ayodhya & Varanasi railway stations
- Improvement of Platform at Charbagh Railway Station
- PMC for development of MMLP at Manawala, Amritsar for CONCOR





● Project Management Consultant for the Mandar Ropeway in Banka district, Bihar.

## ROPEWAYS

rites provides comprehensive consultancy services covering all aspects for passenger and material ropeways, Funicular railway systems and other industrial units.

### The offerings

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

### On the job

During the FY 2021-22, the company has undertaken the following projects (select ones) under the ropeway sector.

- Project Management Consultancy for passenger ropeway at Shillong Peak, Meghalaya;
- Detailed Project Reports for passenger-cum-material ropeway at Chamba, for passenger ropeway at Mandi in Himachal Pradesh
- Ropeway projects at Sholinghur and Ayyarmalai, Tamil Nadu
- Project Management Consultancy for Banka Ropeway in Bihar

## PORTS & WATER RESOURCES

rites provides concept-to-commissioning solutions for Ports and Harbours, Inland Water Transport (IWT) and water resources engineering and conducts Techno-Economic Feasibility Studies, Detailed Project Studies, Detailed Engineering, Project Management and Independent Engineer Services.

### The offerings

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

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

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

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

### On the job

During the FY 2021-22, the company has undertaken the following projects under the port & water resource sector.

- Preparation of Detailed Project Report (DPR) for development of Sadiya to Dhubri stretch of Brahmaputra River (NW-2) for enhancement of transportation of cargo.
- PMC services for Development of Greenfield Port at Machilipatnam for Andhra Pradesh Maritime Board, Govt of Andhra Pradesh
- EIA studies for Development of Ramayapatnam Port and Bhavanapadu Port
- Independent Engineer services for Development of Deep Draft Coal Berth and Mechanisation of EQ Berths
- DPR for Development of Western Dock at Paradip Port
- Captive Jetty Policy for Odisha



● Project Management and Independent Engineer Services for ports and harbours.

## QUALITY ASSURANCE

Company provides Quality Assurance Services, including Pre-dispatch Inspections, In-process / Stage inspections, Lab Testing, Vendor's Capacity & Capability Assessment and Conformity assessments, to its customers. RITES has trained and certified experts in the areas of ultrasonic, magnetic and dye-penetrant testing, radiography, high voltage testing, metrology and metallurgical investigations.

RITES QA Division has ISO: 17020 Accreditation, a specialized Accreditation related to conformance criteria of Inspection bodies accorded by NABCB (a body under Quality Council of India) covering large number of sectors. RITES QA laboratories in Eastern and Northern Regions are accredited to ISO/IEC 17025 by NABL and conform to the rigorous requirements of this International standard.

### The offerings

Third-party inspection of material in India and abroad; in-process / stage inspection of material; Vendor's capacity and capability assessment; surveillance audit of vendors and products; witnessing of energy efficiency tests of equipment in Certified test labs; development of Quality Assurance Plans (QAPs); Independent Agency for Monitoring and Evaluation (IAME) for Energy Efficiency Standard and Star Labelling Programme for consumer durables and other electrical equipment; Independent Review and Monitoring Agency (IRMA) for Infrastructure Projects.

### On the job

During the FY 2021-22, the company has undertaken the following projects under the Quality Assurance Division:

- Standing authorized inspection agency for Indian Railways for rails, plant and machinery, wheel sets, wheel and axle, springs and other components of rolling stock in India as well as abroad
- Inspection and quality surveillance of hydro turbine and generator, turbo-generator sets of up to 500 MW capacity for Nuclear Power Corporation and state utilities
- Third Party Inspection services for various infrastructure projects of Smart Cities like Bareilly, Jodhpur, Ajmer, Chandigarh etc., State Water & Sanitation Mission and Bridge Girders
- Third Party Inspection of Laptops along with classroom digital solutions for Kendriya Vidyalaya Sangthan (KVS) under "PM Jan Vikas Karyakram", Mobile Phone/ Tablets for UPDESCO under UP Govt., Papers for NCERT etc.
- Quality Management Inspection & Testing of Coaches at MCF, Third Party Inspection of Wheels at RINL etc.
- Third Party Inspection of hi-tech engineering products like power transmission and distribution systems, heat exchangers, heavy pressure vessels, alloy steel forgings and electronic equipment for state utilities, State Public Health Engineering Departments, Port Trusts, BHEL, IOCL, HPCL, NTPC, L&T, Tata Projects, Jindal, etc.

## PRIVATISATION AND CONCESSIONS

RITES provides Transaction Advisory services for various Public Private Partnership projects in Infrastructure sector, Project Appraisal for Investment, Legal Advisory for Institutional framework and Bid Process Management for PPP Procurement contracts. During the year, the unit also got empanelled as Monetisation Consultant with NITI Aayog, empanelled as Transaction Advisor for asset monetisation of projects under InvIT and ToT mode with NHAI.

### The offerings

Pre-feasibility and market studies; Project structuring and stakeholder consultations; PPP Transaction Advisory; Preparation of business plans, bankability studies, benchmarking, and strategic advisory; Transaction Advisory for Asset Monetisation; Financial and Commercial Appraisal of projects, and so on.

### On the job

During the FY 2021-22, the company has undertaken the following projects under the Privatisation & Concessions unit.

- PPP Policy Advisory, Rolling Stock PPP and procurement, operation and management of rolling stock on PPP basis for Bengaluru Suburban Rail Corridor for K-RIDE
- Consultancy for reviewing and revamping of PPP Policy of IR for Ministry of Railways,
- Consultancy for monetisation of DFFCIL assets and formation of a Rail Regulatory Authority for Ministry of Railways
- Transaction Advisory service for asset monetisation of projects under Infrastructure Investment Trust (InvIT) mode for NHAI
- Transaction Advisory service to NOIDA Authority for development of Heliport in Noida on PPP format
- Advisory service to HCL for transaction and legal issues related to monetisation of land of HCL at West Bengal
- Legal consultancy services for Diesel Locomotive Factory at Marhowra (Bihar) and Electric Locomotive Factory at Madhepura (Bihar).

## INFORMATION TECHNOLOGY

RITES provides consultancy services to Railway, non-railway government and public sector organisations in the field of web-based technologies, feasibility study, system analysis, system design, software development, implementation support, identification of hardware and system software requirements, software conversion/porting of Computerised Commercial Applications particularly in the areas of Company Accounting, Payroll, Material Management. The department is ISO: 27001:2013 certified. In-house IT needs of RITES are also met through this vertical. SAP ERP, which has been implemented in the organisation to support its business operations, enhances its core capabilities to gain competitive advantage. RITES has successfully implemented Government e-Procurement System of NIC (GePNIC) and e-Office by NIC to enable paperless office and has facilities for procurement via GEM Portal, access to internet and corporate e-mail services.

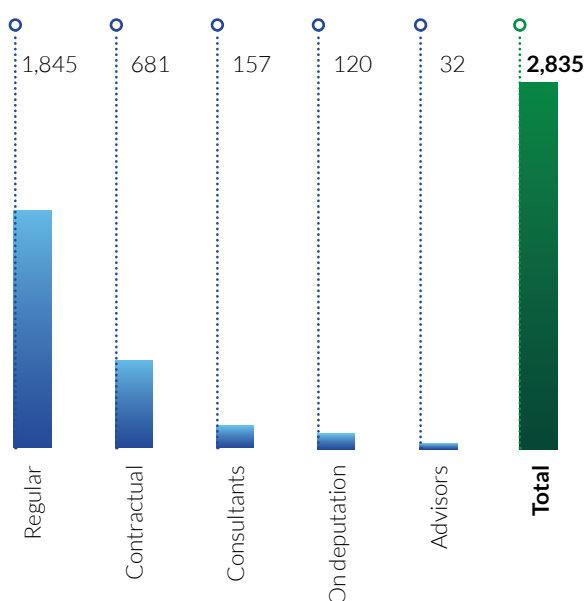
### VIII. PEOPLE MANAGEMENT

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

#### Employee strength & its attrition

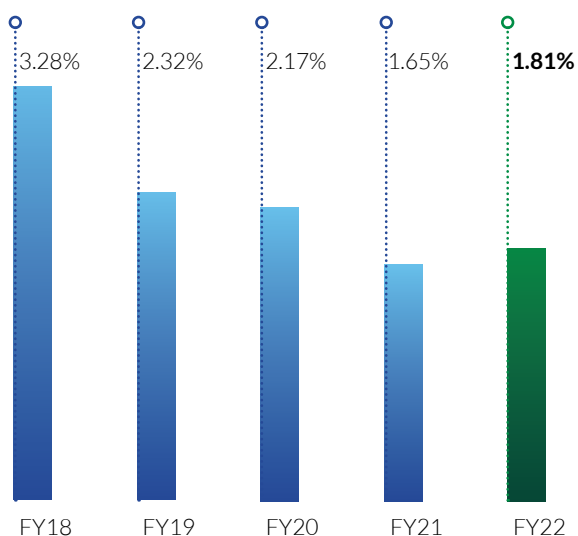
The company takes pride in its highly motivated and competent human resource and its contribution. The total employee strength of the company stood at 2,835 as on March 31, 2022.

#### Employee strength as on 31.03.2022

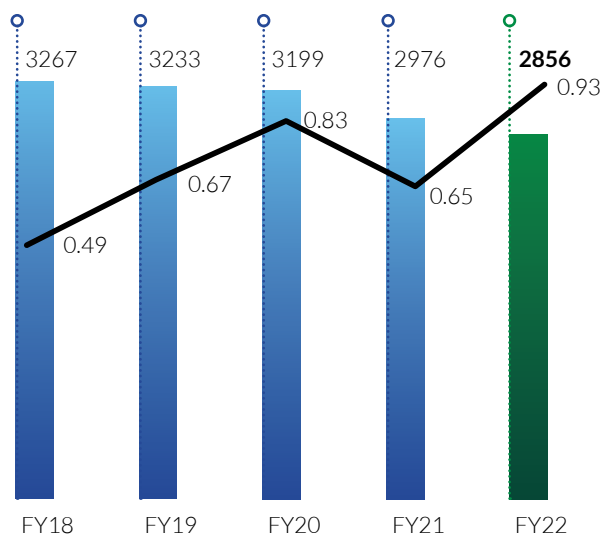


The company has progressive HR policies, which help it in employee retention. The attrition rate during the year stood at 1.81%.

#### Attrition rate of regular employees



#### Income Per Employee



— Income Per Employee (in `crore)  
 □ Avg. No. of employees

#### Employee Productivity

There has been a steady growth in the employee productivity over the past decade. The total income of the company for FY2021-22 is ₹ 2661 crore. The overall income per employee for FY2021-22 stood at ₹ 0.94 crore as compared to ₹ 0.65 crore in FY2020-21.

#### Recruitment

To maintain its competitive advantage, RITES is determined to induct the best and talented workforce across the hierarchy through various modes such as fresh graduate, Engineer and Management trainees, experienced staff, deputation, absorption, hiring of retired staff and staff on third-party pay roll. The Company has adopted best practices for providing equal opportunities and harmonious environment for advancement of SC, ST, OBC, Minorities and women employees. Its recruitment policies indicate the forward-looking approach of the management with a strong emphasis on becoming 'Equal Opportunity Employer'.

During the year, RITES inducted 92 employees (55 regular and 37 contractual) of which 45 belong to the SC/ST/OBC/EWS category. Further, five (05) PWD candidates were also inducted.

#### Career Progression

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

The promotion process was conducted for more than 720 eligible candidates across all disciplines, levels and regions and 523 employees (executive and non-executive staff) were promoted in FY 2021-22.



● RITES employees being administered 'Integrity Pledge' to mark Unity Day-2021.

Based on the project requirements and to aid in learning and career progression as well as to comply with the job rotation policy for sensitive posts, around 400 employees have been transferred and posted across SBUs and locations during the year.

### Training & Development

The evolving times have highlighted the need to reskill and upskill. RITES has risen to the occasion and aim for a complete workforce transformation by focusing on the capability building and skill enhancement of the employees. Many training programmes and workshops were organised and employees were nominated in training programmes and conferences of various institutional bodies like IIMs, Indian Railways institutes, IAHE, CII, FICCI, and so on. Apart from the technical training events of systems and procedures, usage of varied software and other tools, compliance procedures, and upgrading working styles and techniques, programmes were also organised in the areas of physical and mental health, personality development, and personal financial planning and advisory amongst others.

A major transition happened in the mode of grasping content for RITES employees where-in various online platforms and tools were used for skill development in these times of the 'new normal'. RITES also initiated the 'In-house Capability Building Drive' under which daily in-house training programmes were organised virtually wherein training on various topics and business areas were imparted by in-house faculties to employees across RITES offices and project sites.

### Succession Planning

The company focuses on making the workforce Future Ready, aligning with the dynamic industry trends and the infrastructure needs of tomorrow. With a vision to build a career trajectory and sustain a healthy pipeline of rich talent

and expertise, succession planning has been initiated in the organisation. RITES developed a mentorship policy for its employees where senior employees would handhold the post-induction on-boarding of new/entry-level employees and guide them to sail smoothly through the initial phase in the organisation and also develop their career goals.

### Performance Management System

Performance Management System is carried out through online PMS tool using Employee Self Service (ESS). The robust and transparent system captures performance data of all regular employees across levels and facilitates timely completion of filling of APARs using system checks. In 2021, more than 1800 APARs have been completed through this process. The inputs on the individual performance collected through PMS system, along with other parameters like company performance and team performance, are used for finalisation of Performance Related Pay (PRP).

Annual property returns were also filled by the employees using online system within scheduled time. The digitalisation of the process activities has benefitted the end user and also expedited the overall functioning.

### Digitalisation

To maintain business continuity and enable the staff to work remotely, the HR department has taken a leap forward to keep records in digitised format and implementing e-office for day-to-day operations. Extensive trainings were conducted for employees across RITES offices to ensure employee readiness and flawless adoption. To encourage the progressive use of Hindi in office functioning, the e-office system has been made bilingual.

HR functions such as Employee Records, Leave Records, Performance Management System (PMS), Annual Property Returns, Employee Engagement, Transfer and Postings have

also been put in an e-format, thereby reducing paper use, bringing transparency and efficiency, and improving quality.

More than 5,000 files have been scanned and digitised up to March, 2021 including 850 files for FY 2021-22.

### Employee Engagement

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

### Employee Welfare

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

Apart from incorporating the statutory benefits, additional benefits have been provided such as personal healthcare (regular medical check-ups), reimbursement of prolonged treatment expenses and availability of doctors in RITES office. Buffer amount also has been increased for both serving as well as retiring employees in Group Medclaim Policy. Also, tie up with leading institutions has been accomplished for cashless/ discounted treatment. A dedicated PRMS cell and Abhaar committee has been formed to address the concern of retired employees. As a measure to provide the social security to the family members, apart from statutory measures, other insurance covers in the form of Group term plan and personal accident plan have been taken for employees to take care of unforeseen situations. Superannuation benefits consisting of Provident Fund, Gratuity, Pension and Post Retirement Medical Scheme are also provided.

Facility of recreational activities and merit scholarship cash awards to the wards of employees for education as well as higher

education are also provided to the employees. Encouraging Fit India Movement and sports, various individual and team events are organised every year for the overall development of the employees. The housing facility has been increased to add employee benefits by purchasing 14 flats in Sector-89, Gurgaon. Harmony is maintained through CONCERT platform (a body consisting of employee representatives) through periodic meetings.

Proper prevention and protection measures have been taken to deal with COVID-19. Reimbursement for purchasing masks, sanitisers, pulse oximetre as well as for COVID testing has been made. Employees have been encouraged and motivated for the vaccination by arranging vaccination camps in RITES as well by reimbursing the amount for the same. Almost 100% of the RITES employees have been vaccinated as on date with the help of all these measures.

### Women Empowerment

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

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

RITES' POSH Committee ensures providing safe and secure workplace for female employees. For sensitising employees on the issue of prevention of sexual harassment at work place, trainings/awareness sessions are conducted regularly for the employees. Through various initiatives, the Committee reiterates the policy of ZERO tolerance for sexual harassment in any form. To supplement this, distress helpline and e mail id are available for registering any concerns by employees and its timely disposal.



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



### Grievance Redressal

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

### Contribution to Govt. Initiatives

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

During the year, your Company procured goods worth ₹54.33 crore up to February 2022 from Medium, Small and Micro Enterprises, including those belonging to SC/ST and women categories.

Being a CPSE, RITES' procurement policies and practices are guided by the government policies and practices. These are based on transparent procurement mechanisms, which promote procurement from technically competent suppliers.

## IX. RISKS AND CONCERNS

In view of increased globalisation and opening of cross border businesses there is a greater risk of competition from foreign companies in consultancy projects. The Company also faces competitive pressure from the existing service providers and new entrants in both public and private sectors within India. Increased competition and aggressive bidding by such competitors can impact its ability to procure business which may adversely affect its business, financial conditions and results of operations.

The Company may have risk of incurring additional liabilities due to failure or subdued performance of its joint venture / consortium partners in respect of assignment taken by the Company in association with joint venture and consortium.

The Company's global operations are exposed to geopolitical and currency risk. Currency risk is being mitigated by the Company through appropriate measures.

## X. INTERNAL CONTROL SYSTEMS

The company has adequate internal control and audit systems for enhancement of efficiency in operations and to ensure compliance with applicable laws, rules and regulations. Company has structured policies and guidelines for optimal delegation of authority for facilitation of business. Internal audit is conducted by experienced professionals and external audit firms. The internal control and audit systems are also reviewed periodically. Corrective and preventive measures, whenever necessary are taken up from time to time for continuous improvement.

The internal control system has been further strengthened through the following:

### Internal financial controls

The internal financial Control of the Company is analysed and audited for its relevance, effectiveness and compliance under clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013. Report for the same is prepared and annexed to the

Independent Auditor's Report. The report suggests whether the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting operate effectively, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control.

### ISO certification

The Company has been certified to Quality Management System (QMS) as per ISO 9000 series of standards since 2001. The certification has subsequently been upgraded to the revised versions of ISO 9001:2008 and ISO 9001:2015. The ISO based QMS of RITES defines the requirement of internal controls through manuals and procedures which are to be formed at both the corporate level and the strategic business unit (SBU) level. The QMS involves regular internal audits to ensure the compliances with stipulated rules / regulations on a regular basis and therefore forms integral part of the internal control systems.

### Risk management system

A risk management system is in place which takes care of identification, prioritisation and mitigation of risks. It includes the financial risk management systems since the company's activities are exposed to financial risks such as market risk, credit risk and liquidity risk. The financial risk management system's focus is to foresee the unpredictability of financial markets and seek to minimise potential adverse effects on its financial performance through the various risk mitigation strategies in place. Additional requirements related to the risk management in accordance with ISO 9001: 2015 have been implemented for mitigating possible risks.

### Treasury risk and liquidity management

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

Execution of foreign projects also carries currency fluctuation risk. The Company regularly monitors exchange fluctuations to mitigate this risk. The Company has a sound currency risk management policy in place. Policy covers various aspects of currency risk management, benchmarking, hedging and risk appetite, permissible instruments, structure of the risk management committee and treasury group, reporting procedures.

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 been affirmed 'IVRA1+', the highest short-term rating for its non-fund based working capital limits by infomeric valuation and rating Pvt. Ltd. This rating helps the Company to get non-fund based facilities at more attractive terms.

# Business Responsibility & Sustainability Report

## SECTION A: GENERAL DISCLOSURES

### I. Details of the listed entity

- Corporate Identity Number (CIN) of the Listed Entity: **L74899DL1974GOI007227**
- Name of the Listed Entity: **BITES Limited**
- Year of incorporation: **1974**
- Registered office address: **SCOPE Minar, Laxmi Nagar, Delhi - 110092**
- Corporate address: **Shikhar, Plot No. 01, Sector-29, Gurugram-122001, Haryana**
- E-mail: [info@rites.com](mailto:info@rites.com)
- Telephone: **+91 1242571666**
- Website: [www.rites.com](http://www.rites.com)
- Financial year for which reporting is being done: **FY 2021-22 (April 1, 2021 to March 31, 2022)**

- Name of the Stock Exchange(s) where shares are listed: **BSE Limited, National Stock Exchange of India Limited**

- Paid-up Capital: **₹ 240.30 crore**

- Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report:

**Name: Mr. Ved Prakash**

**Designation: Chief People Officer**

**Telephone Number: +91 124 2571666**

**E-mail id: [vedprakash@rites.com](mailto:vedprakash@rites.com)**

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

### II. Products/services

- Details of business activities (*accounting for 90% of the turnover*):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	Consultancy	Design, engineering consultancy and project management for transport infrastructure sector with focus on railways, urban transport, roads and highways, ports, including land ports, inland waterways, airports etc.	39.57%
2.	Leasing	Leasing, maintenance and rehabilitation of locomotives and other railway rolling stock, including manufacturing of wagons	5.09%
3.	Exports	Export of locomotives and other railway rolling stock, including manufacturing of wagons	37.50%
4.	Turnkey Projects	Turnkey projects for railway workshops, track doubling / tripling/quadruplicating, new/additional railway line, railway electrification, redevelopment of railway stations, institutional buildings, wind, solar and other renewable energy projects with or without equity participation.	17.84%

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

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1.	Design, engineering consultancy and project management for transport infrastructure sector with focus on railways, urban transport, roads and highways, ports, including land ports, inland waterways, airports etc.	71100	39.57%
2.	Leasing, , maintenance and rehabilitation of locomotives and other railway rolling stock, including manufacturing of wagons	49120	5.09%
3.	Export of locomotives and other railway rolling stock, including manufacturing of wagons	46592	37.50%



S. No.	Product/Service	NIC Code	% of total Turnover contributed
4.	Turnkey projects for railway workshops, track doubling /tripling/ quadruplicating, new/additional railway line, railway electrification, redevelopment of railway stations, institutional buildings, wind, solar and other renewable energy projects with or without equity participation.	4210	17.84%

### III. Operations

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

Location	Number of plants	Number of offices	Total
National	NA	13	13
International	NA	5	5

17. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	28 States
International (No. of Countries)	13

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

39.57%

RITES achieved highest-ever exports revenue during FY 2021-22

c. A brief on types of customers

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

We regularly provide our services to some leading public and private sector entities, such as National Thermal Power Corporation Limited, Dedicated Freight Corridor Corporation of India Limited, High Speed Rail Corporation of India Limited, Indian Port Rail Corporation Limited, Steel Authority of India Limited, Delhi Metro Rail Corporation Limited, for Gandhinagar and Ahmedabad Company Limited, Airports Authority of India, the National Highways Authority of India, TATA Steel, Adani Ports, L&T, NALCO, Coal India and we have many International clients like Sri Lanka Railways, CFM Mozambique, Metro Express Limited Mauritius, Bangladesh Railways, among others.

### IV. Employees

18. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
<b>EMPLOYEES</b>						
1.	Permanent (D)	1845	1672	90.62 %	173	9.38 %
2.	Other than Permanent (E)	801	760	94.88%	41	5.12%
3.	Total employees (D + E)	2646	2432	91.91%	214	8.09%
<b>WORKERS</b>						
4.	Permanent (F)	-	-	-	-	-
5.	Other than Permanent (G)	-	-	-	-	-
6.	Total workers (F + G)	-	-	-	-	-

## b. Differently abled Employees and workers:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
<b>DIFFERENTLY ABLED EMPLOYEES</b>						
1.	Permanent (D)	28	27	96.43%	01	3.57%
2.	Other than Permanent (E)	4	4	100%	-	-
3.	Total differently abled employees (D + E)	32	31	96.87%	01	3.13%
<b>DIFFERENTLY ABLED WORKERS</b>						
4.	Permanent (F)	-	-	-	-	-
5.	Other than permanent (G)	-	-	-	-	-
6.	Total differently abled workers (F + G)	-	-	-	-	-

## 19. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	10	1	10%
Key Management Personnel	5	0	0

## 20. Turnover rate for permanent employees and workers\*

(Disclose trends for the past 3 years)

Particulars	FY 2021-22 (Turnover rate in current FY)			FY 2020-21 (Turnover rate in previous FY)			FY 2019-20 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	7.58%	5.69%	7.40%	7.55%	6.66%	7.47%	6.45%	6.50%	6.45%
Permanent Workers	-	-	-	-	-	-	-	-	-

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

## V. Holding, Subsidiary and Associate Companies (including joint ventures)

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

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

## VI. CSR Details

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

(ii) Turnover (in ₹) ₹ 2575 Crores

(iii) Net worth (in ₹) ₹ 2399 Crores

**VII. Transparency and Disclosures Compliances**

23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Grievance redressal mechanism is in place to address grievances of various stakeholders. Samvedna and Aabhar committees constituted by Management are ensuring proper redressal and disposal of the grievances, requests and suggestions of existing and ex-employees. Also, grievances received through CPGRAM (Centralized Public Grievance Redress And Monitoring) system of Government of India, are attended promptly.

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No)	FY 2021-22 Current Financial Year			FY 2020-21 Previous Financial Year		
	(If Yes, then provide web-link for grievance redress policy)	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes <a href="https://pgportal.gov.in/">https://pgportal.gov.in/</a>	Nil	N.A.	Public grievances are handled through CPGRAM PG Portal and CPGRAM Appeal Portal	Nil	N.A.	Public grievances are handled through CPGRAM PG Portal and CPGRAM Appeal Portal
Investors (other than shareholders)	N.A.	Nil	N.A.		Nil	N.A.	
Shareholders	Yes <a href="https://scores.gov.in/scores/Welcome.html">https://scores.gov.in/scores/Welcome.html</a>	61	Nil	SCORES Platform & through email, Jointly managed by RITES and its RTA	105	Nil	SCORES Platform & through email, Jointly managed by RITES and its RTA
Employees and workers	Yes <a href="http://reppi-puc2.rites.com:55100/irj/portal">http://reppi-puc2.rites.com:55100/irj/portal</a> <a href="https://www.rites.com/Complaint">https://www.rites.com/Complaint</a>	Nil	N.A.	Serving employees grievances are handle through RITES Employee Self Service Portal, Grievances from retired/ ex-employees are handled through RITES Website	Nil	N.A.	Serving employees grievances are handle through RITES Employee Self Service Portal, Grievances from retired/ ex-employees are handled through RITES Website
Customers	Yes <a href="https://pgportal.gov.in/">https://pgportal.gov.in/</a> <a href="https://www.rites.com/Complaint">https://www.rites.com/Complaint</a>	Nil	N.A.	Public grievances are handled through CPGRAM PG Portal and CPGRAM Appeal Portal	Nil	N.A.	Public grievances are handled through CPGRAM PG Portal and CPGRAM Appeal Portal
Value Chain Partners	Yes <a href="https://pgportal.gov.in/">https://pgportal.gov.in/</a>	Nil	N.A.	Public grievances are handled through CPGRAM PG Portal and CPGRAM Appeal Portal	Nil	N.A.	Public grievances are handled through CPGRAM PG Portal and CPGRAM Appeal Portal
Other (please specify)	Yes <a href="https://pgportal.gov.in/">https://pgportal.gov.in/</a>	Nil	N.A.	Public grievances are handled through CPGRAM PG Portal and CPGRAM Appeal Portal	Nil	N.A.	Public grievances are handled through CPGRAM PG Portal and CPGRAM Appeal Portal

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

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

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Special focus on augmentation of Transport Infrastructure through NIP etc and RITES' position to provide environmentally viable and sustainable Transport Solutions	O	Government Policies and Investment plans provide enhanced opportunities for growth of company's business.		Positive
2	Infrastructure investments in Africa, Latin America, Middle East and South East Asia keeping in view social and environmental balances.	O	RITES having experience of successfully executing varied international projects is poised to gain substantially from infrastructure development in these countries.		Positive
3	Skill/ Knowledge gap w.r.t. requirement for experts having technical acumen matched with orientation for social and environmental solutions	R	There are limited experts available with matching capabilities and the various players in consultancy business are eying for these experts.	Organisation is adopting a flexible policy for engagement of people with required skill set on regular/ contractual/ project-based assignments on case-to-case basis	Negative

## SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

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

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
<b>Policy and management processes</b>									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
c. Web Link of the Policies, if available	<a href="https://www.rites.com/Upload/MediaGallery/PDF/3/CSR-SustainabilityPolicyNov21.pdf">https://www.rites.com/Upload/MediaGallery/PDF/3/CSR-SustainabilityPolicyNov21.pdf</a>	<a href="https://www.rites.com/Upload/MediaGallery/PDF/3/CSR-SustainabilityPolicyNov21.pdf">https://www.rites.com/Upload/MediaGallery/PDF/3/CSR-SustainabilityPolicyNov21.pdf</a>	<a href="https://www.rites.com/Upload/MediaGallery/PDF/3/CSR-SustainabilityPolicyNov21.pdf">https://www.rites.com/Upload/MediaGallery/PDF/3/CSR-SustainabilityPolicyNov21.pdf</a>	<a href="https://www.rites.com/Upload/MediaGallery/PDF/3/CSR-SustainabilityPolicyNov21.pdf">https://www.rites.com/Upload/MediaGallery/PDF/3/CSR-SustainabilityPolicyNov21.pdf</a>	<a href="https://www.rites.com/Upload/MediaGallery/PDF/3/CSR-SustainabilityPolicyNov21.pdf">https://www.rites.com/Upload/MediaGallery/PDF/3/CSR-SustainabilityPolicyNov21.pdf</a>	<a href="https://www.rites.com/Upload/MediaGallery/PDF/3/CSR-SustainabilityPolicyNov21.pdf">https://www.rites.com/Upload/MediaGallery/PDF/3/CSR-SustainabilityPolicyNov21.pdf</a>	<a href="https://www.rites.com/Upload/MediaGallery/PDF/3/CSR-SustainabilityPolicyNov21.pdf">https://www.rites.com/Upload/MediaGallery/PDF/3/CSR-SustainabilityPolicyNov21.pdf</a>	<a href="https://www.rites.com/Upload/MediaGallery/PDF/3/CSR-SustainabilityPolicyNov21.pdf">https://www.rites.com/Upload/MediaGallery/PDF/3/CSR-SustainabilityPolicyNov21.pdf</a>	<a href="https://www.rites.com/Upload/MediaGallery/PDF/3/CSR-SustainabilityPolicyNov21.pdf">https://www.rites.com/Upload/MediaGallery/PDF/3/CSR-SustainabilityPolicyNov21.pdf</a>
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4. Name of the national and international codes/certifications/ labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	<a href="https://www.rites.com/Upload/upload/misc/Balancesheet/Code-of-Conduct-Policy.pdf">https://www.rites.com/Upload/upload/misc/Balancesheet/Code-of-Conduct-Policy.pdf</a>	<a href="https://www.rites.com/Upload/upload/misc/Balancesheet/Code-of-Conduct-Policy.pdf">https://www.rites.com/Upload/upload/misc/Balancesheet/Code-of-Conduct-Policy.pdf</a>	<a href="https://www.rites.com/Upload/upload/misc/Balancesheet/Code-of-Conduct-Policy.pdf">https://www.rites.com/Upload/upload/misc/Balancesheet/Code-of-Conduct-Policy.pdf</a>	<a href="https://www.rites.com/Upload/upload/misc/Balancesheet/Code-of-Conduct-Policy.pdf">https://www.rites.com/Upload/upload/misc/Balancesheet/Code-of-Conduct-Policy.pdf</a>	<a href="https://www.rites.com/Upload/upload/misc/Balancesheet/Code-of-Conduct-Policy.pdf">https://www.rites.com/Upload/upload/misc/Balancesheet/Code-of-Conduct-Policy.pdf</a>	<a href="https://www.rites.com/Upload/upload/misc/Balancesheet/Code-of-Conduct-Policy.pdf">https://www.rites.com/Upload/upload/misc/Balancesheet/Code-of-Conduct-Policy.pdf</a>	<a href="https://www.rites.com/Upload/upload/misc/Balancesheet/Code-of-Conduct-Policy.pdf">https://www.rites.com/Upload/upload/misc/Balancesheet/Code-of-Conduct-Policy.pdf</a>	<a href="https://www.rites.com/Upload/upload/misc/Balancesheet/Code-of-Conduct-Policy.pdf">https://www.rites.com/Upload/upload/misc/Balancesheet/Code-of-Conduct-Policy.pdf</a>	<a href="https://www.rites.com/Upload/upload/misc/Balancesheet/Code-of-Conduct-Policy.pdf">https://www.rites.com/Upload/upload/misc/Balancesheet/Code-of-Conduct-Policy.pdf</a>

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	Adoption of 'Transforming to GREEN' concept								
6. Performance of the entity against the specific commitments, goals and targets along with reasons in case the same are not met.	<p>In support of the 'Green Initiative' measure, RITES has taken various steps for harnessing green energy through the use of renewable energy sources and to list a few are: 1) Installed Roof-top Solar Power Plants at i) its office buildings (Shikhar &amp; Srijan) in Gurugram ii) One of the platforms in Gurugram Railway Station &amp; iii) One of the platforms in Sahibabad Railway Station 2) Installed Wind Power Plants (through its subsidiary company- REMC Ltd) in Rajasthan, Tamil Nadu &amp; Maharashtra for Railways, besides suggesting/undertaking various energy conservation measures through energy efficiency studies and their implementation for various Clients, RITES Offices &amp; various Zonal Railways in the country.</p> <p>The Company has disseminated Annual Reports in electronic mode to the shareholders who have registered their e-mail addresses either with the Registrar and Transfer Agents or with the Depositories. The initiative is aimed at minimising the impact on the planet and supporting carbon neutrality.</p> <p>RITES Ltd has also adopted several environment-friendly initiatives to realise its endeavour of 'Transforming to Green'. The company continues to adapt and innovate its strategy to reflect its ambition of 'Shaping Tomorrow's Mobility' that is sustainable and connected. Some among them include promotion of mobility solutions that emphasize sustainable performance, decarbonisation and digitally-enabled efficiency; adoption of innovative systems that underpin the transition to a low-carbon future, in line with India's target of achieving net-zero emission by 2070; and development of green transport infrastructure.</p> <p>All these steps have resulted into the conservation of energy to RITES as well as its Clients through savings in their electricity bills (due to reduced electricity consumption) besides reduction in their carbon emissions.</p>								
<b>Governance, leadership and oversight</b>									
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)	The organization has sincere concerns regarding ESG and is making all out efforts directly and through clients (incorporating the provisions in our feasibility reports encouraging our clients to take necessary actions) to mitigate ESG related challenges.								
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies)	<p><b>Chief People Officer</b>  <b>Telephone Number: +91 124 2571666</b>  <b>E-mail id: <a href="mailto:vedprakash@rites.com">vedprakash@rites.com</a></b></p>								
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	<p>Yes</p> <p>Board of Director's cumulatively take decisions on sustainability related issues.</p>								

## 10. Details of Review of NGRBCs by the Company:

	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
	Performance against above policies and follow up action	Yes									Regularly							
Compliance with statutory requirements of relevance to the principles and rectification of any non-compliances	Board periodically reviews the compliance of all the principles and rectification on non-compliances (If any).									Periodically								

## 11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.

	P1	P2	P3	P4	P5	P6	P7	P8	P9
	Yes, various regulatory bodies, auditors and agencies evaluate these policies from time to time.								

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

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
The entity does not have the financial or/human and technical resources available for the task (Yes/No)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
It is planned to be done in the next financial year (Yes/No)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Any other reason (please specify)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

**SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE**

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

**PRINCIPLE 1 Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.**
**Essential Indicators**

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

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	3	All	50
Key Managerial Personnel	6	All	50
Employees other than BoD and KMPs	167	All	50
Workers	N.A.	N.A.	N.A.

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

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

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

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

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy. Yes, <https://www.rites.com/VigilanceCorner/Whistleblowerpolicy>, Integrity Pact
5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

Name	FY 2021-22 (Current Financial Year)	FY 2020-21 (Previous Financial Year)
Directors	Nil	Nil
KMPs	Nil	Nil
Employees	Nil	Nil
Workers	N.A.	N.A.

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

Member	FY 2021-22 (Current Financial Year)		FY 2020-21 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	Nil	Nil	Nil
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil	Nil	Nil	Nil

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

N.A.



### Leadership Indicators

- Awareness programmes conducted for value chain partners on any of the principles during the financial year:

During various interactions with value chain partners emphasis is laid on these principles. However structured awareness programmes on these Principals are yet to be conducted.

- Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board?

Yes, MBP-1 is received from all Directors at the first meeting of the Board in every financial year; or whenever there is any change in the disclosures already made, then at the first meeting held after such change.

### PRINCIPLE 2 Businesses should provide goods and services in a manner that is sustainable and safe

#### Essential Indicators

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

Segment	Current Financial Year	Previous Financial Year	Details of improvements in environmental and social impacts
R&D	0	0	N.A.
Capex	0	0.0014%	Investment in Startup was made with a view to use resources considering energy storage technologies such as hydrogen fuel cells

- Does the entity have procedures in place for sustainable sourcing?

Yes, as per Standard Tender Document the Contractor shall maintain ecological balance by preventing deforestation, water pollution and defacing of natural landscape. The Contractor shall so conduct his construction operations as to prevent any avoidable destruction, scarring or defacing of natural surroundings in the vicinity of work. For more details, please refer <https://www.rites.com/RitesGCC>

- If yes, what percentage of inputs were sourced sustainably?

100%

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

N.A., the company is not a producer of any product and is engaged in design, engineering consultancy and project management for the transport infrastructure sector.

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

N.A., the company is not a producer of any product and is engaged in design, engineering consultancy and project management for the transport infrastructure sector. So, Extended Producer Responsibility (EPR) is not applicable to the entity's activities.

### PRINCIPLE 3 Businesses should respect and promote the well-being of all employees, including those in their value chains

#### Essential Indicators

- Details of measures for the well-being of employees:

Category	Total (A)	% of employees covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
<b>Permanent employees</b>											
Male	1672	1672	100	1672	100	-	0	1672	100	1672	100
Female	173	173	100	173	100	173	100	-	0	173	100
<b>Total</b>	<b>1845</b>	<b>1845</b>	<b>100</b>	<b>1845</b>	<b>100</b>	<b>173</b>	<b>100</b>	<b>1672</b>	<b>100</b>	<b>1845</b>	<b>100</b>
<b>Other than Permanent employees</b>											
Male	760	760	100	760	100	-	0	760	100	760	100
Female	41	41	100	41	100	41	100	-	0	41	100
<b>Total</b>	<b>801</b>	<b>801</b>	<b>100</b>	<b>801</b>	<b>100</b>	<b>41</b>	<b>100</b>	<b>760</b>	<b>100</b>	<b>801</b>	<b>100</b>

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

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

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

Benefits	FY 2021-22 Current Financial Year			FY 2020-21 Previous Financial Year		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	N.A.	Y	100%	N.A.	Y
Gratuity	100%	N.A.	Y	100%	N.A.	Y
ESI						
Others – please specify						

3. Accessibility of workplaces

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

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

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

Yes, the entity follows government guidelines in this behalf.

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

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100%	100%	N.A.	N.A.
Female	100%	100%	N.A.	N.A.
<b>Total</b>	100%	100%	N.A.	N.A.

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

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

\*A scheme known as CONCERT (consultative Council for Enhancement of Rapport and Team Work) under which the employees of the Company are actively involved in decision making on vital issues like their service conditions and important organizational matters. Moreover, management has constituted two committees for RITES serving and ex-employees named Samvedna committee and Aabhar Committee.

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

Category	FY 2021-22 Current Financial Year			FY 2020-21 Previous Financial Year		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D / C)
Total Permanent Employees	1845	1202	65.15	1919	1299	67.70
- Male	1672	1070	64	1740	1161	66.70
- Female	173	132	76.30	179	138	77.10
Total Permanent Workers	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
- Male	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
- Female	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

## 8. Details of training given to employees and workers:

Category	FY 2021-22 Current Financial Year					FY 2020-21 (Previous Financial Year)				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
<b>Employees</b>										
Male	1672	407	24.34	816	48.80	1740	520	29.89	1409	80.98
Female	173	34	19.65	85	49.13	179	50	27.93	156	87.15
<b>Total</b>	<b>1845</b>	<b>441</b>	<b>23.90</b>	<b>901</b>	<b>48.83</b>	<b>1919</b>	<b>570</b>	<b>29.70</b>	<b>1565</b>	<b>81.55</b>
<b>Workers</b>										
Male	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Female	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
<b>Total</b>	<b>N.A.</b>	<b>N.A.</b>	<b>N.A.</b>	<b>N.A.</b>	<b>N.A.</b>	<b>N.A.</b>	<b>N.A.</b>	<b>N.A.</b>	<b>N.A.</b>	<b>N.A.</b>

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

Category	FY 2021-22 Current Financial Year			FY 2020-21 Previous Financial Year		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
<b>Employees</b>						
Male	1672	1672	100	1740	1740	100
Female	173	173	100	179	179	100
<b>Total</b>	<b>1845</b>	<b>1845</b>	<b>100</b>	<b>1919</b>	<b>1919</b>	<b>100</b>
<b>Workers</b>						
Male	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Female	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
<b>Total</b>	<b>N.A.</b>	<b>N.A.</b>	<b>N.A.</b>	<b>N.A.</b>	<b>N.A.</b>	<b>N.A.</b>

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

## 10. Health and safety management system:

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

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

Programmes were also organized in the areas of physical and mental health, amongst others.

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

Most common work-related hazards include occupational stress, fatigue, violence, harassment, road traffic injuries, electric shock, fire, slips, falls, etc. These risks are identified through regular inspection and monitoring at workplace including through our vendors/contractors.

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

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

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

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

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

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

\*There were no work-related fatalities in FY 2021-22 and FY 2020-21

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

As a responsible corporate citizen, RITES Ltd has always risen to the needs of the nation and society. It has taken various preventive measures and implemented all government and administrative directives and WHO guidelines. It is doing all it can do to ensure the well-being of its employees and the community as well as those associated with it.

To combat with the pandemic various safety measures were taken by the company such as a Covid Help Group was created to support employees/former employees in getting medical assistance (from medicines to admission to hospital), a Covid-19 isolation facility equipped with first-line assistance was set up for RITES employees. The facility provided medical support to employees who were asymptomatic or mildly Covid-19 positive. The patients at these isolation centres were also provided with e-consultation from the empanelled doctors. Besides, the company purchased oxygen concentrators to provide immediate medical relief to the sick employees and their family members till the time admission to hospital was arranged. Vaccination is a very important intervention.

RITES organized Covid-19 vaccination drives for the employees and their family members. Also, the reimbursement of expenses on the account of vaccination has been permitted to the employees who have undergone vaccination in other hospitals.

Also, preventive steps such as Work-From-Home Policy, staggered working hours, mandatory temperature screening at entrances, compulsory wearing of face masks/covers, use of Aarogya Setu app, health and travel declaration by employees, regular sanitisation and fumigation etc. were undertaken to contain the spread of the virus.

To help the country tide over the oxygen crisis amid the second wave of the pandemic, RITES sanctioned funds for a medical oxygen plant with a bottling facility to be set up/implemented by North-Western Railway, Jaipur. In addition, it also contributed for setting up a 15 ICU-bedded facility at Central Hospital by Northern Railway to meet the healthcare needs of those suffering from Covid.

The company is ensuring clean and healthy work environment by regular cleaning, periodic sanitization.

13. Number of Complaints on the following made by employees and workers:

Category	FY 2021-22 Current Financial Year			FY 2020-21 Previous Financial Year		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	Nil	Nil	N.A.	Nil	Nil	N.A.
Health & Safety	Nil	Nil	N.A.	Nil	Nil	N.A.

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	An internal committee has been set up to assess the health and safety practices and working conditions at office premises
Working Conditions	

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

Our activities at most of the client place are being assessed by third parties as engaged by respective clients from time to time

### Leadership Indicators

1. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

Yes, the company being a consulting organization helps its employees to develop skills to facilitate continued employability

2. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	Performance of value chain partners on these issues is assessed during the execution of contract
Working Conditions	

3. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

Necessary action is taken in case of non-compliance of standard tender document. considering inbuilt preventive measures of our existing policy, no significant risk concerned has been assessed

### PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders

#### Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

RITES has a wide range of stakeholders to effectively recognize their requirements and expectations. Based on its experience, the management of the company through its various activities identify the entities who are affected by our activity or entities affecting our business.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes /No)	Channels of Communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half Yearly/ Quarterly/ others-please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Shareholders	No	Annual General Meeting, email, social media, press release	Annual, Quarterly, Regular	Providing guidance on future prospects of the company and Understanding Shareholders expectations
Investors and Analysts	No	Investor Meet, Analyst Meet, email, Exhibitions, social media, press release	Annual, Quarterly, Regular	Engagement with investors to brief on financial performance of the company and clarifying on their observations, providing guidance to the investors during the meeting
Customers/ Clients	No	Personal Meetings and virtual communications, social media, email, website, SMS, Advertisement, Exhibitions, press release	Continuous	Understanding client requirement and feedback and creating awareness about varied service profiles/ segments
Employees	No	ESS Portal, Management Communication, Periodic employees meet, email, Video Conferences, one-on-one counselling, social media, press release	Continuous	Employee engagement, Career Management, Employee feedbacks, suggestions, reviews and grievance redressal
Vendor/ Contractor	No	Vendor Meet, email, calls, vendor events, social media, press release	Continuous	Vendor engagement, their feedback suggestions reviews and grievance redressal
Communities	Yes	CSR activities, social media, Site visits, press release	Continuous	Sustainable Development
Regulators	No	Conferences, Seminars, Surveys, Website, social media	Continuous	Ensure Compliance and providing inputs for policy development to various authorities

### Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

RITES endeavours to understand the stakeholder expectations through a structured engagement process and communication strategy and leverages this understanding for their betterment. As a part of the Project Management process, feedback is taken from the implementing agency with respect to milestones achieved and the overall impact created in the society. The emphasis during the project lifecycle is to create a participatory approach, instill self-reliance for the stakeholders and thus, take the community forward. Many of the projects have been covered by digital media, highlighting the overall benefits accrued to the community.

The company periodically briefs the board about feedback received from stakeholders.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

As per the inputs provided by stakeholders in meetings and various forums, policies are being framed and modified by the company.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

No such concern has been received or observed during the year.

**PRINCIPLE 5 Businesses should respect and promote human rights**
**Essential Indicators**

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2021-22 Current Financial Year			FY 2020-21 Previous Financial Year		
	Total (A)	No. of employees/ workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
<b>Employees</b>						
Permanent	1845	219	11.86	1919	681	35.48
Other permanent	801	6	0.75	825	49	5.94
<b>Total Employees</b>	2646	225	8.50	2744	730	26.60
<b>Workers</b>						
Permanent	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Other permanent	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
<b>Total Employees</b>	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2021-22 Current Financial Year					FY 2020-21 (Previous Financial Year)				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
<b>Employees</b>										
Permanent										
Male	1672	NIL	N.A.	1672	100	1740	NIL	N.A.	1740	100
Female	173	NIL	N.A.	173	100	179	NIL	N.A.	179	100
Other than Permanent										
Male	760	NIL	N.A.	760	100	788	NIL	N.A.	788	100
Female	41	NIL	N.A.	41	100	37	NIL	N.A.	37	100
<b>Workers</b>										
Permanent	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Male	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Female	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Other Permanent	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Male	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Female	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

3. Details of remuneration/salary/wages, in the following format:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	3	63,19,714	-	
Key Managerial Personnel	4	60,23,150	-	
Employees other than BoD and KMP	2370	19,17,600	213	19,17,600
Workers	N.A	N.A	N.A	N.A

Note:

- 1) Data is specific to employees posted in India only (as on 31<sup>st</sup> March,2022).
- 2) Experts, Consultants and Contract Employees are excluded.
- 3) Directors/KMPs to whom remuneration has been given only for part of the year have not been considered for computing Median Remuneration.

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? **(Yes/No)**

Yes, all the issues related to Human Rights can be directly addressed to Chief People Officer

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

All the grievances related to human rights can be lodged at <https://www.rites.com/GrievanceComplaints>

6. Number of Complaints on the following made by employees and workers:

Benefits	FY 2021-22 Current Financial Year			FY 2020-21 Previous Financial Year		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	0	1	Proceedings completed and enquiry report submitted	1	1	
Discrimination at workplace	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Child Labour	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Forced Labour/ Involuntary Labour	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Wages	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Other human rights related issues	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

All the complainants reporting discrimination and harassment issues are reassured that any retaliation will be dealt with sensitively and will be subject to disciplinary action. Complaint mechanism is confidential to avoid any adverse impact or retaliation towards the complainant.

8. Do human rights requirements form part of your business agreements and contracts?

**Yes**



9. Assessments for the year:

	<b>% of your plants and offices that were assessed (by entity or statutory authorities or third parties)</b>
Child labour	RITES internally monitors all its offices for assessments pertaining to these issues.
Forced/involuntary labour	
Sexual harassment	
Discrimination at workplace	
Wages	
Others – please specify	

10. Provide details of any corrective actions taken or underway to address significant risks concerns arising from the assessments at Question 9 above.

There were no significant risks/concerns arising from human rights assessment.

**Leadership Indicators**

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.
2. The business processes are designed in compliance of government guidelines/directives which address all human rights issues.  
 Details of the scope and coverage of any Human rights due-diligence conducted.  
 Scope and coverage of human rights due diligence is as per the extant guidelines issued by government from time to time.
3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes

4. Details on assessment of value chain partners:

	<b>% of value chain partners (by value of business done with such partners) that were assessed</b>
Sexual Harassment	The contractual provisions facilitate assessment of value chain partners on these parameters.
Discrimination at workplace	
Child Labour	
Forced Labour/Involuntary Labour	
Wages	
Others – please specify	

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

There were no significant risks/concerns arising from human rights assessment.

**PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment****Essential Indicators**

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY 2021-22 (Current Financial Year)	FY 2020-21 (Previous Financial Year)
Total electricity consumption (A)	16674.25	17353.11
Total fuel consumption (B)	790.77	1387.89
Energy consumption through other sources (C)	200.86	142.67
Total energy consumption (A+B+C)	17665.88	18883.67
Energy intensity per rupee of turnover (Total energy consumption/ turnover)	6.63 Gj/₹Cr	9.69 Gj/₹Cr
Energy intensity (optional) – the relevant metric may be selected by the entity		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

No

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2021-22 (Current Financial Year)	FY 2020-21 (Previous Financial Year)
<b>Water withdrawal by source (in kilolitres)</b>		
(i) Surface water		
(ii) Groundwater		
(iii) Third party water	28360	22934
(iv) Seawater / desalinated water		
(v) Others		
<b>Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)</b>	28360	22934
<b>Total volume of water consumption (in kilolitres)</b>	21537	16590
<b>Water intensity per rupee of turnover</b> (Water consumed / turnover)	8.09 kl/Rs. crore	8.52 kl/Rs. crore
<b>Water intensity</b> (optional) – the relevant metric may be selected by the entity		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation

No

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2021-22 (Current Financial Year)	FY 2020-21 (Previous Financial Year)
NOx	kg	1369	1164
SOx	kg	78	67
Particulate matter (PM)	kg	168	143
Persistent organic pollutants (POP)			
Volatile organic compounds (VOC)			
Hazardous air pollutants (HAP)			
Others – please specify			

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2021-22 (Current Financial Year)	FY 2020-21 (Previous Financial Year)
<b>Total Scope 1 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	3297	2803
<b>Total Scope 2 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	4465	4773
<b>Total Scope 1 and Scope 2 emissions per rupee of turnover</b>	teCo <sub>2</sub> /Rs. crore	2.92	3.89
<b>Total Scope 1 and Scope 2 emission intensity</b> (optional) – the relevant metric may be selected by the entity			

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

No

8. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2021-22 (Current Financial Year)	FY 2020-21 (Previous Financial Year)
<b>Total Waste generated (in metric tonnes)</b>		
Plastic waste (A)		
E-waste (B)	5.17	3.78
Bio-medical waste (C)		
Construction and demolition waste (D)		
Battery waste (E)	0.15	0.11
Radioactive waste (F)		
Other Hazardous waste. Please specify, if any. (G)		
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)		
<b>Total (A+B + C + D + E + F + G + H)</b>	<b>5.32</b>	<b>3.89</b>

**For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)**

Category of waste		
(i) Recycled		
(ii) Re-used		
(iii) Other recovery operations	5.32	3.89
<b>Total</b>	<b>5.32</b>	<b>3.89</b>

**For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)**

Category of waste		
(i) Incineration		
(ii) Landfilling		
(iii) Other disposal operations	5.32	3.89
<b>Total</b>	<b>5.32</b>	<b>3.89</b>

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

RITES being a consultancy organization, there is no major waste generation in the business process.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format: No

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
	NIL		

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year: As consultancy organization, RITES undertakes EIA studies for various infrastructure projects of clients.

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
NIL					

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format: Yes

S. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
			Nil	

#### PRINCIPLE 7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

##### Essential Indicators

1. a. Number of affiliations with trade and industry chambers/ associations.  
Seven (7)
- b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Federation of Indian Chambers of Commerce and Industry (FICCI)	National
2	Confederation of Indian Industries (CII)	National
3	Standing Conference on Public Enterprises (SCOPE)	National
4	Federation of Indian Export Organisation (FIEO)	National
5	Engineering Export Promotion Council (EEPC), Ministry of Commerce, Govt. of India	National
6	Consulting Engineers Association of India	National
7	Projects Exports Promotion Council (PEPC)	National

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

There has been no anti-competitive conduct by the company and there are no adverse orders received from any regulators.

**PRINCIPLE 8 Businesses should promote inclusive growth and equitable development**

**Essential Indicators**

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.  
Not applicable – we have no SIA notification. However, need based social impact assessments are done for various infrastructure projects.
2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:  
As part of our consultancy reports, RITES provides plans for Rehabilitation and Resettlement (R&R) of affected families.
3. Describe the mechanisms to receive and redress grievances of the community.  
Public grievances are handled through CPGRAM PG Portal and CPGRAM Appeal Portal.  
Further, complaints can also be made at the RITES website: <https://www.rites.com/Complaint>
4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:  
The company, being in service industry there is no major procurement of input material as we do not manufacture any products, however, the Company has always encouraged local suppliers to participate in its tendering process and also promote them through training and hand holding programs. Our continued pursuit in this direction has seen improved participation of small local players and socio-economic development of communities in and around operational locations. The Company has taken necessary steps for implementation of the public procurement policy for procurement from MSMEs. Necessary provisions have been incorporated in all tenders for materials and services. In general, 20% of the requirement has been reserved for eligible MSMEs in line with MSMEs guidelines in the supply and service tenders. The company has been extensively following the guidelines of Government on procurement through GeM and provisions are also made in tenders to promote “Make in India” directives of the Government of India.

**Leadership Indicators**

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective action taken
-N.A.-	

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

S. No.	State	Aspirational District	Amount spent (In INR) (₹ Lakh)
1.	Rajasthan	Baran & Sirhoi	9.45
2.	Tripura	Dhalai	2.93
3.	Jharkhand	East Singhbhum	7.36
4.	Haryana	Mewat	219.56
5.	Uttarakhand	Udham Singh Nagar	9.74
6.	Jharkhand	Khunti & Gumla	29.53

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized / vulnerable groups? (Yes/No)  
Yes
- (b) From which marginalized /vulnerable groups do you procure?  
Being a CPSE, we follow the extant guidelines by government for procurement from marginalized/vulnerable groups.
4. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved  
No adverse order has been passed against the company.
5. Details of beneficiaries of CSR Projects:  
Company conducts CSR in the areas of Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation, making available safe drinking water, promoting education, promoting gender equality, empowering women, setting up homes and hostels for women and orphans, Nursing environmental sustainability, ecological balance but number of beneficiaries are difficult to ascertain and dynamic.

**PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner****Essential Indicators**

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

Any concerns related to the product/ services by any of our consumers are addressed immediately through CPGRAM PG Portal and CPGRAM Appeal Portal and through email. The Company interacts on regular basis with its B2B customers with respect to timely delivery of quality parameters within the project milestones.

As per standard practices followed by the company, a Project Coordinator is assigned in each project for addressing all consumer related issues.

As part of ISO a client feedback form is also taken from customers.

[https://ritesinsp.com/RBS/Client\\_Feedback\\_Form.aspx](https://ritesinsp.com/RBS/Client_Feedback_Form.aspx)

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

State	As a % to total turnover
Environmental and social parameters relevant to the product	100
Safe and responsible usage	100
Recycling and/or safe disposal	100

3. Number of consumer complaints in respect of the following:

Member	FY 2021-22 (Current Financial Year)		Remarks	FY 2020-21 (Previous Financial Year)		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	Nil	Nil	Nil	Nil	Nil	Nil
Advertising	Nil	Nil	Nil	Nil	Nil	Nil
Cyber-security	Nil	Nil	Nil	Nil	Nil	Nil
Delivery of essential services	NA	NA	NA	NA	NA	NA
Restrictive Trade Practices	Nil	Nil	Nil	Nil	Nil	Nil
Unfair Trade Practices	Nil	Nil	Nil	Nil	Nil	Nil
Other	Nil	Nil	Nil	Nil	Nil	Nil

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	NIL	NA
Forced recalls	NIL	NA

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes

[https://www.rites.com/Public/Theme1/assets/pdf/Rites\\_ISMS\\_Manual.pdf](https://www.rites.com/Public/Theme1/assets/pdf/Rites_ISMS_Manual.pdf)

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

Not applicable

## Leadership Indicators

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).

<https://www.rites.com/>

[www.facebook.com/officialritesLtd](https://www.facebook.com/officialritesLtd)

<https://twitter.com/RITESLIMITED>

<https://www.instagram.com/accounts/login/?next=/ritesLtdindia/>

<https://www.kooapp.com/profile/RITESLtd>

<https://www.linkedin.com/in/rites-ltd-990ab4155/>

email- [info@rites.com](mailto:info@rites.com).

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

Our consultancy reports also cover safety aspects, as RITES does not have any major products and/or services that can entail safety issues or usage abuse. However, for our product, rolling stock, we provide a manual having detailed hand holding training to educate the consumers about safe and responsible usage.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

Since RITES is engaged in design, engineering consultancy and project management for the transport infrastructure sector. The company is not engaged in provision of essential services.

4. a. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief.

Not Applicable, as RITES does not have any products where display of product information is mandated under any law. However, the only product of the company supplied is rolling stock which displays information for its safe operation.

- b. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

Yes, as a part of quality management system, regular feedback from clients is taken on various parameters and the clients satisfaction index is measured and reviewed at the highest management level.

5. Provide the following information relating to data breaches:

- a. Number of instances of data breaches along-with impact

- b. Percentage of data breaches involving personally identifiable information of customers

RITES did not have any data breach incidents in FY 2021-22.

**Note:** As per the communications of the stock exchanges, the XBRL filing of BRSR is mandatory if the BRSR is presented alongwith the Annual Report. Some answers in the XBRL filing will be Zero/No/100% in place of NA/Blank in this report to maintain the intent of this report.

# Dividend Distribution Policy

## Preamble

The Shares of RITES Limited (the “Company”) are listed on National Stock Exchange of India Limited, Mumbai and Bombay Stock Exchange Limited, Mumbai.

Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2016 has inserted Regulation 43A w.e.f. 08<sup>th</sup> July, 2016 to the Securities and Exchange Board of India (LODR) Regulations, 2015. As per Regulation 43A, the top five hundred listed entities based on market capitalization (calculated as on March 31 of every financial year) shall formulate a dividend distribution policy which shall be disclosed in their annual reports and on their websites. Considering the fact that the Company, as of 31<sup>st</sup> March 2019, is amongst the top 500 listed entities as per the criteria, the dividend distribution policy has been formulated.

The Board of Directors of the Company (the “Board”) has approved the Dividend Distribution Policy of the Company (the “Policy”) in its meeting held on 29<sup>th</sup> March, 2019.

## Objective

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

The policy has been framed broadly in line with the provisions of the Companies Act, 2013 and also taking into consideration guidelines issued by other Regulatory Authorities, to the extent applicable.

## Statutory and Government guidelines

The Board of the Company shall comply with the following statutory and government guidelines and requirements while taking decision of a dividend payout:

- Companies Act 2013 and rules & regulations there under (“Act”).
- Guidelines or directives issued by Government of India.
- Any other law to the extent applicable.

The Company endeavours to declare dividend as per the guidelines issued by Department of Investment & Public Asset Management (DIPAM), Government of India from time to time.

## Financial Parameters

- Financial performance for the year.
- Distributable surplus available as per the “Act”.
- Liquidity position.

Internal and External factors that would be considered for declaration of dividend

- Capital expenditure requirements considering expansion and other opportunities.
- Borrowing levels and the capacity to borrow.
- Cost and availability of alternative source of financing.
- Covenants of loan agreements.
- Macroeconomic and business conditions.
- Regulatory norms.
- Any other relevant factors that the board may deem fit to consider before declaring dividend.

Circumstances under which the shareholders of the company may or may not expect dividend

The company has been consistently paying out dividends to its shareholders and is expected to continue in future as well, unless the company is restrained to declare dividends due to financial and other internal and external factors as mentioned above. The company would aim to strike a balance between rewarding shareholders through dividend and ensuring that sufficient profits are retained for growth of the Company and other needs.

## Utilization of Retained Earnings

The Company’s retained earnings shall be applied for:

- Capital and Revenue Expenditures for the growth of the business and operations of the Company.
- Issue of bonus shares or buy back of shares as per Government guidelines.
- Any other purpose which the board may consider appropriate.



### Manner and Timelines for Dividend Payout

- a. Dividend for every financial year shall be decided by the Board considering various statutory requirements, financial performance of the company and other internal and external factors enumerated earlier in the policy.
- b. Interim dividend(s), if any, may be declared by the Board in addition to Final Dividend.
- c. Subject to applicable laws, the payment of interim dividend shall be made within 30 days from the date of approval by the Board to the shareholders entitled to receive dividend on the record date.
- d. Recommendation for final dividend, if any, shall be done by the Board usually in the Board meeting that considers and approves the annual financial statements, subject to approval of shareholders of the company.
- e. Subject to applicable laws, the payment of final dividend shall be made within 30 days from the date of approval by the members to the shareholders entitled to receive dividend on the record date.
- f. The payment of Interim Dividend shall be subject to subject to Shareholders' ratification.

### Parameters to be adopted with regard to various classes of shares

As on date, the Company has issued only one class of equity shares. All the members of the Company on the record date are entitled to receive the same amount of dividend declared per share. The policy shall be revisited at the time of issue of any new class of shares depending upon the nature and guidelines thereof.

### Other Provisions

The Board of Directors of the Company has approved the Dividend Distribution Policy of the Company.

The Board of Directors of the Company shall have the right to carry out any changes in the Policy, as it may deem appropriate.

# INDEPENDENT AUDITOR'S REPORT

## To the Members of RITES Limited

### Report on the Audit of the Standalone Financial Statements

#### Opinion

We have audited the accompanying Standalone Financial Statements of RITES Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, notes to the Standalone Financial Statements including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Standalone Financial Statements") in which are included the returns for the year ended on that date audited by the branch auditors of the company's branches located at Eastern, Western and Southern Region.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, the profit including other comprehensive income, statement of changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the Standalone Financial Statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are

relevant to our audit of the Standalone Financial Statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Financial Statements.

#### Emphasis of Matter

- (i) We draw attention to note no. 57(a) to the Standalone Financial Statements, which describes that the Company has evaluated possible impact that may result from COVID 19 pandemic on the carrying value of its assets and liabilities as at March 31, 2022. Based on the underlying data and current estimates, the Company does not expect any material impact on the carrying amount of these assets and liabilities.
- (ii) We draw attention to note no. 57(b) to the Standalone Financial Results wherein it is mentioned that the Financial Statements of one of the Jointly controlled entities, Indian Railway Stations Development Corporation Limited (IRSDC) have been prepared on liquidation basis and that the Company does not perceive any impairment at present in the value of investments held by the Company in IRSDC.

Our opinion is not modified in respect of these matters.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	<p>Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in respect of Ind AS 115 "Revenue from Contracts with Customers" (revenue accounting standard).</p> <p>The application of the revenue accounting standard involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognized at a point in time or over time.</p>	<p>Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:</p> <ul style="list-style-type: none"> <li>Evaluated the design of internal controls relating to implementation of the revenue accounting standard.</li> <li>Selected a sample of contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry and observation and inspection of evidence in respect of operation of these controls.</li> </ul>

Sr. No.	Key Audit Matter	Auditor's Response
	<p>Additionally, revenue accounting standard contains disclosures which involves collation of information in respect of disaggregated revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.</p> <p>Refer Notes 1.2.1 and 51 to the Standalone Financial Statements.</p>	<ul style="list-style-type: none"> <li>• Selected a sample of contracts and performed the following procedures:                             <ul style="list-style-type: none"> <li>■ Read, analysed and identified the distinct performance obligations in these contracts.</li> <li>■ Compared these performance obligations with that identified and recorded by the Company.</li> <li>■ Considered the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue and to test the basis of estimation of the variable consideration.</li> <li>■ Performed analytical procedures for reasonableness of revenues disclosed by type and service offerings.</li> </ul> </li> </ul>

### Information other than the Standalone Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the Standalone Financial Statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of our audit report.

Our opinion on the Standalone Financial Statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information identified above when it becomes available and in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

### Responsibilities of Management and those charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in Equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were

operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risk, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to Standalone Financial Statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Other Matters

- (a) We did not audit the financial statements of three branches included in the Standalone Financial Statements of the Company whose financial statements reflect total assets of ₹1702.26 crore at March 31, 2022 and the total revenue of ₹569.74 crore and profit before tax of ₹222.66 crore for the year ended on that date, as considered in the Standalone Financial Statements. The financial statements of these

branches have been audited by the branch auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of branches, is based solely on the report of such branch auditors.

- (b) The Standalone Financial Statements include company's shares of total assets of ₹6.24 crore as at March 31, 2022 and company's share of total revenue of ₹6.52 crore and share of net profit after tax including other comprehensive income of ₹0.12 crore for the year ended March 31, 2022, in respect of six joint operations, whose financial statements have not been audited by us. The financial statements of these joint operation have been audited by the joint operations' auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of joint operations, is based solely on the report of such joint operations' auditors.
- (c) The Standalone Financial Statements include company's shares of total assets of ₹ 3.64 crore as at March 31, 2022 and Company's share of total revenue of ₹15.19 crore and share of net loss after tax including other comprehensive income of ₹0.01 crore for the year ended March 31, 2022, in respect of two joint operations, whose financial statements have not been audited by us. These financial statements are unaudited and have been furnished to us by the management and our opinion on the Standalone Financial Statements, in so far as it relates to the amount and disclosures included in respect of the joint operations and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid joint operation is based only on such unaudited financial statements. In our opinion and according to information and explanations given to us by the Management these financial statements are not material to the group.

Our opinion is not modified in respect of above matters.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure I" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. In terms of sub section (5) of section 143 of the Act, we give in the "Annexure II" a statement on the directions issued under the aforesaid section by the Comptroller and Auditor General of India.
3. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branches not visited by us;

- (c) The reports on the accounts of the branch offices of the Company audited under Section 143(8) of the Act by branch auditors have been sent to us and have been properly dealt with by us in preparing this report;
- (d) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, statement of changes in Equity, and the Cash Flow Statement dealt with by this report are in agreement with the books of account and with the returns received from the branches not visited by us;
- (e) In our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (f) In view of exemption given vide notification no. G.S.R. 463(E) dated 5<sup>th</sup> June, 2015, issued by Ministry of Corporate Affairs, provisions of Section 164(2) of the Act regarding disqualifications of Directors, are not applicable to the Company;
- (g) With respect to the adequacy of the internal financial controls with reference to the Standalone Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure III";
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements - Refer Note 47(b)(i) to the Standalone Financial Statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv. (a) The management has represented that, to the best of its knowledge and belief as disclosed in note no 57(n) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - (b) The management has represented, that, to the best of its knowledge and belief, as disclosed in note no 57(o) to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest, in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. As stated in notes no. 21 and 54(b) to the Standalone Financial Statements
- (a) The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.
  - (b) The interim dividends declared and paid by the Company during the year and until the date of this report are in accordance with Section 123 of the Act, as applicable.
  - (c) The Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.
4. In our opinion and to the best of our information and according to the explanations given to us, provisions of Section 197 of the Act are not applicable to the company with respect to the managerial remuneration paid/provided during the year ended March 31, 2022.

**For J.C. Bhalla & Co.**

Chartered Accountants  
Firm's Regn. No. 001111N

**(Anshuman Mallick)**

Partner

Place: Gurugram  
Date : May 24, 2022

Membership No. 547705  
UDIN: 22547705AJMFZP4764

## Annexure I to the Independent Auditor's Report referred to in paragraph 1 under the heading "Report on other Legal and Regulatory requirements" of our report of even date on the Standalone Financial Statements of RITES Limited.

- (i) (a) A. The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment;
- B. The Company has maintained proper records showing full particulars of intangible assets;
- (b) The Company has a program of verification to cover all the items of Property, Plant and Equipment in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its Property, Plant and Equipment. Pursuant to the program, items of Property, Plant and Equipment were physically verified
- by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanation given to us and on the basis of examination of title deeds / sale deeds / transfer deeds / conveyance deeds / possession letters / allotment letters and other relevant records evidencing title/ possession provided, we report that the title deeds of the immovable properties are held in the name of the Company as at the balance sheet date except for below cases as mentioned in note 57(h) to the standalone Financial Statements:

### Lying under the head Property, Plant and Equipment (Refer Note 2 of the standalone financial statements)

Sr. No.	Description of Property	Gross Carrying Value 31.03.2022 (₹ In crore)	Held in the name of	Whether promoter, director or their relative or employee	Period held – indicate range, where appropriate	Reason for not being held in name of company also indicate if in dispute
1.	Plot of land at Gomati Nagar Extension, Lucknow	4.22	Lucknow Development Authority	No	Since 27.06.2019	Registration is pending due to litigation on payment of stamp duty.

### Lying under the head Right of Use asset (Refer Note 4 of the standalone financial statements)

Sr. No.	Description of Property	Gross Carrying Value 31.03.2022 (₹ In crore)	Held in the name of	Whether promoter, director or their relative or employee	Period held – indicate range, where appropriate	Reason for not being held in name of company also indicate if in dispute
1.	Office Building at Central Metro Railway Building 56, C.R. Avenue, Kolkata-12	1.32	Indian Railway	Yes	Since 12.01.2000	This property was on long term lease for 30 years, while depositing the initial amount with Metro Railway, RITES had written for execution of deed but no response was received from other side.
2.	Testing Laboratory at 52A & 52B, C.R. Avenue, Kolkata-12	0.46	Indian Railway	Yes	Since June, 2000	This property was on long term lease for 30 years, while depositing the initial amount with Metro Railway, RITES had written for execution of deed but no response was received from other side.
3.	Office Building at DLF Cyber City, Bhubaneswar	5.43	DLF	No	Since 2017	Lease deed execution under process

Sr. No.	Description of Property	Gross Carrying Value 31.03.2022 (₹ In crore)	Held in the name of	Whether promoter, director or their relative or employee	Period held – indicate range, where appropriate	Reason for not being held in name of company also indicate if in dispute
4.	House No-Belur Shed No. 14, JL No.15, PS-Bally, Dist Howrah, Plot No. 2206 at Liluah	0.00*	Indian Railway	Yes	03.03.1984 to 02.03.2009	This property was on long term lease for 25 years, while depositing the initial amount with Eastern Railway, RITES had written for execution of deed but no response was received from other side.

\*Gross value at ₹ 1/- (Rupees One only).

- (d) According to the information and explanations given to us, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets during the year ended March 31, 2022.
- (e) According to the information and explanations given to us, no proceedings have been initiated during the year or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- (ii) (a) As per the information and explanations given to us, physical verification of Inventory has been carried out by the Management at reasonable intervals during the year. No material discrepancies were noticed on such physical verification of inventory between the physical stock and the book records. In our opinion and as per information and explanations given to us, coverage and procedure of such verification by the management is appropriate.
- (b) As per information and explanation provided to us and based on our examination of the records of the Company, the Company has not been sanctioned working capital from banks or financial institutions on the basis of security of current assets at any point of time during the year.
- (iii) (a) According to the information and explanations given to us and based on examination of books of the Company, during the year the Company has provided loans, advances in the nature of loans, guarantee and provided security as follows:

Particulars	(₹ In crore)			
	Guarantees	Security	Loans	Advances in nature of loans
Aggregate amount granted/ provided during the year				
- Subsidiaries	-	-	-	-
- Joint Ventures	-	-	-	-
- Employee loan	-	-	1.42	-
- Others	-	-	-	-
Balance outstanding as at balance sheet date in respect of above cases				
- Subsidiaries	-	-	-	-
- Joint Ventures	-	-	-	-
- Employee loan	-	-	13.25	-
- Others	-	-	-	-

- (b) During the year the investments made and the terms and conditions of the grant of loans to parties are prima facie not prejudicial to the Company's interest.
- (c) In respect of loans granted to employees, the schedule of repayment of principal and payment of interest has been stipulated and the repayment of principal amounts and receipts of interest has been regular as per stipulation except as disclosed in sub clause (d) of clause (iii) as below.
- (d) There are no amounts which are overdue for more than ninety days in respect of above-mentioned loans granted except in five cases for ₹ 0.11 crore overdue for more than 90 days, for which reasonable steps have been taken by the Company for recovery of principal and interest.
- (e) There were no loans granted which was fallen due during the year, that have been renewed or extended or fresh loans granted to settle the overdue of existing loans given to the same parties.
- (f) The Company has not granted any loans either repayable on demand or without specifying any terms or period of repayment to during the year. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.

- (iv) According to the information and explanations given to us and on the basis of our examination of the records, the Company has not granted any loans or provided any guarantees or securities to parties which are covered under section 185 of the Act. The Company has complied with the provisions of section 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits or deemed deposits from the public within the meaning of sections 73 to 76 of the Companies Act, 2013 and the rules framed there under. Accordingly, the requirement to report on clause 3 (v) of the Order is not applicable to the Company.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Companies Act, 2013 in respect of products sold and services rendered by the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our verification of records of the Company, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Goods and Services Tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of aforesaid dues were in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us and the records of the Company examined by us, statutory dues referred to in clause vii(a) above which have not been deposited on account of any dispute are as under:

Name of the statute	Nature of dues	Amount Involved (₹ in crore)	Amount paid under protest (₹ in crore)	Period	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	2.31	-	A.Y. 2012-13	Hon'bl High Court, Delhi
Income Tax Act, 1961	Income Tax	2.18	2.18	A.Y. 2016-17	Commissioner of Income Tax (Appeal)
Income Tax Act, 1961	Income Tax	3.03	3.03	A.Y. 2017-18	Commissioner of Income Tax (Appeal)
Income Tax Act, 1961	Income Tax	4.64	Nil	A.Y. 2018-19	Assessing Officer
Income Tax Act, 1961	Income Tax	13.68	Nil	A.Y. 2019-20	Assessing Officer
Income Tax Act, 1961	Income Tax	1.63	Nil	AY 2020-21	Assessing Officer
APVAT	Arrears of sales Tax	0.71	0.71	01.04.2014 To 30.11.2015	Appellate Tribunal APVAT
West Bengal VAT	Value Added Tax	1.32	0.20	01.04.2015 To 31.03.2016	President, WBST Appellate-Revisional Board
West Bengal VAT	Value Added Tax	0.42	0.06	01.04.2016 To 31.03.2017	President, WBST Appellate-Revisional Board
Finance Act, 1994	Service Tax Penalty	0.41	0.04	01.09.2012 To 31.12.2016	Customs, Excise and service Tax Appellate Tribunal
Finance Act, 1994	Service Tax Penalty	1.68	0.15	01.07.2012 To 31.03.2016	Customs, Excise and service Tax Appellate Tribunal
Central Goods and Services Tax, 2017	Goods and Services Tax	0.40	0.03	01.04.2019 to 31.03.2020	Appellate Authority, GST (Appeal), Bihar

- (viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- (ix) (a) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not obtained any loans or other borrowings, hence the requirement to report on clause 3 (ix) (a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not been declared wilful defaulter by any bank or financial institution or other lender.
- (c) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not obtained any term loan during the year. Accordingly, the requirement to report on clause 3 (ix) (c) of the Order is not applicable to the Company.



- (d) According to the information and explanations given to us, and the procedures performed by us, we report that the company has not raised any funds during the year, hence the requirement to report on clause 3(ix)(d) of the Order is not applicable to the Company.
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the company, we report that the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries or joint venture companies, hence the requirement to report on clause 3 (iii) (e) of the Order is not applicable to the Company.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries or joint venture companies, hence the requirement to report on clause 3 (iii) (f) of the Order is not applicable to the Company.
- (x) (a) In our opinion and according to the information and explanation given by the management, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loan during the year. Accordingly, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
- (b) In our opinion and according to the information and explanations given to us, the company has not raised funds by way of preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible). Accordingly, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) During the course of our examination of the books of accounts and records carried out in accordance with the generally accepted auditing practices and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the year.
- (b) In our opinion and according to the information and explanations given to us, no report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the company during the year.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, the requirement to report on clause 3(xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013 where applicable and details of such transactions have been disclosed in the standalone financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under section 133 of the Companies Act, 2013.
- (xiv) (a) In our opinion and according to the information and explanations given to us, the company's Western, Eastern and Southern branches have an internal audit system commensurate with the size and nature of business of the respective branches. In respect of corporate office the internal audit system need to be further strengthened to make it commensurate with the size and nature of the business of the company in accordance with the prescribed scope of internal audit laid down by the company.
- (b) The internal audit reports of the Company issued during the year and till the date of this report, for the period under audit have been considered by us, in determining the nature, timing and extent of our audit procedures.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with any of the directors or persons connected with him. Accordingly, the requirement to report on clause 3 (xv) of the Order is not applicable to the Company.
- (xvi) (a) The provision of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable on the Company. Accordingly, the requirement to report on clause 3(xvi)(a), (b) and (c) of the Order is not applicable to the Company.
- (b) There is no Core Investment Company as a part of the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016), hence, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company.
- (xvii) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not incurred cash losses either in the current financial year or in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly, the requirement to report on Clause 3(xviii) is not applicable to the Company.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios disclosed in Note 57(i) to the standalone financial statements, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they

fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- (xx) (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a Fund specified in Schedule VII to the Companies Act, in compliance with second proviso to sub-section (5) of section 135 of the said Act. Accordingly, the requirement to report on clause 3(xx)(a) of the Order is not applicable to the Company.

- (b) In respect of ongoing projects, the company has transferred unspent amount to a special account, within a period of thirty days from the end of the financial year in compliance with section 135(6) of the said Act.

**For J.C. Bhalla & Co.**  
Chartered Accountants  
Firm's Regn. No. 001111N

**(Anshuman Mallick)**  
Partner

Place: Gurugram  
Date : May 24, 2022

Membership No. 547705  
UDIN: 22547705AJMFZP4764

## Annexure II to the Independent Auditor's Report referred to in paragraph 2 under the heading "Report on other Legal and Regulatory requirements" of our report of even date on the Standalone Financial Statements of RITES Limited

Report under Section 143 (5) of the Companies Act, 2013 in respect of RITES Limited on Standalone Financial Statements for the year ended March 31, 2022.

S. No.	Directions	Auditor's Comments
1.	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	Yes, the Company has SAP system in place to process all the accounting transactions.  As per information and explanations given to us and during the course of our audit we have not come across the any accounting transactions which were outside the IT system and have financial implications.
2.	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/ interest etc. made by a lender to the company due to company's inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for? (In case, lender is a government company, then this direction is also applicable for statutory auditor of lender company).	According to the information and explanations given to us the Company has not taken any loan. Hence, there are no cases of waiver/write off of debts/ loans/interest etc.
3.	Whether funds (grants/subsidy etc.) received/receivable for specific schemes from Central/State government or its agencies were properly accounted for/ utilized as per its terms and conditions? List the cases of deviation.	As per the information and explanations given to us the Company has not received any funds from Central/State government or its agencies for specific schemes during the year.

**For J.C. Bhalla & Co.**  
Chartered Accountants  
Firm's Regn. No. 001111N

**(Anshuman Mallick)**  
Partner

Place: Gurugram  
Date : May 24, 2022

Membership No. 547705  
UDIN: 22547705AJMFZP4764

## **Annexure III to the Independent Auditor's Report referred to in paragraph 3(g) under the heading "Report on other Legal and Regulatory requirements" of our report of even date on the Standalone Financial Statements of RITES Limited**

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

We have audited the internal financial controls with reference to the Standalone Financial Statements of RITES Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

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

### **Auditors' Responsibility**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting with reference to the Standalone Financial Statements and their operating effectiveness. Our audit of

internal financial controls over financial reporting with reference to the Standalone Financial Statements included obtaining an understanding of such internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error.

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

### **Meaning of Internal Financial Controls over Financial Reporting with reference to the Standalone Financial Statements**

A company's internal financial control over financial reporting with reference to the Standalone Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

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

### **Inherent Limitations of Internal Financial Controls over Financial Reporting with reference to the Standalone Financial Statements**

Because of the inherent limitations of internal financial controls over financial reporting with reference to the Standalone Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to

error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to the Standalone Financial Statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to the Standalone Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to the Standalone Financial Statements and such internal financial controls were operating effectively as at March 31, 2022, based on the internal control

with reference to the Standalone Financial Statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For J.C. Bhalla & Co.**

Chartered Accountants  
Firm's Regn. No. 001111N

**(Anshuman Mallick)**

Partner  
Membership No. 547705  
UDIN: 22547705AJMFZP4764

Place: Gurugram  
Date : May 24, 2022

# STANDALONE BALANCE SHEET

as at March 31, 2022

₹ in crore

PARTICULARS	NOTE NO.	AS AT 31.03.2022	AS AT 31.03.2021
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
PROPERTY, PLANT AND EQUIPMENT	2	370.49	387.17
CAPITAL WORK IN PROGRESS	3	58.01	15.48
RIGHT OF USE ASSETS	4	19.37	21.72
INVESTMENT PROPERTY	5	0.05	0.05
INTANGIBLE ASSETS	6	2.61	4.02
<b>FINANCIAL ASSETS</b>			
INVESTMENTS	7.1	152.75	202.75
LOANS	8	8.75	9.86
OTHER FINANCIAL ASSETS	9	224.07	94.99
DEFERRED TAX ASSETS (NET)	10	52.25	39.60
OTHER NON CURRENT ASSETS	11	146.48	109.43
		<b>1,034.83</b>	<b>885.07</b>
<b>CURRENT ASSETS</b>			
INVENTORIES	12	118.75	286.16
<b>FINANCIAL ASSETS</b>			
INVESTMENTS	7.2	75.92	110.77
TRADE RECEIVABLES	13	681.19	568.00
CASH AND CASH EQUIVALENTS-OWNED FUND	14.1	43.29	99.23
CASH AND CASH EQUIVALENTS-CLIENTS FUND	15.1	759.18	694.93
OTHER BANK BALANCES-OWNED FUND	14.2	630.94	790.16
OTHER BANK BALANCES-CLIENTS FUND	15.2	1,832.87	1,734.69
LOANS	16	3.49	7.00
OTHER FINANCIAL ASSETS	17	232.82	191.14
CURRENT TAX ASSETS (NET)	18	28.32	20.65
OTHER CURRENT ASSETS	19	155.87	243.46
		<b>4,562.64</b>	<b>4,746.19</b>
<b>TOTAL ASSETS</b>		<b>5,597.47</b>	<b>5,631.26</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
EQUITY SHARE CAPITAL	20.2	240.30	240.30
OTHER EQUITY	21	2,158.96	2,081.63
		<b>2,399.26</b>	<b>2,321.93</b>
<b>LIABILITIES</b>			
<b>NON CURRENT LIABILITIES</b>			
<b>FINANCIAL LIABILITIES</b>			
LEASE LIABILITIES	52(a)	0.67	2.17
OTHER FINANCIAL LIABILITIES	22	166.83	220.56
PROVISIONS	23	30.23	10.82
		<b>197.73</b>	<b>233.55</b>
<b>CURRENT LIABILITIES</b>			
<b>FINANCIAL LIABILITIES</b>			
LEASE LIABILITIES	52(a)	2.27	2.00
TRADE PAYABLES			
- TOTAL OUTSTANDING DUES OF MICRO ENTERPRISES AND SMALL ENTERPRISES	24	25.57	8.77
- TOTAL OUTSTANDING DUES OTHER THAN MICRO ENTERPRISES AND SMALL ENTERPRISES*	24	152.01	281.09
OTHER FINANCIAL LIABILITIES	25	2,618.30	2,375.92
OTHER CURRENT LIABILITIES	26	115.55	310.54
PROVISIONS	27	86.78	97.46
		<b>3,000.48</b>	<b>3,075.78</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>5,597.47</b>	<b>5,631.26</b>
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS FORM AN INTEGRAL PART OF STANDALONE FINANCIAL STATEMENTS	1-57		

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

For and on behalf of the Board  
**Bibhu Prasad Nayak**  
 Director Finance & Chief Financial Officer  
 DIN:08197975

**Joshit Ranjan Sikidar**  
 Company Secretary  
 M.No.: ACS 32442

As per our report of even date attached  
**For J C BHALLA & COMPANY**  
 Chartered Accountants  
 Firm Registration No. 001111N  
**(ANSHUMAN MALLICK)**  
 Partner  
 Membership No. 547705

Place : Gurugram  
 Dated : 24<sup>th</sup> May, 2022

# STANDALONE STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2022

₹ in crore

PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2022	YEAR ENDED 31.03.2021
REVENUE FROM OPERATIONS	28	2,575.16	1,843.15
OTHER INCOME	29	86.00	104.40
<b>TOTAL INCOME</b>		<b>2,661.16</b>	<b>1,947.55</b>
<b>EXPENSES</b>			
EMPLOYEE BENEFITS EXPENSE	30	516.42	480.85
TRAVEL		42.17	31.06
SUPPLIES & SERVICES	31	589.90	684.75
PURCHASES FOR EXPORT		478.01	332.61
CHANGES IN INVENTORIES OF STOCK IN TRADE	32	150.83	(279.03)
FINANCE COSTS	33	4.96	2.84
DEPRECIATION & AMORTISATION EXPENSE	34	58.47	44.81
OTHER EXPENSES	35	145.84	87.31
<b>TOTAL EXPENSES</b>		<b>1,986.60</b>	<b>1,385.20</b>
<b>PROFIT BEFORE TAX</b>		<b>674.56</b>	<b>562.35</b>
TAX EXPENSES			
- CURRENT TAX	37	(190.11)	(140.51)
- DEFERRED TAX	38	12.65	2.51
<b>PROFIT AFTER TAX</b>		<b>497.10</b>	<b>424.35</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
ITEMS THAT WILL NOT BE RECLASSIFIED SUBSEQUENTLY TO PROFIT & LOSS			
- REMEASUREMENTS OF THE DEFINED BENEFIT LIABILITY/ASSET	40	1.01	6.76
- INCOME TAX		(0.25)	(1.70)
		<b>0.76</b>	<b>5.06</b>
<b>TOTAL OTHER COMPREHENSIVE INCOME (NET OF TAX)</b>		<b>0.76</b>	<b>5.06</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>497.86</b>	<b>429.41</b>
<b>EARNING PER SHARE</b> (EQUITY SHARE OF ₹ 10/- EACH) - <b>BASIC</b>	49	₹ 20.69	₹ 17.22
<b>EARNING PER SHARE</b> (EQUITY SHARE OF ₹ 10/- EACH) - <b>DILUTED</b>	49	₹ 20.69	₹ 17.22
WEIGHTED AVERAGE NUMBER OF EQUITY SHARES USED IN COMPUTING EARNING PER SHARE		<b>240,301,887</b>	<b>246,439,597</b>

For and on behalf of the Board

**Rahul Mithal**

Chairman & Managing Director  
and Chief Executive Officer  
DIN: 07610499

**Bibhu Prasad Nayak**

Director Finance & Chief Financial Officer  
DIN:08197975

**Joshit Ranjan Sikidar**

Company Secretary  
M.No. : ACS 32442

As per our report of even date attached

**For J C BHALLA & COMPANY**

Chartered Accountants  
Firm Registration No. 001111N

**(ANSHUMAN MALLICK)**

Partner  
Membership No. 547705

Place : Gurugram  
Dated :24<sup>th</sup> May, 2022

# STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2022

## A. EQUITY SHARE CAPITAL

₹ in crore

BALANCE AS AT 01.04.2021	CHANGES IN EQUITY SHARE CAPITAL DURING THE YEAR		BALANCE AS AT 31.03.2022
	ISSUE OF BONUS SHARES	BUY BACK OF EQUITY SHARES	
240.30	-	-	240.30

₹ in crore

BALANCE AS AT 01.04.2020	CHANGES IN EQUITY SHARE CAPITAL DURING THE YEAR		BALANCE AS AT 31.03.2021
	ISSUE OF BONUS SHARES	BUY BACK OF EQUITY SHARES	
250.00	-	(9.70)	240.30

## B. OTHER EQUITY

₹ in crore

PARTICULARS	RESERVE AND SURPLUS			TOTAL
	GENERAL RESERVE	RETAINED EARNINGS	CAPITAL REDEMPTION RESERVE	
<b>BALANCE AS AT 01.04.2021</b>	1584.02	487.91	9.70	2081.63
PROFIT FOR THE YEAR	-	497.10	-	497.10
OTHER COMPREHENSIVE INCOME (OCI)	-	0.76	-	0.76
INTERIM DIVIDENDS (2021-22)	-	(324.41)	-	(324.41)
FINAL DIVIDEND (2020-21)	-	(96.12)	-	(96.12)
TRANSFER TO GENERAL RESERVE FROM RETAINED EARNINGS	-	-	-	-
<b>BALANCE AT 31.03.2022</b>	<b>1,584.02</b>	<b>565.24</b>	<b>9.70</b>	<b>2,158.96</b>
INTERIM DIVIDEND PER SHARE FOR 2021-22 (₹)	13.50	NUMBER OF SHARES USED IN COMPUTING DIVIDEND PER SHARE		240,301,887
FINAL DIVIDEND PER SHARE FOR 2020-21 (₹)	4.00	NUMBER OF SHARES USED IN COMPUTING DIVIDEND PER SHARE		240,301,887

₹ in crore

PARTICULARS	RESERVE AND SURPLUS			TOTAL
	GENERAL RESERVE	RETAINED EARNINGS	CAPITAL REDEMPTION RESERVE	
<b>BALANCE AT 01.04.2020</b>	<b>1,901.85</b>	<b>424.77</b>	-	<b>2,326.62</b>
PROFIT FOR THE YEAR	-	424.35	-	424.35
OTHER COMPREHENSIVE INCOME (OCI)	-	5.06	-	5.06
BUY BACK EXPENSES	(1.31)	-	-	(1.31)
TAX ON BUY BACK EXPENSES	0.33	-	-	0.33
BUY BACK OF EQUITY SHARES	(247.30)	-	-	(247.30)
TAX ON BUY BACK OF EQUITY SHARES	(59.85)	-	-	(59.85)
TRANSFER TO CAPITAL REDEMPTION RESERVE FROM GENERAL RESERVE	(9.70)	-	9.70	-
INTERIM DIVIDENDS (2020-21)	-	(216.27)	-	(216.27)
FINAL DIVIDEND (2019-20)	-	(150.00)	-	(150.00)
<b>BALANCE AT 31.03.2021</b>	<b>1,584.02</b>	<b>487.91</b>	<b>9.70</b>	<b>2,081.63</b>

# STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2022

₹ in crore

PARTICULARS	RESERVE AND SURPLUS			TOTAL
	GENERAL RESERVE	RETAINED EARNINGS	CAPITAL REDEMPTION RESERVE	
INTERIM DIVIDEND PER SHARE FOR 2020-21 (₹)	9.00	NUMBER OF SHARES USED IN COMPUTING DIVIDEND PER SHARE		240,301,887
FINAL DIVIDEND PER SHARE FOR 2019-20 (₹)	6.00	NUMBER OF SHARES USED IN COMPUTING DIVIDEND PER SHARE		250,000,000

**Rahul Mithal**

Chairman & Managing Director  
and Chief Executive Officer  
DIN: 07610499

For and on behalf of the Board

**Bibhu Prasad Nayak**

Director Finance & Chief Financial Officer  
DIN:08197975

**Joshit Ranjan Sikidar**

Company Secretary  
M.No. : ACS 32442

As per our report of even date attached

**For J C BHALLA & COMPANY**

Chartered Accountants  
Firm Registration No. 001111N

**(ANSHUMAN MALLICK)**

Partner  
Membership No. 547705

Place : Gurugram  
Dated :24<sup>th</sup> May, 2022



# STATEMENT OF CASH FLOWS

for the year ended March 31, 2022

PARTICULARS	₹ in crore	
	YEAR ENDED 31.03.2022	YEAR ENDED 31.03.2021
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>NET PROFIT BEFORE TAX</b>	674.56	562.35
<b>ADJUSTMENTS FOR:</b>		
- DEPRECIATION AND AMORTIZATION	58.47	44.81
- LOSS/( PROFIT) ON SALE OF PROPERTY, PLANT AND EQUIPMENT (NET)	0.01	0.01
- INTEREST INCOME	(49.81)	(81.07)
- INCOME FROM INVESTMENTS	(6.81)	(9.66)
- INCOME FROM INVESTMENT PROPERTIES	(0.16)	(0.18)
- LIABILITIES WRITTEN BACK	(0.60)	(8.37)
- PROPERTY, PLANT AND EQUIPMENT WRITTEN OFF	0.05	0.01
- UNREALIZED GAIN/(LOSSES) FROM CHANGES IN FOREIGN EXCHANGE RATE	(2.82)	1.78
- PROVISION AND IMPAIRMENT EXPENSES (NET)	49.72	(19.92)
- FINANCE COST	4.96	2.84
<b>EFFECT OF EXCHANGE DIFFERENCES ON TRANSLATION OF FOREIGN CURRENCY CASH &amp; CASH EQUIVALENTS</b>	(8.86)	(10.66)
<b>OPERATING PROFIT BEFORE CHANGES IN ASSETS AND LIABILITIES</b>	<b>718.71</b>	<b>481.94</b>
<b>CHANGE IN ASSETS AND LIABILITIES:</b>		
<b>ADJUSTMENTS FOR (INCREASE)/DECREASE IN OPERATING ASSETS:</b>		
- INVENTORIES	150.88	(278.93)
- TRADE RECEIVABLES	(118.51)	244.62
- LOANS, OTHER FINANCIAL ASSETS AND OTHER ASSETS	12.76	(103.08)
<b>ADJUSTMENTS FOR INCREASE/(DECREASE) IN OPERATING LIABILITIES:</b>		
- TRADE PAYABLES	(112.51)	157.56
- OTHER FINANCIAL LIABILITIES, OTHER LIABILITIES AND PROVISIONS (NET OF CLIENT FUNDS)	(184.38)	65.76
<b>CASH GENERATED FROM OPERATIONS</b>	<b>466.95</b>	<b>567.87</b>
- INCOME TAX PAID	(175.86)	(99.69)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>291.09</b>	<b>468.18</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
- PROPERTY, PLANT AND EQUIPMENT/ INATNGIBLE ASSETS/ CWIP/ CAPITAL ADVANCE	(138.75)	(79.71)
- PROCEEDS FROM SALE OF PROPERTY, PLANT AND EQUIPMENT	0.25	0.07
- PROCEEDS FROM SALE OF INVESTMENTS IN JOINT VENTURE	-	0.12
- INVESTMENTS IN JOINT VENTURES	-	(48.00)
- INVESTMENT IN LIQUID MUTUAL FUNDS	(455.00)	(1,044.28)
- REDEMPTION OF LIQUID MUTUAL FUNDS/BONDS	514.94	1,070.36
- REDEMPTION OF BONDS	25.00	-
- LOAN REPAID BY JOINT VENTURE	2.80	2.80
- FIXED DEPOSITS PLACED WITH BANK	(921.55)	(990.56)
- REDEMPTION OF FIXED DEPOSITS WITH BANK	972.82	1,189.63
- INTEREST INCOME	62.69	89.11
- INCOME FROM INVESTMENTS	6.59	9.47
- INCOME FROM INVESTMENT PROPERTIES	0.16	0.18
<b>NET CASH FROM INVESTING ACTIVITIES</b>	<b>69.95</b>	<b>199.19</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
- DIVIDEND PAID	(420.53)	(366.27)
- PAYMENT TOWARDS BUY-BACK OF EQUITY SHARES	-	(257.00)
- BUY-BACK DISTRIBUTION TAX PAID	-	(59.85)

# STATEMENT OF CASH FLOWS

for the year ended March 31, 2022

₹ in crore

PARTICULARS	YEAR ENDED 31.03.2022	YEAR ENDED 31.03.2021
- BUY-BACK EXPENSES	-	(1.31)
- REPAYMENT OF LEASE LIABILITIES	(2.35)	(5.39)
- FINANCE COST	(2.96)	(2.10)
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>(425.84)</b>	<b>(691.92)</b>
<b>EFFECT OF EXCHANGE DIFFERENCES ON TRANSLATION OF FOREIGN CURRENCY CASH &amp; CASH EQUIVALENTS</b>	8.86	10.66
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(55.94)	(13.89)
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	99.23	113.12
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<b>43.29</b>	<b>99.23</b>

## RECONCILIATION OF CASH AND CASH EQUIVALENT

₹ in crore

PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2022	YEAR ENDED 31.03.2021
CASH AND CASH EQUIVALENTS-OWNED FUND	14.1	43.29	99.23
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>		<b>43.29</b>	<b>99.23</b>
<b>COMPONENTS OF CASH AND CASH EQUIVALENTS (REFER NOTE NO. 14.1)</b>		<b>43.29</b>	<b>99.23</b>

### NOTE:

- CASH AND CASH EQUIVALENTS CONSIST OF CASH AND BANK BALANCES INCLUDING FDs HAVING MATURITY WITHIN 3 MONTHS FROM THE DATE OF ACQUISITION.
- THE ABOVE STATEMENT OF CASH FLOWS HAS BEEN PREPARED UNDER THE INDIRECT METHOD AS SET OUT IN IND AS 7 STATEMENT OF CASH FLOWS NOTIFIED U/S133 OF COMPANIES ACT, 2013 ("ACT") READ WITH RULE 4 OF THE COMPANIES (INDIAN ACCOUNTING STANDARDS) RULES 2015 AND THE RELEVANT PROVISION OF THE ACT.
- FIGURES IN BRACKET INDICATE CASH OUTFLOW.
- THE ABOVE STATEMENT OF CASH FLOWS HAS BEEN PREPARED ON THE BASIS OF RITES OWNED FUNDS ONLY. FUNDS ON THE BEHALF OF THE CLIENT AND ITS CORRESPONDING LIABILITIES HAVE NOT BEEN CONSIDERED.

### Rahul Mithal

Chairman & Managing Director  
and Chief Executive Officer  
DIN: 07610499

For and on behalf of the Board

### Bibhu Prasad Nayak

Director Finance & Chief Financial Officer  
DIN:08197975

### Joshit Ranjan Sikidar

Company Secretary  
M.No. : ACS 32442

As per our report of even date attached

### For J C BHALLA & COMPANY

Chartered Accountants  
Firm Registration No. 001111N

### (ANSHUMAN MALLICK)

Partner  
Membership No. 547705

Place : Gurugram  
Dated :24<sup>th</sup> May, 2022

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

### Company Overview

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

The Company is a "Miniratna", Schedule-"A", Category-I CPSE and ISO 9001:2015 certified public limited company incorporated and domiciled in India. The address of its registered office is SCOPE Minar, Laxmi Nagar, Delhi-110092 (India) and address of its corporate office is RITES Bhawan, No. 1, Sector -29, Gurugram, Haryana-122001 (India). President of India through Ministry of Railways is presently holding 72.20% equity share of the company.

The reporting and functional currency of the company is Indian Rupees (INR). Figures in financial statements are presented in ₹ crore, by rounding off upto two decimals except for per share data and as otherwise stated. Certain figures that are required to be disclosed but do not appear due to rounding off are detailed in note 57(k). Previous periods figures have been regrouped/recasted/rearranged, wherever necessary.

Due to outbreak of COVID-19 globally and in India, in view of the Management assessment, likely impact on the business of the Company is only for short term and no medium to long term risks is perceived which will have an impact on company's ability to continue as a going concern. Further, considering the Company's business plans and the availability of sufficient cash reserves as at March 31, 2022, the Management do not foresee any uncertainty in continuing its business operations and meeting its liabilities as and when it become due for payment

The standalone financial statements are approved for issue by the company's Board of Directors in their meeting held on 24<sup>th</sup> May, 2022.

## 1. SIGNIFICANT ACCOUNTING POLICIES

### 1.1 GENERAL

#### (a) Statement of Compliance

The financial statements of the Company are being prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act 2013, read with the Companies (Indian Accounting Standards) Rules as amended from time to time.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. Accounting policies at 1.2.2.4, 1.3, 1.8, 1.9.2.1 and 1.14 have been modified/reworded to bring more clarity to the users of the financial statements which do not have any impact on the financial statements.

#### (b) Basis of Preparation

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

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

#### (c) Use of Estimates and Judgments

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

## 1.2 REVENUE RECOGNITION

### 1.2.1 REVENUE FROM CONTRACTS WITH CUSTOMERS

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

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

#### General Parameters

To determine whether to recognise revenue, the Company follows a five step process:

- Identifying the contract with a customer
- Identifying the performance obligations
- Determining the transaction price
- Allocating the transaction price to the performance obligations
- Recognising revenue when/as performance obligation(s) are satisfied.

The Company often enters into transactions involving a range of the Company's products and services. In all cases, the total transaction price for a contract is based on performance obligation. The transaction price for a contract excludes amounts received as deposit from client for execution of the project and amount collected on behalf of third party (for example, some GST)

Revenue is recognised either at a point in time or over time, when (or as) the Company satisfies performance obligations by transferring the promised goods or services to its customers.

The Company recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities in the balance sheet. Similarly, if the Company satisfies a performance obligation before the consideration is due, the Company recognises a contract asset in its balance sheet.

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

#### 1.2.1.1 Consultancy Fee

Revenue from providing services is recognized in the accounting period in which services are rendered. Revenue is recognized based on performance obligation satisfied either over time or at a point in time.

In case performance obligation satisfied over time revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided. This is determined based on physical progress, efforts, cost incurred to date bear to the total estimated cost of the transaction, time spent, service performed or any other method that management considered appropriate.

In other cases where performance obligation is not satisfied over time, revenue is recognized at a point in time.

In case of contracts, where customer pays fixed amount based on a payment schedule, if services rendered by the Company exceed the payment, a contract asset is recognised. If payments exceed services rendered, a contract liability is recognised.

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

Reimbursable and supplies are accounted for on accrual basis.

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

#### 1.2.1.2 Inspection Fee

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

### 1.2.1.3 Export Sales

Export sales are accounted for on the basis of bills raised when or as the Company transfers control of the assets to the customer which happens at the point in time the customer has undisputed right on delivered goods.

### 1.2.1.4 Construction Projects

In construction contracts/ projects, the company recognises revenue over time. Due to high degree of interdependence among various elements of these projects, revenue is accounted for considering these activities as a single performance obligation.

To depict the progress by which the company transfers control of the promised goods to the customer and to establish when and to what extent revenue can be recognised, the Company measures its progress towards complete satisfaction of the performance obligation based on work done.

Any expected loss is recognized as an expense immediately.

### 1.2.1.5 Lease Services

Refer Policy no-1.24:- Leases-Company as lessor.

## 1.2.2 Other Income

### 1.2.2.1 Interest Income

Interest income is recognized using effective interest method.

### 1.2.2.2 Dividend

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

### 1.2.2.3 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 (including insurance claims) / supplementary claims / counter claims/ interest on delayed payments / awards in favour of the Company / sale of tenders / premium on sale of licenses etc. which are accounted for on final settlement / realization.

## 1.3 PROPERTY, PLANT AND EQUIPMENT (PPE)

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

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

### 1.3.1 Depreciation

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

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

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

(c) Any addition or extension, which becomes an integral part of the existing asset and which results in increased economic benefits, is capitalized and depreciated over the remaining useful life of that asset.

An item of property, plant and equipment and any significant part initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on de-recognition of the asset which is calculated as the difference between the net disposal proceeds and the carrying amount of the asset, is included in the income statement when the asset is de-recognised.

(d) In respect of BOT assets, depreciation is charged over the period of project or the life stated above whichever is lower.

(e) In respect of buildings on lease hold land, depreciation is charged over the period of lease of land or the useful life stated above for buildings on freehold land, whichever is lower.

(f) As per company's technical assessment, Fixtures, Mobile Hand Set, Coolers & Air Conditioners and In-Service Locomotives & Coaches (refurbished) have lower useful lives than prescribed in part C of schedule II of the Companies Act, 2013. Therefore depreciation is charged at higher rate than prescribed under the Companies Act, 2013.

(g) Individual low cost assets of value less than ₹ 5,000/- are fully depreciated in the year of acquisition.

(h) A nominal value of ₹ 1/- is assigned to the fully depreciated assets.

### 1.3.2 Capital Work in Progress

Assets which are not ready for the intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

### 1.3.3 Capital Advances

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date are classified as capital advances under other non-current assets.

## 1.4 INTANGIBLE ASSETS

Intangible assets acquired/ developed are measured on recognition at cost less accumulated amortisation and impairment losses, if any.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is de-recognised.

- (a) Software of value less than ₹ 100,000/- is fully amortized in the year of acquisition.
- (b) A nominal value of ₹1/- is assigned to the fully amortized assets.

#### **1.4.1 Amortization**

Estimated useful life of the software is 4 years and amortized on a straight line basis over the period.

### **1.5 INVESTMENT PROPERTY**

Investment properties are measured at cost, including transaction costs less accumulated depreciation and impairment loss, if any.

The Company depreciates building component of investment property over the estimated useful lives of the assets as prescribed in property, plant and equipment.

Investment properties are de-recognised either on disposal or on permanent withdrawal from use. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the Statement of Profit and Loss in the period of de-recognition.

### **1.6 INVESTMENTS**

Equity investments are measured at fair value through profit and loss except investments in subsidiary, participating joint venture with or without joint control and associate.

Investments in subsidiary, participating joint venture with or without joint control and associate are measured at cost.

### **1.7 JOINT OPERATIONS**

- (a) In case of participating joint operations with joint control, company recognizes in relation to its interest in a joint operation as under:-
  - (i) its assets, including its share of any assets held jointly;
  - (ii) its liabilities, including its share of any liabilities incurred jointly;
  - (iii) its revenue from the sale of its share of the output arising from the joint operation;
  - (iv) its share of the revenue from the sale of the output by the joint operation; and
  - (v) its expenses, including its share of any expenses incurred jointly.
- (b) In case of participating joint operations without having joint control, interest in such arrangements is to be recognized as per aforesaid accounting policy if the company has right to the assets and obligations for the liabilities relating to joint operations otherwise interest in the joint operation is recognized in accordance with applicable Ind AS.

### **1.8 INVENTORIES**

- (a) Inventories are valued at the lower of cost and Net Realizable Value.
- (b) Cost of inventories comprises of costs of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.
- (c) The diminution in the value of obsolete, unserviceable, slow moving and non-moving stores and spares are assessed periodically and accordingly provided for.
- (d) Consumables and Stores & Spares other than held for the purpose of warranty are charged to the Statement of Profit and Loss in the year of purchase.

### **1.9 EMPLOYEE BENEFITS**

#### **1.9.1 Defined Contribution Plans**

##### **Pension Scheme/Post Retiral Medical Schemes**

Retirement benefits in the form of pension scheme/post-retirement medical scheme are defined contribution schemes. The Company has no obligation, other than the contribution payable to such funds/ schemes. The Company recognizes contribution

payable to such funds/schemes as an expense, when an employee renders the related service. If the contribution payable to the schemes for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Defined contributions towards pension under EPFO, superannuation pension fund and post retiral medical schemes are charged to the Statement of Profit and Loss based on contributions made in terms of applicable schemes on accrual basis.

## 1.9.2 DEFINED BENEFIT PLAN

### 1.9.2.1 Gratuity

Company provides gratuity, a defined benefit plan covering eligible regular and contract employees. The gratuity plan provides a lump-sum payment to vested employees of an amount based on the respective employee's salary and the tenure of employment with the company at retirement, death, incapacitation, or on completion of terms of employment.

The liabilities with regard to the Gratuity plan are determined by actuarial valuation, performed by an independent actuary, at the year end.

- (i) The Company has set up a separate Gratuity Trust for managing Gratuity Fund.
- (ii) The company recognizes the net obligation of a defined benefit plan in its balance sheet as an asset or liability.
- (iii) Gain or loss through re-measurements of net defined benefit liability/(asset) is recognized in Other Comprehensive Income.
- (iv) The actual return of the portfolio of plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligation is recognized in Other Comprehensive Income.
- (v) Service cost and net interest cost/(income) on the net defined benefit liability/(asset) are recognized in Statement of Profit and Loss.

### 1.9.2.2 Provident Fund

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

## 1.9.3 Other Long Term Benefits

- (a) Leave Travel Concession (CDA employees), Leave Encashment (contract employees) and Long Service Award (regular employees)
  - i. Accounted for on actuarial valuation made at the end of year.
  - ii. The actuarial gains/losses are recognized in the Statement of Profit and Loss for the year.
- (b) Leave Encashment and Medical Leave for regular employees
  - i. Liabilities are funded under plan assets through insurance policies from insurance companies approved by Insurance Regulatory Development Authority (IRDA) and are accounted for on actuarial valuation made at the end of year.
  - ii. The company recognizes the net obligation of a defined benefit plan in its balance sheet as an asset or liability.
  - iii. Service cost and net interest cost/(income) on the net defined benefit liability/(asset) are recognized in Statement of Profit and Loss.
  - iv. Actuarial gains/losses are recognized in the Statement of Profit and Loss.

## 1.9.4 Other Benefits

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



## 1.10 RESEARCH & DEVELOPMENT

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

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

- (a) Technical feasibility of completing the intangible asset so that it will be available for use or sell.
- (b) Intention to complete the intangible asset and use or sell it.
- (c) Ability to use or sell the intangible assets.
- (d) Asset will generate future economic benefits.
- (e) There is availability of resources to complete the asset.

The developed asset is carried at cost less any accumulated amortisation and impairment loss, if any. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the Statement of Profit and Loss unless such expenditure forms part of carrying value of another asset.

## 1.11 INCOME TAXES

### 1.11.1 Current Income Tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted in India, at the reporting date.

Management periodically evaluates positions taken in the tax assessments with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current tax assets are offset against current tax liabilities if, and only if, a legally enforceable right exists to set off the recognised amounts and there is an intention either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Additional taxes, interest and/or penalties levied/ imposed by the tax authorities / Appellate authorities on finality are recognized in the Statement of Profit and Loss.

Current tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

### 1.11.2 Deferred Tax

Deferred tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

## 1.12 RATES & TAXES

Overseas taxes on foreign assignments, service tax, value added tax, alike taxes, professional tax, property tax, entry tax, labour cess, octroi etc. paid/accrued in India or abroad for which credit are not available to the company are charged to the Statement of Profit and Loss.

## 1.13 PREPAID EXPENSES AND PRIOR PERIOD ADJUSTMENTS

### 1.13.1 Prepaid Expenses

Prepaid expenses up to ₹ 5,00,000/- in each case are treated as expenditure/income of the year and accounted for to the natural head of accounts

### 1.13.2 Prior Period Adjustments

Material prior period errors are corrected retrospectively by restating the comparative amounts for the prior periods presented in which the error occurred. If the error occurred before the earliest period presented, the opening balances of assets, liabilities and equity for the earliest period presented, are restated unless it is impracticable, in which case, the comparative information is adjusted to apply the new accounting policy prospectively from the earliest date practicable.

## 1.14 TRANSLATION AND TRANSACTIONS OF FOREIGN CURRENCIES

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

**1.14.2** Transactions in foreign currencies are initially recorded by the Company at functional currency spot rates at the date the transaction first qualifies for recognition. The company also uses average rate where the average rate approximates the actual rate at the date of the transaction.

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

**1.14.4** Exchange differences arising on settlement or translation of monetary items are recognised in the Statement of Profit and Loss

## 1.15 CASH AND CASH EQUIVALENTS

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short term deposits with an original maturity of three months or less from the date of acquisitions which are readily convertible into known amounts of cash and be subject to an insignificant risk of change in value. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

## 1.16 STATEMENT OF CASH FLOWS

Statement of Cash Flows is made using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, financing and investing activities of the Company are segregated.

## 1.17 EARNINGS PER SHARE

In determining basic earnings per share, net profit attributable to equity shareholders is divided by weighted average number of equity shares outstanding during the period.

In determining diluted earnings per share, net profit attributable to equity shareholders is divided by weighted average number of equity shares considered for deriving basic earning per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at the later date. Dilutive potential equity share are determined independently for each period presented.

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

## **1.18 IMPAIRMENT OF ASSETS**

### **1.18.1 Financial Assets**

(Other than at Fair Value)

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive. When estimating the cash flows, the Company consider the following:

- All contractual terms of the financial assets (including extension) over the expected life of the assets.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Trade receivables: In respect of trade receivables, the Company applies the simplified approach of Ind AS 109, which requires measurement of loss allowance at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

Other financial assets: In respect of its other financial assets, the Company assesses if the credit risk on those financial assets has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the Company measures the loss allowance at an amount equal to 12-month expected credit losses, else at an amount equal to the lifetime expected credit losses.

### **1.18.2 Non-Financial Assets**

(Tangible and Intangible Assets)

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use). Impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount and such losses either no longer exists or has decreased. Reversal of impaired loss is recognized in the Statement of Profit and Loss to the extent of previously recognized or balanced impairment loss.

## **1.19 WRITE OFF**

### **1.19.1 Financial Assets**

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

### **1.19.2 Non Financial Assets**

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

## **1.20 PROVISION FOR WARRANTY FOR SALE AND SERVICES RENDERED**

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

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

### **1.21 PROVISION FOR PROFESSIONAL SERVICES (FOR EXPORT SALES)**

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

## 1.22 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

## 1.23 LEASES:-COMPANY AS A LESSEE

The Company's leased asset primarily consists of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over lease term.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability.

The right-of-use assets are depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

## 1.24 LEASES:-COMPANY AS A LESSOR

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

For operating leases, rental income is recognized on a straight line basis/systematic basis over the lease term. However, reimbursable under the contract are accounted for on accrual basis. Initial direct cost are added to the carrying amount of the leased assets and recognized as an expense over the lease term.

## 1.25 NON-CURRENT ASSETS HELD FOR SALE

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

## 1.26 DIVIDENDS

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

## 1.27 FINANCIAL INSTRUMENTS

### 1.27.1 Initial Recognition

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

### 1.27.2 Subsequent Measurement

(a) Financial assets are subsequently measured at amortised cost if these are held within a business model whose objective is to hold the assets in order to collect contractual cash flows and the contractual terms of the financial assets give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding using the Effective Interest Rate (EIR) method. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss.

(b) Financial assets at fair value through profit or loss

The financial assets are measured at fair value through profit or loss unless it is classified at amortised cost.

(c) Financial liabilities

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

All other financial liabilities are subsequently measured at amortised cost using EIR method. Gains and losses are recognised in Statement of Profit and Loss when the liabilities are de-recognised as well as through the EIR amortisation process.

### 1.27.3 De-recognition of Financial Instruments

A financial asset is de-recognised when:

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

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

### 1.27.4 Forward Contracts

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

## NOTES TO FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR 31ST MARCH 2022

### 2 PROPERTY, PLANT AND EQUIPMENT

FOLLOWING ARE THE CHANGES IN THE CARRYING VALUE OF PROPERTY, PLANT AND EQUIPMENT FOR THE YEAR ENDED 31.03.2022

₹ in crore

DESCRIPTION	GROSS BLOCK				AS AT 31/03/2022	DEPRECIATION/AMORTISATION				NET BLOCK	
	AS AT 01/04/2021	ADDITIONS DURING THE YEAR	ADJ DURING THE YEAR	DELETIONS DURING THE YEAR		AS AT 01/04/2021	FOR THE YEAR	ADJ DURING THE YEAR	DELETIONS DURING THE YEAR	AS AT 31/03/2022	AS AT 31/03/2022
LAND #	35.39	-	-	-	35.39	-	-	-	-	-	35.39
BUILDING	66.17	-	(0.05)	-	66.12	5.04	1.21	-	6.25	59.87	
RESIDENTIAL QUARTERS	32.50	-	-	-	32.50	0.86	0.55	-	1.41	31.09	
LEASED HOLD	1.96	-	-	-	1.96	0.40	0.26	-	0.66	1.30	
IMPROVEMENT	-	-	-	-	-	-	-	-	-	-	
<b>OFFICE</b>											
<b>EQUIPMENTS</b>											
SURVEY AND OTHER	11.55	1.14	-	0.01	12.68	5.41	1.12	0.01	6.52	6.16	
INSTRUMENTS	-	-	-	-	-	-	-	-	-	-	
COMPUTER AND	14.52	4.77	-	0.97	18.32	10.37	3.03	0.86	12.54	5.78	
EQUIPMENTS	-	-	-	-	-	-	-	-	-	-	
SERVER & NETWORK	6.19	0.04	-	0.01	6.22	4.80	0.35	0.01	5.14	1.08	
OFFICE AND OTHER	7.95	2.30	-	0.35	9.90	4.62	1.34	0.31	5.65	4.25	
EQUIPMENTS	-	-	-	-	-	-	-	-	-	-	
AIR-CONDITIONER AND	2.26	0.10	-	0.01	2.35	1.15	0.27	-	1.42	0.93	
EQUIPMENTS	-	-	-	-	-	-	-	-	-	-	
<b>PLANT &amp; MACHINERY</b>											
AIR CONDITIONER PLANT	6.98	-	-	-	6.98	4.45	0.90	-	5.35	1.63	
LOCOMOTIVES NEW @	235.47	2.31	-	-	237.78	49.58	15.78	-	65.36	172.42	
LOCOMOTIVES IN SERVICE @	141.77	22.81	-	-	164.58	98.22	25.99	-	124.21	40.37	
<b>FURNITURE &amp; FIXTURES</b>											
FURNITURES	7.44	1.12	-	0.09	8.47	3.35	0.77	0.07	4.05	4.42	
FIXTURES	6.67	1.76	-	-	8.43	2.45	1.19	-	3.64	4.79	
<b>VEHICLE</b>											
VEHICLES	2.76	0.34	-	0.14	2.96	1.71	0.25	0.01	1.95	1.01	
<b>TOTAL</b>	<b>579.58</b>	<b>36.69</b>	<b>(0.05)</b>	<b>1.58</b>	<b>614.64</b>	<b>192.41</b>	<b>53.01</b>	<b>-</b>	<b>1.27</b>	<b>244.15</b>	<b>370.49</b>

FOLLOWING ARE THE CHANGES IN THE CARRYING VALUE OF PROPERTY, PLANT AND EQUIPMENT FOR THE YEAR ENDED 31.03.2021

₹ in crore

DESCRIPTION	GROSS BLOCK				AS AT 31/03/2021	DEPRECIATION/AMORTISATION				NET BLOCK	
	AS AT 01/04/2020	ADDITIONS DURING THE YEAR	ADJ DURING THE YEAR	DELETIONS DURING THE YEAR		AS AT 01/04/2020	FOR THE YEAR	ADJ DURING THE YEAR	DELETIONS DURING THE YEAR	AS AT 31/03/2021	AS AT 31/03/2021
LAND #	35.44	-	(0.05)	-	35.39	-	-	-	-	-	35.39
BUILDING	65.25	0.92	-	-	66.17	3.84	1.20	-	5.04	61.13	
RESIDENTIAL QUARTERS	19.73	12.87	(0.10)	-	32.50	0.57	0.39	(0.10)	0.86	31.64	
LEASED HOLD	0.86	1.10	-	-	1.96	0.10	0.30	-	0.40	1.56	
IMPROVEMENT	-	-	-	-	-	-	-	-	-	-	
<b>OFFICE</b>											
<b>EQUIPMENTS</b>											
SURVEY AND OTHER	9.92	1.65	-	0.02	11.55	4.37	1.06	0.02	5.41	6.14	
INSTRUMENTS	-	-	-	-	-	-	-	-	-	-	
COMPUTER AND	12.49	3.44	-	1.41	14.52	9.53	2.22	1.38	10.37	4.15	
EQUIPMENTS	-	-	-	-	-	-	-	-	-	-	
SERVER & NETWORK	5.31	0.89	-	0.01	6.19	4.55	0.26	0.01	4.80	1.39	
OFFICE AND OTHER	6.23	2.06	-	0.34	7.95	3.98	0.95	0.31	4.62	3.33	
EQUIPMENTS	-	-	-	-	-	-	-	-	-	-	
AIR-CONDITIONER AND	1.77	0.54	-	0.05	2.26	0.94	0.25	0.04	1.15	1.11	
EQUIPMENTS	-	-	-	-	-	-	-	-	-	-	
<b>PLANT &amp; MACHINERY</b>											
AIR CONDITIONER PLANT	6.88	0.10	-	-	6.98	4.09	0.36	-	4.45	2.53	
LOCOMOTIVES NEW @	225.09	10.38	-	-	235.47	34.04	15.54	-	49.58	185.89	
LOCOMOTIVES IN SERVICE @	140.70	1.47	-	0.40	141.77	83.31	15.31	0.40	98.22	43.55	
<b>FURNITURE &amp; FIXTURES</b>											
FURNITURES	5.54	1.96	-	0.06	7.44	2.78	0.61	0.04	3.35	4.09	
FIXTURES	2.61	4.06	-	-	6.67	1.79	0.66	-	2.45	4.22	
<b>VEHICLE</b>											
VEHICLES	2.28	0.53	-	0.05	2.76	1.44	0.32	0.05	1.71	1.05	
<b>TOTAL</b>	<b>540.10</b>	<b>41.97</b>	<b>(0.15)</b>	<b>2.34</b>	<b>579.58</b>	<b>155.33</b>	<b>39.43</b>	<b>(0.10)</b>	<b>2.25</b>	<b>192.41</b>	<b>387.17</b>

**NOTE :**

- Depreciation on Residential Quarters is charged on the total cost of flats in the absence of break-up of land components in the flats value.

# In respect of Land pending execution of registration (refer note no. 57 (j)).

@ Refer Note No. 52 (b)(i)(l)

### 3 CAPITAL WORK IN PROGRESS

₹ in crore

DESCRIPTION	OPENING	ADDITIONS DURING THE YEAR	ADJ DURING THE YEAR	DELETIONS DURING THE YEAR	CLOSING
AS AT 31.03.2022	15.48	47.88	(5.35)	-	58.01
AS AT 31.03.2021	4.45	14.94	(3.91)	-	15.48

Refer Note No. 57(g) for Capital Work in progress ageing and completion schedule

### 4 RIGHT OF USE ASSETS

FOLLOWING ARE THE CHANGES IN THE CARRYING VALUE OF RIGHT OF USE ASSETS FOR THE YEAR ENDED 31.03.2022

₹ in crore

DESCRIPTION	GROSS BLOCK					DEPRECIATION/AMORTISATION					AS AT 31/03/2022
	AS AT 01/04/2021	ADDITIONS DURING THE YEAR	ADJ DURING THE YEAR	DELETIONS DURING THE YEAR	AS AT 31/03/2022	AS AT 01/04/2021	FOR THE YEAR	ADJ DURING THE YEAR	DELETIONS DURING THE YEAR	AS AT 31/03/2022	
LAND	2.62	0.01	-	0.01	2.62	0.73	0.48	-	-	1.21	1.41
BUILDING	20.54	1.12	-	1.88	19.78	4.54	2.74	-	1.88	5.40	14.38
RESIDENTIAL QUARTERS	4.33	-	-	-	4.33	0.50	0.25	-	-	0.75	3.58
<b>TOTAL</b>	<b>27.49</b>	<b>1.13</b>	<b>-</b>	<b>1.89</b>	<b>26.73</b>	<b>5.77</b>	<b>3.47</b>	<b>-</b>	<b>1.88</b>	<b>7.36</b>	<b>19.37</b>

FOLLOWING ARE THE CHANGES IN THE CARRYING VALUE OF RIGHT OF USE ASSETS FOR THE YEAR ENDED 31.03.2021

₹ in crore

DESCRIPTION	GROSS BLOCK					DEPRECIATION/AMORTISATION					AS AT 31/03/2021
	AS AT 01/04/2020	ADDITIONS DURING THE YEAR	ADJ DURING THE YEAR	DELETIONS DURING THE YEAR	AS AT 31/03/2021	AS AT 01/04/2020	FOR THE YEAR	ADJ DURING THE YEAR	DELETIONS DURING THE YEAR	AS AT 31/03/2021	
LAND	1.94	0.69	(0.01)	-	2.62	0.32	0.41	-	-	0.73	1.89
BUILDING	19.44	2.03	(0.93)	-	20.54	2.15	2.99	(0.60)	-	4.54	16.00
RESIDENTIAL QUARTERS	4.33	-	-	-	4.33	0.25	0.25	-	-	0.50	3.83
<b>TOTAL</b>	<b>25.71</b>	<b>2.72</b>	<b>(0.94)</b>	<b>-</b>	<b>27.49</b>	<b>2.72</b>	<b>3.65</b>	<b>(0.60)</b>	<b>-</b>	<b>5.77</b>	<b>21.72</b>

- In respect of Lease Agreements pending execution (refer note no. 57 (h)).

### 5 INVESTMENT PROPERTY

FOLLOWING ARE THE CHANGES IN THE CARRYING VALUE OF INVESTMENT PROPERTY FOR THE YEAR ENDED 31.03.2022

₹ in crore

DESCRIPTION	GROSS BLOCK					DEPRECIATION/AMORTISATION					AS AT 31/03/2022
	AS AT 01/04/2021	ADDITIONS DURING THE YEAR	ADJ DURING THE YEAR	DELETIONS DURING THE YEAR	AS AT 31/03/2022	AS AT 01/04/2021	FOR THE YEAR	ADJ DURING THE YEAR	DELETIONS DURING THE YEAR	AS AT 31/03/2022	
LAND	0.05	-	-	-	0.05	-	-	-	-	-	0.05
RESIDENTIAL QUARTERS	0.10	-	-	-	0.10	0.10	-	-	-	0.10	-
<b>TOTAL</b>	<b>0.15</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.15</b>	<b>0.10</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.10</b>	<b>0.05</b>

FOLLOWING ARE THE CHANGES IN THE CARRYING VALUE OF INVESTMENT PROPERTY FOR THE YEAR ENDED 31.03.2021

₹ in crore

DESCRIPTION	GROSS BLOCK					DEPRECIATION/AMORTISATION					AS AT 31/03/2021
	AS AT 01/04/2020	ADDITIONS DURING THE YEAR	ADJ DURING THE YEAR	DELETIONS DURING THE YEAR	AS AT 31/03/2021	AS AT 01/04/2020	FOR THE YEAR	ADJ DURING THE YEAR	DELETIONS DURING THE YEAR	AS AT 31/03/2021	
LAND	-	-	0.05	-	0.05	-	-	-	-	-	0.05
RESIDENTIAL QUARTERS	-	-	0.10	-	0.10	-	-	0.10	-	0.10	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>0.15</b>	<b>-</b>	<b>0.15</b>	<b>-</b>	<b>-</b>	<b>0.10</b>	<b>-</b>	<b>0.10</b>	<b>0.05</b>

Refer Note no.48 and 52(b)(i)(II)

### 6 INTANGIBLE ASSETS

₹ in crore

DESCRIPTION	GROSS BLOCK					DEPRECIATION/AMORTISATION					NET BLOCK
	OPENING	ADDITIONS DURING THE YEAR	ADJ DURING THE YEAR	DELETIONS DURING THE YEAR	TOTAL	OPENING	FOR THE YEAR	ADJ DURING THE YEAR	DELETIONS DURING THE YEAR	TOTAL	
COMPUTER SOFTWARES (ACQUIRED)											
AS AT 31.03.2022	10.64	0.58	-	0.01	11.21	6.62	1.99	-	0.01	8.60	2.61
AS AT 31.03.2021	10.88	1.56	-	1.80	10.64	6.69	1.73	-	1.80	6.62	4.02

## 7 INVESTMENTS

₹ in crore

PARTICULARS	NOTE NO.	AS AT 31.03.2022	AS AT 31.03.2021
<b>7.1 NON CURRENT INVESTMENTS</b>			
<b>A) INVESTMENT IN UNQUOTED EQUITY INSTRUMENTS OF (INVESTMENT CARRIED AT COST):</b>			
<b>SUBSIDIARIES</b>			
(i) <b>RITES (Afrika) (Pty) Limited, Botswana</b> 10,000 (previous year 10,000) equity shares of face value of Pula 1/- each, fully paid-up.		0.01	0.01
(ii) <b>REMC Limited</b> 53,550,000 (previous year 53,550,000) equity shares of face value of ₹ 10 each, fully paid-up.		35.70	35.70
		<b>35.71</b>	<b>35.71</b>
<b>JOINT VENTURES</b>			
(i) <b>SAIL-RITES Bengal Wagon Industry Private Limited</b> 24,000,000 (previous year 24,000,000) equity shares of face value of ₹ 10 each, fully paid-up.		24.00	24.00
(ii) <b>Indian Railway Stations Development Corporation Limited</b> 48,000,000 (previous year 48,000,000) equity shares of face value of ₹ 10 each, fully paid-up.	57(b)	48.00	48.00
		<b>72.00</b>	<b>72.00</b>
<b>COOPERATIVE SOCIETIES</b>			
(i) <b>Moru Mahal Co-operative Society Limited</b> 5 (previous year 5) Equity Shares of face value of ₹ 50/- each, fully paid-up acquired for purchase of residential quarter.	57(k)	-	-
(ii) <b>Amit Industrial Premises Co-operative Society Limited</b> 10 (previous year 10) Equity Shares of face value of ₹ 50/- each, fully paid-up acquired for purchase of laboratory.	57(k)	-	-
(iii) <b>Regent Chambers Premises Co-operative Society Limited</b> 10 (previous year 10) Equity Shares of face value of ₹ 50/- each, fully paid-up acquired for purchase of residential quarter.	57(k)	-	-
		-	-
<b>OTHERS</b>			
(i) <b>GPCL Consulting Services Limited (formerly known as Global Procurement Consultants Limited)</b> 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
(ii) <b>Elicius Energy Private Limited</b> 1,573 (previous year 1,573) equity shares of face value of ₹ 10 each, fully paid-up.	57(k)	-	-
		<b>107.75</b>	<b>107.75</b>
<b>B) INVESTMENT IN QUOTED TAX FREE BONDS OF (INVESTMENT CARRIED AT AMORTISED COST):</b>			
(i) <b>INDIAN RAILWAY FINANCE CORPORATION (10 YEAR SECURED REDEEMABLE 7.21% TAX FREE BONDS 26NOV.2022)</b> 300 Bonds of face value of ₹ 1,000,000/- each at premium of ₹100/- each, fully paid		-	30.00
(ii) <b>INDIAN RAILWAY FINANCE CORPORATION (10 YEAR SECURED REDEEMABLE 7.22% TAX FREE BONDS 30NOV.2022)</b> 100 Bonds of face value of ₹ 1,000,000/- each at premium of ₹100/- each, fully paid		-	10.00



₹ in crore

PARTICULARS	NOTE NO.	AS AT 31.03.2022	AS AT 31.03.2021
(iii) INDIAN RAILWAY FINANCE CORPORATION (10 YEAR SECURED REDEEMABLE 7.18% TAX FREE BONDS 19 FEB. 2023) 100,000 Bonds of face value of ₹ 1,000/- each, fully paid		-	10.00
(iv) INDIAN RAILWAY FINANCE CORPORATION (10 YEAR SECURED REDEEMABLE 8.35% TAX FREE BONDS 21 NOV.2023) 250 Bonds of face value of ₹ 1,000,000/- each at premium of ₹100/-each, fully paid		25.00	25.00
(v) 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
<b>AGGREGATE OF QUOTED INVESTMENTS (NON CURRENT)</b>		<b>45.00</b>	<b>95.00</b>
<b>TOTAL (NON CURRENT)</b>		<b>152.75</b>	<b>202.75</b>
<b>7.2 CURRENT INVESTMENTS</b>			
<b>A) INVESTMENT IN UNQUOTED MUTUAL FUNDS (INVESTMENT CARRIED AT FAIR VALUE THROUGH PROFIT OR LOSS):</b>			
<b>BANK OF BARODA LIQUID FUND - DIRECT GROWTH PLAN</b> 105646.438 (previous year 362004.681) units		<b>25.92</b>	<b>85.77</b>
<b>AGGREGATE OF UNQUOTED INVESTMENT (CURRENT)</b>		<b>25.92</b>	<b>85.77</b>
<b>B) INVESTMENT IN QUOTED TAX FREE BONDS OF (INVESTMENT CARRIED AT AMORTISED COST):</b>			
(i) INDIAN RAILWAY FINANCE CORPORATION (10 YEAR SECURED REDEEMABLE 7.55% TAX FREE BONDS 08 NOV.2021) 2,500 Bonds of face value of ₹ 100,000/- each, fully paid		-	25.00
(ii) INDIAN RAILWAY FINANCE CORPORATION (10 YEAR SECURED REDEEMABLE 7.21% TAX FREE BONDS 26 NOV.2022) 300 Bonds of face value of ₹ 1,000,000/- each at premium of ₹100/- each, fully paid		30.00	-
(iii) INDIAN RAILWAY FINANCE CORPORATION (10 YEAR SECURED REDEEMABLE 7.22% TAX FREE BONDS 30NOV.2022) 100 Bonds of face value of ₹ 1,000,000/- each at premium of ₹100/- each, fully paid		10.00	-
(iv) INDIAN RAILWAY FINANCE CORPORATION (10 YEAR SECURED REDEEMABLE 7.18% TAX FREE BONDS 19 FEB.2023) 100,000 Bonds of face value of ₹ 1,000/- each, fully paid		10.00	-
<b>AGGREGATE OF QUOTED INVESTMENTS (CURRENT)</b>		<b>50.00</b>	<b>25.00</b>
<b>TOTAL (CURRENT)</b>		<b>75.92</b>	<b>110.77</b>
<b>GRAND TOTAL</b>		<b>228.67</b>	<b>313.52</b>
A. AGGREGATE AMOUNT OF QUOTED INVESTMENTS		95.00	120.00
B. MARKET VALUE OF QUOTED INVESTMENTS*		104.61	130.39
C. AGGREGATE AMOUNT OF UNQUOTED INVESTMENTS		133.67	193.52
D. AGGREGATE AMOUNT OF IMPAIRMENT IN VALUE OF INVESTMENTS		-	-

\* MARKET VALUE OF SOME OF THE BONDS ARE NOT AVAILBALE AS THESE BONDS ARE NOT FREQUENTLY TRADED, HENCE TAKEN AT AMORTISED COST.

## 8 NON CURRENT LOANS

PARTICULARS	₹ in crore	
	AS AT 31.03.2022	AS AT 31.03.2021
LOANS TO EMPLOYEES CONSIDERED GOOD-SECURED	7.02	7.83
LOANS TO EMPLOYEES CONSIDERED GOOD-UNSECURED	1.73	2.03
<b>TOTAL</b>	<b>8.75</b>	<b>9.86</b>

## 9 OTHER NON CURRENT FINANCIAL ASSETS

PARTICULARS	NOTE NO.	₹ in crore	
		AS AT 31.03.2022	AS AT 31.03.2021
SECURITY DEPOSITS		1.90	3.85
INTEREST ACCRUED (INCLUDING ACCRUED BUT NOT DUE) ON:			
- CLIENT FUND FDR		0.52	0.79
RETENTION MONEY		89.35	43.85
BANK DEPOSITS HAVING MATURITY OVER 12 MONTHS FROM REPORTING DATE:			
- OWNED FUND	14.3	108.00	-
- CLIENTS FUND	15.3	24.30	46.50
<b>TOTAL</b>		<b>224.07</b>	<b>94.99</b>

## 10 DEFERRED TAX ASSETS/ (LIABILITY) (NET)

PARTICULARS	NOTE NO.	₹ in crore	
		AS AT 31.03.2022	AS AT 31.03.2021
<b>DEFERRED INCOME TAX ASSETS:</b>			
ACCRUED COMPENSATION TO EMPLOYEES		23.87	21.79
PROVISION FOR DOUBTFUL DEBTS, SECURITY DEPOSITS/ EMD, ADVANCES ETC.		31.80	32.89
PROVISION FOR WARRANTY		11.33	
LEASE LIABILITY FOR ROU ASSETS		0.74	1.05
<b>TOTAL DEFERRED INCOME TAX ASSETS - I</b>		<b>67.74</b>	<b>55.73</b>
<b>DEFERRED INCOME TAX LIABILITIES:</b>			
PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS		13.92	16.08
INTEREST ACCRUED BUT NOT RECEIVED ON INCOME TAX REFUND		1.51	-
UNREALIZED SHORT TERM GAIN/(LOSS) ON MUTUAL FUNDS		0.06	0.05
<b>TOTAL DEFERRED INCOME TAX LIABILITIES - II</b>		<b>15.49</b>	<b>16.13</b>
<b>DEFERRED INCOME TAX ASSETS (NET)</b>	53	<b>52.25</b>	<b>39.60</b>

## 11 OTHER NON CURRENT ASSETS

PARTICULARS	NOTE NO.	₹ in crore	
		AS AT 31.03.2022	AS AT 31.03.2021
CAPITAL ADVANCE		120.37	61.37
PREPAID EXPENSES		1.23	0.67
DEFERRED COST TOWARDS STAFF LOAN		1.17	1.51
ADVANCE INCOME TAX (NET OF PROVISION)	53	21.75	43.92
WORKS CONTRACT TAX RECEIVABLE		1.96	1.96
<b>TOTAL</b>		<b>146.48</b>	<b>109.43</b>

## 12 INVENTORIES

(AT THE LOWER OF COST AND NET REALISABLE VALUE)

₹ in crore

PARTICULARS	AS AT 31.03.2022		AS AT 31.03.2021	
(AS CERTIFIED BY MANAGEMENT)				
STOCK IN TRADE*	136.76		287.59	
LESS: PROVISION FOR INVENTORIES	(19.97)	116.79	(3.44)	284.15
STORES & SPARES		1.96		2.01
<b>TOTAL</b>		<b>118.75</b>		<b>286.16</b>

\*Includes inventory lying with third parties of ₹ 133.45 crore (previous year ₹ 214.60 crore) & stock in transit ₹ Nil (previous year ₹ 69.35 crore).

Note- All inventories are expected to be utilised/sold within twelve months except certain items, which are utilised on need basis. Quantum of such items, which may be utilised beyond one year, is not determinable and is not expected to be material with reference to the total value of inventories.

## 13 CURRENT TRADE RECEIVABLES

₹ in crore

PARTICULARS	AS AT 31.03.2022		AS AT 31.03.2021	
TRADE RECEIVABLE CONSIDERED GOOD - SECURED		-		-
TRADE RECEIVABLE CONSIDERED GOOD - UNSECURED*	681.19		568.00	
TRADE RECEIVABLE WHICH HAVE SIGNIFICANT INCREASE IN CREDIT RISK		-		-
TRADE RECEIVABLE - CREDIT IMPAIRED	102.00		107.74	
	<b>783.19</b>		<b>675.74</b>	
LESS: ALLOWANCE FOR EXPECTED CREDIT LOSSES	(102.00)		(107.74)	
<b>TOTAL</b>	<b>681.19</b>		<b>568.00</b>	
Includes dues from subsidiaries (Note no.43(d) (i))		0.90		3.12

### 13.1 Trade receivables ageing schedule for the year ending 31.03.2022

₹ in crore

PARTICULARS	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months -1 Year	1-2 Years	2-3 Years	More than 3 Years	
(i) Undisputed Trade receivables – considered good	-	529.40	55.21	65.17	31.26	0.15	681.19
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	0.02	-	0.33	0.73	52.21	53.29
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	0.01	16.19	32.51	48.71
<b>Total</b>	<b>-</b>	<b>529.42</b>	<b>55.21</b>	<b>65.51</b>	<b>48.18</b>	<b>84.87</b>	<b>783.19</b>
Add: Unbilled Revenue Asset (Refer Note.17)							50.75
<b>Total</b>							<b>833.94</b>

## 13.2 Trade receivables ageing schedule for the year ending 31.03.2021

₹ in crore

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months -1 Year	1-2 Years	2-3 Years	More than 3 Years	
(i) Undisputed Trade receivables – considered good	-	382.93	79.35	77.60	27.76	0.36	568.00
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	0.19	0.85	3.57	4.30	50.67	59.58
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	0.01	-	12.63	7.64	27.88	48.16
<b>Total</b>	-	<b>383.13</b>	<b>80.20</b>	<b>93.80</b>	<b>39.70</b>	<b>78.91</b>	<b>675.74</b>
Add: Unbilled Revenue Asset (Refer Note.17)							79.14
<b>Total</b>							<b>754.88</b>

## 14 CASH AND BANK BALANCES-OWNED FUND

₹ in crore

PARTICULARS	AS AT 31.03.2022		AS AT 31.03.2021	
<b>14.1 CASH AND CASH EQUIVALENTS</b>				
<b>BANK BALANCES IN:</b>				
CURRENT ACCOUNTS	38.49		35.45	
DEPOSITS #	4.80	43.29	62.45	97.90
CHEQUES IN HAND		-		1.33
<b>TOTAL</b>		<b>43.29</b>		<b>99.23</b>
<b>14.2 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS</b>				
EARMARKED BALANCE WITH BANKS*		0.43		0.38
DEPOSITS ## @		630.51		789.78
<b>TOTAL</b>		<b>630.94</b>		<b>790.16</b>
<b>14.3 BANK BALANCE MORE THAN 12 MONTHS MATURITY-OWNED FUND (NOTE NO. 9)</b>				
DEPOSITS ###		108.00		-
<b>TOTAL</b>		<b>108.00</b>		<b>-</b>
<b>TOTAL CASH &amp; BANK BALANCE-OWNED FUND</b>		<b>782.23</b>		<b>889.39</b>

# Includes flexi deposits and deposits having maturity within 3 months from the date of acquisition.

## Having maturity over 3 months from the date of acquisition and upto 12 months from reporting date.

### Having maturity over 12 months from reporting date.

@ Includes restricted cash and bank balances of ₹ 0.13 crore (previous year ₹ 0.93 crore) on account of bank balance held as margin money deposits against guarantees issued by banks.

\* Earmarked bank balance is for unpaid dividend

**15 CASH AND BANK BALANCES-CLIENTS FUND**

₹ in crore

PARTICULARS	AS AT 31.03.2022	AS AT 31.03.2021
<b>15.1 CASH AND CASH EQUIVALENTS</b>		
BANK BALANCES IN :		
CURRENT ACCOUNTS	120.74	405.33
DEPOSITS #	638.44	289.60
<b>TOTAL</b>	<b>759.18</b>	<b>694.93</b>
<b>15.2 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS</b>		
DEPOSITS ##	1,832.87	1,734.69
<b>TOTAL</b>	<b>1,832.87</b>	<b>1,734.69</b>
<b>15.3 BANK BALANCE MORE THAN 12 MONTHS MATURITY-CLIENT FUND (NOTE NO. 9)</b>		
DEPOSITS ###	24.30	46.50
<b>TOTAL</b>	<b>24.30</b>	<b>46.50</b>
<b>TOTAL CASH &amp; BANK BALANCE-CLIENTS FUND*</b>	<b>2,616.35</b>	<b>2,476.12</b>

# Includes flexi deposits and deposits having maturity within 3 months from the date of acquisition.

## Having maturity over 3 months from the date of acquisition and upto 12 months from reporting date.

### Having maturity over 12 months from reporting date.

\* Equivalent amount appears in client liabilities.

**16 CURRENT LOANS**

₹ in crore

PARTICULARS	NOTE NO.	AS AT 31.03.2022	AS AT 31.03.2021
LOANS TO EMPLOYEES CONSIDERED GOOD-SECURED		1.49	1.60
LOANS TO EMPLOYEES CONSIDERED GOOD-UNSECURED		2.00	2.60
LOANS TO JV (RELATED PARTY) CONSIDERED GOOD-UNSECURED	43(d)(ii)	-	2.80
<b>TOTAL</b>		<b>3.49</b>	<b>7.00</b>

**17 OTHER CURRENT FINANCIAL ASSETS**

₹ in crore

PARTICULARS	NOTE NO.	AS AT 31.03.2022	AS AT 31.03.2021
SECURITY DEPOSITS		18.23	14.60
LESS: ALLOWANCES FOR EXPECTED CREDIT LOSSES		(0.31)	(0.29)
AMOUNT RECOVERABLES CONSIDERED GOOD-UNSECURED		12.63	17.45
AMOUNT RECOVERABLES CONSIDERED DOUBTFUL-UNSECURED		22.35	21.20
		34.98	38.65
LESS: ALLOWANCES FOR EXPECTED CREDIT LOSSES		(22.35)	(21.20)
<b>INTEREST ACCRUED (INCLUDING ACCRUED BUT NOT DUE) ON:</b>			
- OWN FUND FDR		12.17	23.41
- BONDS		5.03	5.89
- LOANS TO SRBWIP (RELATED PARTY)	43(d)(ii)	-	0.65
- CLIENT FUND FDR		25.97	6.12
RETENTION MONEY		43.17	36.07
RECOVERABLES FROM RELATED PARTIES		108.66	44.17
UNBILLED REVENUE		0.03	-
LESS: ALLOWANCES FOR EXPECTED CREDIT LOSSES		50.75	79.14
		(0.34)	-
<b>TOTAL</b>		<b>232.82</b>	<b>191.14</b>

**18 CURRENT TAX ASSETS (NET)**

₹ in crore

PARTICULARS	NOTE NO.	AS AT 31.03.2022	AS AT 31.03.2021
INCOME TAX RECEIVABLES	53	28.32	20.65
<b>TOTAL</b>		<b>28.32</b>	<b>20.65</b>

**19 OTHER CURRENT ASSETS**

₹ in crore

PARTICULARS	NOTE NO.	AS AT 31.03.2022	AS AT 31.03.2021
PREPAID EXPENSES		6.01	5.01
ADVANCES TO SUPPLIERS		42.21	177.68
LESS: PROVISION FOR DOUBTFUL ADVANCES		(1.02)	(1.11)
OTHER ADVANCES		1.31	1.45
LESS: PROVISION FOR DOUBTFUL ADVANCES		(0.35)	(0.35)
EXPORT INCENTIVE RECEIVABLE	41	10.52	1.40
LESS: PROVISION FOR DOUBTFUL EXPORT INCENTIVE		(0.31)	-
DEFERRED COST TOWARDS STAFF LOAN		0.21	0.30
UNAMORTIZED CONTRACT COST	51(n)	-	5.63
GOODS & SERVICES TAX INPUT RECEIVABLE		97.29	53.45
<b>TOTAL</b>		<b>155.87</b>	<b>243.46</b>

**20 EQUITY SHARE CAPITAL**

₹ in crore

PARTICULARS	AS AT 31.03.2022	AS AT 31.03.2021
<b>20.1 AUTHORISED</b>		
300,000,000 (PREVIOUS YEAR 300,000,000) EQUITY SHARES OF ₹ 10/- EACH	300.00	300.00
<b>20.2 ISSUED, SUBSCRIBED AND FULLY PAID-UP</b>		
240,301,887 (PREVIOUS YEAR 240,301,887) EQUITY SHARES OF ₹ 10/- EACH	240.30	240.30
	<b>240.30</b>	<b>240.30</b>

PARTICULARS	No. of Shares	(₹ in crore)	No. of Shares	(₹ in crore)
<b>20.3 RECONCILIATION OF NUMBER OF EQUITY SHARES</b>				
OPENING BALANCE	240,301,887	240.30	250,000,000	250.00
LESS: BUY BACK OF EQUITY SHARES	-	-	(9,698,113)	(9.70)
<b>CLOSING BALANCE</b>	<b>240,301,887</b>	<b>240.30</b>	<b>240,301,887</b>	<b>240.30</b>

**20.4 RIGHTS, PREFERENCES AND RESTRICTIONS ATTACHED TO EQUITY SHARES**

The company has one class of equity shares having a par value of ₹ 10 each. Each shareholder is eligible for one vote per share held in case poll is demanded by the members in accordance with the provisions of the companies act, 2013. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

PARTICULARS	AS AT 31.03.2022		AS AT 31.03.2021	
	No. of Shares	Shareholding (%)	No. of Shares	Shareholding (%)
<b>20.5 EQUITY SHARES HELD BY EACH SHAREHOLDER MORE THAN 5% OF SHARES</b>				
PRESIDENT OF INDIA ACTING THROUGH MINISTRY OF RAILWAYS	173,504,773	72.20%	173,504,773	72.20%
LIFE INSURANCE CORPORATION OF INDIA	19,584,120	8.15%	19,584,120	8.15%

PARTICULARS	AS AT 31.03.2022		% change during the year	AS AT 31.03.2021	
	No. of Shares	Shareholding (%)		No. of Shares	Shareholding (%)
<b>20.6 EQUITY SHARES HELD BY PROMOTER SHAREHOLDER</b>					
PRESIDENT OF INDIA ACTING THROUGH MINISTRY OF RAILWAYS	173,504,773	72.20%	-	173,504,773	72.20%

PARTICULARS	AS AT 31.03.2021		% change during the year	AS AT 31.03.2020	
	No. of Shares	Shareholding (%)		No. of Shares	Shareholding (%)
<b>EQUITY SHARES HELD BY PROMOTER SHAREHOLDER</b>					
PRESIDENT OF INDIA ACTING THROUGH MINISTRY OF RAILWAYS	173,504,773	72.20%	(3.63%)	180,047,174	72.02%

#### 20.7 FULLY PAID-UP AGGREGATE NUMBER OF EQUITY SHARES ALLOTTED BY WAY OF BONUS SHARES DURING THE YEAR OF FIVE YEARS IMMEDIATELY PRECEDING BALANCE SHEET DATE

Company issued 5 crore bonus shares of ₹ 10 each during 2019-20 amounting to ₹ 50 crore. Earlier company issued 10 crore bonus shares of ₹ 10 each during 2016-17 amounting to ₹ 100 crore.

#### 20.8 FULLY PAID-UP AGGREGATE NUMBER OF EQUITY SHARES BUY-BACK DURING THE PREVIOUS YEAR

The company has bought back 96,98,113 fully paid-up equity shares of ₹ 10 each from the shareholders on 18<sup>th</sup> November, 2020, on proportionate basis by way of tender offer at a price of ₹ 265 per equity share for an aggregate amount of ₹ 257 crore. Consequent to the said buy-back, the equity share capital of the company has been reduced by ₹ 9.70 crore and capital redemption reserve of an equivalent amount has therefore been created as per the extant provision of the companies act, 2013.

### 21 OTHER EQUITY (REFER STATEMENT OF CHANGES IN EQUITY)

PARTICULARS	NOTE NO.	(₹ in crore)	
		AS AT 31.03.2022	AS AT 31.03.2021
<b>21.1 RESERVE &amp; SURPLUS</b>			
GENERAL RESERVE*	21.1.1	1,584.02	1,584.02
CAPITAL REDEMPTION RESERVE**	21.1.2	9.70	9.70
<b>21.2 RETAINED EARNING</b>	21.2.1	565.24	487.91
<b>TOTAL ***</b>		<b>2,158.96</b>	<b>2,081.63</b>

\*General Reserve represents amount kept by the company out of its profit for future purposes. It is not earmarked for any specific purpose.

\*\*Capital Redemption Reserve shall be utilised in accordance with the provisions of Companies Act, 2013.

\*\*\* Includes OCI of (₹ 4.06 crore) & {previous year (₹ 4.82 crore)}.

PARTICULARS	(₹ in crore)	
	AS AT 31.03.2022	AS AT 31.03.2021
<b>21.1.1 GENERAL RESERVE</b>		
OPENING BALANCE	1,584.02	1,901.85
BUY BACK EXPENSES	-	(1.31)
TAX ON BUY BACK EXPENSES	-	0.33
BUY BACK OF EQUITY SHARES	-	(247.30)
TAX ON BUY BACK OF EQUITY SHARES	-	(59.85)
TRANSFER TO CAPITAL REDEMPTION RESERVE FROM GENERAL RESERVE	-	(9.70)
<b>CLOSING BALANCE</b>	<b>1,584.02</b>	<b>1,584.02</b>
<b>21.1.2 CAPITAL REDEMPTION RESERVE</b>		
OPENING BALANCE	9.70	-
TRANSFER FROM GENERAL RESERVE TO CAPITAL REDEMPTION RESERVE	-	9.70
<b>CLOSING BALANCE</b>	<b>9.70</b>	<b>9.70</b>

(₹ in crore)

PARTICULARS	AS AT 31.03.2022	AS AT 31.03.2021
<b>21.2.1 RETAINED EARNINGS</b>		
OPENING BALANCE	487.91	424.77
PROFIT FOR THE YEAR	497.10	424.35
OTHER COMPREHENSIVE INCOME (OCI)	0.76	5.06
INTERIM DIVIDENDS(2020-21)	-	(216.27)
INTERIM DIVIDENDS(2021-22)	(324.41)	-
FINAL DIVIDEND(2019-20)	-	(150.00)
FINAL DIVIDEND(2020-21)	(96.12)	-
<b>CLOSING BALANCE</b>	<b>565.24</b>	<b>487.91</b>

**22 OTHER NON CURRENT FINANCIAL LIABILITIES**

₹ in crore

PARTICULARS	NOTE NO.	AS AT 31.03.2022	AS AT 31.03.2021
CLIENTS DEPOSITS	15	24.82	47.29
SECURITY DEPOSITS - CLIENTS	15	122.59	156.46
SECURITY DEPOSITS		17.15	16.81
SALARY PAYABLE		2.27	-
<b>TOTAL</b>		<b>166.83</b>	<b>220.56</b>

**23 NON CURRENT PROVISIONS**

₹ in crore

PARTICULARS	NOTE NO.	AS AT 31.03.2022	AS AT 31.03.2021
EMPLOYEE BENEFITS	40	2.80	2.90
WARRANTIES	47(a)	27.43	7.92
<b>TOTAL</b>		<b>30.23</b>	<b>10.82</b>

**24 TRADE PAYABLES**

₹ in crore

PARTICULARS	NOTE NO.	AS AT 31.03.2022	AS AT 31.03.2021
TOTAL OUTSTANDING DUES OF MICRO ENTERPRISES AND SMALL ENTERPRISES	57(f)	25.57	8.77
TOTAL OUTSTANDING DUES OTHER THAN MICRO ENTERPRISES AND SMALL ENTERPRISES		152.01	281.09
<b>TOTAL</b>		<b>177.58</b>	<b>289.86</b>

**24.1 Trade payables ageing schedule for the year ending 31.03.2022**

₹ in crore

Particulars	Unbilled	Outstanding for following periods from due date of payment					Total
		Not due	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
(i) MSME	6.19	2.49	16.89	-	-	-	25.57
(ii) Others	37.56	39.46	68.60	1.28	1.92	1.25	150.07
(iii) Disputed Dues-MSME	-	-	-	-	-	-	-
(iv) Disputed Dues-Others	-	-	-	0.02	-	1.92	1.94
<b>Total</b>	<b>43.75</b>	<b>41.95</b>	<b>85.49</b>	<b>1.30</b>	<b>1.92</b>	<b>3.17</b>	<b>177.58</b>

**24.2 Trade payables ageing schedule for the year ending 31.03.2021**

₹ in crore

Particulars	Unbilled	Outstanding for following periods from due date of payment					Total
		Not due	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
(i) MSME	1.21	0.28	7.28	-	-	-	8.77
(ii) Others	90.75	7.47	174.97	3.43	0.58	1.87	279.07
(iii) Disputed Dues-MSME	-	-	-	-	-	-	-
(iv) Disputed Dues-Others	0.80	-	-	0.01	0.05	1.16	2.02
<b>Total</b>	<b>92.76</b>	<b>7.75</b>	<b>182.25</b>	<b>3.44</b>	<b>0.63</b>	<b>3.03</b>	<b>289.86</b>



**25 OTHER CURRENT FINANCIAL LIABILITIES**

		₹ in crore	
PARTICULARS	NOTE NO.	AS AT 31.03.2022	AS AT 31.03.2021
CLIENTS DEPOSITS	15	2,397.29	2,214.46
SECURITY DEPOSITS - CLIENTS	15	98.14	64.82
SECURITY DEPOSITS		96.90	76.04
FOREIGN SERVICE CONTRIBUTION	40 (c)	3.47	4.93
SALARY PAYABLES		6.61	5.13
STAFF & OTHER CLAIMS		7.99	7.35
OTHER PAYABLE OF MSME	57(f)	0.78	0.08
OTHER PAYABLE OF OTHER THAN MSME		6.69	2.70
UNPAID DIVIDEND*		0.43	0.41
<b>TOTAL</b>		<b>2,618.30</b>	<b>2,375.92</b>

\* No amount is due for payment to Investor Education & Protection Fund

**26 OTHER CURRENT LIABILITIES**

		₹ in crore	
PARTICULARS		AS AT 31.03.2022	AS AT 31.03.2021
ADVANCE FROM CUSTOMERS		75.55	268.58
STATUTORY LIABILITIES		40.00	41.96
<b>TOTAL</b>		<b>115.55</b>	<b>310.54</b>

**27 CURRENT PROVISIONS**

		₹ in crore	
PARTICULARS	NOTE NO.	AS AT 31.03.2022	AS AT 31.03.2021
EMPLOYEE BENEFITS	40	64.92	79.66
CORPORATE SOCIAL RESPONSIBILITY	57(d)(iii)	4.27	-
WARRANTIES	47(a)	17.59	17.22
COMMITMENTS	47(a)	-	0.58
<b>TOTAL</b>		<b>86.78</b>	<b>97.46</b>

**28 REVENUE FROM OPERATIONS**

		₹ in crore	
PARTICULARS	NOTE NO.	AS AT 31.03.2022	AS AT 31.03.2021
<b>SALE OF SERVICES</b>			
CONSULTANCY FEE		687.73	673.22
INSPECTION FEE		324.43	298.78
LEASE SERVICES	52 (b) (i)	130.85	108.27
		<b>1,143.01</b>	<b>1,080.27</b>
<b>SALE OF PRODUCTS</b>			
EXPORT SALES		944.59	93.27
<b>OTHERS</b>			
TURNKEY CONSTRUCTION PROJECTS		459.39	623.85
<b>TOTAL*</b>		<b>2,546.99</b>	<b>1,797.39</b>
<b>OTHER OPERATING REVENUE</b>			
PROVISION NO LONGER REQUIRED		0.71	32.81
REVERSAL OF IMPAIRMENT OF FINANCIAL ASSETS		5.74	1.01
LIABILITIES WRITTEN BACK		0.60	8.37
EXPORT INCENTIVES		21.12	3.57
<b>TOTAL</b>		<b>28.17</b>	<b>45.76</b>
<b>REVENUE FROM OPERATIONS</b>		<b>2,575.16</b>	<b>1,843.15</b>

Note \* - 1- Revenue from operation does not include GST of ₹ 245.97 crore ( previous year ₹ 256.99 crore)

- 2- Revenue from operation include unbilled income recognized of ₹ 46.56 crore (previous year ₹ 77.05 crore)

## 29 OTHER INCOME

PARTICULARS	YEAR ENDED		YEAR ENDED	
	31.03.2022		31.03.2021	
₹ in crore				
<b>INTEREST INCOME ON:</b>				
- DEPOSITS WITH BANK	41.40		71.71	
- TAX FREE BONDS	8.28		9.02	
- STAFF ADVANCES	1.32		1.63	
- LOAN TO RELATED PARTIES	0.13		0.34	
- DELAYED PAYMENTS	0.48			
- INCOME TAX REFUND	6.00	57.61	-	82.70
<b>DIVIDEND FROM:</b>				
- RITES (AFRIKA) (PTY) LIMITED (RELATED PARTY)	0.03		-	
- REMC LIMITED (RELATED PARTY)	4.59		5.35	
- CURRENT INVESTMENTS	-	4.62	-	5.35
REALIZED GAIN ON CURRENT INVESTMENT (MUTUAL FUNDS)		1.97		4.12
UNREALIZED GAIN ON CURRENT INVESTMENT (MUTUAL FUNDS)		0.22		0.19
RENT FROM INVESTMENT PROPERTIES		0.16		0.18
EXCHANGE VARIATION		17.19		5.89
MISCELLANEOUS INCOME		4.23		5.97
<b>TOTAL</b>		<b>86.00</b>		<b>104.40</b>

## 30 EMPLOYEE BENEFITS EXPENSE

PARTICULARS	NOTE NO.	YEAR ENDED	
		31.03.2022	
₹ in crore			
SALARIES		363.08	361.13
FOREIGN SERVICE CONTRIBUTION	40 (c)	3.22	3.62
CONTRIBUTION TO PROVIDENT & OTHER FUNDS	40	61.04	61.14
STAFF WELFARE EXPENSES		25.84	20.95
PERFORMANCE RELATED PAYMENT		38.98	16.52
LEAVE ENCASHMENT	40	24.26	17.49
<b>TOTAL</b>		<b>516.42</b>	<b>480.85</b>

## 31 SUPPLIES &amp; SERVICES

PARTICULARS	YEAR ENDED	
	31.03.2022	
₹ in crore		
TURNKEY CONSTRUCTION PROJECTS	415.76	552.63
OTHERS	174.14	132.12
<b>TOTAL</b>	<b>589.90</b>	<b>684.75</b>

## 32 CHANGES IN INVENTORIES OF STOCK IN TRADE

PARTICULARS	YEAR ENDED	
	31.03.2022	
₹ in crore		
OPENING BALANCE	287.59	8.56
CLOSING BALANCE	136.76	287.59
<b>NET (INCREASE)/ DECREASE IN INVENTORIES</b>	<b>150.83</b>	<b>(279.03)</b>

### 33 FINANCE COSTS

PARTICULARS	NOTE NO.	₹ in crore	
		YEAR ENDED 31.03.2022	YEAR ENDED 31.03.2021
UNWINDING WARRANTY	47(a)	2.00	0.74
UNWINDING LEASE LIABILITY	52(a)	0.30	0.42
BG/LC CHARGES		2.62	1.34
INTEREST- OTHERS*		0.04	0.34
<b>TOTAL</b>		<b>4.96</b>	<b>2.84</b>

\*Includes Interest on Income tax of ₹ Nil crore (previous year ₹ 0.01 crore)

### 34 DEPRECIATION & AMORTISATION EXPENSE

PARTICULARS	₹ in crore	
	YEAR ENDED 31.03.2022	YEAR ENDED 31.03.2021
PROPERTY, PLANT AND EQUIPMENT	53.01	39.43
RIGHT OF USE ASSETS	3.47	3.65
INTANGIBLE ASSETS	1.99	1.73
<b>TOTAL</b>	<b>58.47</b>	<b>44.81</b>

### 35 OTHER EXPENSES

PARTICULARS	NOTE NO.	₹ in crore	
		YEAR ENDED 31.03.2022	YEAR ENDED 31.03.2021
PRINTING, STATIONERY AND DOCUMENTATION		3.79	2.77
ADVERTISEMENT & BUSINESS PROMOTION		3.70	5.32
AUDITORS' REMUNERATION (INCLUDING OUT OF POCKET EXPENSES)	36	0.37	0.25
RATES & TAXES		2.46	2.02
OFFICE RENT		6.73	5.02
POSTAGE & TELECOMMUNICATION		5.56	5.58
OFFICE MAINTENANCE		10.89	10.45
REPAIRS TO MACHINERY/EQUIPMENTS		2.96	2.57
FREIGHT & FORWARDING (OUTWARD)		19.55	2.69
POWER AND FUEL CHARGES		4.02	4.09
STORES AND SPARES CONSUMED		5.49	2.84
INTERNAL AUDIT FEE		0.09	0.13
LEGAL AND PROFESSIONAL FEE		1.29	1.25
INSURANCE CHARGES		1.29	2.66
PROPERTY, PLANT AND EQUIPMENT WRITTEN OFF		0.05	0.01
MANPOWER DEVELOPMENT		0.54	0.45
LOSS ON SALE OF PROPERTY, PLANT AND EQUIPMENT		0.01	0.01
IMPAIRMENT LOSS FOR FINANCIAL ASSETS:			
- PROVISION FOR IMPAIRMENT		1.56	5.89
- BAD DEBTS		10.89	3.19
PROVISION FOR:			
- EXPORT INCENTIVE		0.31	-
- INVENTORIES		16.52	3.44
- DOUBTFUL ADVANCES		-	1.11
- WARRANTIES		26.85	-
DONATION		-	7.00
DIRECTORS' SITTING FEE		0.12	0.21
CORPORATE SOCIAL RESPONSIBILITY	57(d)	13.90	13.41
LOSS ON SALE OF INVESTMENT		-	0.14
INVESTMENT WRITTEN OFF		-	0.05
ADVANCES/RECOVERABLE WRITTEN OFF		0.04	0.08
MISCELLANEOUS EXPENSES		6.86	4.68
<b>TOTAL</b>		<b>145.84</b>	<b>87.31</b>

## 36 AUDITORS' REMUNERATION

PARTICULARS	₹ in crore	
	YEAR ENDED 31.03.2022	YEAR ENDED 31.03.2021
<b>(A) STATUTORY AUDITORS</b>		
STATUTORY AUDIT FEE	0.08	0.07
TAX AUDIT FEE	0.03	0.03
LIMITED REVIEW	0.07	0.05
OTHER SERVICES, i.e. CERTIFICATION ETC.	0.08	0.03
<b>SUB TOTAL (A)</b>	<b>0.26</b>	<b>0.18</b>
<b>(B) BRANCH AUDITORS</b>		
STATUTORY AUDIT FEE	0.03	0.02
TAX AUDIT FEE	0.01	0.01
LIMITED REVIEW FEE	0.03	0.03
<b>SUB TOTAL (B)</b>	<b>0.07</b>	<b>0.06</b>
<b>AUDITORS' REMUNERATION (A+B)</b>	<b>0.33</b>	<b>0.24</b>
<b>AUDITORS' OUT OF POCKET EXPENSES ( C)</b>	<b>0.04</b>	<b>0.01</b>
<b>AUDITORS' REMUNERATION (INCLUDING OUT OF POCKET EXPENSES) (A+B+C)</b>	<b>0.37</b>	<b>0.25</b>

## 37 CURRENT TAX

PARTICULARS	NOTE NO.	₹ in crore	
		YEAR ENDED 31.03.2022	YEAR ENDED 31.03.2021
- CURRENT YEAR		(178.57)	(144.14)
- EARLIER YEAR		(11.54)	3.63
<b>TOTAL</b>	53	<b>(190.11)</b>	<b>(140.51)</b>

## 38 DEFERRED TAX

PARTICULARS	NOTE NO.	₹ in crore	
		YEAR ENDED 31.03.2022	YEAR ENDED 31.03.2021
CREDIT/(CHANGE) RELATING TO TEMPORARY DIFFERENCES			
- CURRENT YEAR		6.18	2.09
- EARLIER YEAR		6.47	0.42
<b>TOTAL</b>	53	<b>12.65</b>	<b>2.51</b>

## Disclosures as per Indian Accounting Standards (Ind AS):

## 39. Indian Accounting Standard (Ind AS) 2, Disclosure on Inventories is as follows:

Inventories are carried at lower of cost and net realizable value. Cost of stock in trade, procured or purchased, by the Company comprises of costs of purchase and other costs incurred in bringing the inventories to its present location and condition.

Amount of inventories consumed and recognized as expenses during the year is as under:

Particulars	₹ in crore	
	Year ended 31.03.2022	31.03.2021
Stock in Trade	628.84	53.58
Stores and spares	5.49	2.84
<b>Total</b>	<b>634.33</b>	<b>56.42</b>
Provision for inventories	16.52	3.44

**40. Indian Accounting standard (Ind AS) 19, Disclosures on Employee Benefits are as follows:**
**a) Defined Benefit Plan**
**i) Gratuity (Funded)-Regular Employees.**
**I) Changes in Present Value of the Benefit Obligation are as follows**

Particulars	₹ in crore	
	31.03.2022	31.03.2021
Present Value of obligation as at beginning of year	146.33	150.44
Interest Cost	9.74	9.99
Current Service Cost	8.67	8.37
Benefits paid	(16.88)	(16.55)
Actuarial (Gain)/Loss on obligation	0.45	(5.92)
Present Value of Obligation as at end of year	148.31	146.33

**Bifurcation of Present Benefit Obligation at the end of year in current and non-current.**

Particulars	₹ in crore	
	31.03.2022	31.03.2021
Current liability (Amount due within one year)	21.13	14.56
Non-Current liability (Amount due over one year)	127.18	131.77
Present Value of Obligation as at end of year	148.31	146.33

**II) Changes in the Fair Value of Plan Assets are as follows:**

Particulars	₹ in crore	
	31.03.2022	31.03.2021
Fair Value of Plan Assets at beginning of year	143.27	131.41
Actual Interest Income	10.94	9.38
Contributions	3.06	19.03
Benefits Paid	(9.73)	(16.55)
Fair value of Plan Assets at the end of year	147.54	143.27

**Major categories of plan assets (as percentage of total plan assets):**

Particulars	₹ in crore	
	31.03.2022	31.03.2021
a) Government of India Securities	--	--
b) State Government securities	--	--
c) High Quality Corporate Bonds	--	--
d) Equity Shares of listed companies	--	--
e) Property	--	--
f) Funds Managed by Insurer	100 %	100 %
g) Bank Balance	--	--
<b>Total</b>	<b>100 %</b>	<b>100 %</b>

**III) The amount recognized in the Balance Sheet is as follows:**

Particulars	₹ in crore	
	31.03.2022	31.03.2021
Defined Benefit Obligation at end of year	148.31	146.33
Fair value of Plan Assets at the end of year	147.54	143.27
Funded Status - (Surplus)/ Deficit	0.77	3.06
Net (Liability)/ Asset recognized in Balance Sheet	(0.77)	(3.06)

**IV) Amount recognized in the Statement of Profit & Loss is as follows:**

Particulars	₹ in crore	
	31.03.2022	31.03.2021
Current Service Cost	8.67	8.37
Net Interest on Net Defined Benefit Liability	0.20	1.27
Expenses recognized in the statement of Profit & Loss	8.87	9.64

**Bifurcation of Actuarial Gain/Loss on Obligation**

Particulars	₹ in crore	
	31.03.2022	31.03.2021
Actuarial (Gain)/Loss on arising from Change in Demographic Assumption	-	-
Actuarial (Gain)/Loss on arising from Change in Financial Assumption	(1.52)	(0.20)
Actuarial (Gain)/Loss on arising from Experience Adjustment	1.97	(5.72)

**V) Amount recognized in Other Comprehensive Income is as follows:**

Particulars	₹ in crore	
	31.03.2022	31.03.2021
Actuarial (Gains)/Losses on Liability	0.45	(5.92)
Actuarial (Gains)/Losses on Assets	(1.40)	(0.66)
Other Comprehensive (Income)/Expense	(0.95)	(6.58)

**VI) The principal actuarial assumptions are as follows:**

Particulars	31.03.2022	31.03.2021
Discounting rate (%)	7.00%	6.66%
Future salary increase (%)	8.70%	8.25%
Retirement Age (Years)	60	60
Mortality rates inclusive of provision for disability	100% of IALM (2012 - 14)	100% of IALM (2012 - 14)
Attrition at Ages	Withdrawal Rate (%)	Withdrawal Rate (%)
Up to 30 Years	3.00	3.00
From 31 to 44 years	2.00	2.00
Above 44 years	1.00	1.00

**VII) The significant actuarial assumptions for the determination of the defined obligations are discount rate and expected salary increase. The sensitivity for actuarial assumptions have been computed by varying respective actuarial assumption used for valuation of the defined benefit obligation by 1%, while holding all other assumptions constant**

If the discount rate increases/decreases by 1%, the defined obligations would decrease by ₹ 9.46 crore / increase by ₹ 9.99 crore as on 31<sup>st</sup> March, 2022 and if the expected salary growth increases /decreases by 1%, the defined benefit obligations would increase by ₹ 4.12 crore/ decrease by ₹ 4.28 crore as on 31<sup>st</sup> March, 2022.

However, the actual change in assumptions would not necessarily behave in isolation to each other. The defined benefit obligations would change accordingly.

The Company is expected to contribute ₹ 0.77 crore to defined benefit plan obligations towards gratuity during the year 2022-23. Remeasurement (gain)/loss of defined employee benefit plans in Other Comprehensive Income (OCI) for the year ended 31.03.2022 and 31.03.2021 are ₹ (0.95) crore and ₹ (6.58) crore respectively.

**The defined benefit obligation shall mature as follows:**

Year ending March, 31	₹ in crore	
	Defined benefit obligations	
2023	21.13	
2024	15.31	
2025	16.91	
2026	14.88	
2027	11.49	
2028	8.50	
2028 onward	60.09	

**ii) Gratuity (Funded)-Contract Employees.**
**I) Changes in Present Value of the Benefit Obligation are as follows:**

Particulars	₹ in crore	
	31.03.2022	31.03.2021
Present Value of obligation as at beginning of year	3.57	3.45
Interest Cost	0.23	0.23
Current Service Cost	0.36	0.34
Benefits paid	(0.31)	(0.29)
Actuarial (Gain)/Loss on obligation	(0.01)	(0.16)
Present Value of Obligation as at end of year	3.84	3.57

**Bifurcation of Present Value of the Benefit Obligation at the end of year in current and non-current.**

Particulars	₹ in crore	
	31.03.2022	31.03.2021
Current liability (Amount due within one year)	0.14	0.15
Non-Current liability (Amount due over one year)	3.70	3.42
Total Present Value of Obligation as at end of year	3.84	3.57

**II) Changes in the Fair Value of Plan Assets are as follows:**

Particulars	₹ in crore	
	31.03.2022	31.03.2021
Fair Value of Plan Assets at beginning of year	3.37	2.78
Actual Interest Income	0.27	0.21
Contributions	0.20	0.67
Benefits Paid	(0.05)	(0.29)
Fair value of Plan Assets at the end of year	3.79	3.37

**Major categories of plan assets (as percentage of total plan assets) :**

Particulars	31.03.2022		31.03.2021	
	Government of India Securities	--	--	--
State Government securities	--	--	--	--
High Quality Corporate Bonds	--	--	--	--
Equity Shares of listed companies	--	--	--	--
Property	--	--	--	--
Funds Managed by Insurer	100 %	100 %	100 %	100 %
Bank Balance	--	--	--	--
<b>Total</b>	<b>100 %</b>	<b>100 %</b>	<b>100 %</b>	<b>100 %</b>

**III) The amount recognized in the Balance Sheet is as follows:**

Particulars	₹ in crore	
	31.03.2022	31.03.2021
Defined Benefit Obligation at end of year	3.84	3.57
Fair value of Plan Assets at the end of year	3.79	3.37
Funded Status - (Surplus)/ Deficit	0.05	0.20
Net (Liability)/ Asset recognized in Balance Sheet	(0.05)	(0.20)

**IV) Amount recognized in the Statement of Profit & Loss is as follows:**

Particulars	₹ in crore	
	31.03.2022	31.03.2021
Current Service Cost	0.36	0.34
Net Interest on Net Defined Benefit Liability	0.01	0.04
Expenses recognized in the statement of Profit & Loss	0.37	0.38

**Bifurcation of Actuarial Gain/Loss on Obligation:**

Particulars	₹ in crore	
	31.03.2022	31.03.2021
Actuarial (Gain)/Loss on arising from Change in Demographic Assumption	-	-
Actuarial (Gain)/Loss on arising from Change in Financial Assumption	(0.05)	(0.01)
Actuarial (Gain)/Loss on arising from Experience Adjustment	0.04	(0.15)

**V) Amount recognized in Other Comprehensive Income is as follows:**

Particulars	₹ in crore	
	31.03.2022	31.03.2021
Actuarial (Gains)/Losses on Liability	(0.01)	(0.16)
Actuarial (Gains)/Losses on Assets	(0.05)	(0.02)
Other Comprehensive (Income)/Expense	(0.06)	(0.18)

**VI) The principal actuarial assumptions are as follows:**

Particulars	31.03.2022	31.03.2021
Discounting rate (%)	7.00%	6.66%
Future salary increase (%)	4.35%	4.12%
Retirement Age (Years)	60	60
Mortality rates inclusive of provision for disability	100% of IALM (2012-14)	100% of IALM (2012-14)
Attrition at Ages	Withdrawal Rate (%)	Withdrawal Rate (%)
Up to 30 Years	3.00	3.00
From 31 to 44 years	2.00	2.00
Above 44 years	1.00	1.00

**VII) The significant actuarial assumptions for the determination of the defined obligations are discount rate and expected salary increase. The sensitivity for actuarial assumptions has been computed by varying respective actuarial assumption used for valuation of the defined benefit obligation by 1%, while holding all other assumptions constant.**

If the discount rate increases /decreases by 1%, the defined obligations would decrease by ₹ 0.48 crore /increase by ₹ 0.53 crore as on 31<sup>st</sup> March, 2022 and if the expected salary growth increases /decreases by 1%, the defined benefit obligations would increase by ₹ 0.53 crore/ decrease by ₹ 0.49 crore as on 31<sup>st</sup> March, 2022.

However, the actual change in assumptions would not necessarily behave in isolation to each other. The defined benefit obligations would change accordingly.

The Company is expected to contribute ₹ 0.05 crore to defined benefit plan obligations towards gratuity during the year 2022-23. Remeasurement (gain)/loss of defined employee benefit plans in Other Comprehensive Income (OCI) for the year ended 31.03.2022 and 31.03.2021 are ₹ (0.06) crore and ₹ (0.18) crore respectively.

The defined benefit obligations shall mature as follows:

Year ending March, 31	₹ in crore	
	Defined benefit obligations	
2023	0.14	
2024	0.07	
2025	0.07	
2026	0.10	
2027	0.18	
2028	0.14	
2028 onwards	3.14	



**iii) Provident Fund (Funded)**

The Company pays fixed contribution to provident fund at predetermined rates to a separate trust, which invests the funds in permitted securities. The Company has an obligation to ensure minimum rate of return to the members as specified by GOI. Accordingly, the Company has obtained report of the actuary, based on which overall interest earnings and cumulative surplus is more than the statutory interest payment requirement for all the periods presented. Further, contribution to employees pension scheme is paid to the appropriate authorities.

As per the provisions of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Company has no right to the benefits either in the form of refund from the plan or lower future contribution to the plan towards the net surplus of ₹ 1.05 crore (previous year ₹ 0.03 crore) determined through actuarial valuation. Accordingly, Company has not recognized the surplus as assets as it pertains to the provident fund trust and not to the Company.

The Company contributed ₹23.61 crore and ₹ 22.84 crore to the provident fund during the year ended 31<sup>st</sup> March, 2022 and 31<sup>st</sup> March, 2021 respectively.

**I) Changes in Present Value of the Benefit Obligation are as follows:**

Particulars	₹ in crore	
	31.03.2022	31.03.2021
Present value of obligation as at the beginning of the year	646.41	599.74
Interest Cost	53.58	51.28
Current Service Cost	23.61	22.84
Contributions by plan participants / employees	45.97	49.56
Benefits Paid	(98.54)	(79.59)
Total Actuarial (Gain)/Loss on Obligation	0.91	0.02
Settlements/Transfer In	4.12	2.56
<b>Present value of obligation as at the End of the year</b>	<b>676.06</b>	<b>646.41</b>

**II) Changes in the Fair Value of Plan Assets are as follows:**

Particulars	₹ in crore	
	31.03.2022	31.03.2021
Fair value of plan assets at the beginning of the period	646.44	599.79
Adjustment as per BS	-	0.13
Actual return on plan assets	55.51	51.15
Employer contribution	23.61	22.84
Plan Participants / Employee Contribution	45.97	49.56
Benefits paid	(98.54)	(79.59)
Settlements / Transfer In	4.12	2.56
<b>Fair value of plan assets at the end of the period</b>	<b>677.11</b>	<b>646.44</b>

**III) Net defined benefit Surplus (Deficit) is as follows:**

Particulars	₹ in crore	
	31.03.2022	31.03.2021
Defined Benefit Obligation at end of year	676.06	646.41
Fair value of Plan Assets at the end of year	677.11	646.44
Net defined benefit Surplus(Deficit)	1.05	0.03

**iv) Other Benefits**
**I) Other Benefits (Funded):- Earned Leave and Medical Leave- Regular Employees**
**A) Changes in Present Value of the Benefit Obligation are as follows:**

Particulars	₹ in crore			
	Earned Leave (Regular Employee)		Medical Leave (Regular Employee)	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021
Present Value of obligation as at beginning of year	83.74	77.79	64.54	63.12
Interest Cost	5.58	5.17	4.30	4.19
Current Service Cost	8.26	7.20	4.48	4.13
Benefits paid	(16.80)	(15.01)	(3.75)	(2.96)
Actuarial (Gain)/Loss on obligation	12.37	8.59	(1.83)	(3.94)
Present Value of Obligation as at end of year	93.15	83.74	67.74	64.54

**B) Changes in the Fair Value of Plan Assets are as follows:**

₹ in crore

Particulars	Earned Leave (Regular Employee)		Medical Leave (Regular Employee)	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021
Fair Value of Plan Assets at the beginning of the year	73.42	68.52	63.24	59.02
Actual Interest Income	5.14	4.90	4.42	4.22
Contributions	-	-	-	-
Benefits Paid	-	-	-	-
Fair value of Plan Assets at the end of year	78.56	73.42	67.66	63.24

**C) The amount recognized in the Balance Sheet is as follows:**

₹ in crore

Particulars	Earned Leave (Regular Employee)		Medical Leave (Regular Employee)	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021
Defined Benefit Obligation at end of year	93.15	83.74	67.74	64.54
Fair value of Plan Assets at the end of year	78.56	73.42	67.66	63.24
Funded Status – (Surplus)/ Deficit	14.59	10.32	0.08	1.30
Net (Liability)/ Asset recognized in Balance Sheet	(14.59)	(10.32)	(0.08)	(1.30)

**D) Amount recognized in the Statement of Profit & Loss is as follows:**

₹ in crore

Particulars	Earned Leave (Regular Employee)		Medical Leave (Regular Employee)	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021
Current Service Cost	8.26	7.20	4.48	4.13
Net Interest on Net Defined Benefit Liability	0.69	0.62	0.09	0.27
Net Actuarial (gain)/loss recognized in the year	12.12	8.25	(2.04)	(4.24)
Expenses recognized in the statement of Profit & Loss	21.07	16.07	2.53	0.16

**E) The principal actuarial assumptions are as follows:**

Particulars	Earned Leave (Regular Employee)		Medical Leave (Regular Employee)	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021
Discounting rate (%)	7.00%	6.66%	7.00%	6.66%
Future salary increase (%)	8.70%	8.25%	8.70%	8.25%

**F) Sensitivity Analysis of the defined benefit obligation:**

₹ in crore

Particulars	Increase (Decrease) in present value of obligation as on 31.03.2022	
	Earned Leave (Regular Employee)	Medical Leave (Regular Employee)
Impact due to Increase of 1 % discount rate	(0.85)	(4.72)
Impact due to Decrease of 1 % discount rate	0.92	0.51
Impact due to Increase of 1 % in Salary	9.02	5.04
Impact due to Decrease of 1 % in Salary	(0.83)	(0.47)

**II) Other Benefits (unfunded):- Earned Leave (Contract employee), Leave Travel Concession and Long Service Award (Regular employee).**
**A) Present value of the defined benefits plan obligations:**

₹ in crore

Particulars	Earned Leave (Contract Employee)		Leave Travel Concession (Regular employee)		Long Service Award (Regular employee)	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021
Opening Balance	1.64	1.27	0.01	0.01	1.51	1.43
Interest Cost	0.11	0.08	0.00	0.00	0.10	0.10
Current Service Cost	0.32	0.44	0.00	0.00	0.13	0.03
Benefit paid	(0.91)	(0.89)	(0.00)	(0.00)	(0.00)	(0.00)
Actuarial (Gain)/Loss on obligation	0.23	0.74	(0.00)	(0.00)	(0.19)	(0.05)
Closing Balance	1.39	1.64	0.01	0.01	1.55	1.51

**B) Total expenses recognized in the Statement of Profit & Loss are as follows:**

₹ in crore

Particulars	Earned Leave (Contract Employee)		Leave Travel Concession (Regular employee)		Long Service Award (Regular employee)	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021
Current Service Cost	0.32	0.44	0.00	0.00	0.13	0.03
Interest Cost	0.11	0.08	0.00	0.00	0.10	0.10
Actuarial (Gain)/Loss	0.23	0.74	(0.00)	(0.00)	(0.19)	(0.05)
Expenses recognized in the statement of Profit & Loss	0.66	1.26	(0.00)	(0.00)	0.04	0.08

**C) The principal actuarial assumptions used at the Balance Sheet date are as follows:**

Particulars	Earned Leave (Contract Employee)		Leave Travel Concession (Regular employee)		Long Service Award (Regular employee)	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021
Discount rate (%)	7.00%	6.66%	7.00%	6.66%	7.00%	6.66%
Future salary increase (%)	4.35%	4.12%	8.70%	8.25%	-	-

**D) Sensitivity Analysis of the defined benefit obligation:**

₹ in crore

Particulars	Increase (Decrease) in present value of obligation as on 31.03.2022	
	Earned Leave (Contract employee)	Leave Travel Concession (Regular Employee)*
Impact due to Increase of 1 % discount rate	(0.19)	(0.00)
Impact due to Decrease of 1 % discount rate	0.19	0.00
Impact due to Increase of 1 % in Salary	0.20	-
Impact due to Decrease of 1 % in Salary	(0.19)	-

\* The values in Leave Travel Concession are under ₹1 lakh.

## b) Defined Contribution Plans

### i) Post Retirement Benefits (Pension & Medical):

All eligible employees are entitled to benefit under defined contribution plans towards pension under EPFO scheme, post retirement pension fund and medical schemes as defined contribution plans. The Company has no obligations other than the contribution payable to such funds/schemes. The Company recognizes such contributions as expenses when an employee renders the related service.

During the year, Company contributed/ provided ₹18.89 crore (previous year ₹ 19.03 crore) towards post retirement pension fund, ₹3.52 crore (previous year ₹3.69 crore) towards pension under EPFO and ₹5.45 crore (previous year ₹5.31 crore) towards medical schemes.

### ii) Performance Related Pay:

Eligible employees are entitled to benefit of performance related pay. The provision for performance related pay is of short term nature and has been recognized as per the procedure laid by management based on the guidelines of the Department of Public Enterprises.

## c) Foreign Service Contribution

Foreign Service Contribution is recognized on accrual basis in the Statement of Profit and Loss Account as per the deputation terms with parent organizations in respect of officers taken on deputation from other organizations.

## 41. Indian Accounting Standard (Ind AS-20), Disclosures on Accounting for Government Grants and Disclosure of Government Assistance as follows:

The Company is receiving government grant in the form of export incentive on export of Rolling Stock and Spare parts. There are two types of export incentive i.e duty drawback and Merchandise Exports from India Scheme (MEIS) Scrips. The Company has recognized ₹21.12 crore (previous year ₹ 3.57 crore) as export incentive. The export incentive receivable at the end of the year is ₹ 10.52 crore (previous year ₹ 1.40 crore).

## 42. Indian Accounting standard (Ind AS) 21, Disclosures on The Effects of Changes in Foreign Exchange Rates are as follows:

The amount of exchange differences (net) credited to the statement of profit and loss account during the Financial Year is ₹ 17.19 crore (Previous Year ₹ 5.89 crore)

## 43. Indian Accounting Standard (Ind AS) 24 –Related Party Disclosures are as follows:

### a) Subsidiary Companies

Name of Subsidiaries	Country	Holding as on	
		31.03.2022	31.03.2021
M/s RITES (Afrika) (Pty) Limited	Botswana	100%	100%
M/s REMC Limited	India	51%	51%

### Joint Ventures

Name of Joint Ventures	Country	Holding as on	
		31.03.2022	31.03.2021
M/s SAIL-RITES Bengal Wagon Industry Private Limited	India	50%	50%
M/s Indian Railway Stations Development Corporation Limited	India	24%	24%

**b) Other Related Parties:**

Name of Other Related Parties	Country	Nature of Relationship
RITES Contributory Provident Fund	India	Post- Employment Benefit Plan of RITES Limited
RITES Limited Superannuation Pension Trust	India	Post- Employment Benefit Plan of RITES Limited
RITES Limited Retired Employees Medical Trust	India	Post- Employment Benefit Plan of RITES Limited
RITES Employee Gratuity Fund	India	Post- Employment Benefit Plan of RITES Limited

**c) Key Management Personnel**
**Chairman & Managing Director (Chief Executive Officer)**

Mr. Rahul Mithal (from 07.10.2021)

Mr. Gopi Suresh Kumar Varadarajan (from 01.07.2021 up to 06.10.2021)

Mr. Rajeev Mehrotra (up to 30.06.2021)

**Whole Time Directors**

Mr. Gopi Suresh Kumar Varadarajan - Director Projects

Mr. Anil Vij - Director Technical

Mr. Bibhu Prasad Nayak - Director Finance

**Government Nominee Directors**

Mr. Vinay Srivastava (up to 06.09.2021)

Mr. Sandeep Jain (from 17.12.2021)

Mr. Raj Kumar Mangla (from 14.03.2022)

**Non-Executive (Independent) Directors**

Mr. Laxman Tammanna Tapashi (from 10.11.2021)

Dr Godawari Mishra (from 10.11.2021)

Dr Dineshananda Goswami (from 11.11.2021)

Mr. Likha Togu (from 21.01.2022)

**Chief Financial Officer**

Mr. Bibhu Prasad Nayak (from 01.07.2021)

Mr. Parmod Narang (up to 30.06.2021)

**Company Secretary**

Mr. Joshit Ranjan Sikidar (from 01.04.2021)

**d) Transactions and Balances with Related Parties**

Outstanding balances from the related parties are unsecured and considered good which are due towards ordinary course of business and are being realized within reasonable time.

**i) Subsidiary Companies**

Transactions with Subsidiary Companies:

₹ in crore

Particulars	RITES (Afrika) (Pty) Limited		RITES Infrastructure Services Limited		REMC Limited	
	Year ended		Year ended		Year ended	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021
Investment written off	-	-	-	0.05	-	-
Reimbursement / Recoverable	-	-	-	-	3.09	0.04
Consultancy Fee/ Income from Construction Turnkey Projects	0.13	1.74	-	-	8.88	9.95
Dividend Received	0.03	-	-	-	4.59	5.35
Deposit received for renovation of Office Building	-	-	-	-	2.16	1.02

**Balances with Subsidiary Companies:**

₹ in crore

Particulars	RITES (Afrika) (Pty) Limited		RITES Infrastructure Services Limited		REMC Limited	
	As on		As on		As on	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021
Investments	0.01	0.01	-	-	35.70*	35.70*
Recoverable	-	-	-	-	0.03	-
Receivables	0.04	0.37	-	-	0.86	2.75
Deposit received for renovation of Office Building	-	-	-	-	0.32	1.00

\* During FY 2020-21 REMC Limited allotted 1.785 crore equity shares fully paid up as Bonus issue in the ratio 1:2.

**ii) Joint Ventures****Transactions with Joint Ventures:**

₹ in crore

Particulars	SAIL-RITES Bengal Wagon Industry Private Limited		BNV Gujarat Rail Private Limited*		Indian Railway Stations Development Corporation Limited	
	Year ended		Year ended		Year ended	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021
Investments (equity)	-	-	-	-	-	48.00
Investment written off	-	-	-	0.14	-	-
Exited from Joint venture by transferring the shares to other Joint venture partner	-	-	-	0.12	-	-
Operating Income (Consultancy Fee/ Income from Construction Turnkey Projects/Export Sales/Leasing Service)	-	0.01	-	-	-	-
Interest on Loan given	0.13	0.34	-	-	-	-
Foreign service Contribution / remittance received	-	-	-	-	0.09	0.03

**Balances with Joint Ventures**

₹ in crore

Particulars	SAIL-RITES Bengal Wagon Industry Private Limited		BNV Gujarat Rail Private Limited*		Indian Railway Stations Development Corporation Limited	
	As on		As on		As on	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021
Investments (equity)	24.00	24.00	-	-	48.00	48.00
Receivables	0.05	0.04	-	-	-	-
Loan (Working Capital)	-	2.80	-	-	-	-
Interest accrued on Loan given	-	0.65	-	-	-	-

\*Company exited from BNV Gujarat Rail Private Limited (Joint Venture Company) by transferring its shares to the other joint venture partner during FY 2020-21.

**iii) Transactions with other related parties (Post-Retirement Benefits Trusts/Plans):**

Refer note no 40 &amp; 43(b)

**iv) Transactions with Key Managerial Personnel:**

₹ in crore

Particulars	Year ended	
	31.03.2022	31.03.2021
Compensation to CMD, Whole Time Directors, CFO & Company Secretary:		
• Short Term Employee Benefits	3.65	2.84
• Post-employment Benefits	0.44	0.41
• Other Long-Term Benefits	0.87	0.21
<b>Sub-Total</b>	<b>4.96</b>	<b>3.46</b>
Sitting fee to Non-Executive (Independent) Directors	0.12	0.21
<b>Total</b>	<b>5.08</b>	<b>3.67</b>

**e) Entities under the control of same Government**

Government of India (GOI) as on 31<sup>st</sup> March 2022 is holding 72.20% equity shares of the Company, which are held by President of India through Ministry of Railways. GOI controls the Company through Ministry of Railways.

The Company has made various transactions with the Ministry of Railways and with entities being controlled or jointly controlled or having significant influence of the Ministry of Railways. The transactions with them are as under:

Significant Transactions with Government related entities:

₹ in crore

Particulars	Year ended	
	31.03.2022	31.03.2021
Revenue	660.98	643.24
Procurements	201.78	93.35
Fee for services & supplies obtained	10.19	15.06
Consumables	0.66	0.16
Lease rent paid	-	2.77
Training expenses	0.01	0.10
Provision for bad debts including written offs	20.68	11.63
Buyback of equity shares	-	173.37
Dividend paid	303.63	264.18
Interest on tax free bonds	8.28	9.02

**Significant balances with Government related entities:**

₹ in crore

Particulars	As on	
	31.03.2022	31.03.2021
Capital Advances	5.22	-
Other Advances	36.36	174.53
Recoverable	2.36	8.06
Payables	15.21	81.45
Advance Received	2.19	4.21
Clients Funds Received	251.13	96.12
Receivables	151.73	148.14
Tax Free Bonds	95.00	120.00
Interest on tax free bonds	5.03	5.89

**44. Indian Accounting Standard (Ind AS) 27-Disclosures on Separate financial statements are as follows:****a) Investment in subsidiary companies:-**

Name of Company	Principal Place of Business	Proportion of ownership interest	
		As at 31.03.2022	As at 31.03.2021
M/s RITES (Afrika) (Pty) Limited	Botswana	100%	100%
M/s REMC Limited	India	51%	51%

**b) Investment in joint venture companies: -**

Name of Company	Principal Place of Business	Proportion of ownership interest	
		As at 31.03.2022	As at 31.03.2021
SAIL-RITES Bengal Wagon Industry Private Limited	India	50%	50%
Indian Railway Stations Development Corporation Limited	India	24%	24%

Equity investments in subsidiary and joint venture companies are measured at cost as per the provisions of Ind AS 27 on 'Separate Financial Statements'.

**45. Indian Accounting Standard (Ind AS) 33-Disclosures on Earnings per Share (EPS) are as follows:**

Particulars	Year ended	
	31.03.2022	31.03.2021
A. Net Profit available for Equity Shareholder (₹ in crore)	497.10	424.35
B. Weighted average number of Equity Shares	240301887	246439597
C. Earnings Per Share (Basic & Diluted) (A)/(B)	₹ 20.69	₹ 17.22
D. Face value per equity share	₹ 10/-	₹ 10/-

The Company has bought back 96,98,113 fully paid-up equity shares of ₹ 10 each from the shareholders on 18<sup>th</sup> November, 2020 on proportionate basis by way of tender offer at a price of ₹265 per equity share for an aggregate amount of ₹257 crore. As per Indian Accounting Standard (Ind AS)-33 due to buy back, earnings per share (basic and diluted) for the year ending 2020-21 have been computed on the basis of weighted average number of equity shares.

**46. Indian Accounting Standard (Ind AS) 36, Disclosures on Impairment of Assets are as follows:**

The Company has carried out the assessment on impairment of assets in terms of Indian Accounting standard (Ind AS) 36, Impairment of Assets and management does not perceive any impairment in the value of the carrying amount of assets.

**47. Indian Accounting Standard (Ind AS) 37, Disclosures on Provisions, Contingent Liabilities and Contingent Assets are as follows:**

- a) Provisions include mainly towards warranty which has been made for fulfillment of warranty obligation after export sale of rolling stocks/ locomotives & spares. Estimation of such provision is based on experience, nature of rolling stock exported to various clients and period specified in the agreements with them. Actual expenditure may vary during the warranty period as per the requirements

Items	Carrying amount 01.04.21	Provision made during the year	Provisions used during the year	Unused amount reversed during the year	Unwinding Cost	₹ in crore
						Carrying amount as on 31.03.22
Warranties	25.14	35.83	8.97	8.98	2.00	45.02
Commitments	0.58	-	-	0.58	-	-



Items	₹ in crore					
	Carrying amount 01.04.20	Provision made during the year	Provisions used during the year	Unused amount reversed during the year	Unwinding Cost	Carrying amount as on 31.03.21
Warranties	58.02	3.47	11.43	25.66	0.74	25.14
Commitments	7.02	-	-	6.44	-	0.58

As per the agreements with the customers, warranty years are varying from two to five years, i.e., extending beyond one year, require discounting to work out net present value of such provisions made towards warranty.

Effect of change in the discount rates

3 years SBI MCLR rate as on 31.03.2022 ie. 7.30% is used as discount rate during the reporting period. The effect of change in discount rate, FY 2021-22 ie. 7.30% vice 5.68% for FY 2020-21, is ₹ 0.57 crore.

Commitments pertain to estimated expenditure to be incurred for removing the defects in connection with construction/PMC projects and estimated period for utilization of provision for commitments is less than one year.

For movement of provision for unspent amount of Corporate Social Responsibility-refer 57(d)(iii)

## b) Contingent liabilities and Commitments to the extent not provided for include:

### i) Contingent Liabilities

- I) Claims (excluding interest) against the Company not acknowledged as debts are ₹27.15 crore (previous year ₹ 27.15 crore).
- II) The Company is subject to legal/arbitration proceeding and claims, which have arisen in the ordinary course of business. Management does not reasonably expect that when these cases ultimately conclude and determined, will have any material and adverse effect on the Company's results of operations or financial conditions.
- III) Disputed taxes and duty:
  - A) Demand on account of income tax includes of ₹5.21 crore (excluding interest) (previous year ₹5.77 crore) which are being contested by the Company. This excludes ₹2.31 crore (previous Year ₹ 3.52 crore) relating to cases where Company has already won the same at different appellate authorities during earlier years, against which income tax department has gone for appeal at higher appellate authorities. In similar cases of past years, the appeal of the income tax department has been dismissed.
  - B) Demand on account of service tax, VAT etc. amounting to ₹ 2.85 crore (previous year ₹ 2.45 crore) which are being contested by the Company at different forums.
  - C) Stamp duty of ₹.1.17 crore (previous year ₹1.17 crore) against alternative land at Gomati Nagar Extension, Lucknow allotted by Lucknow Development Authority (Refer note 57(j)).
- IV) The Company has issued indemnity bond to the official Liquidator of RITES Infrastructure Service Limited for indemnifying the claimants in future against all lawful claims and liabilities arise or observed even after the dissolution of RITES Infrastructure Services Limited and losses that may arise pursuant to dissolution of RITES Infrastructure Services Limited. However, Company does not foresee any liability on this account as on 31.03.2022.
- V) A number of cases are lying for adjudication at various forums or under arbitration, which Company is contesting on behalf of Clients. The Company is not subject to any liability that may result pursuant to adjudication / arbitral award.
- VI) The above contingent liabilities do not include contingent liabilities on account of pending cases in respect of service matters & others where amount cannot be quantified.

**ii) Commitments**

Estimated amount of contracts remaining to be executed on capital account and not provided for amounting to ₹ 199.97 crore (previous year ₹ 218.44 crore).

**c) Contingent Assets**

- i) In a pre-closed contract in the year 2005-06, Company invokes arbitration for a claim of ₹ 233.93 crore (previous year ₹ 233.93 crore) against a client. Client also submits counter claims of ₹ 469.10 crore (previous year ₹ 469.10 crore) before arbitrator. The sole arbitrator awarded ₹ 88.31 crore in favour of the Company against the claim of ₹ 233.93 crore, while rejecting the counter claims of the client. Since the awarded amount is less than the claimed amount, Company appealed against the aforesaid award. Appellate authority awarded ₹ 231.68 crore with applicable interest in favour of the Company. Client filed a petition in the Civil Court for setting aside the aforesaid award, which was dismissed by the court on 22.11.2017 and preliminary objections of Company are allowed. Thereafter the Company filed writ petition before Hon'ble Jharkhand High court on 05.07.2018 to issue the direction to client to pay the awarded amount. Hearing in the matter is yet to be scheduled.
- ii) In the above contract, executing agency also raised claims (excluding interest) of ₹ 184.41 crore (previous year ₹ 184.41 crore) against the Company before the arbitration tribunal. The Company also submitted a counter claim of ₹ 644.53 crore (previous year ₹ 644.53 crore) against the executing agency. Both the parties had concluded their arguments before the Tribunal and award was published on 18<sup>th</sup> October 2016 in favour of the Company. As per the award, Company was to get ₹ 63 crore from executing agency effective from the date of publication of award i.e., 18<sup>th</sup> October 2016. The executing agency had filed two petitions i.e. arbitration appeal before hon'ble Jharkhand high court on 25.05.2017 and commercial revocation to set aside the award before the commercial court, Ranchi on 06.01.2018. The arbitration appeal has already been dismissed by hon'ble Jharkhand high court on 11.03.2019. The commercial revocation has also been dismissed on 29.06.2019. Now RITES limited filed the commercial execution case no. 03 of 2020 on 16.01.2020 before commercial court Ranchi to execute the award amount. Same is pending and next date of hearing is fixed on 30.06.2022. In view of above, the Company has not recognized the award amount in the books of account.

**48. Indian Accounting Standard (Ind AS) 40, Disclosures on Investment Property are as follows:****a) Amounts recognized in the Statement of Profit and Loss are as follows:**

Particulars	₹ in crore	
	Year ended 31.03.2022	Year ended 31.03.2021
Rental income	0.16	0.18
Direct proportionate operating expenses relating to rental income (including repair & maintenance)	0.00	0.00
Profit before depreciation	0.16	0.18
Depreciation for the period	0.00	0.00
<b>Profit from investment property</b>	<b>0.16</b>	<b>0.18</b>

The Company has leased out one flat at Asian Games Village Complex, New Delhi to Land Port Authority of India (super area of 177.37sq.m.).

**b) Fair Value**

Market value of investment property as on 31.03.2022 is ₹ 2.96 crore based on valuations performed by an external independent valuer and management considered no significant change in the value.

**Methods & assumptions for valuation:**

The valuation is carried out by an Independent agency on the basis of present construction/replacement cost of similar structures/constituents without considering the value of furniture, fixture & fitting, office equipments etc.

There is no capital commitment in respect of investment property.

**49. Indian Accounting Standard (Ind AS) 107, Disclosures on Financial Instruments are as follows**
**a) Financial Instruments by category**

 The carrying value and fair value of financial instruments categories-wise as on 31<sup>st</sup> March, 2022 are as under

₹ in crore

Particulars	Total carrying Value	Amortized Cost	Financial assets/ liabilities at fair value through Profit or loss		Financial assets/liabilities at fair value through OCI	
			Designated upon initial recognition	Mandatory	Designated upon initial recognition	Mandatory
<b>Financial Assets:</b>						
Cash and Bank Balance – Owned Fund	782.23	782.23	-	-	-	-
Cash and Bank Balance- Client Fund	2616.35	2616.35	-	-	-	-
<b>Investments:</b>						
Equity	0.04	-	-	0.04	-	-
Tax Free Bonds	95.00	95.00	-	-	-	-
Liquid Plan of Mutual Fund	25.92	-	-	25.92	-	-
Trade Receivables	681.19	681.19	-	-	-	-
Loans	12.24	12.24	-	-	-	-
Other Financial Assets	324.59	324.59	-	-	-	-
<b>Total</b>	<b>4537.56</b>	<b>4511.60</b>	<b>-</b>	<b>25.96</b>	<b>-</b>	<b>-</b>
<b>Financial Liabilities:</b>						
Trade Payables	177.58	177.58	-	-	-	-
Lease Liability	2.94	2.94	-	-	-	-
Other Financial Liabilities	2785.13	2785.13	-	-	-	-
<b>Total</b>	<b>2965.65</b>	<b>2965.65</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

 The carrying value and fair value of financial instruments categories-wise as on 31<sup>st</sup> March, 2021 are as under:

₹ in crore

Particulars	Total carrying Value	Amortized Cost	Financial assets/ liabilities at fair value through Profit or loss		Financial assets/liabilities at fair value through OCI	
			Designated upon initial recognition	Mandatory	Designated upon initial recognition	Mandatory
<b>Financial Assets:</b>						
Cash and Bank Balance – Owned Fund	889.39	889.39	-	-	-	-
Cash and Bank Balance- Client Fund	2476.12	2476.12	-	-	-	-
<b>Investments:</b>						
Equity	0.04	-	-	0.04	-	-
Tax Free Bonds	120.00	120.00	-	-	-	-
Liquid Plan of Mutual Fund	85.77	-	-	85.77	-	-
Trade Receivables	568.00	568.00	-	-	-	-
Loans	16.86	16.86	-	-	-	-
Other Financial Assets	239.63	239.63	-	-	-	-
<b>Total</b>	<b>4395.81</b>	<b>4310.00</b>	<b>-</b>	<b>85.81</b>	<b>-</b>	<b>-</b>
<b>Financial Liabilities:</b>						
Trade Payables	289.86	289.86	-	-	-	-
Lease Liability	4.17	4.17	-	-	-	-
Other Financial Liabilities	2596.48	2596.48	-	-	-	-
<b>Total</b>	<b>2890.51</b>	<b>2890.51</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**b) Fair value hierarchy & valuation techniques**

To provide an indication about the reliability of method used in determining fair value, the Company has classified its financial instruments into three levels prescribed under the Indian Accounting Standard (Ind AS-113) on fair value measure.

**Level 1:** Quoted prices in active markets for identical assets or liabilities.

**Level 2:** Fair value of financial instruments that are not traded in an active market is determined using valuation techniques and observable inputs for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

**Level 3:** Inputs for the assets or liabilities that are not based on observable market data (observable inputs).

Fair value hierarchies of assets and liabilities as on 31<sup>st</sup> March, 2022 are as follows:

₹ in crore

Particulars	Carrying Value As on 31.03.2022	Fair Value As on 31.03.2022	Level
<b>Financial Assets:</b>			
<b>Investments:</b>			
Equity*	0.04	0.04	III
Tax Free Bonds	95.00	104.61	II
Liquid Plan of Mutual Fund	25.92	25.92	I
Trade Receivables**	681.19	681.19	III
Loans**	12.24	12.24	III
Other Financial Assets**	324.59	324.59	III
<b>Financial Liabilities:</b>			
Trade Payables**	177.58	177.58	III
Lease Liability**	2.94	2.94	III
Other Financial Liabilities**	2785.13	2785.13	III

Fair value hierarchies of assets and liabilities as on 31<sup>st</sup> March, 2021 are as follows:

₹ in crore

Particulars	Carrying Value As on 31.03.2021	Fair Value As on 31.03.2021	Level
<b>Financial Assets:</b>			
<b>Investments:</b>			
Equity*	0.04	0.04	III
Tax Free Bonds	120.00	130.39	II
Liquid Plan of Mutual Fund	85.77	85.77	I
Trade Receivables**	568.00	568.00	III
Loans**	16.86	16.86	III
Other Financial Assets**	239.63	239.63	III
<b>Financial Liabilities:</b>			
Trade Payables**	289.86	289.86	III
Lease Liability**	4.17	4.17	III
Other Financial Liabilities**	2596.48	2596.48	III

\*Equity shares of ₹ 0.04 crore of GPCL Consulting Services Limited and ₹ 0.0016 crore of Elicius Energy Private Limited which are not tradable and amount of investment in the entity is immaterial, hence investment is recognized at cost and same is considered as its fair value.

\*\* The carrying amounts of trade receivables, trade payables, short term loans, other current financial assets and liabilities are considered to be same as their fair value due to their short-term nature.

**c) Financial Risk Management**

The Company's activities are exposed to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from few customers.

**i) Market Risk**

The Company operates internationally and a considerable portion of the business is transacted in several currencies and consequently the Company is exposed to foreign exchange risk for its sales and services in the Middle East, Africa and South Asian countries. The exchange rates between the rupee and foreign currencies have changed substantially in recent years which may also fluctuate substantially in the future. However, Company has currency risk management policy and exchange fluctuations are regularly monitored by the risk management committee to mitigate this risk. Policy covers various aspects of currency risk management, benchmarking, hedging and risk appetite, permissible instruments, hedging policy, structure of the risk management committee and treasury group, reporting procedures etc.

Analysis of foreign currency risk from financial instruments is as follows:

Particulars	Currency	As on	As on	As on	As on
		31.03.2022	31.03.2021	31.03.2022	31.03.2021
		(Figure in Millions)		(₹ in crore)	
Cash & Cash equivalents	US Dollar	2.96	2.23	22.30	16.10
	MUR	2.22	1.92	0.37	0.34
Trade Receivables	US Dollar	26.60	9.86	200.35	71.21
	MUR	-	-	-	-
Other financial assets	US Dollar	21.23	7.37	159.94	53.21
	MUR	0.60	0.65	0.10	0.12
Trade Payable	US Dollar	(4.20)	(1.90)	(31.61)	(13.74)
	MUR	-	-	-	-
Other financial liabilities	US Dollar	(0.20)	(0.15)	(1.52)	(1.06)
	MUR	(0.16)	(0.16)	(0.03)	(0.03)
Net assets/(liabilities)	US Dollar	46.39	17.41	349.46	125.72
	MUR	2.66	2.41	0.44	0.43

For the year ended 31<sup>st</sup> March, 2022 and 31<sup>st</sup> March, 2021, every percentage increase/decrease in the exchange rate between the INR & US Dollar has affected the Company's incremental margins by approximately 0.52% (previous year 0.22%) each. For the year ended 31<sup>st</sup> March, 2022 and 31<sup>st</sup> March, 2021, every percentage increase/decrease in the exchange rate between the INR & MUR has an insignificant affect on the Company's incremental margins.

Sensitivity analysis is computed based on the changes in the income and expenses in foreign currency upon conversion into functional currency, due to exchange rate fluctuations between the previous reporting year and the current reporting year.

The above foreign currency exposure is unhedged as these are covered through foreign currency risk management policy.

**ii) Credit Risk**

Credit Risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. Primarily exposure to the credit risk is from trade receivables amounting to ₹ 783.19 crore (previous year ₹ 675.74 crore) and unbilled revenue amounting to ₹ 50.75 crore (previous year ₹ 79.14 crore) which are typically unsecured. Credit risk is being managed by continuously monitoring the outstanding dues from the customers. Trade Receivables towards export sales are generally managed by establishing Letter of Credit with the clients. Further, most of the clients of the Company are Government or Government Undertakings; hence credit risk is bare minimum and Company also does not foresee any impact on credit risk of the Company. Company has impaired, as a prudent measure, the trade receivables and unbilled revenue towards expected credit loss as per Company accounting policy to the extent of ₹102.34 crore (previous year ₹ 107.74 crore). Keeping in view the nature of business expected credit loss is provided for on case-to-case basis as per the policy on impairment of financial assets.

**Movement of Impairment of Financial Assets**

		₹ in crore			
Sl.No.	Particulars	Balance at the beginning of the year	Provision during the year	Reversal during the year	Balance at the end of the year
1	Trade & Other Receivable	129.23	23.16	27.39	125.00

No significant credit risk on cash and bank balances including clients' funds amounting to ₹3398.58 crore (previous year ₹ 3365.51 crore) is expected as Company parks surplus funds with Schedule Banks having good credit adequacy ratio and least NPA as determined by RBI and guidelines of the Company. Company has parked its owned funds in fixed deposits of ₹ 743.31 crore (previous year ₹ 852.23 crore) with Schedule banks with negligible credit risks.

Non-Strategic Investments primarily include investments in liquid mutual fund units of ₹ 25.92 crore (previous year ₹ 85.77) and tax-free bonds of ₹95 crore (previous year ₹ 120 crore) issued by Public Sector Undertaking where risk is minimal.

The Company has given House building, multi-purpose loans etc. to the employee which are insured, and are mortgage against house properties in line with the policies of the Company. The risk of default in respect of these loans is considered negligible.

### iii) Liquidity Risk

Company's principal sources of liquidity are "cash and bank balances" and the cash flow that is generated from operations. The Company has no outstanding bank borrowings. The Company has a working capital of ₹ 1562.16 crore (previous year ₹ 1670.41 crore) including cash and bank balance (owned funds) of ₹ 674.23 crore (previous year ₹ 889.39 crore) and current investment ₹ 75.92 crore (previous year ₹ 110.77 crore). Company believes that the working capital is sufficient to meet its requirements, accordingly no liquidity risk is perceived by the Company.

#### Maturities of financial liabilities

The tables below analyze the Company's financial liabilities into relevant maturity groupings based on their contractual maturities. The amounts disclosed in the table are the contractual undiscounted cash flows.

				₹ in crore
Contractual maturities of financial Liabilities	Within a year	Between 1-5 Years	Beyond 5 Years	Total
<b>31<sup>st</sup> March, 2022</b>				
Trade Payables	177.58	-	-	177.58
Lease Liabilities	2.40	0.68	-	3.08
Other Financial Liabilities	2618.30	166.83	-	2785.13
<b>Total</b>	<b>2798.28</b>	<b>167.51</b>	<b>-</b>	<b>2965.79</b>
<b>31<sup>st</sup> March, 2021</b>				
Trade Payables	289.86	-	-	289.86
Lease Liabilities	2.25	2.29	-	4.54
Other Financial Liabilities	2375.92	220.56	-	2596.48
<b>Total</b>	<b>2668.03</b>	<b>222.85</b>	<b>-</b>	<b>2890.88</b>

## 50. Indian Accounting Standard (Ind AS) 108, Disclosures on Operating Segments are as follows:

Operating segments are defined as components of an enterprise for which discrete financial information is available which is being evaluated regularly by the Chief Operating Decision Maker (CODM) in deciding how to allocate resources and assessing performance. The Company's chief operating decision maker is the Chairman & Managing Director who is also Chief Executive Officer.

a) Company has identified four operational reportable segments based on operations being carried out which are as under:-

- Consultancy Services
- Leasing of railway rolling stock & equipments
- Export of rolling stock, equipments and spares
- Turnkey Construction Projects

b) Geographical wise revenue segment is disclosed as under:-

- i) Revenue within India from consultancy includes quality assurance & project management services, turnkey construction projects and domestic lease rental services to clients located inside India.
- ii) Revenue from outside India includes services rendered and export sales of rolling stock & spare parts to the clients located outside India.

- c) The accounting principles used in the preparation of the financial statements are consistently applied to record revenue & expenditure in individual segment, as set out in the note of significant accounting policies.
- d) Revenue and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly identifiable to each reporting segment have been allocated on the basis of attributed direct cost. All other expenses which are not attributable or allocable to the segments have been disclosed as un-allocable expenses.
- e) Assets and liabilities used in the Company's business are not identified to the reportable segments as these are used interchangeably between segments. Depreciation, amortization & impairment on Property, Plant & Equipment and Intangible Assets cannot be allocated to a specific segment. Company believes that it is currently not practicable to provide segmental disclosure relating to total assets, total liabilities and depreciation, amortization & impairment since a meaningful segregation of the available data could be onerous.
- f) **Operational Segments:**

Year ended 31.03.2022

₹ in crore

Description	Consultancy Services		Leasing		Export Sale	Turnkey Construction Projects-Domestic	Total
	Domestic	Abroad	Domestic	Abroad			
Revenue	915.12	103.92	130.96	-	965.77	459.39	2575.16
Identifiable operating expenses	543.78	45.37	85.59	-	749.99	447.02	1871.75
Segmental profit from operations	371.34	58.55	45.37	-	215.78	12.37	703.41
Add: Interest Income*							57.61
Add: Other Income **							28.39
Less: Finance Cost							4.96
Less: Un allocable Expenses							109.89
Net Profit Before Tax							674.56
Less: Income Tax (including Deferred Tax)							177.46
Net Profit After Tax							497.10
<b>Additional Information:</b>							
Depreciation and amortization							58.47
Non-cash expenses/ (income) other than depreciation and amortization							28.77
Reversal of Provisions							6.45
Loss on sale of PPE							0.01

## Year ended 31.03.2021

₹ in crore

Description	Consultancy Services		Leasing		Export Sale	Turnkey Construction Projects- Domestic	Total
	Domestic	Abroad	Domestic	Abroad			
Revenue	902.38	79.40	108.27	-	129.21	623.89	1843.15
Identifiable operating expenses	507.51	35.26	69.68	-	75.52	600.38	1288.35
Segmental profit from operations	394.87	44.14	38.59	-	53.69	23.51	554.80
Add: Interest Income*							82.70
Add: Other Income **							21.70
Less: Finance Cost							2.84
Less: Un allocable Expenses							94.01
Net Profit Before Tax							562.35
Less: Income Tax (including Deferred Tax)							138.00
Net Profit After Tax							424.35
<b>Additional Information:</b>							
Depreciation and amortization							44.81
Non-cash expenses/ (income) other than depreciation and amortization							5.54
Reversal of Provisions							33.82
Loss on sale of PPE							0.01

## g) Geographical Segment

₹ in crore

Description	Year ended 31.03.2022				Year ended 31.03.2021			
	India	Abroad		Total	India	Abroad		Total
		Asia	Africa			Asia	Africa	
Revenue	1505.45	788.57	281.14	2575.16	1634.57	82.12	126.46	1843.15
Identifiable operating expenses	1076.41	585.81	209.53	1871.75	1177.57	41.91	68.87	1288.35
Segmental profit from operations	429.04	202.76	71.61	703.41	457.00	40.21	57.59	554.80
Add: Interest Income*				57.61				82.70
Add: Other Income **				28.39				21.70
Less: Finance Cost				4.96				2.84
Less: Un-allocable Expenses				109.89				94.01
Net Profit before Tax				674.56				562.35
Less: Income Tax (including Deferred Tax)				177.46				138.00
Net Profit after Tax				497.10				424.35
<b>Additional Information:</b>								
Depreciation and amortization				58.47				44.81
Non-cash expenses/ (income) other than depreciation and amortization				28.77				5.54
Reversal of Provisions				6.45				33.82
Loss on sale of PPE				0.01				0.01

\* Interest income includes interest on bank deposits, bonds, staff advances, loans, income tax refunds etc.

\*\*Other income includes profit on sale of assets, rental income from investment properties, dividend on current &amp; non-current investments, exchange gain etc.

Note: - No Impairment and its reversal have been recognized in Other Comprehensive Income (OCI) during the year ended 31.03.2022 and 31.03.2021.



#### h) Revenue of ₹1107.25 crore (previous year ₹582.49 crore) from major customers is given below:

₹ in crore

Description	Year ended 31.03.2022					Year ended 31.03.2021				
	Consultancy	Lease Services	Export Sales	Turnkey Construction Projects-Domestic	Total	Consultancy	Lease Services	Export Sales	Turnkey Construction Projects-Domestic	Total
Customer 1	-	-	736.20	-	736.20	193.25	1.49	-	97.67	292.41
Customer 2	225.06	-	-	145.99	371.05	4.15	-	-	285.93	290.08
<b>Total</b>	<b>225.06</b>	<b>-</b>	<b>736.20</b>	<b>145.99</b>	<b>1107.25</b>	<b>197.40</b>	<b>1.49</b>	<b>-</b>	<b>383.60</b>	<b>582.49</b>

Note: - PSUs under the same ministry have not been considered as one customer.

### 51. Indian Accounting Standard (Ind AS) 115, Disclosures on Revenue from Contracts with Customers are as follows:

#### a) Significant management judgments on Revenue Recognition:

Recognised amounts of contract revenues and related receivables reflect management's best estimate of each contract's outcome and stage of completion which is determined based on physical progress, efforts, cost incurred to date bear to the total estimated cost of the transaction, time spent, service performed or any other method that management considered appropriate. For more complex contracts in particular, costs to complete and contract profitability are subject to significant estimation and uncertainty.

#### b) Company has contracts with customers for different services which are given below:-

- Consultancy Services
- Export of rolling stock, equipments and spares
- Turnkey Construction Projects

Beside above, Company has contracts with customers for wet leasing which are covered under Indian Accounting Standard (Ind AS) 116, Leases

#### c) Company has recognized revenue either on the basis of over time or point in time depending upon satisfaction of performance obligation on transferring control of goods or services to customers. Revenue has been recognized by the Company over time basis if any one of the following condition is met:

- Customer simultaneously receives and consumes the benefits
- Company's performance creates or enhances an assets that the customer controls as the assets is created or enhanced
- Company's performance does not create with alternative use and Company has enforceable right to payment for performance completed to date.

In case, none of the above condition is met, revenue recognized by the Company on the basis of point in time.

#### d) Disaggregation Revenue information:

The below presents Disaggregated Revenues from contract with customer for the year ended 31<sup>st</sup> March 2022 from various streams of revenue. The Company believe that this Disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cash flows are affected by industry, market and other economic factor.

₹ in crore

Particulars	Consultancy Services		Inspection Fee		Export Sale	Turnkey Construction Projects-Domestic	Total
	Domestic	Abroad	Domestic	Abroad			
2021-22	585.85	101.88	322.39	2.04	944.59	459.39	2416.14
2020-21	599.30	73.92	293.30	5.48	93.27	623.85	1689.12

- e) Company is rendering many project management consultancy services for and on behalf of clients where fee is due to Company for professional services.
- f) In most of the cases, payments from customers are linked with performance obligations. Wherever on the reporting date work has been performed and payment is not due as per the contract, in such cases contract assets have been created. However, where payment has been received including advance but performance has not been completed, in such cases contract liabilities have been created. Advances received by the Company for execution of work are in the nature of security i.e a source of protection and are not for financing the project.
- g) Company provides warranty in the nature of assurance for which provisions are made as per the Indian Accounting Standard (Ind AS) 37, Provisions, Contingent Liabilities and Contingent Assets.
- h) During the year, impairment of amount receivable from client for services rendered/goods supplied charged to Statement of Profit and Loss amounting to ₹ 12.45 crore (previous year ₹ 9.08 crore), which includes impairment for lease services amounting to ₹ 0.05 crore (previous year ₹ 0.22 crore).
- i) Balances of Receivables/Contract assets/Contract liabilities are as under:

Particulars	₹ in crore	
	As on 31.03.2022	As on 31.03.2021
Receivables includes lease receivables of ₹ 42.36 crore (Previous year ₹ 36.32 crore)	783.19	675.74
Contract assets	248.76	167.16
Contract liabilities includes lease liabilities NIL (Previous year ₹ 0.27 crore)	75.55	268.58

- j) During the year ended March 31<sup>st</sup>, 2022, ₹74.96 crore and March 31<sup>st</sup> 2021, ₹107.56 crore of unbilled revenue as of April 1<sup>st</sup>, 2021 and April 1<sup>st</sup>, 2020 respectively has been reclassified to Trade receivables upon billing to customers on completion of milestones.
- k) During the year ended March 31, 2022 ₹ 195.81 crore and March 31, 2021 ₹ 14.65 crore of contract liabilities as of April 1, 2021 and April 1, 2020 has been recognized as revenue after completion of milestones.
- l) The aggregate value of performance obligations that are completely or partially unsatisfied as at March 31, 2022 is ₹ 4722 crore which pertains to various segment of the Company. Company is likely to recognize this revenue over a period ranging from one year to three years. The aggregate value of performance obligations that was completely or partially unsatisfied as at March 31, 2021 was ₹6074 crore which pertains to various segment of the Company.
- m) Company has not incurred any cost for obtaining contracts except administrative cost required for preparation of offers and the same is charged to statement of Profit and Loss.
- n) Company has recognized unamortized contract assets of ₹ Nil crore (previous year ₹ 5.63 crore) on account of costs incurred in fulfilling the contract. The unamortized contract cost will be charged to statement of Profit and Loss on completion of performance obligations.

## 52. Indian Accounting Standard (Ind AS-116): Disclosures on Leases are as follows:

### a) Company as Lessee:-

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability. The right-of-use assets are depreciated using the straight-line method from the commencement date over the term of useful life of right-of-use asset.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. Company has no borrowing, as such 3 year SBI MCLR rate 7.30% and 8.05% has been considered as weighted average incremental borrowing rate for calculation of present value of lease liability for the FY 2021-22 and 2020-21 respectively.

The Company has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

i) The following is the summary of practical expedients applied:

- I) The Company has used a single discount rate to a portfolio of leases with similar characteristics.
- II) Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application
- III) Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.

ii) Following are the changes in the carrying value of right of use assets for the year ended March 31, 2022:

₹ in crore

Particulars	Category of ROU Assets			Total
	Land	Building	Residential Quarters	
<b>Balance as at April 1, 2021</b>	1.89	16.00	3.83	21.72
Additions	0.01	1.12	-	1.13
Deletion	(0.01)	-	-	(0.01)
Adjustment	-	-	-	-
Depreciation	(0.48)	(2.74)	(0.25)	(3.47)
<b>Balance as at March 31, 2022</b>	<b>1.41</b>	<b>14.38</b>	<b>3.58</b>	<b>19.37</b>

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2021:

₹ in crore

Particulars	Category of ROU Assets			Total
	Land	Building	Residential Quarters	
<b>Balance as at April 1, 2020</b>	1.62	17.29	4.08	22.99
Additions	0.69	2.03	-	2.72
Deletion	-	-	-	-
Adjustment	(0.01)	(0.33)	-	(0.34)
Depreciation	(0.41)	(2.99)	(0.25)	(3.65)
<b>Balance as at March 31, 2021</b>	<b>1.89</b>	<b>16.00</b>	<b>3.83</b>	<b>21.72</b>

Depreciation on right-of-use assets is as follows:

₹ in crore

Description	Year Ended 31.03.2022	Year Ended 31.03.2021
Land	0.48	0.41
Building	2.74	2.99
Residential qtrs.	0.25	0.25
<b>Total</b>	<b>3.47</b>	<b>3.65</b>

iii) The following is the break-up of current and non-current lease liabilities:

₹ in crore

Particulars	As on 31.03.2022	As on 31.03.2021
Current lease liabilities	2.27	2.00
Non-current lease liabilities	0.67	2.17
<b>Total</b>	<b>2.94</b>	<b>4.17</b>

iv) The following is the movement in lease liabilities:

₹ in crore

Particulars	As on 31.03.2022	As on 31.03.2021
<b>Opening Balance</b>	4.17	7.21
Additions	1.13	2.72
Finance cost accrued during the period	0.30	0.42
Payment of lease liabilities	(2.65)	(5.81)
Adjustment	(0.01)	(0.37)
<b>Closing Balance</b>	<b>2.94</b>	<b>4.17</b>

- v) The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

Particulars	₹ in crore	
	As on 31.03.2022	As on 31.03.2021
Less than one year	2.40	2.25
One to five years	0.68	2.29
More than five years	-	-
<b>Total</b>	<b>3.08</b>	<b>4.54</b>

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

- vi) During the year ended 31 March 2022, the Company incurred expenses amounting to ₹12.73 crore (Previous year ₹ 11.42 crore) on accounts of short-term leases and leases of low-value assets. For the year ended 31 March 2022, the total cash outflows for leases, including short-term leases and low-value assets amounted to ₹15.37 crore (Previous year ₹ 17.24 crore).
- vii) ROU Assets includes staff quarters at Liluah Howrah, Kolkata from Indian Railways, for which lease has been expired in the month of March, 2009. The extension has been sought from Indian Railways.
- viii) The Company does not have any lease restrictions and commitment towards variable lease rent as per the contract.
- ix) The Company has no commitments towards Leases yet to be commenced as on 31.03.2022.
- x) The Company has not sub-leased any of the assets taken on lease.

**b) Company as a lessor:-**

**i) Operating Lease: As Lessor**

- I) The Company has leasing arrangement of locomotives in domestic market mainly on cancelable basis which includes providing services of its experts for maintenance of these locomotives for which lease rent is received from the clients as per terms of the contracts.

New & In-Service Locomotives (refer note no.2)

Description	₹ in crore	
	31.03.2022	31.03.2021
Gross carrying amount	402.36	377.24
Accumulated depreciation	(189.57)	(147.80)
Net carrying amount	212.79	229.44
Depreciation provided for the year	41.77	30.85

- II) The Company has leased out one flat at Asian Games Village Complex, New Delhi to Land Port Authority of India (super area of 177.37 sq.m.).

Description	₹ in crore	
	31.03.2022	31.03.2021
Gross carrying amount	0.15	0.15
Accumulated depreciation	(0.10)	(0.10)
Net carrying amount	0.05	0.05
Depreciation provided for the year	0.00	0.00

- c) The Company does not envisage any contraction in demand which could result in significant down-sizing of its business operations. Due to COVID-19 there is no change in terms of leases which Company has entered as lessee as well as lessor.

### 53. Indian Accounting Standard (Ind AS) 12, Disclosures on Income Taxes are as follows:

The Company opted to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as promulgated by the GOI vide the Taxation Laws (Amendment) Ordinance, 2019 and accordingly Corporate tax rate of 25.168% (Income tax 22%+Surcharge 10%+Higher Education Cess 4%) has been considered for the purpose of provision for taxes and measuring the deferred tax assets / liabilities in the books of accounts.

#### a) Income tax expense in the Statement of Profit & Loss comprises:

Particulars	Year ended	
	31.03.2022	31.03.2021
	₹ in crore	
<b>Income Tax Expenses:</b>		
- Current Taxes	178.57	144.14
- Earlier Years (Net)	11.54	(3.63)
<b>Sub Total - A</b>	<b>190.11</b>	<b>140.51</b>
Tax on Other Comprehensive Income (OCI)- B	0.25	1.70
Tax on Buy Back Expenses-C	-	(0.33)
<b>Sub Total -D= (A+B+C)</b>	<b>190.36</b>	<b>141.88</b>
Deferred Tax (Net) – Prior Periods	(6.47)	(0.42)
Deferred Tax (Net) – Current Years	(6.18)	(2.09)
<b>Sub Total -E</b>	<b>(12.65)</b>	<b>(2.51)</b>
<b>Total - F=D+E</b>	<b>177.71</b>	<b>139.37</b>

Entire deferred income tax for the year ended 31<sup>st</sup> March, 2022 and 31<sup>st</sup> March, 2021 relates to origination and reversals of temporary differences.

#### b) The reconciliation of the Income Tax Expenses to the computed expected tax expenses for the year by applying the statutory income tax rate to the profit Before Taxes is summarized below:

Particulars	Year ended	
	31.03.2022	31.03.2021
	₹ in crore	
Profit before Tax	674.56	562.35
Enacted Tax Rates in India on Normal Income	25.17%	25.17%
Enacted Tax Rates in India on LTCC	23.30%	23.30%
Special Enacted Tax Rates in India on Dividend from foreign Company	17.47%	17.47%
<b>Computed Expected Tax Expense</b>	<b>169.77</b>	<b>141.53</b>
Tax effect of Income Exempted from Taxation	(3.25)	(3.62)
Tax effect due to deductible temporary differences	0.08	1.16
Tax effect due to earlier period taxes	5.08	(4.05)
Tax Effect due to claim of Expenditure not charged to Statement of Profit and Loss	-	(2.12)
Additional Tax Effect due to Income from House Property and other sources	(0.01)	(0.01)
Tax effect of Non-Deductible Expenditures for determining taxable Profit	3.61	3.47
Tax effect due to income from joint operations	2.18	1.31
<b>Income tax expenses (including tax effect on OCI) for the year</b>	<b>177.46</b>	<b>137.67</b>
Tax effect due to OCI	0.25	1.70
<b>Current Tax Expense for the year</b>	<b>177.71</b>	<b>139.37</b>

#### c) Details of income tax assets and liabilities as of 31<sup>st</sup> March, 2022 and 31<sup>st</sup> March, 2021 are as follows:

Particulars	As on	
	31.03.2022	31.03.2021
	₹ in crore	
Income Tax Assets	228.90	210.09
Less: Current income tax liabilities	178.83	145.52
<b>Net Current Income Tax Assets/(Liability) at the end</b>	<b>50.07</b>	<b>64.57</b>

- d) The gross movement in the current income tax asset/(liability) for the year ended 31<sup>st</sup> March, 2022 and 31<sup>st</sup> March, 2021 is as follows:

₹ in crore

Particulars	Year ended	
	31.03.2022	31.03.2021
Net current income tax Asset/(Liability) at the beginning of the year	64.57	106.76
Current Income Tax on OCI	(0.25)	(1.70)
Current Income Tax on Buy Back expenses	-	0.33
Income Tax paid	175.86	99.69
Current income tax expense	(190.11)	(140.51)
<b>Net Current Income Tax Asset/(Liability) at the end of the year</b>	<b>50.07</b>	<b>64.57</b>

- e) Tax effects of significant temporary differences that resulted in deferred income tax asset and liabilities are as follows:

₹ in crore

Particulars	As on	
	31.03.2022	31.03.2021
<b>Deferred Income Tax Assets:</b>		
Accrued Compensation to Employees	23.87	21.79
Provisions for Doubtful Debts, Security Deposits/EMD, Advances etc.	31.80	32.89
Provision for warranty	11.33	-
Lease Liability for ROU Assets	0.74	1.05
<b>Total Deferred Income Tax Assets - I</b>	<b>67.74</b>	<b>55.73</b>
<b>Deferred Income Tax Liabilities:</b>		
Depreciation on Property Plant & Equipment and Intangible Assets	13.92	16.08
Interest Accrued on Income Tax Refund	1.51	-
Unrealised Short-term Gain (Loss) on Mutual Funds	0.06	0.05
<b>Total Deferred Income Tax Liabilities - II</b>	<b>15.49</b>	<b>16.13</b>
Deferred Income Tax Assets after set off	52.25	39.60
Deferred Income Tax Liabilities after set off	-	-

Deferred tax assets and liabilities have been offset wherever the Company has a legally enforceable right to set off current tax assets against current tax liabilities and where the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority.

The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the year in which the temporary differences become deductible. Management considers the scheduled reversals of deferred income tax liabilities, projected future taxable income and tax planning strategies in making the assessment.

Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, management believes that the group will realize the benefits of those deductible differences. The amount of deferred income tax assets considered realizable could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

- f) The gross movement in the deferred income tax account for the year ended 31<sup>st</sup> March, 2022 and 31<sup>st</sup> March, 2021 are as follows:

₹ in crore

Movement during the year ended 31.03.2022	As on 31.03.2021	Recognised in Profit and Loss	Recognised in OCI	As on 31.03.2022
<b>Tax Effect of items constituting deferred Tax Liabilities</b>				
(i) Property, Plant & Equipments	16.08	(2.16)	-	13.92
(ii) Interest on Income Tax Refund Accrued but not received		1.51	-	1.51
(iii) Unrealised Short term Gain (Loss) on Mutual Funds	0.05	0.01	-	0.06
<b>TOTAL-A</b>	<b>16.13</b>	<b>(0.64)</b>	<b>-</b>	<b>15.49</b>

₹ in crore

Movement during the year ended 31.03.2022	As on 31.03.2021	Recognised in Profit and Loss	Recognised in OCI	As on 31.03.2022
<b>Tax Effects of Items Constituting deferred Tax Assets</b>				
(i) Provisions for Leave Encashment of Employees	21.30	2.25	-	23.55
(ii) Provision for superannuation Medical	0.32	(0.13)	-	0.19
(iii) Other Employee Benefits	0.17	(0.04)	-	0.13
(iv) Prov. For Doubtful Debts & Advances	32.89	(1.09)	-	31.80
(v) Provision for warranty	-	11.33	-	11.33
(vi) Lease Liability for ROU Assets	1.05	(0.31)	-	0.74
<b>TOTAL-B</b>	<b>55.73</b>	<b>12.01</b>	<b>-</b>	<b>67.74</b>
<b>Deferred Tax (Assets)/ Liabilities (A-B)</b>	<b>(39.60)</b>	<b>(12.65)</b>	<b>-</b>	<b>(52.25)</b>

The composition of deferred assets relating to temporary difference during the year ended March 31,2022 are primarily on account of property and equipment, Trade receivable and compensation to employees and provision for warranty.

The gross movement in the deferred income tax account for the year ended 31<sup>st</sup> March, 2021 and 31<sup>st</sup> March, 2020 are as follows:

₹ in crore

Movement during the year ended 31.03.2021	As on 31.03.2020	Recognised in Profit and Loss	Recognised in OCI	As on 31.03.2021
<b>Tax Effect of items constituting deferred Tax Liabilities</b>				
(i) Property, Plant & Equipments	11.64	4.44	-	16.08
(ii) Interest on Income Tax Refund Accrued but not received	1.61	(1.61)	-	-
(iii) Donation to PM Cares Fund	1.76	(1.76)	-	-
(iv) Unrealised Short term Gain (Loss) on Mutual Funds	-	0.05	-	0.05
<b>TOTAL-A</b>	<b>15.01</b>	<b>1.12</b>	<b>-</b>	<b>16.13</b>
<b>Tax Effects of Items Constituting deferred Tax Assets</b>				
(i) Provisions for Leave Encashment of Employees	19.80	1.50	-	21.30
(ii) Provision for superannuation Medical	0.73	(0.41)	-	0.32
(iii) Other Employee Benefits	0.19	(0.02)	-	0.17
(iv) Prov. For Doubtful Debts & Advances	31.38	1.51	-	32.89
(v) Lease Liability for ROU Assets	-	1.05	-	1.05
<b>TOTAL-B</b>	<b>52.10</b>	<b>3.63</b>	<b>-</b>	<b>55.73</b>
<b>Deferred Tax (Assets)/ Liabilities (A-B)</b>	<b>(37.09)</b>	<b>(2.51)</b>	<b>-</b>	<b>(39.60)</b>

The composition of deferred assets relating to temporary difference during the year ended March 31,2021 is primarily on account of property and equipment, Trade receivable and compensation to employees.

#### 54. Indian Accounting Standard (Ind AS)1, Disclosures on Presentation of Financial Statements are as follows:

##### a) Reclassifications and comparative figures

Certain reclassifications have been made to the comparative period's financial statements to enhance the comparability with the current year's financial statements

As a result, certain items have been reclassified in the balance sheet, the details of which are as under:

##### i) Items of balance sheet before and after reclassification for the year ended 31<sup>st</sup> March, 2021

₹ in crore

Particulars	Before Reclassification	Reclassification	After Reclassification
<b>NON CURRENT ASSETS</b>			
Loans	13.71	(3.85)	9.86
Other Financial Assets	91.14	3.85	94.99
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents-Clients Fund	694.94	(0.01)	694.93
Other bank balances-Clients Fund	1740.80	(6.11)	1734.69
Loans	21.31	(14.31)	7.00
Other Financial Assets	170.71	20.43	191.14

Particulars	₹ in crore		
	Before Reclassification	Reclassification	After Reclassification
<b>CURRENT LIABILITIES</b>			
<b>Trade Payable</b>			
- Total outstanding Dues of Micro Enterprises and Small Enterprises	8.85	(0.08)	8.77
- Total outstanding Dues Other Than Micro Enterprises and Small Enterprises	222.51	58.58	281.09
Other Financial Liabilities	2494.98	(119.06)	2375.92
Provisions	36.90	60.56	97.46

ii) Items of statement of Profit and Loss before and after reclassification for the year ended 31<sup>st</sup> March, 2021

Particulars	₹ in crore		
	Before Reclassification	Reclassification	After Reclassification
Revenue from Operations	1797.39	45.76	1843.15
Other income	150.16	(45.76)	104.40

iii) Items of statement of Cash Flow before and after reclassification for the year ended 31<sup>st</sup> March, 2021

Particulars	₹ in crore		
	Before Reclassification	Reclassification	After Reclassification
Net Cash flow from Operating activities	468.15	0.03	468.18
Net Cash flow from Investing activities	198.88	0.31	199.19
Net Cash flow from Financing activities	(691.58)	(0.34)	(691.92)

#### b) Subsequent Event-Dividend

Company has proposed a sum of ₹ 84.11crore (₹ 3.50 per share to 24.03 crore equity shares) as final dividend for FY 2021-22 subject to approval of shareholders in Annual General Meeting. If approved, the dividend would result in a cash outflow of ₹ 84.11 crore.

### 55. Disclosure as per regulation 34(3) of listing agreements with the stock exchange

Particulars	Financial Year	₹ in crore	
		Outstanding balance	Maximum amount due during the year
<b>Investment in Subsidiaries</b>			
(i) REMC Limited	31.03.2022	35.70	35.70
	31.03.2021	35.70	35.70
(ii) RITES (Afrika) (Pty) Limited., Botswana	31.03.2022	0.01	0.01
	31.03.2021	0.01	0.01
<b>Investment in Joint Ventures</b>			
(i) SAIL-RITES Bengal Wagon Industry Private Limited	31.03.2022	24.00	24.00
	31.03.2021	24.00	24.00
(ii) Indian Railway Stations Development Corporation Limited	31.03.2022	48.00	48.00
	31.03.2021	48.00	48.00
<b>Loans &amp; advances to Subsidiaries</b>			
(i) REMC Limited.	31.03.2022	-	-
	31.03.2021	-	-
(ii) RITES (Afrika) (Pty) Limited., Botswana	31.03.2022	-	-
	31.03.2021	-	-
<b>Loans &amp; advances to Joint Ventures</b>			
(i) SAIL-RITES Bengal Wagon Industry Private Limited	31.03.2022	-	3.45
	31.03.2021	3.45	6.94
(ii) Indian Railway Stations Development Corporation Limited	31.03.2022	-	-
	31.03.2021	-	-



## 56. Capital Management:

The Company's objective for capital management is to maximize shareholders value, safeguard business continuity and support the growth of the Company. The Company determines the capital requirement based on annual operating plans and long-term and other strategic investment plans. The funding requirements are primarily being met through operating cash flows generated.

## 57. Other Disclosures:

### a) Impact of COVID-19:

The Company has considered the possible effects that may result from COVID-19 on the carrying amounts of financial assets, inventory, receivables, loans and advances, property, plant and equipment, intangibles etc as well as liabilities accrued. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Company has used internal and external information. Having reviewed the underlying data and based on current estimates, Company does not expect any material impact on the carrying amount of these assets and liabilities. The Company will continue to closely monitor any material changes in future economic conditions due COVID-19.

b) Ministry of Railway (MoR) vide letter dated 18.10.2021 has decided in principle for closure of Indian Railway Station Development Corporation Limited (IRSDC), in which Company has an investment of ₹48 crore. Closure activities are underway and Board of IRSDC has decided to transfer the assets & liabilities of IRSDC to Rail Land Development Authority on slump sale basis (excluding investment in Subsidiary & Associate of IRSDC) for consideration not less than book value. Financial statement of IRSDC has been prepared on liquidation basis. As at 31.03.2022, IRSDC has reported a net worth of ₹221 crore, out of which 24% share i.e. ₹53 crore belongs to RITES, therefore management does not perceive any impairment in the value of investment in IRSDC.

c) Assets and liabilities are classified between current and non-current considering 12 months period as operating cycle.

d) Information on CSR expenditure:

i) Gross amount required to be spent including advances given during the year 2021-22 ₹13.87 crore (previous year 2020-21 ₹ 13.40 crore).

ii) Expenditure incurred including advance on CSR during the year on:

Particulars	₹ in crore					
	Amount Paid		Unspent Amount		Total	
	2021-22	2020-21	2021-22*	2020-21	2021-22	2020-21
(i) Construction/ acquisition of any asset		-	-	-		-
(ii) On purposes other than (i) above**	9.63	13.41	4.27	-	13.90	13.41
<b>Total</b>	<b>9.63</b>	<b>13.41</b>	<b>4.27</b>	<b>-</b>	<b>13.90</b>	<b>13.41</b>

\*Unspent amount of ₹ 4.27 crore has been deposited in dedicated bank account as per CSR rules on dated: 19.04.2022,

\*\* Includes following expenditure on account of admin overhead and capacity building

(a) Salary Expenses ₹ 0.45 crore (previous year ₹ 0.65 crore)

(b) Other Expense ₹ 0.01 crore (previous year ₹ 0.02 crore)

(iii) Details of unspent CSR amount of ongoing project in compliance with the provision of Section 135(6) of the Act

Unspent CSR	₹ in crore			
	Opening carrying amount	Addition during the year	Used during the year	Closing Carrying amount
As at 31.03.2022	-	4.27	-	4.27
As at 31.03.2021	-	-	-	-

- iv) Short fall other than ongoing projects of CSR – Nil (Previous Year- Nil)
- (v) Reasons for short fall other than ongoing projects of CSR – Not Applicable.
- (vi) Nature of CSR Activities: The primary focus of CSR activity is on creation of necessary infrastructure, and avenues for employment and income generation, and empowering the people by inclusion in economic mainstream and facilitating sustainable development of marginalized and under privileged sections of the society in and around areas of Company's operations and in backward regions or such other areas as may be defined by the Board. These infrastructure assets then can be taken over by local community/ NGOs/ SHGs for day-to-day operations and maintenance.

**e) Salary expenses and Travel expenses included in expenditure on Capital work in progress/Property, Plant & Equipment, and expenditure incurred during warranty period are as follows:**

Particulars	₹ in crore	
	Year Ended 31.03.2022	Year Ended 31.03.2021
Salary Expenses	5.10	5.71
Travel Expenses	0.25	0.14

**f) Details of dues to micro, small and medium enterprises as defined under The Micro, Small and Medium Enterprises Development Act, 2006\* are given on the basis of information available with the management.**

Sl. No.	Particulars	₹ in crore	
		As on 31.03.2022	As on 31.03.2021
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	26.35	8.85
	- Interest due on above	-	-
B	The amount of interest paid by the buyer in terms of Section 16 of The Micro, Small and Medium Enterprises Development Act, 2006, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
C	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding the interest specified under The Micro, Small and Medium Enterprises Development Act, 2006.	-	0.07
D	The amount of interest due and remaining unpaid at the end of each accounting year	-	-
E	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of The Micro, Small and Medium Enterprises Development Act, 2006.	-	-

\*The Company identify supplier registered under The Micro, Small and Medium Enterprises Development Act, 2006, by obtaining confirmations from all suppliers at the time of issue of tender. Information has been collated only to the extent of information received.

**g) Disclosure of Capital Work in Progress**

**(i) Ageing as on 31.03.2022**

CWIP Project	₹ in crore				
	Less than 1 year	1 year- 2 years	2 Years- 3 years	More than 3 Years	Total*
Projects in progress	45.45	11.29	1.04	0.23	58.01

**(ii) Capital Work in Progress Completion Schedule as on 31.03.2022 in case completion is overdue or has exceeded its cost.**

₹ in crore

Particulars	Capital Work-in-progress to be completed in				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
<b>Projects in Progress</b>					
Renovation of flats & Guest House at Nestle Apartments, P.B. Marg, Near Bombay Dyeing, Lower Parel-Mumbai	0.58	-	-	-	0.58
Residential cum Guest House at Plot No.V-37/13 in DLF City, Phase-III, Gurugram	3.92	-	-	-	3.92
<b>Total</b>	<b>4.50</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4.50</b>

**(iii) Ageing as on 31.03.2021**

₹ in crore

CWIP Project	Less than 1 year	1 year- 2 years	2 Years- 3 years	More than 3 Years	Total*
Projects in progress	14.20	1.04	0.06	0.18	15.48

**(iv) Capital Work in Progress Completion Schedule as on 31.03.2021 in case completion is overdue or has exceeded its cost.**

₹ in crore

Particulars	Capital Work-in-progress to be completed in				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
<b>Projects in Progress</b>					
-Installation of Equipments in Conference & Board Room, 6 <sup>th</sup> Floor, Shikhar, RITES Bhawan, Plot No.1, Sector-29, Gurugram	2.05	-	-	-	2.05
<b>Total</b>	<b>2.05</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2.05</b>

\*Refer Note no.3 for Capital Work in progress schedule.

**h) Title deeds of Immovable property not held in the name of the company:**
**(i) Lease deeds of Right-of Use Assets not held in the name of the Company as on 31.03.2022**

₹ in crore

S. No.	Relevant line item in Balance sheet	Description of item of Property	Gross carrying value	Held in name of	Whether promoter director or their relative or employee	Period held- indicate range	Reason for not being held in name of Company
1	Right-of Use Assets	Office Building at central Metro Railway Building, 2 <sup>nd</sup> & 3 <sup>rd</sup> floor, Kolkata-700012	1.32	Indian Railway	Yes	From 12.01.2000	This property was on long term lease for 30 years, while depositing the initial amount with Metro Railway, RITES had written for execution of deed but no response was received from other side.
2	Right-of Use Assets	Testing Laboratory at 52A & 52B, C. R. Avenue, Kolkata-700012	0.46	Indian Railway	Yes	Since June, 2000	This property was on long term lease for 30 years, while depositing the initial amount with Metro Railway, RITES had written for execution of deed but no response was received from other side.

₹ in crore

S. No.	Relevant line item in Balance sheet	Description of item of Property	Gross carrying value	Held in name of	Whether promoter director or their relative or employee	Period held- indicate range	Reason for not being held in name of Company
3*	Right-of Use Assets	House no- Belur shed No 14, JL No 15, PS-Bally, Dist Howrah, Plot No-2206 at Liluah	0.00	Indian Railway	Yes	From 03.03.1984	This property was on long term lease for 25 years, while depositing the initial amount with Eastern Railway, RITES had written for execution of deed but no response was received from other side.
4	Right-of Use Assets	Office Building at DLF Cyber City, Bhubaneswar	5.43	DLF	No	Since 29.03.2017	Lease deed execution under process

## ii) Lease deeds of Right-of Use Assets not held in the name of the Company as on 31.03.2021

₹ in crore

S. No.	Relevant line item in Balance sheet	Description of item of Property	Gross carrying value	Held in name of	Whether promoter director or their relative or employee	Period held- indicate range	Reason for not being held in name of Company
1	Right-of Use Assets	Office Building at central Metro Railway Building, 2 <sup>nd</sup> & 3 <sup>rd</sup> floor, Kolkata-700012	1.32	Indian Railway	Yes	From 12.01.2000	This property was on long term lease for 30 years, while depositing the initial amount with Metro Railway, RITES had written for execution of deed but no response was received from other side.
2	Right-of Use Assets	Testing Laboratory at 52A & 52B, C.R.Avenue, Kolkata-700012	0.46	Indian Railway	Yes	Since June, 2000	This property was on long term lease for 30 years, while depositing the initial amount with Metro Railway, RITES had written for execution of deed but no response was received from other side.
3	Right-of Use Assets	House no- Belur shed No 14, JL No 15, PS-Bally, Dist Howrah, Plot No-2206 at Liluah	0.00	Indian Railway	Yes	From 03.03.1984	This property was on long term lease for 25 years, while depositing the initial amount with Eastern Railway, RITES had written for execution of deed but no response was received from other side.
4	Right-of Use Assets	Office Building at DLF Cyber City, Bhubaneswar	5.43	DLF	No	Since 29.03.2017	Lease deed execution under process

\*Property at Liluah Howrah, Kolkata is carrying at a gross carrying value of ₹ 1 in the books of accounts.

**iii) Title deeds of Property, Plant & Equipment not held in the name of the Company as on 31.03.2022**

₹ in crore

S. No.	Relevant line item in Balance sheet	Description of item of Property	Gross carrying value	Held in name of	Whether promoter director or their relative or employee	Period held- indicate range	Reason for not being held in name of Company
1	Property, Plant & Equipment	Land at Plot No.5, Gomti Nagar Extension, Lucknow	4.22	Lucknow Development Authority	No	Since 27.06.2019	Registration is pending due to litigation on payment of stamp duty.

**ii) Title deeds of Property, Plant & Equipment not held in the name of the Company as on 31.03.2021**

₹ in crore

S. No.	Relevant line item in Balance sheet	Description of item of Property	Gross carrying value	Held in name of	Whether promoter director or their relative or employee	Period held- indicate range	Reason for not being held in name of Company
1	Property, Plant & Equipment	Land at Plot No.5, Gomti Nagar Extension, Lucknow	4.22	Lucknow Development Authority	No	Since 27.06.2019	Registration is pending due to litigation on payment of stamp duty.

**i) Disclosure on financial ratios:**

Particulars	Numerator	Denominator	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021	Variance
Current Ratio	Current Assets (excluding client funds)	Current Liabilities (excluding client deposits)	3.85	2.90	33% *
Debt-Equity Ratio #	Total Debt	Shareholder's Equity	NA	NA	NA
Debt Service Coverage Ratio #	Earnings available for Debt Service	Debt Service	NA	NA	NA
Return on Equity	Net Profit after Taxes	Average Shareholder's Equity (excluding Other Comprehensive Income)	21.02%	17.3%	22%
Inventory Turnover Ratio	Cost of Goods Sold	Average Inventory (Net of provisions)	3.11	0.36	760% **
Trade Receivable Turnover Ratio	Revenue from operations (excluding unbilled and other operating revenue)	Average Trade Receivable (Net of provisions)	4.00	2.48	62% ***
Trade Payables Turnover Ratios	Purchases and other expenses	Average Trade Payables	4.89	5.05	-3%

Particulars	Numerator	Denominator	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021	Variance
Net Capital Turnover Ratio	Total income	Working Capital (excluding client funds and client deposits)	1.85	1.29	44% ****
Net Profit Ratio	Net Profit	Total Income	19%	22%	-14%
Return on Capital Employed	Earnings before interest and taxes	Capital Employed (excluding Other Comprehensive Income)	29%	25%	17%
Return on Investment ##	Income generated from Investments	Time weighted average investments			
- Liquid Funds			3.51%	3.76%	-7%
- Fixed Deposits			5.62%	6.37%	-12%
- Bonds			7.51%	7.51%	-

# The company is debt free. Lease liability recognized as per Ind-AS 116 has not been considered as debt.

## Return on Investment is not calculated on strategic investments in subsidiaries, joint ventures and other long term equity instruments.

\*Improvement in current ratio due to reduction in liability mainly on account of adjustment of advance from client against export during FY 2021-22

\*\* The lower inventory turnover ratio due to higher inventory as on 31.03.2021 as export sale could not be materialized due to COVID-19 during FY 2020-21.

\*\*\* The COVID-19 outbreak has significantly impacted overall infrastructure development resultant revenue from operation of the company got impacted and due to reduction in revenue from operations, trade receivable turnover ratio was lower during FY 2020-21.

\*\*\*\* The COVID-19 outbreak has significantly impacted overall business of the company resultant decrease in total income of the company during FY 2020-21 and therefore, lower net capital turnover ratio.

- J) Land for office building at Gomati Nagar Extension, Lucknow allotted by Lucknow Development Authority (LDA) having a total cost of ₹ 4.22 crore is yet to be registered in the name of the Company due to dispute of stamp duty . However, physical possession of the land has been with the Company w.e.f. 27<sup>th</sup> June, 2019. An amount of ₹1.17 crore on account of disputed stamp duty is included in contingent liability (Refer note no.47(b)(i)(III)(C).)
- k) 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

Figure in ₹

Description	NOTE NO.	As on 31.03.2022	As at 31.03.2021
<b>Non-current investment</b>			
(i) Moru Mahal Co-operative Society Limited	7	250.00	250.00
(ii) Amit Industrial Premises Co-operative Society Limited		500.00	500.00
(iii) Regent Chambers Premises Co-operative Society Limited		500.00	500.00
(iv) Elicius Energy Private Limited		15730.00	15730.00

- l) Balances shown under trade receivable, advances and trade payables including Indian Railway are subject to confirmation / reconciliation/ adjustment, if any. The Company has been sending letters for confirmation to parties. However, the Company does not expect any material dispute w.r.t. the recoverability/payment of the same.

In the opinion of the management, the value of current assets, loans and advances on realization in the ordinary course of business, will not be less than the value at which these are stated in the balance sheet.

- m) Information as regard to loans, investments made as required under section 186(4) of the Companies Act, 2013 have been given vide note no. 7,8, 16 & 17.

- n) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- o) No funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- p) The Code on Social Security, 2020 ("the Code") relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the code becomes effective.

**q) Recent pronouncements**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1<sup>st</sup>, 2022, as below:

**Ind AS 103 – Reference to Conceptual Framework**

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

**Ind AS 16 – Proceeds before intended use**

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the Company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

**Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract**

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

**Ind AS 109 – Annual Improvements to Ind AS (2021)**

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

**Rahul Mithal**

Chairman & Managing Director  
and Chief Executive Officer  
DIN: 07610499

For and on behalf of the Board

**Bibhu Prasad Nayak**

Director Finance & Chief Financial Officer  
DIN: 08197975

**Joshit Ranjan Sikidar**

Company Secretary  
M.No. : ACS 32442

As per our report of even date attached

**For J C BHALLA & COMPANY**

Chartered Accountants  
Firm Registration No. 001111N

**(ANSHUMAN MALLICK)**

Partner  
Membership No. 547705

Place : Gurugram  
Dated : 24<sup>th</sup> May, 2022

## 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 2022.

The preparation of financial statements of RITES Limited for the year ended 31 March 2022 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the Company. The Statutory Auditor appointed by the Comptroller and Auditor General of India under Section 139 (5) of the Act is responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under Section 143 (10) of the Act. This is stated to have been done by them vide their Audit Report dated 24 May 2022.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of RITES Limited for the year ended 31 March 2022 under Section 143(6) (a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditor and is limited primarily to inquiries of the Statutory Auditor and company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditor's report under Section 143(6) (b) of the Act.

For and on the behalf of the  
Comptroller & Auditor General of India

**Vikram D. Murugaraj**  
Principal Director of Audit  
Railway Commercial, New Delhi

Place: New Delhi  
Dated: 29.07.2022



# INDEPENDENT AUDITORS' REPORT

To the Members of RITES Limited

## Report on the Audit of the Consolidated Financial Statements

### Opinion

We have audited the accompanying Consolidated Financial Statements of RITES Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), and its jointly controlled entities, which comprise the Consolidated Balance Sheet as at March 31, 2022, and the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the consolidated statement of changes in equity and the consolidated cash flows statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory statement (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its jointly controlled entities as at March 31, 2022, the consolidated profit including other comprehensive income, consolidated statement of changes in equity and its consolidated cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group and its jointly controlled entities in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Consolidated

Financial Statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

### Emphasis of Matter

- (i) We draw attention to note no. 62(a) to the Consolidated Financial Statements, which describes that the Group has evaluated possible impact that may result from COVID 19 pandemic on the carrying value of its assets and liabilities as at March 31, 2022. Based on the underlying data and current estimates, the Group does not expect any material impact on the carrying amount of these assets and liabilities.
- (ii) We draw attention to note no. 62(b) to the Consolidated Financial Results wherein it is mentioned that the Financials Statements of one of the Jointly controlled entities, Indian Railway Stations Development Corporation Limited (IRSDC) have been prepared on liquidation basis and that the group does not perceive any impairment at present in the value of investments held by the group in IRSDC.

Our opinion is not modified in respect of these matters.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Sr. No.	Key Audit Matter	Auditor's Response
1	<p><b>Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in respect of Ind AS 115 "Revenue from Contracts with Customers" (revenue accounting standard).</b></p> <p>The application of the revenue accounting standard involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognized at a point in time or over time. Additionally, revenue</p>	<p>Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:</p> <ul style="list-style-type: none"> <li>• Evaluated the design of internal controls relating to implementation of the revenue accounting standard.</li> <li>• Selected a sample of contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry and observation and inspection of evidence in respect of operation of these controls.</li> </ul>

Sr. No.	Key Audit Matter	Auditor's Response
	<p>accounting standard contains disclosures which involves collation of information in respect of disaggregated revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.</p> <p>Refer Notes 1.2.1 and 56 to the Consolidated Financial Statements.</p>	<ul style="list-style-type: none"> <li>• Selected a sample of contracts and performed the following procedures: <ul style="list-style-type: none"> <li>■ Read, analysed and identified the distinct performance obligations in these contracts.</li> <li>■ Compared these performance obligations with that identified and recorded by the Group.</li> <li>■ Considered the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue and to test the basis of estimation of the variable consideration.</li> <li>■ Performed analytical procedures for reasonableness of revenues disclosed by type and service offerings.</li> </ul> </li> </ul>

### Information other than the Consolidated Financial Statements and Auditor's Report thereon

The holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Annual Report, but does not include the Consolidated Financial Statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of our audit report.

Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

### Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these Consolidated Financial Statements in terms of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group including its Jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and

detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its jointly controlled entities are responsible for assessing the ability of the Group and of its jointly controlled entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so. In the case of one of the jointly controlled entities IRSDC, its Board of Directors have decided to close its business and transfer/hand over the business to the promoters of IRSDC.

The respective Board of Directors of the companies included in the Group and of its jointly controlled entities are responsible for overseeing the financial reporting process of the Group and of its jointly controlled entities.

### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risk, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the holding Company has adequate internal financial controls with reference to the Consolidated Financial Statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and its jointly controlled entities ability to continue as a going concern. The financial statements of one of the jointly controlled entities IRSDC, have not been prepared on going concern basis but on an alternate basis i.e. liquidation basis refer note no. 62(b) to the consolidated financial statement and para (ii) given under the heading "Emphasis of Matter" paragraph of our report on the statement. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its jointly controlled entities to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its jointly controlled entities to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of holding company included in the Consolidated Financial Statements of which we are the Independent auditors. For the other entities included in the Consolidated Financial Statements, such other

auditors remains responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the holding company and such entities regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Other Matters

- (i) We did not audit the financial statements of two subsidiaries, whose financial statements reflect total assets of ₹272.71 crore as at March 31, 2022, total revenue of ₹97.69 crore, net profit after tax of ₹45.39 crore and net cash flows amounting to ₹12.01 crore for the year ended on that date, as considered in the consolidated financial statements. The Consolidated Financial Statements include the Group's share of net profit after tax (Including Other Comprehensive Income) of ₹0.78 crore for the year ended March 31, 2022, in respect of two jointly controlled entities. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and jointly controlled entities, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and jointly controlled entities, is based solely on the reports of the other auditors.
- (ii) Further, of these subsidiaries and jointly controlled entities, one subsidiary is located outside India whose financial statements and other financial information has been prepared in accordance with accounting principles generally accepted in Botswana and which have been audited by another auditor under generally accepted auditing standards applicable in Botswana. The Holding Company's management has converted the financial statements of such subsidiary located outside India from accounting principles generally accepted in Botswana to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion, in so far as it

relates to the financial information of such subsidiary located outside India, is based on the report of other auditor and the conversion adjustments prepared by the management of the Holding Company and audited by us.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 (the "Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on our audit on separate financial statements and the other financial information of the subsidiary company and jointly controlled companies incorporated in India, as noted in the 'Other Matter' paragraph, we give in the "Annexure I" a statement on the matters specified in paragraph 3(xxi) of the Order.
2. In terms of sub section (5) of section 143 of the Act, based on our audit and on the consideration of the report of the auditor of a subsidiary company, as referred in the 'Other Matters' paragraph we give in the **Annexure-II** a statement on the directions issued under the aforesaid section by the Comptroller and Auditor General of India.
3. As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditors on separate financial statements and the other financial information of subsidiaries and jointly controlled Companies, as referred in the 'Other Matters' paragraph we report, to the extent applicable, that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
  - (d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act;
- (e) In view of exemption given vide notification no. G.S.R. 463(E) dated 5<sup>th</sup> June, 2015, issued by Ministry of Corporate Affairs, provisions of Section 164(2) of the Act regarding disqualifications of Directors, are not applicable to the Holding Company and its subsidiaries. On the basis of the reports of the statutory auditors who are appointed under Section 139 of the Act, of its jointly controlled companies, none of the directors of the jointly controlled companies incorporated in India is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act;
- (f) With respect to the adequacy of internal financial controls with reference to the Consolidated Financial Statements of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure III;
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements and the other financial information of subsidiaries and jointly controlled Companies, as referred in the 'Other Matters' paragraph:
  - i. The Consolidated Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group and jointly controlled companies – Refer Note 51(b)(i) to the consolidated financial statements;
  - ii. The Group and jointly controlled entities did not have any material foreseeable losses on long-term contracts including derivative contracts;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiary companies and jointly controlled companies incorporated in India.
  - iv. a. The respective Managements of the Holding Company, its subsidiary Company and jointly controlled Companies which are Companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary Company and jointly controlled Companies respectively that, to the best of their knowledge and belief, as disclosed in note 62(m) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or its subsidiary Company and jointly controlled Companies to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the

understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or its subsidiary Company and jointly controlled Companies ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- b. The respective Managements of the Holding Company, its subsidiary Company and jointly controlled Companies which are Companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary Company and jointly controlled Companies respectively that, to the best of their knowledge and belief, as disclosed in note 62(n) to the consolidated financial statements, no funds have been received by the holding company or its subsidiary Company and jointly controlled Companies from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the holding company or its subsidiary Company and jointly controlled Companies shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- c. Based on the audit procedures that have been considered reasonable and appropriate in the circumstances and based on audit reports of other auditors, nothing has come to our notice that caused us to believe that the representations under sub-clause (i) and (ii) of

Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

- v. As stated in notes no. 22 and 59 (b) to the Consolidated Financial Statements and based on review of the reports of other auditors:
- i. The final dividend proposed in the previous year, declared and paid by the Holding Company and its subsidiary company during the year is in accordance with Section 123 of the Act, as applicable.
  - ii. The interim dividends declared and paid by the Holding Company during the year and until the date of this report are in compliance with Section 123 of the Act.
  - iii. The Board of Directors of the Holding Company, and its subsidiary company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable. The jointly controlled entities have neither declared dividend nor paid any dividend during the year.
4. In our opinion and to the best of our information and according to the explanations given to us, provisions of Section 197 of the Act are not applicable to the Group and its jointly controlled companies with respect to the managerial remuneration paid/provided during the year ended March 31, 2022.

**For J. C. Bhalla & Co.**

Chartered Accountants

Firm's Regn. No. 001111N

**(Anshuman Mallick)**

Partner

Membership No. 547705

UDIN: 22547705AJMGIF8259

Place: Gurugram

Date : May 24, 2022

## Annexure I referred to in paragraph 1 under the heading Report on other legal and regulatory requirements of our Report of even date on the Consolidated Financial Statements of RITES Limited

Qualifications or adverse remarks in the Companies (Auditors Report) Order (CARO) reports of the companies included in the consolidated financial statements who have been subject to audit are:

Sr. No.	Name	CIN	Holding company/ subsidiary/ step-down subsidiary	Clause number of the CARO report which is qualified or is adverse
1.	RITES Limited	L74899DL1974GOI007227	Holding Company	(xiv)(a)

**For J. C. Bhalla & Co.**

Chartered Accountants

Firm's Regn. No. 001111N

**(Anshuman Mallick)**

Partner

Membership No. 547705

UDIN: 22547705AJMGIF8259

Place: Gurugram

Date : May 24, 2022

## Annexure II to the Independent Auditor's Report referred to in paragraph 1 under the heading "Report on other Legal and Regulatory requirements" of our report of even date on the Consolidated Financial Statements of RITES Limited.

Report under Section 143 (5) of the Companies Act, 2013 in respect of RITES Limited on the Consolidated Financial Statements for the year ended March 31, 2022.

S. No.	Directions	Auditor's Comments
1.	Whether the Holding Company and a subsidiary Company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	Yes, the Holding Company has SAP system and a subsidiary Company has Tally ERP.9 software in place to process all the accounting transactions.  As per information and explanations given to us and during the course of our audit we have not come across the any accounting transactions which were outside the IT system and have financial implications.
2.	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/ interest etc. made by a lender to the company due to company's inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for? (In case, lender is a government company, then this direction is also applicable for statutory auditor of lender company).	According to the information and explanations given to us the Holding Company has not taken any loan. However, one of subsidiary Company has taken loan but there are no cases of waiver/write off of debts/loans/ interest etc.
3.	Whether funds (grants/subsidy etc.) received/receivable for specific schemes from Central/State government or its agencies were properly accounted for/utilized as per its terms and conditions? List the cases of deviation.	As per the information and explanations given to us the Holding Company and a subsidiary Company has not received any funds from Central/State government or its agencies for specific schemes during the year.

**For J. C. Bhalla & Co.**  
Chartered Accountants  
Firm's Regn. No. 001111N

**(Anshuman Mallick)**  
Partner  
Membership No. 547705  
UDIN: 22547705AJMGIF8259

Place: Gurugram  
Date: May 24, 2022

## **Annexure III to the Independent Auditor's Report referred to in paragraph 2(f) under the heading "Report on other Legal and Regulatory requirements" of our report of even date on the Consolidated Financial Statements of RITES Limited.**

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

In conjunction with our audit of the Consolidated Financial Statements of the Company as of and for the year ended March 31, 2022, we have audited the internal financial controls with reference to the Consolidated Financial Statements of RITES Limited (hereinafter referred to as "the Holding Company") and its subsidiary company and its jointly controlled companies, which are companies incorporated in India, as of that date.

### **Management's Responsibility for Internal Financial Controls**

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

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to the Consolidated Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to the Consolidated Financial Statements, and, both issued by 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 with reference to the Consolidated Financial Statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting with reference to the Consolidated Financial Statements and their operating effectiveness. Our audit of

internal financial controls over financial reporting with reference to the Consolidated Financial Statements included obtaining an understanding of such internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting with reference to the Consolidated Financial Statements.

### **Meaning of Internal Financial Controls over Financial Reporting with reference to the Consolidated Financial Statements**

A company's internal financial control over Financial Reporting with reference to the Consolidated Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

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

### **Inherent Limitations of Internal Financial Controls over Financial Reporting with reference to the Consolidated Financial Statements**

Because of the inherent limitations of internal financial controls over financial reporting with reference to the Consolidated Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to the Consolidated Financial Statements

to future periods are subject to the risk that the internal financial control over financial reporting with reference to the Consolidated Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors, as referred to in Other Matters paragraph, the Holding Company, its subsidiary company and its jointly controlled companies which are companies incorporated in India, have, in all material respects, an adequate internal financial controls with reference to the Consolidated Financial Statements and such internal financial controls were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

### Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to the Consolidated Financial Statements in so far as it relates to the one subsidiary company and two jointly controlled companies, which are the companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India. Our opinion is not modified in respect of this matter.

**For J. C. Bhalla & Co.**

Chartered Accountants  
Firm's Regn. No. 001111N

**(Anshuman Mallick)**

Partner

Place: Gurugram  
Date : May 24, 2022

Membership No. 547705  
UDIN: 22547705AJMGIF8259



# CONSOLIDATED BALANCE SHEET

as at March 31, 2022

₹ in crore

PARTICULARS	NOTE NO.	AS AT 31.03.2022	AS AT 31.03.2021
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
PROPERTY, PLANT AND EQUIPMENT	2	537.08	557.88
CAPITAL WORK IN PROGRESS	3	58.11	15.49
RIGHT OF USE ASSETS	4	20.15	22.54
INVESTMENT PROPERTY	5	0.05	0.05
INTANGIBLE ASSETS	6	2.61	4.02
INVESTMENT IN JOINT VENTURES APPLYING EQUITY METHOD	7	83.84	83.06
<b>FINANCIAL ASSETS</b>			
INVESTMENTS	8.1	45.04	95.04
LOANS	9	8.75	9.86
OTHER FINANCIAL ASSETS	10	225.29	96.21
DEFERRED TAX ASSETS (NET)	11	31.91	27.01
OTHER NON CURRENT ASSETS	12	148.06	112.32
		<b>1,160.89</b>	<b>1,023.48</b>
<b>CURRENT ASSETS</b>			
INVENTORIES	13	118.75	286.16
<b>FINANCIAL ASSETS</b>			
INVESTMENTS	8.2	75.92	110.77
TRADE RECEIVABLES	14	740.03	584.37
CASH AND CASH EQUIVALENTS-OWNED FUND	15.1	49.71	118.57
CASH AND CASH EQUIVALENTS-CLIENTS FUND	16.1	759.01	694.94
OTHER BANK BALANCES-OWNED FUND	15.2	657.94	806.30
OTHER BANK BALANCES-CLIENTS FUND	16.2	1,832.67	1,737.29
LOANS	17	3.49	7.00
OTHER FINANCIAL ASSETS	18	241.90	199.72
CURRENT TAX ASSETS (NET)	19	26.08	20.64
OTHER CURRENT ASSETS	20	156.08	244.05
		<b>4,661.58</b>	<b>4,809.81</b>
		<b>5,822.47</b>	<b>5,833.29</b>
<b>TOTAL ASSETS</b>			
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
EQUITY SHARE CAPITAL	21.2	240.30	240.30
OTHER EQUITY	22	2,248.34	2,151.67
EQUITY ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE COMPANY		2,488.64	2,391.97
NON-CONTROLLING INTERESTS	22.5	105.96	88.16
		<b>2,594.60</b>	<b>2,480.13</b>
<b>LIABILITIES</b>			
<b>NON CURRENT LIABILITIES</b>			
<b>FINANCIAL LIABILITIES</b>			
BORROWINGS	23	16.98	24.64
LEASE LIABILITIES	57(a)	0.67	2.17
OTHER FINANCIAL LIABILITIES	24	166.83	220.56
PROVISIONS	25	30.23	10.82
		<b>214.71</b>	<b>258.19</b>
<b>CURRENT LIABILITIES</b>			
<b>FINANCIAL LIABILITIES</b>			
BORROWINGS	26	7.67	7.74
LEASE LIABILITIES	57(a)	2.27	2.00
TRADE PAYABLES			
- TOTAL OUTSTANDING DUES OF MICRO ENTERPRISES AND SMALL ENTERPRISES	27	25.62	8.80
- TOTAL OUTSTANDING DUES OTHER THAN MICRO ENTERPRISES AND SMALL ENTERPRISES	27	155.47	287.58
OTHER FINANCIAL LIABILITIES	28	2,618.32	2,379.17
OTHER CURRENT LIABILITIES	29	116.65	311.98
PROVISIONS	30	87.16	97.70
		<b>3,013.16</b>	<b>3,094.97</b>
		<b>5,822.47</b>	<b>5,833.29</b>
<b>TOTAL EQUITY AND LIABILITIES</b>			
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS FORM AN INTEGRAL PART OF CONSOLIDATED FINANCIAL STATEMENTS	1-65		

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

For and on behalf of the Board  
**Bibhu Prasad Nayak**  
 Director Finance & Chief Financial Officer  
 DIN:08197975

**Joshit Ranjan Sikidar**  
 Company Secretary  
 M.No.: ACS 32442

As per our report of even date attached  
**For J C BHALLA & COMPANY**  
 Chartered Accountants  
 Firm Registration No. 001111N  
**(ANSHUMAN MALLICK)**  
 Partner  
 Membership No. 547705

Place : Gurugram  
 Dated :24<sup>th</sup> May, 2022

# CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2022

₹ in crore

PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2022	YEAR ENDED 31.03.2021
REVENUE FROM OPERATIONS	31	2,661.83	1,905.30
OTHER INCOME	32	83.45	99.72
<b>TOTAL INCOME</b>		<b>2,745.28</b>	<b>2,005.02</b>
<b>EXPENSES</b>			
EMPLOYEE BENEFITS EXPENSE	33	517.25	483.08
TRAVEL		42.53	31.42
SUPPLIES & SERVICES	34	592.71	687.02
PURCHASES FOR EXPORT		478.01	332.61
CHANGES IN INVENTORIES OF STOCK IN TRADE	35	150.83	(279.03)
GENERATION EXPENSES	36	7.89	8.20
FINANCE COSTS	37	7.25	6.01
DEPRECIATION & AMORTISATION EXPENSE	38	65.61	51.87
OTHER EXPENSES	39	148.82	92.36
<b>TOTAL EXPENSES</b>		<b>2,010.90</b>	<b>1,413.54</b>
<b>PROFIT BEFORE SHARE OF NET PROFIT/(LOSS) OF JOINT VENTURES</b>		<b>734.38</b>	<b>591.48</b>
SHARE OF NET PROFIT/(LOSS) OF JOINT VENTURES	40	0.72	1.07
<b>PROFIT BEFORE TAX</b>		<b>735.10</b>	<b>592.55</b>
TAX EXPENSES			
- CURRENT TAX	41	(201.42)	(146.55)
- DEFERRED TAX	42	4.90	(1.79)
<b>PROFIT AFTER TAX</b>		<b>538.58</b>	<b>444.21</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
ITEMS THAT WILL BE RECLASSIFIED SUBSEQUENTLY TO PROFIT & LOSS			
- FOREIGN CURRENCY TRANSLATION RESERVE		0.01	0.14
- INCOME TAX EFFECT		-	-
		<b>0.01</b>	<b>0.14</b>
ITEMS THAT WILL NOT BE RECLASSIFIED SUBSEQUENTLY TO PROFIT & LOSS			
- REMEASUREMENTS OF THE DEFINED BENEFIT LIABILITY/ASSET	45	1.01	6.76
- REMEASUREMENTS OF THE DEFINED BENEFIT LIABILITY/ASSET OF JOINT VENTURES		0.06	-
- INCOME TAX EFFECT		(0.25)	(1.70)
		<b>0.82</b>	<b>5.06</b>
<b>TOTAL OTHER COMPREHENSIVE INCOME (NET OF TAX)</b>		<b>0.83</b>	<b>5.20</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>539.41</b>	<b>449.41</b>
<b>PROFIT FOR THE YEAR ATTRIBUTABLE TO:</b>			
EQUITY SHAREHOLDERS OF THE COMPANY		516.37	432.38
NON-CONTROLLING INTERESTS		22.21	11.83
		<b>538.58</b>	<b>444.21</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO:</b>			
EQUITY SHAREHOLDERS OF THE COMPANY		517.20	437.58
NON-CONTROLLING INTERESTS		22.21	11.83
		<b>539.41</b>	<b>449.41</b>
<b>EARNING PER SHARE (EQUITY SHARE OF ₹ 10/- EACH) - BASIC</b>	49	₹ 21.49	₹ 17.54
<b>EARNING PER SHARE (EQUITY SHARE OF ₹ 10/- EACH) - DILUTED</b>	49	₹ 21.49	₹ 17.54
WEIGHTED AVERAGE NUMBER OF EQUITY SHARES USED IN COMPUTING EARNING PER SHARE		240,301,887	246,439,597

For and on behalf of the Board

**Rahul Mithal**Chairman & Managing Director  
and Chief Executive Officer  
DIN: 07610499**Bibhu Prasad Nayak**Director Finance & Chief Financial Officer  
DIN:08197975**Joshit Ranjan Sikidar**Company Secretary  
M.No. : ACS 32442

As per our report of even date attached

**For J C BHALLA & COMPANY**Chartered Accountants  
Firm Registration No. 001111N**(ANSHUMAN MALLICK)**Partner  
Membership No. 547705Place : Gurugram  
Dated :24<sup>th</sup> May, 2022

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2022

## A. EQUITY SHARE CAPITAL

₹ in crore

BALANCE AS AT 01.04.2021	CHANGES IN EQUITY SHARE CAPITAL DURING THE YEAR		BALANCE AS AT 31.03.2022
	ISSUE OF BONUS SHARES	BUY BACK OF EQUITY SHARES	
240.30	-	-	240.30

₹ in crore

BALANCE AS AT 01.04.2020	CHANGES IN EQUITY SHARE CAPITAL DURING THE YEAR		BALANCE AS AT 31.03.2021
	ISSUE OF BONUS SHARES	BUY BACK OF EQUITY SHARES	
250.00	-	(9.70)	240.30

## B. OTHER EQUITY

₹ in crore

PARTICULARS	OTHER EQUITY ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE COMPANY							TOTAL	NON-CONTROLLING INTERESTS	TOTAL
	RESERVE AND SURPLUS				OTHER COMPREHENSIVE INCOME	DISCONTINUED OPERATIONS	TOTAL			
	GENERAL RESERVE	RETAINED EARNINGS	CAPITAL RESERVE	CAPITAL REDEMPTION RESERVE	FOREIGN CURRENCY TRANSLATION RESERVE					
<b>BALANCE AS AT 01.04.2021</b>	1608.40	527.51	5.22	9.70	0.84	-	2,151.67	88.16	2,239.83	
PROFIT FOR THE YEAR		516.37					516.37	22.21	538.58	
OTHER COMPREHENSIVE INCOME (OCI)		0.82			0.01		0.83		0.83	
INTERIM DIVIDENDS (2021-22)		(324.41)					(324.41)		(324.41)	
FINAL DIVIDEND (2020-21)		(96.12)					(96.12)	(4.41)	(100.53)	
<b>BALANCE AT 31.03.2022</b>	<b>1,608.40</b>	<b>624.17</b>	<b>5.22</b>	<b>9.70</b>	<b>0.85</b>	<b>-</b>	<b>2,248.34</b>	<b>105.96</b>	<b>2,354.30</b>	
INTERIM DIVIDEND PER SHARE FOR 2021-22 (₹)	13.50	NUMBER OF SHARES USED IN COMPUTING DIVIDEND PER SHARE							240,301,887	
FINAL DIVIDEND PER SHARE FOR 2020-21 (₹)	4.00	NUMBER OF SHARES USED IN COMPUTING DIVIDEND PER SHARE							240,301,887	

₹ in crore

PARTICULARS	OTHER EQUITY ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE COMPANY							TOTAL	NON-CONTROLLING INTERESTS	TOTAL
	RESERVE AND SURPLUS				OTHER COMPREHENSIVE INCOME	DISCONTINUED OPERATIONS	TOTAL			
	GENERAL RESERVE	RETAINED EARNINGS	CAPITAL RESERVE	CAPITAL REDEMPTION RESERVE	FOREIGN CURRENCY TRANSLATION RESERVE					
<b>BALANCE AS AT 01.04.2020</b>	1926.23	456.86	0.00	0.00	0.70	(0.52)	2,383.27	81.48	2,464.75	
PROFIT FOR THE YEAR		432.38					432.38	11.83	444.21	
OTHER COMPREHENSIVE INCOME (OCI)		5.06			0.14		5.20		5.20	
BUY BACK EXPENSES	(1.31)						(1.31)		(1.31)	
TAX ON BUY BACK	0.33						0.33		0.33	
EXPENSES										
BUY BACK OF EQUITY	(247.30)						(247.30)		(247.30)	
SHARES										

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2022

₹ in crore

PARTICULARS	OTHER EQUITY ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE COMPANY						TOTAL	NON-CONTROLLING INTERESTS	TOTAL	
	RESERVE AND SURPLUS				OTHER					
	GENERAL RESERVE	RETAINED EARNINGS	CAPITAL RESERVE	CAPITAL REDEMPTION RESERVE	COMPREHENSIVE INCOME					
					DISCONTINUED OPERATIONS	FOREIGN CURRENCY TRANSLATION RESERVE				
TAX ON BUY BACK OF EQUITY SHARES	(59.85)						(59.85)		(59.85)	
ADJUSTMENT ON ACCOUNT OF WINDING UP		(0.52)				0.52	-		-	
TRANSFER TO CAPITAL REDEMPTION RESERVE FROM GENERAL RESERVE	(9.70)			9.70			-		-	
INTERIM DIVIDENDS (2020-21)		(216.27)					(216.27)		(216.27)	
FINAL DIVIDEND (2019-20)		(150.00)					(150.00)	(5.15)	(155.15)	
PRE-ACQUISITION PROFIT OF JOINT VENTURE			5.22				5.22		5.22	
<b>BALANCE AT 31.03.2021</b>	<b>1,608.40</b>	<b>527.51</b>	<b>5.22</b>	<b>9.70</b>	<b>0.84</b>	<b>-</b>	<b>2,151.67</b>	<b>88.16</b>	<b>2,239.83</b>	
INTERIM DIVIDEND PER SHARE FOR 2020-21 (₹)	9.00	NUMBER OF SHARES USED IN COMPUTING DIVIDEND PER SHARE								240,301,887
FINAL DIVIDEND PER SHARE FOR 2019-20 (₹)	6.00	NUMBER OF SHARES USED IN COMPUTING DIVIDEND PER SHARE								250,000,000

For and on behalf of the Board

**Rahul Mithal**

Chairman & Managing Director  
and Chief Executive Officer  
DIN: 07610499

**Bibhu Prasad Nayak**

Director Finance & Chief Financial Officer  
DIN:08197975

**Joshit Ranjan Sikidar**

Company Secretary  
M.No. : ACS 32442

As per our report of even date attached

**For J C BHALLA & COMPANY**

Chartered Accountants  
Firm Registration No. 001111N

**(ANSHUMAN MALLICK)**

Partner  
Membership No. 547705

Place: Gurugram  
Dated :24<sup>th</sup> May,2022

# CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended March 31, 2022

PARTICULARS	₹ in crore	
	YEAR ENDED 31.03.2022	YEAR ENDED 31.03.2021
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>NET PROFIT BEFORE TAX</b>	735.10	592.55
<b>ADJUSTMENTS FOR:</b>		
- DEPRECIATION AND AMORTIZATION	65.61	51.87
- LOSS/(PROFIT) ON SALE OF PROPERTY, PLANT AND EQUIPMENT (NET)	0.02	0.01
- SHARE OF PROFIT/(LOSS) OF JOINT VENTURES	(0.72)	(1.07)
- INTEREST INCOME	(51.42)	(81.93)
- INCOME FROM INVESTMENTS	(2.19)	(4.31)
- FINANCE COST	7.25	6.01
- INCOME FROM INVESTMENT PROPERTIES	(0.16)	(0.18)
- LIABILITIES WRITTEN BACK	(0.60)	(8.37)
- PROPERTY, PLANT AND EQUIPMENT WRITTEN OFF	0.05	0.01
- UNREALIZED GAIN/(LOSSES) FROM CHANGES IN FOREIGN EXCHANGE RATE	(2.81)	1.92
- PROVISION AND IMPAIRMENT EXPENSES (NET)	49.77	(20.07)
<b>EFFECT OF EXCHANGE DIFFERENCES ON TRANSLATION OF FOREIGN CURRENCY CASH &amp; CASH EQUIVALENTS</b>	(8.86)	(10.66)
<b>OPERATING PROFIT BEFORE CHANGES IN ASSETS AND LIABILITIES</b>	<b>791.04</b>	<b>525.78</b>
<b>CHANGE IN ASSETS AND LIABILITIES:</b>		
<b>ADJUSTMENTS FOR (INCREASE)/DECREASE IN OPERATING ASSETS:</b>		
- INVENTORIES	150.88	(278.93)
- TRADE RECEIVABLES	(161.03)	250.29
- LOANS, OTHER FINANCIAL ASSETS AND OTHER ASSETS	13.99	(106.66)
<b>ADJUSTMENTS FOR INCREASE/(DECREASE) IN OPERATING LIABILITIES:</b>		
- TRADE PAYABLES	(115.52)	161.17
- OTHER FINANCIAL LIABILITIES, OTHER LIABILITIES AND PROVISIONS (NET OF CLIENT FUNDS)	(184.79)	66.50
<b>CASH GENERATED FROM OPERATIONS</b>	<b>494.57</b>	<b>618.15</b>
- INCOME TAX PAID	(184.94)	(102.45)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>309.63</b>	<b>515.70</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
- PROPERTY, PLANT AND EQUIPMENT/ INTANGIBLE ASSETS/ CWIP/ CAPITAL ADVANCE	(141.84)	(79.78)
- PROCEEDS FROM SALE OF PROPERTY, PLANT AND EQUIPMENT	0.26	0.07
- PROCEEDS FROM SALE OF INVESTMENTS IN JOINT VENTURE	-	0.13
- INVESTMENTS IN JOINT VENTURES	-	(48.00)
- INVESTMENT IN LIQUID MUTUAL FUNDS	(455.00)	(1,044.28)
- REDEMPTION OF LIQUID MUTUAL FUNDS	514.94	1,070.36
- REDEMPTION OF BONDS	25.00	-
- LOAN REPAID BY JOINT VENTURE	2.80	2.80
- FIXED DEPOSITS PLACED WITH BANK	(939.17)	(1,012.87)
- REDEMPTION OF FIXED DEPOSITS WITH BANK	979.58	1,201.20
- INTEREST INCOME	64.26	89.83
- INCOME FROM INVESTMENTS	1.97	4.12
- INCOME FROM INVESTMENT PROPERTIES	0.16	0.18
<b>NET CASH FROM INVESTING ACTIVITIES</b>	<b>52.96</b>	<b>183.76</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
- INCREASE/(DECREASE) IN SECURED LOAN FROM BANK	(7.66)	(7.95)
- FINANCE COST OTHER THAN INTEREST ON BORROWINGS	(3.13)	(2.12)
- INTEREST PAID ON BORROWINGS	(2.16)	(3.24)
- DIVIDEND PAID	(420.53)	(366.27)
- PAYMENT TOWARDS BUY-BACK OF EQUITY SHARES	-	(257.00)
- BUY-BACK DISTRIBUTION TAX PAID	-	(59.85)

# CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended March 31, 2022

₹ in crore

PARTICULARS	YEAR ENDED 31.03.2022	YEAR ENDED 31.03.2021
- BUY-BACK EXPENSES	-	(1.31)
- REPAYMENT OF LEASE LIABILITIES	(2.35)	(5.39)
- INCREASE/(DECREASE) IN NON-CONTROLLING INTEREST	(4.41)	(5.15)
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>(440.24)</b>	<b>(708.28)</b>
<b>EFFECT OF EXCHANGE DIFFERENCES ON TRANSLATION OF FOREIGN CURRENCY CASH &amp; CASH EQUIVALENTS</b>	<b>8.86</b>	<b>10.66</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(68.79)</b>	<b>1.84</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<b>118.50</b>	<b>116.66</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<b>49.71</b>	<b>118.50</b>

## RECONCILIATION OF CASH AND CASH EQUIVALENTS

₹ in crore

PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2022	YEAR ENDED 31.03.2021
CASH AND CASH EQUIVALENTS-OWNED FUND	15.1	49.71	118.57
LESS : BANK OVERDRAFT	26	-	(0.07)
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>		<b>49.71</b>	<b>118.50</b>
<b>COMPONENTS OF CASH AND CASH EQUIVALENT</b>		<b>49.71</b>	<b>118.57</b>

## RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

₹ in crore

PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2022	YEAR ENDED 31.03.2021
LONG TERM BORROWING AT THE BEGINNING OF THE YEAR		32.31	40.26
- CASH FLOWS (REPAYMENT)		(7.66)	(7.95)
- NON CASH CHANGES		-	-
<b>LONG TERM BORROWING AT THE END OF THE YEAR</b>		<b>24.65</b>	<b>32.31</b>
INTEREST PAYABLE ON BORROWING AT THE BEGINNING OF THE YEAR	28	0.20	0.29
- CASH FLOWS (REPAYMENT)		(2.16)	(3.24)
- NON CASH CHANGES	37	2.12	3.15
<b>INTEREST PAYABLE ON BORROWING AT THE END OF THE YEAR</b>	<b>28</b>	<b>0.16</b>	<b>0.20</b>

### NOTE:

- CASH AND CASH EQUIVALENTS CONSIST OF CASH AND BANK BALANCES INCLUDING FDs HAVING MATURITY WITHIN 3 MONTHS FROM THE DATE OF ACQUISITION.
- THE ABOVE STATEMENT OF CASH FLOWS HAS BEEN PREPARED UNDER THE INDIRECT METHOD AS SET OUT IN IND AS 7 STATEMENT OF CASH FLOWS NOTIFIED U/S133 OF COMPANIES ACT, 2013 ("ACT") READ WITH RULE 4 OF THE COMPANIES (INDIAN ACCOUNTING STANDARDS) RULES 2015 AND THE RELEVANT PROVISION OF THE ACT.
- FIGURES IN BRACKET INDICATE CASH OUTFLOW.
- THE ABOVE STATEMENT OF CASH FLOWS HAS BEEN PREPARED ON THE BASIS OF GROUP OWNED FUNDS ONLY. FUNDS ON THE BEHALF OF THE CLIENT AND ITS CORRESPONDING LIABILITIES HAVE NOT BEEN CONSIDERED.

### Rahul Mithal

Chairman & Managing Director  
and Chief Executive Officer  
DIN: 07610499

For and on behalf of the Board

### Bibhu Prasad Nayak

Director Finance & Chief Financial Officer  
DIN:08197975

### Joshit Ranjan Sikidar

Company Secretary  
M.No. : ACS 32442

As per our report of even date attached

### For J C BHALLA & COMPANY

Chartered Accountants  
Firm Registration No. 001111N

### (ANSHUMAN MALLICK)

Partner  
Membership No. 547705

Place : Gurugram  
Dated : 24<sup>th</sup> May, 2022

## GROUP OVERVIEW AND SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED FINANCIAL STATEMENTS

### GROUP OVERVIEW

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

The Company is a "Miniratna", Schedule-"A", Category-I CPSE and ISO 9001:2015 certified public limited company incorporated and domiciled in India. The address of its registered office is SCOPE Minar, Laxmi Nagar, Delhi-110092 (India) and address of its corporate office is RITES Bhawan, No. 1, Sector -29, Gurugram, Haryana-122001 (India). President of India through Ministry of Railways is presently holding 72.20% equity share of the company.

Besides the above activities, RITES Limited (The "Holding Company/Company") along with its subsidiaries 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, carrying out civil construction work and station development.

The financial statements of the Group, comprises of RITES Limited, the holding company, RITES (Afrika) (Pty) Ltd. (RAPL), Botswana, a wholly owned subsidiary, REMC Ltd., India, a subsidiary with 51% stake and joint venture entities viz. SAIL-RITES Bengal Wagon Industry Pvt. Ltd. (SRBWIPL) (50%) & Indian Railway Stations Development Corporation Limited (24%) (joint venture entities in India).

The reporting and functional currency of the Group is Indian Rupees (INR). Figures in financial statements are presented in ₹ crore, by rounding off upto two decimals except for per share data and as otherwise stated. Certain figures that are required to be disclosed but do not appear due to rounding off are detailed in note- 62(j). Previous periods figures have been regrouped/recasted/rearranged, wherever necessary.

Due to outbreak of COVID-19 globally and in India, in view of the Management assessment of holding company, likely impact on the business of the holding company is only for short term and no medium to long term risks is perceived which will have an impact on company's ability to continue as a going concern. Further, considering the holding company's business plans and the availability of sufficient cash reserves as at March 31, 2022, the management do not foresee any uncertainty in continuing its business operations and meeting its liabilities as and when it become due for payment.

The consolidated financial statements are approved for issue by the holding company's Board of Directors in their meeting held on 24<sup>th</sup> May, 2022.

### 1. SIGNIFICANT ACCOUNTING POLICIES

#### 1.1 GENERAL

##### (a) Statement of Compliance

These consolidated financial statements of the Group are being prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act 2013, read with the Companies (Indian Accounting Standards) Rules as amended from time to time.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. Accounting policies at 1.2.2.4, 1.3, 1.8, 1.9.2.1 and 1.14 have been modified/ reworded to being more clarity on the financial statements which does have any impact on the financial statements.

##### (b) Basis of Preparation

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

- Derivative financial instruments,
- which are specifically indicated in the concerned accounting policies.

**(c) Use of Estimates and Judgments**

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

**(d) Basis of Consolidation**

- i) The consolidated financial statements comprise the financial statements of the Company and its controlled entities i.e. subsidiaries at the reporting date. Control is achieved when the Group is exposed, or has rights to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee, if and only if, the Group has:
  - Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee),
  - Exposure or rights to variable returns from its involvement with the investee, and
  - The ability to use its power over the investee to affect its returns.
- ii) Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:
  - The contractual arrangement with the other vote holders of the investee.
  - Rights arising from other contractual arrangements.
  - The Group's voting rights and potential voting rights.
  - The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.
- iii) The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed off during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.
- iv) Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.
- v) The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purpose, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

**vi) Consolidation procedure for:****A) Subsidiaries**

- (a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries.
- (b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.
- (c) Eliminate in full intra group assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group. Intra group losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.



- (d) Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:
- De-recognises the assets (including goodwill) and liabilities of the subsidiary.
  - De-recognises the carrying amount of any non-controlling interests.
  - De-recognises the cumulative translation differences recorded in equity.
  - Recognises the fair value of the consideration received.
  - Recognises the fair value of any investment retained.
  - Recognises any surplus or deficit in profit or loss.
  - Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed off the related assets or liabilities.

## **B) Joint Ventures**

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement and have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining whether joint control exist are similar to those necessary to determine control over the subsidiaries.

The Group's investments in its joint venture are accounted for using the equity method. Under the equity method, the investment in a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the joint venture since the acquisition date.

## **1.2 REVENUE RECOGNITION**

### **1.2.1 REVENUE FROM CONTRACTS WITH CUSTOMERS**

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

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

#### **General Parameters**

To determine whether to recognise revenue, the Group follows a five step process:

- Identifying the contract with a customer
- Identifying the performance obligations
- Determining the transaction price
- Allocating the transaction price to the performance obligations
- Recognising revenue when/as performance obligation(s) are satisfied.

The Group often enters into transactions involving a range of the Group's products and services. In all cases, the total transaction price for a contract is based on performance obligation. The transaction price for a contract excludes amounts received as deposit from client for execution of the project and amount collected on behalf of third party (for example, some GST).

Revenue is recognised either at a point in time or over time, when (or as) the Group satisfies performance obligations by transferring the promised goods or services to its customers.

The Group recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities in the balance sheet. Similarly, if the Group satisfies a performance obligation before the consideration is due, the Group recognises a contract asset in its balance sheet.

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

#### 1.2.1.1 Consultancy Fee

Revenue from providing services is recognized in the accounting period in which services are rendered. Revenue is recognized based on performance obligation satisfied either over time or at a point in time.

In case performance obligation satisfied over time revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided. This is determined based on physical progress, efforts, cost incurred to date bear to the total estimated cost of the transaction, time spent, service performed or any other method that management considered appropriate.

In other cases where performance obligation is not satisfied over time, revenue is recognized at a point in time.

In case of contracts where customer pays fixed amount based on a payment schedule If services rendered by the Group exceed the payment, a contract asset is recognised. If payments exceed services rendered, a contract liability is recognised.

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

Reimbursable and supplies are accounted for on accrual basis.

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

#### 1.2.1.2 Inspection Fee

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

#### 1.2.1.3 Export Sales

Export sales are accounted for on the basis of bills raised when or as the Group transfers control of the assets to the customer which happens at the point in time the customer has undisputed right on delivered goods.

#### 1.2.1.4 Construction Projects

In construction contracts/projects, the Group recognises revenue over time. Due to high degree of interdependence among various elements of these projects, revenue is accounted for considering these activities as a single performance obligation.

To depict the progress by which the Group transfers control of the promised goods to the customer, and to establish when and to what extent revenue can be recognised, the Group measures its progress towards complete satisfaction of the performance obligation based on work done.

Any expected loss is recognized as an expense immediately.

#### 1.2.1.5 Wind Mill Projects

Revenue from sale of power through wind mill projects is recognized on the basis of certificate from concerned State Electricity Authority for energy fed in kwh (units) in authority's system and as per terms and conditions of the Agreement with the beneficiary.

#### 1.2.1.6 Consultancy - Advisory service for Power Procurement

Income from consultancy is recognized as per the terms and conditions of the agreement with the beneficiary.

### 1.2.1.7 Lease Services

Refer Policy no-1.24.2- Leases-Group as lessor

## 1.2.2 Other Income

### 1.2.2.1 Interest Income

Interest income is recognized using effective interest method.

### 1.2.2.2 Dividend

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

### 1.2.2.3 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(including insurance claims)/supplementary claims / counter claims/ interest on delayed payments / awards in favour of the Group/ sale of tenders/ premium on sale of licenses etc. which are accounted for on final settlement / realization.

## 1.3 PROPERTY, PLANT AND EQUIPMENT (PPE)

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

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

### 1.3.1 Depreciation

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

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

Assets	Useful Life (Years)
i) Furniture	10
ii) Fixture	5
iii) Office Equipment	5
iv) Mobile Hand Set	3
v) Coolers & Air Conditioners	7
vi) Air Conditioning Plant	15
vii) Computer Hardware	3-4
viii) Server & Networks	6
ix) Survey and Equipments	10
x) Vehicles	4-8
xi) Buildings on Freehold Land	60
xii) Locomotives-New	15
xiii) Locomotives-In-Service	10
xiv) Coaches-New	15
xv) Coaches-In-Service	10
xvi) Windmill Plant	25

- (c) Any addition or extension, which becomes an integral part of the existing asset and which results in increased economic benefits, is capitalized and depreciated over the remaining useful life of that asset.

An item of property, plant and equipment and any significant part initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on de-recognition of the asset which is calculated as the difference between the net disposal proceeds and the carrying amount of the asset, is included in the income statement when the asset is de-recognised.

- (d) In respect of BOT assets, depreciation is charged over the period of project or the life stated above whichever is lower.
- (e) In respect of buildings on leasehold land, depreciation is charged over the period of lease of land or the useful life stated above for buildings on freehold land, whichever is lower.
- (f) In case of RITES Limited, as per company's assessment, Fixtures, Mobile Hand Set, Coolers & Air Conditioners and In-Service Locomotives & Coaches (refurbished) have lower useful lives than prescribed in part C of schedule II of the Companies Act, 2013. Therefore depreciation is charged at higher rate than prescribed under the Companies Act, 2013. In case of REMC Limited, Windmill plants have higher useful life of 25 years than prescribed in part C of schedule II of the Companies Act, 2013 or 22 years. Therefore, depreciation is charged at lower rate than prescribed under the Companies Act, 2013.
- (g) In case of holding & its subsidiary companies in India, Individual low cost assets of value less than ₹ 5,000/- is fully depreciated in the year of acquisition.
- (h) In case of holding company & its subsidiary companies in India, a nominal value of ₹ 1/- is assigned to the fully depreciated assets.

### 1.3.2 Capital Work in Progress

Assets which are not ready for the intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

### 1.3.3 Capital Advances

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date are classified as capital advances under other non-current assets.

## 1.4 INTANGIBLE ASSETS

Intangible assets acquired/ developed are measured on recognition at cost less accumulated amortisation and impairment losses, if any.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is de-recognised.

- (a) Software of value less than ₹ 100,000/- is fully amortized in the year of acquisition.
- (b) A nominal value of ₹1/- is assigned to the fully amortized assets.

#### **1.4.1 Amortization**

Estimated useful life of the software is 4 years and amortized on a straight line basis over the period.

### **1.5 INVESTMENT PROPERTY**

Investment properties are measured at cost, including transaction costs less accumulated depreciation and impairment loss, if any.

The Group depreciates building component of investment property over the estimated useful lives of the assets as prescribed in property, plant and equipment.

Investment properties are de-recognised either on disposal or on permanent withdrawal from use. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the Statement of Profit and Loss in the period of de-recognition.

### **1.6 INVESTMENTS**

Equity investments are measured at fair value through profit and loss except investments in subsidiary, participating joint venture with or without joint control and associate.

Investments in subsidiary, participating joint venture with or without joint control and associate are measured at cost.

### **1.7 JOINT ARRANGEMENTS**

#### **1.7.1 Joint Ventures**

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.

The Group's investments in its joint venture are accounted for using the equity method. Under the equity method, the investment in a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the joint venture since the acquisition date.

#### **1.7.2 Joint Operations**

- (a) In case of participating joint operations with joint control, Group recognizes in relation to its interest in a joint operation as under :-
  - (i) its assets, including its share of any assets held jointly;
  - (ii) its liabilities, including its share of any liabilities incurred jointly;
  - (iii) its revenue from the sale of its share of the output arising from the joint operation;
  - (iv) its share of the revenue from the sale of the output by the joint operation; and
  - (v) Its expenses, including its share of any expenses incurred jointly.

- (b) In case of participating joint operations without having joint control, interest in such arrangements is to be recognized as per aforesaid accounting policy if the Group has right to the assets and obligations for the liabilities relating to joint operations otherwise interest in the joint operation is recognized in accordance with applicable Ind AS.

## 1.8 INVENTORIES

- (a) Inventories are valued at the lower of cost and net realizable value.
- (b) Cost of inventories comprises of costs of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.
- (c) The diminution in the value of obsolete, unserviceable, slow moving and non-moving stores and spares are assessed periodically and accordingly provided for.
- (d) Consumables and Stores & Spares other than held for the purpose of warranty are charged to the Statement of Profit and Loss in the year of purchase.

## 1.9 EMPLOYEE BENEFITS

### 1.9.1 Defined Contribution Plans

#### Pension Scheme/Post Retiral Medical Schemes

Retirement benefits in the form of pension scheme/post-retirement medical scheme are defined contribution schemes. The Company has no obligation, other than the contribution payable to such funds/ schemes. The Company recognizes contribution payable to such funds/schemes as an expense, when an employee renders the related service. If the contribution payable to the schemes for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Defined contributions towards pension under EPFO, superannuation pension fund and post retiral medical schemes are charged to the Statement of Profit and Loss based on contributions made in terms of applicable schemes on accrual basis.

### 1.9.2 DEFINED BENEFIT PLAN

#### 1.9.2.1 Gratuity

Company provides gratuity, a defined benefit plan covering eligible regular and contract employees. The gratuity plan provides a lump-sum payment to vested employees of an amount based on the respective employee's salary and the tenure of employment with the company at retirement, death, incapacitation, or on completion of terms of employment.

The liabilities with regard to the Gratuity plan are determined by actuarial valuation, performed by an independent actuary, at the year end.

- (i) The Company has set up a separate Gratuity Trust for managing Gratuity Fund.
- (ii) The company recognizes the net obligation of a defined benefit plan in its balance sheet as an asset or liability.
- (iii) Gain or loss through re-measurements of net defined benefit liability/(asset) is recognized in Other Comprehensive Income.
- (iv) The actual return of the portfolio of plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligation is recognized in Other Comprehensive Income.
- (v) Service cost and net interest cost/(income) on the net defined benefit liability/(asset) are recognized in Statement of Profit and Loss.

#### 1.9.2.2 Provident Fund

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

### 1.9.3 Other Long Term Benefits

- (a) Leave Travel Concession (CDA employees), Leave Encashment (contract employees) and Long Service Award (regular employees)
  - i. Accounted for on actuarial valuation made at the end of year.
  - ii. The actuarial gains/losses are recognized in the Statement of Profit and Loss for the year.
- (b) Leave Encashment and Medical Leave for regular employees
  - i. Liabilities are funded under plan assets through insurance policies from insurance companies approved by Insurance Regulatory Development Authority (IRDA) and are accounted for on actuarial valuation made at the end of year.
  - ii. The company recognizes the net obligation of a defined benefit plan in its balance sheet as an asset or liability.
  - iii. Service cost and net interest cost/(income) on the net defined benefit liability/(asset) are recognized in Statement of Profit and Loss.
  - iv. Actuarial gains/losses are recognized in the Statement of Profit and Loss.

### 1.9.4 Other Benefits

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

### 1.10 RESEARCH & DEVELOPMENT

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

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

- (a) Technical feasibility of completing the intangible asset so that it will be available for use or sell.
- (b) Intention to complete the intangible asset and use or sell it.
- (c) Ability to use or sell the intangible assets.
- (d) Asset will generate future economic benefits.
- (e) There is availability of resources to complete the asset.

The developed asset is carried at cost less any accumulated amortisation and impairment loss, if any. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the Statement of Profit and Loss unless such expenditure forms part of carrying value of another asset.

### 1.11 INCOME TAXES

#### 1.11.1 Current Income Tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. In case of domestic entities, the tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted in India, at the reporting date. Tax expense relating to foreign operations is determined in accordance with tax laws applicable in countries where such operations are domiciled.

Management periodically evaluates positions taken in the tax assessments with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current tax assets are offset against current tax liabilities if, and only if, a legally enforceable right exists to set off the recognised amounts and there is an intention either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Additional taxes, interest and/or penalties levied/ imposed by the tax authorities / Appellate authorities on finality are recognized in the Statement of Profit and Loss.

Current tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognized as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realized.

### 1.11.2 Deferred Tax

Deferred tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred income taxes are not provided on the undistributed earnings of the subsidiaries where it is expected that the earning of the subsidiaries will not be distributed in foreseeable future.

## 1.12 RATES & TAXES

Overseas taxes on foreign assignments, service tax, value added tax, alike taxes, professional tax, property tax, entry tax, labour cess, octroi etc. paid/accrued in India or abroad for which credit are not available to the Group are charged to the Statement of Profit and Loss.

## 1.13 PREPAID EXPENSES AND PRIOR PERIOD ADJUSTMENTS

### 1.13.1 Prepaid Expenses

Prepaid expenses upto ₹ 5,00,000/- in each case are treated as expenditure/income of the year and accounted for to the natural head of accounts.

### 1.13.2 Prior Period Adjustments

Material prior period errors are corrected retrospectively by restating the comparative amounts for the prior periods presented in which the error occurred. If the error occurred before the earliest period presented, the opening balances of assets, liabilities and equity for the earliest period presented, are restated unless it is impracticable, in which case, the comparative information is adjusted to apply the new accounting policy prospectively from the earliest date practicable.

## 1.14 TRANSLATION AND TRANSACTIONS OF FOREIGN CURRENCIES

**1.14.1** Functional Currency of the Group is Indian Rupees and the financial statements are presented in Indian Rupees.

**1.14.2** Transactions in foreign currencies are initially recorded by the Group at functional currency spot rates at the date the transaction first qualifies for recognition. The Group also uses average rate where the average rate approximates the actual rate at the date of the transaction.



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

**1.14.4** Exchange differences arising on settlement or translation of monetary items are recognised in the Statement of Profit and Loss.

**1.14.5** The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each balance sheet presented including comparatives are translated at the exchange rate prevailing on the reporting date.
- Income and expenses for each statement of profit and loss is presented including comparatives are translated at the average rate (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions).
- All resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign operations are recognized in OCI and the same is reclassified to Statement of Profit and Loss, as part of the gain or loss on disposal of the net investment.

## **1.15 CASH AND CASH EQUIVALENTS**

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short term deposits with an original maturity of three months or less from the date of acquisitions which are readily convertible into known amounts of cash and be subject to an insignificant risk of change in value. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

## **1.16 STATEMENT OF CASH FLOWS**

Statement of Cash Flows is made using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, financing and investing activities of the Group are segregated.

## **1.17 EARNINGS PER SHARE**

In determining basic earnings per share, net profit attributable to equity shareholders is divided by weighted average number of equity shares outstanding during the period.

In determining diluted earnings per share, net profit attributable to equity shareholders is divided by weighted average number of equity shares considered for deriving basic earning per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at the later date. Dilutive potential equity share are determined independently for each period presented.

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

## **1.18 IMPAIRMENT OF ASSETS**

### **1.18.1 Financial Assets**

#### **(Other than at Fair Value)**

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive. When estimating the cash flows, the Group consider the following:

- All contractual terms of the financial assets (including extension) over the expected life of the assets.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Trade receivables: In respect of trade receivables, the Group applies the simplified approach of Ind AS 109, which requires measurement of loss allowance at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

Other financial assets: In respect of its other financial assets, the Group assesses if the credit risk on those financial assets has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the Group measures the loss allowance at an amount equal to 12-month expected credit losses, else at an amount equal to the lifetime expected credit losses.

### 1.18.2 Non-Financial Assets

(Tangible and Intangible Assets)

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use). Impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount and such losses either no longer exists or has decreased. Reversal of impaired loss is recognized in the Statement of Profit and Loss to the extent of previously recognized or balanced impairment loss.

## 1.19 WRITE OFF

### 1.19.1 Financial Assets

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

### 1.19.2 Non Financial Assets

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

## 1.20 PROVISION FOR WARRANTY FOR SALE AND SERVICES RENDERED

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

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

## 1.21 PROVISION FOR PROFESSIONAL SERVICES (FOR EXPORT SALES)

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

## 1.22 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

### 1.23 BORROWING COST

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalized as part of cost of such assets which necessarily takes substantial period of time to get ready for their intended use. All other borrowing costs are recognized as expenses in the Statement of Profit and Loss.

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

### 1.24 LEASES

#### 1.24.1 Group as a lessee

The Group leased asset primarily consists of leases for land and buildings. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over lease term.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability.

The right-of-use assets are depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

#### 1.24.2 Group as a lessor

Leases for which the Group is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

For operating leases, rental income is recognized on a straight line basis/systematic basis over the lease term. However, reimbursable under the contract are accounted for on accrual basis. Initial direct cost are added to the carrying amount of the leased assets and recognized as an expense over the lease term.

### 1.25 NON-CURRENT ASSETS HELD FOR SALE

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

### 1.26 DIVIDENDS

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

## 1.27 FINANCIAL INSTRUMENTS

### 1.27.1 Initial Recognition

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

### 1.27.2 Subsequent Measurement

(a) Financial assets are subsequently measured at amortised cost if these are held within a business model whose objective is to hold the assets in order to collect contractual cash flows and the contractual terms of the financial assets give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding using the Effective Interest Rate (EIR) method. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss.

(b) Financial assets at fair value through profit or loss

The financial assets are measured at fair value through profit or loss unless it is classified at amortised cost.

(c) Financial liabilities

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

All other financial liabilities are subsequently measured at amortised cost using EIR method. Gains and losses are recognised in Statement of Profit and Loss when the liabilities are de-recognised as well as through the EIR amortisation process.

### 1.27.3 De-recognition of Financial Instruments

A financial asset is de-recognised when:

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

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

### 1.27.4 Forward Contracts

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2022

### 2 PROPERTY, PLANT AND EQUIPMENT

FOLLOWING ARE THE CHANGES IN THE CARRYING VALUE OF PROPERTY, PLANT AND EQUIPMENT FOR THE YEAR ENDED 31.03.2022

₹ in crore

DESCRIPTION	GROSS BLOCK				AS AT 31/03/2022	DEPRECIATION/AMORTISATION				NET BLOCK	
	AS AT 01/04/2021	ADDITIONS DURING THE YEAR	ADJ DURING THE YEAR	DELETIONS DURING THE YEAR		AS AT 01/04/2021	FOR THE YEAR	ADJ DURING THE YEAR	DELETIONS DURING THE YEAR	AS AT 31/03/2022	AS AT 31/03/2022
LAND #	35.39	-	-	-	35.39	-	-	-	-	-	35.39
BUILDING	112.65	1.96	(0.05)	-	114.56	5.88	1.99	-	7.87	106.69	
RESIDENTIAL QUARTERS	38.73	-	-	-	38.73	1.12	0.65	-	1.77	36.96	
LEASED HOLD	1.96	-	-	-	1.96	0.40	0.26	-	0.66	1.30	
IMPROVEMENT											
OFFICE											
EQUIPMENTS											
SURVEY AND OTHER	11.55	1.14	-	0.01	12.68	5.41	1.12	-	0.01	6.52	6.16
INSTRUMENTS											
COMPUTER AND	14.72	4.88	-	1.05	18.55	10.49	3.10	-	0.92	12.67	5.88
EQUIPMENTS											
SERVER & NETWORK	6.19	0.04	-	0.01	6.22	4.80	0.35	-	0.01	5.14	1.08
OFFICE AND OTHER	7.98	2.48	-	0.35	10.11	4.62	1.36	-	0.31	5.67	4.44
EQUIPMENTS											
AIR-CONDITIONER AND	2.26	0.12	-	0.01	2.37	1.15	0.27	-	-	1.42	0.95
EQUIPMENTS											
PLANT & MACHINERY											
AIR CONDITIONER PLANT	6.98	-	-	-	6.98	4.45	0.90	-	-	5.35	1.63
LOCOMOTIVES NEW @	235.47	2.31	-	-	237.78	49.58	15.78	-	-	65.36	172.42
LOCOMOTIVES IN	141.77	22.81	-	-	164.58	98.22	25.99	-	-	124.21	40.37
SERVICE @											
WINDMILL PLANT <sup>^</sup>	152.22	-	-	-	152.22	33.24	6.09	-	-	39.33	112.89
FURNITURE & FIXTURES											
FURNITURES	7.45	1.85	-	0.09	9.21	3.35	0.81	-	0.07	4.09	5.12
FIXTURES	6.67	1.76	-	-	8.43	2.45	1.19	-	-	3.64	4.79
VEHICLE											
VEHICLES	2.76	0.34	-	0.14	2.96	1.71	0.25	-	0.01	1.95	1.01
VEHICLES ABROAD	0.03	-	-	-	0.03	0.03	-	-	-	0.03	-
<b>TOTAL</b>	<b>784.78</b>	<b>39.69</b>	<b>(0.05)</b>	<b>1.66</b>	<b>822.76</b>	<b>226.90</b>	<b>60.11</b>	<b>-</b>	<b>1.33</b>	<b>285.68</b>	<b>537.08</b>

FOLLOWING ARE THE CHANGES IN THE CARRYING VALUE OF PROPERTY, PLANT AND EQUIPMENT FOR THE YEAR ENDED 31.03.2021

₹ in crore

DESCRIPTION	GROSS BLOCK				AS AT 31/03/2021	DEPRECIATION/AMORTISATION				NET BLOCK	
	AS AT 01/04/2020	ADDITIONS DURING THE YEAR	ADJ DURING THE YEAR	DELETIONS DURING THE YEAR		AS AT 01/04/2020	FOR THE YEAR	ADJ DURING THE YEAR	DELETIONS DURING THE YEAR	AS AT 31/03/2021	AS AT 31/03/2021
LAND #	35.44	-	(0.05)	-	35.39	-	-	-	-	-	35.39
BUILDING	111.73	0.92	-	-	112.65	3.90	1.98	-	5.88	106.77	
RESIDENTIAL QUARTERS	25.96	12.87	(0.10)	-	38.73	0.73	0.49	(0.10)	1.12	37.61	
LEASED HOLD	0.86	1.10	-	-	1.96	0.10	0.30	-	0.40	1.56	
IMPROVEMENT											
OFFICE											
EQUIPMENTS											
SURVEY AND OTHER	9.92	1.65	-	0.02	11.55	4.37	1.06	-	0.02	5.41	6.14
INSTRUMENTS											
COMPUTER AND	12.67	3.47	-	1.42	14.72	9.62	2.26	-	1.39	10.49	4.23
EQUIPMENTS											
SERVER & NETWORK	5.31	0.89	-	0.01	6.19	4.55	0.26	-	0.01	4.80	1.39
OFFICE AND OTHER	6.23	2.09	-	0.34	7.98	3.98	0.95	-	0.31	4.62	3.36
EQUIPMENTS											
AIR-CONDITIONER AND	1.77	0.54	-	0.05	2.26	0.94	0.25	-	0.04	1.15	1.11
EQUIPMENTS											
PLANT & MACHINERY											
AIR CONDITIONER PLANT	6.88	0.10	-	-	6.98	4.09	0.36	-	-	4.45	2.53
LOCOMOTIVES NEW @	225.09	10.38	-	-	235.47	34.04	15.54	-	-	49.58	185.89
LOCOMOTIVES IN	140.70	1.47	-	0.40	141.77	83.31	15.31	-	0.40	98.22	43.55
SERVICE @											
WINDMILL PLANT <sup>^</sup>	152.22	-	-	-	152.22	27.15	6.09	-	-	33.24	118.98
FURNITURE & FIXTURES											
FURNITURES	5.55	1.96	-	0.06	7.45	2.78	0.61	-	0.04	3.35	4.10
FIXTURES	2.61	4.06	-	-	6.67	1.79	0.66	-	-	2.45	4.22
VEHICLE											
VEHICLES	2.28	0.53	-	0.05	2.76	1.44	0.32	-	0.05	1.71	1.05
VEHICLES ABROAD	0.03	-	-	-	0.03	0.03	-	-	-	0.03	-
<b>TOTAL</b>	<b>745.25</b>	<b>42.03</b>	<b>(0.15)</b>	<b>2.35</b>	<b>784.78</b>	<b>182.82</b>	<b>46.44</b>	<b>(0.10)</b>	<b>2.26</b>	<b>226.90</b>	<b>557.88</b>

NOTE :

- Depreciation on Residential Quarters is charged on the total cost of flats in the absence of break-up of land components in the flats value.

# In respect of Land pending execution of registration (refer note no. 62 (i)).

<sup>^</sup> Plant & Machinery of ₹ 152.22 crore is mortgaged / hypothecated against borrowings (refer note no.23)

@ Refer Note No. 57 (b)(i)(l)

### 3 CAPITAL WORK IN PROGRESS

₹ in crore

DESCRIPTION	OPENING	ADDITIONS DURING THE YEAR	ADJ DURING THE YEAR	DELETIONS DURING THE YEAR	CLOSING
AS AT 31.03.2022	15.49	50.84	(8.22)	-	58.11
AS AT 31.03.2021	4.45	14.95	(3.91)	-	15.49

Refer Note No. 62(g) for Capital Work in progress ageing and completion schedule

### 4 RIGHT OF USE ASSETS

FOLLOWING ARE THE CHANGES IN THE CARRYING VALUE OF RIGHT OF USE ASSETS FOR THE YEAR ENDED 31.03.2022

₹ in crore

DESCRIPTION	GROSS BLOCK					DEPRECIATION/AMORTISATION					NET BLOCK	
	AS AT 01/04/2021	ADDITIONS DURING THE YEAR	ADJ DURING THE YEAR	DELETIONS DURING THE YEAR	AS AT 31/03/2022	AS AT 01/04/2021	FOR THE YEAR	ADJ DURING THE YEAR	DELETIONS DURING THE YEAR	AS AT 31/03/2022	AS AT 31/03/2022	
LAND ^	3.53	0.01	-	0.01	3.53	0.82	0.52	-	-	1.34	2.19	
BUILDING	20.54	1.12	-	1.88	19.78	4.54	2.74	-	1.88	5.40	14.38	
RESIDENTIAL QUARTERS	4.33	-	-	-	4.33	0.50	0.25	-	-	0.75	3.58	
<b>TOTAL</b>	<b>28.40</b>	<b>1.13</b>	<b>-</b>	<b>1.89</b>	<b>27.64</b>	<b>5.86</b>	<b>3.51</b>	<b>-</b>	<b>1.88</b>	<b>7.49</b>	<b>20.15</b>	

FOLLOWING ARE THE CHANGES IN THE CARRYING VALUE OF RIGHT OF USE ASSETS FOR THE YEAR ENDED 31.03.2021

₹ in crore

DESCRIPTION	GROSS BLOCK					DEPRECIATION/AMORTISATION					NET BLOCK	
	AS AT 01/04/2020	ADDITIONS DURING THE YEAR	ADJ DURING THE YEAR	DELETIONS DURING THE YEAR	AS AT 31/03/2021	AS AT 01/04/2020	FOR THE YEAR	ADJ DURING THE YEAR	DELETIONS DURING THE YEAR	AS AT 31/03/2021	AS AT 31/03/2021	
LAND ^	2.85	0.69	(0.01)	-	3.53	0.36	0.46	-	-	0.82	2.71	
BUILDING	19.44	2.03	(0.93)	-	20.54	2.15	2.99	(0.60)	-	4.54	16.00	
RESIDENTIAL QUARTERS	4.33	-	-	-	4.33	0.25	0.25	-	-	0.50	3.83	
<b>TOTAL</b>	<b>26.62</b>	<b>2.72</b>	<b>(0.94)</b>	<b>-</b>	<b>28.40</b>	<b>2.76</b>	<b>3.70</b>	<b>(0.60)</b>	<b>-</b>	<b>5.86</b>	<b>22.54</b>	

-In respect of Lease Agreements pending execution {refer note no. 62 (h)}

^ Land of ₹ 1.05 crore is mortgated/hypothecated against Borrowings (refer note no. 23).

### 5 INVESTMENT PROPERTY

FOLLOWING ARE THE CHANGES IN THE CARRYING VALUE OF INVESTMENT PROPERTY FOR THE YEAR ENDED 31.03.2022

₹ in crore

DESCRIPTION	GROSS BLOCK					DEPRECIATION/AMORTISATION					NET BLOCK	
	AS AT 01/04/2021	ADDITIONS DURING THE YEAR	ADJ DURING THE YEAR	DELETIONS DURING THE YEAR	AS AT 31/03/2022	AS AT 01/04/2021	FOR THE YEAR	ADJ DURING THE YEAR	DELETIONS DURING THE YEAR	AS AT 31/03/2022	AS AT 31/03/2022	
LAND	0.05	-	-	-	0.05	-	-	-	-	-	0.05	
RESIDENTIAL QUARTERS	0.10	-	-	-	0.10	0.10	-	-	-	0.10	-	
<b>TOTAL</b>	<b>0.15</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.15</b>	<b>0.10</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.10</b>	<b>0.05</b>	

FOLLOWING ARE THE CHANGES IN THE CARRYING VALUE OF INVESTMENT PROPERTY FOR THE YEAR ENDED 31.03.2021

₹ in crore

DESCRIPTION	GROSS BLOCK					DEPRECIATION/AMORTISATION					NET BLOCK	
	AS AT 01/04/2020	ADDITIONS DURING THE YEAR	ADJ DURING THE YEAR	DELETIONS DURING THE YEAR	AS AT 31/03/2021	AS AT 01/04/2020	FOR THE YEAR	ADJ DURING THE YEAR	DELETIONS DURING THE YEAR	AS AT 31/03/2021	AS AT 31/03/2021	
LAND	-	-	0.05	-	0.05	-	-	-	-	-	0.05	
RESIDENTIAL QUARTERS	-	-	0.10	-	0.10	-	-	0.10	-	0.10	-	
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>0.15</b>	<b>-</b>	<b>0.15</b>	<b>-</b>	<b>-</b>	<b>0.10</b>	<b>-</b>	<b>0.10</b>	<b>0.05</b>	

Refer Note No.52 and 57(b)(i)(II)

### 6 INTANGIBLE ASSETS

₹ in crore

DESCRIPTION	GROSS BLOCK					DEPRECIATION/AMORTISATION					NET BLOCK
	OPENING	ADDITIONS DURING THE YEAR	ADJ DURING THE YEAR	DELETIONS DURING THE YEAR	TOTAL	OPENING	FOR THE YEAR	ADJ DURING THE YEAR	DELETIONS DURING THE YEAR	TOTAL	
COMPUTER SOFTWARES (ACQUIRED)											
AS AT 31.03.2022	10.66	0.58	-	0.01	11.23	6.64	1.99	-	0.01	8.62	2.61
AS AT 31.03.2021	10.90	1.56	-	1.80	10.66	6.71	1.73	-	1.80	6.64	4.02

**7 INVESTMENT IN JOINT VENTURES APPLYING EQUITY METHOD**

PARTICULARS	₹ in crore	
	AS AT 31.03.2022	AS AT 31.03.2021
INDIAN RAILWAY STATIONS DEVELOPMENT CORPORATION LIMITED	53.02	53.05
SAIL-RITES BENGAL WAGON INDUSTRY PRIVATE LIMITED	30.82	30.01
<b>TOTAL</b>	<b>83.84</b>	<b>83.06</b>

**8.1 NON CURRENT INVESTMENTS**

PARTICULARS	NOTE NO.	₹ in crore	
		AS AT 31.03.2022	AS AT 31.03.2021
<b>A) INVESTMENT IN UNQUOTED EQUITY INSTRUMENTS OF (INVESTMENT CARRIED AT COST):</b>			
<b>COOPERATIVE SOCIETIES</b>			
(i) <b>Moru Mahal Co-operative Society Limited</b>	62 (j)	-	-
5 (previous year 5) Equity Shares of face value of ₹ 50/- each, fully paid-up acquired for purchase of residential quarter.			
(ii) <b>Amit Industrial Premises Co-operative Society Limited</b>	62 (j)	-	-
10 (previous year 10) Equity Shares of face value of ₹ 50/- each, fully paid-up acquired for purchase of laboratory.			
(iii) <b>Regent Chambers Premises Co-operative Society Limited</b>	62 (j)	-	-
10 (previous year 10) Equity Shares of face value of ₹ 50/- each, fully paid-up acquired for purchase of residential quarter.			
-			
<b>OTHERS</b>			
(i) <b>GPCL Consulting Services Limited (formerly known as Global Procurement Consultants Limited)</b>		0.04	0.04
32,279 (previous period 32,279) equity shares of face value of ₹ 10/- each, fully paid-up (includes 2,279 equity shares of face value of ₹ 10/- each at a price of ₹ 30/- each).			
(ii) <b>Elicius Energy Private Limited</b>	62 (j)	-	-
₹ 1,573 (previous period 1,573) equity shares of face value of ₹ 10 each, fully paid-up.			
<b>AGGREGATE OF UNQUOTED INVESTMENTS (NON CURRENT)</b>		<b>0.04</b>	<b>0.04</b>
<b>B) INVESTMENT IN QUOTED TAX FREE BONDS OF (INVESTMENT CARRIED AT AMORTISED COST):</b>			
<b>(i) INDIAN RAILWAY FINANCE CORPORATION (10 YEAR SECURED REDEEMABLE 7.21% TAX FREE BONDS 26 NOV.2022)</b>			
300 Bonds of face value of ₹ 1,000,000/- each at premium of ₹100/- each, fully paid			
		-	30.00
<b>(ii) INDIAN RAILWAY FINANCE CORPORATION (10 YEAR SECURED REDEEMABLE 7.22% TAX FREE BONDS 30 NOV.2022)</b>			
100 Bonds of face value of ₹ 1,000,000/- each at premium of ₹100/- each, fully paid			
		-	10.00
<b>(iii) INDIAN RAILWAY FINANCE CORPORATION (10 YEAR SECURED REDEEMABLE 7.18% TAX FREE BONDS 19 FEB.2023)</b>			
100,000 Bonds of face value of ₹ 1,000/- each, fully paid			
		-	10.00
<b>(iv) INDIAN RAILWAY FINANCE CORPORATION (10 YEAR SECURED REDEEMABLE 8.35% TAX FREE BONDS 21 NOV.2023)</b>			
250 Bonds of face value of ₹ 1,000,000/- each at premium of ₹100/-each, fully paid			
		25.00	25.00
<b>(v) INDIAN RAILWAY FINANCE CORPORATION (10 YEAR SECURED REDEEMABLE 7.19% TAX FREE BONDS 31 JUL.2025)</b>			
200 Bonds of face value of ₹ 1,000,000/- each at premium of ₹100/-each, fully paid			
		20.00	20.00
<b>AGGREGATE OF QUOTED INVESTMENTS (NON CURRENT)</b>		<b>45.00</b>	<b>95.00</b>
<b>TOTAL (NON CURRENT)</b>		<b>45.04</b>	<b>95.04</b>

## 8.2 CURRENT INVESTMENTS

PARTICULARS	₹ in crore	
	AS AT 31.03.2022	AS AT 31.03.2021
<b>A) INVESTMENT IN UNQUOTED MUTUAL FUNDS (INVESTMENT CARRIED AT FAIR VALUE THROUGH PROFIT OR LOSS):</b>		
<b>BANK OF BARODA LIQUID FUND - DIRECT GROWTH PLAN</b>	25.92	85.77
105646.438 (previous year 362004.681) units		
<b>AGGREGATE OF UNQUOTED INVESTMENT (CURRENT)</b>	<b>25.92</b>	<b>85.77</b>
<b>B) INVESTMENT IN QUOTED TAX FREE BONDS OF (INVESTMENT CARRIED AT AMORTISED COST):</b>		
<b>(i) INDIAN RAILWAY FINANCE CORPORATION</b>	-	25.00
<b>(10 YEAR SECURED REDEEMABLE 7.55% TAX FREE BONDS 08NOV.2021)</b>		
2,500 Bonds of face value of ₹ 100,000/- each , fully paid		
<b>(ii) INDIAN RAILWAY FINANCE CORPORATION</b>	30.00	-
<b>(10 YEAR SECURED REDEEMABLE 7.21% TAX FREE BONDS 26NOV.2022)</b>		
300 Bonds of face value of ₹ 1,000,000/- each at premium of ₹100/- each, fully paid		
<b>(iii) INDIAN RAILWAY FINANCE CORPORATION</b>	10.00	-
<b>(10 YEAR SECURED REDEEMABLE 7.22% TAX FREE BONDS 30NOV.2022)</b>		
100 Bonds of face value of ₹ 1,000,000/- each at premium of ₹100/- each, fully paid		
<b>(iv) INDIAN RAILWAY FINANCE CORPORATION</b>	10.00	-
<b>(10 YEAR SECURED REDEEMABLE 7.18% TAX FREE BONDS 19FEB.2023)</b>		
100,000 Bonds of face value of ₹ 1,000/- each, fully paid		
<b>AGGREGATE OF QUOTED INVESTMENTS (CURRENT)</b>	<b>50.00</b>	<b>25.00</b>
<b>TOTAL (CURRENT)</b>	<b>75.92</b>	<b>110.77</b>
<b>GRAND TOTAL</b>	<b>120.96</b>	<b>205.81</b>
A. AGGREGATE AMOUNT OF QUOTED INVESTMENTS	95.00	120.00
B. MARKET VALUE OF QUOTED INVESTMENTS*	104.23	130.39
C. AGGREGATE AMOUNT OF UNQUOTED INVESTMENTS	25.96	85.81
D. AGGREGATE AMOUNT OF IMPAIRMENT IN VALUE OF INVESTMENTS	-	-

\*MARKET VALUE OF SOME OF THE BONDS ARE NOT AVAILBALE AS THESE BONDS ARE NOT FREQUENTLY TRADED, HENCE TAKEN AT AMORTISED COST.

## 9 NON CURRENT LOANS

PARTICULARS	₹ in crore	
	AS AT 31.03.2022	AS AT 31.03.2021
LOANS TO EMPLOYEES CONSIDERED GOOD-SECURED	7.02	7.83
LOANS TO EMPLOYEES CONSIDERED GOOD-UNSECURED	1.73	2.03
<b>TOTAL</b>	<b>8.75</b>	<b>9.86</b>

## 10 OTHER NON CURRENT FINANCIAL ASSETS

PARTICULARS	NOTE NO.	₹ in crore	
		AS AT 31.03.2022	AS AT 31.03.2021
SECURITY DEPOSITS		3.12	5.07
INTEREST ACCRUED (INCLUDING ACCRUED BUT NOT DUE) ON:			
- CLIENT FUND FDR		0.52	0.79
RETENTION MONEY		89.35	43.85
BANK DEPOSITS HAVING MATURITY OVER 12 MONTHS FROM REPORTING DATE:			
- OWNED FUND	15.3	108.00	-
- CLIENTS FUND	16.3	24.30	46.50
<b>TOTAL</b>		<b>225.29</b>	<b>96.21</b>



## 11 DEFERRED TAX ASSETS/ (LIABILITY) (NET)

PARTICULARS	NOTE NO.	₹ in crore	
		AS AT 31.03.2022	AS AT 31.03.2021
<b>DEFERRED INCOME TAX ASSETS:</b>			
ACCRUED COMPENSATION TO EMPLOYEES		23.82	21.74
PROVISION FOR DOUBTFUL DEBTS, SECURITY DEPOSITS/ EMD, ADVANCES ETC.		32.52	33.60
PROVISION FOR WARRANTY		11.33	-
MAT CREDIT ENTITLEMENT		14.72	22.96
LEASE LIABILITY FOR ROU ASSETS		0.74	1.05
<b>TOTAL DEFERRED INCOME TAX ASSETS - I</b>		<b>83.13</b>	<b>79.35</b>
<b>DEFERRED INCOME TAX LIABILITIES:</b>			
PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS		49.65	52.29
INTEREST ACCRUED BUT NOT RECEIVED ON INCOME TAX REFUND		1.51	-
UNREALIZED SHORT TERM GAIN/(LOSS) ON MUTUAL FUNDS		0.06	0.05
<b>TOTAL DEFERRED INCOME TAX LIABILITIES - II</b>		<b>51.22</b>	<b>52.34</b>
<b>DEFERRED INCOME TAX ASSETS (NET)</b>	58	<b>31.91</b>	<b>27.01</b>

## 12 OTHER NON CURRENT ASSETS

PARTICULARS	NOTE NO.	₹ in crore	
		AS AT 31.03.2022	AS AT 31.03.2021
CAPITAL ADVANCE		120.37	61.37
PREPAID EXPENSES		1.27	0.73
DEFERRED COST TOWARDS STAFF LOAN		1.17	1.51
ADVANCE INCOME TAX (NET OF PROVISION)	58	23.29	45.46
ADVANCES TO SUPPLIERS		-	1.29
WORKS CONTRACT TAX RECEIVABLE		1.96	1.96
<b>TOTAL</b>		<b>148.06</b>	<b>112.32</b>

## 13 INVENTORIES

(AT THE LOWER OF COST AND NET REALISABLE VALUE)

PARTICULARS	₹ in crore	
	AS AT 31.03.2022	AS AT 31.03.2021
(AS CERTIFIED BY MANAGEMENT)		
STOCK IN TRADE*	136.76	287.59
LESS: PROVISION FOR OBSOLETE INVENTORIES	(19.97)	(3.44)
STORES & SPARES	1.96	2.01
<b>TOTAL</b>	<b>118.75</b>	<b>286.16</b>

\*Includes inventory lying with third parties of ₹ 133.45 crore (previous year ₹ 214.60 crore) & stock in transit ₹ Nil (previous year ₹ 69.35 crore).

Note - All inventories are expected to be utilised/sold within twelve months except certain items, which are utilised on need basis. Quantum of such items, which may be utilised beyond one year, is not determinable and is not expected to be material with reference to the total value of inventories.

## 14 CURRENT TRADE RECEIVABLES

PARTICULARS	₹ in crore	
	AS AT 31.03.2022	AS AT 31.03.2021
TRADE RECEIVABLE CONSIDERED GOOD - SECURED	-	-
TRADE RECEIVABLE CONSIDERED GOOD - UNSECURED	740.03	584.37
TRADE RECEIVABLE WHICH HAVE SIGNIFICANT INCREASE IN CREDIT RISK	-	-
TRADE RECEIVABLE - CREDIT IMPAIRED	104.51	110.19
	<b>844.54</b>	<b>694.56</b>
LESS: ALLOWANCE FOR EXPECTED CREDIT LOSSES	(104.51)	(110.19)
<b>TOTAL</b>	<b>740.03</b>	<b>584.37</b>

## 14.1 Trade receivables ageing schedule for the year ending 31.03.2022

₹ in crore

PARTICULARS	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months -1 Year	1-2 Years	2-3 Years	More than 3 Years	
(i) Undisputed Trade receivables – considered good	-	554.85	80.22	72.93	31.88	0.15	740.03
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	0.02	-	0.33	0.73	54.06	55.14
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	0.01	16.19	33.17	49.37
<b>Total</b>	-	<b>554.87</b>	<b>80.22</b>	<b>73.27</b>	<b>48.80</b>	<b>87.38</b>	<b>844.54</b>
Add:Unbilled Revenue Asset (Refer Note.18)							58.54
<b>Total</b>							<b>903.08</b>

## 14.2 Trade receivables ageing schedule for the year ending 31.03.2021

₹ in Crore

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months -1 Year	1-2 Years	2-3 Years	More than 3 Years	
(i) Undisputed Trade receivables – considered good	-	388.26	81.85	86.07	27.83	0.36	584.37
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	0.18	0.85	3.57	5.96	50.82	61.38
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	0.01	-	12.62	7.64	28.54	48.81
<b>Total</b>	-	<b>388.45</b>	<b>82.70</b>	<b>102.26</b>	<b>41.43</b>	<b>79.72</b>	<b>694.56</b>
Add:Unbilled Revenue Asset (Refer Note.18)							86.70
<b>Total</b>							<b>781.26</b>

## 15 CASH AND BANK BALANCES-OWNED FUND

₹ in crore

PARTICULARS	AS AT 31.03.2022		AS AT 31.03.2021	
<b>15.1 CASH AND CASH EQUIVALENTS</b>				
BANK BALANCES IN :				
CURRENT ACCOUNTS	40.23		36.53	
DEPOSITS #	9.47	49.70	80.71	117.24
CHEQUES IN HAND		-		1.33
CASH IN HAND		0.01		-
<b>TOTAL</b>		<b>49.71</b>		<b>118.57</b>
<b>15.2 OTHER BANK BALANCES</b>				
EARMARKED BALANCE WITH BANKS*		0.43		0.38
DEPOSITS ## @		657.51		805.92
<b>TOTAL</b>		<b>657.94</b>		<b>806.30</b>
<b>15.3 BANK BALANCE MORE THAN 12 MONTHS MATURITY-OWNED FUND (NOTE NO. 10)</b>				
DEPOSITS ###		108.00		-
<b>TOTAL</b>		<b>108.00</b>		<b>-</b>
<b>TOTAL CASH &amp; BANK BALANCE-OWNED FUND</b>		<b>815.65</b>		<b>924.87</b>

# Includes flexi deposits and deposits having maturity within 3 months from the date of acquisition.

## Having maturity over 3 months from the date of acquisition and upto 12 months from reporting date.

### Having maturity over 12 months from reporting date.

@ Includes restricted cash and bank balances of ₹0.46 crore (previous year ₹ 1.23 crore) on account of bank balance held as margin money deposits against guarantees issued by banks.

\* Earmarked bank balance is for unpaid dividend

## 16 CASH AND BANK BALANCES-CLIENTS FUND

₹ in crore

PARTICULARS	AS AT 31.03.2022		AS AT 31.03.2021	
<b>16.1 CASH AND CASH EQUIVALENTS</b>				
BANK BALANCES IN :				
CURRENT ACCOUNTS		120.57		405.34
DEPOSITS #		638.44		289.60
<b>TOTAL</b>		<b>759.01</b>		<b>694.94</b>
<b>16.2 OTHER BANK BALANCES</b>				
DEPOSITS ##		1,832.67		1,737.29
<b>TOTAL</b>		<b>1,832.67</b>		<b>1,737.29</b>
<b>16.3 BANK BALANCE MORE THAN 12 MONTHS MATURITY-CLIENT FUND (NOTE NO. 10)</b>				
DEPOSITS ###		24.30		46.50
<b>TOTAL</b>		<b>24.30</b>		<b>46.50</b>
<b>TOTAL CASH &amp; BANK BALANCE-CLIENTS FUND*</b>		<b>2,615.98</b>		<b>2,478.73</b>

# Includes flexi deposits and deposits having maturity within 3 months from the date of acquisition.

## Having maturity over 3 months from the date of acquisition and upto 12 months from reporting date.

### Having maturity over 12 months from reporting date.

\* Equivalent amount appears in client liabilities

## 17 CURRENT LOANS

₹ in crore

PARTICULARS	NOTE NO.	AS AT 31.03.2022	AS AT 31.03.2021
LOANS TO EMPLOYEES CONSIDERED GOOD-SECURED		1.49	1.60
LOANS TO EMPLOYEES CONSIDERED GOOD-UNSECURED		2.00	2.60
LOANS TO JV (RELATED PARTY) CONSIDERED GOOD-UNSECURED	48 (d) (i)	-	2.80
<b>TOTAL</b>		<b>3.49</b>	<b>7.00</b>

## 18 OTHER CURRENT FINANCIAL ASSETS

₹ in crore

PARTICULARS	NOTE NO.	AS AT 31.03.2022	AS AT 31.03.2021
SECURITY DEPOSITS		18.23	14.60
LESS: ALLOWANCES FOR EXPECTED CREDIT LOSSES		(0.31)	(0.29)
AMOUNT RECOVERABLES CONSIDERED GOOD-UNSECURED		13.64	18.20
AMOUNT RECOVERABLES CONSIDERED DOUBTFUL-UNSECURED		22.35	21.20
		35.99	39.40
LESS: ALLOWANCES FOR EXPECTED CREDIT LOSSES		(22.35)	(21.20)
<b>INTEREST ACCRUED (INCLUDING ACCRUED BUT NOT DUE) ON:</b>			
- OWN FUND FDR		12.48	23.68
- BONDS		5.03	5.89
- LOANS TO SRBWIPL (RELATED PARTY)	48 (d) (i)	-	0.65
- CLIENT FUND FDR		25.97	6.12
RETENTION MONEY		108.66	44.17
UNBILLED REVENUE		58.54	86.70
LESS: ALLOWANCES FOR EXPECTED CREDIT LOSSES		(0.34)	-
<b>TOTAL</b>		<b>241.90</b>	<b>199.72</b>

## 19 CURRENT TAX ASSETS (NET OF PROVISION)

₹ in crore

PARTICULARS	NOTE NO.	AS AT 31.03.2022	AS AT 31.03.2021
INCOME TAX RECEIVABLES	58	26.08	20.64
<b>TOTAL</b>		<b>26.08</b>	<b>20.64</b>

## 20 OTHER CURRENT ASSETS

₹ in crore

PARTICULARS	NOTE NO.	AS AT 31.03.2022	AS AT 31.03.2021
PREPAID EXPENSES		6.17	5.18
ADVANCES TO SUPPLIERS		42.21	178.09
LESS: PROVISION FOR DOUBTFUL ADVANCES		(1.02)	(1.11)
OTHER ADVANCES		1.36	1.46
LESS: PROVISION FOR DOUBTFUL ADVANCES		(0.35)	(0.35)
EXPORT INCENTIVE RECEIVABLE	46	10.52	1.40
LESS: PROVISION FOR DOUBTFUL EXPORT INCENTIVE		(0.31)	-
DEFERRED COST TOWARDS STAFF LOAN		0.21	0.30
UNAMORTIZED CONTRACT COST	56(n)	-	5.63
GOODS & SERVICES TAX INPUT RECEIVABLE		97.29	53.45
<b>TOTAL</b>		<b>156.08</b>	<b>244.05</b>

## 21 EQUITY SHARE CAPITAL

₹ in crore

PARTICULARS	AS AT 31.03.2022		AS AT 31.03.2021	
<b>21.1 AUTHORISED</b>				
300,000,000 (PREVIOUS YEAR 300,000,000) EQUITY SHARES OF ₹ 10/- EACH		300.00		300.00
<b>21.2 ISSUED, SUBSCRIBED AND FULLY PAID-UP</b>				
240,301,887 (PREVIOUS YEAR 240,301,887) EQUITY SHARES OF ₹ 10/- EACH		240.30		240.30
		<b>240.30</b>		<b>240.30</b>

PARTICULARS	No. of Shares	(₹ in crore)	No. of Shares	(₹ in crore)
<b>21.3 RECONCILIATION OF NUMBER OF EQUITY SHARES</b>				
OPENING BALANCE	240,301,887	240.30	250,000,000	250.00
LESS: BUY BACK OF EQUITY SHARES	-	-	(9,698,113)	(9.70)
<b>CLOSING BALANCE</b>	<b>240,301,887</b>	<b>240.30</b>	<b>240,301,887</b>	<b>240.30</b>

### 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.

PARTICULARS	AS AT 31.03.2022		AS AT 31.03.2021	
	No. of Shares	Shareholding (%)	No. of Shares	Shareholding (%)
<b>21.5 EQUITY SHARES HELD BY EACH SHAREHOLDER MORE THAN 5% OF SHARES</b>				
PRESIDENT OF INDIA ACTING THROUGH MINISTRY OF RAILWAYS	173,504,773	72.20%	173,504,773	72.20%
LIFE INSURANCE CORPORATION OF INDIA	19,584,120	8.15%	19,584,120	8.15%

### 21.6 EQUITY SHARES HELD BY PROMOTER SHAREHOLDER

PARTICULARS	AS AT 31.03.2022		AS AT 31.03.2021	
	No. of Shares	Shareholding (%)	% change during the year	No. of Shares
PRESIDENT OF INDIA ACTING THROUGH MINISTRY OF RAILWAYS	173,504,773	72.20%	-	173,504,773

PARTICULARS	AS AT 31.03.2021		AS AT 31.03.2020	
	No. of Shares	Shareholding (%)	% change during the year	No. of Shares
PRESIDENT OF INDIA ACTING THROUGH MINISTRY OF RAILWAYS	173,504,773	72.20%	(3.63%)	180,047,174

### 21.7 FULLY PAID-UP AGGREGATE NUMBER OF EQUITY SHARES ALLOTTED BY WAY OF BONUS SHARES DURING THE YEAR OF FIVE YEARS IMMEDIATELY PRECEDING BALANCE SHEET DATE.

Company issued 5 crore bonus shares of ₹ 10 each during 2019-20 amounting to ₹ 50 crore. Earlier company issued 10 crore bonus shares of ₹ 10 each during 2016-17 amounting to ₹ 100 crore.

### 21.8 FULLY PAID-UP AGGREGATE NUMBER OF EQUITY SHARES BUY-BACK DURING THE PREVIOUS YEAR

The Company has bought back 96,98,113 fully paid-up equity shares of ₹ 10 each from the shareholders on 18<sup>th</sup> November, 2020, on proportionate basis by way of tender offer at a price of ₹ 265 per equity share for an aggregate amount of ₹ 257 crore. Consequent to the said buy-back, the equity share capital of the company has been reduced by ₹ 9.70 crore and capital redemption reserve of an equivalent amount has therefore been created as per the extant provision of the companies act 2013.

## 22 OTHER EQUITY (REFER STATEMENT OF CHANGES IN EQUITY)

₹ in crore

PARTICULARS	NOTE NO.	AS AT 31.03.2022	AS AT 31.03.2021
<b>22.1 RESERVE &amp; SURPLUS</b>			
GENERAL RESERVE*	22.1.1	1,608.40	1,608.40
CAPITAL RESERVE	22.1.2	5.22	5.22
CAPITAL REDEMPTION RESERVE**	22.1.3	9.70	9.70
<b>22.2 RETAINED EARNING</b>	22.2.1	624.17	527.51
<b>22.3 OTHER COMPREHENSIVE INCOME</b>			
FOREIGN CURRENCY TRANSLATION RESERVE	22.3.1	0.85	0.84
<b>22.4 DISCONTINUED OPERATIONS***</b>	22.4.1	-	-
<b>ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE COMPANY (22.1+22.2+22.3+22.4) #</b>		2,248.34	2,151.67
<b>22.5 NON-CONTROLLING INTERESTS ##</b>		105.96	88.16
<b>TOTAL</b>		<b>2,354.30</b>	<b>2,239.83</b>

\*General Reserve represents amount kept by the company out of its profit for future purposes. It is not earmarked for any specific purpose.

\*\*Capital Redemption Reserve shall be utilised in accordance with the provisions of Companies Act, 2013.

\*\*\*Discounted operations pertains to RITES Infrastructure Services Limited

# Includes OCI of (₹ 4.00 crore) (previous year (₹ 4.82 crore)).

## Non-Controlling interests pertains to REMC Limited

₹ in crore

PARTICULARS	AS AT 31.03.2022	AS AT 31.03.2021
<b>22.1.1 GENERAL RESERVE</b>		
OPENING BALANCE	1,608.40	1,926.23
BUY BACK EXPENSES	-	(1.31)
TAX ON BUY BACK EXPENSES	-	0.33
BUY BACK OF EQUITY SHARES	-	(247.30)
TAX ON BUY BACK OF EQUITY SHARES	-	(59.85)
TRANSFER TO CAPITAL REDEMPTION RESERVE FROM GENERAL RESERVE	-	(9.70)
<b>CLOSING BALANCE</b>	<b>1,608.40</b>	<b>1,608.40</b>
<b>22.1.2 CAPITAL RESERVE</b>		
OPENING BALANCE	5.22	-
PRE-ACQUISITION PROFIT OF JOINT VENTURE	-	5.22
<b>CLOSING BALANCE</b>	<b>5.22</b>	<b>5.22</b>
<b>22.1.3 CAPITAL REDEMPTION RESERVE</b>		
OPENING BALANCE	9.70	-
TRANSFER FROM GENERAL RESERVE TO CAPITAL REDEMPTION RESERVE	-	9.70
<b>CLOSING BALANCE</b>	<b>9.70</b>	<b>9.70</b>
<b>22.2.1 RETAINED EARNINGS</b>		
OPENING BALANCE	527.51	456.86
PROFIT FOR THE YEAR	516.37	432.38
OTHER COMPREHENSIVE INCOME (OCI)	0.82	5.06
ADJUSTMENT ON ACCOUNT OF WINDING UP	-	(0.52)
INTERIM DIVIDENDS(2020-21)	-	(216.27)
INTERIM DIVIDENDS(2021-22)	(324.41)	-
FINAL DIVIDEND(2019-20)	-	(150.00)
FINAL DIVIDEND(2020-21)	(96.12)	-
<b>CLOSING BALANCE</b>	<b>624.17</b>	<b>527.51</b>
<b>22.3.1 FOREIGN CURRENCY TRANSLATION RESERVE</b>		
OPENING BALANCE	0.84	0.70
OTHER COMPREHENSIVE INCOME (OCI)	0.01	0.14
<b>CLOSING BALANCE</b>	<b>0.85</b>	<b>0.84</b>
<b>22.4.1 DISCONTINUED OPERATIONS</b>		
OPENING BALANCE	-	(0.52)
ADJUSTMENT ON ACCOUNT OF WINDING UP	-	0.52
<b>CLOSING BALANCE</b>	<b>-</b>	<b>-</b>

## 23 NON CURRENT BORROWINGS

		₹ in crore	
PARTICULARS	NOTE NO.	AS AT 31.03.2022	AS AT 31.03.2021
SECURED TERM LOAN FROM INDIAN BANK*		24.65	32.31
LESS: CURRENT MATURITY OF SECURED TERM LOAN FROM INDIAN BANK	26	(7.67)	(7.67)
<b>TOTAL</b>		<b>16.98</b>	<b>24.64</b>

Refer note no. 26 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. In addition to monthly schedule principal payment, company has also made lumpsum payment towards loan from time to time. Due to lumpsum payments, the entire loan will be repaid before the schedule of Term loan.
- Repayment of interest on term loan to be made monthly till closure of term loan (Interest @7.45%)
- Term Loan can be prepaid as per the availability of cash generation without any pre-payment charges.
- There has been no default in repayment of any of the loans or interest thereon as at the end of the year.

## 24 OTHER NON CURRENT FINANCIAL LIABILITIES

		₹ in crore	
PARTICULARS	NOTE NO.	AS AT 31.03.2022	AS AT 31.03.2021
CLIENTS DEPOSITS	16	24.82	47.29
SECURITY DEPOSITS - CLIENTS	16	122.59	156.46
SECURITY DEPOSITS		17.15	16.81
SALARY PAYABLE		2.27	-
<b>TOTAL</b>		<b>166.83</b>	<b>220.56</b>

## 25 NON CURRENT PROVISIONS

		₹ in crore	
PARTICULARS	NOTE NO.	AS AT 31.03.2022	AS AT 31.03.2021
EMPLOYEE BENEFITS	45	2.80	2.90
WARRANTIES	51(a)	27.43	7.92
<b>TOTAL</b>		<b>30.23</b>	<b>10.82</b>

## 26 CURRENT BORROWINGS

		₹ in crore	
PARTICULARS	NOTE NO.	AS AT 31.03.2022	AS AT 31.03.2021
BANK OVERDRAFT		-	0.07
CURRENT MATURITY OF SECURED TERM LOAN FROM INDIAN BANK	23	7.67	7.67
<b>TOTAL</b>		<b>7.67</b>	<b>7.74</b>

## 27 TRADE PAYABLES

		₹ in crore	
PARTICULARS	NOTE NO.	AS AT 31.03.2022	AS AT 31.03.2021
TOTAL OUTSTANDING DUES OF MICRO ENTERPRISES AND SMALL ENTERPRISES	62(f)	25.62	8.80
TOTAL OUTSTANDING DUES OTHER THAN MICRO ENTERPRISES AND SMALL ENTERPRISES		155.47	287.58
<b>TOTAL</b>		<b>181.09</b>	<b>296.38</b>

## 27.1 Trade payables ageing schedule for the year ending 31.03.2022

		₹ in crore					
Particulars	Unbilled	Outstanding for following periods from due date of payment					Total
		Not due	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
(i) MSME	6.19	2.49	16.94	-	-	-	25.62
(ii) Others	37.56	39.46	71.99	1.35	1.92	1.25	153.53
(iii) Disputed Dues-MSME	-	-	-	-	-	-	-
(iv) Disputed Dues-Others	-	-	-	0.02	-	1.92	1.94
<b>Total</b>	<b>43.75</b>	<b>41.95</b>	<b>88.93</b>	<b>1.37</b>	<b>1.92</b>	<b>3.17</b>	<b>181.09</b>

## 27.2 Trade payables ageing schedule for the year ending 31.03.2021

		₹ in crore					
Particulars	Unbilled	Outstanding for following periods from due date of payment					Total
		Not due	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
(i) MSME	1.21	0.28	7.31	-	-	-	8.80
(ii) Others	90.75	7.47	180.73	4.16	0.58	1.87	285.56
(iii) Disputed Dues-MSME	-	-	-	-	-	-	-
(iv) Disputed Dues-Others	0.80	-	-	0.01	0.05	1.16	2.02
<b>Total</b>	<b>92.76</b>	<b>7.75</b>	<b>188.04</b>	<b>4.17</b>	<b>0.63</b>	<b>3.03</b>	<b>296.38</b>

## 28 OTHER CURRENT FINANCIAL LIABILITIES

		₹ in crore	
PARTICULARS	NOTE NO.	AS AT 31.03.2022	AS AT 31.03.2021
CLIENTS DEPOSITS	16	2,396.97	2,213.99
SECURITY DEPOSITS - CLIENTS	16	98.09	67.90
SECURITY DEPOSITS		97.13	76.48
FOREIGN SERVICE CONTRIBUTION	45 (c)	3.47	4.93
SALARY PAYABLES		6.61	5.13
STAFF & OTHER CLAIMS		7.99	7.35
OTHER PAYABLE OF MSME	62(f)	0.78	0.08
OTHER PAYABLE OF OTHER THAN MSME		6.69	2.70
INTEREST ACCRUED AND DUE ON BORROWINGS		0.16	0.20
UNPAID DIVIDEND*		0.43	0.41
<b>TOTAL</b>		<b>2,618.32</b>	<b>2,379.17</b>

\* No amount is due for payment to Investor Education & Protection Fund



**29 OTHER CURRENT LIABILITIES**

PARTICULARS	₹ in crore	
	AS AT 31.03.2022	AS AT 31.03.2021
ADVANCE FROM CUSTOMERS	75.55	268.58
STATUTORY LIABILITIES	41.10	43.40
<b>TOTAL</b>	<b>116.65</b>	<b>311.98</b>

**30 CURRENT PROVISIONS**

PARTICULARS	NOTE NO.	₹ in crore	
		AS AT 31.03.2022	AS AT 31.03.2021
EMPLOYEE BENEFITS	45	65.20	79.90
CORPORATE SOCIAL RESPONSIBILITY	62(d)	4.37	-
WARRANTIES	51(a)	17.59	17.22
COMMITMENTS	51(a)	-	0.58
<b>TOTAL</b>		<b>87.16</b>	<b>97.70</b>

**31 REVENUE FROM OPERATIONS**

PARTICULARS	NOTE NO.	₹ in crore	
		Year Ended 31.03.2022	Year Ended 31.03.2021
<b>SALE OF SERVICES</b>			
CONSULTANCY FEE		753.06	718.92
INSPECTION FEE		324.43	298.78
LEASE SERVICES	57(b)(i)	130.85	108.27
		<b>1,208.34</b>	<b>1,125.97</b>
<b>SALE OF PRODUCTS</b>			
EXPORT SALES		944.59	93.27
SALE OF POWER GENERATION		21.38	16.45
<b>OTHERS</b>			
TURNKEY CONSTRUCTION PROJECTS		459.39	623.85
<b>TOTAL *</b>		<b>2,633.70</b>	<b>1,859.54</b>
<b>OTHER OPERATIVE REVENUE</b>			
PROVISION NO LONGER REQUIRED		0.71	32.81
REVERSAL OF IMPAIRMENT OF FINANCIAL ASSETS		5.69	1.01
LIABILITIES WRITTEN BACK		0.60	8.37
EXPORT INCENTIVES		21.13	3.57
<b>TOTAL</b>		<b>28.13</b>	<b>45.76</b>
<b>REVENUE FROM OPERATIONS</b>		<b>2,661.83</b>	<b>1,905.30</b>

Note-\* 1 - Revenue from operation does not include GST of ₹ 258.82 crore (previous year ₹ 266.21 crore)

2 - Revenue from operation include unbilled income recognized of ₹54.35 crore (previous year ₹ 112.47 crore)

**32 OTHER INCOME**

PARTICULARS	₹ in crore	
	YEAR ENDED 31.03.2022	YEAR ENDED 31.03.2021
<b>INTEREST EARNED ON:</b>		
- DEPOSITS WITH BANK	42.53	72.57
- TAX FREE BONDS	8.28	9.02
- STAFF ADVANCES	1.32	1.63
- LOAN TO RELATED PARTIES	0.13	0.34
- DELAYED PAYMENTS	0.48	-
- INCOME TAX REFUND	6.00	83.56
REALIZED GAIN ON CURRENT INVESTMENT (MUTUAL FUNDS)	1.97	4.12
UNREALIZED GAIN ON CURRENT INVESTMENT (MUTUAL FUNDS)	0.22	0.19
RENT FROM INVESTMENT PROPERTIES	0.16	0.18
EXCHANGE VARIATION	17.18	5.85
MISCELLANEOUS INCOME	5.18	5.82
<b>TOTAL</b>	<b>83.45</b>	<b>99.72</b>

**33 EMPLOYEE BENEFITS EXPENSE**

		₹ in crore	
PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2022	YEAR ENDED 31.03.2021
SALARIES		363.87	363.23
FOREIGN SERVICE CONTRIBUTION	45(c)	3.21	3.62
CONTRIBUTION TO PROVIDENT & OTHER FUNDS	45	61.04	61.14
STAFF WELFARE EXPENSES		25.89	21.08
PERFORMANCE RELATED PAYMENT		38.98	16.52
LEAVE ENCASHMENT	45	24.26	17.49
<b>TOTAL</b>		<b>517.25</b>	<b>483.08</b>

**34 SUPPLIES & SERVICES**

		₹ in crore	
PARTICULARS		YEAR ENDED 31.03.2022	YEAR ENDED 31.03.2021
TURNKEY CONSTRUCTION PROJECTS		415.76	552.63
OTHERS		176.95	134.39
<b>TOTAL</b>		<b>592.71</b>	<b>687.02</b>

**35 CHANGES IN INVENTORIES OF STOCK IN TRADE**

		₹ in crore	
PARTICULARS		YEAR ENDED 31.03.2022	YEAR ENDED 31.03.2021
OPENING STOCK		287.59	8.56
CLOSING STOCK		136.76	287.59
<b>NET (INCREASE)/ DECREASE IN INVENTORIES</b>		<b>150.83</b>	<b>(279.03)</b>

**36 GENERATION EXPENSES**

		₹ in crore	
PARTICULARS		YEAR ENDED 31.03.2022	YEAR ENDED 31.03.2021
TRANSMISSION, WHEELING & SLDC CHARGES		4.82	5.29
OPERATION & MAINTAINANCE COST		3.07	2.91
<b>TOTAL</b>		<b>7.89</b>	<b>8.20</b>

**37 FINANCE COSTS**

		₹ in crore	
PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2022	YEAR ENDED 31.03.2021
ON TERM LOAN	63(c)	2.11	3.10
ON BANK OVERDRAFT		0.01	0.05
UNWINDING WARRANTY	51(a)	2.00	0.74
BG/LC CHARGES		2.62	1.34
UNWINDING LEASE LIABILITY	57(a)	0.30	0.42
INTEREST- OTHERS*		0.21	0.36
<b>TOTAL</b>		<b>7.25</b>	<b>6.01</b>

\*Includes Interest on Income tax of ₹ Nil (previous year 31.03.2021 ₹ 0.02 crore)

**38 DEPRECIATION & AMORTISATION EXPENSE**

		₹ in crore	
PARTICULARS		YEAR ENDED 31.03.2022	YEAR ENDED 31.03.2021
PROPERTY, PLANT AND EQUIPMENT		60.11	46.44
RIGHT OF USE ASSETS		3.51	3.70
INTANGIBLE ASSETS		1.99	1.73
<b>TOTAL</b>		<b>65.61</b>	<b>51.87</b>

**39 OTHER EXPENSES**

		₹ in crore	
PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2022	YEAR ENDED 31.03.2021
PRINTING, STATIONERY AND DOCUMENTATION		3.82	2.82
ADVERTISEMENT & BUSINESS PROMOTION		4.21	5.65
AUDITORS' REMUNERATION (INCLUDING OUT OF POCKET EXPENSES)	39.1	0.43	0.35
RATES & TAXES		2.64	3.84
OFFICE RENT		6.84	5.64
POSTAGE & TELECOMMUNICATION		5.58	5.61
OFFICE MAINTENANCE		11.22	10.77
REPAIRS TO MACHINERY/EQUIPMENTS		2.96	2.58
REPAIRS TO BUILDING		0.01	-
FREIGHT & FORWARDING (OUTWARD)		19.55	2.69
POWER AND FUEL CHARGES		4.02	4.09
STORES AND SPARES CONSUMED		5.49	2.84
INTERNAL AUDIT FEE		0.09	0.14
LEGAL AND PROFESSIONAL FEE		1.66	1.87
INSURANCE CHARGES		1.52	2.86
PROPERTY, PLANT AND EQUIPMENT WRITTEN OFF		0.05	0.01
MANPOWER DEVELOPMENT		0.54	0.45
LOSS ON SALE OF PROPERTY, PLANT AND EQUIPMENT		0.02	0.01
IMPAIRMENT LOSS FOR FINANCIAL ASSETS:			
- PROVISION FOR IMPAIRMENT		1.56	5.89
- BAD DEBTS		10.89	3.23
PROVISION FOR:			
- EXPORT INCENTIVES		0.31	-
- INVENTORIES		16.52	3.44
- DOUBTFUL ADVANCES		-	1.11
- WARRANTIES		26.85	-
DONATION		-	7.00
DIRECTORS' SITTING FEE		0.14	0.26
CORPORATE SOCIAL RESPONSIBILITY		14.80	14.34
ADVANCES/RECOVERABLE WRITTEN OFF		0.04	0.08
MISCELLANEOUS EXPENSES		7.06	4.79
<b>TOTAL</b>		<b>148.82</b>	<b>92.36</b>

**39.1 AUDITORS' REMUNERATION**

		₹ in crore	
PARTICULARS		YEAR ENDED 31.03.2022	YEAR ENDED 31.03.2021
<b>(A) STATUTORY AUDITORS</b>			
STATUTORY AUDIT FEE		0.12	0.12
TAX AUDIT FEE		0.04	0.04
LIMITED REVIEW		0.08	0.06
OTHER SERVICES, i.e. CERTIFICATION ETC.		0.08	0.05
<b>SUB TOTAL (A)</b>		<b>0.32</b>	<b>0.27</b>
<b>(B) BRANCH AUDITORS</b>			
STATUTORY AUDIT FEE		0.03	0.02
TAX AUDIT FEE		0.01	0.01
LIMITED REVIEW FEE		0.03	0.03
<b>SUB TOTAL (B)</b>		<b>0.07</b>	<b>0.06</b>
<b>AUDITORS' REMUNERATION (A+B)</b>		<b>0.39</b>	<b>0.33</b>
<b>AUDITORS' OUT OF POCKET EXPENSES (C)</b>		<b>0.04</b>	<b>0.02</b>
<b>AUDITORS' REMUNERATION (INCLUDING OUT OF POCKET EXPENSES)(A+B+C)</b>		<b>0.43</b>	<b>0.35</b>

## 40 SHARE OF PROFIT/(LOSS) OF JOINT VENTURES

PARTICULARS	NOTE NO.	₹ in crore	
		YEAR ENDED 31.03.2022	YEAR ENDED 31.03.2021
INDIAN RAILWAY STATIONS DEVELOPMENT CORPORATION LIMITED		(0.09)	(0.17)
SAIL-RITES BENGAL WAGON INDUSTRY PRIVATE LIMITED		0.81	1.24
<b>TOTAL</b>	55(b)(ii)	<b>0.72</b>	<b>1.07</b>

## 41 CURRENT TAX

PARTICULARS	NOTE NO.	₹ in crore	
		YEAR ENDED 31.03.2022	YEAR ENDED 31.03.2021
- CURRENT YEAR		(189.88)	(150.18)
- EARLIER YEAR		(11.54)	3.63
<b>TOTAL</b>	58	<b>(201.42)</b>	<b>(146.55)</b>

## 42 DEFERRED TAX (NET)

PARTICULARS	NOTE NO.	₹ in crore	
		YEAR ENDED 31.03.2022	YEAR ENDED 31.03.2021
CREDIT/(CHANGE) RELATING TO TEMPORARY DIFFERENCES			
- CURRENT YEAR		(1.57)	(2.21)
- EARLIER YEAR		6.47	0.42
<b>TOTAL</b>	58	<b>4.90</b>	<b>(1.79)</b>

## Disclosures as per Indian Accounting Standards (Ind AS):

## 43. The subsidiary companies considered in the financial statements are as follows:

Name of Subsidiary Companies	Country of Incorporation	% of Shareholding as on 31.03.2022	% of Shareholding as on 31.03.2021
• RITES (Afrika) (Pty) Limited	Botswana	100%	100%
• REMC Limited	India	51%	51%

## 44. Indian Accounting Standard (Ind AS) 2, Disclosures on Inventories are as follows:

Inventories are carried at lower of cost and net realizable value. Cost of stock in trade, procured or purchased, by the holding Company comprises of costs of purchase and other costs incurred in bringing the inventories to its present location and condition.

Amount of inventories consumed and recognized as expenses during the year is as under:

Particulars	₹ in crore	
	Year ended 31.03.2022	31.03.2021
Stock in Trade	628.84	53.58
Stores and spares	5.49	2.84
<b>Total</b>	<b>634.33</b>	<b>56.42</b>
Provision for obsolete inventories	16.52	3.44

**45. In case of holding Company, Indian Accounting Standard (Ind AS) 19, Disclosure on Employee benefits is as follows:**
**a) Defined Benefit Plan**
**i) Gratuity (Funded)-Regular Employees**
**I) Changes in Present Value of the Benefit Obligation are as follows:**

Particulars	₹ in crore	
	31.03.2022	31.03.2021
Present Value of obligation as at beginning of year	146.33	150.44
Interest Cost	9.74	9.99
Current Service Cost	8.67	8.37
Benefits paid	(16.88)	(16.55)
Actuarial (Gain)/Loss on obligation	0.45	(5.92)
Present Value of Obligation as at end of year	148.31	146.33

**Bifurcation of Present Value Obligation at the end of year in current and non-current:**

Particulars	₹ in crore	
	31.03.2022	31.03.2021
Current liability (Amount due within one year)	21.13	14.56
Non-Current liability (Amount due over one year)	127.18	131.77
Present Value of Obligation as at end of year	148.31	146.33

**II) Changes in the Fair Value of Plan Assets are as follows:**

Particulars	₹ in crore	
	31.03.2022	31.03.2021
Fair Value of Plan Assets at beginning of year	143.27	131.41
Actual Interest Income	10.94	9.38
Contributions	3.06	19.03
Benefits Paid	(9.73)	(16.55)
Fair value of Plan Assets at the end of year	147.54	143.27

**Major categories of plan assets (as percentage of total plan assets):**

Particulars	31.03.2022	31.03.2021
a) Government of India Securities	--	--
b) State Government securities	--	--
c) High Quality Corporate Bonds	--	--
d) Equity Shares of listed companies	--	--
e) Property	--	--
f) Funds Managed by Insurer	100%	100%
g) Bank Balance	--	--
<b>Total</b>	<b>100%</b>	<b>100%</b>

**III) The amount recognized in the Balance Sheet is as follows:**

Particulars	₹ in crore	
	31.03.2022	31.03.2021
Defined Benefit Obligation at end of year	148.31	146.33
Fair value of Plan Assets at the end of year	147.54	143.27
Funded Status - (Surplus)/ Deficit	0.77	3.06
Net (Liability)/Asset recognized in Balance Sheet	(0.77)	(3.06)

**IV) Amount recognized in the Statement of Profit & Loss is as follows:**

Particulars	₹ in crore	
	31.03.2022	31.03.2021
Current Service Cost	8.67	8.37
Net Interest on Net Defined Benefit Liability	0.20	1.27
Expenses recognized in Statement of Profit and Loss	8.87	9.64

**Bifurcation of Actuarial Gain/Loss on Obligation**

Particulars	₹ in crore	
	31.03.2022	31.03.2021
Actuarial (Gain)/Loss on arising from Change in Demographic Assumption	-	-
Actuarial (Gain)/Loss on arising from Change in Financial Assumption	(1.52)	(0.20)
Actuarial (Gain)/Loss on arising from Experience Adjustment	1.97	(5.72)

**V) Amount recognized in Other Comprehensive Income is as follows:**

Particulars	₹ in crore	
	31.03.2022	31.03.2021
Actuarial (Gains)/Losses on Liability	0.45	(5.92)
Actuarial (Gains)/Losses on Assets	(1.40)	(0.66)
Other Comprehensive (Income)/Expense	(0.95)	(6.58)

**VI) The principal actuarial assumptions are as follows:**

Particulars	31.03.2022	31.03.2021
Discounting rate (%)	7.00%	6.66%
Future salary increase (%)	8.70%	8.25%
Retirement Age (Years)	60	60
Mortality rates inclusive of provision for disability	100% of IALM (2012 - 14)	100% of IALM (2012 - 14)
Attrition at Ages	Withdrawal Rate (%)	Withdrawal Rate (%)
Up to 30 Years	3.00	3.00
From 31 to 44 years	2.00	2.00
Above 44 years	1.00	1.00

**VII) The significant actuarial assumptions for the determination of the defined obligations are discount rate and expected salary increase. The sensitivity for actuarial assumptions have been computed by varying respective actuarial assumption used for valuation of the defined benefit obligation by 1%, while holding all other assumptions constant.**

If the discount rate increases/decreases by 1%, the defined obligations would decrease by ₹ 9.46 crore / increase by ₹ 9.99 crore as on 31<sup>st</sup> March, 2022 and if the expected salary growth increases /decreases by 1%, the defined benefit obligations would increase by ₹ 4.12 crore/ decrease by ₹ 4.28 crore as on 31<sup>st</sup> March, 2022.

However, the actual change in assumptions would not necessarily behave in isolation to each other. The defined benefit obligations would change accordingly.

The Company is expected to contribute ₹ 0.77 crore to defined benefit plan obligations towards gratuity during the year 2022-23. Remeasurement (gain)/loss of defined employee benefit plans in Other Comprehensive Income (OCI) for the year ended 31.03.2022 and 31.03.2021 are ₹ (0.95) crore and ₹ (6.58) crore respectively.

**The defined benefit obligation shall mature as follows:**

Year ending March, 31	₹ in crore
	Defined benefit obligations
2023	21.13
2024	15.31
2025	16.91
2026	14.88
2027	11.49
2028	8.50
2028 onward	60.09

**ii) Gratuity (Funded)-Contract Employees**
**I) Changes in Present Value of the Benefit Obligation are as follows**

Particulars	₹ in crore	
	31.03.2022	31.03.2021
Present Value of obligation as at beginning of year	3.57	3.45
Interest Cost	0.23	0.23
Current Service Cost	0.36	0.34
Benefit paid	(0.31)	(0.29)
Actuarial (Gain)/Loss on obligation	(0.01)	(0.16)
Present Value of obligation as at end of year	3.84	3.57

**Bifurcation of PBO at the end of year in current and noncurrent**

Particulars	₹ in crore	
	31.03.2022	31.03.2021
Current liability (Amount due within one year)	0.14	0.15
Non-Current liability (Amount due over one year)	3.70	3.42
Total Present Value of Obligation as at end of year	3.84	3.57

**II) Changes in the Fair Value of Plan Assets are as follows:**

Particulars	₹ in crore	
	31.03.2022	31.03.2021
Fair Value of plan Assets at beginning of year	3.37	2.78
Actual Interest income	0.27	0.21
Contributions	0.20	0.67
Benefits paid	(0.05)	(0.29)
Fair value on Plan Assets at end of year	3.79	3.37

**Major categories of plan assets (as percentage of total plan assets):**

Particulars	₹ in crore	
	31.03.2022	31.03.2021
Government of India Securities	-	-
State Government securities	-	-
High Quality Corporate Bonds	-	-
Equity Shares of listed companies	-	-
Property	-	-
Funds Managed by Insurer	100 %	100 %
Bank Balance	-	-
<b>Total</b>	<b>100 %</b>	<b>100 %</b>

**III) The amount recognized in the Balance Sheet is as follows:**

Particulars	₹ in crore	
	31.03.2022	31.03.2021
Defined Benefit Obligation at end of year	3.84	3.57
Fair value of Plan Assets at the end of year	3.79	3.37
Funded Status - (Surplus)/ Deficit	0.05	0.20
Net (Liability)/ Asset recognized in Balance Sheet	(0.05)	(0.20)

**IV) Amount recognized in the Statement of Profit & Loss is as follows:**

Particulars	₹ in crore	
	31.03.2022	31.03.2021
Current Service Cost	0.36	0.34
Net Interest on Net Defined Benefit Liability	0.01	0.04
Expenses recognized in the statement of Profit & Loss	0.37	0.38

**Bifurcation of Actuarial Gain/Loss on Obligation:**

Particulars	₹ in crore	
	31.03.2022	31.03.2021
Actuarial (Gain)/Loss on arising from Change in Demographic Assumption	-	-
Actuarial (Gain)/Loss on arising from Change in Financial Assumption	(0.05)	(0.01)
Actuarial (Gain)/Loss on arising from Experience Adjustment	0.04	(0.15)

**V) Amount recognized in Other Comprehensive Income is as follows:**

Particulars	₹ in crore	
	31.03.2022	31.03.2021
Actuarial (Gains)/ Losses on Liability	(0.01)	(0.16)
Actuarial (Gains)/Losses on Assets	(0.05)	(0.02)
Other Comprehensive (Income)/Expense	(0.06)	(0.18)

**VI) The principal actuarial assumptions are as follows:**

Particulars	31.03.2022	31.03.2021
Discounting rate (%)	7.00%	6.66%
Future salary increase (%)	4.35%	4.12%
Retirement Age (Years)	60	60
Mortality rates inclusive of provision for disability	100% of IALM (2012 - 14)	100% of IALM (2012 - 14)
Attrition at Ages	Withdrawal Rate (%)	Withdrawal Rate (%)
Up to 30 Years	3.00	3.00
From 31 to 44 years	2.00	2.00
Above 44 years	1.00	1.00

**VII) The significant actuarial assumptions for the determination of the defined obligations are discount rate and expected salary increase. The sensitivity for actuarial assumptions has been computed by varying respective actuarial assumption used for valuation of the defined benefit obligation by 1%, while holding all other assumptions constant.**

If the discount rate increases /decreases by 1%, the defined obligations would decrease by ₹0.48 crore /increase by ₹ 0.53 crore as on 31<sup>st</sup> March, 2022 and if the expected salary growth increases /decreases by 1%, the defined benefit obligations would increase by ₹0.53 crore/ decrease by ₹0.49 crore as on 31<sup>st</sup> March, 2022.

However, the actual change in assumptions would not necessarily behave in isolation to each other. The defined benefit obligations would change accordingly.

The Company is expected to contribute ₹ 0.05 crore to defined benefit plan obligations towards gratuity during the year 2022-23. Remeasurement (gain)/loss of defined employee benefit plans in Other Comprehensive Income (OCI) for the year ended 31.03.2022 and 31.03.2021 are ₹ (0.06) crore and ₹ (0.18) crore respectively.

The defined benefit obligation shall mature as follows:

Year ending March, 31	₹ in crore
Defined benefit obligations	
2023	0.14
2024	0.07
2025	0.07
2026	0.10
2027	0.18
2028	0.14
2028 onward	3.14



**iii) Provident Fund (Funded)**

The Company pays fixed contribution to provident fund at predetermined rates to a separate trust, which invests the funds in permitted securities. The Company has an obligation to ensure minimum rate of return to the members as specified by GOI. Accordingly, the Company has obtained report of the actuary, based on which overall interest earnings and cumulative surplus is more than the statutory interest payment requirement for all the periods presented. Further, contribution to employees pension scheme is paid to the appropriate authorities.

As per the provisions of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Company has no right to the benefits either in the form of refund from the plan or lower future contribution to the plan towards the net surplus of ₹1.05 crore (previous year ₹0.03 crore) determined through actuarial valuation. Accordingly Company has not recognized the surplus as assets as it pertains to the provident fund trust and not to the Company.

The Company contributed ₹ 23.61 crore and ₹ 22.84 crore to the provident fund during the year ended 31<sup>st</sup> March, 2022 and 31<sup>st</sup> March, 2021 respectively.

**I) Changes in Present Value of the Benefit Obligation are as follows:**

Particulars	₹ in crore	
	31.03.2022	31.03.2021
Present value of obligation as at the beginning of the period	646.41	599.74
Interest Cost	53.58	51.28
Current Service Cost	23.61	22.84
Contributions by plan participants / employees	45.97	49.56
Benefits Paid	(98.54)	(79.59)
Total Actuarial (Gain)/Loss on Obligation	0.91	0.02
Settlements/Transfer In	4.12	2.56
<b>Present value of obligation as at the end of the period</b>	<b>676.06</b>	<b>646.41</b>

**II) Changes in the Fair Value of Plan Assets are as follows:**

Particulars	₹ in crore	
	31.03.2022	31.03.2021
Fair value of plan assets at the beginning of the Year	646.44	599.79
Adjustment as per BS	-	0.13
Actual return on plan assets	55.51	51.15
Employer contribution	23.61	22.84
Plan Participants / Employee Contribution	45.97	49.56
Benefits paid	(98.54)	(79.59)
Settlements / Transfer In	4.12	2.56
<b>Fair value of plan assets at the end of the Year</b>	<b>677.11</b>	<b>646.44</b>

**III) Net defined benefit Surplus (Deficit) is as follows:**

Particulars	₹ in crore	
	31.03.2022	31.03.2021
Defined Benefit Obligation at end of year	676.06	646.41
Fair value of Plan Assets at the end of year	677.11	646.44
Net defined benefit Surplus(Deficit)	1.05	0.03

**iv) Other Benefits**
**I) Other Benefits (Funded):- Earned Leave and Medical Leave- Regular Employees**
**A) Changes in Present Value of the Benefit Obligation are as follows:**

Particulars	₹ in crore			
	Earned Leave (Regular Employee)		Medical Leave (Regular Employee)	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021
Present Value of obligation as at beginning of year	83.74	77.79	64.54	63.12
Interest Cost	5.58	5.17	4.30	4.19
Current Service Cost	8.26	7.20	4.48	4.13
Benefits paid	(16.80)	(15.01)	(3.75)	(2.96)
Actuarial (Gain)/Loss on obligation	12.37	8.59	(1.83)	(3.94)
Present Value of Obligation as at end of year	93.15	83.74	67.74	64.54

## Changes in the Fair Value of Plan Assets are as follows:

₹ in crore

Particulars	Earned Leave (Regular Employee)		Medical Leave (Regular Employee)	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021
Fair Value of Plan Assets at beginning of year	73.42	68.52	63.24	59.02
Actual Interest Income	5.14	4.90	4.42	4.22
Contributions	-	-	-	-
Benefits Paid	-	-	-	-
Fair value of Plan Assets at the end of year	78.56	73.42	67.66	63.24

## B) The amount recognized in the Balance Sheet is as follows:

₹ in crore

Particulars	Earned Leave (Regular Employee)		Medical Leave (Regular Employee)	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021
Defined Benefit Obligation at end of year	93.15	83.74	67.74	64.54
Fair value of Plan Assets at the end of year	78.56	73.42	67.66	63.24
Funded Status – (Surplus)/ Deficit	14.59	10.32	0.08	1.30
Net (Liability)/ Asset recognized in Balance Sheet	(14.59)	(10.32)	(0.08)	(1.30)

## C) Amount recognized in the Statement of Profit &amp; Loss is as follows:

₹ in crore

Particulars	Earned Leave (Regular Employee)		Medical Leave (Regular Employee)	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021
Current Service Cost	8.26	7.20	4.48	4.13
Net Interest on Net Defined Benefit Liability	0.69	0.62	0.09	0.27
Net Actuarial (gain)/loss recognized in the year	12.12	8.25	(2.04)	(4.24)
Expenses recognized in the statement of Profit & Loss	21.07	16.07	2.53	0.16

## D) The principal actuarial assumptions are as follows:

Particulars	Earned Leave (Regular Employee)		Medical Leave (Regular Employee)	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021
Discounting rate (%)	7.00%	6.66%	7.00%	6.66%
Future salary increase (%)	8.70%	8.25%	8.70%	8.25%

## E) Sensitivity Analysis of the defined benefit obligation:

₹ in crore

Particulars	Increase (Decrease) in present value of obligation as on 31.03.2022	
	Earned Leave (Regular Employee)	Medical Leave (Regular Employee)
Impact due to Increase of 1 % discount rate	(0.85)	(4.72)
Impact due to Decrease of 1 % discount rate	0.92	0.51
Impact due to Increase of 1 % in Salary	9.02	5.04
Impact due to Decrease of 1 % in Salary	(0.83)	(0.47)

**II) Other Benefits (unfunded):- Earned Leave (Contract employee), Leave Travel Concession and Long Service Award (Regular employee).**
**A) Present value of the defined benefits plan obligations:**

Particulars	Earned Leave (Contract Employee)		Leave Travel Concession* (Regular employee)		Long Service Award (Regular employee)	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021
Opening Balance	1.64	1.27	0.01	0.01	1.51	1.43
Interest Cost	0.11	0.08	0.00	0.00	0.10	0.10
Current Service Cost	0.32	0.44	0.00	0.00	0.13	0.03
Benefit paid	(0.91)	(0.89)	(0.00)	(0.00)	(0.00)	(0.00)
Actuarial (Gain)/Loss on obligation	0.23	0.74	(0.00)	(0.00)	(0.19)	(0.05)
Closing Balance	1.39	1.64	0.01	0.01	1.55	1.51

**B) Total expenses recognized in the Statement of Profit & Loss are as follows:**

₹ in crore

Particulars	Earned Leave (Contract Employee)		Leave Travel Concession* (Regular employee)		Long Service Award (Regular employee)	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021
Current Service Cost	0.32	0.44	0.00	0.00	0.13	0.03
Interest Cost	0.11	0.08	0.00	0.00	0.10	0.10
Actuarial (Gain)/Loss	0.23	0.74	(0.00)	(0.00)	(0.19)	(0.05)
Expenses recognized in the statement of Profit & Loss	0.66	1.26	(0.00)	(0.00)	0.04	0.08

**C) The principal actuarial assumptions used at the Balance Sheet date are as follows:**

Particulars	Earned Leave (Contract Employee)		Leave Travel Concession (Regular employee)		Long Service Award (Regular employee)	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021
Discount rate (%)	7.00%	6.66%	7.00%	6.66%	7.00%	6.66%
Future salary increase (%)	4.35%	4.12%	8.70%	8.25%	-	-

**D) Sensitivity Analysis of the defined benefit obligation:**

₹ in crore

Particulars	Increase (Decrease) in present value of obligation as on 31.03.2022	
	Earned Leave (Contract employee)	Leave Travel Concession (Regular Employee)*
Impact due to Increase of 1 % discount rate	(0.19)	(0.00)
Impact due to Decrease of 1 % discount rate	0.19	0.00
Impact due to Increase of 1 % in Salary	0.20	-
Impact due to Decrease of 1 % in Salary	(0.19)	-

\* The values in Leave Travel Concession are under ₹1 lakh.

**b) Defined Contribution Plans****i) Post Retirement Benefits (Pension & Medical):**

All eligible employees are entitled to benefit under defined contribution plans towards pension under EPFO scheme, post retirement pension fund and medical schemes as defined contribution plans. The Company has no obligations other than the contribution payable to such funds/schemes. The Company recognizes such contributions as expenses when an employee renders the related service.

During the year, Company contributed/ provided ₹18.89 crore (previous year ₹19.03 crore) towards post retirement pension fund, ₹3.52 crore (previous year ₹3.69 crore) towards pension under EPFO and ₹5.45Crore (previous year ₹5.31 crore) towards medical schemes.

**ii) Performance Related Pay:**

Eligible employees are entitled to benefit of performance related pay. The provision for performance related pay is of short term nature and has been recognized as per the procedure laid by management based on the guidelines of the Department of Public Enterprises.

**c) Foreign Service Contribution**

Foreign Service Contribution is recognized on accrual basis in the Statement of Profit and Loss Account as per the deputation terms with parent organizations in respect of officers taken on deputation from other organizations.

**46. Indian Accounting Standard (Ind-AS) 20, Disclosures on Accounting for Government Grant and Disclosures on Government Assistance are as follows:**

The holding Company is receiving government grant in the form of export incentive on export of Rolling Stock and Spare parts. There are two types of export incentive i.e. duty drawback and Merchandise Exports from India Scheme (MEIS) Scrips. The holding Company has recognized ₹ 21.13 crore (previous year ₹3.57 crore) as export incentive. The export incentive receivable at the end of the year is ₹10.52 crore (previous year ₹1.40 crore).

**47. Indian Accounting standard (Ind AS) 21, Disclosures on The Effect of Changes in Foreign Exchange rates are as follows:**

The amount of exchange differences (net) credited to the statement of profit and loss account during the Financial Year is ₹ 17.18 crore (Previous Year ₹5.85 crore)

The movement in the Foreign Currency Translation Reserve is as follows:

Particulars	₹ in crore	
	Year Ended 31.03.2022	Year Ended 31.03.2021
Opening Balance	0.84	0.70
Other Comprehensive income recognized during the year	0.01	0.14
Closing Balance	0.85	0.84

**48. Indian Accounting Standard (Ind AS)-24, Disclosures on Related Party Disclosures are as follows:****a) Joint Ventures**

Name of Joint Ventures	Country	Holding as on	
		31.03.2022	31.03.2021
M/s SAIL-RITES Bengal Wagon Industry Private Limited	India	50%	50%
M/s Indian Railway Stations Development Corporation Limited	India	24%	24%

**b) Other Related Parties:**

Name of Other Related Parties	Country	Nature of Relationship
RITES Contributory Provident Fund	India	Post- Employment Benefit Plan of RITES Limited
RITES Limited Superannuation Pension Trust	India	Post- Employment Benefit Plan of RITES Limited
RITES Limited Retired Employees Medical Trust	India	Post- Employment Benefit Plan of RITES Limited
RITES Employee Gratuity Fund	India	Post- Employment Benefit Plan of RITES Limited

**c) Key Management Personnel**

**i) Holding Company**

**Chairman & Managing Director and Chief Executive Officer**

Mr. Rahul Mithal (from 16.11.2021)

Mr. Gopi Suresh Kumar Varadarajan (from 01.07.2021 up to 15.11.2021)

Mr. Rajeev Mehrotra (up to 30.06.2021)

**Whole Time Directors**

Mr. Gopi Suresh Kumar Varadarajan - Director Projects

Mr. Anil Vij - Director Technical

Mr. Bibhu Prasad Nayak - Director Finance

**Government Nominee Directors**

Mr. Vinay Srivastava (up to 06.09.2021)

Mr. Sandeep Jain (from 17.12.2021)

Mr. Raj Kumar Mangla (from 14.03.2022)

**Non-Executive (Independent) Directors**

Mr. Laxman Tammanna Tapashi (from 10.11.2021)

Dr. Godawari Mishra (from 10.11.2021)

Dr. Dineshananda Goswami (from 11.11.2021)

Mr. Likha Togu (from 21.01.2022)

**Chief Financial Officer**

Mr. Bibhu Prasad Nayak (from 01.07.2021)

Mr. Parmod Narang (up to 30.06.2021)

**Company Secretary**

Mr. Joshit Ranjan Sikidar (from 01.04.2021)

**ii) Subsidiary Companies**

**i) REMC Limited**

**Chairman**

Mr. Rahul Mithal (16.11.2021)

Mr. Gopi Suresh Kumar Varadarajan (From 01.07.2021 to 16.11.2021)

Mr. Rajeev Mehrotra (Up to 30.06.2021)

**Whole Time Directors**

Mr. Gopi Suresh Kumar Varadarajan

Mr. Ajeet Kumar Srivastava

Mr. Manish Gupta

Mr. B.P.Nayak (From 01.07.2021)

Mr. Anjeev Kumar Jain (From 09.07.2021 to 16.11.2021)

Mr. Parmod Kumar Narang (Up to 30.06.2021)

**Non-Executive (Independent) Directors**

Smt Sheela Kaul

Mr. Pradeep Kumawat (Up to 30.06.2021)

**Chief Executive Officer (CEO)**

Mr. Ajay Kumar Singhal

**Chief Financial Officer**

Mr. Anjeev Kumar Jain (From 03.02.2022)

Mr. Sunil Kumar Singh (up to 03.02.2022)

**Company Secretary**

Mr. Ranjan Kumar Tiwary

**II) RITES (Afrika) (Pty) Limited****Directors**

Mr. Rajesh Kumar  
Mr. Narayan Ganesh Babu

**d) Transactions and Balances with Related Parties**

Outstanding balances from the related parties are unsecured and considered good which are due in ordinary course of business and are being realized within reasonable time.

**i) Joint Ventures**

Transactions with Joint Ventures:

₹ in crore

Particulars	SAIL-RITES Bengal Wagon Industry Private Limited		BNV Gujarat Rail Private Limited*		Indian Railway Stations Development Corporation Limited	
	Year ended		Year ended		Year ended	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021
Investments (equity)	-	-	-	-	-	48.00
Investment written off	-	-	-	0.14	-	-
Exited from Joint venture by transferring the shares to other Joint venture partner	-	-	-	0.12	-	-
Operating Income (Consultancy Fee/ Income from Construction Turnkey Projects/Export Sales/ Leasing Service)	-	0.01	-	-	-	-
Interest on Loan given	0.13	0.34	-	-	-	-
Foreign service Contribution / remittance received	-	-	-	-	0.09	0.03

**Balances with Joint Ventures:**

₹ in crore

Particulars	SAIL-RITES Bengal Wagon Industry Private Limited		BNV Gujarat Rail Private Limited*		Indian Railway Stations Development Corporation Limited	
	As on		As on		As on	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021
Investments (equity)	24.00	24.00	-	-	48.00	48.00
Receivables	0.05	0.04	-	-	-	-
Loan (Working Capital)	-	2.80	-	-	-	-
Interest accrued on loan given	-	0.65	-	-	-	-

\*The holding Company exited from BNV Gujarat Rail Private Limited (Joint Venture Company) during FY 2020-21 by transferring its shares to the other joint venture partner.

**ii) Transactions with other related parties (Post-Retirement Benefits Trusts/Plans):**

Refer note no.45 &amp; 48(b).

**iii) Transactions with Key Managerial Personnel:**

Description	₹ in crore	
	Year ended 31.03.2022	Year ended 31.03.2021
Compensation to CMD, Whole Time Directors, CFO & Company Secretary:		
• Short Term Employee Benefits	5.66	4.89
• Post-employment Benefits	0.44	0.41
• Other Long-Term Benefits	0.87	0.21
<b>Sub-Total</b>	<b>6.97</b>	<b>5.51</b>
Sitting fee to Non-Executive (Independent Directors)	0.14	0.26
<b>Total</b>	<b>7.11</b>	<b>5.77</b>

**e) Entities under the control of same government**

Government of India (GOI) as on 31<sup>st</sup> March 2022 is holding 72.20% equity shares of the holding Company, which is held by President of India through Ministry of Railways. GOI controls the holding Company through Ministry of Railways.

The Group has made various transactions with the Ministry of Railways and with entities being controlled or jointly controlled or having significant influence of the Ministry of Railways. The transactions with them are as under:

**Significant Transactions with Government related entities:**

Particulars	₹ in crore	
	Year ended 31.03.2022	Year ended 31.03.2021
Revenue	753.75	711.11
Procurements	201.78	93.35
Fee for services & supplies obtained	10.19	15.06
Consumables	0.66	0.16
Lease rent paid	-	2.77
Training expenses	0.01	0.10
Provision for bad debts including written offs	20.68	11.63
Buyback of equity shares	-	173.37
Dividend paid	308.04	269.33
Interest on tax free bonds	8.28	9.02
Reimbursements/ Recoverable	0.25	0.21

**Significant balances with Government related entities:**

Particulars	₹ in crore	
	As on 31.03.2022	As on 31.03.2021
Capital Advances	5.22	-
Other Advances	36.36	174.53
Recoverable	3.36	8.81
Payables	15.21	81.45
Advance Received	2.19	4.21
Clients Funds Received	251.13	99.73
Receivables	211.11	162.19
Tax Free Bonds	95.00	120.00
Interest on Tax Free Bonds	5.03	5.89

**49. Indian Accounting Standard (Ind-AS) 33, Disclosure on Earnings per Share (EPS) is as follows:**

Particulars	Year ended	
	31.03.2022	31.03.2021
A. Net Profit available for Equity Shareholder (₹ in crore)	516.37	432.38
B. Weighted average number of Equity Shares	24,03,01,887	24,64,39,597
C. Earnings per Share (Basic & Diluted) (A)/(B)	₹21.49	₹17.54
D. Face value per equity share	₹10/-	₹10/-

The holding Company has bought back 96,98,113 fully paid-up equity shares of ₹ 10 each from the shareholders on 18<sup>th</sup> November, 2020 on proportionate basis by way of tender offer at a price of ₹265 per equity share for an aggregate amount of ₹257 crore. As per Indian Accounting Standard (Ind AS)-33 due to buy back, earnings per share (basic and diluted) for the year ending 2020-21 have been computed on the basis of weighted average number of equity shares.

**50. Indian Accounting Standard (Ind AS) 36, Disclosures on Impairment of Assets are as follows:**

The Company has carried out the assessment on impairment of assets in terms of Indian Accounting standard (Ind AS) 36, Impairment of Assets and management does not perceive any impairment in the value of the carrying amount of assets.

**51. Indian Accounting Standard (Ind AS) 37, Disclosures on Provisions, Contingent Liabilities and Contingent Assets are as follows:**

- a) In case of Holding Company, provision includes mainly towards warranty which has been made for fulfillment of warranty obligation after export sale of rolling stocks/ locomotives & spares. Estimation of such provision is based on past experience, nature of rolling stock exported to various clients and period specified in the agreements with them. Actual expenditure may vary during the warranty period as per the requirements.

Items	Carrying amount 01.04.21	Provision made during the year	Provisions used during the year	Unused amount reversed during the year	Unwinding Cost	₹ in crore
						Carrying amount as on 31.03.22
Warranties	25.14	35.83	8.97	8.98	2.00	45.02
Commitments	0.58	-	-	0.58	-	-

Items	Carrying amount 01.04.20	Provision made during the year	Provisions used during the year	Unused amount reversed during the year	Unwinding Cost	₹ in crore
						Carrying amount as on 31.03.21
Warranties	58.02	3.47	11.43	25.66	0.74	25.14
Commitments	7.02	-	-	6.44	-	0.58

As per the agreements with the customers, warranty years are varying from two to five years, i.e., extending beyond one year, require discounting to work out net present value of such provisions made towards warranty.

Effect of change in the discount rate:

3 years SBI MCLR rate as on 31.03.2022 i.e. 7.30% is used as discount rate during the reporting period. The effect of change in discount rate, FY 2021-22 i.e. 7.30% vice 5.68% for FY 2020-21, is ₹0.57 crore

Commitments pertain to estimated expenditure to be incurred for removing the defects in connection with construction/PMC projects and estimated period for utilization of provision for commitments is less than one year.

For movement of provision for unspent amount of Corporate Social Responsibility-refer 62(d)(i)(III) & 62(d)(ii)(III).



**b) Contingent liabilities and commitments to the extent not provided for include:**

**i) Contingent Liabilities (As certified by the Management)**

- I) Claims (excluding interest) against the Holding Company not acknowledged as debts are ₹27.15 crore (previous year ₹27.15 crore).
- II) The holding Company is subject to legal/arbitration proceeding and claims, which have arisen in the ordinary course of business. Management does not reasonably expect that when these cases ultimately conclude and determined, will have any material and adverse effect on the holding Company's results of operations or financial conditions.
- III) Disputed taxes and duty of the holding Company:
  - A) Demand on account of income tax includes of ₹5.21Crore (excluding interest) (previous year ₹5.77 crore) which are being contested by the Holding Company. This excludes ₹2.31 crore (previous year ₹ 3.52 crore) relating to cases where the holding Company has already won the same at different appellate authorities during earlier years, against which income tax department has gone for appeal at higher appellate authorities. In similar cases of past years, the appeal of the income tax department has also been dismissed.
  - B) Demand on account of service tax, VAT etc. amounting to ₹2.85 crore (previous year ₹2.45 crore) which are being contested by the Holding Company at different forums.
  - C) Stamp duty of ₹ 1.17 crore (Previous year ₹ 1.17 crore) against alternative land at Gomati Nagar Extension, Lucknow allotted by Lucknow Development Authority (Refer note 62(i)).
- IV) The holding Company has issued indemnity bond to the official Liquidator of RITES Infrastructure Services Limited for indemnifying the claimants in future against all lawful claims and liabilities arise or observed even after the dissolution of RITES Infrastructure Services Limited and losses that may arise pursuant to dissolution of RITES Infrastructure Services Limited. However, the holding Company does not foresee any liability on this account as on 31.03.2022.
- V) REMC Limited, on account of wheeling & transmission charges for 26MW wind mill plant of Company at Jaisalmer, an amount of ₹1.62 crore (previous year ₹ 1.62 crore) for which Company may be contingently liable to Rajasthan State utilities.
- VI) In case of RITES (Afrika) (Pty) Limited, contingent liability of Nil (previous year ₹0.31 crore) for interest on non payment of statutory taxes of Nil (previous year ₹ 0.41 crore ) to BURS on account of VAT, PAYE and OWHT.
- VII) Group share of contingent liabilities in Joint ventures (IRSDC Limited and SAIL-RITES Bengal Wagon Industry Private Limited) is ₹29.24 crore (previous year ₹0.09 crore).
- VIII) A number of cases are lying for adjudication at various forum or under arbitration, which the holding Company is contesting on behalf of Clients. The holding Company is not subject to any liability that may result pursuant to adjudication / arbitral award.
- IX) The above contingent liabilities do not include contingent liabilities on account of pending cases in respect of service matters & others where amount cannot be quantified.

**ii) Commitments**

Estimated amount of contracts of holding Company remaining to be executed on capital account and not provided for amounting to ₹ 199.97 crore (previous year ₹ 218.44 crore).

Estimated amount of contracts of REMC Limited remaining to be executed on capital account and not provided for amounting to ₹ Nil (previous year ₹ 2.43 crore).

### c) Contingent Assets

- i) In a pre-closed contract in the year 2005-06, the holding Company invoke arbitration for a claim of ₹ 233.93 crore (previous year ₹ 233.93 crore) against a client. Client also submitted counter claims of ₹ 469.10 crore (previous year ₹ 469.10 crore) before arbitrator. The sole arbitrator awarded ₹ 88.31 crore in favour of the holding Company against the claim of ₹ 233.93 crore, while rejecting the counter claims of the client. Since the awarded amount is less than the claimed amount, the holding Company appealed against the aforesaid award. Appellate authority awarded ₹ 231.68 crore with applicable interest in favour of the holding Company. Client filed a petition in the Civil Court for setting aside the aforesaid award, which was dismissed by the court on 22.11.2017 and preliminary objections of the holding Company are allowed. Thereafter the holding Company filed writ petition before Hon'ble Jharkhand High court on 05.07.2018 to issue the direction to client to pay the awarded amount. Hearing in the matter is yet to be scheduled.
- ii) In the above contract, executing agency also raised claims (excluding interest) of ₹ 184.41 crore (previous year ₹ 184.41 crore) against the holding Company before the arbitration tribunal. The holding Company also submitted a counter claims of ₹ 644.53 crore (previous year ₹ 644.53 crore) against the executing agency. Both the parties had concluded their arguments before the Tribunal and award was published on 18<sup>th</sup> October, 2016 in favour of the holding Company. As per the award, the holding Company was to get ₹ 63 crore from executing agency effective from the date of publication of award i.e. 18<sup>th</sup> October, 2016. The executing agency had filed two petitions i.e. arbitration appeal before hon'ble Jharkhand high court on 25.05.2017 and commercial revocation to set aside the award before the commercial court, Ranchi on 06.01.2018. The arbitration appeal has already been dismissed by hon'ble Jharkhand high court on 11.03.2019. The commercial revocation has also been dismissed on 29.06.2019. Now RITES limited filed the commercial execution case no. 03 of 2020 on 16.01.2020 before commercial court Ranchi to execute the award amount. Same is pending and next date of hearing is fixed on 30.06.2022. In view of above, the holding Company has not recognized the award amount in the books of account.
- iii) REMC Limited, subsidiary Company has installed 26 MW Wind Mill plant at Jaisalmer, Rajasthan for utilization of energy generated from Wind Mill Plant by WCR for a period of 25 years in accordance with Power Purchase Agreement (PPA) signed between West Central Railways (WCR) and Company. The Wind Mill Plant was commissioned on 16.10.2015 and since then energy generated from Wind Mill Plant was being continuously utilized by Indian Railways through WCR up to 09.01.2017 at three Traction Sub Stations (TSS) in Rajasthan State connected as consumer of Rajasthan DISCOM i.e. Jaipur Vidyut Vitran Nigam limited (JVNL).

With effect from 10.01.2017, open access status was permitted to Indian Railways as deemed distribution licensee in the state of Rajasthan. Accordingly, Railways started taking power at Six TSSs in Rajasthan as a deemed distribution licensee through open access route and accordingly accountal / methodology for utilization of energy generated by Wind Mill Plant had to be changed from consumer mode to Deemed Distribution licensee mode. Utilisation of wind energy by WCR under deemed Distribution mode had been started with effect from 27.04.2017 and during transition period i.e. from 10.01.2017 to 26.04.2017 energy generated by Windmill Plant was fed into Rajasthan State Grid and for this period accountal for Wind energy had not been considered by JVNL. Accordingly, the TSSs initially taking power from 26 MW Wind Power Plant were disconnected as a customer of JVNL and connected with RRVNL as licensee and WCR is contesting that payment to REMC Limited from January '17 to April '17 was withheld as wind energy for the above period has not been set off from the conventional energy drawn from other generating Company.

In this regard, a petition was filed in Rajasthan Electricity Regulatory Commission (RERC) for realization of the wind energy charges during this period (i.e., 10.01.2017 to 26.04.2017) as this power was fed into the Rajasthan State Grid. As per RERC order dt. 05.11.2018, "The commission is of the considered view that the petitioner (REMC Limited) is not entitled for Adjustment of energy wheeled from its CPP after termination of WBA". Accordingly, petition was disposed off. Aggrieved by the above RERC order dt. 05.11.2018, the subsidiary Company filed an appeal before APTEL on 20.12.2018.

In present circumstances, there is uncertainty regarding realization of revenue. Therefore, revenue amounting to ₹ 6.81 crore for the period 10.01.2017 to 26.04.2017 has been postponed and not recognized.

## 52. Indian Accounting Standard (Ind AS) 40, Disclosures on Investment Property are as follows:

In case of Holding Company:

### a) Amounts recognized in the Statement of Profit and Loss are as follows:

Particulars	₹ in crore	
	Year ended 31.03.2022	Year ended 31.03.2021
Rental income	0.16	0.18
Direct proportionate operating expenses relating to rental income (including repair & maintenance)	0.00	0.00
<b>Profit before depreciation</b>	<b>0.16</b>	<b>0.18</b>
Depreciation for the period	0.00	0.00
<b>Profit from investment property</b>	<b>0.16</b>	<b>0.18</b>

The holding Company has leased out one flat at Asian Games Village Complex, New Delhi to Land Port Authority of India (super area of 177.37 sq.m.).

### b) Fair Value

Market value of investment property as on 31.03.2022 is ₹ 2.96 crore based on valuations performed by an external independent valuer and management considered no significant change in the value.

#### Methods & assumptions for valuation:

The valuation is carried out by an Independent agency on the basis of present construction/replacement cost of similar structures/constituents without considering the value of furniture, fixture & fitting, office equipments etc

There is no capital commitment in respect of investment property.

## 53. Indian Accounting Standard (Ind AS) 107, Disclosures on Financial Instruments are as follows:

### a) Financial Instruments by category

The carrying value and fair value of financial instruments category-wise as on 31<sup>st</sup> March, 2022 are as under:

Particulars	Total carrying Value	Amortized Cost	Financial assets/liabilities at fair value through Profit or loss		Financial assets/liabilities at fair value through OCI	
			Designated upon initial recognition	Mandatory	Designated upon initial recognition	Mandatory
<b>Financial Assets:</b>						
Cash and Bank Balance – Owned Fund	815.65	815.65	-	-	-	-
Cash and Bank Balance- Client Fund	2,615.98	2,615.98	-	-	-	-
<b>Investments:</b>						
Equity	0.04		-	0.04	-	-
Tax Free Bonds	95.00	95.00	-	-	-	-
Liquid Plan of Mutual Fund	25.92		-	25.92	-	-
Trade Receivables	740.03	740.03	-	-	-	-
Loans	12.24	12.24	-	-	-	-
Other Financial Assets	334.89	334.89	-	-	-	-
<b>Total</b>	<b>4639.75</b>	<b>4613.79</b>	<b>-</b>	<b>25.96</b>	<b>-</b>	<b>-</b>
<b>Financial Liabilities:</b>						
Borrowing	24.65	24.65	-	-	-	-
Trade Payables	181.09	181.09	-	-	-	-
Lease Liability	2.94	2.94	-	-	-	-
Other Financial Liabilities	2785.15	2785.15	-	-	-	-
<b>Total</b>	<b>2993.83</b>	<b>2993.83</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

The carrying value and fair value of financial instruments categories-wise as on 31<sup>st</sup> March, 2021 are as under:

₹ in crore

Particulars	Total carrying Value	Amortized Cost	Financial assets/ liabilities at fair value through Profit or loss		Financial assets/liabilities at fair value through OCI	
			Designated upon initial recognition	Mandatory	Designated upon initial recognition	Mandatory
<b>Financial Assets:</b>						
Cash and Bank Balance – Owned Fund	924.87	924.87	-	-	-	-
Cash and Bank Balance- Client Fund	2,478.73	2,478.73	-	-	-	-
<b>Investments:</b>						
Equity	0.04	-	-	0.04	-	-
Tax Free Bonds	120.00	120.00	-	-	-	-
Liquid Plan of Mutual Fund	85.77	-	-	85.77	-	-
Trade Receivables	584.37	584.37	-	-	-	-
Loans	16.86	16.86	-	-	-	-
Other Financial Assets	249.43	249.43	-	-	-	-
<b>Total</b>	<b>4460.07</b>	<b>4374.26</b>	<b>-</b>	<b>85.81</b>	<b>-</b>	<b>-</b>
<b>Financial Liabilities:</b>						
Borrowing	32.38	32.38	-	-	-	-
Trade Payables	296.38	296.38	-	-	-	-
Lease Liability	4.17	4.17	-	-	-	-
Other Financial Liabilities	2599.73	2599.73	-	-	-	-
<b>Total</b>	<b>2932.66</b>	<b>2932.66</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**b) Fair value hierarchy & valuation technique**

To provide an indication about the reliability of method used in determining fair value, group has classified its financial instruments into three levels prescribed under the Indian Accounting Standard (Ind AS) 113, on Fair Value Measurement.

**Level 1:** Quoted prices in active markets for identical assets or liabilities.

**Level 2:** Fair value of financial instruments that are not traded in an active 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 31<sup>st</sup> March,2022 are as follows:**

₹ in crore

Particulars	Carrying Value As on 31.03.2022	Fair Value As on 31.03.2022	Level
<b>Financial Assets:</b>			
<b>Investments:</b>			
Equity*	0.04	0.04	III
Tax Free Bonds	95.00	104.23	II
Liquid Plan of Mutual Fund	25.92	25.92	I
Trade Receivables**	740.03	740.03	III
Loans**	12.24	12.24	III
Other Financial Assets**	334.89	334.89	III
<b>Financial Liabilities:</b>			
Borrowings**	24.65	24.65	III
Trade Payables**	181.09	181.09	III
Lease Liability**	2.94	2.94	III
Other Financial Liabilities**	2785.15	2785.15	III

Fair value hierarchies of assets and liabilities as on 31<sup>st</sup> March, 2021 are as follows:

Particulars	₹ in crore		Level
	Carrying Value As on 31.03.2021	Fair Value As on 31.03.2021	
<b>Financial Assets:</b>			
<b>Investments:</b>			
Equity*	0.04	0.04	III
Tax Free Bonds	120.00	130.39	II
Liquid Plan of Mutual Fund	85.77	85.77	I
Trade Receivables**	584.37	584.37	III
Loans**	16.86	16.86	III
Other Financial Assets**	249.43	249.43	III
<b>Financial Liabilities:</b>			
Borrowings**	32.38	32.38	III
Trade Payables**	296.38	296.38	III
Lease Liability**	4.17	4.17	III
Other Financial Liabilities**	2599.73	2599.73	III

\* Equity shares of ₹ 0.04 crore of GPCL Consulting Services Limited and ₹ 0.0016 crore of Elicius Energy Private Limited which are not tradable and amount of investment in the entity is immaterial, hence investment is recognized at cost and same is considered as its fair value.

\*\* The carrying amounts of trade receivables, trade payables, short term loans, other current financial assets and liabilities are considered to be same as their fair value due to their short-term nature.

### c) Financial Risk Management

The Group's activities are exposed to a variety of financial risks: market risk, credit risk and liquidity risk. The Group's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The Group's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from few customer.

#### i) Market Risk of Holding Company

The holding Company operates internationally and a major portion of the business is transacted in several currencies and consequently the holding Company is exposed to foreign exchange risk for its sales and services in the Middle East and South Asian countries. The exchange rates between the rupee and foreign currencies have changed substantially in recent years which may also fluctuate substantially in the future. However, holding Company has currency risk management policy and exchange fluctuations are regularly monitored by the risk management committee to mitigate this risk. Policy covers various aspects of currency risk management, benchmarking, hedging and risk appetite, permissible instruments, hedging policy, structure of the risk management committee and treasury group, reporting procedures etc.

Analysis of foreign currency risk from financial instruments is as follows:

Particulars	Currency	As on	As on	As on	As on
		31.03.2022	31.03.2021	31.03.2022	31.03.2021
		(Figure in Millions)		(₹ in crore)	
Cash & Cash equivalents	US Dollar	2.96	2.23	22.30	16.10
	MUR	2.22	1.92	0.37	0.34
Trade Receivables	US Dollar	26.60	9.86	200.35	71.21
	MUR	-	-	-	-
Other financial assets	US Dollar	21.23	7.37	159.94	53.21
	MUR	0.60	0.65	0.10	0.12
Trade Payable	US Dollar	(4.20)	(1.90)	(31.61)	(13.74)
	MUR	-	-	-	-
Other financial liabilities	US Dollar	(0.20)	(0.15)	(1.52)	(1.06)
	MUR	(0.16)	(0.16)	(0.03)	(0.03)
Net assets/(liabilities)	US Dollar	46.39	17.41	349.46	125.72
	MUR	2.66	2.41	0.44	0.43

For the year ended 31<sup>st</sup> March, 2022 and year ended 31<sup>st</sup> March, 2021, every percentage increase/decrease in the exchange rate between the INR & US Dollar has affected the Company's incremental margins by approximately 0.48% (previous year 0.21%) each. For the year ended 31<sup>st</sup> March, 2022 and 31<sup>st</sup> March, 2021, every percentage increase/decrease in the exchange rate between the INR & MUR has an insignificant affect on the Company's incremental margins.

Sensitivity analysis is computed based on the changes in the income and expenses in foreign currency upon conversion into functional currency, due to exchange rate fluctuations between the previous reporting year and the current reporting year.

The above foreign currency exposure is unhedged as these are covered through foreign currency risk management policy.

## ii) Credit Risk of Group

Credit Risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. Primarily exposure to the credit risk is from trade receivables amounting to ₹ 844.54 crore (previous year ₹ 694.56 crore) and unbilled revenue amounting to ₹ 58.54 crore (previous year ₹ 86.70 crore) which are typically unsecured. Credit risk is being managed by continuously monitoring the outstanding dues from the customer Trade Receivables towards export sales are generally managed by establishing Letter of Credit with the customer. Further most of the clients of the Group are Government or Government Undertakings; hence credit risk is bare minimum and Group also does not foresee any impact on credit risk of the Group due to outbreak of COVID-19. Group has impaired, as a prudent measure, the trade receivables and unbilled revenue towards expected credit loss as per Group's accounting policy to the extent of ₹ 104.85 crore (previous year ₹ 110.19 crore). Keeping in view the nature of business expected credit loss is provided for on case-to-case basis as per the policy on impairment of financial assets.

### Movement of Impairment of Financial Assets

		₹ in crore			
Sl.No.	Description	Balance at the beginning of the year	Provision during the year	Reversal during the year	Balance at the end of the year
1	Trade & Other Receivable	131.68	23.21	27.39	127.50

No significant credit risk on cash and bank balances including clients' funds amounting to ₹ 3431.63 crore (previous year ₹ 3403.60 crore) is expected as holding Company and its Indian Subsidiaries park surplus funds with Schedule Banks having good credit adequacy ratio and least NPA as determined by RBI and guidelines of the respective companies. Holding Company and its Indian Subsidiaries has parked its owned funds in fixed deposits of ₹ 774.98 crore (previous year ₹ 886.63 crore) with Schedule banks with negligible credit risks.

Non-Strategic Investments primarily include investments in liquid mutual fund units of ₹ 25.92 crore (previous year ₹ 85.77 crore) and tax-free bonds of ₹ 95 crore (previous year ₹ 120 crore) issued by Public Sector Undertaking where risk is minimal.

The holding Company has given House building, multi-purpose loans etc. to the employee which are insured, and are mortgage against house properties in line with the policies of the Company. The risk of default in respect of these loans is considered negligible.

## iii) Liquidity Risk of Group

Group's principal sources of liquidity are "cash and cash equivalents" and the cash flow that is generated from operations. Group has outstanding bank borrowings of ₹ 24.65 crore (previous year ₹ 32.38 crore). Group has a working capital of ₹ 1648.42 crore (previous year ₹ 1714.84 crore) including cash and bank balance (owned funds) of ₹ 707.65 crore (previous year ₹ 924.87 crore) and current investment ₹ 75.92 crore (previous year ₹ 110.77 crore). Group believes that the working capital is sufficient to meet its requirements, accordingly no liquidity risk is perceived by the Group.

### Maturities of financial liabilities

The tables below analyze the Group's financial liabilities into relevant maturity groupings based on their contractual maturities. The amounts disclosed in the table are the contractual undiscounted cash flows.

₹ in crore				
Contractual maturities of financial Liabilities	Within a year	Between 1-5 Years	Beyond 5 Years	Total
<b>31<sup>st</sup> March, 2022</b>				
Trade Payables	181.09	-	-	181.09
Lease Liabilities	2.40	0.68	-	3.08
Other Financial Liabilities	2618.32	166.83	-	2785.15
Borrowings	7.67	16.98	-	24.65
<b>Total</b>	<b>2809.48</b>	<b>184.49</b>	<b>-</b>	<b>2993.97</b>
<b>31<sup>st</sup> March, 2021</b>				
Trade Payables	296.38	-	-	296.38
Lease Liabilities	2.25	2.29	-	4.54
Other Financial Liabilities	2379.17	220.56	-	2599.73
Borrowings	7.74	24.64	-	32.38
<b>Total</b>	<b>2685.54</b>	<b>247.49</b>	<b>-</b>	<b>2933.03</b>

### 54. Indian Accounting Standard (Ind-AS)108, Disclosures on Operating Segments are as follows:

Operating segments are defined as components of the Group for which discrete financial information is available which is being evaluated regularly by the Chief Operating Decision Maker (CODM) in deciding how to allocate resources and assessing performance. The holding Company's chief operating decision maker is the Chairman & Managing Director who is also Chief Executive Officer.

- i) The group has identified five operational reportable segments based on operations being carried out which are as under: -
  - Consultancy Services
  - Leasing of railway rolling stock & equipments
  - Export of rolling stock, equipments and spares
  - Turnkey Construction Projects
  - Power Generation
- ii) Geographicalwise revenue segment is disclosed as under:
  - A) Revenue within India from consultancy includes quality assurance & project management services, turnkey construction projects, power generation and domestic lease rental services to clients located inside India.
  - B) Revenue from outside India includes services rendered and export sales of rolling stock & spare parts to the clients located outside India.
- iii) The accounting principles used in the preparation of the financial statements are consistently applied to record revenue & expenditure in individual segment, as set out in the note of significant accounting policies.
- iv) Revenue and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly identifiable to each reporting segment have been allocated on the basis of attributed direct cost. All other expenses which are not attributable or allocable to the segments have been disclosed as un-allocable expenses.
- v) Assets and liabilities used in the Group's business are not identified to the reportable segments as these are used interchangeably between segments. Depreciation, amortisation & impairment on Property, Plant & Equipment and Intangible Assets cannot be allocated to a specific segment. The Group believes that it is currently not practicable to provide segmental disclosure relating to total assets, total liabilities and depreciation, amortisation & impairments since a meaningful segregation of the available data could be onerous.

## vi) Operational Segments:

Year ended 31.03.2022

₹ in crore

Description	Consultancy Services		Leasing		Export Sale	Turnkey Construction Projects-Domestic	Power Generation	Total
	Domestic	Abroad	Domestic	Abroad				
Revenue	978.03	106.30	130.96	-	965.77	459.39	21.38	2661.83
Identifiable operating expenses	543.98	47.48	85.59	-	749.99	447.02	14.00	1888.06
Segmental profit / (loss) from operations	434.05	58.82	45.37	-	215.78	12.37	7.38	773.77
Add: Interest Income*								58.74
Add: Other Income **								24.71
Less: Finance Cost								7.25
Less: Un-allocable Expenses								115.59
Share of Profit/(Loss) of Joint Ventures								0.72
Net Profit Before Tax								735.10
Less: Income Tax (including Deferred Tax)								196.52
Net Profit After Tax								538.58
<b>Additional Information:</b>								
Depreciation and amortization								65.61
Non-cash expenses/ (Income) other than depreciation and amortization								28.77
Reversal of provisions								6.40
Loss on sale of PPE								0.02

Year ended 31.03.2021

₹ in crore

Description	Consultancy Services		Leasing		Export Sale	Turnkey Construction Projects-Domestic	Power Generation	Total
	Domestic	Abroad	Domestic	Abroad				
Revenue	943.84	83.64	108.27	-	129.21	623.89	16.45	1905.30
Identifiable operating expenses	506.61	39.37	69.68	-	75.52	600.38	14.69	1306.25
Segmental profit / (loss) from operations	437.23	44.27	38.59	-	53.69	23.51	1.76	599.05
Add: Interest Income*								83.56
Add: Other Income **								16.16
Less: Finance Cost								6.01
Less: Un-allocable Expenses								101.28
Share of Profit/(Loss) of Joint Ventures								1.07



₹ in crore

Description	Consultancy Services		Leasing		Export Sale	Turnkey Construction Projects-Domestic	Power Generation	Total
	Domestic	Abroad	Domestic	Abroad				
Net Profit Before Tax								592.55
Less: Income Tax (including Deferred Tax)								148.34
Net Profit After Tax								444.21
<b>Additional Information:</b>								
Depreciation and amortization								51.87
Non-cash expenses/ (Income) other than depreciation and amortization								5.39
Reversal of provisions								33.82
Loss on sale of PPE								0.01

**vii) Geographical Segment**

₹ in crore

Description	Year ended 31.03.2022				Year ended 31.03.2021			
	India	Abroad		Total	India	Abroad		Total
		Asia	Africa			Asia	Africa	
Revenue	1589.74	788.57	283.52	2661.83	1692.48	82.12	130.70	1905.30
Identifiable operating expenses	1090.61	585.81	211.64	1888.06	1191.36	41.91	72.98	1306.25
Segmental profit from operations	499.13	202.76	71.88	773.77	501.12	40.21	57.72	599.05
Add: Interest Income*				58.74				83.56
Add: Other Income **				24.71				16.16
Less: Finance Cost				7.25				6.01
Less: Un-allocable Expenses				115.59				101.28
Share of Profit/(Loss) of Joint Ventures				0.72				1.07
Net Profit Before Tax				735.10				592.55
Less: Income Tax (including Deferred Tax)				196.52				148.34
Net Profit After Tax				538.58				444.21
<b>Additional Information:</b>								
Depreciation and amortization				65.61				51.87
Non-cash expenses/ (Income) other than depreciation and amortization				28.77				5.39
Reversal of provisions				6.40				33.82
Loss on sale of PPE				0.02				0.01

\*Interest income includes interest on bank deposits, bonds, staff advances, loans, income tax refunds etc.

\*\*Other income includes profit on sale of assets, rental income from investment properties, dividend on current & non-current investments, exchange gain, etc.

Note: No impairment and its reversal have been recognized in Other Comprehensive Income (OCI) during the year ended 31.03.2022 and previous year ended 31.03.2021.

## viii) Revenue of ₹ 1200.02 crore (previous year ₹ 650.36 crore) from major customers is given below:

₹ in crore

Description	Year ended 31.03.2022						Year ended 31.03.2021					
	Consultancy	Lease Services	Export Sales	Turnkey Construction Projects-Domestic	Power Generation	Total	Consultancy	Lease Services	Export Sales	Turnkey Construction Projects-Domestic	Power Generation	Total
Customer 1		-	736.20			736.20	244.67	1.49	-	97.67	16.45	360.28
Customer 2	296.45	-	-	145.99	21.38	463.82	4.15	-	-	285.93	-	290.08
<b>Total</b>	<b>296.45</b>	<b>-</b>	<b>736.20</b>	<b>145.99</b>	<b>21.38</b>	<b>1200.02</b>	<b>248.82</b>	<b>1.49</b>	<b>-</b>	<b>383.60</b>	<b>16.45</b>	<b>650.36</b>

Note: PSUs under the same Ministry have not been considered as one customer.

## 55. Indian Accounting Standard (Ind AS) 112- Disclosures of Interest in Other Entities are as follows:

## a) Subsidiaries:

## i) The subsidiary companies considered in the financial statements are as follows:

₹ in crore

Name of Subsidiary Companies	Country of Incorporation	Functional Currency	% of Shareholding as on 31.03.2022	% of Shareholding as on 31.03.2021	Principal Activities
• RITES (Afrika) (Pty) Limited	Botswana	Pula	100%	100%	Consultancy
• REMC Limited	India	INR	51%	51%	Generation and procurement of power

## ii) Disclosure in respect of subsidiary that has non-controlling interests:

- I) Dividend to non-controlling interest by subsidiary Company amounting to ₹ 4.41 crore.
- II) Summarised Financial information of the subsidiary that has non-controlling interests are as under:

₹ in crore

Description of Subsidiary that has non-controlling interest	REMC Limited	
	31.03.2022	31.03.2021
Non-Current Assets	170.57	176.64
Current Assets	97.86	58.84
Current Liabilities	14.93	18.39
Non-Current Liabilities	37.26	37.18
Capital	105.00	105.00
Other Equity	111.24	74.91
Total Revenue	95.13	68.74
Expenditure including Tax	49.81	44.60
Profit / (Loss) After Tax	45.32	24.14
Proportion of ownership interest held by non-controlling interest	49%	49%
Profit/(loss) allocated to non-controlling interest	22.21	11.83
Accumulated non-controlling interest of the subsidiary at the end of the reporting period	105.96	88.16
<b>Additional information:</b>		
Cash and Cash Equivalents	4.92	18.33
Current financial liabilities (excluding trade and other payables and provisions)	7.99	11.64
Non- Current financial liabilities (excluding trade and other payables and provisions)	16.98	24.64
Depreciation and Amortisation	7.13	7.06
Interest Income	1.12	0.85
Interest Expense	2.11	3.11
Income tax expenses or (income)	18.99	10.31

**b) Joint Arrangements:**
**i) 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
<b>Joint Ventures</b>			
SAIL-RITES Bengal Wagon Industry Private Limited	RITES has formed a Joint Venture with SAIL for manufacturing Wagons at SGW, Kulti, West Bengal.	India	50.00%
Indian Railway Stations Development Corporation Limited	RITES has formed a Joint Venture with Rail Development Authority & IRCON to develop or develop the existing or new railway stations.	India	24.00%
<b>Joint Operations</b>			
Geoconsult – RITES	RITES has formed a Joint venture with M/s Geoconsult-ZT-Gmbh (Austria) for detailed design consultancy and construction supervision of about 11 kms long railway tunnel in J&K State. Both the venturers contributed in the seed money as agreed for operational and execution purposes.	India	13.00%
Geoconsult – RITES, NRT-1	RITES has formed a Joint venture with M/s Geoconsult-ZT-Gmbh (Austria) for detailed design consultancy and construction supervision of Tunnel No.1 (3.1 km long) on Udampur – Katra Section for the USBRL project in the state of J&K.	India	16.00%
Geoconsult ZT GmbH – RITES	RITES has formed a Joint venture with M/s Geoconsult ZT GmbH (Austria) for detailed design and construction supervision of Tunnel No.10 (Approx. Length 3.3 km) in connection with Jiribam-Tupul new railway line project in the state of Manipur.	India	39.40%
Geoconsult-RITES (JV)	RITES has formed a Joint venture with M/s Geoconsult India Private Limited for instrumentation, monitoring and design of remedial works as per requirement for vulnerable locations for two monsoon seasons in Lunding-Silchar BG Rail Line.	India	35.01%
Geoconsult-RITES (JV)	RITES has formed a Joint venture with M/s Geoconsult India Private Limited for preparation of detailed project report and providing pre-construction activities for constructions of highway tunnel across Shinkun La pass, Tanalang La pass, Lachalung La pass including approaches on NH-03 in Himachal Pradesh and Ladakh.	India	49.00%

Name of Joint Arrangements	Nature of Interest/Relationship with Joint Arrangements	Principal Place of Business of Joint Arrangements	Proportionate ownership interest or participating share
RICON	RITES has formed a Joint Venture with M/s IRCON International Limited to secure and execute contracts to be awarded by M/s Companhia Dos Caminhos de Ferro Da Beira, SA, Mozambique to RICON for rendering Management Support Services, Consultancy Works, Project Management, Construction Supervision, Supply of Materials, Rolling Stock and equipment, Works Contracts, Leasing of Equipments / Rolling Stocks etc.	India	51.00%
Modern Engineers Planners & Consultants Limited	RITES has formed a joint Venture with Modern Engineers Planners & Consultants Limited for project management consultancy for improvement of Ashuganj river port-Sarail-Dharkhar-Akhaura Land Port Road as 4-lane National Highway project in Bangladesh.	Bangladesh	77.65%
Meinhardt (Singapore) Pte Ltd and RITES Ltd JV in association with CARD Consult (P) Ltd and Nepal consult (P) Ltd	RITES has formed a joint Venture with Meinhardt (Singapore) Pte Ltd and RITES Ltd JV in association with CARD Consult (P) Ltd and Nepal consult (P) Ltd	Nepal	28.00%

ii) **Disclosure in respect of Joint Ventures:**

l) **Investment is measured at cost.**

Summarised financial information of the Joint Ventures are as under:

₹ in crore

Description / JVs	SAIL-RITES Bengal Wagon Industry Private Limited		Indian Railway Stations Development Corporation Limited	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021
Non-Current Assets	81.73	85.72	-	183.67
Current Assets	48.27	43.19	392.15	174.52
Current Liabilities	53.06	39.48	89.55	41.93
Non-Current Liabilities	15.31	29.41	-	13.59
Capital	48.00	48.00	200.00	200.00
Other Equity	13.63	12.02	99.75	99.90
Non-Controlling Interest	-	-	2.86	2.77
Total Revenue	105.32	160.79	48.32	39.34
Expenditure including Tax and Share of Profit/Loss in Joint Ventures	103.70	158.31	48.62*	34.73*
Profit / (Loss) After Tax	1.62	2.48	(0.30)	4.61
<b>Additional information:</b>				
Cash and Cash Equivalent	-	-	19.21	14.97

₹ in crore

Description / JVs	SAIL-RITES Bengal Wagon Industry Private Limited		Indian Railway Stations Development Corporation Limited	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021
Current financial liabilities (excluding trade and other payables and provisions)	27.47	21.77	27.30	2.72
Non- Current financial liabilities (excluding trade and other payables and provisions)	7.54	21.21	-	11.87
Depreciation and Amortisation	6.00	5.99	1.78	1.89
Interest Income	-	-	8.16	7.96
Interest Expense	3.72	4.69	-	-
Income tax expenses or (income)	0.89	11.54	0.96	1.77

\*Including IRSDC share of Profit/loss in its Joint Ventures

**II) Reconciliation of Holding Company's interest in Joint Ventures:**

₹ in crore

Description / JVs	SAIL-RITES Bengal Wagon Industry Private Limited		Indian Railway Stations Development Corporation Limited	
	As on 31.03.2022	As on 31.03.2021	As on 31.03.2022	As on 31.03.2021
<b>Net Assets</b>				
Net Assets of Joint Venture	61.63	60.02	220.90	221.06*
Proportionate share in Joint Venture (%)	50%	50%	24%	24%
Share of interest in net assets of Joint Venture	30.82	30.01	53.02	53.05
Carrying amount of interest in Joint Venture	30.82	30.01	53.02	53.05

₹ in crore

Description / JVs	SAIL-RITES Bengal Wagon Industry Private Limited		Indian Railway Stations Development Corporation Limited	
	Year Ended 31.03.2022	Year Ended 31.03.2021	Year Ended 31.03.2022	Year Ended 31.03.2021
<b>Net Profit</b>				
Net Profit / (Loss) After Tax of Joint Venture	1.62	2.48	(0.15)##	(0.70) #
Proportionate share in Joint Venture (%)	50%	50%	24%	24%
Share of interest in net profit after tax of Joint Venture	0.81	1.24	(0.03)	(0.17)
Amount of interest in net profit after tax of Joint Venture	0.81	1.24	(0.03)	(0.17)

\*Quasi equity (Perpetual loan) of ₹78.84 crore is not considered in Net Assets.

#Only Post Acquisition profit/(loss) is considered in the Reconciliation above.

##Share of Non-controlling interest is not considered in Joint venture's profit.

There is no restriction on the ability of Joint Ventures to transfer funds to the holding Company in the form of cash dividends or to repay loans and advances made by the holding Company.

III) All the investments in Joint Ventures are non-tradable in market.

## iii) Joint Operations:

Summarised financial information of the Joint Operations are as under:

Description / JOs	RICON		Geoconsult-RITES		Geoconsult - RITES, NRT-1		Geoconsult ZT GmbH-RITES		Geoconsult-RITES (JV)		Geoconsult-RITES (JV)		Modern Engineers Planners & Consultants Limited [Bangladesh]		Meinhardt (Singapore) Pte Ltd and RITES Ltd JV [Nepal]	
	Year ended 31.03.22	Year ended 31.03.21	Year ended 31.03.22	Year ended 31.03.21	Year ended 31.03.22	Year ended 31.03.21	Year ended 31.03.22	Year ended 31.03.21	Year ended 31.03.22	Year ended 31.03.21	Year ended 31.03.22	Year ended 31.03.21	Year ended 31.03.22	Year ended 31.03.21	Year ended 31.03.22	Year ended 31.03.21
	₹ in crore															
Non Current Assets	3.04	3.20	-	-	-	-	-	-	-	-	-	-	1.18	0.19	-	-
Current Assets	0.20	0.05	5.78	5.41	3.87	3.77	1.72	2.17	0.10	0.36	4.99	3.74	14.28	15.67	0.90	-
Current Liabilities	-	-	3.70	3.57	2.87	2.85	1.86	2.27	0.01	0.02	4.76	3.62	11.13	10.92	0.87	-
Non Current Liabilities	-	-	-	-	-	-	-	-	-	-	-	-	3.90	4.72	-	-
Retained Earnings / Losses	3.24	3.25	2.08	1.84	1.00	0.92	(0.14)	(0.10)	0.09	0.34	0.34	0.13	0.43	0.22	0.03	-
Total Revenue	0.01	-	0.57	0.11	0.12	0.17	0.11	0.47	0.08	-	12.96	6.71	17.54	9.24	2.04	-
Expenditure including Tax	0.02	-	0.32	0.09	0.05	0.13	0.16	0.56	0.09	0.04	12.75	6.58	17.34	9.02	2.01	-
Profit/(Loss)/After Tax	(0.01)	-	0.25	0.02	0.07	0.04	(0.05)	(0.09)	(0.01)	(0.04)	0.21	0.13	0.20	0.22	0.03	-
<b>Additional Information:</b>																
Cash and Cash Equivalents	0.20	0.05	0.05	0.09	0.14	0.16	0.23	0.25	0.07	0.02	1.42	0.91	0.02	-	0.69	-
Current financial liabilities (excluding trade and other payables and provisions)	-	-	-	-	-	-	0.03	0.24	-	-	0.06	0.06	-	-	0.18	-
Depreciation and Amortization	-	-	-	-	-	-	-	-	-	-	0.04	-	0.05	0.01	-	-
Interest Income	0.01	-	0.57	0.11	0.12	0.17	0.01	0.01	-	-	-	-	-	-	-	-
Income tax expenses or (income)	-	-	0.17	0.02	0.05	0.03	-	0.02	-	-	0.11	0.09	3.49	1.85	0.02	-

**iv) Holding Company jointly participated in the following projects with other entities:**

<b>Project Name</b>	<b>Name of entities</b>
General Consultancy services for Haryana Orbital Rail Corridor (HORC) project from Palwal to Sonapat via Sohna, Manesar and Kharkhoda in the state of Haryana	M/s. SMEC International Pty. Limited
General Consultancy to Delhi Metro Rail Corporation Limited for Delhi Mass Rapid Transit System Project-Phase-III.	M/s Oriental Consultants Co. Limited M/s Parsons Brickerhoff International INC. M/s Tonichi Engineering Consultants INC.
General Consultancy to Bangalore Metro Rail Corporation Limited for Bangalore Metro.	M/s Oriental Consultants Co. Limited M/s Parsons Brickerhoff International INC. M/s Systra SA
General Consultancy to Metro Link Express for Gandhinagar & Ahmedabad (MEGA) Company Limited for Mass Rapid Transit System project at Ahmedabad.	M/s Systra SA France (Lead). M/s Oriental Consultants Global Co. Limited, Japan. M/s AECOM Asia Company Limited, HongKong.
General consultancy to Nagpur Metro Rail Corporation Limited for Nagpur Metro.	M/s Systra, France M/s AECOM Asia Co. Limited M/s EGIS Rail S.A.
General consultancy to Pune Metro Rail Corporation Limited for Pune Metro.	M/s Systra, France M/s AECOM Asia Co. Limited M/s EGIS Rail S.A.
Detailed design consultancy services for power supply & distribution system, 750 V DC, 3 <sup>rd</sup> rail traction electrification & SCADA system of Metro Link Express for Gandhinagar & Ahmedabad (MEGA) Company Limited for mass Rapid Transit System Project at Ahmedabad.	M/s TUV SUD South Asia Pvt. Limited (TUV)
Feasibility report /DPR for development and operation of airport at Singrauli, M.P.	M/s KPMG
TEFR Study for Development of Integrated Multimodal Logistics Hub (IMLH) at Nangal Chaudhary in Haryana.	M/s KPMG M/s LnT IEL
DPR for MRTS in Vijayawada	M/s Systra SA, France M/s GopaOmfra GmbH
Multi Modal Integration Planning for Surat Metro rail Project Phase-I	M/s RINA Consulting S.P.A, Italy- through Mumbai Branch
DPR for development of Self-Sustainable Bus Port at Chandigarh & Thiruvanthapuram.	M/s UMTC, New Delhi
Design of the Intermodal transit hubs in Bangalore Package-I	M/s UMTC, New Delhi
Final Alignment Design Including Aerial LiDAR Survey and Other Related Works for Delhi - Ahmedabad High Speed Rail Corridor (about 886 kms Long).	M/s GEOKNO India Private Limited.
Feasibility and DPR for MRTS in Coimbatore	M/s Systra SA, France
Preliminary Design Service for Bahrain Metro Extension to Bahrain Sport City, Phase 1B	M/s RINA Consulting S.P.A M/s Contax Partner
DPR for Development of interodal Station at Katra and Feasibility Report of Commercial Zone at Katra	M/s Creative Group M/s Seth & Associates (Associate)
PMC Services from concept to completion for construction/ modification & extension of existing passenger terminal building at Srinagar Airport.	M/s Behal Joshi & associates
Appointment of PMC from concept to commissioning for "construction of Terminal Building, Ancillary Buildings, Car Parking, City side Development & other associated work at Gwalior Airport	M/s Creative Group
Design & Supervision of old runway rehabilitation (New Parallel Taxiway) at Gautam Buddha International Airport Project, Nepal	M/s Meinhardt (Singapore) Pte. Ltd.
Preparation of DPR for Development of Greenfield Airport at Dagadarthi (District Nellore), Andhra Pradesh for Commercial operations of passengers and cargo aircraft.	M/s Prime Horti Agro Projects Limited

Project Name	Name of entities
Detailed design consultancy services for power supply receiving and distribution system, 750 V DC third rail traction electrification and SCADA systems each of Bhopal and Indore metro rail projects, Package BI-01-05	M/s ArdanuyIngenieria S.A (Consortium Partner)
Detailed Design Consultancy Services for two rolling stock depots, one in Bhopal and one in Indore. BI-01/04	M/s ArdanuyIngenieria S.A (Consortium Partner)
Detailed Design Consultancy services for power supply and distribution system, 750 V DC third rail traction electrification and SCADA system of Ahmedabad metro rail project Phase-2 for Gujarat Metro Rail Corporation (GMRC) Limited	M/s ArdanuyIngenieria S.A (Consortium Partner)
Detailed Design Consultancy services for Power supply and distribution system, 750 V DC third rail traction electrification and SCADA system of Surat Metro Rail project Phase-1 for Gujarat Metro Rail Corporation (GMRC) Limited	M/s ArdanuyIngenieria S.A (Consortium Partner)
Consultancy Services for preparation of DPR for development of Economic Corridors, Inter Corridors, Feeder Routes to improve the efficiency of freight movement in India under Bharat Mala Pariyojna ( Lot 2/Haryana/Package-1)	M/s Matrix Geo Solution Pvt Ltd.
Consultancy Services for preparation of DPR for development of Economic Corridors, Inter Corridors, Feeder Routes to improve the efficiency of freight movement in India under Bharat Mala Pariyojna (Lot 2/Punjab/Package-3)	M/s Matrix Geo Solution Pvt Ltd.
Consultancy Service for preparation of DPR for Greenfield Expressway from Raxaul to Haldia Port (Package-1)	M/s G Gng Advisory Pvt. Ltd.
Consultancy Service for preparation of DPR for Greenfield Expressway from Raxaul to Haldia Port (Package-2)	M/s G Gng Advisory Pvt. Ltd.
Consultancy Services for preparation of Detailed Project Report for 2 Lanning with hard Sholuder from Meluri in Nagaland ConnetingTusom, Chingai, Khamsom, ChamuNampisha, Khongla, Kasong, Saibol, Narum, Moreh, New Samtal, Khongtal, Behiang, to Singhat in the State of Manipur	M/s Shree Bhawani Consultancy Services Pvt. Ltd.

## 56. Indian Accounting Standard (Ind AS) 115, Disclosures on Revenue from Contracts with customers are as follows:

### a) Significant management judgments on Revenue Recognition:

Recognized amounts of contract revenues and related receivables reflect management's best estimate of each contract's outcome and stage of completion which is determined based on physical progress, efforts, cost incurred to date bear to the total estimated cost of the transaction, time spent, service performed or any other method that management considered appropriate. For more complex contracts in particular, costs to complete and contract profitability are subject to significant estimation and uncertainty.

### b) Group has contracts with customers for different services which are given below: -

- Consultancy Services
- Export of rolling stock, equipments and spares
- Turnkey Construction Projects
- Power Generation

Beside above, the holding Company has contracts with customers for wet leasing which are covered under Indian Accounting standard (Ind AS) 116, Leases



- c) Company has recognized revenue either on the basis of over time or point in time depending upon satisfaction of performance obligation on transferring control of goods or services to Customer Revenue has been recognized by the Company over time basis if any one of the following conditions is met:
- Customer simultaneously receives and consumes the benefits
  - Company's performance creates or enhances an asset that the customer controls as the assets is created or enhanced
  - Company's performance does not create with alternative use and Company has enforceable right to payment for performance completed to date.

In case, none of the above conditions is met, revenue recognized by the Company on the basis of point in time.

**d) Disaggregation Revenue information:**

The below presents Disaggregated Revenues from contract with customer for the year ended 31<sup>st</sup> March, 2022 from various streams of revenue. The Company believe that this Disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cash flows are affected by industry, market and other economic factor.

Particulars	Consultancy Services		Inspection Fee		Export Sale	Turnkey Construction Projects- Domestic	Power generation	Total
	Domestic	Abroad	Domestic	Abroad				
	2021-22	648.79	104.27	322.39				
2020-21	640.76	78.16	293.30	5.48	93.27	623.85	16.45	1751.27

₹ in crore

- e) Company is rendering many project management consultancy services for and on behalf of clients where fee is due to Company for professional services.
- f) In most of the cases, payments from customers are linked with performance obligations. Wherever on the reporting date work has been performed and payment is not due as per the contract, in such cases contract assets have been created. However, where payment has been received including advance but performance has not been completed, in such cases contract liabilities have been created. Advances received by the Company for execution of work are in the nature of security i.e. a source of protection and are not for financing the project.
- g) Company provides warranty in the nature of assurance for which provisions are made as per the Indian Accounting standard (Ind AS) 37, Provisions, Contingent Liabilities and Contingent Assets.
- h) During the year, impairment of amount receivable from client for services rendered/goods supplied charged to Statement of Profit and Loss amounting to ₹12.45 crore (previous year ₹9.12 crore), which includes impairment for lease services amounting to ₹0.05 crore (previous year ₹0.22 crore).
- i) Balances of Receivables/Contract assets/Contract liabilities are as under:

Particulars	₹ in crore	
	As on 31.03.2022	As on 31.03.2021
Receivables includes lease receivables of ₹ 42.36 crore (Previous year ₹ 36.32 crore)	844.54	694.56
Contract assets	256.55	174.72
Contract liabilities includes lease liabilities of ₹ Nil (Previous year ₹ 0.27 crore)	75.55	268.58

- j) During the year ended March 31, 2022, ₹ 82.52 crore and March 31, 2021, ₹ 112.70 crore of unbilled revenue as of April 1, 2021 and April 1<sup>st</sup> 2020 respectively has been reclassified to Trade receivables upon billing to customers on completion of milestones.
- k) During the year ended March 31, 2022 ₹195.81 crore and March 31, 2021 ₹14.65 crore of contract liabilities as of April 1, 2021 and April 1, 2020 has been recognized as revenue after completion of milestones.
- l) The aggregate value of performance obligations that are completely or partially unsatisfied as at March 31, 2022 is ₹ 4722 crore which pertains to various segment of the Holding Company. Holding Company likely to recognize this revenue over a period ranging from one year to three year. The aggregate value of performance obligations that was completely or partially unsatisfied as at March 31, 2021 was ₹6074 crore which pertains to various segment of the Company.

- m) Group has not incurred any cost for obtaining contracts except administrative cost required for preparation of offers and the same is charged to statement of Profit and Loss.
- n) The holding Company has recognized unamortized contract assets of ₹ Nil (previous year ₹ 5.63 crore) on account of costs incurred in fulfilling the contract. The unamortized contract cost will be charged to statement of Profit and Loss on completion of performance obligations.

## 57. Indian Accounting Standard (Ind AS)116, Disclosures on Leases are as follows:

### a) Group as Lessee: -

The Group recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability. The right-of-use assets are depreciated using the straight-line method from the commencement date over the term of useful life of right-of-use asset.

The holding Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The holding Company has no borrowing, as such 3-year SBI MCLR rate 7.30% and 8.05% has been considered as weighted average incremental borrowing rate for calculation of present value of lease liability for the FY 2021-22 and 2020-21 respectively.

The Group has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

- i) The following is the summary of practical expedients applied:
- I) The Group has used a single discount rate to a portfolio of leases with similar characteristics.
  - II) Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application
  - III) Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
- ii) Following are the changes in the carrying value of right of use assets for the year ended March 31, 2022:

Particulars	Category of ROU Assets			Total
	Land	Building	Residential Quarters	
Balance as at April 1, 2021	2.71	16.00	3.83	22.54
Additions	0.01	1.12	-	1.13
Adjustment	-	-	-	-
Deletion	(0.01)	-	-	(0.01)
Depreciation	(0.52)	(2.74)	(0.25)	(3.51)
<b>Balance as at March 31, 2022</b>	<b>2.19</b>	<b>14.38</b>	<b>3.58</b>	<b>20.15</b>

₹ in crore

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2021

Particulars	Category of ROU Assets			Total
	Land	Building	Residential Quarters	
Balance as at April 1, 2020	2.49	17.29	4.08	23.86
Additions	0.69	2.03	-	2.72
Deletion	-	-	-	-
Adjustment	(0.01)	(0.33)	-	(0.34)
Depreciation	(0.46)	(2.99)	(0.25)	(3.70)
<b>Balance as at March 31, 2021</b>	<b>2.71</b>	<b>16.00</b>	<b>3.83</b>	<b>22.54</b>

₹ in crore

Depreciation on right-of-use assets is as follows:

Description	₹ in crore	
	Year Ended 31.03.2022	Year Ended 31.03.2021
Land	0.52	0.46
Building	2.74	2.99
Residential quarter	0.25	0.25
<b>Total</b>	<b>3.51</b>	<b>3.70</b>

iii) The following is the break-up of current and non-current lease liabilities:

Particulars	₹ in crore	
	As on 31.03.2022	As on 31.03.2021
Current lease liabilities	2.27	2.00
Non-current lease liabilities	0.67	2.17
<b>Total</b>	<b>2.94</b>	<b>4.17</b>

iv) The following is the movement in lease liabilities:

Particulars	₹ in crore	
	Year Ended 31.03.2022	Year Ended 31.03.2021
Opening Balance	4.17	7.21
Additions	1.13	2.72
Finance cost accrued during the period	0.30	0.42
Payment of lease liabilities	(2.65)	(5.81)
Adjustment	(0.01)	(0.37)
<b>Closing Balance</b>	<b>2.94</b>	<b>4.17</b>

v) The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

Particulars	₹ in crore	
	As on 31.03.2022	As on 31.03.2021
Less than one year	2.40	2.25
One to five years	0.68	2.29
More than five years	-	-
<b>Total</b>	<b>3.08</b>	<b>4.54</b>

The holding Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

- vi) During the year ended 31 March 2022, the Group incurred expenses amounting to ₹12.83 crore (Previous Year ₹ 12.04 crore) on accounts of short-term leases and leases of low-value assets. For the year ended 31 March 2022 the total cash outflows for leases including short-term leases and low-value asset amounted to ₹15.47 crore (Previous Year ₹17.86 crore)
- vii) ROU Assets includes staff quarters at Liluah Howrah, Kolkata from Indian Railways, for which lease has been expired in the month of March, 2009. The extension has been sought from Indian Railways.
- viii) The Group does not have any lease restrictions and commitment towards variable lease rent as per the contract.
- ix) The Group has no commitments towards Leases yet to be commenced as on 31.03.2022.
- x) The Group has not sub-leased any of the assets taken on lease.

b) Group as a lessor:

i) Operating Lease: As Lessor

- l) The holding Company has leasing arrangement of locomotives in domestic market mainly on cancelable basis which includes providing services of its experts for maintenance of these locomotives for which lease rent is received from the clients as per terms of the contracts.

New & In-Service Locomotives (refer note no.2)

Description	₹ in crore	
	Year ended 31.03.2022	Year ended 31.03.2021
Gross carrying amount	402.36	377.24
Accumulated depreciation	(189.57)	(147.80)
Net carrying amount	212.79	229.44
Depreciation provided for the year	41.77	30.85

- II) The holding Company has leased out one flat at Asian Games Village Complex, New Delhi to Land Port Authority of India (super area of 177.37 sq.m.).

Description	₹ in crore	
	Year ended 31.03.2022	Year ended 31.03.2021
Gross carrying amount	0.15	0.15
Accumulated depreciation	(0.10)	(0.10)
Net carrying amount	0.05	0.05
Depreciation provided for the year	0.00	0.00

- c) The holding Company does not envisage any contraction in demand which could result in significant down-sizing of its business operations. Due to COVID-19 there is no change in terms of leases which holding Company has entered as lessee as well as lessor.

## 58. Indian Accounting Standard (Ind-AS) 12, Disclosures on Income Taxes are as follows:

The holding Company opted to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as promulgated by the GOI vide the Taxation Laws (Amendment) Ordinance, 2019 and has taken 25.168% (Income tax 22%+Surcharge 10%+Higher Education cess 4%) rate of corporate tax in its accounts. However, one of the subsidiary companies (REMC Limited) did not opt the same due to available balances of unutilized MAT Credit and losses due to unabsorbed depreciation. Accordingly, the holding Company has recognized provision for income tax for the year. The holding Company has recognized provision for income tax and measured its deferred tax assets/liabilities during the year.

### a) Income tax expense in the consolidated statement of profit and loss comprises:

Particulars	₹ in crore	
	Year ended 31.03.22	Year ended 31.03.21
<b>Income Tax Expenses:</b>		
- Current Taxes	189.88	150.18
- Earlier Years (Net)	11.54	(3.63)
<b>Sub Total - A</b>	<b>201.42</b>	<b>146.55</b>
Tax on Other Comprehensive Income (OCI)- B	0.25	1.70
Tax on Buy Back Expenses-C	-	(0.33)
<b>Sub Total -D= (A+B+C)</b>	<b>201.67</b>	<b>147.92</b>
Deferred Tax (Net) – Prior Periods	(6.47)	(0.42)
Deferred Tax (Net) – Current Years	1.57	2.21
<b>Sub Total -E</b>	<b>(4.90)</b>	<b>1.79</b>
<b>Total - F=D+E</b>	<b>196.77</b>	<b>149.71</b>

Entire deferred income tax for the year ended 31<sup>st</sup> March, 2022 and previous year ended on 31<sup>st</sup> March, 2021 relates to origination and reversal of temporary differences.

b) Reconciliation of the Income Tax Expenses for the year to amount computed as expected tax expense by applying statutory income tax rates is as follows:

Particulars	₹ in crore	
	Year ended 31.03.2022	Year ended 31.03.2021
<b>Profit before Tax</b>	735.10	592.55
Inter Corporate Dividend	-	-
<b>Profit before Tax</b>	735.10	592.55
Enacted Tax Rates in India on Normal Income	25.17%	25.17%
<b>Enacted Tax Rates in India on LTCG</b>	<b>23.30%</b>	<b>23.30%</b>
<b>Computed Expected Tax Expense*</b>	185.01	149.14
Tax effect due to accounting for JVs/Subsidiaries	0.93	1.08
Tax effect of income exempted from non operating income	(3.25)	(3.62)
Tax effect due to deductible temporary differences	0.12	1.17
Tax Effect due to Earlier Period Taxes	5.08	(4.05)
Additional Tax Effect due to Income from House Property and other sources	(0.01)	(0.01)
Tax Effect due to claim of Expenditure not charged to Statement of Profit and Loss	-	(2.12)
Tax Effect of Non-Deductible Expenditures for determining taxable Profit	3.89	3.75
Tax effect due to income from Joint Operations	2.18	1.31
Effect of Different Tax Rate under various jurisdiction	2.57	1.36
Tax effect due to OCI	0.25	1.70
<b>Current Tax Expense for the year</b>	<b>196.77</b>	<b>149.71</b>

\*Computed expected tax expense for the respective years including tax expense calculated on income of RITES at the rates mentioned herein and tax expense calculated on income of subsidiaries and joint ventures at the different from rates mentioned herein.

c) REMC Limited used to be taxed under section - 115JB (MAT) of the income tax act till 31<sup>st</sup> March, 2021 and has been taxed at applicable normal rates for the year ended 31<sup>st</sup> March, 2022. The enacted tax rates on normal income is 29.12% and 17.47% for the year ended 31<sup>st</sup> March, 2022 and previous year ended 31<sup>st</sup> March, 2021 respectively.

The enacted tax rate of RITES (Afrika) (Pty) Limited is 22% both for the year ended 31<sup>st</sup> March 2022 and previous year ended on 31<sup>st</sup> March, 2021 respectively.

d) Details of income tax assets and liabilities as of 31<sup>st</sup> March, 2022 and 31<sup>st</sup> March, 2021 are as follows:

Particulars	₹ in crore	
	Year ended 31.03.2022	Year ended 31.03.2021
Income Tax Assets	239.48	217.65
Less: Current income tax liabilities	190.11	151.55
<b>Net Current Income Tax Assets/(Liability) at the year end</b>	<b>49.37</b>	<b>66.10</b>

e) The gross movement in the current income tax asset/ (liability) for the year ended March 31, 2022 and March 31, 2021 is as follows:

Particulars	₹ in crore	
	Year ended 31.03.2022	Year ended 31.03.2021
Net current income tax asset/(liability) at the beginning of the year	66.10	111.57
Current Income Tax on OCI	(0.25)	(1.70)
Current Income Tax on Buy Back Expenses	-	0.33
Income Tax paid	184.94	102.45
Current income tax expense	(201.42)	(146.55)
<b>Net Current Income Tax Asset/(Liability) at the end of the year</b>	<b>49.37</b>	<b>66.10</b>

## f) The tax effects of significant temporary differences that resulted in deferred income tax asset and liabilities are as follows:

	As on 31.03.2022	As on 31.03.2021
₹ in crore		
<b>Deferred Income Tax Assets:</b>		
Accrued Compensation to Employees	23.82	21.74
Provisions for Doubtful Debts, Security Deposits/EMD, Advances Etc.	32.52	33.60
Provision for Warranty	11.33	-
Lease Liability ROU Assets	0.74	1.05
MAT credit available	14.72	22.96
<b>Total Deferred Income Tax Assets - I</b>	<b>83.13</b>	<b>79.35</b>
<b>Deferred Income Tax Liabilities:</b>		
Depreciation on Property Plant & Equipment and Intangible Assets	49.65	52.29
Interest Accrued on income tax Refund	1.51	-
Donation to PM care Fund	-	-
Unrealized Short-term Gain (Loss) on Mutual Funds	0.06	0.05
<b>Total Deferred Income Tax Liabilities - II</b>	<b>51.22</b>	<b>52.34</b>
Deferred Income Tax Assets after set off	31.91	27.01
Deferred Income Tax Liabilities after set off	-	-

- i) Deferred tax assets and liabilities have been offset wherever the Company has a legally enforceable right to set off current tax assets against current tax liabilities and where the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority.
- ii) The ultimate realisation of deferred income tax assets is dependent upon the generation of future taxable income during the period in which the temporary differences become deductible. Management considers the scheduled reversals of deferred income tax liabilities, projected future taxable income and tax planning strategies in making the assessment.

Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, management believes that the Group will realise the benefits of those deductible differences. The amount of deferred income tax assets considered realisable, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

- a) The gross movement in the deferred income tax account for the year ended March 31, 2022 and previous year ended on March 31, 2021 are as follows:

	As on 31.03.2021	Recognised in Profit and Loss	Recognised in OCI	As on 31.03.2022
₹ in crore				
<b>Movement during the year ended 31.03.2022</b>				
<b>Tax Effect of items constituting deferred Tax Liabilities</b>				
(i) Property, Plant & Equipments	52.29	(2.64)	-	49.65
(ii) Interest accrued on income tax refund	-	1.51	-	1.51
(iii) Unrealised Short term Gain (Loss) on Mutual Funds	0.05	0.01	-	0.06
<b>TOTAL-A</b>	<b>52.34</b>	<b>(1.12)</b>	<b>-</b>	<b>51.22</b>
<b>Tax Effects of Items Constituting deferred Tax Assets</b>				
(i) Provisions for Leave Encashment of Employees	21.25	2.25	-	23.50
(ii) Provision for superannuation Medical	0.32	(0.13)	-	0.19
(iii) Other Employee Benefits	0.17	(0.04)	-	0.13
(iv) Prov. For Doubtful Debts & Advances	33.60	(1.08)	-	32.52
(v) Provision for warranty	-	11.33	-	11.33
(vi) Lease Liability for ROU Assets	1.05	(0.31)	-	0.74
(vii) MAT credit available	22.96	(8.24)	-	14.72
(viii) Business Loss	-	-	-	-
<b>TOTAL-B</b>	<b>79.35</b>	<b>3.78</b>	<b>-</b>	<b>83.13</b>
<b>Deferred Tax (Assets)/ Liabilities (A-B)</b>	<b>(27.01)</b>	<b>(4.90)</b>	<b>-</b>	<b>(31.91)</b>

The composition of deferred assets relating to temporary differences during the year ended 31<sup>st</sup> March, 2022 is primarily on account of Property, Plant and Equipment, Trade Receivable, Compensation to Employees, MAT credit Entitlement etc.

The gross movement in the deferred income tax account for the year ended March 31, 2021 and previous year ended on March 31, 2020 are as follows:

	₹ in crore			
<b>Movement during the year ended 31.03.2022</b>	<b>As on 31.03.2020</b>	<b>Recognised in Profit and Loss</b>	<b>Recognised in OCI</b>	<b>As on 31.03.2021</b>
<b>Tax Effect of items constituting deferred Tax Liabilities</b>				
(i) Property, Plant & Equipments	48.06	4.23	-	52.29
(ii) Interest accrued on income tax refund	1.72	(1.72)	-	-
(iii) Donation to PM care fund	1.76	(1.76)	-	-
(iv) Unrealised Short term Gain (Loss) on Mutual Funds	-	0.05	-	0.05
<b>TOTAL-A</b>	<b>51.54</b>	<b>0.80</b>	<b>-</b>	<b>52.34</b>
<b>Tax Effects of Items Constituting deferred Tax Assets</b>				
(i) Provisions for Leave Encashment of Employees	19.76	1.49	-	21.25
(ii) Provision for superannuation Medical	0.73	(0.41)	-	0.32
(iii) Other Employee Benefits	0.19	(0.02)	-	0.17
(iv) Prov. For Doubtful Debts & Advances	32.09	1.51	-	33.60
(v) Lease Liability for ROU Assets	-	1.05	-	1.05
(vi) MAT credit available	27.57	(4.61)	-	22.96
(vii) Business Loss	-	-	-	-
<b>TOTAL-B</b>	<b>80.34</b>	<b>(0.99)</b>	<b>-</b>	<b>79.35</b>
<b>Deferred Tax (Assets)/ Liabilities (A-B)</b>	<b>(28.80)</b>	<b>1.79</b>	<b>-</b>	<b>(27.01)</b>

The composition of deferred assets relating to temporary differences during the year ended 31<sup>st</sup> March, 2021 is primarily on account of Property, Plant and Equipment, Trade Receivable, Compensation to Employees, MAT credit Entitlement etc.

## 59. Indian Accounting Standard (Ind-AS) 1: Disclosures on Presentation of Financial Statements are as follows:

### a) Reclassifications and comparative figures

Certain reclassifications have been made to the comparative period's financial statements to enhance the comparability with the current year's financial statements.

As a result, certain items have been reclassified in the balance sheet, the details of which are as under:

#### i) Items of balance sheet before and after reclassification for the year ended 31<sup>st</sup> March, 2021

	₹ in crore		
<b>Particulars</b>	<b>Before Reclassification</b>	<b>Reclassification</b>	<b>After Reclassification</b>
<b>NON CURRENT ASSETS</b>			
Loans	14.93	(5.07)	9.86
Other Financial Assets	91.14	5.07	96.21
Other non-Current Assets	111.03	1.29	112.32
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents-Clients Fund	694.95	(0.01)	694.94
Other bank balances-Clients Fund	1,743.40	(6.11)	1,737.29
Loans	21.31	(14.31)	7.00
Other Financial Assets	180.03	19.69	199.72
Other Current Assets	244.60	(0.55)	244.05
<b>CURRENT LIABILITIES</b>			
<b>Borrowings</b>	0.07	7.67	7.74
<b>Trade Payables</b>			
Total outstanding Dues of Micro Enterprises and Small Enterprises	8.85	(0.05)	8.80
Total outstanding Dues Other Than Micro Enterprises and Small Enterprises	228.10	59.48	287.58
Other Financial Liabilities	2,506.83	(127.66)	2379.17
Provisions	37.14	60.56	97.70

- ii) Items of statement of profit and loss before and after reclassification for the year ended 31<sup>st</sup> March, 2021

Particulars	₹ in crore		
	Before Reclassification	Reclassification	After Reclassification
Revenue from Operation	1859.54	45.76	1905.30
Other Income	145.48	(45.76)	99.72

- iii) Items of statement of Cash flows before and after reclassification for the year ended 31<sup>st</sup> March, 2021

Particulars	₹ in crore		
	Before Reclassification	Reclassification	After Reclassification
Net Cash flow from Operating activities	515.65	0.05	515.70
Net Cash flow from Investing activities	183.45	0.31	183.76
Net Cash flow from Financing activities	(707.92)	(0.36)	(708.28)

**b) Subsequent Event – Dividend in case of Holding and its Indian subsidiary**

The Board of Directors of holding Company has proposed a sum of ₹84.11 crore (₹ 3.50 per share to 24.03 crore equity shares) as final dividend for FY 2021-22 subject to approval of shareholders in Annual General Meeting. If approved, the dividend would result in a cash outflow of ₹ 84.11 crore.

The Board of Directors of the subsidiary Company (REMC Limited) proposed a final dividend of ₹ 13.65 crore (₹ 1.30 per share to 10.50 crore equity shares) in respect of the financial year 2021-22 subject to approval of shareholders in Annual General meeting. If approved, the dividend would result into cash outflow of ₹13.65 crore.

**60. Disclosure as per regulation 34(3) of listing agreements with the stock exchange**

Particulars	Financial Year	₹ in crore	
		Outstanding balance	Maximum amount due during the year
<b>Investment in Subsidiaries</b>			
(i) REMC Limited	31.03.2022	35.70	35.70
	31.03.2021	35.70	35.70
(ii) RITES (Afrika) (Pty) Limited., Botswana	31.03.2022	0.01	0.01
	31.03.2021	0.01	0.01
<b>Investment in Joint Ventures</b>			
(i) SAIL-RITES Bengal Wagon Industry Private Limited	31.03.2022	24.00	24.00
	31.03.2021	24.00	24.00
(ii) Indian Railway Stations Development Corporation Limited	31.03.2022	48.00	48.00
	31.03.2021	48.00	48.00
<b>Loans &amp; advances to Subsidiaries</b>			
(i) REMC Limited.	31.03.2022	-	-
	31.03.2021	-	-
(ii) RITES (Afrika) (Pty) Limited., Botswana	31.03.2022	-	-
	31.03.2021	-	-
<b>Loans &amp; advances to Joint Ventures</b>			
(i) SAIL-RITES Bengal Wagon Industry Private Limited	31.03.2022	-	3.45
	31.03.2021	3.45	6.49
(ii) Indian Railway Stations Development Corporation Limited	31.03.2022	-	-
	31.03.2021	-	-



## 61. Capital Management

The Group's objective for capital management is to maximize shareholders value, safeguard business continuity and support the growth of the Group. The Group determines the capital requirement based on annual operating plans and long-term and other strategic investment plans. The funding requirements are primarily being met through operating cash flows generated.

## 62. Other Disclosures

### a) Impact of COVID-19:

The Group has considered the possible effects that may result from COVID-19 on the carrying amounts of financial assets, inventory, receivables, loans and advances, property plant and equipment, intangibles etc as well as liabilities accrued. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Group has used internal and external information. Having reviewed the underlying data and based on current estimates, the Group does not expect any material impact on the carrying amount of these assets and liabilities. The impact of COVID-19 on the Group's financial statements may differ from that estimated as at the date of approval of these financial statements and the Group will continue to closely monitor any material changes to future economic conditions.

b) Ministry of Railway (MoR) vide letter dated 18.10.2021 has decided in principle for closure of one of the Joint ventures of the Group i.e. Indian Railway Stations Development Corporation Limited (IRSDC), in which the holding company has an investment of ₹48 crore (net of capital reserve). Closure activities are underway and Board of IRSDC has decided to transfer the assets & liabilities of IRSDC to Rail Land Development Authority on slump sale basis (excluding investment in Subsidiary & Associate of IRSDC) for consideration not less than book value. Financial statements of IRSDC has been prepared on liquidation basis. As at 31.03.2022, IRSDC has reported a net worth of ₹221 crore, out of which 24% share i.e. ₹53 crore belongs to holding company, therefore Group does not perceive any impairment in the value of investment in IRSDC.

c) Assets and liabilities are classified between current and non-current considering 12 months period as operating cycle.

### d) Information on Corporate Social Responsibility expenditure:

#### i) In case of holding Company:

I) Gross amount required to be spent including advances given during the year 2021-22 ₹13.87 crore (previous year 2020-21 ₹13.40 crore).

II) Expenditure incurred including advance on CSR during the year on:

Particulars	Amount Paid		Unspent Amount		Total	
	2021-22	2020-21	2021-22*	2020-21	2021-22	2020-21
	₹ in crore					
(i) Construction/ acquisition of any asset	-	-	-	-	-	-
(ii) On purposes other than (i) above**	9.63	13.41	4.27	-	13.90	13.41
<b>Total</b>	<b>9.63</b>	<b>13.41</b>	<b>4.27</b>	<b>-</b>	<b>13.90</b>	<b>13.41</b>

• Unspent amount of ₹4.27 crore has been deposited in dedicated bank account as per CSR rules on dated: 19.04.2022.

\*\* Includes following expenditure on account of admin overhead and capacity builds

(a) Salary Expenses ₹0.45 crore (previous year ₹ 0.65 crore)

(b) Other Expense ₹0.01 crore (previous year ₹0.02 crore)

(III) Details of unspent CSR amount of ongoing project in compliance with the provision of Section 135(6) of the Act

Unspent CSR	Opening carrying amount	Addition during the year	Used during the year	Closing Carrying amount
As at 31.03.2022	-	4.27	-	4.27
As at 31.03.2021	-	-	-	-

IV) Nature of CSR Activities: The primary focus of CSR activity is on creation of necessary infrastructure, and avenues for employment and income generation, and empowering the people by inclusion in economic mainstream and facilitating sustainable development of marginalized and under privileged sections of the society in and around areas of Company's operations and in backward regions or such other areas as may be defined by the Board. These infrastructure assets then can be taken over by local community/ NGOs/ SHGs for day-to-day operations and maintenance.

**ii) In case of subsidiary Company (REMC Limited):**

I) Gross amount required to be spent during the year 2021-22 is ₹ 0.91 crore (previous year 2020-21 ₹ 0.93Crore).

II) Expenditure incurred including advances on CSR during the year on:

Particulars	₹ in crore					
	Amount Paid		Unspent amount		Total	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
(a) Construction/ acquisition of any asset		-	-	-		-
(b) On purposes other than (i) above*	0.81	0.93	0.10**	-	0.91	0.93
<b>Total</b>	<b>0.81</b>	<b>0.93</b>	<b>0.10</b>	<b>-</b>	<b>0.91</b>	<b>0.93</b>

\*Includes following expenditure on account of admin overhead and capacity builds:

(a) Salary Expenses ₹ 0.04 crore (previous year ₹ 0.04 crore)

(b) Other Expense ₹ Nil (previous year ₹ Nil)

\*\* Deposited to separate bank account as per the recent guidelines of CSR on dt:14.04.2022

III) Details of unspent CSR amount of ongoing project in compliance with the provision of Section 135(6) of the Act Movement of provision of CSR unspent

Unspent CSR	Opening carrying amount	Addition during the year	Used during the year	Closing Carrying amount
As at 31.03.2022	-	0.10	-	0.10
As at 31.03.2021	-	-	-	-

IV) Nature of CSR Activities: During the year, REMC Limited has spent CSR expenditure on activities like purchase of medical van/Ambulance, procurement of mask, oxygen concentrator, medicine, financial assistance for providing drinking water, infrastructure facilities in school and contribution to PM Cares.

**iii) Short fall other than ongoing projects of CSR:** Nil (Previous Year- Nil)

**iv) Reasons for short fall other than ongoing projects of CSR:** Not Applicable.

**e) Salary expenses and Travel expenses included in expenditure on Capital work in progress/Property, Plant & Equipment, and expenditure incurred during warranty period are as follows:**

Particulars	₹ in crore	
	Year Ended 31.03.2022	Year Ended 31.03.2021
Salary Expenses	5.10	5.71
Travel Expenses	0.25	0.14

- f) In case of Group details of dues to micro, small and medium enterprises as defined under The Micro, Small and Medium Enterprises Development Act, 2006\* are given on the basis of information available with the management.

		₹ in crore	
Sl. No.	Particulars	As on 31.03.2022	As on 31.03.2021
A	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting period		
	- Principal amount due to micro and small enterprises	26.40	8.88
	- Interest due on above	-	-
B	The amount of interest paid by the buyer in terms of Section 16 of The Micro, Small and Medium Enterprises Development Act, 2006, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting period.	-	-
C	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding the interest specified under The Micro, Small and Medium Enterprises Development Act, 2006.	-	0.07
D	The amount of interest due and remaining unpaid at the end of each accounting period.	-	-
E	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of The Micro, Small and Medium Enterprises Development Act, 2006.	-	-

\*The Holding Company identify supplier registered under The Micro, Small and Medium Enterprises Development Act, 2006, by obtaining confirmations from all suppliers at time issue of tender. Information has been collated only to the extent of information received.

**g) Disclosure of Capital Work in Progress**

**(i) Ageing as on 31.03.2022**

		₹ in crore				
CWIP Project	Less than 1 year	1 year- 2 years	2 Years- 3 years	More than 3 Years	Total*	
Projects in progress	45.45	11.29	1.04	0.23	58.11	

**(ii) Capital Work in Progress Completion Schedule as on 31.03.2022 in case completion is overdue or has exceeded its cost.**

		₹ in crore				
Particulars	Capital Work-in-progress to be completed in					
	Less than 1 year	1 year- 2 years	2 Years- 3 years	More than 3 Years	Total*	
<b>Projects in Progress</b>						
Renovation of flats & Guest House at Nestle Apartments, P.B.Marg, Near Bombay Dyeing, Lower Parel-Mumbai	0.68	-	-	-	0.68	
Residential cum Guest House at Plot No.V-37/13 in DLF City, Phase-III, Gurugram	3.92	-	-	-	3.92	
<b>Total</b>	<b>4.60</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4.60</b>	

**(iii) Ageing Schedule as on 31.03.2021**

		₹ in crore				
CWIP Project	Less than 1 year	1 year- 2 years	2 Years- 3 years	More than 3 Years	Total*	
Projects in progress	14.21	1.04	0.06	0.18	15.49	

(iv) Capital Work in Progress Completion Schedule as on 31.03.2021 in case completion is overdue or has exceeded its cost  
₹ in crore

Particulars	Capital Work-in-progress to be completed in				Total*
	Less than 1 year	1 year- 2 years	2 Years- 3 years	More than 3 Years	
<b>Projects in Progress</b>					
-Installation of Equipments in RITES Conference & Board Room, 6 <sup>th</sup> Floor, Shikhar, RITES Bhawan, Plot No.1, Sector-29, Gurugram	2.05	-	-	-	2.05
REMC Office at Bikaji Cama Place, New Delhi	0.01				0.01
<b>Total</b>	<b>2.06</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2.06</b>

\*Refer Note no.3 for Capital Work in progress schedule.

- h) In Case of Holding company, Lease deeds are pending for execution in respect of the office building at Central Metro Railway Building, 56, C. R. Avenue, Kolkata of ₹ 1.32 crore, the physical testing laboratory at 52 A&B, C.R. Avenue, Kolkata of ₹ 0.46 crore, office building at DLF Cybercity, Bhubaneswar of ₹ 5.43 crore and building at Liluah, Howrah of ₹ 1 only.
- i) In case of Holding Company, land for office building at Gomati Nagar Extension, Lucknow allotted by Lucknow Development Authority (LDA) having a total cost of ₹ 4.22 crore is yet to be registered in the name of the holding Company due to dispute of stamp duty. However, physical possession of the land has been with the holding Company w.e.f. 27<sup>th</sup> June 2019. An amount of ₹1.17 crore on account of disputed stamp duty is included in contingent liability (Refer note no.51(b)(i)(III)(C)).
- j) The financial statements are presented in ₹ crore. Those items which are required to be disclosed but can't be presented in the financial statement due to rounding off to the nearest ₹ crore are given as follows:-

**Balance sheet items of holding Company**

Description	Note No.	₹ in crore	
		As on 31.03.2022	As on 31.03.2021
Non-current investment			
(i) Moru Mahal Co-operative Society Limited		250.00	250.00
(ii) Amit Industrial Premises Co-operative Society Limited	8	500.00	500.00
(iii) Regent Chambers Premises Co-operative Society Limited		500.00	500.00
(iv) Elicius Energy Private Limited		15730.00	15730.00

- k) Balances shown under trade receivable, advances and trade payables including Indian Railway are subject to confirmation / reconciliation/ adjustment, if any. The Group has been sending letters for confirmation to parties. However, the Group does not expect any material dispute w.r.t. the recoverability/payment of the same.

In the opinion of the management, the value of current assets, loans and advances on realization in the ordinary course of business, will not be less than the value at which these are stated in the balance sheet.

- l) In case of Holding Company, information as regard to loans, investments made as required under section 186(4) of the Companies Act, 2013 have been given vide note no. 8, 9, 17 & 18.
- m) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or subsidiary Companies and jointly controlled Companies to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or subsidiary Companies and jointly controlled Companies ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- n) No funds have been received by the holding company or subsidiary Companies and jointly controlled Companies from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the holding company or subsidiary Companies and jointly controlled Companies shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- o) The Code on Social Security, 2020 ("the Code") relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Group will assess the impact of the Code when it comes into effect and will record any related impact in the period the code becomes effective.

### 63) Other disclosure of Group

a) In case of SAIL-RITES Bengal Wagon Industry Private Limited, Company has following borrowing facilities:-

i) Term Loan:-

₹ in crore					
Bank name	Sanction Amount	Outstanding as on 31.03.2022	Current portion	Non-Current portion	Repayment Term
SBI	72.00	16.94	9.60	7.34	Repayable in 30 quarterly installments of ₹ 2.40 crore each with total period of 10 years after moratorium period of 3.5 year Repayment of term loan has started from 01.04.2016, as per the modification in terms sanction. Interest is payable at Base Rate of Bank i.e. 8.60% at the time of sanction.

This is secured a) by way of first charge on Hypothecation of goods, book debts and other moveable assets of the Company and b) by way of first charge on Building of the Company situated at Kulti, Burdwan, West Bengal.

ii) Other Borrowings:

₹ in crore		
Particulars	31.03.2022	31.03.2021
Cash credit from SBI	17.58	8.51
Cash credit from HDFC Bank	-	-
Unsecured Loan from RITES Limited*	0.00	2.80
Unsecured Loan from SAIL	0.00	2.80
<b>Total</b>	<b>17.58</b>	<b>14.11</b>

b) In case of SAIL-RITES Bengal Wagon Industry Private Limited, sales revenue for rehabilitation of BOXNR wagons have been accounted for based on the Basic Price (including CRRM) specified in the order by the Eastern Railway. The CRRM generated in the process of rehabilitation of wagons is booked under current assets at the time of raising of bills at value specified in the work order.

c) In case of REMC Limited, Company has borrowed term loan of ₹120.59 crore from Indian Bank for setting up 26 MW Wind Mill plants at Jaisalmer, Rajasthan. The entire amount of loan was borrowed during the financial year 2015-16. During the current year Company has incurred interest cost of ₹ 2.11 crore (previous year ₹3.10 crore).

d) Assets & Liabilities have been translated at closing exchange rate and profit & loss items have been translated at average exchange rate of RITES (Afrika) (Pty) Limited (Subsidiary Company) .

₹ in crore				
Currency	31.03.2022		31.03.2021	
	Closing rate	Average rate	Closing rate	Average rate
1 Pula (Botswana)	6.529754	6.542856	6.516604	6.409906

(Source: Oanda.com)

64) Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Revised Schedule-III of the Companies Act, 2013:

Information for the year ended 31.03.2022

₹ in crore

Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in Other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amt (₹ in crore)	As % of consolidated net assets	Amt (₹ in crore)	As % of consolidated net assets	Amt (₹ in crore)	As % of consolidated net assets	Amt (₹ in crore)
<b>Holding Company</b>								
RITES Limited	96.41	2399.26	96.27	497.10	91.57	0.76	96.26	497.86
<b>Subsidiaries</b>								
<b>Indian</b>								
REMC Limited	8.69	216.24	8.78	45.32	-	-	8.76	45.32
<b>Foreign</b>								
RITES (Afrika) (Pty) Limited	0.12	2.98	0.01	0.07	-	-	0.01	0.07
Minority Interests in all subsidiaries	(4.26)	(105.96)	(4.30)	(22.21)	-	-	(4.29)	(22.21)
<b>Joint ventures (investment as per equity method)</b>								
<b>Indian</b>								
SAIL-RITES Bengal Wagon Industry Private Limited	1.24	30.82	0.16	0.81	-	-	0.16	0.81
BNV Gujarat Rail Private Limited	-	-	-	-	-	-	-	-
Indian Railways Stations Development Corporation Limited	2.13	53.02	(0.02)	(0.09)	7.23	0.06	(0.01)	(0.03)
<b>Adjustment for consolidation</b>	(4.33)	(107.72)	(0.90)	(4.63)	1.20	0.01	(0.89)	(4.62)
<b>TOTAL</b>	<b>100</b>	<b>2488.64</b>	<b>100.00</b>	<b>516.37</b>	<b>100</b>	<b>0.83</b>	<b>100</b>	<b>517.20</b>

Information for the year ended 31.03.2021

₹ in crore

Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in Other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amt (₹ in crore)	As % of consolidated net assets	Amt (₹ in crore)	As % of consolidated net assets	Amt (₹ in crore)	As % of consolidated net assets	Amt (₹ in crore)
<b>Holding Company</b>								
RITES Limited	97.07	2321.93	98.14	424.35	97.31	5.06	98.13	429.41
<b>Subsidiaries</b>								
<b>Indian</b>								
REMC Limited	7.52	179.91	5.58	24.13	-	-	5.51	24.13
<b>Foreign</b>								
RITES (Afrika) (Pty) Limited	0.12	2.91	0.01	0.02	-	-	0.00	0.02
Minority Interests in all subsidiaries	(3.69)	(88.16)	(2.74)	(11.83)	-	-	(2.70)	(11.83)
<b>Joint ventures (investment as per equity method)</b>								
<b>Indian</b>								
SAIL-RITES Bengal Wagon Industry Private Limited	1.26	30.01	0.29	1.24	-	-	0.28	1.24
BNV Gujarat Rail Private Limited	-	-	-	-	-	-	-	-
Indian Railways Stations Development Corporation Limited	2.22	53.05	(0.04)	(0.17)	-	-	(0.04)	(0.17)
<b>Adjustment for consolidation</b>	(4.50)	(107.68)	(1.24)	(5.36)	2.69	0.14	(1.18)	(5.22)
<b>TOTAL</b>	<b>100.00</b>	<b>2391.97</b>	<b>100.00</b>	<b>432.38</b>	<b>100.00</b>	<b>5.20</b>	<b>100.00</b>	<b>437.58</b>

## 65) Recent Accounting Pronouncements:

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1, 2022, as below:

### Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Group does not expect the amendment to have any significant impact in its financial statements.

### Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the Company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Group does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

### Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Group does not expect the amendment to have any significant impact in its financial statements.

### Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Group does not expect the amendment to have any significant impact in its financial statements.

#### Rahul Mithal

Chairman & Managing Director  
and Chief Executive Officer  
DIN: 07610499

For and on behalf of the Board

#### Bibhu Prasad Nayak

Director Finance & Chief Financial Officer  
DIN:08197975

#### Joshit Ranjan Sikidar

Company Secretary  
M.No. : ACS 32442

As per our report of even date attached

#### For J C BHALLA & COMPANY

Chartered Accountants  
Firm Registration No. 001111N

#### (ANSHUMAN MALLICK)

Partner  
Membership No. 547705

Place : Gurugram  
Dated : 24<sup>th</sup> May, 2022

## 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 2022

The preparation of Consolidated Financial Statements of RITES Limited for the year ended 31 March 2022 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139 (5) read with Section 129 (4) of the Act are responsible for expressing opinion on the financial statements under Section 143 read with Section 129 (4) of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 24 May 2022.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the Consolidated Financial Statements of RITES Limited for the year ended 31 March 2022 under Section 143(6)(a) read with Section 129(4) of the Act. We conducted a supplementary audit of the financial statements of SAIL RITES Bengal Wagon Industry Private Limited and Indian Railway Stations Development Corporation Limited, but did not conduct supplementary audit of the financial statements of REMC Limited for the year ended on that date.

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.

**Further, Section 139(5) and 143 (6) (a) of the Act are not applicable to RITES (Afrika) (Pty) Limited, Botswana, being a private entity incorporated in a foreign country under the respective laws for appointment of their Statutory Auditor and for conduct of supplementary audit. Accordingly, the Comptroller and Auditor General of India has neither appointed the Statutory Auditors nor conducted the supplementary audit of this Company.**

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditor's report under Section 143(6) (b) of the Act.

For and on behalf of the  
Comptroller and Auditor General of India

Place: New Delhi  
Dated: 17<sup>th</sup> August, 2022

**Vikram D. Murugaraj**  
Principal Director of Audit  
Railway Commercial, New Delhi



## STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES/JOINT VENTURES FOR THE YEAR ENDED 31ST MARCH, 2022

(Statement pursuant to first proviso to sub-section 3 of section 129 of the Companies Act, 2013  
read with rule 5 of the Companies (Accounts) Rules, 2014)

### PART "A" : SUBSIDIARIES

1	Sl. No.	1	2		
2	Name of the subsidiary	RITES (Afrika) (Pty) Limited	REMC Limited **		
3	Reporting currency and exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	Botswana Pula (BWP)*	INR		
		31.03.2022	31.03.2021	31.03.2022	31.03.2021
		(₹ In crore)		(₹ In crore)	
4	Share Capital	0.01	0.01	105.00	105.00
5	Reserves & Surplus	2.98	2.90	111.24	74.91
6	Total Assets	4.29	7.94	268.43	235.48
7	Total Liabilities	1.30	5.03	52.19	55.57
8	Investments	-	-	-	-
9	Operating Turnover	2.51	5.98	93.10	67.87
10	Profit before taxation	0.14	0.06	64.31	34.44
11	Provision for taxation	0.07	0.04	18.99	10.31
12	Profit after taxation	0.07	0.02	45.32	24.13
13	Proposed Dividend	-	-	13.65	9.00
14	% of shareholding	100%		51%	

\*As on 31.03.2022: 1BWP= ₹ 6.529754 ; Average Rate 1BWP= ₹ 6.542856, As on 31.03.2021: 1BWP= ₹ 6.516604 ; Average Rate 1BWP= ₹6.409906

\*\* REMC Limited figures are inclusive of non-controlling interest.

**PART "B" : JOINT VENTURES**

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Joint Ventures

1	Sl. No.	1		2	
2	Name of Joint Ventures	SAIL-RITES Bengal Wagon Industry Private Limited		Indian Railway Stations Development Corporation Limited*	
3	Balance Sheet Date	31.03.2022	31.03.2021	31.03.2022	31.03.2021
4	Shares of Joint Ventures held by the company on the year end:				
4(i)	No.	2,40,00,000	2,40,00,000	4,80,00,000	4,80,00,000
4(ii)	Amount of investment in Joint Venture (₹ in crore)	24.00	24.00	48.00	48.00
4 (iii)	Extent of Holding/Profit Sharing %	50%	50%	24%	24%
5	Description of how there is significant influence	There is significant influence due to percentage (%) of share capital/profit sharing and joint control.			
6	Reason why the joint venture is not consolidated	Not Applicable			
7	Net worth attributable to shareholding as per latest audited Balance Sheet (₹ in crore)	30.82	30.01	53.02	53.05
8	Profit/Loss for the year				
8 (i)	Considered in Consolidation (₹ in crore)	0.81	1.24	(0.03)	(0.17)
8 (ii)	Not Considered in Consolidation				

\* Company has acquired 24% stake in Indian Railway Stations Development Corporation (IRSDC) on dt 29.09.2020.

For and on behalf of the Board

**Rahul Mithal**Chairman & Managing Director  
and Chief Executive Officer  
DIN: 07610499**Bibhu Prasad Nayak**Director Finance & Chief Financial Officer  
DIN:08197975**Joshit Ranjan Sikidar**Company Secretary  
M.No. : ACS 32442**For J C BHALLA & COMPANY**Chartered Accountants  
Firm Registration No. 001111N**(ANSHUMAN MALLICK)**Partner  
Membership No. 547705Place : Gurugram  
Dated :24<sup>th</sup> May, 2022







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