



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

RITES/SECY/NSE
Date: 6th August, 2020

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
Scrip Code- RITES	Scrip Code- 541556

Sub: 46th Annual General Meeting (AGM) Notice and Annual Report for the Financial Year 2019-20

Dear Sir/ Madam,

We hereby enclose the Notice of 46th Annual General Meeting of the members of the Company, scheduled to be held on Friday, 28th August 2020, at 11.30 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 2019-20.

Notice along with the Annual Report for the Financial Year 2019-20 is available on the website of the Company at www.rites.com under the heading: **INVESTORS<SHAREHOLDERS MEETING** or the same maybe accessed through the following link:

<https://www.rites.com/index.php?page=page&id=147&name=INVESTOR%20SHAREHOLDERS%20MEETING&mid=284>

Kindly take this information on record and acknowledge the same.

Thanking You,

Yours faithfully,
For RITES Limited

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



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

NOTICE

Notice is hereby given that the 46th Annual General Meeting of the Members of RITES LIMITED will be held on Friday, August 28th, 2020, at 11.30 A.M. through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM") to transact the following businesses:

ORDINARY BUSINESS:

- (1) To receive, consider and adopt the Audited Financial Statements (Standalone and Consolidated) of the Company for the Financial Year ended on 31st March, 2020 along with the Reports of Board of Directors and Auditors thereon.
- (2) To confirm the first and second interim dividends declared for the Financial Year 2019-20 and to declare final dividend on equity shares for the Financial Year ended 31st March, 2020.
- (3) To appoint a Director in place of Shri Gopi Sureshkumar Varadarajan, Director (Projects) (DIN: 08241385), who retires by rotation and being eligible, offers himself for re-appointment.
- (4) To appoint a Director in place of Shri Alok Kumar Tewari, Director (DIN: 06694407) who retires by rotation and being eligible, offers himself for re-appointment.
- (5) To take note of appointment of Statutory Auditors and Branch Auditors as appointed by the Comptroller and Auditor General of India and to fix their remuneration for audit and other services.

SPECIAL BUSINESS:

- (6) **To appoint Shri Anil Vij (DIN: 07145875), as Director liable to retire by rotation.**

To consider and if thought fit, to pass with or without modifications the following resolution as an ORDINARY RESOLUTION:

"RESOLVED THAT pursuant to section 152 and other applicable provisions of the Companies Act, 2013, rules made there under read with the Articles of Association of the Company, Shri Anil Vij (DIN: 07145875), who was appointed as Director (Technical) of the Company by the President of India vide Ministry of Railway Order No. 2018/E(O)II/40/22 dt. 04.11.2019, and subsequently appointed as an Additional Director by the Board of Directors with effect from 4th November, 2019 to hold office upto the date of ensuing Annual General Meeting under Section 161 of Companies Act, 2013 and who has consented to act as Whole Time Director, be and is hereby appointed as Director (Technical) of the Company, liable to retire by rotation, on terms & conditions as may be fixed by the Govt. of India."

- (7) **To appoint Shri Bibhu Prasad Nayak (DIN: 08197975), as Director liable to retire by rotation.**

To consider and if thought fit, to pass with or without modifications, the following resolution as an ORDINARY RESOLUTION:

"RESOLVED THAT pursuant to section 152 and other applicable provisions of the Companies Act, 2013, rules made there under read with the Articles of Association of the Company, Shri Bibhu Prasad Nayak (DIN: 08197975), who was appointed as Director (Finance) of the Company by the President of India vide Ministry of Railway Order No. 2018/E(O) II/40/18 dt. 04.11.2019, and subsequently appointed as an Additional Director by the Board of Directors with effect from 7th November, 2019 to hold office upto the date of ensuing Annual General Meeting under Section 161 of Companies Act, 2013 and who has consented to act as Whole Time Director, be and is hereby appointed as Director (Finance) of the Company, liable to retire by rotation, on terms & conditions as may be fixed by the Govt. of India."

- (8) **To appoint Shri Vinay Srivastava (DIN:08638850) as a part time Government Nominee Director liable to retire by rotation.**

To consider and if thought fit, to pass with or without modifications, the following resolution as an ORDINARY RESOLUTION:

"RESOLVED THAT pursuant to section 152 and other applicable provisions of the Companies Act, 2013, rules made there under read with the Articles of Association of the Company, Shri Vinay Srivastava (DIN:08638850), who was appointed as part time Government Nominee Director of the Company by the President of India vide Ministry of Railways letter no.

2004/PL/45/9/Pt. I dated 10.12.2019, and subsequently appointed as an Additional Director by the Board of Directors with effect from 13th December, 2019 to hold office upto the date of ensuing Annual General Meeting under Section 161 of Companies Act, 2013 and who has consented to act as part time Government Nominee Director, be and is hereby appointed as part time Government Nominee Director of the Company, liable to retire by rotation, on terms & conditions as may be fixed by the Govt. of India.”

BY ORDER OF THE BOARD



(ASHISH SRIVASTAVA)
Company Secretary
FCS: 5325

Place: Gurgaon
Dated: 29th July, 2020

Regd. Office:
SCOPE Minar, Laxmi Nagar,
Delhi- 110092
CIN: L74899DL1974GOI007227

NOTES:

1. In view of the global COVID-19 pandemic, the Ministry of Corporate Affairs (MCA) has vide General Circular No. 20/2020 dated May 5, 2020 read with General Circular Nos. 14/2020 dated April 8, 2020 and 17/2020 dated April 13, 2020 and Circular no. SEBI/HO/CFD/CMD1/ CIR/P/2020/79 dated May 12, 2020, issued by the Securities and Exchange Board of India (SEBI) (collectively referred to as Circulars), has 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 have 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**.
5. An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
6. The Register of Members and Share Transfer books of the Company will remain closed from 21.08.2020 (Friday) to 28.08.2020 (Friday) (both days inclusive).
7. Brief resume of Directors seeking appointment and re-appointment as prescribed under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the Secretarial Standards issued by the Institute of Company Secretaries of India is annexed hereto and forms part of the notice.
8. The Annual Report of the Company is also available on the company's website **www.rites.com**.
9. None of the Directors of the Company is in any way related to each other.
10. 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.
11. 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**.

Members holding shares in dematerialised form are requested to provide the said details to their DP . 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.

12. 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 .
13. 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.
14. The Board of Directors of the Company in its meetings held on December 27, 2019 and February 06, 2020 declared first interim dividend and second interim dividend of Rs. 150 Crore i.e. Rs. 6 per share of Rs. 10 each and Rs. 100 Crore i.e. Rs. 4 per share of Rs. 10 each respectively. Final dividend of Rs. 150 crore i.e. Rs. 6 per share of Rs.10 each on equity shares, as recommended by the Board of Directors in its meeting held on June 30, 2020, for the year ended on 31.03.2020, 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 20.08.2020.
 - (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 20.8.2020.
15. 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 Link Intime India Private Limited (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 **vinay.kumar@linkintime.co.in** till 05:00 PM (IST) on (Thursday) August 20, 2020. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%.
16. 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 shareholder in a General Meeting may determine. As the appointment/reappointment of statutory auditors and branch auditors is yet to be done by CAG, the members may authorize Board of Directors to confirm the appointment/ reappointment and fix their remuneration as per the communication to be received from CAG.
17. Pursuant to General Circular No. 20/2020 dated May 5, 2020 issued by the MCA read with SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, Notice of the AGM and Annual Report for the year ended March 31, 2020 are being sent electronically to those Members whose email addresses are registered with the DP/RTA. Notice of the AGM along with the Explanatory Statement and the Annual Report for the year ended March 31, 2020, circulated to Members is also available on the websites of the Company i.e. **www.rites.com** and on the websites of BSE Limited and National Stock Exchange of India Limited at **www.bseindia.com** and **www.nseindia.com** respectively.
18. 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. August 28, 2020. Members seeking to inspect such documents are requested to send an notice email to **cs@rites.com**. Inspection shall be provided when it is mutually suitable.
19. Members desiring any information as regards the Financial Statements are requested to write to the Company at least 7 days before the date of meeting at **cs@rites.com** to enable the management to keep the information readily available at the duration of the meeting.
20. 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. In case of shares held in dematerialized form, the nomination form has to be lodged directly with the respective Depository Participant (DP).

The Company's Registrar & Transfer Agent (RTA) is M/s Link Intime India Private Limited. The Communication address of the RTA is Noble Heights, 1st Floor, NH -2, C1- Block LSC, Near Savitri Market, Janakpuri, New Delhi - 110058, email: **vinay.kumar@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:
 - a. Quote DP ID and Client ID/Ledger Folio numbers in all their correspondence;
 - b. Approach the RTA for consolidation of multiple ledger folios into one; and
 - c. 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 Sachin Agarwal, M/s. Agarwal S. & Associates, Company Secretaries as the Scrutinizer. Further, the company has also appointed Ms. Anuradha Jain of M/s Agarwal S. & Associates, Company Secretaries as the alternate 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 2020-21 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 25.08.2020 .
 - b. End of remote e-voting: Up to 5:00 P.M. (IST) on 27.08.2020.
32. As shares of the Company are traded under compulsory demat, members are requested to dematerialise their shareholding to avoid any inconvenience.

INSTRUCTIONS FOR REMOTE E-VOTING

1. Open the internet browser and launch the URL: <https://instameet.linkintime.co.in>

Those who are first time users of LIPL (“Link Intime India Private Limited”) e-voting platform or holding shares in physical mode have to mandatorily generate their own Password, as under:

- Click on **“Sign Up”** under **‘SHARE HOLDER’** tab and register with your following details: -
- A. **User ID:** Enter your User ID
 - 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** Event No + 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. **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/members holding shares in CDSL demat account shall provide either ‘C’ or ‘D’, above.
 - Shareholders/members holding shares in NSDL demat account shall provide ‘D’, above.
 - Shareholders/members holding shares in physical form but have not recorded ‘C’ and ‘D’, shall provide their Folio number in ‘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).
2. Click on ‘Login’ under **‘SHARE HOLDER’** tab.
 3. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on **‘Submit’**.
 4. After successful login, you will be able to see the notification for e-voting. Select **‘View’** icon **for RITES Limited/Event number “200093”**
 5. E-voting page will appear.
 6. 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).
 7. 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.
 8. 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.

If you have forgotten the password:

- Click on **‘Login’** under **‘SHARE HOLDER’** tab and further Click **‘forgot password?’**
- Enter **User ID**, select **Mode** and Enter Image Verification (CAPTCHA) Code and Click on **‘Submit’**.
- In case member is having valid email address, Password will be sent to his / her registered e-mail address.
- Members 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.

- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

For members holding shares in physical form, the details can be used only for voting on the resolutions contained in the 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". Shareholders/members holding multiple folios/demat account shall choose the voting process separately for each of the folios/demat account.

In case members have any queries regarding e-voting, they may refer the **Frequently Asked Questions ('FAQs')** and **InstaVote e-Voting manual** available at <https://instavote.linkintime.co.in>, under **Help** section or send an email to **enotices@linkintime.co.in** or contact on: - **Tel: 022 - 4918 6000**.

PROCESS AND MANNER FOR ATTENDING THE FORTY SIXTH ANNUAL GENERAL MEETING THROUGH INSTAMEET:

1. Open the internet browser and launch the URL: <https://instameet.linkintime.co.in> and select the Company and event date.
 - **Demat Account No. or Folio No:** Enter your 16 digit Demat Account No. or Folio No. registered with the company.
 - **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).
 - **Mobile No.:** Enter your mobile number.
 - **Email ID:** Enter your email id, as recorded with your DP/Company.
2. Click "Go to Meeting".
3. Members can log in and join 30 minutes prior to the schedule time of the AGM and window for joining the meeting shall be kept open till the expiry of 15 minutes after the scheduled time. The Company is providing VC/OAVM facility to members to attend the AGM. The said facility will be available for 1000 Members on first come first served basis. This will not include large Members (i.e. Members with 2% or more shareholding), promoters, institutional investors, directors, key managerial personnel, chairpersons of the audit committee, nomination & remuneration committee and stakeholders' relationship committee, auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

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 mentioning their name, demat account number/folio number, email id, mobile number at least 3 days in advance, with the company on email id: **speakers.agm2020@rites.com** on or before, 5:00 P.M. (IST) on Tuesday, 25.08.2020.
2. Shareholders will get confirmation on first cum first basis depending upon the provision made by the company. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
3. Shareholders will receive "speaking serial number" once they mark attendance for the meeting.
4. Please remember speaking serial number and start your conversation with panelist 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 Insta Meet 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 Insta Meet 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 from 11:30 A.M. (IST) till the expiry of 15 minutes after the AGM is over. 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 Insta Meet. 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 or contact on: - **Tel: 022-49186175**.

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 of i.e. 20 August 2020.

Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as on the cut-off date, may obtain the login ID and password by sending a request at **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** and on the website of 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, Mumbai.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO. 6

APPOINTMENT OF SHRI ANIL VIJ (DIN: 07145875), AS DIRECTOR LIABLE TO RETIRE BY ROTATION

Shri Anil Vij was appointed as Director (Technical) of the Company by the President of India vide Ministry of Railways Order No. 2018/E(O)II/40/22 dt. 04.11.2019 and assumed charge w.e.f. 04th November, 2019. In terms of Article 56(c) of the Articles of Association, the Board of Directors are empowered to appoint the directors appointed by the President of India as an Additional Director under provisions of the Companies Act, 2013 and they will be appointed by the Shareholders at the succeeding Annual General Meeting (AGM).

Accordingly, the Board appointed Shri Anil Vij as an Additional Director. Shri Anil Vij holds office upto the date of the ensuing AGM. The Company has received a notice in writing under Section 160 of the Act proposing the appointment of Shri Anil Vij as a Director on the Board of RITES Limited. The above appointment of Shri Anil Vij as Director (Technical) on the Board of the Company, being liable to retire by rotation in terms of Section 152 of the Act read with Article 56(c) of the Articles of Association of the Company requires approval of the members in the General Meeting.

Pursuant to the provisions of Section 152 of the Companies Act, 2013 every director of the Company has to be appointed in the general meeting of the Company. Therefore, approval of the shareholders is sought for regularization of the appointment of Shri Anil Vij as Director (Technical) on the same terms and conditions as determined by the Government of India.

Shri Anil Vij holds NIL shares in RITES Limited. None of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested in the resolution financially or otherwise except to the extent that he or she is a Director and/or Shareholder of the Company.

The Board of Directors of your Company recommends passing of the resolution as set out at Item No. 6 as an Ordinary Resolution.

Brief resume of Shri Anil Vij is annexed.

ITEM NO. 7

TO APPOINT SHRI BIBHU PRASAD NAYAK (DIN: 08197975), AS DIRECTOR LIABLE TO RETIRE BY ROTATION

Shri Bibhu Prasad Nayak was appointed as Director (Finance) of the Company by the President of India vide Ministry of Railways Order No. 2018/E(O)II/40/18 dt. 04.11.2019 and assumed charge w.e.f. 07th November, 2019. In terms of Article 56(c) of the Articles of Association, the Board of Directors are empowered to appoint the directors appointed by the President of India as an Additional Director under provisions of the Companies Act, 2013 and they will be appointed by the Shareholders at the succeeding Annual General Meeting (AGM).

Accordingly, the Board appointed Shri Bibhu Prasad Nayak as an Additional Director. Shri Bibhu Prasad Nayak holds office upto the date of the ensuing AGM. The Company has received a notice in writing under Section 160 of the Act proposing the appointment of Shri Bibhu Prasad Nayak as a Director on the Board of RITES Limited. The above appointment of Shri Bibhu Prasad Nayak as Director (Finance) on the Board of the Company, being liable to retire by rotation in terms of Section 152 of the Act read with Article 56(c) of the Articles of Association of the Company requires approval of the Members in the General Meeting.

Pursuant to the provisions of Section 152 of the Companies Act, 2013 every director of the Company has to be appointed in the general meeting of the Company. Therefore, approval of the shareholders is sought for regularization of the appointment of Shri Bibhu Prasad Nayak as Director (Finance) on the same terms and conditions as determined by the Government of India.

Shri Bibhu Prasad Nayak holds NIL shares in RITES Limited. None of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested in the resolution financially or otherwise except to the extent that he or she is a Director and/or Shareholder of the Company.

The Board of Directors of your Company recommends passing of the resolution as set out at Item No. 7 as an Ordinary Resolution.

Brief resume of Shri Bibhu Prasad Nayak is annexed.

ITEM NO. 8

TO APPOINT SHRI VINAY SRIVASTAVA (DIN: 08638850) AS A PART TIME GOVERNMENT NOMINEE DIRECTOR, LIABLE TO RETIRE BY ROTATION

Shri Vinay Srivastava appointed as part time Government Nominee Director of the Company by the President of India vide Ministry of Railways Order No. 2004/PL/45/9/Pt. I dated 10.12.2019 (which was received on 12.12.2019) and assumed office w.e.f. 13th December 2019. In terms of Article 56(c) of the Articles of Association, the Board of Directors are empowered to appoint the directors appointed by the President of India as an Additional Director under provisions of the Companies Act, 2013 (the Act) and they will be appointed by the Shareholders at the succeeding Annual General Meeting (AGM).

Accordingly, the Board appointed Shri Vinay Srivastava as an Additional Director. Shri Vinay Srivastava holds office upto the date of the ensuing AGM. The Company has received a notice in writing under Section 160 of the Act proposing the appointment of Shri Vinay Srivastava as a Director on the Board of RITES Limited. The above appointment of Shri Vinay Srivastava as a part time Government Nominee Director on the Board of the Company, being liable to retire by rotation in terms of Section 152 of the Act read with Article 56(h) of the Articles of Association of the Company requires approval of the Members in the General Meeting.

Pursuant to the provisions of Section 152 of the Companies Act, 2013 every director of the Company has to be appointed in the general meeting of the Company. Therefore, approval of the shareholders is sought for regularization of the appointment of Shri Vinay Srivastava as Govt. Nominee Director on the same terms and conditions as determined by the Government of India.

Shri Vinay Srivastava holds NIL shares in RITES Limited. None of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested in the resolution financially or otherwise except to the extent that he or she is a Director and/or Shareholder of the Company.

The Board of Directors of your Company recommends passing of the resolution as set out at Item No. 8 as an Ordinary Resolution.

Brief resume of Shri Vinay Srivastava is annexed.

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 Gopi Suresh kumar Varadarajan, Director Projects**

Age	58 years
Date of first appointment on Board	27.09.2018
Qualification	Civil Engineering from REC, Trichy, Short Term Course on Design, Construction and Management of Pre-Stressed Bridges from Indian Railway Institute of Civil Engineering, Pune. Course on General Management from IIM, Indore
Brief Resume including experience	In 1984 obtained a first class degree in Civil Engineering from REC (now NIT) Trichy. He joined IRCON International Limited as an Assistant 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 Oct - 2011 selected by EPI as Executive Director, where served as regional Head for Southern Region including overseas projects for Sri Lanka.
Nature of his expertise in specific functional areas	Comprehensive expertise in multiple fields of engineering, innovation, project management and resources planning
Other Directorship	Railway Energy Management Company Limited
Chairmanship/Membership of Committees in companies in which position of Director is held	Three (3)
Relationship with other Directors, Managers and other Key Managerial Personnel of the Company	Shri Gopi Sureshkumar Vardarajan is not related to any other director of the Company.
No. of equity shares held in the Company	NIL
No. of board meetings attended during the year	10 out of 10
Terms and conditions of appointment or re-appointment including remuneration	Appointment as per the order of The President of India vide Ministry of Railways 2017/E(O)II/40/23 dated 24.9.2018.

2. **Shri Alok Kumar Tewari, Govt. Nominee Director**

Age	59 years
Date of first appointment on Board	30.05.2019
Qualification	Mechanical Engineer, IRSME
Brief Resume including experience	Over 38 years association with Railways. Before current assignment was Principal Chief Mechanical Engineer/ Northeast Frontier Railway, Guwahati; Chief Safety Officer/ Northeast Frontier Railway, Guwahati; Divisional Railway Manager/ Ahmedabad, WR He was Additional Divisional Railway Manager/Mumbai during the Mumbai floods of 2005. Worked day night to get suburban system working. Piloted innovative solutions of locos at both end with conventional coaches to work in lieu of EMUs.
Nature of his expertise in specific functional areas	Innovative solution of Locos at both end with conventional coaches to work in lieu of EMUs. Dealing with all Environmental issues of Indian Railways. Expertise in Service Contract matters.
Other Directorship	NIL
Chairmanship/Membership of Committees in companies in which position of Director is held	NIL

Relationship with other Directors, Managers and other Key Managerial Personnel of the Company	Shri Alok Kumar Tewari is not related to any other Director of the Company.
No. of equity shares held in the Company	NIL
No. of board meetings attended during the year	9 out of 9
Terms and conditions of appointment or re-appointment including remuneration	Appointment as per the order of The President of India vide Ministry of Railways Order NO. 2004/PL/49/9/Pt-II dated 28 th May, 2019

3. Shri Anil Vij, Director Technical

Age	58 years
Date of first appointment on Board	04.11.2019
Qualification	Mechanical Engineer, IRSME
Brief Resume including experience	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.
Nature of his expertise in specific functional areas	He has over 34 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.
Other Directorship	Nil
Chairmanship/Membership of Committees in companies in which position of Director is held	Nil in other companies
Relationship with other Directors, Managers and other Key Managerial Personnel of the Company	Shri Anil Vij is not related to any other Director of the Company.
No. of equity shares held in the Company	NIL
No. of board meetings attended during the year	4 out of 4
Terms and conditions of appointment or re-appointment including remuneration	Appointment as per the order of The President of India vide Ministry of Railways Order No.2018/E(O)II/40/22 dt. 04.11.2019

4. Shri Bibhu Prasad Nayak, Director Finance

Age	57 years
Date of first appointment on Board	07.11.2019
Qualification	Qualified Cost Accountant B.Tech. in Metallurgy (1985) from the Indian Institute of Technology, Kharagpur
Brief Resume including experience	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 area of Finance, technical and Project Management. Under his leadership in Bhilai Steel Plant, modernization & expansion program involving investment of Rs. 20,000 Crores was executed. As Chairman of PF Trust of Bhilai Steel Plant, he managed a corpus of Rs. 5000 Crore having annual investment of Rs.600 Crore.

Nature of his expertise in specific functional areas	He has a vast experience of over 34 years in SAIL- Bhilai Steel Plant, in the area of Finance, technical and Project Management.
Other Directorship	NIL
Chairmanship/Membership of Committees in companies in which position of Director is held	One
Relationship with other Directors, Managers and other Key Managerial Personnel of the Company	Shri Bibhu Prasad Nayak is not related to any other Director of the Company
No. of equity shares held in the Company	NIL
No. of board meetings attended during the year	4 out of 4
Terms and conditions of appointment or re-appointment including remuneration	Appointment as per the order of The President of India vide Ministry of Railways Order No. 2018/E(O)II/40/18 dt. 04.11.2019

5. **Shri Vinay Srivastava, Govt. Nominee Director**

Age	49 years
Date of first appointment on Board	13.12.2019
Qualification	Mechanical Engineer with Master Degree in Public Administration
Brief Resume including experience	<p>He has over 26 years of multifaceted experience in Government Service. He is presently working as Executive Director in Railway Board looking after Passenger Rolling Stock and Public Sector Units of the Railways. He has worked as Chief Mechanical Engineer in Indian Railways Organization for Alternate Fuels where his charge includes solar energy, biofuels, fuel cell propelled vehicles and other alternate sources of energy. He has worked in RCF Kapurthala in Coach Production and Coach Design, and as Sr DME Hyderabad in South Central Railway. He has also worked in RDSO in Administration, Testing and Carriage Directorate.</p> <p>Apart from Railways he has also worked in public facing role as Regional Passport Officer Lucknow in MEA. He also has policy experience at the highest levels while working as Director in Cabinet Secretariat handling infrastructure ministries including MoUD, HUPA, Railways, Road Transport, Civil Aviation etc as well as Coordination with State Governments. He has also worked as an aide to Minister in the Ministries of environment Forest and Climate Change, HRD and Information and broadcasting.</p>
Nature of his expertise in specific functional areas	He has experience of Rolling Stock Design, Manufacture, Testing and Operations.
Other Directorship	Rail Tel Corporation of India Limited. Rail Vikas Nigam Limited. Indian Railway Catering and Tourism Corporation Limited. Konkan Railway Corporation Limited.
Chairmanship/Membership of Committees in companies in which position of Director is held	One(1)
Relationship with other Directors, Managers and other Key Managerial Personnel of the Company	Shri Vinay Srivastava is not related to any other Director of the Company.
No. of equity shares held in the Company	NIL
No. of board meetings attended during the year	2 out of 3
Terms and conditions of appointment or re-appointment including remuneration	Appointment as per the order of The President of India vide Ministry of Railways Order NO. 2004/PL/45/9/Pt- I dated 10 th December, 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 1st Registered Holder: _____

Name of Joint Holder(s) : _____

Registered Address : _____

E-mail ID (to be registered) : _____

I/we shareholder(s) of RITES Limited agree to receive communication from the Company in electronic mode.

Please register my above e-mail in your records for sending communication through e-mail.

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.



MISSION

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

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

BE A THINK TANK for development of National policies, priorities and strategies in the Transportation and Infrastructure sector.



**45^{वीं} वार्षिक
सामान्य बैठक**

जुलाई 30, 2019 | नई दिल्ली

**45th ANNUAL
GENERAL MEETING**

30, 2019 | New Delhi



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OFFICES, AUDITORS AND BANKERS

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REFERENCE INFORMATION

Registered Office: SCOPE Minar, Laxmi Nagar, Delhi-110092, India Phone No.: +91 1122024610 Fax: +91 1122024660	Company Secretary & Compliance Officer Mr. Ashish Srivastava
Corporate Office: RITES Bhawan, Plot No.1, Sector - 29, Gurugram - 122001, (Haryana) Phone No. : +91 1242571666, Fax: +91 1242571660	Website: www.rites.com E-mail ID: cs@rites.com
Registrar & Share Transfer Agent: Link Intime India Private Limited Communication address of the RTA Noble Heights 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	Scrip Code: NSE: RITES BSE: 541556
Depositories: National Securities Depository Limited Central Depository Services (India) Limited	ISIN No. INE320J01015

FOR THE FINANCIAL YEAR UNDER REVIEW i.e. 2019-20

Statutory Auditor: M/s J.C. Bhalla & Co. B-5, Sector - 6, Noida - 201301 (U.P.) Phone No. : +91 120 4241000, Fax : +91 120 - 4241007 E-Mail: taxaid@jcbhalla.com	Branch Auditors: <ol style="list-style-type: none"> M/s S. N. Guha & Co. 12, Waterloo Street, Kolkata - 700069 Phone No. : +91 33 22488032/8033 & 22101134 Fax : +91 33 22488033 Email : snguha23@dataone.in snguha1949@gmail.com M/s Ashra & Co. D-205, Kailash Esplanade Opp. Shreyas Cinema L.B.S. Marg, Ghatkopar (West) Mumbai - 400086 Phone No. +91 22 2500 1872 Email : info2@ashra.co.in M/s Nisar & Kumar Flat IIC Royal Court No. 41, Venkat Narayana Road, T. Nagar, Chennai - 600017 Phone No. : +91 44 24313811, 42083811 Mobile : 9840276525 E-mail : nisarandkumar@gmail.com 	Bankers: Axis Bank HDFC Bank ICICI Bank Indian Bank IndusInd Bank State Bank of India EXIM Bank Bank of Baroda
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BOARD OF DIRECTORS



**Chairman &
Managing Director
and
Chief Executive Officer**
Mr. Rajeev Mehrotra

WHOLE TIME DIRECTORS



**Mr. Gopi Sureshkumar
Varadarajan**
Director Projects



Mr. Anil Vij
Director Technical
(From 4th November, 2019)



Mr. Mukesh Rathore
Director Technical
(Upto 31st Oct, 2019)



**Mr. Bibhu Prasad
Nayak**
Director Finance
(From 7th Nov, 2019)



Mr. Ajay Kumar Gaur
Director Finance and
Chief Financial Officer
(Upto 31st July, 2019)

GOVERNMENT NOMINEE DIRECTORS



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



Mr. Vinay Srivastava
(From 13th December, 2019)



Mr. A.P. Dwivedi
(Upto 12th Nov, 2019)



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

NON-EXECUTIVE (INDEPENDENT) DIRECTORS



Dr. Pramod Kumar Anand



Ms. Geethakumary



Dr. Rajendra N. Goyal



Mr. Anil Kumar Goel
(Upto 31st March, 2020)



Mr. Satish Sareen
(Upto 31st March, 2020)

SENIOR EXECUTIVES



Mr. Alok Garg
ED-Highways & Ports



Mr. Virendra Singh
ED-Expotech



Mr. Piyush Kansal
ED-Urban Infra



Mr. Ved Prakash
ED-Corporate Services



Mr. Rakesh Kapoor
ED-Airport



Mr. S.C. Singhal
ED-Quality Assurance



Mr. P.P. Nardekar
ED-Urban Transport (GC)



Mr. Pawan Chowdhary
ED-P&C



Mr. D. Mazumdar
ED-Technical Services



Mr. Sanjay Aggarwal
ED-Regional Projects



Mr. Amrinder Jha
GGM-Infra Services



Mr. Sandeep Mehra
GGM-RES



Mr. Parmod Kumar Narang
Chief Financial Officer



Mr. Ashish Srivastava
Company Secretary &
Compliance Officer

FINANCIAL PERFORMANCE OF A DECADE AT A GLANCE (STANDALONE)

(₹ in crore)

Particulars	10-11	11-12	12-13	13-14	14-15	15-16	16-17	17-18	18-19	19-20
Total Income (including other income)	881	934	1076	1246	1166	1278	1507	1587	2164	2665
Expenditure (including increase/decrease in stock)	518	678	731	860	710	762	1019	1102	1487	1842
Operating Margin	180	158	222	233	305	324	281	332	482	558
Depreciation	12	14	16	20	26	32	32	30	32	41
Profit Before Tax	363	256	345	386	456	516	488	485	677	823
Profit After Tax	244	164	245	264	306	339	331	332	445	596
Earning Per Share (EPS)-Basic & Diluted (₹)*	9.76	6.56	9.80	10.56	12.24	13.56	13.24	13.28	17.79	23.86
Dividend	49	33	50	53	62	77	146	148	215	330
General Reserve including Retained Earning	836	961	1095	1297	1528	1778	1834	1999	2184	2327
Fixed Assets (Net Block) (Property, Plant & Equipment and Intangible Assets)	146	162	185	209	217	262	261	263	339	389
Inventories	78	62	26	17	7	11	50	9	105	11
Foreign Exchange Earnings	242	310	342	444	189	233	422	308	278	633
Share Capital	40	40	100	100	100	100	200	200	200	250
Capital Employed	689	602	781	853	1122	1506	1658	1968	2132	2473
Government Investment**	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
Net Worth	876	1001	1195	1397	1628	1878	2035	2199	2384	2577
Profit Before Tax to Capital Employed (in %)	53	43	44	45	41	34	29	25	32	33
Operating Margin to Capital Employed (in %)	26	26	28	27	27	22	17	17	23	23
Profit After Tax to Share Capital (in %)	610	410	245	264	306	339	166	166	222	238
Profit After Tax to Net Worth (in %)	28	16	21	19	19	18	16	15	19	23
Expenditure to Income (in %)	66	73	68	69	61	60	68	69	69	69
Number of Employees***	3134	3294	3247	3226	3227	3153	3200	3267	3233	3199
Income per Employee	0.28	0.28	0.33	0.39	0.36	0.41	0.47	0.49	0.67	0.83
Foreign Exchange Earning per Employee	0.08	0.09	0.11	0.14	0.06	0.07	0.13	0.09	0.09	0.20
Current Ratio	1.29	1.23	1.32	1.32	1.52	1.57	1.58	1.66	1.67	1.72
Investments	112	143	318	231	238	274	373	180	180	292

* Consequent upon issuance of bonus shares in financial year 2012-13, 2016-17 & 2019-20, the earning per share for all the year has been computed on enhanced equity.

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

***Average Employees during the year.

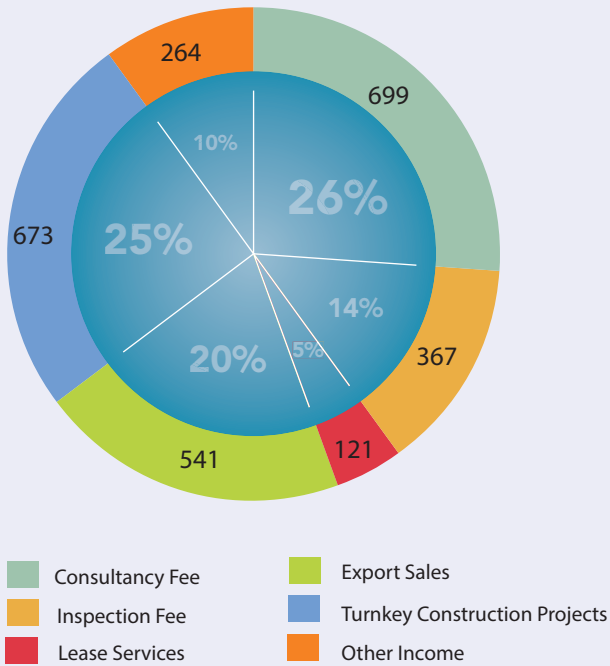
- Figures up to Financial Year 2014-15 are as per Indian GAAP and from 2015-16 are as per Ind AS

1 Crore = 10 Million

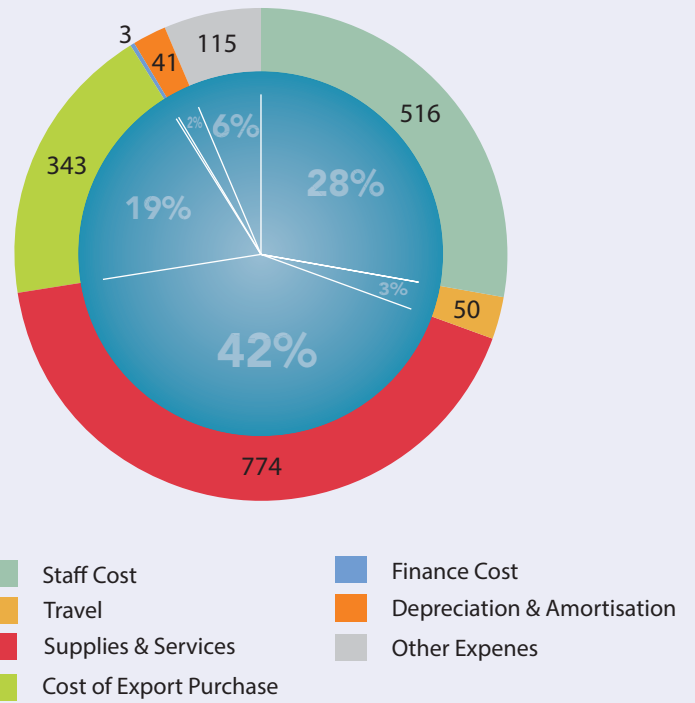
1 US \$ = ₹ 74.14 (31.03.2020)

FINANCIAL INDICATORS (STANDALONE)

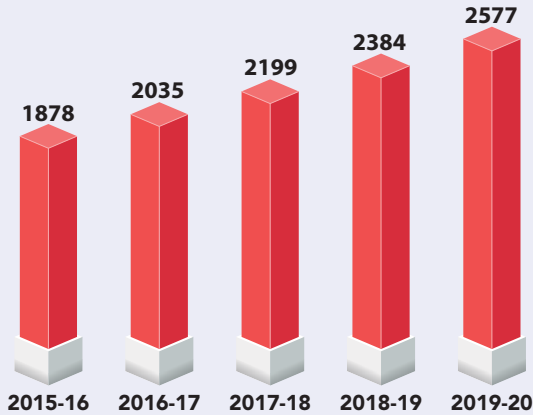
Earning (₹ 2665 Crore)



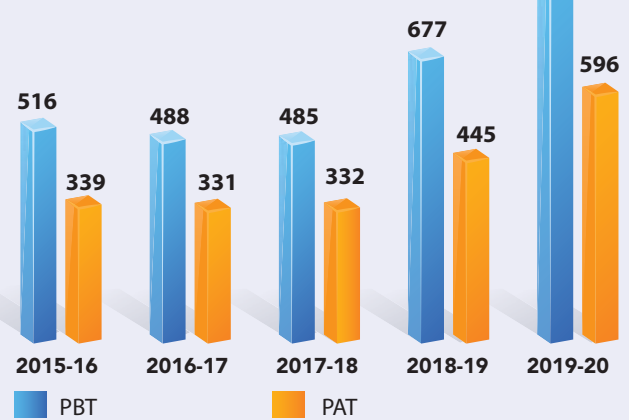
Spending (₹ 1842 Crore)



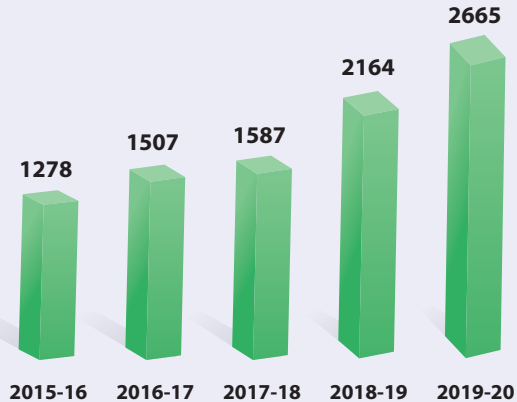
Net worth (₹ in Crore)



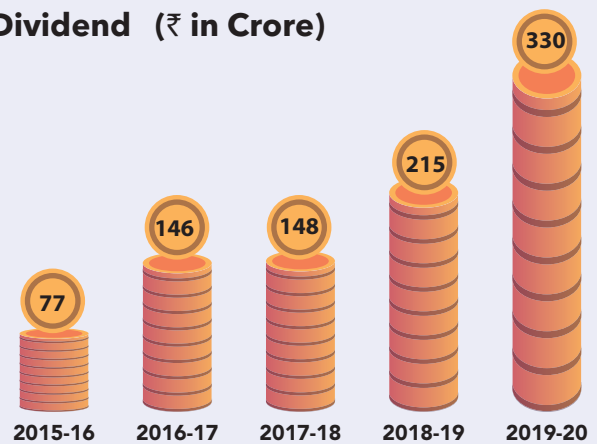
Profit Before/After Tax (₹ in Crore)



Turnover (₹ in Crore)



Dividend (₹ in Crore)



CHAIRMAN & MANAGING DIRECTOR'S MESSAGE

“

Strategic diversification and focus on execution continued to provide growth to your Company

”



Dear Shareholders,

It gives me immense pleasure to present the Annual Report of your Company for the Financial Year 2019-20, an another eventful year of sustained growth, profitability, productivity, and value creation.

I am happy to share that your Company has achieved its highest-ever consolidated revenue and profit after tax of ₹2734 crore and ₹633 crore, respectively, during FY 2019-20, driven by growth in key segments of its business.

It is a matter of pride that for the past 46 years, your Company has successfully handled business of engineering consultancy and related services in India and abroad with greater zeal, hard work and resolve. Your Company is now ranked amongst the Top 500 listed companies in the country in terms of market capitalization as well as revenue.

Results & Progress

During FY2019-20, RITES achieved its highest-ever total standalone revenue of ₹2665 crore, up by 23.1% over FY2018-19. Similarly, the operational revenue, excluding other income, has increased by 21.9% and reached ₹2401 crore in FY2019-20. Profit before tax and profit after tax in FY2019-20 have been ₹823 crore and ₹596 crore, respectively, up by 21.6% and 34.1% over FY2018-19.

Key business segments continued to register growth over FY2018-19, with exports income going up by 161.6%, leasing up by 16.5% and turnkey revenue up by 18.7%. Consultancy revenue during the FY2019-20 remained ₹1066 crore.

On consolidated basis, the total revenue was ₹ 2734 crore in FY 2019-20, up by 22.1% over FY 2018-19. Profit before tax and profit after tax in FY2019-20 were ₹874 crore and ₹633 crore, respectively, up by 19.8% and 29.3% over FY2018-19.

The operational and financial success has been achieved through strategic expansion of export of rolling stock, focus on execution of projects, increase in number of leased locos, efficient utilization of manpower and focus on maintaining margins. The strength in consultancy, sectoral diversity and geographical distribution helped your Company in identifying new business opportunities and maintaining a diversified business portfolio.

The audited accounts of the Company for the FY 2019-20 along with the Directors' Report, Report of Auditors and comments of Comptroller and Auditor General of India are part of this report.

Order Book

The unexecuted order book as on March 31, 2020,

stood at ₹6223 crore, which gives us strong revenue and margin visibility for the next few years. At the end of the last financial year, your Company has experienced some delays in project initiations and tenders caused by Covid-19 related disruptions. It is expected that normalcy in this regard would be seen in H2 of FY 21.

Dividend

Excellent financial results have encouraged your Directors to recommend a final dividend of ₹6 per share (₹150 crore) for FY 2019-20. This is in addition to the earlier two interim dividends of ₹6 per share (₹150 crore) and ₹4 per share (₹100 crore), which were paid to the esteemed shareholders in January 2020 and February 2020, respectively. This takes the dividend payout (on an accrual basis) of Company to 67% on the standalone PAT of FY 2019-20.

Transport Infrastructure and RITES

The key infrastructure sectors, where your Company is actively pursuing business in India and abroad, have been experiencing rapid growth with increasing investments from the Government and private sector. The increased thrust on transport infrastructure development offers your Company more opportunities and with wide consultancy expertise, your Company is fully aligned to tap these possibilities.

Your Company has further strengthened its position in providing comprehensive consultancy to the railway sector in India which includes feasibility studies, integrated design services, project management, technical support services and quality assurance. The Government of India is undertaking all efforts to improve rail infrastructure, increase passenger trains' speed to 160 kmph and redevelop railway stations. Your Company is associated with these initiatives by way of providing consultancy and technical support wherever possible. Also, your Company has signed an agreement for acquiring 24 per cent stake in Indian Railway Stations Development Corporation (IRSDC) for ₹ 48 crore.

Select Foreign Projects

Your Company has completed supply of six DEMU trainsets (Diesel Electric Multiple Units) and 10 locomotives to Sri Lanka and based on the quality of the product supplied, your Company secured a repeat order of two DEMUs from Sri Lanka.

Your Company is also executing PMC for 4-Lane National Highway project in Bangladesh, Trident Port in Mauritius and Construction Supervision Services for Metro Express project in Mauritius, phase-1 of which was operationalized during the year. It has also completed the work of Integrated Check Post (ICP) at Biratnagar in Nepal and secured work of ICP at Nepalgunj in Nepal. It has also completed the detailed project report for Georgetown road project in Guyana (South America).

Further, your Company has emerged as successful bidder for supply of 6 locomotives and 90 coaches including 5 DEMU trainsets to CFM Mozambique, for which negotiations were completed during lockdown period and an agreement was signed in June 2020.

Select Domestic Projects

During the year, your Company executed many prestigious projects, which include consultancy for capacity enhancement through Semi-High speed and High Speed Railway Lines, detailed design of alignment for Delhi - Ghaziabad - Meerut Line for RRTS Corridor. It also worked upon the DPRs for 9 railway tunnels, rail-based Mass Transit Systems for Gorakhpur, Allahabad, Chennai, Vijayawada, Jammu, Srinagar, Thane, Nagpur, Mumbai, Kanpur and Agra, rail infrastructure for DVC, NTPC, CIL and others at different locations, railway station development project for Ayodhya and Varanasi, and road projects under Bharatmala scheme in West Bengal, Punjab & Haryana. Your Company also completed 188kms of Railway electrification and 83kms of track work.

General Consultancy for Metro Rail System of Ahmedabad, Nagpur & Pune, Detailed Design Consultancy for Power Supply & Distribution system for Ahmedabad Metro & Bangalore Metro phase-II and Independent Quality Monitoring for Noida Metro Rail Corporation Ltd. also progressed well.

Further, your Company secured new projects of railway infrastructure at sites of SJVNL, THDC India, TSPGCL, NUPPL, MCL & ECL, Independent Quality Audits for Kerala Infrastructure & Investment Fund Board, design consultancy for 6-lane extra-dosed cable-stayed bridge for WBHDCL, feasibility & DPR for Coimbatore MRTS for CMRL, installation of online monitoring system of rolling stock for DFCCL.

Despite competitive environment, your Company

has continued to provide customized solutions in its sectors of operation to its clients.

Subsidiary and Joint Ventures of RITES

RITES' subsidiary Company, REMCL, which has been mandated to handle entire Power procurement under open access for Indian Railways, besides handling renewable energy and energy efficiency projects, has continued to give good performance and registered a revenue of ₹81 crore and PAT of ₹35 crore in FY2019-20. The Company has successfully facilitated procurement of 73% of required traction power for the Indian Railways under 'Open Access'. In a significant move to add renewable energy generation, the Indian Railways has recently mandated REMCL to manage the entire process for installation of 3 GW solar plants to be set up on vacant railway land. Out of this, 400 MW is planned to be added by REMCL on its ownership basis.

This year, our wagon manufacturing joint venture, SRBWIPL has achieved a profit of ₹16 crore with revenue of ₹265 crore.

Covid pandemic impact

The pandemic has caused unprecedented uncertainty into the economy and disrupted flow of business and economic activities in general, but to the extent possible, your Company has tried to negate the impact through remote working.

Your Company has successfully concluded a major export deal with CFM Mozambique during the lockdown period through video conferencing. Besides, your Company has also been able to execute the 188 RKM Vijaypur-Pachore Road-Maksi section railway electrification project in Madhya Pradesh and maintain operational continuity at most of the locomotive leasing sites and at Bhilai inspection office during the lockdown period.

Prioritizing employees' well-being, your Company had carefully planned the normalization of business operations and services at various locations in India and abroad once the permission to operate fully was granted. I am sure that our business model and your trust will help us navigate through difficulties caused by pandemic.

Outlook

Company is now striding towards expediting project execution and exports supply to overcome

Covid-induced uncertainties. Our healthy Order Book, recent project wins and successful project execution strengthen our position as a total transport infrastructure solution provider. The repeat order from Sri Lanka for two DEMUs and an order from Mozambique, a cape gauge country, has opened new vistas of export opportunities for us. Your Company is now exploring possibilities for developing standard gauge products to explore new markets. The opportunities provided by the domestic and international markets, the strategy of diversification and leveraging consultancy expertise, give me confidence that your Company will emerge stronger and better from these uncertainties.

Corporate Governance

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

Contribution to Govt. of India Initiatives

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

Skill India Mission

In line with the Skill India Mission, your Company has provided more than 10,000 days of training to its employees during 2019-20. It has trained 133 apprentices in the non-technical and non-engineering categories.

Promoting MSMEs

During the year, your Company procured goods worth ₹45.92 crore from Micro, Small and Medium Enterprises (MSMEs), including those belonging to SC/ST and women categories.

Renewal Energy

Your Company through its subsidiary REMCL is promoting the use of renewable energy in Indian Railways. Its 26MW windmill plant in Rajasthan is

operational. Recently, it has secured its largest mandate from Indian Railways for managing installation of 3 GW solar plants to be set up on vacant railway land in 3 packages, thereby working towards the Railways' obligation to use 20% of electricity from renewable sources. Two packages aggregating to 2600 MW are being bid out on developer model basis whereas 1 package of 400 MW will be taken up by our subsidiary REMCL on investment mode, the detailing of which will be done in due course.

Start-Up India

During the year, to catalyse the start-up culture and build a strong and inclusive ecosystem for innovation and entrepreneurship in India, your Company has tied up with the IIT-Madras Incubation Centre for the development of Hydrogen Fuel Cells. An amount of ₹ 1 crore has already been released and the research project has taken off smoothly.

Digital India

For transparency & efficiency of our operations, reduce paper use and maintain business continuity and enable remote working, especially during the Covid-induced lockdown, several key initiatives have been taken by your Company. During the year, an e-office file management system was adopted for expeditious and systematic monitoring of work, fostering an economical operational culture coupled with moderate carbon footprints. Besides, SAP-based Enterprise Resource Planning (ERP), e-procurement for works, mobile app for third-party inspection services, online grievance handling, and Employee Self Service portal, etc. have been made effective.

Corporate Social Responsibility

Your Company understands its responsibility towards society and adopted a "Corporate Social responsibility and Sustainability policy" to show its commitment towards operating in an economically, socially and environmentally sustainable manner. As a responsible corporate citizen, your Company has spent ₹11.2 crore on various CSR activities during the FY 2019-20. Also, your Company has contributed ₹16 crore to PM-CARES Fund for the welfare of the society impacted by coronavirus pandemic.

Acknowledgment

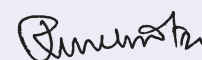
I express my gratitude to our esteemed Shareholders, my colleagues on the Board of Directors and to the Chairman, Members and Officers of the Railway Board, for their valuable support, advice and co-operation. We are particularly grateful to the Ministries of Railways, Road, Transport and Highways, Commerce, Finance, External Affairs, Urban Development, Health and other Ministries, Regulators and to the Indian Embassies and Missions abroad, to the Foreign Mission and Embassies in India and Exim Bank and other Bankers of the Company for their valuable support and guidance to the Company. We look forward to your continued encouragement and contribution which motivates us to excel in our areas of operation.

I would like to extend my deepest appreciation for RITES team and their valuable contribution in bringing sustainable track record and global reputation to the Company. 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.

It is equally important to acknowledge the resolute faith and support of our clients and all other stakeholders who have been a constant source of inspiration in providing value-added services. Their continued support has helped us to consistently improve our financial performance over the years.

The proven track record of your Company will be a strength to take up complex infrastructure projects using latest technologies in India and abroad. With your continued trust in this Company, I am confident that it will sustain growth in all business segments and consolidate its leadership position as 'The Infrastructure People'.

Best regards,



Rajeev Mehrotra

Chairman & Managing Director
and Chief Executive Officer

Date: August 4, 2020

DIRECTORS' REPORT



Hon'ble Prime Minister Shri Narendra Modi at the inauguration of India's longest rail-cum-road bridge, Bogibeel Bridge, at Dibrugarh, Assam. RITES has provided consultancy services including design supervision for it

To, The Members,

The Directors present 46th Annual Report of the Company together with the audited Financial Statements and Auditors' Report for the year ended 31st March, 2020.

FINANCIAL HIGHLIGHTS

The financial performance of the Company for the year 2019-20 is given below:

(₹ in Crore)

Particulars:	Standalone		Consolidated	
	2019-20	2018-19	2019-20	2018-19
Financial Results:				
Total Income	2665	2164	2734	2240
Operating Turnover	2401	1969	2474	2048
Other Income	264	195	260	192
Operating Expenditure	1842	1487	1868	1518
Profit Before Tax (PBT):	823	677	874*	730*
Income Tax including Deferred Tax	227	232	241	240
Profit After Tax (PAT)	596	445	633	490
Appropriations:				
Dividend including Dividend Distribution Tax	397	258	405	265
Transfer to General Reserve	-	-	-	-

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

BUSINESS PERFORMANCE

During the financial year 2019-20, Company was engaged in a number of prestigious projects in India and abroad, which included:

Project Management Consultancy services for (i) Rail Infrastructure for DVC, NTPC, CIL and others at multiple locations (ii) Construction of double line electrified track with Signalling and Telecommunication system and related infrastructure for Western Dedicated Freight Corridor (1477 km) from Dadri to JNPT Mumbai. (iii) Railway Station Development projects at Ayodhya and Varanasi (iv) Construction of Balance works in High Speed Track (HST) at NATRAX - Ministry of Heavy Industries (v) Construction supervision of Srinagar (J&K) airport (vi) Independent Engineer Services for Paradip Port Trust, (vii) General Consultancy for Metro Rail System of Ahmedabad, Nagpur, Pune and Delhi, (viii) 373 RCC bridge construction in West Bengal. Detailed Project Reports (DPR) for (i) 9 Railway Tunnels between Manabar - Chatariput and Koraput- Singapur Road (Telangana) section for East Coast Railway (ii) Detailed design of alignment for Delhi - Ghaziabad - Meerut Line for RRTS Corridor for NCRTC, (iii) Consultancy for capacity enhancement through Semi - High speed and High Speed Railway Line for Railway Board (iv) Rail Based Mass Transit Systems for Gorakhpur, Allahabad, Chennai, Vijayawada, Jammu, Srinagar, Thane, Nagpur, Mumbai, Kanpur and Agra, (v) Roads under Bharatmala scheme in West Bengal, Punjab & Haryana, (vi) Authority Engineer for construction



Hon'ble Prime Minister Shri Narendra Modi and Hon'ble Prime Minister of Nepal Shri KP Sharma Oli jointly inaugurated the Integrated Check Post (ICP) at Biratnagar, built with Indian assistance to facilitate cross-border trade and people's movement

of Vijayawada - Machilipatnam section of NH-9 in AP & Baharagora - Singhara section of NH-6 in Odisha, (vii) Greenfield International Airport at Bhiwadi, Rajasthan and (viii) Airports at Chitrakoot & Kushinagar, Uttar Pradesh.

Detailed design consultancy and construction supervision of Railway Tunnels on (i) Jiribam - Tupal section of New Railway line project in Manipur, N.F. Railway, (ii) Feasibility Study of Mumbai - Chennai High Speed Railway line (1300 km) and (iii) Final Location Survey and GT Investigations for Mumbai - Ahmedabad High Speed Railway line (508 km) for National High Speed Railway Corporation (NHRCL), using Aerial LiDAR survey.

Construction of Integrated Check Posts at Biratnagar along Indo-Nepal border and Moreh along Indo - Myanmar border.

Project monitoring work of Passenger Ropeway Projects at Jammu (J&K), Guwahati, Rajgir & Banka (Bihar) and Sholingur & Ayyarmalai (Tamil

Nadu). PMC for Central University at Pondicherry, Gulbarga, Kasargod, Gaya, Allahabad, NIT/ Meghalaya, Business Park of NSIC, Heritage Building of Allahabad University, Quality Assurance of new AIIMS at Manglagiri, Madurai, Bibinagar, Deoghar, Gorakhpur, Raebareli, Bhatinda, Bilaspur, Nagpur, Kalyani and Guwahati, maintenance of Rolling Stock & Workshop Equipment at various locations of NTPC like Rihand, Singrauli, Sipat, Talcher, Kahalgaon & Farakka.

RITES continues to provide its consultancy services for various projects on turnkey construction basis for Indian Railways:

- Construction of doubling of track between Gooty and Dharmavaram section, South Central Railway, route length (90.20 kms) and Anuppur to Pendra Road, third line in South East Central Railway, Route length (50.10 Kms)
- Railway electrification work of Sawai Madhopur - Jaipur - Ringas Section of North Western Railway, Route length (188 kms) and Vijaypur - Maksi section of West Central Railway, Route length (188 kms) including S&T and civil works.
- Redevelopment of Ayodhya and Varanasi Railway Stations in UP
- Setting up of Wagon POH workshops at Bikaner, Dalmianagar and Kurduwadi
- Provision of facilities for LHB coaches at New Bongaigaon & Jodhpur
- Setting up of DEMU car shed at Lumding and ROH Depot at Sarla.



CMD RITES Shri Rajeev Mehrotra signs an MoU with Hon'ble Minister of Railway Development, Republic of Ghana, Mr. Joe Ghartey, at International Rail Conference 2019 in New Delhi

During the year, Company was also engaged in a number of prestigious international assignments



Hon'ble Minister of Railways and Commerce & Industry Shri Piyush Goyal, Chief Guest at EY Entrepreneur of The Year India-2019 Award, with finalists, including CMD RITES Shri Rajeev Mehrotra

covering export and consultancy services, which included supply of 6 sets of DEMUs (78 coaches) and 10 Broad Gauge AC-AC Diesel Electric Locomotives to Sri Lanka Railways. Supply of 160 Broad Gauge passenger coaches to Sri Lanka is under execution. Detailed Design Consultancy Services for a standard Gauge Railway line between Tema and Akosombo and study for diversion on proposed Tema-Akosombo Standard Gauge Railway line in Ghana; DPR of East Bank - East Coast road linkage project, Georgetown in Guyana (South America), Construction Supervision of Tshesebe to Masunqa Road in Botswana, PMC for 4-Lane National Highway project in Bangladesh, Construction Supervision Services for Metro Express project and tender for Trident Port for Govt. of Mauritius.

During the year, Company has secured new business for supply of two sets of fully air condi-

tioned DEMUs comprising 26 Coaches to Sri Lanka Railways. Further, in a significant development, our efforts to enter different gauge markets for exports succeeded and we emerged as a successful bidder in February 2020 for an export order of around ₹ 700 crore and the agreement has subsequently been signed.

OUTLOOK

Over the years, RITES as one of the leading transport infrastructure consulting companies had significant impact in development of various infrastructure and mobility projects in transport and infrastructure sectors viz, Railways, Highways, Ports, Airports, Waterways, Ropeways, Urban Transport, Urban Engineering, Container Depots, Institutional Buildings and Railway Electrification etc. RITES is providing diversified and comprehensive array of services from concept to commissioning in all facets



The then Hon'ble President of Sri Lanka, Mr. Maithripala Sirisena, flags off 'Pulathisi' Intercity Express Train, which is operated by a DMU set supplied by RITES; (right) Hon'ble Sri Lanka Transport Minister Mr. Arjuna Ranatunga & then High Commissioner of India Mr. Taranjit Singh Sandhu flag off 'Southern Intercity Express' (Dakshina Nagaranthara Sigragami)



Chairman Railway Board Shri VK Yadav and CMD RITES Shri Rajeev Mehrotra with a delegation led by Bangladesh Minister of Railways H.E. Md. Nurul Islam Sujon in New Delhi

of transport infrastructure and related technologies. The Company continues to provide specialized, integrated transport infrastructure services and export packages for supply of locomotives, coaches, wagons, spare parts, modernization of workshops and leasing of Locomotives. The Company has expanded its reach through its subsidiaries and JV Companies by venturing into the business of wagon manufacturing and power management and renewable power generation.

During the year, the business of offering shunting locomotives on wet lease including operation & maintenance continued to be well received by domestic non-railway clients and the Company has a fleet of 62 locomotives for leasing. Apart from wet leasing, Company was engaged in maintenance of over 130 diesel locomotives & 1500 wagons owned by customers like NTPC, NSPCL, WBPDC, SAIL & APCPL.

As a matter of diversification, RITES has expanded its operations in emerging sectors and currently undertaking projects in renewable energy, power procurement through its subsidiary Railway Energy Management Company Limited (REMCL) - a Joint Venture Company of RITES and Indian Railways. REMCL has successfully implemented power procurement of over 1457 MW power through open access for Railways in 13 entities across the country, covering 73% of their traction energy requirement resulting in saving of about ₹ 3761 crore during the year and cumulative saving of ₹ 14332 crore to Indian Railways in their electricity bills till March 2020. REMCL is working out energy saving potential in 5 production units of Indian Railways.

Also, REMCL has awarded 248 MW of solar rooftop projects so far, 52 MW solar rooftop projects have been commissioned and 135 MW is under implementation stage. 52 MW of solar ground-mounted projects have been awarded successfully and bids have recently been invited for about 2400 MW of solar ground-mounted projects on vacant railway lands.

SAIL RITES Bengal Wagon Industry Pvt. Ltd. - joint venture on 50:50 basis (SRBWIPL) has achieved highest ever output of new 743 BOXNHL wagons & rehabilitated 323 BOXNR wagons during the 2019-20 inspite of constraints faced due to pandemic. Also, the Company was granted the prestigious G-105 certification by RDSO during the year.

RITES subsidiary, RITES (Afrika) (Proprietary) Limited had revenue of ₹ 7.94 crore during the FY 2019-20 as against ₹ 7.11 crore during FY 2018-19 with Profit after Tax of ₹ 0.41 crore in FY 2019-20 as against ₹ 0.25 crore in FY 2018-19. The Company is exploring opportunities for further business in Africa.

IMPACT OF CORONAVIRUS (COVID-19)

Coronavirus (Covid - 19) outbreak is an unprecedented global situation that the world is dealing with in terms of its human and economic consequences. In the last month of FY 2020, it forced governments in several countries to enforce lockdowns of all economic activities. For the Company, the focus shifted to ensuring the health and well-being of all employees and minimizing disruption to services for our customers globally. To the extent possible, Company has tried to negate the impact through remote working. Company took all the recommended precautions and preventive

measures to ensure safety and well-being of its employees.

The Company resumed its operations only after completion of safety checks and has put in place the mandatory protocols and SOPs for all the employees as per the guidelines stipulated by the Ministry of Home Affairs.

The impact was felt on the new orders and collection performance, as last month of the financial year plays an important role towards improving collections. A significant outstanding of USD 29 million from a foreign client, which was to be received in FY19-20, is now being realised during FY20-21, citing reasons of delays due to Covid-19. It also impacted some of the domestic and international projects of PMC, quality assurance and turnkey construction where work was stalled due restrictions on movement of goods & people and constructions activities. These projects also include few major projects like rail line doubling project between Gooty - Dharamavaram, third line project between Pendra Road - Anuppur and railways electrification work between Vijayapur-Makshi section.

Further, Company has contributed ₹16 crore to PM-CARES Fund. Also, its employees have voluntarily contributed one day's pay each for the months of April and May, 2020 during the pandemic crisis.

BONUS ISSUE

In the financial year 2019-20, your Company has issued bonus shares in the ratio of one equity share for every four equity shares held (i.e. 1:4) in the month of August, 2019. As a result of bonus issue, paid-up share capital of the Company has increased to ₹ 250 crore from ₹ 200 crore.



CMD RITES Shri Rajeev Mehrotra addressing investors in Mumbai on June 19, 2019

OFFER FOR SALE

In the said financial year, The Promoter of the Company i.e. "The President of India represented by Ministry of Railways" through Offer for Sale (OFS) mechanism disinvested 3,84,52,826 equity shares.

As a result of the offer for sale, holding of the President of India reduced to 72.02% as against 87.40% of the paid up equity share capital of the Company, thereby making the Company compliant on minimum public shareholding requirement.

COST RECORDS AND COST AUDIT

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

CAPITAL STRUCTURE

During the FY 2019-20, on account of issuance of bonus shares, the paid-up share capital of the Company was increased from ₹ 200 crore to ₹ 250 crore as against the Authorized Share Capital of ₹300 crore.

DIVIDEND

Your Company has a consistent track record of dividend payment. For FY 2019-20 also, based on Company's performance, the Directors have declared two interim dividends aggregating to ₹10 per equity share. The Directors have also recommended a final dividend of ₹ 6 per equity share. The total dividend for financial year 2019-20 is ₹ 400 crore (i.e. ₹ 16 per share) which is 160% of paid up share capital of the Company.



The total dividend payout for the year works out to be ₹ 330 crore which includes ₹ 80 crore final dividend for financial year 2018-19 and ₹ 250 crore interim dividend for the financial year 2019-20.

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

DEPOSITS

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

RESERVES

The company has not transferred any amount to the reserve during the financial year 2019-20.

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

CONSERVATION OF ENERGY

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

I. Steps taken or impact on conservation of energy:

RITES and its subsidiary (REMCL) have planned various initiatives towards decarbonization of energy envelop. REMCL is in process of establishing about 3000 MW solar power projects for Railways on vacant railway land in the country. Successful implementation of these solar energy projects will reduce the Co2 emissions by about 40 lakh tons per year.

Solar power plants have been installed on rooftops to generate green energy. Also, automation of chillers has been planned with VFD controlled pumps, which will lead to substantial conservation of energy.



A windmill plant in Tamil Nadu executed by REMCL under PMC

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

Railway Energy Management Company limited (REMCL), the subsidiary Company of RITES Limited, has paved the way of successfully implementing 26 MW windmill plant in Rajasthan, 10.5 MW in Tamil Nadu for Southern Railway & 56.4 MW in Maharashtra for Central Railway. 300MW solar projects of Railways are under pipeline.

TECHNOLOGY ABSORPTION

I. The efforts made towards technology absorption:

RITES strives to procure and absorb the best and latest technological innovations in areas of its business by continuously updating its software and knowledge base by sponsoring and encouraging its employees to become members of National/International Institutions for improving their professional standing and commitments, actively participate in national and international seminars and conferences, peruse information and

technological updates available on internet, study of periodicals, etc. Also, the Company is supporting IR PUs for developing Cape/Meter gauge locomotives and Cape Gauge stainless steel body coaches with Y-frame stainless steel bogie. RITES is also supporting one Start Up Company developing hydrogen fuel cell technology at a competitive cost for use in energy storage cells of drones, e-bikes, forklifts, factory equipment.

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

RITES has received a Consultancy Contract for study on emission from diesel locomotives and setting up of Emission Standards. This study has paved the way for setting up of locomotive emission standards for India and preparing a roadmap for Indian Railways with identification of emission reduction technologies to reduce environmental pollution.

RITES has received consultancy work for conversion of railway freight yard into Smart Yards of Indian Railways. With infusion of state-of-the-art technology for defect detection like ABD, WILD and Vision equipment leading to predictive maintenance, instead of the present corrective maintenance. This would allow all day/night, all-weather maintenance with reduced wagon detachment at freight yards while increasing the availability of wagons to Indian Railways.

The Company is also using state-of-the-art design techniques to develop a lighter welded underframe for narrow gauge coaches for Indian Railways with improved life cycle and reduced maintenance. RITES, together with Indian Railways, has developed and supplied 3000 HP BG locomotives with AC-AC traction to Sri Lanka Railways.

RITES has secured a contract from Northeast Frontier Railway for providing "Structural Health Monitoring System" for the Bogibeel Bridge project in Assam. The state-of-the-art instrumentation and sophisticated computerized Structural Health Monitoring System shall be installed and maintained for the bridge to enable the Railways to monitor and assess the performance of the bridge on real-time basis.

The Company is also using better techniques to set solar power plants along the railway tracks for efficiency improvement, energy saving and cost reduction.

FOREIGN EXCHANGE EARNING AND OUTGO

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

Total foreign exchange earning during the year under review was ₹ 633.54 crore (previous year ₹ 278.17 crore) and foreign exchange outgo was ₹ 53.17 crore (previous year ₹ 34.02 crore). This resulted in net foreign exchange earnings of ₹ 580.37 crore (previous year ₹ 244.15 crore).

PRESIDENTIAL DIRECTIVE

No Presidential Directive was received during the year.

VIGILANCE

The objective of RITES Vigilance Cell is to facilitate an environment for employees to work with integrity and efficiency in a transparent manner, upholding highest ethical standards for the organization. To achieve the objective, the Vigilance Cell carries out preventive and punitive checks at regular intervals. Following activities were undertaken during the Financial Year 2019-20:

- Preventive checks were conducted regularly. Total 13 surprise checks in the field of material inspection and 2 preventive checks at project sites including documents scrutiny were conducted at Mohali, Faridabad, Kapurthala, Howrah, Raipur, Mumbai, Hyderabad, Panipat, Bokaro and Raigarh etc. Vigilance provides vital inputs to the authorities for improving the prevailing systems for bringing about more transparency and plugging out loopholes. Accordingly, 12 System Improvements were recommended by Vigilance and implemented by Authorities.
- 6 CTE type examinations were taken up in the calendar year 2019 at Anantapur (Andhra Pradesh), Sonipat, Jammu, Gurugram, Raigarh and Raghunathpur (West Bengal). During these intensive examinations, high value procurement/contracts were scrutinized and checked comprehensively and necessary recommendations were forwarded to concerned authorities for implementing suggestions for improvement.



RITES organized a 'Nukkad Natak' during the Vigilance Awareness Week

- In order to share the experience gained during the various checks by vigilance, interactive sessions on common irregularities during project implementation and material inspection were held by CVO with officials of Regional Project Offices in Ranchi & Raigarh and Inspection Offices in Mumbai, Delhi, Chennai, Kolkata and Bhilai.
- As per the Guidelines of Central Vigilance Commission, RITES observed Vigilance Awareness Week with a theme "Integrity - A Way of Life" from 28th October, 2019 to 2nd November, 2019. On the opening day i.e. 28th October, 2019, an oath was administered to the employees at Corporate Office. During the week, a Vigilance Bulletin on common irregularities in Project Execution, Inspection of Materials, Systemic Improvements and various articles related to "Integrity - A Way of Life" were published for creating awareness amongst employees. A poster competition on the theme "My Vision Corruption Free India" was also organized. A nukkad natak was organized to create awareness amongst employees. An elocution and essay writing competition on the topic "Integrity - A Way of Life" was organized for students of various Government / Private schools located in Gurugram. Detailed report on the observance of Vigilance Awareness

Week - 2019 has been sent to Railway Board & CVC.

- Vendors' Meets chaired by Chief Vigilance Officer were organized at Mumbai, Delhi, Chennai and Kolkata to develop awareness for "Integrity - A Way of Life".

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

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

Your Directors draw attention of the members to Note No. 2.41 to the standalone financial statement which sets our related party disclosures. The details of contracts entered into with related parties in prescribed format AOC-2 is placed at **Annexure -I**.

SUBSIDIARIES AND JVs

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

Energy, power trading etc.; (ii) RITES Infrastructure Services Limited incorporated on April 27, 2010 with the main object of construction, operation and maintenance of Multi-functional Complexes in the vicinity of Railway land. The Board of Directors of RISL decided to initiate the process of winding up during the year 2016-17 and the Company is currently under liquidation. Further, the Company has two overseas subsidiaries namely (i) RITES (Afrika) (Pty) Limited, Botswana; and (ii) RITES Mohwarean Arabia Company Limited (RMAC), Saudi Arabia. RMAC is under liquidation and investment made by the Company has already been recovered.

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

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

Particulars of loans, guarantees given or investments made along with the purpose for which the loan is proposed to be utilized by the recipients are provided in the standalone financial statement (Please refer to Note 2.7.1, 2.8, 2.9, 2.16, 2.17 & 2.41.2.2 of the standalone financial statement).

PARTICULARS OF EMPLOYEES

As per the provisions of section 197(12) of the Companies Act, 2013 read with rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, every listed Company is required to disclose the ratio of the remuneration of each Director to the median employee's remuneration and details of employees receiving remuneration exceeding limit as prescribed from time to time in the Director's Report.

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

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS/COURTS/TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND

COMPANY'S OPERATIONS IN FUTURE

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

RISK MANAGEMENT

The Company's Risk Management Committee as on 31st March 2020 comprised of Dr. Rajendra Nath Goyal (Chairman), Mr. Anil Kumar Goel (Member), Mr. Gopi Sureshkumar Varadarajan (Member), Mr. B.P.Nayak (Member), and Mr. A.K. Tewari (Member).

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 operational level. The risk reported and mitigation plans across whole organization are reviewed by Enterprise Risk Management Committee consisting of senior executives of Company, which in turn presents consolidated report of Companywide risks assessed and suggestions for risk mitigation to Risk Management Committee of board for review and approval. During the year two meetings of Risk Management Committee were held.

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

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

PROPAGATION OF HINDI (RAJBHASHA)

In pursuance of Official Language policy of the Govt. of India (Ministry of Home Affairs, Deptt. of Official Language) and the directions received from Railway Board from time to time, efforts were made to accelerate the progressive use of Hindi in official work of the Company. Important documents, such as Annual Report, MOU, Circulars, Office Orders, Minutes of various meetings and Questionnaire of



Rajbhasha Pakhwada was observed in RITES corporate office in Gurugram; and (top) CMD RITES Shri Rajeev Mehrotra, Directors and other senior officials attend one of the Rajbhasha committee meetings

Parliament Committees were prepared in bilingual form.

Rajbhasha Pakhwada was organized successfully in RITES' corporate office from 14th September, 2019 to 27th September, 2019. 'HINDI DIWAS' message by CMD was issued timely to all RITES officials. Competitions such as essay, noting and drafting, poetry recital, Hindi typing and elocution were organized during this period and Hindi workshop, table training and inspections of various departments were also conducted. Winners of various competitions were awarded cash prizes and certificates by Director. Various project and inspection offices also organized Rajbhasha Pakhwada at their respective offices. CMD RITES delivered his speeches on various occasions in Hindi.

Assurances given to the second sub-committee of Committee of Parliament on Official Language during the inspection of inspection office/Northern region/New Delhi were fulfilled and a report was submitted to Railway Board.

During the year, workshops/table trainings were conducted for officers and staff. Various incentive schemes regarding the use of Hindi were implemented. The quarterly meetings of Official Language Implementation Committee were held regularly wherein progress of various items of Annual Programme of the Deptt. of Official Language, Ministry of Home Affairs were discussed



राजभाषा पखवाड़ा-२०१९ का शानदार आयोजन

and reviewed. CMD and representative of RITES also participated in meetings of OLIC, Railway Board and Town Official Language Implementation Committee, Gurugram.

Sh. Piyush Kansal, ED(UI), RITES Ltd, was awarded with Rail Mantri Rajbhasha Rajat Padak for commendable contribution in the progressive use of Official Language Hindi. RITES received 'Rajbhasha Gaurav First Prize' for the year 2019 for excellence in implementation of Rajbhasha policy from the Town Official Language Committee Gurugram.

MEMORANDUM OF UNDERSTANDING

As per the DPE parameters, the Company is likely to receive 'Excellent' rating for the year 2019-20 and the evaluation for the same is expected to be completed in due course. Negotiation of Memorandum of Understanding with Ministry of Railways for the year 2020-21 is under process.



CMD RITES with Shri S.K. Mishra, Secretary, Railway Board, at the signing of MoU with Indian Railways

SCHEDULED CASTE, SCHEDULED TRIBES AND OTHER BACKWARD CLASSES

Company has adopted the best practices for providing equal opportunities and harmonious environment for advancement of SC, ST, OBC, Minorities and women employees. The Company has provided reservation in recruitments and promotions to SC/ST communities and in recruitments to OBC/EWS/Divyang candidates. They are provided due relaxation in eligibility conditions, 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, 84 employees belonging to SC/ST/OBC/EWS categories were inducted. The employees belonging to these communities are given due representation in the elected body of employees (CONCERT) for providing suggestions on HR policies.

SYSTEM ISO 9001-2015 CERTIFICATION

To ensure compatibility of its operations and services to international norms RITES is accredited by NABCB, a body under Quality Council of India, with ISO: 17020 specifications for its inspection services. NABCB has also accredited RITES testing labs at Kolkata and Mumbai with ISO: 17025 specifications. Also, RITES is accredited with latest version of Quality Management System specification ISO: 9001:2015 to ensure quality output, quality

in its operations, continual improvement, risk management practices in line and comparable to international norms. ISO:9001:2015 certificate has been awarded to RITES by NVT, QC under ANAB accreditation.

CORPORATE GOVERNANCE REPORT AND GREEN INITIATIVE

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

In support of the "Green Initiative" measure taken by Ministry of Corporate Affairs, Government of India, New Delhi, enabling electronic delivery of documents and also in line with circular issued by Securities and Exchange Board of India (SEBI) dated November 05, 2011 and as prescribed under the relevant provisions of the Companies Act, 2013 and the Rules made thereunder, the Company has sent Annual Reports in electronic mode to the shareholders who have registered their E-mail IDs either with the Registrar and Transfer Agents or with the Depositories.

MANAGEMENT DISCUSSION AND ANALYSIS

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

BUSINESS RESPONSIBILITY REPORT (BRR)

Fulfilment of environmental, social and governance responsibilities is part of RITES' business culture. RITES is privileged to be amongst select top 1000 listed entities which are mandated to include the Business Responsibility Report (BRR) as part of the Annual Report. In compliance, the BRR disclosures are integrated into the Annual report and aimed at describing RITES' initiatives in discharging responsibilities from an environmental, social and governance perspective. The BRR is attached as **Annexure - C** which forms part of this report.

ANNUAL RETURN

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

INTERNAL CONTROL SYSTEMS AND 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. The Company has structured policies and guidelines for optimal delegation of authority for facilitating 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 for continuous improvement.

The internal control system has been further strengthened through the following:-

Internal Financial Controls: The Internal Financial Control of the Company is analyzed and audited for the compliance of the internal financial control and accordingly the report on the Internal Financial controls under clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 is prepared and annexed to the Independent Auditor's Report. As per the report, the Company has, in all material respects, adequate internal financial controls with reference to the Financial Statements and such internal financial control were operating effectively as on March 31, 2020, based on the internal control with reference to the 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.

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

Formal Annual evaluation of Chairman & Managing Director and Directors, being a Govt. Company, is done by the Administrative Ministry. Further, as per Notification issued by Ministry of Corporate Affairs dated 5th June, 2015, the provisions of the

said section shall not apply to Govt. Company, in case the Directors are evaluated by the Ministry or Department of the Central Govt. etc.

BOARD OF DIRECTORS AND NUMBER OF MEETINGS OF THE BOARD

As on 31st March, 2020, the Company had 11 Directors comprising of four Functional Directors, two Government Nominees Directors and five Independent Directors. The Board met 10 times during the year 2019-20.

The following Directors held office during the year:

Whole-time Directors:

Shri Rajeev Mehrotra (DIN: 01583143)	Chairman and Managing Director
Shri Gopi Sureshkumar Varadarajan (DIN: 08241385)	Director Projects
Shri Anil Vij (DIN: 07145875)	Director Technical (w.e.f. 04.11.2019)
Shri Bibhu Prasad Nayak (DIN: 08197975)	Director Finance (w.e.f. 07.11.2019)
Shri Mukesh Rathore (DIN: 07669150)	Director Technical (up to 31.10.2019)
Shri Ajay Kumar Gaur (DIN: 05333257)	Director Finance (up to 31.07.2019)

Government Nominee Directors:

Shri Alok Kumar Tewari (DIN: 06694407)	Director (w.e.f. 30.05.2019)
Shri Vinay Srivastava (DIN: 08638850)	Director (w.e.f. 13.12.2019)
Shri B.K. Agarwal (DIN: 07956187)	Director (up to 30.04.2019)
Shri A.P. Dwivedi (DIN: 07122333)	Director (up to 13.11.2019)

Independent Directors:

Dr. P.K. Anand (DIN: 00298962)	Director
Ms. Geethakumary (DIN: 08087165)	Director
Dr. R.N. Goyal (DIN: 08087148)	Director

Shri Anil Kumar Goel (DIN: 00672755)	Director (up to 31 st March 2020)
Shri Satish Sareen (DIN: 01874068)	Director (up to 31 st March 2020)

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

Shri Rajeev Mehrotra (DIN: 01583143)	Chairman & Managing Director and Chief Executive Officer
Shri Gopi Sureshkumar Varadarajan (DIN: 08241385)	Director Projects
Shri Anil Vij (DIN: 07145875)	Director Technical (w.e.f. 04.11.2019)
Shri Bibhu Prasad Nayak (DIN: 08197975)	Director Finance (w.e.f. 07.11.2019)
Shri Parmod Kumar Narang	Chief Finance Officer (w.e.f. 01.08.2019)
Shri Ashish Srivastava	Company Secretary
Shri Mukesh Rathore (DIN: 07669150)	Director Technical (up to 31.10.2019)
Shri Ajay Kumar Gaur (DIN: 05333257)	Director Finance (up to 31.07.2019)

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Inductions, Retirements and Resignations

Shri Anil Vij (DIN: 07145875) was appointed as Director Technical of the Company w.e.f. 04.11.2019. 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. The Disclosure in this regard is available at https://www.rites.com/upload/misc/Balancesheet/APPOINTMENT_OF_DIRECTOR_TECHNICAL.pdf.

Shri Bibhu Prasad Nayak (DIN: 08197975) was appointed as Director Finance of the Company w.e.f. 07.11.2019. He is a qualified Cost Accountant (1988) and B.Tech. in Metallurgy (1985) from the Indian Institute of Technology, Kharagpur. The Disclosure in this regard is available at <https://www.rites.com/upload/misc/Balancesheet/APPOINTMENT-DF.pdf>.

Shri Parmod Kumar Narang was appointed as Chief

Finance Officer of the Company w.e.f. 01.08.2019). He is Fellow Member of the Institute of Chartered Accounts of India having post qualifying experience of over 32 years in various fields including finance, tax, financial matters relating to projects, financial audit etc. The Disclosure in this regard is available at <https://www.rites.com/upload/misc/Balancesheet/APPOINTMENT-PARMODNARANG-CFO.pdf>.

Shri Vinay Srivastava (DIN: 08638850) was appointed as a Government Nominee Director of the Company w.e.f. 13.12.2019. He is a Mechanical Engineer from Jamalpur with a Masters Degree in Public Administration from Syracuse University, he has experience of Rolling Stock Design, Manufacture, Testing and Operations etc. The Disclosure in this regard is available at <https://www.rites.com/upload/misc/Balancesheet/AppointmentofDirectorsGovtNomineeVS.pdf>.

Shri Anil Goel and Shri Satish Sareen were appointed as Independent Directors on July 12, 2019 and ceased to be Additional Directors on 30th July, 2019 (date of AGM). They were again appointed as Additional Directors in the Board meeting held on 30th July, 2019. They are qualified Chartered Accountants with vast experience. The term of these Independent Directors has ended on 31.03.2020. Appointment of Directors is done by the Govt. of India from a pool of professionals in varied fields, with due verification of expertise, integrity and experience.

RETIREMENT OF DIRECTORS BY ROTATION

As per the Companies Act, 2013 the provisions in respect of retirement of Directors by rotation is applicable. In view of this, all the directors, except Independent Directors and Chairman & Managing Director {As per Article 56(h) of the Articles of Association, CMD is a non-retiring Director} will be liable to retire by rotation. Accordingly, one third among all other directors will retire by rotation. Accordingly, Shri Gopi Sureshkumar Varadarajan (DIN: 08241385) and Shri Alok Kumar Tewari (DIN:06694407) will retire by rotation and being eligible, offer themselves for reappointment.

DECLARATION BY INDEPENDENT DIRECTORS

During the year all Independent Directors have met the requirements specified u/s 149(6) of Companies

Act, 2013 for holding the position of "Independent Director" and necessary declaration from each Independent Director u/s 149(7) was received.

COMMITTEES OF THE BOARD

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

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

DIRECTORS' RESPONSIBILITY STATEMENT UNDER THE COMPANIES ACT, 2013

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

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

- (f) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

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

A report on the performance and financial position of 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 the sake of brevity.

KNOWLEDGE MANAGEMENT SYSTEM

Knowledge management is the concept of finding, gathering, assessing, organizing and sharing information and knowledge. The information and knowledge consist of documents, procedures, resources and employee skills. It is a tool to gather and organize essential information that can be utilised to find the suitable persons having desired skills and experience required to manage the projects efficiently.

Knowledge Management has been implemented in RITES as a module of ERP SAP to identify, capture, evaluate, retrieve and share enterprise information. The system consolidates important information of its employees, their knowledge and sector-wise experience and makes it available to SBUs for business development.

To keep the system relevant and contemporary, updation of information on project secured and additional expertise gained by employees is carried out regularly. Periodic reviews and diagnostic processes of the knowledge base are conducted to ensure that a valuable and effective Knowledge Management System is in place.

ENVIRONMENTAL PROTECTION

Being a consultancy organization, RITES carries out feasibility studies, detailed project reports for



CMD RITES plants a sapling to mark World Environment Day

projects of its clients. While carrying out these studies, the environmental risks impacts and concern of all the stakeholders are invariably integral part of the report. RITES reports provide various alternative analysis for minimizing the impacts. The implementation of the EMP (Environment Management Plan) & RAP (Resettlement Action Plan) is the responsibility of the client.

As regards International Projects, preparation of Feasibility/DPR includes EIA (Environmental Impact Assessment)/EMP (Environmental Management Plan) and SIA (Social Impact Assessment /RAP (Resettlement Action Plan) report are as per the requirement of ADB/World Bank and other International funding agencies conforming to prevailing international guidelines & standards.

For RITES own office buildings, the Company has installed sewerage treatment plants and the recycled water is used for horticulture. Rain water harvesting system has been installed to recharge the ground water. Reducing carbon footprints is one of the main motives of the Company. REMCL, a subsidiary Company has been working continuously for generating solar energy for Railways. Apart from that the Company has installed roof top solar energy plant to supplement its energy requirements.

CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABILITY

Corporate Social Responsibility (CSR) has gained growing recognition as a new and emerging form of governance in business. RITES has an increased focus on inclusion of social and environmental considerations into Company's operations ensuring the success of business. At RITES, it is our commitment to operate in economically, socially and environmentally sustainable manner that is transparent and ethical. It applies to a wide variety of Company's activities, which operate in very different social and environmental settings. In line with these principles, a total of ₹11.21 crore was spent during FY 2019-20 against the mandatory requirement of ₹11.20 crore.

Further, the pandemic of COVID-19 has spread to the entire world and has posed serious health and economic challenges. 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 contributed ₹ 1 crore out of the CSR Budget to the PM-CARES Fund set up by the Government of India.

In line with the Guidelines on CSR issued by DPE and provisions of Section 135 of the Companies Act, 2013, a Board-level committee headed by an Independent Director has been constituted to oversee the implementation of CSR & Sustainability policy and to assist the Board of Directors to formulate suitable policies & strategies in this regard. As on March 31, 2020, the CSR Committee comprises Shri Anil Kumar Goel, an Independent Director and Chairman; Shri Satish Sareen, Independent Director as Member; Shri Bibhu Prasad Nayak, Director Finance as Member; Shri R. N. Goyal, Independent Director as Member; and Shri A. K. Tewari, Govt. Nominee Director as Member. A report on CSR projects for the financial year 2019- 20 is attached as **Annexure - III**.

The CSR projects / activities taken up by RITES are in accordance with the sectors as defined in the Schedule VII of the Companies Act 2013. Key projects taken up during FY 2019-20 are as follows:

SECTOR : PROMOTING EDUCATION, INCLUDING SPECIAL EDUCATION AND EMPLOYMENT ENHANCING VOCATION SKILLS ESPECIALLY AMONG CHILDREN, WOMEN, ELDERLY, AND THE DIFFERENTLY ABLED AND LIVELIHOOD ENHANCEMENT PROJECTS.



RITES team at Gunjan Foundation

Financial Support for Promoting School / College education to the underprivileged & disadvantaged economic backgrounds students.

RITES has financially supported Gunjan Foundation, an NGO, with the prime objective of pursuing educational and other welfare programs for the underprivileged.

RITES believes that by spreading literacy amongst those who don't have the means to learn, we are not just educating them, but building the foundation for a stronger future.

Through this support education is provided to the marginalized children completely free of cost and includes notebooks, course books, stationery, uniform, mid-day meals etc.

Financial Support to Ekal Vidyalayas in Jaisalmer, Rajasthan and Nuh, Haryana.

RITES has contributed towards upliftment of the deprived sections of the society in rural areas of the aspirational districts through adoption of EKAL Vidyalayas.

The concept of "One Teacher School" (Ekal Vidyalayas) as established in rural areas in all states and that too in the remotest part of our country, has proved as an instrument to eradicate illiteracy and create awareness for education.

Multi-grade teaching system adopted in these Vidyalayas, includes non-formal methods of imparting education though physical training, storytelling, songs, local dance & music, yoga and games as the essential part of the curriculum.

Basic education of reading, writing, arithmetic and awareness on hygiene, cleanliness, fundamental rights of an Indian citizen, local sports, facilities & subsidies available under government schemes, RTI, moral values etc equip the students to lead a better life in their villages rather than migrating to cities.

Financial Support for setting up infrastructure for Library in Government Schools, southern Rajasthan.

RITES has supported setting up of library in Government schools of southern Rajasthan by providing books, furniture and other associated equipment to Rotary Club of Jaipur. These Government schools are located in tribal areas where the concept of school library was not known.

The library in schools, besides providing information, will help to generate ideas and enhance knowledge. It shall also help in improving literacy, supporting formal education, providing current information, developing reading ability, thus leading to social & cultural development.



Concept of One Teacher School (Ekal Vidyalayas)



CMD RITES at inauguration of a library



Library set up in Government school

Installation, Operationalisation & Maintenance of 100 Smart Classrooms solution in Government Schools in various districts.

RITES through EdCIL India Limited operationalised a digital classroom initiative with integrated teaching devices for “transforming the teaching-learning processes and improved learning outcomes” in 100 classrooms of 58 Government schools in various districts of Haryana and Uttar Pradesh.

The project aims at improving education outcome for students by providing a holistic solution which encourages interactive learning environment in the schools. The classrooms are designed in such a manner that enhances the interaction between teachers and students. It also allows teachers to explain and students to understand difficult or abstract topics/ concepts and chapters through visualisation, thereby leading to “Cognitive Learning Process”

Besides, installing Ed-tech Devices at schools, Capacity Building of Teachers has been done. The project is closely monitored through project monitoring units. The functionality of equipment is ensured through preventive maintenance of all hardware.

Providing RITES’ vehicles to NGOs for promoting educational programmes and social welfare.

Concerns were expressed regarding poor attendance or enrolment of children in schools due to distance of travel and inability of the poor families to pay towards the transportation cost. RITES took up the initiative for facilitating commutation of such children to school so that their schooling is not hampered on account of transportation problem.

RITES supported Gunjan Foundation, a Delhi-based NGO, and The Earth Saviours Foundation, a Gurugram-based NGO, with a van each for transportation of children to school and social welfare respectively.

Financial support for setting up of computer laboratories for schools run by Bhartiya Shiksha Samiti in Jammu & Kashmir.

RITES has taken up the initiative of setting up computer labs for seven schools run by Bhartiya Shiksha Samiti in Jammu & Kashmir with the objective to:

- develop the basic infrastructure, especially computer lab.
- increase the enrolment in pre-primary classes particularly of girl students in the schools and also instill self-confidence, creativity amongst them.

Financial support to Satat Navotkarsh Foundation for providing quality education to Differently Abled Children in Delhi.

To meet the needs of differently abled children with the focus towards their inclusion in the mainstream and enhance their learning, financial support was provided to Satat Navotkarsh Foundation for sports training and thus helping in boosting their confidence and morale.



Digital classroom set up in Government schools of Gurugram & Nuh in Haryana and Jalaun in UP



Computer laboratory in Bhartiya Vidya Mandir school



RITES team hands over a vehicle to The Earth Saviours Foundation



Special Education & Sports Training to Differently Abled Children



Children of SOS Village

SOS children's villages of India: Sponsorship of Family homes and supporting youth for employment linked education.

rites has taken initiative for sponsoring 3 children's homes in Faridabad & Bhubneswar and supporting 25 youth for employment linked higher education through SOS Children's Villages of India at Faridabad, Delhi and Bhubneswar.

rites had also financially supported the procurement of sweaters to habitants of SOS Children's Village of India at Faridabad, Haryana.

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

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

Empowerment of women through Skill Development Training Programmes.

As a part of Skill India Mission and to promote employability among women, RITES provided the infrastructure facilities such as furniture & fixtures / tools and equipment etc. towards setting up of skill development training centre at Khora Colony Ghaziabad U.P. for developing skills in Cutting & Tailoring so that they can become employable and income generators, leading to a better life. The Skill Development Training Centre has generated unparalleled level of interest among the trainees, local residents and the district administration.

On similar lines, a training centre for cutting and tailoring, including a computer centre was set up at Nuh in Haryana. The project has been able to instill impetus among trainees towards finding employment, entrepreneurial thinking and inclination towards setting up micro-enterprises.

rites also contributed for setting up infrastructure facilities like, Furniture, Sewing Machines etc. for running the Skill development training Programmes at village Kucheel, tehsil-Kisharangarh, Ajmer, Rajasthan with the aim to provide comprehensive training to women in order to develop their skills so that they are not only able to sustain but also contribute towards improving the living standard of their families.

Skill development for Livelihood project of socio economically backward Hillpulaya tribal community inhabitants

rites together with WIWA (Wide Inspiration, Wide Aspiration) a cultural development organization has taken up the project to propagate a holistic life style through eco-friendly living.

The project at Pongampally, Marayoor, District Idukki, Kerala aims



Skill Development Training centre in Tehsil Kishangarh, Ajmer, Rajasthan



Skill Training for Livelihood projects like stitching, farming etc.

to uplift 70 families of the village to change their Socio - Economic, situations, strengthening their social life and to stabilise their financial condition through agricultural activities in the 10 acres land, animal husbandry and setting up self-employment unit for the women in order to make them self-reliant.

SECTOR : ERADICATING HUNGER, POVERTY AND MALNUTRITION, PROMOTING HEALTH CARE INCLUDING PREVENTIVE HEALTH CARE AND SANITATION INCLUDING CONTRIBUTION TO THE SWACHH BHARAT KOSH SET-UP BY THE CENTRAL GOVERNMENT FOR THE PROMOTION OF SANITATION AND MAKING AVAILABLE SAFE DRINKING WATER.

Financial Support for Production of Sanitary Pads for distribution among needy women, and railway passengers healthcare for senior citizens

RITES has contributed for production of sanitary pads for distribution among needy women including railway passengers and urban slum-dwellers of Delhi.

The objective of the project is to spread awareness about the use of hygienic sanitary pads and also to make them available at low cost for the poor.

Steps were taken to promote healthcare, personal hygiene and sanitation among disadvantaged/marginalized girls/women.

On similar lines, RITES extended its helping hand to senior citizens, inmates of the Anjaneya Old Age Home mostly septuagenarians and octogenarians with age- related diseases and physical disorders. Most of them suffer from arthritis, spondylitis, knee and joint-pains, muscular disorders etc.

Physiotherapy & Fitness Centres have been set up to alleviate their pain to a large extent.

Financial support for resources for smooth running and maintenance of Old Age Home and a rescue center 'Gurukul'.

With an intrinsic desire to promote societal well-being, particularly for the elderly, RITES made generous financial contribution for provisioning of resources such as 100 medical beds, fans, refrigerators, groceries, sitting benches, Maruti van for transportation and expenditure towards medical support services etc to an old age home and a rescue center, being operated by an NGO "The Earth Saviours Foundation". Around 500 less privileged people are living full time in the NGO's Gurukul located at Bandhwari Village, Gurugram, Haryana.

Most of these people are abandoned senior citizens, deprived, mentally challenged, bedridden, people dying with hunger on roads and patients suffering with incurable disease. All the facilities at Gurukul such as accommodation, food, medical are provided free of costs.



Low-cost sanitary pad production centre at Railway colony Sarojni Nagar, New Delhi



Physiotherapy & Fitness Centre at Anjaneya Old Age Home



CMD RITES at old age home and rescue centre 'Gurukul' at Bandhwari village Gurugram, Haryana



Beneficiary children who underwent surgery for Congenital Heart Diseases



Mobile Medical Van unit under 'Jan Arogyam' programme



Community Health Clinic in Nuh, Haryana



Eye and Health check-up camp in Nuh



CMD and DP RITES at the flagging-off ceremony of Advance Life Support Ambulances

Saving precious life of Children suffering from Congenital Heart Disease for children.

In India, many children die of congenital heart diseases every year due to unaffordability and lack of specialised medical facilities. RITES joined hands with Balaji Heart Hospital & Diagnostic Centre, Mumbai, for financially supporting paediatric cardiac surgeries and this year four infants born with Congenital Heart Disease were treated.

Community Healthcare Programme "JAN AROGYAM" at Nuh (Aspirational District), Haryana.

RITES, through the NGO Bisnouli Sarvodaya Gramodyog Sewa Sansthan, has supported setting up community health clinic, Mobile Medical Van unit for periodical health check-up etc in Nuh (an aspirational District) in Haryana.

The mobile medical unit is providing primary healthcare services to the needy and disadvantaged persons in nearby communities.

The services have been made in areas which have limited or no access to healthcare either due to poor healthcare facilities or because of lack of financial resources or other accessibility reasons.

The mobile medical service provides prompt transport of critical cases to District Hospitals from the areas it serves.

The community health clinic provides free treatment and medicines as per examination and diagnosis.

Stocks of medicines for all common ailments including hypertension, diabetes, arthritis, etc. are maintained.

Eye & Health Checkup Camps in Nuh, Haryana.

RITES has provided financial support for organising 30 Eye & Health Checkup Camps in Nuh, Haryana.

The target population was school children, women and the under privileged. Camps were organized at prominent institutions such as schools, religious places, choupals etc.

Cataract cases detected during examination at these camps were taken up for surgery, free of cost, through the connected hospitals.

Providing Advance Life Support Ambulances (ALS) to Government Hospital

Keeping in view the urgent need to enhance the medical facilities during the Covid-19 crisis and to make it available to those impacted by it, CMD/RITES Shri Rajeev Mehrotra handed over two ambulances equipped with Advanced Life Support system to the Regional Head & Additional CEO - PMU, Haryana CSR Advisory Board. The ambulances were pressed into service in Gurugram and Nuh districts to tackle Covid-19 challenge.

These ALS, act as a secure transport system equipped with medical facility, will also be used to expedite shifting of accident

victims from the accident spot to the District Hospital or other advanced medical centres for prompt transportation or for referral treatment of complicated maternity as well as trauma cases.

Provisioning of Mobile Medical Unit for running the programme "Mission TB- Free Haryana"

RITES provided funds for procurement of one air-conditioned mobile unit to be operated for the mission "TB Free Haryana" through Medanta, The Medicity. The medically equipped mobile unit shall be operated by the hospital across Haryana for examination of patients, particularly in the far-flung areas and provide them with required medical guidance and support for eradication of the disease.

Water conservation and women's Self Help Group (SHG)

RITES has financially supported the project aiming to build local water conservation infrastructure and impart technical knowledge amongst 25 women SHG members in five villages of Sanganer, Jaipur District. The goal of the project is to provide community access to improved water conservation structures and to build women's leadership to become active participants in designing and planning local water conservation initiatives and accessing resources to finance and execute the same.

Construction of toilet and setting up clean drinking water facility at municipal cremation ground in Jaipur, Rajasthan.

Sanitation is at the core of human dignity and positively impacts the health and well-being. With the vision of Swachh Bharat, need was felt to provide clean toilet facilities for use by those visiting the crematorium. Accordingly, RITES has set up toilet blocks at the municipal cremation ground at Lal Kothi in Jaipur, Rajasthan.

In addition, a water cooler equipped with RO was installed to provide clean drinking water for those visiting the crematorium and nearby area.

SECTOR : ENSURING ENVIRONMENTAL SUSTAINABILITY, ECOLOGICAL BALANCE, PROTECTION OF FLORA AND FAUNA, ANIMAL WELFARE, AGRO-FORESTRY, CONSERVATION OF NATURAL RESOURCES AND MAINTAINING QUALITY OF SOIL, AIR AND WATER INCLUDING CONTRIBUTION TO THE CLEAN GANGA FUND SET-UP BY THE CENTRAL GOVERNMENT FOR REJUVENATION OF RIVER GANGA.

Financial support for manufacture of jute and muslin cotton bags to discourage use of plastic bags.

Plastic bags have been posing environmental challenge for all of us. With the vision to discourage single use plastic bags, RITES has taken initiative for supporting manufacturing of jute and cotton bags.

These environmentally sustainable bags will replace the plastic bags, thus helping in reducing plastic pollution.



Launch of RITES Mobile Medical Unit for TB-Free Haryana programme by Mrs. Sharmila Tagore at Pataudi, Gurugram



Community toilet at cremation ground at Lal Kothi in Jaipur



RECOGNITION OF RITES CSR INITIATIVES



CMD RITES Shri Rajeev Mehrotra being felicitated by Hon'ble Finance Minister of Haryana Captain Abhimanyu in recognition of RITES CSR initiatives



HUMAN RESOURCES AND INDUSTRIAL RELATIONS

RITES being a premier consulting organisation in the country, has a pool of experienced and trained professionals in respective fields of operation. It is continuing to retain this pool of manpower, enrich, enhance and develop it to meet with the emerging challenges and ever changing needs. To maintain its competitive advantage it is striving to induct the best and talented manpower at the initial entry level, e.g. inducting Graduate Engineers through the GATE examination conducted by IITs every year, the Company is also inducting experienced and skilled manpower at middle and senior management positions from the open market. In view of the varying project specific needs the induction of manpower on tenure based appointment linked to a specific project is also being done. Campus recruitment from premier business and engineering schools such as XLRI, MDI, IIT/NITs in niche areas is done to a limited extent.

During the year 2019-20, the Company has inducted 161 personnel in its regular cadres and on project based tenure appointments. In addition keeping in view the project specific requirements; experienced and trained manpower is inducted from Indian Railways and other Government departments on deputation, during the year 45 personnel were inducted on deputation.

With sustained HRD interventions, the Company has been able to reduce the employee turnover

ratio to 2.17% of its regular cadre employees. The Succession Plan for middle and senior management positions was updated and approved by Board of Directors. Different HRD interventions are under way to implement the same. As a part of succession planning and career progression, as well to keep the employee motivated and oversee their career progression, periodic review of cadres is done benchmarking it with the business growth of the Company and practices in the industry. 257 employees were promoted / placed in higher grade during the year. The employee productivity has shown continuous and steady growth over the last 5 years. Based upon guidelines of Department of Public Enterprises, robust on-line Performance Management System has been put in place and it has been linked with the variable pay of the employees.

As a part of Company's annual MOU with the Ministry as well as to strengthen its HR practices and processes in line with international practices, RITES Board had decided to work on achieving the People Capability Maturity Model (PCMM) Level-3. With the help of an external consultant, competency mapping exercise was initiated and other HRD interventions were implemented to this effect. The external consultant conducted the benchmark study and the Company was able to achieve PCMM Level-3 during the year.

Existing Human Resource System (HRMS) has been strengthened by including HR activities in online

format like Performance Management System, Annual Property Reports, Employee Self Service (ESS) Portal, Pension Medical and PF balances, leave management system and integration of HRMS with finance module.

Being in the consultancy field, focus of the Company is on enhancing the skills, knowledge and expertise of existing manpower resource. As a part of MOU of the Company, 17% of executives were trained in premier business and technical schools. While Senior Management Leaders were deputed to premier business institutions for training like ISB, IIMs, induction programme for newly inducted personnel were organised. For technical trainings the personnel were deputed to IITs, Railway Training Institutes, other premier Institutes and professional bodies. Two Engineers were sponsored for M. Tech Programme in Civil Engineering from IIT Kharagpur last year. The programmes were conducted on Contract Management and Arbitration, Certification programme on Project Management (PMI), Labour Laws, Communication and Presentation skills, Ethics and Values, Prevention of Sexual Harassment at work place (POSH), Public Private Partnership (PPP), Construction Safety, Diploma Course on Foreign Trade. During the year RITES has provided 10,000 days of training to its employees.

As a part of Industry Academia partnership, the Company has provided summer/winter internship to 216 students in the year.

As a part of implementation of Govt of India initiative for skill development, 133 apprentices were engaged in the year to enable them to acquire the practical skill, knowledge and expertise for employment.

The framework for employee participation in deciding HR policies and to have two-way communication within the organisation, a body consisting of elected and nominated officials has been constituted called CONCERT. The body also deals with grievances of group of employees.

The exceptional performance of the employees is recognised by way of Group and Individual Awards on periodic basis. While an outstanding employee is awarded with Employee of the Year, on periodic basis employees are awarded as Employees of Quarter. Outstanding contribution by way of

publishing articles in National and International Journals is recognised and awarded.

The Company has elaborate framework of Social Security by way of Post Retirement Medical Scheme, Contributory PF, Gratuity and Leave Encashment. During the service a number of employee benefit schemes are in place for employee welfare and to take care of unforeseen circumstances.

IMPLEMENTATION OF RIGHT TO INFORMATION ACT, 2005

The Right to Information (RTI) Act, 2005, commonly understood by the general public as the right to access information held by the public authorities, encompasses core principles of democratic governance - participation, transparency & accountability. Living up to the expectation of being one of the most progressive and friendly legislations, through 15 years of its existence, it has empowered the citizens, who until this time were nearly ignorant of the information under the control of the public authorities, thereby promoting transparency & accountability in the working of the authorities.

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

RITES website is being used effectively for dissemination of information, which is evident from decrease in number of new applications. First appeals and the second appeals were effectively contained by efficient & scientific record keeping, ensuring timely and accurate information to the applicants under the provisions of the RTI Act, 2005.

With adequate provision for submission of RTI applications/first appeals online coupled with payment of application/additional fees through internet banking, debit/credit cards and RuPay cards, provided on RITES' website, has enabled citizens to file their applications/first appeals with



Hon'ble Minister of Railways and Commerce & Industry Shri Piyush Goyal visits RITES stall at South-South and Triangular Cooperation Conference-cum-Exhibition in New Delhi



RITES being awarded Governance Now PSU Award; CMD RITES being felicitated for company's contribution in developing ICPs; and RITES being honoured with EEPC Award for Export Excellence

ease and receive information faster, cutting on the cost of postal dispatch and nullifying the time of postal transit.

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 RTI Act, 2005. Negative growth/ negative percentage rate of new applications & containment of first appeals and the second appeals enunciate information delivery in compliance with RTI Act's letter and spirit.

EXHIBITIONS AND AWARDS

Exhibitions:

The Company, as a part of business strategy, participated in specialized trade exhibitions with the objective of displaying its multifarious capabilities and exploring business opportunities in India and abroad. These expositions play an important role in building business linkages and providing exposures to numerous prospective clients, high level delegations and ministerial participation. Further, participation in these exhibitions/workshops/conferences enhanced better understanding, strategic cooperation, and multilateral relationships with visiting stakeholders. During the year 2019-20, the Company participated in the following expositions:

- 64th National Award Function and Railway Exhibition-Cum-Rail Mela from 21st-23rd July 2019 in Ambala
- South-South and Triangular Cooperation Conference-Cum-Exhibition on Exploring New Opportunities and New Partnerships in New Delhi from 22nd-23rd August 2019
- International Railway Equipment Exhibition (IREE) held from 22nd-24th October 2019, in New Delhi
- Global Exhibition of Services (GES), organised by the Department of Commerce, Ministry of Commerce and Industry, Government of India, in partnership with the Services Export Promotion Council (SEPC) and the Confederation of Indian Industry (CII), from 26th -28th November 2019 in Bengaluru
- Elecrama -2020, organised by the Indian Electrical and Electronics Manufacturers Association (IEEMA), from 18th-22nd January 2020 in Greater Noida

AWARDS:

- 49thEEPC (Northern Region) Award for Export Excellence
- PSE Excellence Award by Indian Chamber Of Commerce
- National Project Excellence Award by Project Management Association

- Project of the Year Award (Small Category) By Project Management Institute
- Award of Excellence for the Best Law Department in PSU Category by Indian Corporate Council Association (ICCA)
- Active Customer Engagement Award at Customer Obsession-2019
- Governance Now PSU Award (Digital Technology)
- Award for CSR Activities

Auditors

The Comptroller & Auditor General of India appointed the following as Statutory and Branch Auditors for the year 2019-20.

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

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

SECRETARIAL AUDITOR

The Board has appointed M/s Akhil Rohatgi & Co., Practicing Company Secretary to conduct Secretarial Audit for the financial year 2019-20. The Secretarial Audit Report for the financial year ended March 31, 2020 has been placed as **Annexure - IV**.

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

In this regard Company has received notices from Stock Exchanges levying fine on the Company. The Company has replied to Stock Exchanges stating

that the power to appoint the Directors including Independent Directors vests with the Government of India and the Company has requested the Ministry in this regard.

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 and pursue business environment in an atmosphere free of harassment, exploitation and intimidation. To empower women and protect them against sexual harassment, a policy for prevention of sexual harassment had been rolled out and the Committee for Prevention of Sexual Harassment of women at workplace ("the Committee") as per legal guidelines had been set up at all major locations of the Company. The policy allows employee to report cases of sexual harassment at the workplace. The Committee is empowered to look into all complaints of sexual harassment and facilitate free and fair enquiry within the laid down timeline. 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 finalized during the year	1
No. of complaints pending at the end of the year	0

WOMEN EMPOWERMENT

During the year several programmes were organised on gender issues, prevention of sexual harassment at workplace and to mark International Women Day. Opportunities are accorded to women employees to participate in committee meetings, projects without any bias. Crèche facility has been introduced to help women employees to take care of their children. During the year, a survey was conducted among the women employees about their satisfaction level on policies of the Company and its result was quite encouraging. Action on suggestions received is under process.

GENERAL

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

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

APPRECIATION

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

appreciation of the hard work, dedication and commitment of the employees. The enthusiasm and unstinting efforts of the employees have enabled the Company to touch new heights during the year.

ACKNOWLEDGEMENTS

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

For and on behalf of Board of Directors



(Rajeev Mehrotra)

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

Place: Gurugram
Dated: 29.07.2020

Annexure - I
FORM NO. AOC-2

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


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

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

RITES Limited has not entered into any contract or arrangement or transaction with its related parties which is not arm's length during financial year 2019-20.

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

Particulars	1	2	3	4
	RITES (Afrika) (Pty) Limited	Railway Energy Management Company Limited (REMCL)	SAIL-RITES Bengal Wagon Industry Private Limited (SRBWIPL)	BNV Gujarat Rail Private Ltd
(a) Name (s) of the related party and nature of relationship	Wholly Owned Subsidiary	Subsidiary (RITES shareholding 51% Indian Railway Shareholding 49%)	Joint Venture of RITES & SAIL (RITES shareholding 50%)	Joint Venture of Shapoorji Pallonji Roads Private Limited (67.5%), RITES (26%) and PCM Cement Concrete Pvt. Ltd (6.5%)
(b) Nature of contracts/ arrangements/ transactions	Supply of technical manpower for the purpose of construction supervision of road & airport projects in Botswana.	Services of experts on man month basis for carrying day to day activities of the subsidiary company.	<ul style="list-style-type: none"> Term loans. Services of experts on man month basis for carrying day to day activities of the subsidiary company. 	-
(c) Duration of the contracts / arrangements/ transactions	Ongoing standing arrangements.	Ongoing till subsidiary does not have its own employees.	Ongoing till JV does not have its own employees.	-
(d) Salient terms of the contracts or arrangements or transactions including the value, if any:	RITES shall provide manpower at mutually agreed monthly rates. However, salary and related expenses incurred by RAPL on RITES personnel shall be adjusted from the amount payable to RITES.	Expert services are charged on man month rates as being charged to other clients.	Expert services are charged on man month rates as being charged to other clients.	-
Transactions during the year	<ul style="list-style-type: none"> Consultancy Fee: ₹ 2.31 crore Dividend Received: ₹ 0.03 crore 	<ul style="list-style-type: none"> Consultancy Fee: ₹ 10.30 crore. Reimbursement/ Recoverable: ₹ 0.26 crore. Dividend Received ₹ 6.33 crore 	<ul style="list-style-type: none"> Consultancy Fee: ₹ 0.01 crore Interest on loan given: ₹ 0.43 crore. 	Provision for diminution in value of Investment: ₹ 0.14 crore
(e) Date(s) of approval by the Board, if any: -	Not applicable	Not applicable	13.08.2019	Not applicable
(f) Amount paid as advances, if any:	NIL	NIL	NIL	NIL



(Rajeev Mehrotra)

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

Place: Gurugram
Date: 29.07.2020

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2020

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

I. REGISTRATION & OTHER DETAILS:

1. CIN	L74899DL1974GOI007227
Registration Date	26 th April, 1974
Name of the Company	RITES LIMITED
Category/Sub-category of the Company	Company Limited by Shares/Union Govt Company
Address of the Registered office & contact details	Registered office: SCOPE Minar, Laxmi Nagar, Delhi-110092 Ph - 011-22024610
Whether listed company	Yes
Name, Address & contact details of the Registrar & Transfer Agent, if any.	Link Intime India Private Limited Noble Heights 1st Floor, Plot No. NH2 CSC, C-1 Block Near Savitri Market Janakpuri, New Delhi - 110058 Ph: +91 11 41410592; Fax: +91 11 41410591 Website: www.linkintime.co.in E-mail: swapann@linkintime.co.in Contact Person: Mr. Swapann Kumar Naskar SEBI Registration No.: INR000004058

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

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Export Sales	-	22.53
2	Consultancy	-	29.11
3	Inspection Fees	-	15.30
4.	Services for Turnkey Construction Projects	-	28.03

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

S.N.	Name and Address of the company	CIN/GLN	Holding / Subsidiary / Associate	% of Shares held	Applicable Section
3.	RITES AFRIKA (PTY) LIMITED, BOTSWANA	-	Wholly Owned Subsidiary-Abroad	100%	Under Section - 2(87) of the Companies Act, 2013
4.	SAIL- RITES Bengal Wagon Industry Private Ltd, Registered office: SCOPE Minar, Laxmi Nagar Delhi-110092	CIN: U35200DL2010PTC211955	JVC of SAIL & RITES	50%	Under Section - 2(6) of the Companies Act, 2013
5.	BNV Gujarat Rail Private Limited. Registered office: Venus Amadeus, 301-305, 3rd Floor,, Jodhpur Cross Road, Satellite,, Ahmedabad, Gujarat, India, 380015	CIN: U60300GJ2016PTC094761	JVC of RITES, Shapoorji Pallonji Road Infra Pvt. Ltd. and PCM Cement Concrete Pvt Ltd	26%	Under Section - 2(6) of the Companies Act, 2013
6.	RICON (A JV with IRCON International Limited)	-	Un incorporated Joint Venture.	51% (Share of interest)	-
7.	Geoconsult ZT GmbH - RITES India (A JV with Geoconsult - ZT- GmbH (Austria))	-	Un incorporated Joint Venture.	39.40% (Share of interest)	-
8.	Geoconsult -RITES (JV) (A JV with Geoconsult India Private Limited)	-	Un incorporated Joint Venture.	35.01% (Share of interest)	-
9.	Geoconsult - RITES, NRT -1 (A JV with Geoconsult - ZT- GmbH (Austria))	-	Un incorporated Joint Venture	16% (Share of interest)	-
10.	Geoconsult - RITES (JV) (A JV with Geoconsult - ZT- GmbH (Austria))	-	Un incorporated Joint Venture	13% (Share of interest)	-

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

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

1) Category-wise Share Holding

Category Code	Category Of Shareholders	No. Of Shares Held At The Beginning Of The Year				No. Of Shares Held At The End Of The Year				% Change During The Year
		Demat	Physical	Total	% Of Total Shares	Demat	Physical	Total	% Of Total Shares	
A	PROMOTER AND PROMOTER GROUP									
(1)	INDIAN									
(a)	Individual/ HUF	-	-	-	-	-	-	-	-	-
(b)	Central Govt	17,48,00,000	-	17,48,00,000	87.4	180047174	-	18,00,47,174	72.02	-15.38
(c)	State Govt(s)	-	-	-	-	-	-	-	-	-
(d)	Bodies Corp.	-	-	-	-	-	-	-	-	-
(e)	Banks / FI	-	-	-	-	-	-	-	-	-
(f)	Any other	-	-	-	-	-	-	-	-	-
	Total Shareholding of Promoter (A)	17,48,00,000	-	17,48,00,000	87.4	180047174	-	18,00,47,174	72.02	-15.38
B	Public Shareholding									
1	Institutions									
a)	Mutual Funds	80,01,002	-	80,01,002	4	1,22,80,920	-	1,22,80,920	4.91	0.91

Category Code	Category Of Shareholders	No. Of Shares Held At The Beginning Of The Year				No. Of Shares Held At The End Of The Year				% Change During The Year
		Demat	Physical	Total	% Of Total Shares	Demat	Physical	Total	% Of Total Shares	
b)	Banks / FI	3,24,471	-	3,24,471	0.16	2,44,83,535	-	2,44,83,535	9.79	9.63
c)	Central Govt	-	-	-	-	-	-	-	-	-
d)	State Govt(s)	-	-	-	-	-	-	-	-	-
e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
f)	Insurance Companies	-	-	-	-	14,15,209	-	14,15,209	0.57	0.57
g)	FIs	25,54,293	-	25,54,293	1.28	72,85,113	-	72,85,113	2.91	1.63
h)	Alternate Investment Funds	-	-	-	-	27,79,956	-	27,79,956	1.11	1.11
	i) Others (specify)	-	-	-	-	-	-	-	-	-
	Sub-total (B)(1):	1,08,79,766	-	1,08,79,766	5.44	4,82,44,733	-	4,82,44,733	19.29	13.85
	2. Non-Institutions									
	a) Bodies Corp.									
	i) Indian	-	-	-	-	-	-	-	-	-
	ii) Overseas	-	-	-	-	-	-	-	-	-
	b) Individuals	-	-	-	-	-	-	-	-	-
	i) Individual shareholders holding nominal share capital upto ₹ 2 lakh	75,39,181	38	75,39,219	3.77	1,06,63,996	207	1,06,64,203	4.27	0.50
	ii) Individual shareholders holding nominal share capital in excess of ₹ 2 lakh	17,51,424	-	17,51,424	0.88	26,85,327	-	26,85,327	1.07	0.19
	c) Others									
	NBFC	22,435	-	22,435	0.01	5,070	-	5,070	0.00	(0.01)
	TRUSTS	2,864	-	2,864	0.00	2,18,921	-	2,18,921	0.08	0.08
	HUF	4,64,378	-	4,64,378	0.23	6,20,648	-	6,20,648	0.25	0.02
	FOREIGN NATIONALS	200	-	200	0.00	200	-	200	0.00	0.00
	NON RESIDENT INDIAN	5,32,567	-	5,32,567	0.27	7,09,941	-	7,09,941	0.28	0.01
	CLEARING MEMBERS	3,83,225	-	3,83,225	0.19	2,82,502	-	2,82,502	0.11	(0.08)
	BODIES CORPORATE	36,24,122	-	36,24,122	1.81	65,21,281	-	65,21,281	2.61	0.80
	Sub-total (B)(2):-	1,43,20,196	-	1,43,20,234	7.16	2,17,08,093	-	2,17,08,093	8.67	1.51
	Total Public Shareholding (B)=(B)(1)+ (B)(2)	2,51,99,962	38	2,52,00,000	12.60	6,99,52,619	207	6,99,52,826	27.98	12.62
	C. Shares held by Custodian for GDRs & AD₹	-	-	-	-	-	-	-	-	-
	Grand Total (A+B+C)	19,99,99,962	38	20,00,00,000	100	24,99,99,793	207	25,00,00,000	100	-

II) Shareholding of Promoters -

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (1.4.2019)			Shareholding at the end of the year (31.3.2020)			% change in share-holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	President of India	17,48,00,000	87.40	0	18,00,47,174	72.02	0	(15.38)
	Total	17,48,00,000	87.40	0	18,00,47,174	72.02	0	(15.38)

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

S.No	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	President of India At the beginning of the year	17,48,00,000	87.40	17,48,00,000	87.40#
2.	Bonus shares (1:4) allotted on 14.08.2019	4,37,00,000	17.48	21,85,00,000	87.40#
3.	Disinvested 10% of its stake through Offer for Sale mechanism on 22.11.2019, 25.11.2019 and 11.12.2019.	(2,50,34,752)	10.01	19,34,65,248	77.39
4.	Disinvested 5.37% of its stake through Offer for Sale mechanism on 27.02.2020 and 28.02.2020.	(1,34,18,074)	5.37	18,00,47,174	72.02
5.	At the end of the year	18,00,47,174	72.02	18,00,47,174	72.02

Company on August 14, 2019 allotted 5 crore bonus equity shares to its shareholders due to which no. of shares of the company increased from 20 crore to 25 crore. Accordingly, post allotment percentage to total shares of the company remains same.

IV) Shareholding Pattern of top ten Shareholders:

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

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year - 1 st April 2019		Transactions during the year		Cumulative Shareholding at the end of the year -31 st March 2020	
		No. of Shares Held	% of Total Shares of the Company	Date of Transaction	No. of Shares	No. of Shares Held	% of Total Shares of the Company
1	Life Insurance Corporation of India	53254	0.02			0	0.000
	Sell			24.05.2019	(4,000)	49,254	0.019
	Sell			31.05.2019	(20,000)	29,254	0.012
	Sell			07.06.2019	(13,015)	16,239	0.006
	Sell			14.06.2019	(10739)	5500	0.002
	Buy			23.08.2019	1,375	6875	0.003
	Buy			29.11.2019	1,36,28,275	1,36,35,150	5.454
	Sell			07.02.2020	(2,72,637)	1,33,62,513	5.345
	Sell			21.02.2020	(1,02,215)	1,32,60,298	5.304
	Sell			28.02.2020	(3,86,962)	1,28,73,336	5.149
	Buy			06.03.2020	67,11,409	1,95,84,745	7.834
	AT THE END OF THE YEAR					1,95,84,745	7.834
2	HDFC Trustee Company Ltd - A/C HDFC Mid - Cap Opportunities Fund	41,09,981	1.64			0	0.000
	Sell			05.04.2019	(59,700)	40,50,281	1.620
	Sell			12.04.2019	(1,64,000)	38,86,281	1.554
	Sell			19.04.2019	(63,846)	38,22,435	1.529
	Sell			26.04.2019	(26,500)	37,95,935	1.518
	Sell			03.05.2019	(35,000)	37,60,935	1.504
	Sell			10.05.2019	(56,596)	37,04,339	1.481
	Sell			17.05.2019	(10,000)	36,94,339	1.477
	Sell			24.05.2019	(26,500)	36,67,839	1.467

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year - 1 st April 2019		Transactions during the year		Cumulative Shareholding at the end of the year -31 st March 2020	
		No. of Shares Held	% of Total Shares of the Company	Date of Transaction	No. of Shares	No. of Shares Held	% of Total Shares of the Company
	Sell			31.05.2019	(8,31,058)	28,36,781	1.134
	Sell			21.06.2019	(1,43,600)	26,93,181	1.077
	Sell			29.06.2019	(3,22,970)	23,70,211	0.948
	Buy			23.08.2019	5,55,552	29,25,763	1.170
	Sell			30.08.2019	(1,44,700)	27,81,063	1.112
	Sell			06.09.2019	(3,31,000)	24,50,063	0.980
	Sell			13.09.2019	(5,57,894)	18,92,169	0.756
	Sell			20.09.2019	(2,00,000)	16,92,169	0.676
	Sell			30.09.2019	(1,53,000)	15,39,169	0.615
	Sell			18.10.2019	(1,21,000)	14,18,169	0.567
	Sell			25.10.2019	(98,000)	13,20,169	0.528
	Sell			08.11.2019	(49,000)	12,71,169	0.508
	Sell			15.11.2019	(17,000)	12,54,169	0.501
	Sell			22.11.2019	(4,93,000)	7,61,169	0.304
	Buy			29.11.2019	17,00,000	24,61,169	0.984
	Sell			20.12.2019	(92,700)	23,68,469	0.947
	Sell			31.12.2019	(1,00,000)	22,68,469	0.907
	Sell			03.01.2020	(50,000)	22,18,469	0.887
	Buy			06.03.2020	19,87,623	42,06,092	1.682
	Buy			13.03.2020	1,77,700	43,83,792	1.753
	Buy			20.03.2020	6,56,382	50,40,174	2.016
	Buy			27.03.2020	22,218	50,62,392	2.025
	Buy			31.03.2020	18,000	50,80,392	2.032
	AT THE END OF THE YEAR					50,80,392	2.032
3	Reliance Capital Trustee Co Ltd - A/C Nippon India Value Fund	24,33,734	0.973			0	0.000
	Buy			21.06.2019	3,25,000	27,58,374	1.103
	Sell			05.07.2019	(1,75,000)	25,83,374	1.033
	Sell			12.07.2019	(50,000)	25,33,374	1.013
	Buy			26.07.2019	1,49,834	26,83,568	1.073
	Buy			02.08.2019	5,306	26,88,874	1.075
	Buy			09.08.2019	1,45,038	28,33,912	1.133
	Buy			23.08.2019	7,08,901	35,42,813	1.417
	Buy			30.08.2019	4,00,000	39,42,813	1.577
	Sell			27.09.2019	(2,98,300)	36,44,513	1.457
	Sell			30.09.2019	(72,000)	35,72,513	1.429
	Sell			11.10.2019	(48,000)	35,24,513	1.409
	Sell			18.10.2019	(4,56,768)	30,67,745	1.227
	Sell			25.10.2019	(1,08,736)	29,59,009	1.183
	Sell			01.11.2019	(1,43,321)	28,15,688	1.126
	Sell			15.11.2019	(2,59,907)	25,55,781	1.022
	Sell			22.11.2019	(2,66,286)	22,89,495	0.915
	Buy			29.11.2019	5,00,000	27,89,495	1.115
	Sell			07.02.2020	(74,619)	27,14,876	1.086
	AT THE END OF THE YEAR					27,14,876	1.086
4	Azim Premji Trust					0	0.000

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year - 1 st April 2019		Transactions during the year		Cumulative Shareholding at the end of the year -31 st March 2020	
		No. of Shares Held	% of Total Shares of the Company	Date of Transaction	No. of Shares	No. of Shares Held	% of Total Shares of the Company
	Buy			19.07.2019	2,99,786	2,99,786	0.120
	Buy			26.07.2019	3,974	3,03,760	0.121
	Buy			02.08.2019	30,515	3,34,275	0.134
	Buy			09.08.2019	12,66,010	16,00,285	0.640
	Buy			16.08.2019	9,349	16,09,634	0.644
	Buy			23.08.2019	8,14,227	24,23,861	0.969
	Buy			30.08.2019	42,876	24,66,737	0.986
	AT THE END OF THE YEAR					24,66,737	0.986
5	General Insurance Corporation of India	0	0.000			0	0.000
	Buy			29.11.2019	20,00,000	20,00,000	0.800
	AT THE END OF THE YEAR					20,00,000	0.800
6	Pioneer Investment Fund	0	0.000			0	0.000
	Buy			06.12.2019	4,82,675	4,82,675	0.193
	Buy			13.12.2019	7,10,861	11,93,536	0.477
	Buy			20.12.2019	3,63,314	15,56,850	0.623
	Buy			27.12.2019	5,377	15,62,227	0.625
	Buy			28.02.2020	2,53,629	18,15,856	0.726
	AT THE END OF THE YEAR					18,15,856	0.726
7	Kuwait Investment Authority Fund F238	0	0.000			0	0.000
	Buy			29.11.2019	10,00,000	10,00,000	0.400
	Buy			31.12.2019	2,75,000	12,75,000	0.510
	Buy			10.01.2020	4,25,000	17,00,000	0.680
	AT THE END OF THE YEAR					17,00,000	0.680
8	State Bank Of India	0	0.000			0	0.000
	Buy			29.11.2019	8,51,788	8,51,788	0.341
	Sell			20.12.2019	(37,000)	8,14,788	0.326
	Sell			27.12.2019	(50,000)	7,64,788	0.306
	Sell			31.12.2019	(3,515)	7,61,273	0.304
	Sell			03.01.2020	(1,60,643)	6,00,630	0.240
	Sell			10.01.2020	(2,82,000)	3,18,630	0.127
	Sell			17.01.2020	(96,000)	2,22,630	0.089
	Sell			24.01.2020	(95,000)	1,27,630	0.051
	Buy			28.02.2020	15,50,222	16,77,852	0.671
	AT THE END OF THE YEAR					16,77,852	0.671

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year - 1 st April 2019		Transactions during the year		Cumulative Shareholding at the end of the year -31 st March 2020	
		No. of Shares Held	% of Total Shares of the Company	Date of Transaction	No. of Shares	No. of Shares Held	% of Total Shares of the Company
9	Principal Trustee Co. Pvt Ltd. - Principal Mutual Fund - Principal Emerging Bluechip Fund	0	0.000			0	0.000
	Buy			25.10.2019	84,200	84,200	0.033
	Buy			01.11.2019	13,000	97,200	0.038
	Buy			28.02.2020	14,59,110	15,56,310	0.622
	Buy			20.03.2020	12,388	15,68,698	0.627
	Buy			27.03.2020	7,516	15,76,214	0.630
	Buy			31.03.2020	2,939	15,79,153	0.631
	AT THE END OF THE YEAR					15,79,153	0.631
10	Saffron Agencies Limited	10,65,347	0.426			10,65,347	0.426
	Sell			09.08.2019	(67,000)	9,98,347	0.399
	Sell			16.08.2019	(1,08,347)	8,90,000	0.356
	Sell			23.08.2019	2,49,586	11,39,586	0.455
	Sell			30.08.2019	(1,11,000)	10,28,586	0.411
	Sell			11.10.2019	(48,200)	9,80,386	0.392
	Sell			18.10.2019	(33,400)	9,46,986	0.378
	Sell			10.01.2020	(32,000)	9,14,986	0.366
	Sell			17.01.2020	(39,098)	8,75,888	0.350
	AT THE END OF THE YEAR					8,75,888	0.350

V). SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

1. Shri Rajeev Mehrotra, Chairman & Managing Director

Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	0	0	0	0
At the end of the year	0	0	0	0

2. Shri Ajay Kumar Gaur, Director Finance (up to 31.07.2019)

Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	0	0	0	0
At the end of the year	0	0	0	0

3. Shri Mukesh Rathore, Director Technical (up to 31.10.2019)

Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	2720	0.001	3400 (2720+680 bonus shares)	0.001
At the end of the year	3400	0.001	3400	0.001

4. Shri Gopi Sureshkumar Varadarajan, Director Projects

Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	0	0	0	0
At the end of the year	0	0	0	0

5. Shri A.P. Dwivedi, Govt. Nominee Director, Rly. Board (up to 13.11.2019)

Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	0	0	0	0
At the end of the year	0	0	0	0

6. Shri Alok Kumar Tewari, Govt. Nominee Director, Rly Board (from 30.05.2019)

Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	0	0	0	0
At the end of the year	0	0	0	0

7. Shri Anil Vij, Director Technical (from 04.11.2019)

Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	0	0	0	0
At the end of the year	0	0	0	0

8. Shri Bibhu Prasad Nayak, Director Finance (from 07.11.2019)

Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	0	0	0	0
At the end of the year	0	0	0	0

9. Shri Vinay Srivastava, Government Nominee Director (from 13.12.2019)

Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	0	0	0	0
At the end of the year	0	0	0	0

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

Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	0	0	0	0
At the end of the year	0	0	0	0

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

Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	0	0	0	0
At the end of the year	0	0	0	0

12. Ms. Geethakumary, Independent Director

Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	0	0	0	0
At the end of the year	0	0	0	0

13. Mr. Anil Kumar Goel, Independent Director (up to 31.03.2020)

Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	0	0	0	0
At the end of the year	0	0	0	0

14. Mr. Satish Sareen, Independent Director (up to 31.03.2020)

Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	0	0	0	0
At the end of the year	0	0	0	0

15. Shri Ashish Kumar Srivastava, Company Secretary

Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	2,720	0.001	3400 (2720+680 bonus shares)	0.000
At the end of the year	0	0	0	0

16. Shri Parmod Kumar Narang, Chief Financial Officer (from 01.08.2019)

Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	2720	0.001	4100 (2720+680 bonus shares+700 under OFS)	0.001
At the end of the year	4100	0.001	4100	0.001

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

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

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

SN	Particulars of Remuneration	Name of MD/WTD/ Manager (Amt. in ₹)						Total Amount (Amt. in ₹)
		Sh. Rajeev Mehrotra CMD & CEO	Sh. Ajay Kumar Gaur, DF & CFO (upto 31.07.2019)	Sh. Mukesh Rathore DT (upto 31.10.2019)	Sh. Gopi Sureshkumar V., DP	Shri Anil Vij, DT (from 04.11.2019)	Shri Bibhu Prasad Nayak, DF (from 07.11.2019)	
1.	Gross salary							
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	54,82,030	15,35,767	26,17,189	39,89,386	16,14,128	14,37,312	1,66,75,812
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	2,42,071	2,54,290	1,85,550	1,49,636	3,40,033	68,855	12,40,435
2.	Stock Option							
3.	Sweat Equity							
4.	Commission - as % of profit - others, specify							
5.	Others, please specify - Performance Linked Incentives (PRP)	14,59,176	10,44,428	10,46,416				35,50,020
	- Post Employment Benefits	8,80,629	22,44,588	24,32,540	6,68,096	3,13,431	2,57,837	67,97,121
	- Other Employment Benefits	5,63,252	17,26,082	21,16,268				44,05,602
	Total (A)	86,27,158	68,05,155	83,97,963	48,07,118	22,67,592	17,64,004	3,26,68,990
	Ceiling as per the Act	-	-	-	-	-	-	-

* This includes amount of superannuation benefit also.

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

SN	Particulars of Remuneration	Key Managerial Personnel		
		Shri Ashish Kumar Srivastava, Company Secretary & Compliance Officer (in ₹)	Shri Parmod Kumar Narang Chief Financial Officer (from 01.08.2019) (in ₹)	Total (₹)
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	14,68,087	26,39,358	41,07,445
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		76,092	76,092
2.	Stock Option			
3.	Sweat Equity			
4.	Commission - as % of profit			
5.	Others, specify - Performance Linked Incentives (PRP)	18,562	6,908	25,470
6.	Others, please specify - Post Employment Benefits	2,46,988	4,46,354	6,93,342
	Other Employment Benefits		2,72,045	2,72,045

Total	17,33,637	34,40,757	51,74,394
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B. Remuneration to other directors

SN.	Particulars of Remuneration Independent Directors	Name of Directors			Total Amount (₹)
		Dr. P.K. Anand	Dr. R.N. Goyal	Ms. Geetha Kumary	
		(₹)	(₹)	(₹)	
1.	Fee for attending Board / Committee Meetings	-	-	-	-
	Board Meeting	3,10,000(10)	2,80,000(9)	2,80,000(9)	8,70,000
	Audit Committee	1,00,000(5)	40,000(2)	1,00,000(5)	2,40,000
	CSR committee	-	1,00,000(5)	20,000(1)	1,20,000
	SRC Committee	20,000(1)	80,000(4)	-	1,00,000
	Nomination & Remuneration Committee	40,000(2)	40,000(2)	20,000(1)	1,00,000
	Risk Management	40,000(2)	65,000(3)	40,000(2)	1,45,000
	Separate Meeting	45,000(2)	45,000(2)	45,000(2)	1,35,000
	Sub - Committee Meeting	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (1)	5,55,000	6,50,000	5,05,000	17,10,000
2.	Other Non-Executive Directors	-	-	-	-
	Fee for attending board committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (2)	-	-	-	-
	Total (B)=(1+2)	5,55,000	6,50,000	5,05,000	17,10,000
	Total Managerial Remuneration				
	Overall Ceiling as per the Act	-	-	-	-

SN.	Particulars of Remuneration Independent Directors	Name of Directors		Total Amount (₹)
		Shri Anil Kumar Goel	Shri Satish Sareen	
		(₹)	(₹)	
1	Fee for attending Board / Committee Meetings	-	-	-
	Board Meeting	2,50,000(8)	2,50,000(8)	5,00,000
	Audit Committee	60,000(3)	60,000(3)	1,20,000
	CSR committee	80,000(4)	80,000(4)	1,60,000
	SRC Committee	60,000(3)	60,000(3)	1,20,000
	Nomination & Remuneration Committee	-	20,000(1)	20,000
	Risk Management	25,000(1)	-	25,000
	Separate Meeting	45,000(2)	45,000(2)	90,000
	Commission	-	-	-
	Others, please specify	-	-	-

SN.	Particulars of Remuneration	Name of Directors		Total Amount (₹)	
		Independent Directors	Shri Anil Kumar Goel		Shri Satish Sareen
			(₹)		(₹)
	Total (1)	5,20,000	5,15,000	9,90,000	
2	Other Non-Executive Directors	-	-	-	
	Fee for attending board committee meetings	-	-	-	
	Commission	-	-	-	
	Others, please specify	-	-	-	
	Total (2)	-	-	-	
	Total (B)=(1+2)	5,20,000	5,15,000	9,90,000	
	Total Managerial Remuneration				
	Overall Ceiling as per the Act	-	-	-	

VIII) PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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


(Rajeev Mehrotra)

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

Place: Gurugram
Date: 29.07.2020

Annexure -III

CSR PROJECT FOR FY 2019-20

1. A brief outline of the company's CSR & Sustainability policy, including overview of projects or programs undertaken and a reference to the web - link is given under:

RITES' Corporate Social Responsibility and Sustainability policy is its commitment to operate in an economically, socially and environmentally sustainable manner that is transparent and ethical. It encourages engagement with the stake holders in determining their needs and expectations. The stake holders include employees, shareholders, investors, customers, clients, business associates, civil society groups, Central/State/local government, communities, environment and society at large.

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 foot prints.
- 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 from time to time, shall also be adhered to the requirements stipulated in the existing policy.

The CSR policy can be accessed through the link <https://rites.com/upload/misc/CSR-%20Sustainability-Policy-Issue%204Rev5-18.pdf>.

2. **The Composition of the CSR Committee (as on 31st March 2020).**

A board level committee headed by an Independent Director has been constituted to oversee the implementation of CSR & Sustainability policy and to assist the Board of Directors to formulate suitable policies & strategies in this regard. The composition of this committee as on March 31, 2020 was as under:

Sh. Anil Kumar Goel	:	Independent Director	Chairman CSR Committee
Sh. Satish Sareen	:	Independent Director	Member
Sh. Bibhu Prasad Nayak	:	Director Finance	Member
Sh. R. N. Goyal	:	Independent Director	Member
Sh. A. K. Tewari	:	Government Nominee Director	Member

3. The average net profit of the company for last three financial years is given at **Annexure.**
4. The prescribed CSR Expenditure (two per cent. of the amount as in item 3 above) is given at **Annexure.**
5. The details of CSR spent during the financial year.
- (a) Total amount to be spent for the financial year: ₹ 1121.33 Lakh
- (b) Amount unspent, if any; Nil.
- (c) Manner in which the amount spent during the financial year is detailed below.

S. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local Area or other (2) Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise (Amount ₹ Lakhs)		Amount spent on the projects or programs Sub: -Head (1) Direct expenditure on the projects or programs (2) Overheads (Amount ₹ Lakh)	Cumulative expenditures upto the reporting period (Amount ₹ Lakh)	Amount spent: Direct or through implementing agency
				Total	During FY 2019-20			
Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.								
1	Financial Support for production of sanitary pads for distribution to needy women and Railway Passengers.	-do-	PAN India	6.00	6.00	4.49	4.49	Through implementing agency
2	Skill Development Training programs in Ayurveda Panchakarma for 10 students (6 months) belonging to BPL category from areas of North and North East India in New Delhi.	-do-	Delhi/ NCR	9.30	9.30	9.30	9.30	Through implementing agency
3	Financial support for resources for smooth running and maintenance of Old Age Home and a Rescue center (Providing 100 medical beds and provision of doctors) in Gurukul at Bandhwari Gurugram, Haryana.	-do-	Gurugram, Haryana	30.75	30.75	30.75	30.75	Through implementing agency
4	Financial support for Equipments / resources for Smooth running of Geriatric Physiotherapy and Fitness Centre at Anjaneya Old Age Home village Chembu, Viakom, District Kottayam, Kerala.	-do-	Kottayam, Kerala	3.04	3.04	3.04	3.04	Through implementing agency
5	Financial support for Construction of Medical consultancy room, Recovery room, Recreational Room and Yoga/ Meditation Hall at Sri Ramakrishna Seva Ashramam Trust, Kaloor, Cochin.	-do-	Kaloor, Cochin	26.62	26.62	13.31	13.31	Through implementing agency

S. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local Area or other (2) Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise (Amount ₹ Lakhs)		Amount spent on the projects or programs Sub: -Head (1) Direct expenditure on the projects or programs (2) Overheads (Amount ₹ Lakh)	Cumulative expenditures upto the reporting period (Amount ₹ Lakh)	Amount spent: Direct or through implementing agency
				Total	During FY 2019-20			
6	Funds for saving precious life of Children suffering from Congenital Heart Disease for children.	-do-	Mumbai, Maharashtra	15.00	15.00	15.00	15.00	Through implementing agency
7	Community Healthcare Programme "JAN AROGYAM" (Setting up community health clinic, Mobile Medical Van unit & periodical health check-up etc.) in Nuh District (Aspirational District), Haryana.	-do-	Nuh, Haryana	146.59	97.55	97.55	97.55	Through implementing agency
8	Financial support for 30 Eye & Health Checkup Camps in Nuh, Haryana.	-do-	Nuh, Haryana	19.50	19.50	9.75	9.75	Through implementing agency
9	Providing One number Advance Life Support Ambulances (ALS) to Government Hospital in Gurugram, Haryana.	-do-	Gurugram, Haryana	31.40	31.40	23.55	23.55	Through implementing agency
10	Providing One number Advance Life Support Ambulances (ALS) to Government Hospital in Nuh, Haryana.	-do-	Nuh, Haryana	31.40	31.40	23.55	23.55	Through implementing agency
11	Procurement of Mobile Medical Unit i.e VAN (SML Isuzu E-VI S7 Bus Shell wheel base 5100 AC) for running up programme "Mission TB- Free Haryana".	-do-	Haryana	48.50	48.50	24.25	24.25	Through implementing agency
12	Construction and Installation of 2 number of small Tube Wells fitted with solar pumps and distribution system for supplying safe drinking water for 25 houses (By each pump) through syntax elevated tank and stand post in Villages of District Pratapgarh, U.P.	-do-	Pratapgarh, U.P.	17.59	17.59	8.80	8.80	Through implementing agency
13	Financial support for Construction of toilet and Water cooler with RO for drinking water in municipal cremation ground at Lal Kothi in Jaipur, Rajasthan.	-do-	Jaipur, Rajasthan	5.90	5.90	5.31	5.31	Through implementing agency
14	Contribution of funds to fight against COVID-19 in Gurugram, Haryana	-do-	Gurugram, Haryana	10.00	10.00	10.00	10.00	Through implementing agency

S. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local Area or other (2) Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise (Amount ₹ Lakhs)		Amount spent on the projects or programs Sub: -Head (1) Direct expenditure on the projects or programs (2) Overheads (Amount ₹ Lakh)	Cumulative expenditures upto the reporting period (Amount ₹ Lakh)	Amount spent: Direct or through implementing agency
				Total	During FY 2019-20			
Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects								
15	Financial Support to 50 Ekal Vidyalayas in Udham Singh Nagar, Uttarakhand.	-do-	Udham Singh Nagar, Uttarakhand	10.00	7.50	7.50	10.00	Through implementing agency
16	SOS children's villages of India: Sponsorship of 3 Family homes and supporting 25 youth for employment linked education and distribution of clothing etc.	-do-	Faridabad, Delhi & Bhubaneswar	68.65	68.65	68.44	68.44	Through implementing agency
17	Funds for Development of School Play Ground, at Dawson H. S. & M. P. School and Nagaon Bengali School, Nagaon, Assam.	-do-	Nagaon, Assam	150.00	75.00	50.00	125.00	Through implementing agency
18	Installation, Operationalisation & Maintenance of 100 Smart Classrooms solution in Government Schools in various districts.	-do-	Gurugram, Nuh (Haryana) & Jalaun (U.P.)	186.56	167.90	167.90	167.90	Through implementing agency
19	Financial Support to 50 Ekal Vidyalayas in Jaisalmer, Rajasthan.	-do-	Jaisalmer, Rajasthan	11.00	11.00	8.25	8.25	Through implementing agency
20	Financial Support for setting up infrastructure for Library in 10 Government Schools in areas of Southern Rajasthan.	-do-	Southern Rajasthan	11.59	11.59	11.59	11.59	Through implementing agency
21	Financial Support for school education by providing Books & Stationery to Swapna Sarthak School, Gurugram, Haryana run by Gunjan Foundation.	-do-	Delhi/ NCR	4.21	4.21	4.21	4.21	Through implementing agency
22	Financial Support for Promoting School / College advanced education to the underprivileged & disadvantage economic backgrounds students.	-do-	Delhi/ NCR	18.00	18.00	18.00	18.00	Through implementing agency
23	Financial Support for Promoting Education for girls from disadvantage economic backgrounds of Greater Noida, U.P.	-do-	Greater Noida, U.P.	3.20	3.20	1.60	1.60	Through implementing agency

S. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local Area or other (2) Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise (Amount ₹ Lakhs)		Amount spent on the projects or programs Sub: -Head (1) Direct expenditure on the projects or programs (2) Overheads (Amount ₹ Lakh)	Cumulative expenditures upto the reporting period (Amount ₹ Lakh)	Amount spent: Direct or through implementing agency
				Total	During FY 2019-20			
24	Financial Support for Promoting Quality Education by Upgradation of Hostel & School by providing items like Water purifier, Study table, chairs, Bed & Matrasses etc. for Orphan/Destitute Children belonging to the underprivileged section of society under project 'sanrachna' by Arya Anathalaya" in Delhi.	-do-	Delhi	34.53	34.53	34.53	34.53	Through implementing agency
25	Financial support for Setting up of computer Laboratories for Seven Schools run by Bhartiya Shiksha Samiti in Jammu & Kashmir.	-do-	Jammu & Kashmir	24.50	24.50	24.50	24.50	Through implementing agency
26	Financial assistance for Utensils for mid-day-meal programme for school children in ZP High School, Kankipadu, Vijaywada, Andhra Pradesh.	-do-	Vijaywada, Andhra Pradesh	0.10	0.10	0.09	0.09	Through implementing agency
27	Financial support to Satat Navotkarsh Foundation for providing quality education to Differently Abled Children in Delhi.	-do-	Delhi/ NCR	7.56	1.89	1.89	1.89	Through implementing agency
28	Financial assistance for establishing of 03 Mini Science Center (One Center per School) in Three Government School under District Nuh, Haryana.	-do-	Nuh, Haryana	19.65	7.70	7.70	7.70	Through implementing agency
29	Empowerment of women through Skill Development Training Programmes by Setting up of Cutting and Tailoring Centre in Khora Colony, District Ghaziabad U.P.	-do-	Ghaziabad, U.P.	16.28	5.64	5.64	12.05	Through implementing agency
30	Empowerment of women through Skill Development Training Programmes by Setting up of Cutting & Tailoring centre and Computer centre in chapera village in District Nuh, Haryana.	-do-	Nuh, Haryana	27.84	6.34	6.34	19.01	Through implementing agency

S. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local Area or other (2) Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise (Amount ₹ Lakhs)		Amount spent on the projects or programs Sub: -Head (1) Direct expenditure on the projects or programs (2) Overheads (Amount ₹ Lakh)	Cumulative expenditures upto the reporting period (Amount ₹ Lakh)	Amount spent: Direct or through implementing agency
				Total	During FY 2019-20			
31	Skill Development Training programmes for deprived young girls / womens in stitching & tailoring in village Kucheel, tehsil-Kisharangarh, Ajmer, Rajasthan.	-do-	Ajmer, Rajasthan	12.19	12.19	12.19	12.19	Through implementing agency
32	Skill Development Training Programme for women for creating sustainable livelihood and empowerment by setting up Cutting & Tailoring Center and Beauty Culture center in Nuh and Indri Blocks in District Nuh, Haryana.	-do-	Nuh, Haryana	17.76	17.76	17.76	17.76	Through implementing agency
33	Financial Support for Skill development of Lively hood project for socio economically backward Hillpulaya tribal community inhabitants at Pongampally, Marayoor, District Idukki, Kerala.	-do-	Idukki, Kerala	13.33	12.83	12.83	12.83	Through implementing agency
"Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects" & "Measures for the benefit of armed forces veterans, war widows and theirdependents"								
34	Skill Development Training Programme for Widows, Wives and Girl children of Border Security Force (BSF) Personal for creating sustainable livelihood and empowerment by setting up Cutting & Tailoring centre, Beauty Culture centre, Computer centre and English Speaking Centre in District Gurdaspur, Punjab.	-do-	Gurdaspur, Punjab	39.99	39.99	39.99	39.99	Through implementing agency
Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups								
35	Financial support for Smooth Running and maintenance of Anadi Vridh Seva Sadan, Old Age Home in Faridabad, Haryana.	-do-	Faridabad, Haryana	16.64	13.87	13.87	16.64	Through implementing agency

S. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local Area or other (2) Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise (Amount ₹ Lakhs)		Amount spent on the projects or programs Sub: -Head (1) Direct expenditure on the projects or programs (2) Overheads (Amount ₹ Lakh)	Cumulative expenditures upto the reporting period (Amount ₹ Lakh)	Amount spent: Direct or through implementing agency
				Total	During FY 2019-20			
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								
36	Financial support for Rejuvenation of Johad (Pond) at Village Budhera, Gurugram, Haryana	-do-	Gurugram, Haryana	100.00	100.00	50.00	50.00	Through implementing agency
37	Financial support for manufacture of 1000 Jute Bags and 3225 Muslin Cotton Bags for "say no to the single use plastic".	-do-	PAN India	5.83	5.83	5.83	5.83	Through implementing agency
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 & Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects								
38	Water conservation and women's leadership: Building the capacity of Self Help Group (SHG) member in District Jaipur Rajasthan.	-do-	Jaipur Rajasthan	20.07	20.07	8.03	8.03	Through implementing agency
Training to promote rural sports, nationally recognized sports, paralympic sports and Olympic sports								
39	Motivation and conducting Sports activities / Tournaments for promoting sports, nationally recognized sports in Munsyari, District Pithoragarh, Uttarakhand.	-do-	Pithoragarh, Uttarakhand	3.00	3.00	3.00	3.00	Through implementing agency
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 flowing out of budgetary resources, profits or from the balance sheets of PSUs are not accepted								
40	Contribution of funds to PM CARES Funds	-do-	PAN India	100.00	100.00	100.00	100.00	Through implementing agency
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);								
41	Financial support to IIT Madras Chennai 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.	-do-	Chennai	210.00	105.00	105.00	105.00	Through implementing agency

S. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local Area or other (2) Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise (Amount ₹ Lakhs)		Amount spent on the projects or programs Sub: -Head (1) Direct expenditure on the projects or programs (2) Overheads (Amount ₹ Lakh)	Cumulative expenditures upto the reporting period (Amount ₹ Lakh)	Amount spent: Direct or through implementing agency
				Total	During FY 2019-20			
					A=		1065.33	
Other CSR Expenditures in FY 2019-20 (Amount in ₹ Lakh)								
Add: 5% for Admin. overhead & Capacity builds.					B =		56.000	
Grand Total					A+B=		1121.33	

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

Not Applicable since target achieved.

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

Sd/-

(Chairman & Managing Director)

Sd/-

(Chairman CSR Committee)

Annexure

AVERAGE NET PROFIT OF THE COMPANY OF THE LAST THREE FINANCIAL YEARS

(₹ in Crore)

PARTICULARS	2019-20	2018-19	2017-18	2016-17	2015-16
PROFIT BEFORE TAX (RESTATED)	816.28	672.08	482.87	488.69	516.16
CSR	11.21	10.23	9.90	9.20	8.28
PROFIT BEFORE CSR (A)	827.49	682.31	492.77	497.89	524.44
TOTAL OF THREE YEARS (B)	2,002.57	1,672.97	1,515.10	1,484.60	
AVERAGE (C) i.e. (B/3)	667.52	557.66	505.03	494.87	
2% OF (C)	13.35	11.15	10.10	9.90	
ROUND OFF FIGURES	13.40	11.20	10.10	9.90	
FOR	2020-21	2019-20	2018-19	2017-18	

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st March 2020
[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies
(Appointment and Remuneration Personnel) Rules, 2014]

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2020 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 to the extent of securities issued.

- (i) The Securities and Exchange Board of India (Buy back of Securities) Regulations, 1998/2018 **(Not applicable to the Company during the period under review);**
 - (j) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018: and
 - (k) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preferences Shares) Regulations, 2013 **(Not applicable to the company during the period under review).**
- (vi) We have also examined compliance with the applicable clauses/regulations of the following:
- i. Secretarial Standards issued by the Institute of Company Secretaries of India:
 - ii. SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (vii) Other applicable Laws, rules and Guidelines as mentioned here-in-below:
- a. DPE guidelines on Corporate Governance for Central Public Sector Enterprises issued by the 'Department of Public Enterprises', Ministry of Heavy Industries and Public Enterprises, Government of India.
 - b. Building & Other Construction Workers (Regulation of Employment & Conditions of Service) Act, 1996
 - c. Right to Information Act 2005
 - d. Micro, Small & Medium Enterprises Development (MSMED) Act, 2006
 - e. Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013
 - f. Labour Laws as applicable
 - g. Shops & Establishment Act, Delhi and Punjab as applicable to Haryana

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. The corporate office of the Company situated at Gurugram has been registered under Shops & Establishment Act, Punjab (applicable to Haryana), on 01.04.2020.

We further report that the Board is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. However, 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 the DPE Guidelines with effect from 13.12.2019. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.


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

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

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

It may be mentioned that Ministry of Railways has disinvested 15.38% of its shareholding in the Company through Offer of Sale during the period under review.

For Akhil Rohatgi & Co.
Company Secretaries



Akhil Rohatgi
Partner

FCS No.: 1600

CP No: 2317

UDIN: F001600B000453931

Date: 14.07.2020

Place: New Delhi

Date: 14.07.2020

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



Akhil Rohatgi

Partner

FCS No.: 1600

CP No: 2317

UDIN: F001600B000453931

Place: New Delhi
Date: 14.07.2020

REPORT ON CORPORATE GOVERNANCE

RITES is a Mini-ratna (Schedule A) enterprise of Government of India. RITES has established a sound framework of Corporate Governance. Its commitment to following good corporate governance practice is based upon transparency, fairness, conscience, 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.

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

1. COMPANY'S PHILOSOPHY ON THE CODE OF GOVERNANCE

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

Presently, the Board of Directors of the Company comprises nine Directors viz four functional Directors including Chairman & Managing Director, two Government Nominee Directors and three Independent Directors.

As on 31st March, 2020, Company had eleven Directors including four Whole Time Directors, two Government Nominee Directors and five Independent Directors.

The number of Independent Directors required under SEBI LODR and the Companies Act are insufficient. The power to appoint the Directors on the Board under the Articles of Association vests with the President of India acting through the Ministry of Railways.

Whole Time Directors:

S. No	Name	Designation
1.	Shri Rajeev Mehrotra (DIN:01583143)	Chairman & Managing Director
2.	Shri Gopi Sureshkumar Varadarajan (DIN: 08241385)	Director Projects
3.	Shri Anil Vij (DIN: 07145875)	Director Technical (w.e.f. 04.11.2019)
4.	Shri Bibhu Prasad Nayak (DIN: 08197975)	Director Finance (w.e.f. 07.11.2019)
5.	Shri Ajay Kumar Gaur (DIN:05333257)	Director Finance (upto 31.07.2019)
6.	Shri Mukesh Rathore (DIN:07669150)	Director Technical (upto 31.10.2019)

Government Nominees:

S.No.	Name	Designation
1.	Shri Alok Kumar Tewari (DIN: 06694407)	Director (w.e.f. 30.05.2019)
2.	Shri Vinay Srivastava (DIN:08638850)	Director (w.e.f. 13.12.2019)
3.	Shri A.P. Dwivedi (DIN:07122333)	Director (upto 13.11.2019)
4.	Shri B.K. Agarwal (DIN:07956187)	Director (upto 30.04.2019)

Independent Directors:

S. No.	Name	Designation
1.	Dr. Rajendra Nath Goyal (DIN:08087148)	Director
2.	Dr. Pramod Kumar Anand (DIN:00298962)	Director
3.	Smt. Geethakumary (DIN:08087165)	Director
4.	Shri Anil Kumar Goel* (DIN:00672755)	Director
5.	Shri Satish Sareen* (DIN:01874068)	Director

* These Independent Directors were initially appointed on July 12, 2019 and ceased to be additional Directors on 30th July, 2019 (date of AGM). They were again appointed as additional directors in the Board meeting held on 30th July, 2019. The term of these Independent Directors has ended on 31.03.2020

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. 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.
- k. Half yearly statements of write off of outstanding payments of ₹2 lakhs & above from clients.
- l. Sale of material nature of investments, subsidiaries, assets, which is not in normal course of business.
- m. Major investments, formation of subsidiaries and Joint Ventures, Strategic Alliances, etc.
- n. Quarterly Report on Investment of Funds.
- o. Compliance of various laws by the company.
- p. Action taken report on matters desired by the Board.
- q. Changes in significant accounting policies and practices and reasons for the same.
- r. Disclosure of interests made by directors to the Company.
- s. Major orders secured and bids lost on quarterly basis and quarterly Information on works awarded on single tender/nomination basis.
- t. 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 (effective from 01st April, 2020). 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, 10 meetings of Board of Directors were held as mentioned below:

Board Meeting No.	Board Meeting Dates
249	29.05.2019
250	24.06.2019
251	30.07.2019
252	13.08.2019
253	21.09.2019
254	24.10.2019
255	13.11.2019
256	27.12.2019
257	06.02.2020
258	19.03.2020

2.1 Composition of the Board of Directors

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

S. No.	Name and Designation	Category of Directors	No. of other Directorship**	No. of Committee Membership**	
				As Chairman	As Member
1.	Shri Rajeev Mehrotra Chairman & Managing Director	Whole Time Director	1	Nil	Nil
2.	Shri Gopi Sureshkumar Varadarajan Director Projects	Whole Time Director	1	Nil	1

S. No.	Name and Designation	Category of Directors	No. of other Directorship**	No. of Committee Membership**	
				As Chairman	As Member
3.	Shri Anil Vij Director Technical (From 04.11.2019)	Whole Time Director	Nil	Nil	Nil
4.	Shri Bibhu Prasad Nayak Director Finance (From 07.11.2019)	Whole Time Director	Nil	Nil	Nil
5.	Shri Alok Kumar Tewari (From 30.05.2019)	Govt. Nominee	Nil	Nil	Nil
6.	Shri Vinay Srivastava (From 13.12.2019)	Govt. Nominee	4	Nil	1
7.	Dr. Pramod Kumar Anand Director	Independent Director	Nil	Nil	Nil
8.	Ms. Geethakumary Director	Independent Director	Nil	Nil	Nil
9.	Dr. Rajendra Nath Goyal Director	Independent Director	Nil	Nil	Nil
10.	Shri Ajay Kumar Gaur Director Finance (Up to 31.07.2019)	Whole Time Director	Nil	Nil	Nil
11.	Shri Mukesh Rathore Director Technical (Up to 31.10.2019)	Whole Time Director	Nil	Nil	Nil
12.	Shri A.P. Dwivedi (Up to 13.11.2019)	Govt. Nominee Director	Nil	Nil	Nil
13.	Shri B.K. Agarwal Govt. Nominee Director (Up to 30.04.2019)	Govt. Nominee	Nil	Nil	Nil
14.	Shri Anil Kumar Goel Independent Director	Independent Director	Nil	Nil	Nil
15.	Shri Satish Sareen Independent Director	Independent Director	Nil	Nil	Nil

** Other Notes

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

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

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

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

Name of the Director	Name of the Listed entity	Category of Directorship
Shri Vinay Srivastava	1. Rail Vikas Nigam Limited	Govt. Nominee Director
	2. Indian Railway Catering and Tourism Corporation Limited	Govt. Nominee Director

2.2 Brief Resume of Directors who joined the Board as Whole - time / Part - time Directors during the year 2019-20:

Shri Anil Vij

Shri Anil Vij has taken over as Director Technical of the company w.e.f. November 04, 2019.

He possesses graduate qualification in three disciplines of engineering - Mechanical, Electrical and Electronics & Communications (Gold Medalist). He has also done full time MBA from 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.

He has over 34 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. Prior to taking charge as Director (Technical), he has been engaged with RITES since 2005 as Executive Director in Technical Services Division, Expotech, Privatisation & Concessions (P&C) and Ropeways & Industrial Engineering SBUs and has a track record for successful implementation of projects under his charge.

Shri Bibhu Prasad Nayak

Shri Bibhu Prasad Nayak has joined RITES Limited as Director Finance (DF) on November 07, 2019. He

is a qualified Cost Accountant (1988) and B.Tech. in Metallurgy (1985) from the Indian Institute of Technology, Kharagpur. Prior to joining RITES Limited as DF, 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 area 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 Crores having annual investment of ₹ 600 Crores.

He has undergone Advanced Management Program in Administrative Staff College of India, Hyderabad along with Study Tour to Belgium, Netherland and France. He has been accredited as a Certified Director from Institute of Directors.. He was also a nominee director on the Board of Bhilai Jaypee Cement Limited.

Shri Vinay Srivastava

Shri Vinay Srivastava has 26 years of multifaceted experience in Government Service. A Mechanical Engineer from Jamalpur with a Masters Degree in Public Administration from Syracuse University, he has experience of Rolling Stock Design, Manufacture, Testing and Operations. He is presently working as Executive Director in Railway Board looking after Passenger Rolling Stock and Public Sector Units of the Railways. He has worked as Chief Mechanical Engineer in Indian Railways Organization for Alternate Fuels where his charge includes solar energy, bio fuels, fuel cell propelled vehicles and other alternate sources of energy. He has worked in RCF Kapurthala in Coach Production and Coach Design, and as Senior DME Hyderabad in South Central Railway. He has also worked in RDSO in Administration, Testing and Carriage Directorate.

Apart from Railways he has also worked in public facing role as Regional Passport Officer, Lucknow in MEA. He also has policy experience at the highest levels while working as Director in Cabinet Secretariat handling infrastructure ministries including MoUD, HUPA, Railways, Road Transport, Civil Aviation etc as well as Coordination with State Governments. He has also worked as an aide to

Minister in the Ministries of environment Forest and Climate Change, HRD and Information and broadcasting. He joined RITES as a Govt. Nominee Director w.e.f. 13.12.2019.

2.3 Number of Board Meetings: The Board met ten (10) times during the year 2019-20 to review the working of the Company and discuss the future plans etc.

Name and Designation	Board Meetings During the Year 2019 - 20		Attendance at the last AGM held on 30 th July, 2019
	Held During tenure	Attend-ed	Present / Not Present /Not Applicable (NA)
Shri Rajeev Mehrotra, Chairman & Managing Director	10	10	Present
Shri Gopi Sureshkumar Varadarajan, Director Projects	10	10	Present
Shri Anil Vij, Director Technical	4	4	NA
Shri Bibhu Prasad, Nayak Director Finance	4	4	NA
Dr. Pramod Kumar Anand, Independent Director	10	10	Present
Ms. Geethakumary, Independent Director	10	9	Present
Dr. Rajendra Nath Goyal, Independent Director	10	9	Present
Shri A.K. Tewari, Govt. Nominee Director	9	9	Present
Shri Vinay Srivastava, Govt. Nominee Director	3	2	NA
Shri A.P. Dwivedi, Govt. Nominee Director	6	6	Present

Name and Designation	Board Meetings During the Year 2019 - 20		Attendance at the last AGM held on 30 th July, 2019
	Held During tenure	Attend-ed	Present / Not Present /Not Applicable (NA)
Shri Ajay Kumar Gaur Director Finance	3	3	Present
Shri Mukesh Rathore Director Technical	6	6	Present
Shri B.K. Agarwal, Govt. Nominee Director	0	0	NA
Shri Anil Kumar Goel, Independent Director	8	8	Present
Shri Satish Sareen, Independent Director	8	8	Present

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

2.4 Disclosure of relationships between directors inter-se

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

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

NIL

2.6 List of core skills/expertise/competencies identified by the board of directors as required in the context of business

The disclosure with regard to core skills/expertise/competencies identified by the Board of Directors in the context of business and sectors in which the company operates are as under.

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

S. No.	Type of the Directorship	Required Qualification / Expertise / Skill
1.	Functional Director	
A.	Chairman & Managing Director	<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>
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. Officers of Organized Group 'A' Accounts Services (i.e. Indian Audit and Accountants Service, Indian Defence Accounts Service, Indian Railway Accounts Service, Indian Civil Accounts Service, Indian P&T Accounts & Finance Service and Indian Cost Accounts Service) working in the appropriate level are exempted from these educational qualifications.</p> <p>(ii) Further, applicants from the Central Govt./Armed Forces of the Union/All India Services, will also be exempted from the educational qualifications as per (i) above provided the applicants have 'the relevant experience'.</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>
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>

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

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. All the concerned Directors are in possession of requisite qualification / expertise / skills.

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. The tenure of two Independent Directors has ended on 31.03.2020.

2.9 Independent director databank registration

In compliance with the notification dated October 22, 2019 issued by the Ministry of Corporate Affairs, all Independent 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 Board pursuant to applicable provisions and other statutory requirements is a comprehensive code that applies to all Directors and Senior Management Personnel. The Code of Conduct is available on the website of the Company i.e. www.rites.com.

All Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for the year ended 31st March, 2020 and a declaration to this effect signed by the Chairman and Managing Director is placed as **Appendix -II** to this report.

3.0 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.

4.0 COMMITTEES OF THE BOARD OF DIRECTORS:

4.1 Audit Committee:

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

Composition of Audit Committee:

As on 31st March, 2020, the Audit Committee comprised of the following Directors:

Name	Position in the Committee	Designation
Shri Satish Sareen	Chairman	Independent Director
Shri Anil Kumar Goel	Member	Independent Director
Dr. Pramod Kumar Anand	Member	Independent Director
Shri Gopi Sureshkumar Varadarajan	Member	Director Projects

During the year the composition of committee changed thrice i.e. on 01.08.2019, 13.11.2019 and 06.02.2020, accordingly following changes were incurred:

Name	Position in the Committee	Designation
Shri Satish Sareen (from 01.08.2019)	Chairman	Independent Director
Shri Anil Kumar Goel (from 01.08.2019)	Member	Independent Director
Dr. Pramod Kumar Anand (Designated as member from 01.08.2019)	Member	Independent Director
Shri Gopi Sureshkumar Varadarajan (from 13.11.2019)	Member	Director (Projects)
Shri Mukesh Rathore (up to 31.10.2019)	Member	Director (Technical)
Ms. Geethakumary (upto 06.02.2020)	Member	Independent Director
Dr. Rajendra Nath Goyal (up to 01.08.2019)	Member	Independent Director

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

- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- To look into the reasons for substantial defaults in the payment of the depositors, debenture holders, shareholders (in case of non-payment of declared dividend and creditors);
- To review the functioning of the whistle blower mechanism;
- Approval of appointment of chief financial officer after assessing the qualifications, experience and background etc. of the candidate;
- Review and monitor the auditor's independence and performance and effectiveness of audit process;
- Examination of the financial statements and auditor's report thereon;
- Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.
- Carrying out any other function or matter that may be referred to the Audit Committee by the Board from time to time.

The audit committee mandatorily reviews the following information:

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

annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

Meetings of Audit Committee:

The Audit Committee met five (5) Times during the financial year 2019-20 on 29th May, 2019, 24th June, 2019, 13th August, 2019, 13th November, 2019 and 6th February, 2020. The attendance of each member at Audit Committee meetings is as under:

Member	Position in the Committee	Audit Committee meeting held during the year 2019-20	
		Meetings held (during their respective tenures)	Meetings attended
Shri Satish Sareen	Chairman	03	03
Shri Anil Kumar Goel	Member	03	03
Dr. Pramod Kumar Anand	Member	05	05
Shri Gopi Sureshkumar Varadarajan	Member	01	01
Shri Mukesh Rathore	Member	03	03
Ms. Geethakumary	Member	05	05
Shri Rajendra Nath Goyal	Member	02	02

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. 5th June 2015.

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

Composition of Nomination and Remuneration Committee:

As on 31st March, 2020, the Nomination and Remuneration Committee comprised of the following Directors:

Name	Position in the Committee	Designation
Dr. Pramod Kumar Anand	Chairman	Independent Director
Dr. Rajendra Nath Goyal	Member	Independent Director

Name	Position in the Committee	Designation
Shri A. K. Tewari	Member	Government Nominee Director
Shri Satish Sareen	Member	Independent Director
Smt. Geethakumary	Member	Independent Director

During the year the composition of committee changed thrice i.e. on 01.08.2019, 13.11.2019 and 06.02.2020, accordingly following changes were incurred:

Name	Position in the Committee	Designation
Dr. Pramod Kumar Anand (Designated as Chairman from 06.02.2020)	Chairman	Independent Director
Dr. Rajendra Nath Goyal (Designated as member from 06.02.2020)	Member	Independent Director
Shri A. K. Tewari (from 13.11.2019)	Member	Government Nominee Director
Shri Satish Sareen (from 01.08.2019)	Member	Independent Director
Ms. Geethakumary*	Member	Independent Director
Shri A.P. Dwivedi (upto 13.11.2019)	Member	Government Nominee Director

*Ms. Geethakumary was a member of Nomination & remuneration Committee upto 01.08.2019, she was appointed as a member again on 06.02.2020

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 and 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 two (2) Times during the financial year 2019-20 on 24th June, 2019 and 20th September, 2019. 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. Pramod Kumar Anand	Chairman	02	02
Dr. Rajendra Nath Goyal	Member	02	02
Shri A. K. Tewari	Member	0	0

Name	Position in the Committee	Held during their tenure	Attended
Shri Satish Sareen	Member	01	01
Smt. Geethakumary	Member	01	01
Shri A.P. Dwivedi	Member	02	02

Details of Remuneration of Functional Directors of the Company during the year 2019-20 are as under:

Name of Director	Salary (₹)	Benefits (₹)	Performance linked incentives (₹)	Total (₹)
Shri Rajeev Mehrotra (Chairman & Managing Director)	54,82,030	16,85,952	14,59,176	86,27,158
Shri Gopi Sureshkumar Varadarajan (Director Projects)	39,89,386	8,17,732	-	48,07,118
Shri Anil Vij (Director Technical)	16,14,128	6,53,464	-	22,67,592
Shri Bibhu Prasad Nayak (Director Finance)	14,37,312	3,26,692	-	17,64,004
Shri Ajay Kumar Gaur (Director Finance) (upto 31 st July, 2019)	15,35,768	42,24,959	10,44,428	68,05,155
Shri Mukesh Rathore Director Technical (upto 31 st October, 2019)	26,17,189	47,34,358	10,46,416	83,97,963

* Benefits includes Post Employment Benefits, Perquisites and Other Long Term Benefits During the year 2019-20. The Independent Directors were paid sitting fee of ₹ 30,000/- each for attending Board meetings and ₹ 20,000/- each for attending Committee meetings The Board revised the fees to ₹ 40,000/- each for attending Board meetings and ₹ 25,000/- each for attending each Committee meeting. The revised fee for both Board and Committee Meetings is effective from 258th Board Meeting held on 19th March, 2020.

Total sitting fees paid to Independent Directors during the Year 2019-20.

S. No.	Name	Amount (₹)
1.	Shri Satish Sareen	5,15,000
2.	Shri Anil Kumar Goel	5,20,000
3.	Smt. Geethakumary	5,05,000
4.	Dr. Pramod Kumar Anand	5,55,000
5.	Dr. Rajendra Nath Goyal	6,50,000

4.3. Risk Management Committee:

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

Composition of Risk Management Committee:

As on 31st March, 2020, the Risk Management Committee comprised of the following Directors:

Name	Position in the Committee	Designation
Dr. Rajendra Nath Goyal	Chairman	Independent Director
Shri Anil Kumar Goel	Member	Independent Director
Shri Gopi Sureshkumar Varadarajan	Member	Director (Projects)
Shri A. K. Tewari	Member	Government Nominee Director
Shri Bibhu Prasad Nayak	Member	Director (Finance)

Company Secretary acts as Secretary to the Committee

During the year the composition of committee changed thrice i.e. on 01.08.2019, 13.11.2019 and 06.02.2020, accordingly following changes were incurred:

Name	Position in the Committee	Designation
Dr. Rajendra Nath Goyal, (Designated as Chairman from 06.02.2020)	Chairman	Independent Director

Name	Position in the Committee	Designation
Dr. Pramod Kumar Anand (from 06.02.2020)	Member	Independent Director
Shri Anil Kumar Goel (from 06.02.2020)	Member	Independent Director
Shri Gopi Sureshkumar Varadarajan (from 01.08.2019)	Member	Director (Projects)
Shri A. K. Tewari (from 13.11.2019)	Member	Government Nominee Director
Shri Bibhu Prasad Nayak (from 13.11.2019)	Member	Director (Finance)
Shri Ajay Kumar Gaur (upto 31.07.2019)	Member	Director (Finance)
Smt. Geethakumary (upto 06.02.2020)	Member	Independent Director
Shri A.P. Dwivedi (upto 13.11.2019)	Member	Government Nominee Director

Company Secretary acts as Secretary to the Committee.

Terms of Reference:

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

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

Meetings of Risk Management Committee:

Risk Management Committee met three (3) during the financial year 2019-20 on 24th June, 2019, 20th September, 2019 and 19th March, 2020. The attendance of the each member of Risk Management Committee is as under:

Name	Position in the Committee	Held during their tenure	Attended
Dr. Rajendra Nath Goyal, Chairman	Chairman	03	03
Shri Anil Kumar Goel	Member	01	01
Shri Gopi Sureshkumar Varadarajan	Member	02	02
Shri A. K. Tewari	Member	01	01
Shri Bibhu Prasad Nayak	Member	01	01
Dr. Pramod Kumar Anand	Member	02	02
Shri. Ajay Kumar Gaur	Member	01	01
Ms. Geethakumary	Member	02	02
Shri. A.P. Dwivedi	Member	02	02

4.4. Project Investment Committee:

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

Composition of Project Investment Committee:

As on 31st March, 2020, the Project Investment Committee comprised of the following Directors:

Name	Position in the Committee	Designation
Smt. Geethakumary	Chairperson	Independent Director
Shri Gopi Sureshkumar Varadarajan	Member	Director (Projects)
Shri A.K. Tewari	Member	Government Nominee Director
Shri Anil Vij	Member	Director (Technical)

Company Secretary acts as Secretary to the Committee.

During the year the composition of committee changed thrice i.e. on 01.08.2019, 13.11.2019 and 06.02.2020, accordingly following changes were incurred:

Name	Position in the Committee	Designation
Smt. Geethakumary	Chairperson	Independent Director
Shri Gopi Sureshkumar Varadarajan	Member	Director (Projects)
Shri A.K. Tewari (from 01.08.2019)	Member	Government Nominee Director
Shri Anil Vij (from 13.11.2019)	Member	Director (Technical)
Dr. Pramod Kumar Anand (upto 06.02.2019)	Member	Independent Director
Shri A.P Dwivedi (upto 13.11.2019)	Member	Government Nominee Director
Shri. Ajay Kumar Gaur (upto 31.07.2019)	Member	Director (Finance)

Company Secretary acts as Secretary to the Committee.

Meetings of Project Investment Committee:

No meeting of project investment committee was held during Financial Year 2019-20.

4.5 Corporate Social Responsibility Committee:

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

Composition of Corporate Social Responsibility Committee:

As on 31st March, 2020, the Corporate Social Responsibility Committee comprised of the following Directors:

Name	Position in the Committee	Designation
Shri Anil Kumar Goel	Chairman	Independent Director
Shri Bibhu Prasad Nayak	Member	Director (Finance)
Shri Satish Sareen	Member	Independent Director
Dr. Rajendra Nath Goyal	Member	Independent Director
Shri A.K. Tewari	Member	Government Nominee Director

Company Secretary acts as Secretary to the Committee.

During the year the composition of committee changed thrice i.e. on 01.08.2019, 13.11.2019 and 06.02.2020, accordingly following changes were incurred:

Name	Position in the Committee	Designation
Shri Anil Kumar Goel (from 01.08.2019)	Chairman	Independent Director
Smt. Geethakumary (upto 01.08.2019)	Chairman	Independent Director
Shri Bibhu Prasad Nayak (from 13.11.2019)	Member	Director Finance
Shri Satish Sareen (from 01.08.2019)	Member	Independent Director
Dr. Rajendra Nath Goyal	Member	Independent Director
Shri A.K. Tewari (from 01.08.2019)	Member	Government Nominee Director
Shri Gopi Sureshkumar Varadarajan (from 01.08.2019 and upto 13.11.2019)	Member	Director (Projects)
Shri. A. P. Dwivedi (upto 01.08.2019)	Member	Government Nominee Director
Shri. Ajay Kumar Gaur (upto 31.07.2019)	Member	Director (Finance)

Company Secretary acts as Secretary to the Committee.

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 2019-20, five (5) meetings of CSR Committee were held on May 29, 2019, August 13, 2019, October 31, 2019, December 27, 2019 and February 06, 2020 respectively. The attendance of each member of CSR Committee is as under:

Name	Position in the Committee	Held during their tenure	Attend-ed
Shri Anil Kumar Goel	Chairman	04	04
Smt. Geethakumary	Member	01	01
Shri Bibhu Prasad Nayak	Member	02	02
Dr. Rajendra Nath Goyal	Member	05	05
Shri A.K. Tewari	Member	04	03
Shri Satish Sareen	Member	04	04
Shri Gopi Sureshkumar Varadarajan	Member	02	02
Shri. A. P. Dwivedi	Member	01	01
Shri Ajay Kumar Gaur	Member	01	01

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.

Composition of Stakeholders' Relationship Committee:

As on 31st March, 2020, the Stakeholders' Relationship Committee comprised of the following Directors:

Directors	Position in the Committee	Designation
Dr. Pramod Kumar Anand	Chairman	Independent Director
Dr. Rajendra Nath Goyal	Member	Independent Director
Shri Gopi Sureshkumar Varadarajan	Member	Director (Projects)
Shri Bibhu Prasad Nayak	Member	Director (Finance)
Smt. Geethakumary	Member	Independent Director

Company Secretary acts as Secretary to the Committee

During the year the composition of committee changed thrice i.e. on 01.08.2019, 13.11.2019 and 06.02.2020, accordingly following changes were incurred:

Directors	Position in the Committee	Designation
Dr. Pramod Kumar Anand*	Chairman	Independent Director
Shri Anil Kumar Goel (from 01.08.2019 & upto 06.02.2020)	Chairman	Independent Director
Dr. Rajendra Nath Goyal	Member	Independent Director
Shri Gopi Sureshkumar Varadarajan (from 01.08.2019)	Member	Director (Projects)
Shri Bibhu Prasad Nayak (from 13.11.2019)	Member	Director (Finance)
Smt. Geethakumary (from 06.02.2020)	Member	Independent Director
Shri Satish Sareen (from 01.08.2019 & Upto 06.02.2020)	Member	Independent Director
Shri Ajay Kumar Gaur (upto 31.07.2019)	Member	Director (Finance)

* Dr. Pramod Kumar Anand held the chairmanship of the Committee upto 01.08.2019, he was further appointed as the Chairman from 06.02.2020 onward.

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 2019-20 four (4) meetings of Stakeholders' Relationship Committee were held on May 29, 2019, August 13, 2019, November 13, 2019 and February 6, 2020 respectively. The attendance of each member of Stakeholders' Relationship Committee is as under:

Name	Position in the Committee	Held during their tenure	Attended
Dr. Pramod Kumar Anand	Chairman	01	01
Dr. Rajendra Nath Goyal	Member	04	04
Shri Gopi Sureshkumar Varadarajan	Member	03	03
Shri Bibhu Prasad Nayak	Member	01	01
Smt. Geethakumary	Member	00	00
Shri. Satish Sareen	Member	03	03
Shri. Anil Kumar Goel	Member	03	03
Shri Ajay Kumar Gaur	Member	01	01

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 th June, 2019*	6	0	1
30 th September, 2019**	20	0	0
31 st December, 2019	8	0	0
31 st March, 2020	28	0	0

* One Complaint remained unsolved at the end of the quarter; however the same got solved in the next quarter.

** Includes one complaint pending in previous quarter.

5. SEPARATE MEETING OF INDEPENDENT DIRECTORS

The separate meeting of independent directors was held on October 31, 2019 and March 19, 2020 as per the provisions specified in regulation 25 of SEBI (Listing Obligations and Disclosure Requirements), 2015.

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

Name	31 October, 2020	19 March, 2020
Dr. Pramod Kumar Anand*	Present	Present
Shri Anil Kumar Goel**	Present	Present
Shri Satish Sareen	Present	Present
Ms. Geethakumary	Present	Present
Dr. Rajendra Nath Goyal	Present	Present

* Dr. Pramod Kumar Anand acted as the Chairman of the Meeting held on 31st October, 2019.

** Shri Anil Kumar Goel acted as the Chairman of the Meeting held on 19th March, 2020.

6. FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS

The Company familiarizes the independent Directors with the activities and functioning of the company and their roles, rights, responsibilities

in the company, nature of the industry in which the company operates, business model of the company, etc., through various programmes and presentations. The details of such familiarization programme are disclosed on the company's website under the link:

<https://www.rites.com/upload/misc/Balancesheet/Familiarisation-Programme-Independent-Director.pdf>

7. NAME AND DESIGNATION OF COMPLIANCE OFFICER

Name: Ashish Srivastava

Designation: Company Secretary and Compliance Officer

8. GENERAL BODY MEETING

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

AGM/ EGM	Year	Date of holding Meeting	Time	Venue	Special Resolution
45 th AGM	2018-19	30 th July, 2019	10.00 HRS	Zoravar Hall - Manekshaw Centre, Khyber Lines, Delhi Cantonment, New Delhi 110010	Nil
44 th AGM	2017-18	19 th September, 2018	10.00 HRS	Air Force Auditorium, Subroto Park, New Delhi	Nil
EGM	2017-18	9 th November, 2017	17.00 HRS	Railway Board, Rail Bhawan, New Delhi	Yes
43 rd AGM	2016-17	28 th August, 2017	12.00 HRS	Railway Board, Rail Bhawan, New Delhi	Nil
EGM	2016-17	21 st March, 2017	16.00 HRS	Railway Board, Rail Bhawan, New Delhi	Nil

9. RESOLUTIONS PASSED THROUGH POSTAL BALLOT

During the financial year 2019-20 the Company did not circulate any postal ballot for shareholders' approval.

10. SUBSIDIARY AND JOINT VENTURE COMPANIES

The Company has two Indian Subsidiaries i.e.

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

Further, the Company has two subsidiary companies abroad namely (i) RITES AFRIKA (PTY) Limited, Botswana and (ii) RITES Mohwarean Arabia Company Limited (RMAC), Saudi Arabia. RMAC is under liquidation and the investment made by the company has already been recovered.

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

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

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

11. GENERAL SHAREHOLDERS' INFORMATION

I. Annual General Meeting Date : 28 August, 2020 (Friday)

Time: 11.30 A.M.

Venue: Through Video Conferencing/ Other Audio Visual Means (VC/OVAM) Facility pursuant to the MCA Circular dated May 5, 2020 and as such there is no requirement to have a common venue for the AGM. For details please refer to the notice of this AGM.

II. Financial Year

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

III. Book Closure

The Register of Members and Share Transfer Books of the Company will remain closed from 21st August, 2020 to 28th August, 2020 (both days inclusive).

IV. Payment of dividend

Payment of final dividend for the financial year 2019-20 is ₹6/- per share amounting to ₹150 crore subject to approval of members and interim dividends paid during the said period is ₹10/- per share amounting to ₹ 250 crore.

V. Final dividend may be paid within 30 days from AGM date.

VI. Dividend History

Financial Year	Total paid-up Capital (₹ in crore)	Total Amount of Dividend (₹ in crore) excluding DDT paid during the year
2019-20	250	330
2018-19	200	215
2017-18	200	148
2016-17	200	146
2015-16	100	77
2014-15	100	53
2013-14	100	60

VII. Listing on Stock Exchange:

Company equity shares are listed on the following Stock Exchanges:

- National Stock Exchange of India Limited
Exchange Plaza, Plot No. C/1, G Block,
Bandra-Kurla Complex,
Bandra E, Mumbai - 400 051
Scrip code: RITES

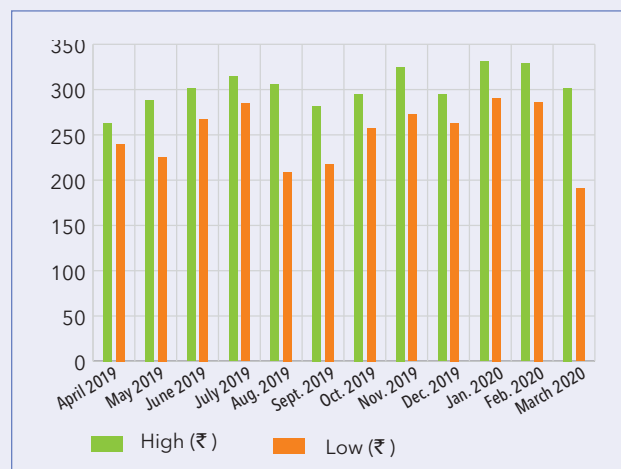
- BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai - 400 001
Scrip Code: 541556

- Company ISIN - INE320J01015

Annual Listing fee for the aforesaid Stock Exchanges has been paid for the financial year 2020-21.

VIII. RITES' Shares Market Price (NSE)

Months	High (₹)	Low (₹)
April, 2019	263.40	239.65
May, 2019	288.65	225.50
June, 2019	301.40	267.45
July, 2019	314.65	284.60
August, 2019	305.50	209.30
September, 2019	281.90	217.80
October, 2019	295.40	257.70
November, 2019	324.80	272.30
December, 2019	294.45	263.00
January, 2020	331.00	291.00
February, 2020	328.70	286.50
March, 2020	302.00	190.65

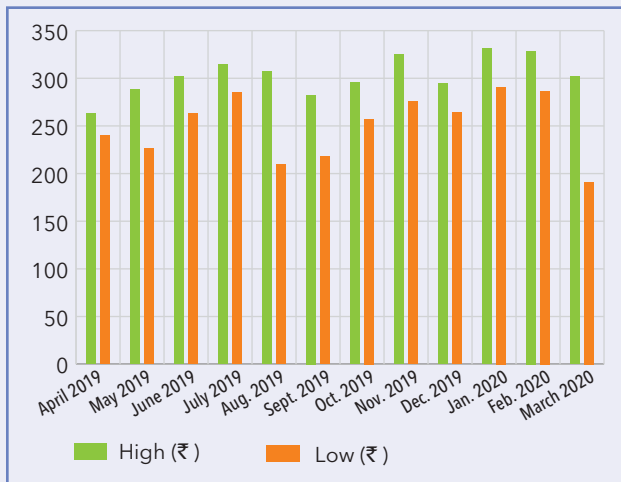


Source: <https://www.nseindia.com/products/dynaContent/equities/equities/histHighLowSearch.htm>

IX. RITES' Shares Market Price (BSE)

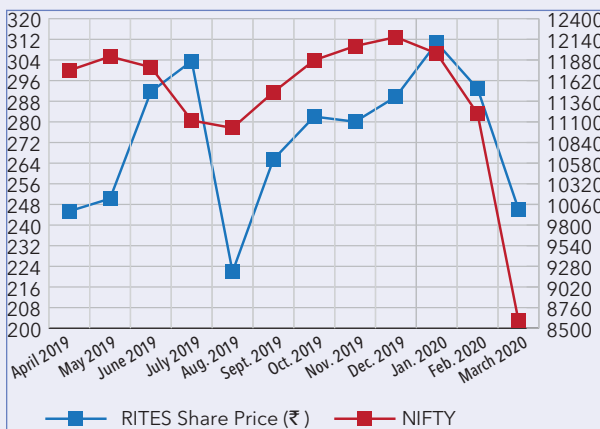
Months	High (in ₹)	Low (in ₹)
April, 2019	263.00	239.65
May, 2019	288.25	226.05
June, 2019	301.65	263.00

Months	High (in ₹)	Low (in ₹)
July, 2019	314.50	285.00
August, 2019	307.00	209.70
September, 2019	282.55	218.00
October, 2019	295.50	257.25
November, 2019	324.80	275.65
December, 2019	294.25	264.00
January, 2020	331.00	291.00
February, 2020	328.50	286.70
March, 2020	301.85	191.00



<https://www.bseindia.com/markets/equity/EQReports/StockPrchHistori.aspx?flag=0>

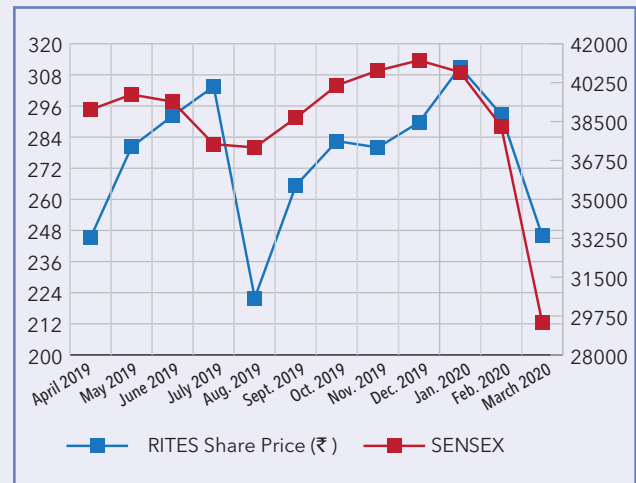
X. Performance of Company's Share in Comparison to Indices NSE NIFTY



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

Note: Closing values are compared

XI. Performance of Company's share in comparison to indices BSE SENSEX



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

Note: Closing values are compared

XII. UNPAID DIVIDEND

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

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 th September, 2018	Final Dividend for the year 2017-18	23 rd November, 2025
17 th December, 2018	First Interim Dividend for the year 2018-19	21 st February, 2026
11 th March, 2019	Second Interim Dividend for the year 2018-19	12 th May, 2026
30 th July, 2019	Final Dividend for the year 2018-19	4 th October, 2026
27 th December, 2019	First Interim Dividend for the year 2019-20	3 rd March, 2027
06 th February, 2020	Second Interim Dividend for the year 2019-20	11 th April, 2027

XIII. Registrar and Transfer Agents

Link Intime India Private Limited

Address: Link Intime India Private Limited
Noble Heights, 1st Floor, Plot No. NH 2,
LSC, C-1 Block,
Near Savitri Market, Janakpuri,
New Delhi-110058
Ph: +91 1141410592; Fax: +91 1141410591

Website: www.linkintime.co.in
E-mail: swapann@linkintime.co.in

Contact person: Mr. Swapan Kumar Naskar
SEBI registration No.: INR000004058

XIV. Share Transfer System

Effective from 1st April, 2019, 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 dematerialised form with a depository. Company obtains a half-yearly certificate from Practicing Company Secretaries as per the requirement of Regulation 40 (9) of Listing Regulations and the same is filed with the Stock Exchanges and uploaded on the website of the Company. In terms of amendments to Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

XV. Distribution of Shareholding

According to size, % of holding as on 31st March, 2020

Category	No. of Shareholders	No. of shareholders (%)	Total Shares	Total Shares (%)
1-500	75457	94.82	6031578	2.41
501-1000	2206	2.77	1631678	0.65
1001-2000	983	1.23	1403337	0.56
2001-3000	295	0.37	731547	0.29
3001-4000	162	0.20	564932	0.23
4001-5000	87	0.11	405676	0.16
5001-10000	157	0.20	1104074	0.44
10001 and above	233	0.29	238127178	95.25
Total	79580	100	250000000	100

- Shareholding of various categories as on 31st March, 2020.

Category	Total Shares	% to equity
President of India	180047174	72.02
FII/FCB/FPI	7285113	2.91
Mutual Funds	12280920	4.91
Indian public	13349530	5.34
Bodies corporate	6521281	2.61
Banks & FIs	24483535	9.79
NRIs and OCBs	709941	0.29
Others	5322506	2.13
Total	250000000	100.00

- Major Shareholders

Details of shareholders holding more than 1% of paid up capital, other than promoter group of the company as on 31st March, 2020.

S. No.	Name of the Shareholder	Shares	%	Category
1.	Life Insurance Corporation of India	19584745	7.839	Financial Institutions
2.	Hdfc Trustee Company Ltd - A/C Hdfc Mid - Cap opportunities Fund	5080392	2.032	Mutual Funds

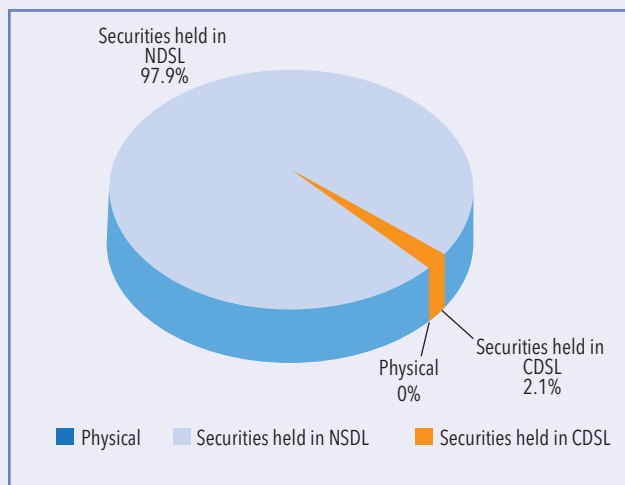
XVI. Dematerialization of Shares and Liquidity

The shares of the Company are in compulsory dematerialized mode and are available for trading on 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 31.03.2020):

S. No.	Physical/demat	Number of holders	Number of Shares	% of total issued capital
1.	Held in dematerialized form in NSDL	39892	244536106	97.9
2.	Held in dematerialized form in CDSL	39624	5463687	2.1
3.	Physical	64	207	0.00
	Total	79580	25,00,00,000	100


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

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

XVIII. Commodity Price Risk or Foreign Exchange Risk and Hedging Activities:

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

XIX. Location of Plants:

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

XX. Address for correspondence:

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

XXI. Credit ratings obtained by the Company

During the Financial year 2019-20, the company has received a credit rating of IVR A1+ (IVR A One Plus) on short-term non-fund bank facilities up to an amount of ₹850 crores from Infomerics Valuation and Ratings Private Limited.

12. DISCLOSURES

- During the year, there has been no materially significant related party transaction that have a potential conflict with the interest of the company. The policy relating to related party transaction is amended as per the latest amendments and approved by the Board of Directors and is being uploaded on website of company The web link of which is as follows: <http://ritesltd.com/upload/misc/Balancesheet/Project-Gati-Related-Party-Transaction-Policy.pdf>
- Details of related party transactions are included in the Notes to Accounts as Indian Accounting Standards - Ind AS-24 notified by Central Government (Note 2.46).
- The company has followed the IND AS in the preparation of financial Statements.
- No penalties imposed or strictures passed against the company by any statutory authorities on any matters related to any guidelines issued by the Government during the last three years. During the year under review, the Company was in compliance with all the applicable requirements except to the extent that the composition of the Board was not optimum and

was not as per Regulation 17(1) of SEBI (LODR) Regulations, 2015. The non compliance resulted in levy of a fine, which was imposed by NSE and BSE amounting to ₹ 5,36,900/- each.

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

RITES also communicates with its institutional shareholders through analyst and institutional meets held during the 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 listing regulations.

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 31.03.2019	May 30, 2019	Economic Times and Hindustan Times	Navbharat Times
2.	Quarter ended on 30.06.2019	August 14, 2019	Financial Express	Jansatta
3.	Quarter ended on 30.09.2019	November 14, 2019	Financial Express	Jansatta
4.	Quarter ended on 31.12.2019	February 07, 2020	Financial Express	Jansatta
5.	Year ended on 31.3.2020	July 01, 2020	Economic Times and The Times of India	Navbharat Times

14. TRAINING OF BOARD MEMBERS

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

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

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	1	0

17. CERTIFICATE FROM A COMPANY SECRETARY IN PRACTICE THAT NONE OF THE DIRECTORS ON THE BOARD OF THE COMPANY HAVE BEEN DEBARRED OR DISQUALIFIED FROM BEING APPOINTED OR CONTINUING AS DIRECTORS OF THE COMPANY BY THE BOARD / MINISTRY OF CORPORATE AFFAIRS OR ANY SUCH STATUTORY AUTHORITY.

The Company has obtained a certificate from Mr. Akhil Rohtagi (Membership No. FCS 1600, COP no. 2317), M/s Akhil Rohatgi and Company, Company Secretaries regarding confirmation that none of the directors on the board of the Company have been debarred or disqualified from being appointed or continuing as directors of the Company by the Board (i.e. SEBI) / Ministry of Corporate Affairs or any such statutory authority. The requisite certificate from Mr. Akhil Rohtagi, the 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 2019-20 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 2019- 20 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, 2020, is ₹ 0.23 crores

20. CEO/CFO CERTIFICATION

The certification by Chairman and Managing Director (Chief Executive Officer), Director Finance and Chief Financial Officer was placed before the Board of Directors at the meeting held on 30.06.2020 (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 2019-20

Name of Directors	249 BOD Meeting	250 BOD Meeting	251 BOD Meeting	252 BOD Meeting	253 BOD Meeting	254 BOD Meeting	255 BOD Meeting	256 BOD Meeting	257 BOD Meeting	258 BOD Meeting	Total BOD Meeting 10(Ten)
	29 th May, 2019	24 th June, 2019	30 th July, 2019	13 th Aug, 2019	21 st Sep, 2019	24 th Oct, 2019	13 th Nov, 2019	27 th Dec, 2019	06 th Feb, 2020	19 th Mar, 2020	
Shri Rajeev Mehrotra Chairman & Managing Director	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Attended all
Shri Gopi Sureshkumar Varadarajan Director Projects	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Attended all
Shri Anil Vij Director Technical (from 04.11.2019)	NA	NA	NA	NA	NA	NA	✓	✓	✓	✓	Held - 4 Attended - 4
Shri Bibhu Prasad Nayak Director Finance (from 07.11.2019)	NA	NA	NA	NA	NA	NA	✓	✓	✓	✓	Held - 4 Attended - 4
Shri Alok Kumar Tewari (Govt. Nominee Director) (from 30.05.2019)	NA	✓	✓	✓	✓	✓	✓	✓	✓	✓	Held - 9 Attended - 9
Shri Vinay Srivastava (Govt. Nominee Director) (from 13.12.2019)	NA	NA	NA	NA	NA	NA	NA	✓	●	✓	Held - 3 Attended - 2
Shri Anil Kumar Goel Independent Director	NA	NA	✓	✓	✓	✓	✓	✓	✓	✓	Held - 8 Attended - 8
Shri Satish Sareen Independent Director	NA	NA	✓	✓	✓	✓	✓	✓	✓	✓	Held - 8 Attended - 8
Dr.Pramod Kumar Anand Independent Director	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Attended All
Ms. Geethakumary Independent Director	✓	✓	✓	✓	✓	✓	✓	●	✓	VC	Held - 10 Attended - 9
Dr. Rajendra Nath Goyal Independent Director	VC	✓	●	✓	✓	✓	✓	✓	✓	VC	Held - 10 Attended - 9
Shri Ajay Kumar Gaur Director Finance (upto 31.07.2019)	✓	✓	✓	NA	NA	NA	NA	NA	NA	NA	Held - 3 Attended - 3
Shri Mukesh Rathore Director Technical (Upto 31.10.2019)	✓	✓	✓	✓	✓	✓	NA	NA	NA	NA	Held - 6 Attended - 6
Shri A.P. Dwivedi Govt. Nominee Director (upto 13.11.2019)	✓	✓	✓	✓	✓	✓	NA	NA	NA	NA	Held - 6 Attended - 6

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 2019-20

I, Rajeev Mehrotra, Chairman & Managing Director, RITES Limited do hereby declare that all the members of the Board of Directors and the Senior Management Team of the Company have affirmed their compliance of the Code of Conduct during the year 2019-20.



(Rajeev Mehrotra)

Chairman & Managing Director
DIN: 01583143

Date: 10.06.2020

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,
 Registered Office: 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') and 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 furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2020 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.

DIN	Full Name	Date of Appointment	DIN Status
01583143	Shri Rajeev Mehrotra	12/10/2007	Approved
08241385	Shri Gopi Sureshkumar Varadarajan	27/09/2018	Approved
07145875	Shri Anil Vij	04/11/2019	Approved
08197975	Shri Bibhu Prasad Nayak	07/11/2019	Approved
06694407	Shri Alok Kumar Tewari	30/05/2019	Approved
08638850	Shri Vinay Srivastava	13/12/2019	Approved
00298962	Shri Pramod Kumar Anand	19/09/2017	Approved
08087148	Shri Rajendra Nath Goyal	15/03/2018	Approved
08087165	Smt. Geethakumary	15/03/2018	Approved

Ensuring the eligibility of for 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 Akhil Rohatgi & Company
Company Secretaries
Reg. No.: P1995DE072900



Akhil Rohatgi
Partner

FCS No.: 1600,
CP No.: 2317

UDIN:F001600B000297731

Place: Delhi
 Date :29.05.2020

APPENDIX - IV

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

- (a) We have reviewed financial statements and the cash flow statements for the quarter and year ended on 31st March, 2020 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



Rajeev Mehrotra

Chairman & Managing Director
and Chief Executive Officer
DIN: 01583143



Bibhu Prasad Nayak

Director Finance
DIN: 08197975



Parmod Kumar Narang

Chief Financial Officer
M. No.086360

Place: Gurugram

Date: 30th June, 2020

CERTIFICATE

To,
The Members of
RITES LIMITED

We have examined the compliance of conditions of Corporate Governance by RITES LIMITED ("Company") for the year ended 31st March, 2020 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 is in accordance with the Corporate Governance (Models of Best practices) issued by the institute of Company Secretaries of India, was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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

In our opinion and to the best of our knowledge and information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI (LODR) Regulations, 2015 and amendment therein from time to time and in the guidelines on corporate governance issued by the 'Department of Public Enterprises' except that 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 the DPE Guidelines, with effect of 13.12.2019.

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



CS Akhil Rohatgi

Partner

FCS No.: 1600

CP No: 2317

UDIN: F001 6008000453920

Date: 14.07.2020

Place: Delhi

MANAGEMENT DISCUSSION AND ANALYSIS

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

I. ABOUT THE COMPANY AND THE INDUSTRY

RITES Limited, a Miniratna (Category-I), Schedule 'A' Central Public Sector Enterprise was established in 1974, under the aegis of Ministry of Railways, Government of India. RITES is a leading multi-disciplinary engineering & consultancy organisation, providing customized, viable, competitive, diversified and comprehensive, concept to commissioning services and integrated solutions in the transport and infrastructure sector in India and abroad.

The services provided by the Company cover various sectors such as the railways, highways, airports, ports, ropeways, urban transport, inland waterways and renewable energy etc. With a seamless track record of over 46 years, RITES has so far served the clients in more than 55 countries across Asia, Africa, Latin America, South America and Middle East region.

The major services provided by the Company include Survey and Feasibility Studies, Detailed Design & Engineering, Project Management Consultancy, third party inspection, quality assurance, Construction Supervision, operation, maintenance and rehabilitation of locomotives & rolling stock, leasing and export of locomotives & rolling stock, Energy management etc. Company also has presence in the field of transaction advisory for infrastructure projects being taken up on PPP (Public Private Partnership) mode.

Company is also carrying out projects relating to construction of railway infrastructure, electrification works and modernization of railway workshops on turnkey basis. With the changing environmental and climatic conditions, a paradigm shift is taking place globally from use of conventional sources of energy to renewable sources of energy. In line with the trend, the Company has also diversified through its subsidiary REMCL, into the field of renewable energy such as solar and wind energy for Indian Railways. REMCL is also managing the procurement of traction power for Indian Railway under "Open Access Policy". Company also undertakes wagon rehabilitation and manufacturing works through its Joint Venture entity SAIL-RITES Bengal Wagon Industry Private Limited.



Phase-I of Mauritius Metro project, e-launched by Hon'ble Prime Minister Shri Narendra Modi and Hon'ble Prime Minister of Mauritius Shri Pravind Jugnauth, was made operational during the year

BUSINESS ENVIRONMENT & OUTLOOK

Domestic

India aims to grow rapidly and become a \$5 Trillion economy by 2025. As such, it is imperative that the investment in infrastructure sector would increase manifold in near term. Recognizing the importance of infrastructure sector and its contribution in economy, Government of India has decided to invest an amount of ₹111 Lakh Crore on National Infrastructure Pipeline projects over six years through FY 2025, allocating major part of the expenditure for energy, roads, urban development and railways, and envisaging a key role for private investors. It is estimated that country would need to spend \$4.5 trillion on infrastructure by 2030 to continue on an escalated trajectory of growth until 2030.

In the Budget for FY20-21, an amount of ₹ 1.7 lakh crore has been allocated towards transport infrastructure, highlighting the government's continued thrust on infrastructural development and reiterating the eminence of the sector in the country's progress. Allocation for railways has increased 3% to ₹ 1.6 lakh crore in fiscal 2021. The budget emphasized on private sector involvement in redevelopment of railway stations and Train operations on PPP basis. It is proposed to electrify 27000 Kms of track and to develop large solar capacity alongside rail tracks. The budget also announced an allocation of ₹ 1.4 Lakh crore in fiscal 2021 towards the Roads and Highways sector. The focus is on accelerated development of Highways and to monetise atleast 12 bundles of Highways of 6000 Kms. The Government also has plans to develop 100 more airports, which is in line with the NIP's vision of India entering the top-2 aviation markets by 2025. It is expected that with such extensive capex infrastructure outlay, RITES will be



CMD RITES at the MoU signing with RailTel

one of the key beneficiaries as consultant.

Overseas

During the year, RITES has been able to secure projects in South Asia and Africa in railways, highways, metros, ports, airports etc. despite stiff competition. The company is pursuing more business opportunities including exports of locomotives and coaches from India.

Several countries in Asia, Africa and Latin America have seen rapid GDP growth in the last five years. There is a renewed focus on development of transport infrastructure, with mobility through railways and metros emerging as the preferred mode. The civil aviation and port investments have also seen manifold increase in the last decade. RITES with its experience of working in several countries and in multiple infrastructure sectors is continuously spotting such business opportunities.

The huge funding needed for infrastructure creation faces resource limitation in several developing



RITES signs contract with Sri Lanka for supply of 2 additional DEMUs



CMD RITES being felicitated during ITEC training programme at National Academy of Indian Railways

countries. The combination of financial assistance through government budgets by countries and financial assistance by multi-lateral and bilateral agencies also accelerates the infrastructure creation. Line of Credit extended by India to several countries for their infrastructure / rolling stock requirement has also created business opportunities for RITES. The business approach of RITES is to be a technical partner with the countries where we regularly work and facilitate creation of bankable projects. Training and human resource development activities by RITES also have been useful in creation of long-term business association.

The increased thrust on expansion of rail and road network, augmentation of the solar power sector, project preparation facility, and building up public-private partnerships in the transport infrastructure sector, provides RITES with an eminent opportunity to play a significant role in the development of the Indian, South Asian and African Infrastructure with its wide consultancy expertise in transport infrastructure space starting from feasibility studies, integrated design services, institutional management and technical support services.

COVID-19 IMPACT ON BUSINESS

The last quarter of the FY 19-20 saw some disruption due to Covid-19 and consequent lockdown in

India and several other countries where RITES is executing projects. Given the challenges that the businesses and people are facing currently, several economies may have a lower/negative growth during FY 20-21. Most multilateral agencies and credit rating agencies have also revised their growth projections for India for FY20-21, keeping in view the negative impact of coronavirus-induced travel restrictions, supply chain disruptions, subdued consumption and investment levels. However, the strong fundamentals and resilience of the Indian Economy will help India to recover from the economy negatively impacted due to the pandemic of Covid-19 and move on the increasing trajectory of the GDP growth in the coming years. Government is taking various measures including financial stimulus packages to facilitate early revival and strengthening the economy. The business/sectoral diversity of RITES, internal strength of teams and geographical distribution of projects will help RITES to return to normalcy faster. The company does not envisage any serious business disruption or cash flow difficulties due to this.

II. STRENGTHS AND WEAKNESSES

RITES is a well-established organization with a proven track record and high international visibility and reputation earned through successful delivery of several infrastructure projects in over 55 countries so far. The Company has a large pool of highly qualified and experienced technical personnel, with the ability to take up projects requiring multi-disciplinary expertise in railways, highway, urban transport, ports & airports, ropeways, institutional buildings, energy management and other related sectors of infrastructure. Additionally, RITES has access to the expertise, manpower resources and infrastructure facilities of Indian Railways. This enables the Company to capture additional business opportunities wherever possible.

On the technical front, RITES' ability to utilize relevant technology for mega projects like Dedicated Freight Corridors, High Speed Rail, Long Span Bridges and Tunnels, MRTS/LRTS/Metrolite/high capacity bus system and other state-of-the-art technologies in critical areas of new infrastructure/upgrade of existing infrastructure on its own or with other expert agencies in India and abroad along with an In-house availability of sophisticated software, equipment



Bridge construction under the Udhampur-Srinagar-Baramulla Rail Link project

and facilities for undertaking complex design work of bridges, tunnels, highways, rolling stock etc., provides an edge to the Company over industry players. RITES has a unique quality assurance / inspection group with in-house laboratories.

The Company provides a cohesive environment to learn and develop. The technical personnel work in pursuit of providing innovative solutions to the clients as per the client specifications and requirements. RITES has established itself as a brand known as "The Infrastructure People" because of outperforming track record of successfully handling a large number of infrastructure projects in India and abroad.

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

The Company is listed with stock exchanges and is figuring in top 500 listed companies in India on the basis of market capitalisation and revenue.

RITES is highly dependent on skilled manpower/ professionals and with the increased government initiative to attain accelerated economic growth, more and more organizations are making into roads in the market which may result into loss of experienced professionals. Further, retaining of experts/talent required for high technology areas is a challenge.

III. OPPORTUNITIES AND THREATS

The Government of India has announced the National Infrastructure Pipeline (NIP) worth over ₹111 lakh crore to meet the target of \$5 trillion economy by 2025. The salient features of NIP for transportation and logistics include; fully integrated rail network with inter-modal connectivity, world-class railway stations and high standards of safety, metro connectivity in at least 25 cities, road connectivity to remotest areas, trunk connectivity through expressways, economic corridors, strategic areas & tourist destinations, air connectivity to all tier II and most tier III cities, development of ports for considerable reduction in logistic costs and quick turnaround and for affordable and clean energy; reduce pollution through green and clean renewable energy and environment-friendly fuel for transportation. National Infrastructure Pipeline (NIP) announced by the Government, offers scope to strengthen RITES position in existing areas and to explore and develop new areas of business.

An opportunity can be contemplated in moving up the value chain through providing total transport solutions to steel/power plants & mining companies and ports for movement of coal/iron/ores/containers/cargo through rail, road, pipeline, conveyor system as may be required. An opportunity is also seen in taking up of EPC projects on turnkey basis in the core business areas.

Furthermore, there are significant investments expected to be made in SAARC countries, Middle East, South-East Asia and Africa in the coming years, offering considerable scope for consultancy services.

Indian Railways has set up an ambitious target of 3000 MW of solar capacity and 200 MW of wind capacity by 2020-21 and also planning for hybrid (wind & solar) power to tap 250 MW for IR REMCL is implementing these projects.

It is expected that future work from IR and other government agencies may be awarded based on competition among PSUs and/or tendering process in which private players are likely to participate. Aggressive bidding by private players may pose a threat. Further, foreign players are also making their presence felt in the Industry, thereby making the market more competitive. Due to this increased competition and aggressive bidding by such competitors, operating margins may have an adverse impact.

IV. RISKS AND CONCERNS

In view of increased globalisation and opening up of cross-border business, there is a greater risk of competition from foreign companies in consultancy projects. RITES also faces certain competitive pressures from the existing competitors and new entrants in both public and private sectors within India. Increased competition and aggressive bidding by such competitors can make its ability to procure business in future uncertain which may adversely affect its business, financial condition and results of operations.

Sometimes, Clients prefer to engage a single agency who will do the design; engineering, construction and commissioning of projects, especially for projects with proven/standard design such as ROBs/RUBs, railway sidings, city/municipal roads, etc. In view of this concern, RITES has also taken up a few turnkey projects assigned by Indian Railways. However, turnkey projects fetch lower margins than consultancy.

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

affect its business, reputation, financial condition and results of operations.

The cyclical nature of the business of export of rolling stock is because of intensive capital outlay and also part its dependence on lines of credit offered by GOI to various countries in Asia and Africa. Export of rolling stock due to such issues sees an uneven performance. RITES global operations are also exposed to geopolitical, international legal, tax and economic risks.

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

Majority of RITES' client base comprises Government clients, PSUs, Foreign Governments and a few private parties. Further, there is a concern that, continued funding of infrastructure capital expenditure (Capex) can be a challenge in the near future in view of COVID-19 impact on Infrastructure, Transport & Logistics Sector. Additionally, constraint in funding may be further aggravated by increased social and welfare spending by government agencies to support the loss of income caused by the lockdowns and meet health costs.

V. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

The internal control system has been further strengthened through the followings:

INTERNAL FINANCIAL CONTROLS

The Internal Financial Control of the Company is analyzed and audited for its adequacy and

effectiveness. A report under clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 is issued by Auditor and same is annexed to the Independent Auditor's Report indicating that the Company has in vogue, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting operate effectively, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control.

ISO CERTIFICATION

Entire RITES has been certified to Quality Management System (QMS) as per ISO 9000 series of standards since 2001. 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 requirement 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 compliances with stipulated rules / regulations on a regular basis and therefore, forms a part of the internal control systems.



Inspection & Quality Audit of a highway project

RISK MANAGEMENT SYSTEM

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

The Risk management systems include the Financial Risk Management systems since the Company's

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

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

TREASURY RISK AND LIQUIDITY MANAGEMENT

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

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

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

The Company has been affirmed 'IVR A1+', the highest short term rating for its non-fund based working capital limits by Infomerics Valuation and Rating Pvt. Ltd. This rating helps the Company to get non-fund based facilities at more attractive terms.

VI. FINANCIAL PERFORMANCE

RITES has achieved all time high turnover during the Year. The Company recorded total income of ₹2665 crore compared to ₹2164 crore in the previous

Year. Profit after tax for the year is ₹ 596 crore as against ₹445 crore in the previous year. Continuous satisfactory performance to win confidence of clients and efforts on business development has contributed in closing the year with a record order book of ₹6223 crore, which is also the highest so far. During the year, the Company has earned an operating turnover of ₹2401 crore as against ₹1969 crore of previous year, thereby having an addition of ₹432 crore. The net-worth has also grown from ₹2384 crore to ₹2577 crore. During the year, the Company has spent ₹11.21 crore as against ₹10.23 crore in the previous year towards Corporate Social Responsibilities.

KEY FINANCIAL RATIOS

Particulars	2019-20	2018-19
Debtor Turnover (No. of days)	113	97
Current Ratio	1.72	1.67
Operating Profit Margin (%)	23.25	24.46
Net Profit Margin (%) (PAT / Total Revenue)	22.38	20.55
Return on Net Worth (PAT/ Avg. Net worth) [®]	23.98	19.39

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

VII. SEGMENT-WISE PERFORMANCE

During the year, consultancy services, including quality assurance services, contributed 44.41% of the total operating income, turnkey construction projects contributed 28.03%, export sales contributed 22.53% and balance of 5.03% was contributed by leasing income. A segment-wise comparison is given below:-

Particulars	2019-20		2018-19	
	Operating Income	%	Operating Income	%
Consultancy Services				
- Domestic	999	41.63	1019	51.74
- Abroad	67	2.78	73	3.70
Turnkey Construction Projects	673	28.03	567	28.80
Export	541	22.53	207	10.50

(₹ in crore)

Particulars	2019-20		2018-19	
	Operating Income	%	Operating Income	%
Leasing (Domestic & Abroad)	121	5.03	103	5.26
Total	2401	100	1969	100

VIII. OPERATIONAL PERFORMANCE

BUSINESS OUTLOOK

RITES continued to provide concept to commissioning consultancy, design, engineering and turnkey solutions including knowledge management in the field of Transport, Transportation Infrastructure and related technologies of highest professional standards to its varied clients in India and abroad. RITES strives to deliver outstanding client service consistently and create a distinctive brand image. RITES is also able to access additional business from existing clients and address the requirements of a larger base of potential new clients.

RITES has strengthened its presence in consulting domain in various transport infrastructure sectors while simultaneously diversifying in areas with growth potential as per changing macroeconomic trends and expand operations in the sectors with some presence to have better hold into a wider range of services viz. turnkey works of construction & upgrading / modernization of railway workshops and wet leasing of locomotives in domestic markets. With the Government of India unveiling the National Infrastructure Pipeline (NIP), RITES with wide consultancy expertise in transport infrastructure



Rail coaches being exported to Sri Lanka



Setting up of workshop for refurbishing LHB coaches at New Bongaigaon, Assam

space, is fully geared up to tap such opportunities including feasibility studies, integrated design services, project management and technical support services.

RITES has continued to attract sizeable business both from the Indian Railways (IR) and the Non-IR railway clients. It undertook investigations and feasibility studies, integrated design services, institutional management, technical support for new railway projects and rehabilitation, modernization and capacity enhancement of existing railways systems, project management consultancy for railway electrification, designing, modification, procurement and export of locomotives and rolling stock, leasing of locomotives and works related to operation & maintenance of diesel locomotives, wagons, tracks and modernisation of railway stations etc.

RITES renders Quality Assurance and vendor assessment services in India and abroad to large number of clients both in Government and Private sector and also provide laboratory testing services through its labs.

RITES is a strong player in the Mass Rapid Transit Systems (MRTS) and focuses on further consolidating its position by capturing sizeable business of the technical consulting market for preparation of Feasibility Reports, DPRs, Project Management and Construction Supervision in area of Metro Rail

System, Light Rail Transit System, Suburban Rail and Metro Lite.

In highway and road infrastructure sectors, RITES looks for opportunities and provide consultancy, in areas of design and PMC apart from new areas like road safety audits, bridge condition surveys, bridge maintenance management systems, rehabilitation of roads and bridges, project coordinating consultancy services.

Airport sector projects provide scope for Consultancy assignments in the areas of; Feasibility & Design Studies, Project Management Consultancy in development of Feeder airports and airports in the NE Region, Green field airports, Heliports; Assistance to DGCA in area of Airport Technical Audits needed for airport licensing requirement & renewal thereof, Non - Destructive Testing of Pavements, Feasibility & Design Studies, Project Management Consultancy in development of Integrated Check Posts along the borders for MEA/LPAI, Project Management in modernization of defence airfields.

International Business for railway, highway, metro, port and airport projects for preparation of DPR & Construction supervision. And also supply of railway rolling stock and rehabilitation of existing railway systems under multilateral, bilateral or GoI funding.

Ports and water resources projects provide scope for consultancy services for Ports and Harbours,

Water Resources Engineering and Inland Water Transport (IWT), Port Modernization, Connectivity Enhancement, Port-linked Industrialization, Coastal Community Development.

For Building Projects, RITES is providing Project Management Consultancy and Third Party Quality Assurance, Inspection and Audit Services to various clients and has been successfully executing various prestigious Institutional, Commercial and Residential Buildings and Infrastructure Projects for Central/ State Govt. Organization, PSUs, Universities, IIMs, AllIMs, other Institutions of National Importance, Autonomous Bodies, Private Sector etc. at various locations.

Ramping up Investments, including through private participation, is the priority Area for Govt. of India for development of various infrastructure such as railways, urban transport including metros, highways, airports, ports, urban infrastructure including smart cities, integrated check posts, power sector etc. RITES looks for new areas of business/ expansion in existing services such as; Maintenance of rolling stock for private train operators, Metro services and RITES' own locomotives by setting up maintenance workshop, Mechanical handling system (conveyor system) of coal and iron ore at mines and loading and unloading of cargos at ports, Explore possibility of providing technical services to metro rail system already in operation and Metro Lite, including management of maintenance of assets, system studies and upgrades etc, deeper intervention in quality assurance of products by way of undertaking raw material in process, stage inspection, in addition to pre-dispatch inspection being undertaken presently, Expanding the reach of inspection services to sectors like defence equipment, including supply through GeM, Projects for dealing with public health engineering projects i.e. water transmission system, irrigation and inter-linking of rivers etc., Solar/Wind Renewable Energy: Leveraging REMCL's position and expertise in order to generate new streams of revenue for RITES.

For Export and leasing of rolling stock business segment, RITES focus business opportunities to develop and offer new locomotive and coach designs for meter gauge (MG) and cape gauge (CG) that can be marketed and sold to clients in Asia and Africa. Initiatives are taken to provide export service packages covering; conversion to standard

gauge, upgrading of engines and fuel system to meet emission norms and long-term spare supply and warranty support besides, development of new design of bogie and coach for MG/CG, both in AC and non-AC configuration.

Strategy Going Forward

RITES intends to leverage its experience and continue to build on its core competencies in transport infrastructure sector across various sub-sectors by way of alliances, joint ventures, subsidiaries and consortium arrangements with focus on sectors such as metro, Dedicated Freight Corridors, high-speed trains, airports, etc.

Company plans to expand its international operations by expanding its business of exporting of railway locomotives, coaches, wagons and other equipment and strengthen its EPC/Turnkey business - Company has been awarded projects on nomination basis from the MoR for construction of railway lines and electrification of existing/ new railway lines and upgradation of railway workshops on a fixed fee basis. Considering the extent of new investments in electrification and railway infrastructure it intends to strengthen its organization for taking more such works.

Expand its operations in the power procurement and renewable energy sector through its subsidiary - Railway Energy Management Company Limited (REMCL).

OVERSEAS BUSINESS

RITES has extensive experience in working with multilateral-funding agencies and other international organizations. RITES has high international visibility and reputation earned through work experience in over 55 countries so far.

Export and leasing of rolling stock business segment continued to be supported by Indian Railways Production Units with new technology/ specifications as required by clients at a competitive pricing.

RITES secured contract to supply 6 sets of DEMUs and 10 Broad Gauge AC-AC Diesel Electric Locomotives in FY 2017-18 from Sri Lanka. Two sets of DEMUs and 2 locomotives were supplied in FY 2018-19. Balance four sets of DEMUs and eight locomotives have been supplied during the current



RITES' officials at the signing of the JV agreement of PMC for 4-lane National Highway with Bangladesh Government



year. Additional order for supply of 2 sets of DEMUs has also been secured, delivery for the same will be made during FY 2020-21.

During the year procurement activities were also undertaken for supply of 160 Broad Gauge passenger coaches against order secured from Sri Lanka and Locomotive spares to Myanmar Railways.

In highway sector, RITES secured a prestigious Management Consultancy Services (PMC) project for Improvement of Ashuganj River Port-Sarail-Dharkhar-Akhaural and port Road as 4-Lane National Highway Project from government of the People's Republic of Bangladesh.

RITES continued to provide consultancy services for implementing light rail project in Mauritius between Port Louis to Curepipe.

During the year, RITES provided construction Supervision and Project Management Consultancy (PMC) services for development of National Coast Guard Headquarters in Mauritius against a project secured from Ministry of Defence and Rodrigues, Government of Mauritius.

RITES continued to provide consultancy for Detailed Design for construction of Single Standard Gauge Railway line from Tema to Akosombo on Engineering Procurement and Construction (EPC) basis in Ghana (100km); Project Management Consultancy for East Bank - East Coast road linkage project in Guyana (South America) and consultancy services for construction supervision of Tshesebe to Masunga Road in Botswana.

DOMESTIC BUSINESS

RITES has always remained on the fore-front

in development of Transport, Transportation Infrastructure and related technologies and turnkey solutions for various clients from Ministries/ Departments of Central Government, State Government and Private Corporate Houses etc.

During the year, RITES provided its consultancy services for various railway projects such as; Conventional Railways, Dedicated Freight Corridors, High-Speed Passenger Corridors, Semi High-Speed Corridors, Integrated Multi Modal Logistic Hub, Rail connectivity for Industry/ports for bulk movement of freight, Railway Safety, capacity augmentation projects, Railway electrification, Signaling and telecommunication, Metropolitan Transport Projects, Production Units & Workshop Modernization, Traffic studies, Port Connectivity Projects, Energy and sustainability, Design/Detailed Engineering of bridges (Railway Bridges, Rail cum Road Bridges, Road Over/Under Bridges), tunnels and geo-technical investigations, including condition monitoring of railway bridges & other assets.

RITES continues to provide its services for various projects on turnkey construction basis for Indian Railways e.g. construction work of doubling of track, third line, railway electrification etc. RITES is also undertaking various turnkey contracts of setting up/ augmentation of Wagon POH facilities, Setting up of facilities for refurbishment of LHB coaches, freight train maintenance facility, shifting of existing railway infrastructure and other utilities etc. Considering the extent of new investments in railway infrastructure, RITES anticipates more projects of similar nature in the coming future.

In metro rail sector, RITES is engaged in several projects including General Consultancy for Delhi Metro Phase-III, Ahmedabad Metro, Nagpur Metro and Pune Metro, DDC services of elevated metro stations and Depots (Apparel & Gyaspur) for Ahmedabad Metro, Detailed design for Power Supply and distribution system for Bangalore Metro & Ahmedabad Metro, Proof Checking works for Viaduct and stations for Ahmedabad Metro. In addition RITES is also engaged for providing Comprehensive Consultancy services in planning of Urban and Regional Transport, development of Transport Sector Master Plans, Traffic Engineering/ Management etc.

In quality assurance, over the years RITES has been continuously making significant progress and has considerably enhanced its business with Indian Railway production units, DFCCIL, COFMOW, Railway Electrification, RVNL, IRCON, Indian Railway Stations Development Corporation Ltd. etc. Division is also associated with prestigious non-railway clients like TATA, L&T, GMR, Dilip Buildcon, JSPL, KPTL, KEC etc. besides working for reputed non-railway clients in Government sector like, SAIL, BHEL, Oil PSUs, NTPC, State PHEDs etc.

RITES is also providing services such as operation and maintenance of railway system to domestic clients in power, steel, cement, coal and port sector. RITES provides locomotives to the clients on lease basis. Presently RITES is maintaining over 130 Diesel locomotives and 1500 Wagons owned by NTPC, SAIL etc, and has 62 locomotives for leasing to domestic non-railway customers and there is a

growing demand of shunting locomotives on lease by non-railway customers.

RITES is making steady progress and continues to secure several prestigious projects and provide consultancy services for projects in areas such as highways/road transport/bridge survey; airports and heliports, ports and water resources; passenger/ material ropeways as also for funicular railway projects; project management and design consultancy for development / expansion / up gradation of apex educational / institutional buildings including third party quality assurance; procurement for various government departments for international/national government funded projects; information technology services for software development, implementation support financial / transaction advisory for various PPP projects, project appraisal for investment projects etc.

Engineering consultancy and turnkey solution services provided by RITES for the year include conducting techno-economic feasibility studies, Preliminary Engineering-cum-Traffic study, Final Location Surveys, Geological, Geophysical and Geotechnical Investigation, preparation of detailed project reports, design engineering activities including Rolling Stock Design and Development, procurement assistance, project management activities, quality assurance, inspection, training, construction supervision, materials system management, transaction advisory and commissioning support including operation and maintenance.



POH facilities for BCN and BLC wagons at North Western Railway Workshop, Bikaner



Facilities for augmenting periodical overhauling capacity from 20 to 120 BG wagons per month at Kurduwadi Workshop, Maharashtra



A foreign delegation visits RITES wagon manufacturing unit at Kulti, West Bengal

SAIL-RITES joint venture on 50:50 basis (SRBWPL) undertakes to manufacture high-end specialized wagons for the Indian Railways and other clients. Its recent accomplishments include manufacturing of 1495 BOXNHL wagons and rehabilitation of 1080 BOXNR wagons.

Railway Energy Management Company Limited (REMCL), a subsidiary of the Company with 49% equity participation of Indian Railways is strive to procure traction power for Indian Railway under open access, thereby effecting a saving in energy bills of Indian Railway by ₹ 3761 crore during the year and cumulative saving of ₹14332 crore and to harness the potential of renewable energy on railway land. Establishment of plants for 3 GW of solar energy on railway land is under way.

IX REVIEW OF BUSINESS UNITS/ DIVISIONS

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

RAIL INFRASTRUCTURE DIVISION

Railway infrastructure division provides consultancy in transportation & economics, electrical engineering, signal & telecommunications, Project Management consultancy for Dedicated Freight Corridor, track & survey, geo-technology, civil engineering design through conceptualization, design and project management of rail based transportation system. This division operates through a number of SBUs at Corporate Office, brief of each one is as under:-

TRANSPORT & ECONOMICS UNIT

This Unit is having expertise in transport planning, engineering design and transport economics. It is involved in pre-feasibility studies, techno-economic feasibility studies, detailed project reports pertaining to integrated transport systems, regional and national transport master planning, inter-modal and multi-modal transport systems for all modes of transportation like Railways, Highways, Ports, Waterways, etc. Besides, it undertakes studies related to traffic flow assessment, traffic demand assessment & traffic forecasting for both passenger and freight traffic across various modes of transport. It also undertakes engineering studies for planning and designing of railway yards, rail connectivity to ports, steel power & cement plants and multimodal logistic parks. The unit has done studies both in India and abroad for various government /multi-lateral funding agencies & other organizations. In recent times, it has undertaken feasibility study for containerized bulk movement of food grains (wheat) for Food Corporation of India, rail connectivity to Gopalpur Port, Semi-high speed suburban rail system connecting Bangalore city to Bangalore airport, work pertaining to Nabha Power Plant, etc.

Projects under execution includes Techno-economic Feasibility Study for Development of Integrated Multi-modal Logistic Hub (IMLH) of DMIDC at Nangal Chaudhary in Haryana, Pre-feasibility study for steel freight corridors for MECON Ltd, Development of Rail Infrastructure facilities for handling 22 million tonnes per annum of traffic for JSW Integrated Steel Plant at Vijaynagar, National Rail Plan (NRP) for Ministry of Railways, Feasibility study to evaluate rail movement from Jamnagar Refinery of Reliance Industries Ltd. to its various terminals, consultancy services for carrying out work related to connectivity of coal transportation corridor for Ultra-Mega Power Plant (UMPP) in Sundergarh, Odisha, for Power Finance Corporation Consultancy Limited.

ELECTRICAL ENGINEERING UNIT

This unit provides Project Management Consultancy services, Quality Assurance and Surveillance Inspections in the field of Railway Electrification(1x25kV AC Feeding system & 2x25 kV AT feeding traction systems), Traction Sub-Stations,



Vijaypur-Pachore Road-Maksi railway electrification project in Madhya Pradesh



Doubling of railway track at Gooty-Dharmavaram in Andhra Pradesh

Grid Sub-Stations, EHT Transmission line, MV & EHT cabling works, General Electric Substations, Building Electrification, Air Conditioning, Illumination systems, Installation of lifts & escalators; standby Power supply arrangement/ DG sets, Rural Electrification, grid connected roof top solar systems etc.

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

This unit is carrying out work of Railway Electrification of sidings at Nabinagar, Meja Thermal Power Project, Lara Thermal Power Project, Kusmunda, Patherdih, THDCIL, UPUVUNL, NTPC and Main line Railway Electrification on SECR and SCR which is more than 880TKm. Presently, this unit is executing Railway Electrification works of sidings and main line for more than 1300 TKms.

This unit also provides services for preparation of Feasibility Study (FS), Preliminary Engineering cum Traffic Study (PETS), Detailed Project Reports, Detailed Engineering (DE) and validation of various reports related to Electrical Engineering Projects.

SIGNALLING & TELECOMMUNICATIONS UNIT

This unit provides Consultancy and Construction Management Services for Railways, Power Plants, Cement Plants, Steel Plants, Refineries, Port Trust, Coal Sectors etc. The scope of work ranges from Concept to Commissioning of the modern Signal & Telecommunication projects including post commissioning operation and maintenance services. The service spectrum includes planning, preparation of feasibility report, Detailed Project Report, Detailed Engineering, Project Management & Construction Supervision in the domain of Modern Railway Signalling System, Security Surveillance & Access Control Systems, Optical Fiber Communication Networks, Digital Radio Communication Networks, Satellite Communication based networks, SCADA, Mobile Radio Communication etc.

During the year, the unit has completed PMC works of Garlidene, Meja- 2 stations, LARA, Kusmunda. Project Management Consultancy works under execution include provision of Signalling & Telecommunication system in in-plant yards at NTPC (Mauda & Khargone), Steel Plant (Koradi), RINL (Visakhapatnam), MUNPL (Meja) and SCCL (Singareni). This unit has also taken up Signalling & Telecommunication part of works of various Railway projects for Third Line and Doubling works between Anuppur-Pendra Road section & Gooty-Dharmavaram Section of South East Central Railway undertaken by RITES respectively, including on EPC basis.

Works recently secured by the unit include PMC work of Tanda Ghatampur, Sarla-Sipat, telecom work of Gooty-Dharmavaram, Bilaspur yard work and S&T work of RINL and NTPC Khurja.

TRACK & SURVEY UNIT

This unit provides consultancy for studies and investigations for new railway projects, in India and abroad, whether for Conventional Rail systems, Dedicated Freight Corridors (DFCs) or High Speed/ Semi-High-Speed Rail corridors. The Unit has a team of experts with specialization in design of optimum alignments in difficult and mountainous terrains making extensive use of latest technologies including high precision instruments, state-of-the-art equipment, image processing software such as ERDAS Imagine and SOCET SET, alignment design software such as Bentley MX, Bentley Power Rail Track and AutoCAD Civil 3D and alignment optimization software such as Quantm etc. This unit has worked in the past on various railway projects in UAE, Syria, Indonesia, Nepal, Bhutan, Ethiopia, Mozambique, Ghana, Gabon, Senegal and Saudi Arabia, besides India.

Service Spectrum includes Pre-feasibility and feasibility studies for Conventional Railway, Dedicated Freight Corridors, High-Speed and Semi-High-Speed Railway lines; Preliminary Engineering-cum-Traffic Studies and Final Location Surveys by terrestrial/aerial LIDAR and geo-positioning methods with and without using satellite data / photogrammetry; Detailed Project Reports and Detailed Engineering Studies.

A few major projects currently under execution are: Detailed Design of Alignment for Delhi-Ghaziabad-Meerut section of RRTS for NCRTC; Pre-Feasibility Study for Agra-Lucknow-Ajamgarh-Varanasi SEMI-HSR passenger railway line along Agra-Lucknow and Purvanchal Expressways (700km long) for UPEIDA; Feasibility Study and Final Location Survey of High-Speed Rail Alignment along existing Western Railway Lines between Vapi and Virar for NHRCL; Feasibility Study for Mumbai-Chennai High-Speed Railway (1,370 km long with a design speed of 350km/h) for HSRC; Consulting Services for Providing Alternatives for Proposed Dedicated Freight Corridor Alignment within Andhra Pradesh Capital Region for APCRDA; Consultancy Services for Detailed Design for construction of Single Standard

Gauge Railway line from Tema to Akosombo on Engineering Procurement and Construction (EPC) basis in Ghana (100km) for AFCONS.

GEO TECHNOLOGY UNIT

The unit provides consultancy services in engineering Geology, Soil/Rock Mechanics, Foundation Engineering, Geophysical survey, Ground water and allied fields including diamond core drilling of exploratory boreholes, in-situ and laboratory tests etc. This unit has carried out Geotechnical investigation for a number of prestigious projects in the country and has expertise to provide total consultancy for complete Geotechnical/ Geological/ Geophysical investigation.

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



Drilling in progress for Obra Dam, East Coast Railway

& geophysical data processing and interpretation.

The unit has completed GT investigation for 36 structures (Bridges & Viaducts) for Katghora-Dongargarh; deep drilling and in situ testing for LPG storage at Ankleshwar & Vadodara of HPCL; Geotechnical and Geophysical survey for construction of railway embankment over the existing deposited ash bed for Patratu Thermal Power Project of NTPC; Geological, Geophysical and Geotechnical Investigation for six railway tunnels in Koraput between Baiguda to Laxmipur of East Coast Railway.

Ongoing projects include carrying out geotechnical investigations including advanced in-situ testing for rock mined cavern for LPG storage facility of HPCL at Mangalore & geotechnical investigation for elevated section between Dharuhera to Shahjahanpur-Neemrana-Behror of SKK-SNB corridor of NCRTC.

DEDICATED FREIGHT CORRIDOR - SPECIAL PROJECT UNIT

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

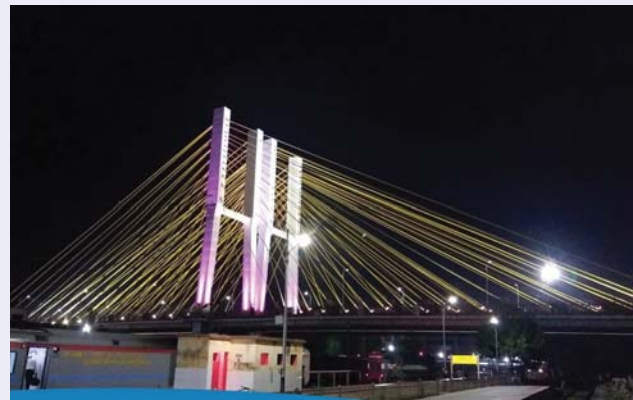
During the year, commercial run of Indian Railways (IR) freight trains on the newly built Rewari-Madar section (Madar to Ateli) of WDFC covering a distance of about 306 Km has been started.

CIVIL ENGINEERING DESIGN UNIT

This unit provides engineering design services involving planning, design, bidding documents



Tunneling work for the Jiribam-Tupul rail line project



Design and construction of the six-lane cable-stayed bridge in Nagpur

designer support and construction supervision for Railway Bridges, Rail cum Road Bridges, Road Over/Under Bridges, Approach structures like Rail/Road viaducts, Suspension bridges, Cable Stayed & Extra Dose Bridges and Road/Railway Tunnels for various modes of operation including PPP, EPC etc. The services also include River Engineering involving hydraulic model studies and design of river training and protection works.

Recently completed projects include: DPR for construction of 3 important river bridges for S.C. Railway; Third Party Audit of bridge with deficient/negative Camber for N.F. Railway; Detailed design consultancy and construction supervision of Railway Tunnels on Jiribam-Tupul section of N.F. Railway; Model study for Bogibeel Rail-cum-Road Bridge across river Brahmaputra for N.F. Railway.

Ongoing projects include: Designing, developing, installation and commissioning of Structural Health Monitoring System (SHMS) for 4.94 km long Bogibeel Bridge for N.F. Railway; Design, drawing & proof checking of major bridges (total 19 nos.) for East Central Railway; Rail/Road Bridges comprising of PSC, steel, steel-concrete composite with single/continuous spans for USBRL project; DPR for two tunnels for South Central Railway; DPR including for Construction of 9 Railway Tunnels for East Coast Railway; Hydrological study for stability/suitability of proposed new single line from Khagaria to Kusheshwar Asthan for E.C. Railway.

REGIONAL PROJECT OFFICES (RPOs)

To cater to clients in various regions in India, RITES has established Regional Project Offices (RPOs). These RPOs provide consultancy for development

of Rail Infrastructure, construction of railway sidings and connectivity projects of varied industries such as steel, power, mining etc.

NORTH

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

The RPO has expertise, resources and technical competence to undertake projects from conceptual stage to its completion & commissioning which includes preparation of DPR, Estimates, tendering, execution, budgetary management and quality assurance etc.

Major ongoing projects of this RPO consist of construction of third line from Pendra road to Anuppur (50.1 Km) of Bilaspur Division of SECR, RTRS Track alignment and maintenance at TBRL, Ramgarh Range for 03 Years (Six phases), DPR study for Dedicated Port Rail connectivity from Salegaon to Paradip Port including the formation of a SPV for implementation, operation and maintenance of Proposed Corridor and Review and Suggest design changes of the approved DPR of 3rd and 4th line prepared by Railways from Budhapunk to Salegaon, Third Party Quality Assurance/Audit for work of South Delhi Municipal Corporation, DPR and Detailed Engineering Project Management

and Construction of Coal Transportation System for Tanda TPP Stage-II (2X660 MW), Supervision of Box Pushing work under railway line within Railway land near Pragati Maidan, New Delhi, PMC for 5 ROB's /Flyovers at Amritsar, PMC for Railway Siding for BPCL at Asalpur-Jobner, Rajasthan, PMC for Railway Siding for THDCIL at Khurja.

LUCKNOW

This RPO is having projects in Uttar Pradesh, Madhya Pradesh and Bihar and provides services from concept to commissioning viz. Feasibility and Detailed Study, Design & Drawing and Project Management Consultancy for projects in the field of Rail Infrastructure.

The RPO is involved in augmentation of Rail Infrastructure of NTPC Power Plants in Uttar Pradesh and Vindhyanagar, Rail connectivity for Nabinagar and Meja Thermal Power Plants, Feasibility studies & Detailed Project Reports for various Power Plants of UPRVUNL and NTPC including a major project of Jawaharpur Power Plant. RPO-Lucknow is also providing PMC services for the rail network for transportation of coal for NUPPL at Ghatampur. RPO is also providing their services for rail connectivity of almost all the mines of Northern Coalfields Limited.

During the year, Railway siding of Meja Plant has been connected to Indian Railway including NI at Meja, completion and commissioning of 2.4 Km. long viaduct. During the year, RPO Lucknow secured various projects of Railway Siding of Thermal Power Plant and NCL mines.



PMC services for ROB at Gondwara Gate in Raipur

NAGPUR

This unit is providing customized, Techno-economically viable concept to Commissioning solutions over 35 years for various Rail transport and infrastructure works in the states of, Madhya Pradesh, Chhattisgarh and Maharashtra (Except Mumbai).

RPO Nagpur has executed major PMC assignment in the area of Construction of Railway siding for NTPC Khargone, Mouda and Sipat, CSPGCL Marwa, MSPGCL Chandrapur & Koradi, CONCOR MIHAN Nagpur & Nya Raipur, MPPGCL Khandawa, SAIL Bhilai, SECR Bilaspur along with PMC services for ROBs for PWD Maharashtra, MSRDC, PWD Raipur, PWD MP & PWD CG and Box pushing works for VIDC, MPD Gondia etc.

This unit was awarded 5 projects by PWD Raipur, 3 projects by PWD Raigarh and 1 project by PWD Nagpur for FSR, DPR and PMC of ROBs/ RUB work. 2 Projects by MSPGCL for CTR work and other consultancy service work for WCL, SECR Bilaspur, IMC Indore, WRD Solapur etc. RPO Nagpur has also received a Turnkey Project of SECR Bilaspur.

SOUTH

This Unit, located at Secundrabad, covers southern part of India i.e. Tamil Nadu, Karnataka, Kerala, Andhra Pradesh & Telangana states. This Unit has expertise, Resources and Technical Competence to undertake Projects from Conceptual Stage to completion and commencing which includes Preparation of DPR, Feasibility Report, Estimates, Detailed Engineering & Project Management Services, including Roads, Railway Siding works, Buildings apart from maintenance of railway.

The projects handled include PMC of Building works such as Engineering Colleges, Polytechnic Colleges, First Grade Colleges, Industrial Training Institutes spread over more than 200 locations across Karnataka State. The unit is also handling PMC of two Cluster Universities at Mysuru and Bengaluru, awarded by Department of Collegiate Education (DCE). The Unit has recently taken up Railway work of Final Location Survey and DPR for the new Railway Line between Belagavi & Dharwad in Karnataka.

RPO is handling work of doubling of track from Gooty-Dharmavaram (Railway Ch: Km 178.000 to

Km 269.000) with a total length of 91 km by SC Railway. The entire stretch has been divided into two Reaches viz. Reach 1 (Km 222.000 to Km 269.000) Gooty to Taticherla (GY-TCA) with a length of 47km & Reach 2 (Km 178.000 to Km 222.000) Taticherla to Dharmavaram (TCA-DMM) with a length of 44 Kms.

This Unit has also taken up Feasibility Studies for Capacity Augmentation and Multi Modal Integration Hub at Hebbal Junction, Bengaluru in addition to Conversion of Railway Siding from Narrow Gauge to Broad Gauge from Sambre Railway Station to Hindalco Plant at Belagavi, Karnataka. The unit is also handling DPR of Metro phase-3 work of Namma Metro.

KOLKATA

The jurisdiction of operation of RPO/Kolkata is in the states of West Bengal, Bihar and the seven sisters (North East). This RPO provides consultancy services on Project Management from Concept to Commissioning for development of Rail Infrastructure and allied services of various sectors such as Steel, Power and Coal sectors for various Clients in Central / State Govt. Depts. and PSUs like CIL, IOCL, NTPC, PDIL, SJVNL, etc. This unit diversified and developed expertise in infrastructure projects like water works comprising trenchless technology i.e. micro tunneling work in both elevated structure & cut & cover method, construction of Intake jetty, water treatment plant etc. and river front beautification project of Civil Authorities, namely KMC, KEIP & KMDA.

This unit has also been entrusted with re-habilitation and changing of cables for Vidyasagar Setu, India's longest cable stayed bridge, which will be a first of its kind in the country.

Apart from above, RPO/Kolkata is also providing Project Management Consultancy for Rail connectivity works of different Thermal Power Stations situated in different states namely Raghunathpur TPS (in West Bengal) for DVC, Muzaffarpur TPS & Barauni TPS (both in Bihar) and New Bongaigaon TPS (in Assam) for NTPC.

Furthermore, SBU has recently commissioned Doubling work with Non Interlocking (NI) Signalling work (Junction Arrangement) amidst busiest suburban running traffic in Main Line of SE Railway (BasuliyaSutahata-Durgachak section) for Haldia Energy Limited.

BHUBANESWAR

This unit covers South-Eastern part of India viz. Odisha and part of Andhra Pradesh. The unit is involved in developing Rail Infrastructure for different industries like steel, aluminum, coal power and mining sector besides major ports. It also serves major clients like NALCO, NTPC, MCL, RINL, SAIL, CONCOR, Visakhapatnam Port Trust (VPT), Paradip Port Trust (PPT), Subarnarekha Port, Tata Steel & NSPCL.

This unit is well equipped with diversified and developed expertise in execution of transportation infrastructure projects for both rail & road and preparation of FSR & DPR

During the year, this unit handled a prestigious projects of the Government of Odisha i.e. consultancy services from concept to commissioning for establishment of State Forest Academy at Bhubaneswar. This unit also bagged another work of Government of Odisha i.e. pre-feasibility study for Odisha Rail Infrastructure Development Ltd. for a rail link from Tapang to Bhubaneswar Airport.

Unit has successfully completed, Concept to commissioning of wagon tippler yard at NTPC, Kaniha and installation and commissioning of diamond crossing in line no.13 at North West of R&D yard, Visakhapatnam Port Trust project during the year.

RAIGARH

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

This unit is looking after three mega projects; (i) Preparation of DPR & Construction Management services for NTPC-Lara, near Raigarh for a double line MGR of 67 Route KM (170 TKM), (ii) To provide services as owner Engineers for OPGC MGR at Banharpalli for a single line MGR of 45 Route KM (66.2TKM) and (iii) Construction Management services for NTPC-Khargone for 39.6 Route Km (63.92 TKM). This unit has submitted offers and is looking forward to get some works in mining sector in Chhattisgarh.

This unit has got complete in-house expertise for taking up rail infra project at inception stage on concept to commissioning basis, which certainly will help the unit to generate business potentiality in Chhattisgarh & Odisha State, particularly around Raigarh where many industries are coming up in Power, Steel & Mining Sector.

BUILDING AND AIRPORT DIVISION

This division provides consultancy services for construction of institutional, commercial and residential buildings and development of Greenfield and Brownfield airports, airport terminals, ICDs, ICPs and PMC services. Division also provides total solution in the field of station development and associated infrastructure. Division has three strategic business units namely Construction Project Management unit, Airport unit and Special Project-Station Development.

CONSTRUCTION PROJECT MANAGEMENT UNIT

Building Project division is providing Project Management Consultancy and Third Party Quality Assurance, Inspection and Audit Services to various clients and has been successfully executing



Railway siding work at NTPC Khargone and Lara MGR

various prestigious Institutional, Commercial and Residential Buildings and Infrastructure Projects for Central/State Govt. Organization, PSUs, Universities, IIMs, AIIMs, Institutions of National Importance, Autonomous Bodies, Private Sector etc. at various locations in India and abroad.

Its clients include: IIM-Rohtak, IIM-Shillong, NIT-Hamirpur, NIT-Meghalaya, MNNIT-Allahabad, Allahabad University, JNU, Delhi University, Central University of Karnataka, Central University/Kerala, Central University/Gaya, Indian Council of Agricultural Research, Delhi Jal Board, NOIDA Authority, Container Corporation of India, AIIMS etc.

During the year, this SBU was engaged in a number of prestigious domestic projects, which included: PMC of IIM-Rohtak, Business Park of NSIC, Heritage building of Allahabad University, MNNIT-Allahabad, Housing complex of Delhi Police at various locations in Delhi, quality Assurance of DDA Housing complex Dwarka, new AIIMS at Manglagiri, Maduarai, Bibinagar, Deoghar, Gorakhpur, Raebareli, Bhatinda, Bilaspur, Nagpur, Kalyani and Guwahati.

AIRPORT UNIT

The Unit provides comprehensive consultancy services in all aspects of airports and airside infrastructure. The division has successfully completed many projects in the air transport sector in India and abroad.

The range of services provided by the division includes: Project feasibility studies, DPRs, Master planning, Detailed Engineering & Design; Site selection & EIA studies; Topographic Surveys and Traffic Forecasts; Air Traffic Surveys, demand assessment and forecasting, obstruction surveys (OLS); Design and construction management of passenger terminal building, cargo terminal, hangars, workshops & maintenance facilities; design and construction management of airfield pavements, air traffic control tower, technical & operational buildings; Design of Navigational and Communicational aids; Obtaining Airports Licensing & statutory clearances; Airports Economic & Capital Expenditure Studies; Pavement Evaluation using Non-Destructive test devices such as Heavy Weight Deflectometer; Design of Heliports & allied infrastructure; Project Management/Monitoring, Construction Supervision & Quality Control; Design

& PMC for Development of Integrated Check Posts (ICPs)/Land ports.

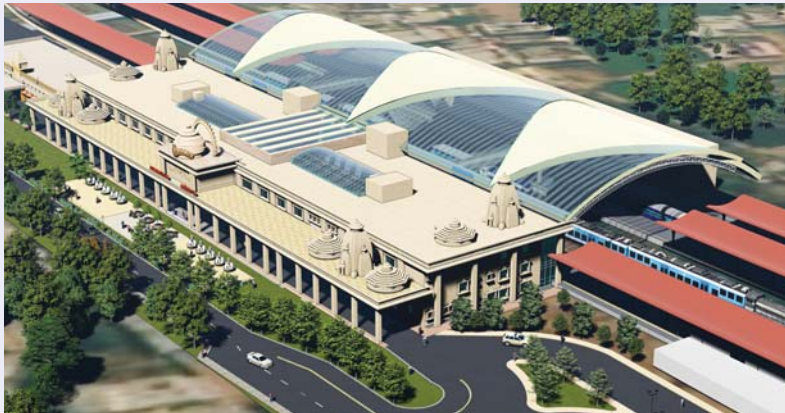
The Unit has been executing international projects such as Design & PMC for Development of Infrastructure at airport in Mauritius and Design & PMC for Development of Land ports at Biratnagar and Nepalgunj in Nepal. On the domestic front, the unit is working on projects such as Design & PMC for expansion of Srinagar International Airport; Design & PMC for up gradation of infrastructure at Belora Airport, Amravati (Maharashtra); Development of Cargo Terminals at Chandigarh, Ahmedabad & Amritsar airports; Development of Shimoga & Hassan Airport (Karnataka), Palia Airport (West Bengal); Development of airports at Kasia (Kushinagar) & Chitrakoot in UP; Feasibility study for development of new greenfield airport at Chhindwara, MP; DPR for development of 7 Phase-II ICPs; and PMC services for construction of UG structures at five locations in India.

SPECIAL PROJECT - STATION REDEVELOPMENT

Combining its extensive experience, in Railway engineering, Urban Development and Building projects, a new unit "Special Project (Station Development)" is created to assist, Government of India in Re-development of "Railway Stations" to world class standards. The unit has been created with the aim to provide total solution in the field of station development and associated infrastructure including Site Evaluation and Land due diligence studies, Techno-commercial Feasibility studies, detailed engineering design, PMC etc.



Redevelopment of Varanasi railway station



A model of Ayodhya railway station

The unit is dealing with re-development works of Varanasi railway station and Ayodhya railway station and near by areas. Besides this, the unit has entered into an MOU with IRSDC for the development work of eight railway stations across India as PMC Consultant to IRSDC under station Re-development program of Govt. of India.

For the IRSDC works, Techno-commercial feasibility studies of eight stations has been carried out. During the year services are provided for Architectural Planning & Engineering Services for Preparation of Station Development Plan for Re-development of 3 (Three) Railway Stations (Gurugram, Pune & Indore) along with Commercial Development of Land Parcels.

TRANSPORT DIVISION

INFRASTRUCTURE

This division provides consultancy services for roads and highways including Expressways, National and State Highways, rural roads including bridges via ducts and tunnels, ports and harbours, water resources engineering, inland water transport, including preparation of feasibility studies, detailed project reports, PMC services, Quality Assurance of such projects including safety audits etc. Division has two strategic business units namely Port & Water Resource (PWR) & Highways.

PORTS AND WATER RESOURCES UNIT

This unit provides consultancy services for Ports and Harbours, Water Resources Engineering and Inland Water Transport (IWT). Presently, this unit is providing Independent Engineer services for three berths (i) Development of deep draft Iron Ore berth, (ii) Deep draft Coal berth and (iii) Mechanization of EQ berth for Paradip Port Trust. This unit has secured Construction Supervision and Project Management Consultancy (PMC) services for development of National Coast Guard Headquarters in Mauritius from Ministry of Defence and Rodrigues, Government of Mauritius. The facilities to be constructed under this overseas project are: Berthing Jetties, Coast Guard Head Quarters Building, Flotilla Support Services,



Iron Ore Export berth with mechanical handling facilities ready for commissioning



Independent Engineer Services for developing Multipurpose Berth at Paradip Port, Odisha

Workshop Building, Marine Ship Lift and Repair yard.

The DPR Study for development of Greenfield port at Ramayapatnam Port for Government of Andhra Pradesh is in final stage of completion. During the year, INCAP (a GoAP Organization) awarded the work of preparation of Detailed Project Report for development of Greenfield port at Machilipatnam to P&WR unit and the same is also under progress.

HIGHWAYS UNIT

Highway Construction SBU is providing consultancy services for third party Quality Assurance/ construction supervision/Authority Engineer/ Project Management Consultancy services/Advisory services for Highway and Bridge Project.

Major projects secured during the year by this unit include: Project Management Consultancy

Services (PMC) for Improvement of Ashuganj River Port-Sarail-Dharkhar-Akhaura Landport Road as 4-Lane National Highway Project (Government of the People’s Republic of Bangladesh); Project Management Consultant (PMC) cum External Technical Auditor (ETA)” for construction of “Purvanchal Expressway” in Uttar Pradesh; Post Construction Quality Audit and Safety Audit of Kundli-Manesar section of KMP Expressway (Km 0.00 to 83.320) and recommendations for improvement of deficiencies, if any.

Major ongoing projects of this unit are Construction of Balance works in High Speed Track (HST) at NATRAX, Pithampur (near Indore, M.P.); Third Party Inspection/Quality Assurance (TPIA) for Construction of Elevated Road over Barapullah Nallah starting from Sarai Kale Khan to Mayur Vihar, New Delhi, Phase-III, SH: Elevated Road, Extra dosed Bridge, Flyover, Clover Leaves, Loops, Ramps, Footpath, Cycle Track, Road Works including Signage, Street Light Works and Allied Works; Four Laning of Vijayawada-Machilipatnam section of NH-9 from Km. 0.00 to Km. 63.800 under NHDP Phase-III to be executed under Engineering, Procurement and Construction (EPC) mode in the State of Andhra Pradesh; Consultancy Service for Authority’s Engineer Baharagora to Singhara section (Four Laning of 111.606 km on NH-6) in State of Odisha on EPC mode; Project Management Consultant (PMC) cum External Technical Auditor (ETA)” for construction of “Purvanchal Expressway”



PMC-cum-External Technical Auditor for Purvanchal Expressway



Authority Engineering services for Vijayawada-Machilipatnam section of NH-9, Andhra Pradesh

in Uttar Pradesh; Post Construction Quality Audit and Safety Audit of Kundli - Manesar section of KMP Expressway (Km 0.00 to Km 83.320) and recommendations for improvement of deficiencies, if any; Project Management Consultancy Services (PMC) for Improvement of Ashuganj River Port-Sarail-Dharkhar-Akhaura Landport Road as 4-Lane National Highway Project (Government of the People's Republic of Bangladesh).



Girder launching along Baharagora to Singhara section in Odisha

URBAN INFRASTRUCTURE DIVISION

This division provides PMC services in urban transport sector including General Engineering Consultancy services for metro projects, conducting urban and regional transport studies, developing transport sector master plans, including traffic engineering and management surveys. Division has four strategic business units namely: Urban Transport, Urban Transport (General Consultancy), Regional Project Office, Ahmedabad and Urban Infrastructure-Mumbai. Brief about these strategic business units is given below:

URBAN TRANSPORT

This SBU provides Comprehensive Consultancy services in planning of Urban and Regional Transport, development of Transport Sector Master Plans, Traffic Engineering/ Management, Transport Demand Modeling, Comprehensive Mobility Plans, Bus System Planning/ Operation, planning & Design of Rail-Based Mass Rapid Transit System, Station Planning & Inter-modal Integration facilities, Transit Oriented Development Studies etc.

This SBU also provides Comprehensive Consultancy Services in the field of Environment Impact Assessment (EIA), Social Impact Assessment (SIA), Water Supply/Sanitation, Pollution Abatement, Ecology and Biodiversity.

This SBU has recently completed DPRs for Rail Based Mass Rapid Transit Systems in Nagpur Metro (Ph II), Thane Ph I, Feasibility Study and DPR for MRTS in Nashik, Planning of Integrated Building at Ahmedabad HSR and Indian Railway Station, Architectural Planning and Bid Process Management of Sabarmati HSR Terminal, Multimodal Integration Planning for Sealdah Area and Bhiwadi Airport 7 three stations of Mumbai Ahmedabad High Speed Rail, Traffic Improvement Plan of Nagpur Railway Station, Feasibility Studies for Bandra-Kurla Rail Link and Extension of Harbour Line and provision of 5th-6th line between Borivali and Virar in Mumbai. Detailed EIA & SIA studies for Pune metro Phase-I, Chennai metro and CSTM-PNML Harbour Line including Airport Spur. Tunnels in Jagdalpur-Koraput and Koraput to Singapur Road section in Odisha, Madanpalle and Madagatta section in Andhra Pradesh.



Construction of flash-butt welding plant at Sabarmati, Gujarat

This SBU is presently working on Alternatives Analysis Reports (AARs) and Detailed Project Reports (DPRs) of MRTS system in Jammu, Srinagar, Varanasi, Thane Ph II, Gurugram, Pimpri Chinchwad, Prayagraj, Gorakhpur, Vijayawada, Coimbatore, Chennai Ph II, Comprehensive Mobility Plans for Greater Noida, Jammu, Srinagar, Varanasi, Guwahati, Gorakhpur, Multimodal Traffic Integration for 9 stations of Mumbai Ahmedabad High Speed Rail and Hebbal Junction in Bangalore, Multimodal Urban Transit Pre-Feasibility for enhancing connectivity to proposed green field International Airport near Jewar, Public Transport Plan for Kolkata Metropolitan Area.

This unit has also undertaken detailed EIA & SIA studies for Ahmedabad Metro Phase-II and Surat Metro required for the project implementation. Preliminary Environmental and Social Examination for Semi-High Speed Rail Corridor from Agra to Varanasi is also in progress.

URBAN TRANSPORT (GENERAL CONSULTANCY)

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

SBU has been involved in Supervision of Metro Express line (A Light Rail Transit System) in Mauritius.



Mauritius Metro demonstrates RITES' project management & consultancy capabilities

Domestic Projects - General Consultancy for Delhi Metro Phase-III, Ahmedabad Metro, Nagpur Metro and Pune Metro, DDC services of elevated metro stations and Depots (Apparel & Gyaspur) for Ahmedabad Metro, Detailed design for Power Supply and distribution system for Bangalore Metro & Ahmedabad Metro. Proof Checking works for Viaduct and stations for Ahmedabad Metro.

REGIONAL PROJECT OFFICE - AHMEDABAD

This SBU covers Gujarat and neighboring states such as Rajasthan, Madhya Pradesh and parts of Maharashtra for providing service to Central Government departments, PSUs and Private Sector. Services provided by RPO Ahmedabad include Feasibility studies, DPR, Project Management consultancy of Rail siding works, building works,



Hon'ble Prime Minister Shri Narendra Modi and Hon'ble Prime Minister of Japan Mr. Shinzo Abe review a model of High Speed Rail project from Ahmedabad to Mumbai; and (right) 3D view of Sabarmati HSR terminal

in connection with High Speed Rail project from Ahmedabad to Mumbai. The project includes construction of new CONCOR depot, Bridge Engineering Workshop, Flash Butt Welding Plant, Stores Depot & Scrap Yard, Central Periodic Overhauling (CPOH) workshop and Divisional Maintenance Centre (DMC) for Track Machines, Staff Quarters and other miscellaneous buildings.

Construction of CONCOR depot at Khodiyar has been completed during the year and other works are under progress.

RPO-Ahmedabad has successfully completed one of its kind works for launching of Pre-Cast RCC Box Segments in Nov'2019 by Cut and Cover Method in a mega 7-hour block on Ahmedabad-Delhi Rajdhani Route for Construction of RUB at Sabarmati for NHSRCL.



bridge works, ROBs/RUBs/Box pushing/ Pipe pushing, Multimodal logistic parks etc.

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



Construction of CPOH and DMC workshop at Vatva, Ahmedabad

Other ongoing major projects are Private Freight Terminal (PFT) for CONCOR at Varnama/ Vadodara, Rail Trans shipment Hub (RTH) for CONCOR at Swarupganj/ Rajasthan, Enterprise Access Control System (EACS) for ONGC and projects of Third Party inspection for ROBs/ RUBs/ Box pushing/ Pipe pushing and other non-railway client under Municipal Corporation of Ahmedabad, Rajkot and Surat, Gujarat Urban Development Mission (GUDM), Gujarat Water Supply & Sewerage Board (GWSSB)/ Gandhinagar.

URBAN INFRASTRUCTURE - MUMBAI

This SBU is executing Consultancy Projects in and around Mumbai area and is providing project management consultancy services to prestigious clients like CONCOR, IPRCL, MRVC, CIDCO, MIDC,

MMRDA and BPCL. The unit is also providing detail engineering services for line capacity works in Central and Western Railway viz. 5th and 6th line of BCT - BVI in Western Railway, 5th and 6th line of CST-KURLA in Central Railway, 3rd line between Nagpur-Sewagram and Kalyan-Kasara section of Central Railway. Unit is conducting survey for various new lines on Central Railway.

Major works of Road Connectivity from East to West Bandra over Suburban tracks were completed for MMRDA. MMRDA (Client) has appreciated the excellent services.

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

EXPOTECH DIVISION

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

The unit endeavours to provide best rolling stock to clients through continuous technological up gradation, to ensure availability, reliability and customisation as per specific transport needs.

Rolling stock is sourced from the production units of the Indian Railways and is customised 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.

During the year, the SBU completed the supply to the Sri Lankan Railways, of six sets of DMUs (78 coaches) and ten Broad Gauge, AC-AC, Diesel Electric locomotives, manufactured at DLW and ICF respectively. Warranty support for these DMUs and Locomotives, eighteen microprocessor-controlled MG Diesel Electric Metre Gauge locomotives supplied earlier to Myanmar Railways and 120 stainless steel high speed coaches supplied to Bangladesh Railways was continued to be

provided. RITES also continued to provide expert services to CFM/Mozambique for maintenance of 16 Locomotives and supply of locomotive spares to Myanmar.

During the year, RITES secured new business of supplying two sets of fully air conditioned DMUs comprising 26 coaches, to Sri Lanka Railways as a follow-up order.

QUALITY ASSURANCE DIVISION

This division, a leading Inspection agency in India, renders Quality Assurance and vendor assessment services in India and abroad to large number of clients both in Government and Private sector. Material System Management unit under this division provides comprehensive Procurement, Logistics and Supply Chain Management Consultancy Services. Laboratory testing services also provided by the quality assurance division with labs at Kolkata, Mumbai and Delhi. The division is headquartered at Corporate office Gurugram with five regional offices located at Delhi, Mumbai, Kolkata, Chennai, Bhilai and 36 sub-regional offices spread all over India. Services in the field of Capacity and capability Assessment of manufacturers as well as technical assessment under single point registration scheme of NSIC are also provided by this division.

During current year, the division has considerably enhanced its business with Indian Railway production units, DFCCIL, COFMOW, Railway Electrification, RVNL, IRCON, Indian Railway Station Development Corporation Ltd.etc.



Testing of rail wheels



Inspection of conversion of billets into structural items

This division is also associated with almost all Metro projects under construction and other major infrastructure projects across India. Division is also associated with prestigious non-railway clients like TATA, L&T, GMR, Dilip Buildcon, JSPL, KPTL, KEC etc. besides working for reputed non-railway clients in Government sector like, Rourkela Steel Plant, Durgapur Steel Plant, Bhilai Steel Plant, BHEL, Oil PSU's, NTPC, State PHED's, State Electricity boards/Utilities, Smart city projects, State rural and Urban development projects etc. This division 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.

The division also carries out inspection of Rails, Plant and Machinery, Wheel sets, Wheel and Axle, Springs and other components of rolling stock in India as well as abroad. Third party inspection work abroad for various items was conducted in Japan, China, USA, Spain, Switzerland, Italy, Finland, Germany, France etc. for Indian Railways and wagon manufacturers.

Bhilai unit of this division is the only unit in India having expertise in Rail inspection. All the rails procured by Indian Railways are inspected by this unit of QA division at Bhilai Steel Plant, Bhilai and Jindal Steel and Power Plant at Raigarh. More than 14 Lakh MT of rails was inspected by Bhilai unit in the current year. This unit also has expertise in inspection of Head hardened rails used for DFCCIL and metro projects.

QA Division is having ISO: 17020 certification, a specialized certification accorded by NABCB (a body under Quality Council of India) covering large number of sectors in the field of inspection for meeting the conformance criteria of Inspection bodies.

QA division laboratories in Eastern and Western Region are accredited and conforming to rigorous ISO/IEC17025 requirements by NABCB. RITES experts are also part of various Standards Formulation committees of Bureau of Indian Standards to share its expertise for constant up-gradation of national standards, thereby enhancing its contribution to quality movement at the national level. During the year, QA division has been awarded prestigious CII Award for active customer engagement for customer focused approach.

MATERIALS SYSTEM MANAGEMENT UNIT

The unit has been providing comprehensive Procurement, Logistics and Supply Chain Management Consultancy Services in compliance with the International Best Practices, Guidelines & Procedures of International Funding Organisations (IFOs) and GFR of Govt. of India. The Core Competence of the Unit is to provide a wide range of services in various fields of Materials Management, Supply Chain Management and use of state-of-art technology and resources.

Ongoing Projects of this unit include Consultant Services as Procurement of drugs and medical equipment and associated services for National AIDS Control Organization (NACO) under MOH&FW; Consultant Services for Procurement of scientific equipment under Central Sector Scheme 'Monitoring of Pesticide Residues at National Level' under Ministry of Agriculture; Consultant Services as Procurement Agent for NAHEP (National Agriculture Higher Education Project) ICAR, New Delhi, funded by World Bank.

This unit Secured Consultant Services as Procurement Services Provider for procurement of goods and services for Legal Metrology for Ministry of Consumer Affairs Food and Public Distribution, Department of Consumer Affairs, Govt. of India.

TECHNICAL SERVICES DIVISION

This division provides consultancy services for design and development of rolling stock, wet leasing of locomotives, operation and maintenance services of railway sidings for various clients in the power, steel, mining, cement and port sector, consultancy & turnkey solution for setting up of / modernization of Railway workshops and other industrial units and consultancy services for passenger and material ropeways. Division has three strategic business units namely rolling stock design unit, railway equipment services unit, and workshop & ropeway unit.

ROLLING STOCK DESIGN UNIT

Rolling Stock Design (RSD) is the design and development wing of RITES for Mechanical Engineering that provides complete solutions in Rolling Stock Design and Development. It also handles technically complex turnkey projects. It undertakes studies with high technical content such as crashworthiness simulation and field testing, static and dynamic structural analysis simulations, linear and non-linear FEM analysis and diesel engine process studies. Unit also offers solutions in the area of Emission Control Solutions and Environment Friendly Disposal of Municipal Waste, Water Treatment Plants.

The spectrum of services offered by this unit includes Design & development of new wagons, Design Optimization, Finite Element Modeling and Analysis, Field testing, Total Project Management, Pre and Post Manufacture Technical Support, Detailed Project Report & Technical Studies, Occupant Protection and Crash Simulation Studies, Technically complex R&D Facilities and Turnkey Projects.

Some of the major projects undertaken by RITES are Design of longer container flat wagon, Design of Food grain Wagon, Design of 20-axle special wagon for carrying 250 ton transformer, Design of 24 axle special wagon for boiler drums transportation, Setting up Fatigue Testing Laboratory at BEML,

Bangalore and fatigue testing of DMRC Bogie Frames, Design of High capacity High Speed Milk Tank Van, Design, development, simulation and testing of crashworthy coach for Indian Railways, Setting up of Wheel Design, Development and Testing Centre at Rail Wheel Factory, Bangalore, installation and commissioning of Diesel Powered High Speed 200 KMPH SPART (Self Propelled Accident Relief Train), Setting up of Waste to Energy Pilot plants for Indian Railways.

With the development and advancement of technology, automatic predictive maintenance has now become feasible. Unit is involved in a project called SMART Yard in which various transducer technologies capture relevant data of the freight wagons for predictive maintenance and identify defects in advance. Unit is also working on a study on reduction of pit-line examination time of trains for Indian Railways and bench marking of maintenance practices with international railways, study for improvement in freight train examination practices over Indian Railways, study of Emissions from diesel locomotives and setting up of emission standards. Turnkey Project for Installation of On-Line Monitoring of Rolling Stock (OMRS) consisting of Acoustic Bearing Detector (ABD) and Wheel Impact Load Detector (WILD) on DFC is also being executed.

WORKSHOP & ROPEWAY UNIT

Workshop SBU provides total consultancy services from concept to commissioning for setting up of / modernization of Railway workshops and other industrial units ranging from preparation of techno-economic feasibility reports, detailed project reports to turnkey execution including Civil, Electrical and



Namchi Rock Garden Ropeway in Sikkim



Setting up of DEMU car shed at Lumding, Assam

Mechanical works. It also provides consultancy services for passenger and material ropeways and funicular railway systems. During the year, the unit provided technical consultancy services for Group Incentive study at Guntupalli, Wagon Tipler NALCO, Technical audit of Jivdani Funicular Ropeway and Feasibility cum Detailed Project Report on composite repair workshop of wagon and EMU/MEMU at Kolar.

In addition to the above, Workshop unit is undertaking turnkey contracts of setting up of Wagon POH facilities at Bikaner workshop, NWR; Augmentation of wagon POH facilities at Kurduwadi workshop, CR; setting up of Wagon POH factory at Dalmianagar, ECR; Setting up of facilities for refurbishment of LHB coaches at New Bongaigaon, NFR; Freight train maintenance facility with routine overhauling facility for Freight Wagon at Sarla, East Coast Railways; Provision of Diesel Electric Multiple Unit/ Mail Line Electric Unit shed at Lumding, NFR; Project management consultancy services for Supply and Commissioning of M&P at Ahmedabad for FBW, Bridge Workshop and CPOH Vatva with NHSRCL and Modernization of workshop to enhance POH capacity from 75 to 100 coaches per month in carriage workshop, NWR, Jodhpur. Workshop SBU is not only undertaking projects from Indian Railways, but is also undertaking the works of PSUs like various M&P supply and commissioning projects of NTPC.

During the year, the ropeway unit has completed the construction work of Jammu Ropeway Project and Guwahati Ropeway Project and provided services for ropeway projects at Rajgir & Banka (Bihar) and Sholingur & Ayyarmalai (Tamil Nadu).

RAILWAY EQUIPMENT SERVICES UNIT

This unit is a leading service provider for Non-Railway customers in Power, Steel, Mining, Cement and Port Sectors. Railway Equipment Service is a complete one-stop solution for Operation & Maintenance of Diesel Locomotives, Wagons, Railway track, Rehabilitation of Railway Assets and studies pertaining to operation & maintenance for improving efficiency and productivity. The division presently also owns 62 locomotives which are operating on wet lease basis at Major Ports (Adani-Dhamra, Visaphapatnam, Paradip, Mumbai, Kolkata etc), Steel Plants (Bhilai, Rourkela, Burnpur, Tata Steel-Kalinganagar etc.) and other sectors.



RITES loco at power plant

The unit is maintaining over 130 Diesel locomotives and 1500 Wagons owned by NTPCs, SAIL etc. The division has also taken up Higher Schedule maintenance/Repair/Modification of Diesel locomotives of NRCs both at Client premises as well as in Railway Workshops.

List of major contracts secured/renewed during the current financial year are: Ports-Mormugaon, Visakhapatnam, Paradip, Gopalpur; Steel-SAIL Bhilai, SAIL Rourkela, TATA Steels, Uttam Value Steels, RINL-Visakhapatnam; Mines-SAIL Bolani, SAIL Gua mines etc.; DFCC-L&T ECC, TATA ALDESA, CONCOR; Power Plants-NTPCs (Talcher, Farakka, Kahalgaon, Mouda, Singrauli, Korba, Rihand, Tanda, Khargone, Sipat etc.).

FINANCIAL SERVICES DIVISION

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

PRIVATISATION AND CONCESSIONS UNIT

This unit provides Transaction Advisory services for various Public Private Partnership projects in Infrastructure sector, Project Appraisal for Investment, Legal Advisory for Institutional framework and Procurement contracts.

The unit is currently undertaking assignment for providing Advisory Services through management consultant during functioning of National Rail & Transportation Institute. During the year, the unit also secured mega assignments of Ministry of Railways with respect to Consultancy Services for PPP in passenger train operations which include providing of transaction advisory services for engaging private operators to efficiently facilitate passenger services including operation of passenger trains and Advisory services for Corporatisation of Production Units of IR to bring in synergy and efficiency through combining various PUs based on their line of business.

In Railway sector, unit continued to provide legal consultancy services for Diesel Locomotive Factory at Marhowra (Bihar) and Electric Locomotive Factory at Madhepura (Bihar). The unit also provided advisory services to DFFCIL for its project of Dankuni-Gomoh section of EDFC of 282 kms to be developed on PPP format, selection of service provider to procure, operate & maintain specialised

wagons for bulk transportation of food grains for FCI, selection of leasing partner for leasing of metro coaches for its Line 5 project for DMRC.

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

INFORMATION TECHNOLOGY UNIT

Information Technology unit offers consultancy services to Railway, Non-Railway Government and Public Sector organizations in the field of web based technologies, Feasibility study, System Analysis, System Design, Software Development, Implementation support, Identification of Hardware & System Software requirements, user training and software conversion/porting of Computerized Commercial Applications particularly in the areas of Company Accounting, Payroll, Material Management, Workshop Management, etc. The major on-going projects include; development of budget module for preparation of fund management system, Govt. of Tripura, etc. Unit also provides annual maintenance support for various application software developed for clients like Ministry of Railways, IRCON, Govt. of Tripura, etc.

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

To move towards paperless office, the unit has implemented e-office software across all offices of RITES. Creation and movement of files, letters, approvals, etc. is done in electronic format resulting



CMD RITES at the launch of e-office file management system

in efficient management of documents, cost effective and fast disposal of cases.

HUMAN RESOURCE DEVELOPMENT

Being a premier consulting organization, the Company is constantly enhancing its knowledge and professional pool by inducting the desired professionals every year. The Human Resource Department is committed and focused to achieve deliverables in terms of talent acquisition, employee engagement, talent retention, career progression, welfare and development of the human capital. By offering programs designed to promote personal and professional career growth, it aims at improving organization's efficiency, productivity and profitability.

EMPLOYEE STRENGTH & ITS ATTRITION

The Company takes pride in its highly motivated and competent human resource and its contribution. The total employee strength of our company stood at 3,156 as on March 31, 2020.

Employee strength as on 31.03.2020	
Regular	1,970
Contractual	785
Experts	240
On Deputation	161
Total	3,156

Company is having one of the best HR policies in the sector, which are helping it in employee retention and reduction of attrition of regular employees. The attrition rate during FY 2019-20 has reduced and

stood at 2.17% in comparison to 2.32% during last year.

Attrition rate of regular employees

Year	Rate
2017-18	3.28%
2018-19	2.32%
2019-20	2.17%

EMPLOYEE PRODUCTIVITY

There has been a steady growth in the employee productivity over the past decade. The total income of the company for FY2019-20 is ₹ 2,665 crore. The overall income per employee for FY2019-20 stood at ₹ 0.83 crore as compared to ₹ 0.67 crore in FY2018-19.

Table for graph on Income per employee trend

Year	Total Annual Income (in ₹ crore)	Average No. of Employees*
2015-16	1,278	3,153
2016-17	1,507	3,200
2017-18	1,587	3,267
2018-19	2,164	3,233
2019-20	2,665	3,199

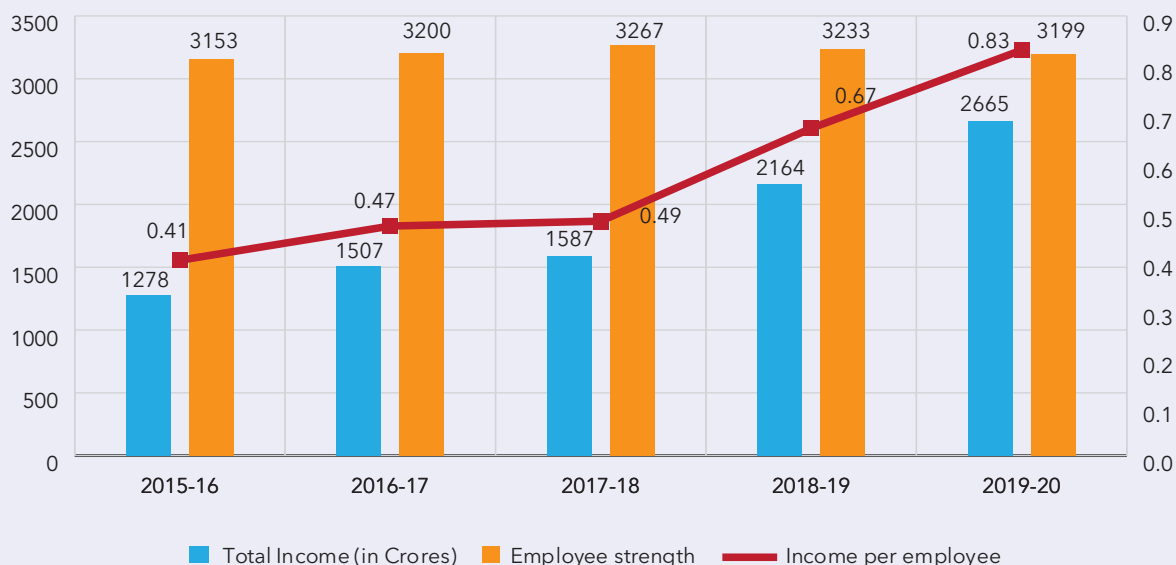
*Average monthly number of employees during the year

RECRUITMENT

To maintain its competitive advantage, the Company is determined to induct the best and talented manpower across the hierarchy through various modes viz. fresh Graduate Engineers, Management Trainees, induction of experienced personnel from the open market, on deputation and on an absorption basis from other Government departments and Railways, hiring of retired staff and on third-party payroll.

The induction is done on a regular basis for long-term talent pipeline and also on tenure-based employment for projects - some of which are Dedicated Freight Corridor, Metro Projects in Ahmedabad, Nagpur and Pune and Light Metro project in Mauritius. The Company has adopted

INCOME PER EMPLOYEE TREND



best recruitment practices for providing equal opportunities and a harmonious environment for the advancement of SC, ST, OBC, Minorities and women employees. These policies indicate the open and innovative mindset of the management with a strong emphasis on becoming “Equal Opportunity Employer”.

During the year, the Company inducted 161 employees (84 regular and 77 on tenure-based appointment); as a policy of inclusive employment, 84 of those inducted belong to the SC/ ST/ OBC/ EWS category. Further, five PWD candidates were also inducted during the period. The Company has also implemented EWS reservation with six EWS category employees being inducted. A selection process for tenure-based appointments has also been initiated. In addition to the open market recruitment, campus recruitment was also done from premier institutes like SCMHRD-Pune, IIM-Ranchi and ICAI. Apart from induction at the entry level, recruitment at the highest level of General Manager in Finance and IT was also completed in 2019. The process is going on in other critical functions as part of management’s strategy to strengthen the top leadership rung.

These diverse induction methods allow the Company to boast of a rich talent pool comprising experienced and fresh graduates hired from IITs, NITs, IIMs, XLRI, SCMHRD and MDI, etc.

CAREER PROGRESSION

The promotion policy of the Company is robust and time tested. It provides the best opportunities to the deserving employees for career progression and succession planning.

Consistent with merit, suitability, performance and professional attainments commensurate with the business needs of the organization, the employees are promoted to senior positions. During the year, employees (under consideration) were provided pre-promotional training - 240 employees have been promoted to the next levels (200 executives and 40 non-executives). Besides, 17 non-executives have been placed in higher grades to provide financial upgrade, on the completion of long years of service in their existing grades.

DEPUTATION

To meet its continuous need for trained and experienced manpower, especially in view of project requirements, experienced and trained manpower is inducted from Indian Railways and other Government departments on deputation on a fixed tenure basis. During the year, 45 personnel were inducted on deputation, bringing the total manpower on deputation to 161.

TRAINING AND DEVELOPMENT

Training and Development is a high focus area and employees being trained in various domains such as



Hon'ble Haryana Chief Minister Shri Manohar Lal Khattar with CMD RITES at RITES Annual Sports Day in Gurugram

Contract Management, Arbitration, PMP, IPMA-level D Certification, Project Management, Managerial Effectiveness, Negotiations, Business Development and Strategy, Risk Management etc. Besides, various technical programmes were organised for employees and senior business leaders at the level of General Manager and above have been nominated for leadership programs conducted by premier institutes such as IIMs, ISB Hyderabad, etc. in India and abroad. The Company has provided more than 10,000 days of training to its employees during 2019-20. Employees were also encouraged to join e-learning programmes and courses in the fields of strategy, procurement, financial modeling, contract management, HR Analytics, etc. were made available online in partnership with reputed agencies. A mobile app-based learning system has also been developed for employees to provide them

24*7 access to learning content from anywhere. As a part of the MoU target of training 10% of executives in premier business schools and technical institutes, efforts were made to exceed this target.

SUCCESSION PLANNING

The Company believes in consistently improving its systems and processes to attract, motivate and nurture talent. A Succession Plan for middle and senior management level positions was updated for implementation. Last year, the Company had assessed its HR processes and practices against the People Capability Maturity Model (PCMM) framework, a global framework developed by CMMI. This year, we have upgraded ourselves to the PCMM Level 3. The Company is committed to achieving the next level.



RITES Investor Relations & Corporate Communication team with CMD Shri Rajeev Mehrotra after an in-house training session

PERFORMANCE MANAGEMENT SYSTEM

The Performance Management System has been automated by using IT tools for employees, linking it with the variable pay called Performance Related Pay (PRP). The PRP system helps in capturing the different components of performance of the employee under heads such as company performance, team performance and individual contribution in achieving the Company's annual objectives. The emphasis on team performance motivates the employees to work together with synergy and cohesiveness to achieve team objectives, resulting in attaining long-term goals of the company.

USE OF INFORMATION TECHNOLOGY TOOLS

To maintain business continuity and enable the staff to work from home, the HR Department has taken a leap forward to keeping records in digitized format and implementing e-office for day-to-day operations. HR functions such as Employee Records, Leave Records, Performance Management System (PMS), Annual Property Returns, Employee Engagement, etc. have been put in an e-format, thereby reducing paper use, bringing transparency and efficiency, and improving quality. The policies and programmes are communicated to employees through the Employee Self-Service portal and various social media modes.

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 held by the management to achieve the above mentioned objectives.

In-house sports events are organized periodically to recognize the talent, culminating into Annual Sports Day. Participation of employees and their family members in the event is encouraged. Employees of all age groups are motivated to participate in various games. Performance in these sports activities is duly recognized by awards and trophies.



Inauguration of a fitness and yoga room at RITES office

MOTIVATION, AWARDS & RECOGNITION

To recognize the exceptional performance, periodic awards and recognition are given to employees. Every quarter, one executive and one non-executive employee are awarded with "Employee of the Quarter" awards. The meritorious employee delivering the exceptional performance in a financial year is awarded with "Employee of the Year" award. Also, the employees who publish their articles on technical subjects in reputed national and international journals or present their papers in national/international seminars are awarded. Besides, the team performance is recognized where SBUs are awarded for their achievements in categories such as "Best Overall Performance", "Best Operating Margin", "Highest New Business Secured", and "Milestone Project Executed". While determining the performance, parameters such as novelty in systems and procedures introduced, technology introduced, quality and timeliness in completion of projects are taken into consideration. In addition, various individual and group awards are given to employees for their exceptional performance during the year.

EMPLOYEE WELFARE

During the service, employees have been granted liberal perks, allowances and facilities in terms of monetary and non-monetary benefits such as transportation, housing, leased accommodation, subsidized food and medical insurance. The primary objective is to enhance their quality of life. Thus, the Company has implemented various schemes to improve the overall welfare of its employees.

Apart from incorporating the statutory benefits such as Maternity & Adoption Leave, First Aid Facility,

Payment of Minimum Wages, ESI, etc, additional benefits have been incorporated in the policies such as personal healthcare (regular medical check-ups), reimbursement of prolonged treatment expenses, availability of allopathic, ayurvedic, homeopathic doctors and facility of alternative therapy, recreational activities like gym facility, provision of free tea/coffee through vending machines, and merit scholarship cash awards to wards of employees for education and for pursuing higher education etc. Employee Assistance Programs in the form of training, advances, house lease policy to provide better living conditions, relief from distress to employees suffering from prolonged illnesses such as TB, leprosy, cancer, mental diseases or any other terminal disease, when on leave without pay, and supply of artificial limbs when necessary to staff below the Executive-I category are in practice.

Periodic gifts like superannuation gifts, gift for employee's marriage and his/her ward's marriage, birthday gift, picnic gift, Diwali gift and Annual Day gift, etc. are granted to enhance a sense of belongingness among employees and the Company.

Liberal superannuation benefits consisting of Provident Fund, Gratuity, Pension and Post Retirement Medical Scheme are in vogue. These schemes while working as a retention tool also provide social security to employees. Funeral expenses are provided in case of unfortunate death of an employee and death of a dependent (for spouse or children) of Group-D (Non-Executive Cluster I) staff, and ex gratia on death/permanent disablement of an employee while in service is provided to the dependent family members. As a measure to provide social security to the family members, liberal insurance covers in the form of

personal accident insurance policy, EDLI insurance policy, term plan and savings-linked insurance have been taken for employees to take care of unforeseen situations.

WOMEN EMPOWERMENT

The Company has adopted best practices to ensure equal opportunity and provide a harmonious environment for the advancement and growth of women employees by conducting several programmes on gender issues, sexual harassment and conducive working conditions. At the same time, opportunities are given to women employees to participate in meetings, project works, and committees, etc. to foster the practice of equal opportunity without any gender bias. Women employees are the backbone of the Company who not only mark a significant presence in the human capital, but also play a significant role in the overall development of the Company. The management has always been pioneer in adopting practices and creating an environment where women feel stronger, confident and empowered to take decisions. Creating a pipeline of women leaders using repeated initiatives for encouraging ownership and entrepreneurial skills has been one of the key activities during the year. To bring out their untapped potential, more and more



RITES staff celebrate International Women's Day at corporate office

women employees are being considered under the succession planning at various leadership positions. Many welfare measures have been implemented keeping in view the needs of female employees like crèche facility, safe & secure workplace, health & hygiene programmes, creation of a helpline number, regular feedback for taking suitable action and optimizing their productivity at the workplace.

International Women's Day was celebrated on March 8, 2020, in which all women employees from Delhi-NCR participated wholeheartedly and also showcased their artistic talents and received much appreciation from their male counterparts.

To provide safe and secure working ambience to its women employees, a committee for Prevention of Sexual Harassment at Work Place (POSH) is in place. It has created a distress helpline number and an e-mail id for registering concerns. To create awareness and sensitize employees on the issue, posters have been displayed on all key locations places on the office campus.

GRIEVANCE REDRESSAL

A Centralized Complaint Cell has been functioning for registration, monitoring & 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. In addition, online grievances can be made to the Ministry of Railways through the Centralized Public Grievance Redress & Monitoring System (CPGRAMS) portal. Further, the Chairman and Managing Director has earmarked every alternate Tuesday for hearing employees' grievances.

WHISTLEBLOWER POLICY

RITES has a separate and well-structured Vigilance Department, which deals with frauds or suspected malpractices involving employees, contractors, suppliers, consultants, service providers or those doing business with the Company. Besides, a whistleblower and fraud prevention policy is also in practice to monitor and rein-in unethical activities.

CONTRIBUTION TO GOVT. OF INDIA INITIATIVES

The Company has always been proactively

supporting initiatives of the Government of India such as Skill India, Swachh Bharat Mission, Start-up India, Make in India, including MSMEs, Digital India, promotion of Solar Ecosystem by formulating its business or governance objectives in line with the government plans.

ENVIRONMENT PROTECTION & ENERGY CONSERVATION

All Company offices across the country maintain environment-friendly work processes and sustainability, providing clean, safe and healthy working conditions to its employees. The Company follows all conventional and technological methods to conserve energy and resources and reduce waste generation. It has installed sewage plants solar plants and rain harvesting system at its office campuses. Besides, the launch of e-office (apart from its other benefits) is also in line with the Company's commitment to reduce carbon footprints.

PROMOTING MSMEs

During the year, the Company procured goods worth ₹ 45.92 crore from Micro, small and Medium Enterprises (MSMEs), including those belonging to SC/ST and women categories.

Being a Central Public Sector Enterprise, the Company 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. However, care is also taken for the interest of local suppliers and contractors within the framework of CVC's guidelines. The Company has a special policy to encourage MSMEs and those belonging to SC/ST and Women categories. It has taken necessary steps for implementing the public procurement policy for procurement from MSMEs. Necessary provisions have been incorporated in all tenders for materials and services. In general, minimum 25% of the requirement has been reserved for eligible MSMEs in tenders. 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 and local players and socio-economic development of communities in and around our operational locations.

Annexure - C

BUSINESS RESPONSIBILITY REPORT

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

- | | |
|-------------------------------------------------------------------------------------|----------------------------------------------------|
| 1. Corporate Identity Number (CIN) | L74899DL1974GOI007227 |
| 2. Name | RITES Limited |
| 3. Registered address | SCOPE Minar, Laxmi Nagar, Delhi - 110092 |
| 4. Website | www.rites.com |
| 5. E-mail id | info@rites.com |
| 6. Financial Year reported | 2019-20 |
| 7. Sector(s) that the Company is engaged in (industrial activity code-wise): | |

Group	Class	Sub Class	Description
711	7110	71100	Design, engineering consultancy and project management for transport infrastructure sector with focus on railways, urban transport, roads and highways, ports, including land ports, inland waterways, airports etc.
773 331	7730 3315	77305 33150	Leasing, export, maintenance and rehabilitation of locomotives and other railway rolling stock, including manufacturing of wagons.
NA	NA	NA	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.

- 8. List three key products/ services that the Company manufactures/provides** (as in balance sheet):
- i) Design, engineering consultancy and project management services for transport infrastructure sector with focus on railways, urban transport, roads & highways, ports, including land ports, inland waterways, airports etc.
 - ii) Leasing, export, maintenance and rehabilitation of locomotives and other railway rolling stock.
 - iii) Turnkey projects for railway workshops, track doubling/tripling/quadruplicating, new/additional railway line, railway electrification and redevelopment of railway stations, institutional buildings, wind, solar and other renewable energy projects.
- 9. Total number of locations where business activity is undertaken by the Company:**
- a) The Company has business activities spread across the length and breadth of the country. With Corporate Office at Gurugram and Regional Inspection and Project offices at Delhi, Raigarh, Mumbai, Kolkata, Chennai, Ahmedabad, Bhubaneswar, Lucknow, Ranchi, Nagpur, Secunderabad, Bengaluru and Bhilai.
 - b) Subsidiaries and Associates: Details of subsidiaries and Associates are provided at **Annexure II** to the Board's Reports.
 - c) Number of International Locations: RITES subsidiary RITES Afrika Pyt Ltd. is located in Botswana.

In addition, for O&M and other project purposes, RITES has deployed their teams in Bangladesh, Mauritius, Mozambique, Sri Lanka and Myanmar.

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

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

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1.	Paid up Capital	₹ 250 crore
2.	Revenue from Operations	₹ 2400.57 crore
3.	Profit After Tax	₹ 596 crore
4.	Total Spending on (CSR) as percentage of PAT as per section 135 of the Company Act, 2013.	2%
5.	List of CSR activities in which expenditure in 4 above has been incurred: Details are indicated in the Director's Report in the Annual Report.	

SECTION C: OTHER DETAILS

- Does the Company have any Subsidiary Company / Companies:
Yes, please refer to **Annexure II** of the Directors' Report.
- Do the Subsidiary Company/Companies participate in the BR initiatives of the parent Company? If yes, then indicate the number of such subsidiary Company(s):
Yes, the BR initiatives of RITES Ltd generally apply to its subsidiaries also.
- Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]

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

SECTION D: BR INFORMATION

- Details of Director/ Directors responsible for BR
 - Details of the Director/Director responsible for implementation of the BR policy/ policies
 - DIN Number : 08241385
 - Name : Shri Gopi Sureshkumar Varadarajan
 - Designation : Director (Projects)
 - Details of the BR head

No.	Particulars	Details
1.	DIN Number (if applicable)	Not Applicable
2.	Name	Shri Ved Parkash
3.	Designation	Executive Director (Corporate Services)
4.	Telephone number	+91 124 2571673
5.	e-mail id	vedprakash@rites.com

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

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies for....	Y	Y	Y	Y	Y	Y	Y	Y	Y
		P1: Code of conduct, Board Charter, Whistleblower Policy, Policy on Related Party Transactions, Code on Prevention of Insider Trading, Policy on determination of materiality for disclosure of events, Fraud Prevention Policy, Schedule of Powers, HR Manual, Construction Project Management Guidelines, Finance Manual. P2: Quality Policy. P3: HR Policies, including for welfare measures. P4: Communication Policy for stakeholders engagement. P5: CDA Rules, Internal Human Resources Policies. P6: Risk Management Policy, Policy on preservation of documents. P7: Influencing public and regulatory policy in responsible manner. P8: Corporate Social Responsibility and Sustainable Development Policy, Policy on distribution of dividends. P9: Value to the customer.								
2	Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national / International standards? If yes, specify? (50 words)	Y	Y	Y	Y	Y	Y	Y	Y	Y
		All the policies of the Company have been formulated conforming to applicable statutes/ guidelines/ rules/ policies etc. issued by the Government of India. These policies were formulated keeping in view industry practices and standards.								
4	Has the policy been approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		Policies of the Company have been approved by the Board / Competent Authorities as per Delegated Powers.								
5	Does the Company have a specified Committee of the Board / Director / Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	https://rites.com/index.php?page=page&id=99&name=POLICIES&mid=256								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
8	Does the Company have in-house structure to implement the policy/ policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Policies of the Company as such are not audited, however People Maturity & Project Management Model was audited by external agency. Also, quality & financial -- internal & external audits, ISO audit, and vigilance & CVC audits are carried out regularly. Policies have been amended from time to time as per Govt. guidelines/regulatory/business/environmental requirements.								

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

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

3. Governance related to BR

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

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

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

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

SECTION E: PRINCIPLE-WISE PERFORMANCE

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

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?

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

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

The Company is one of the first few organizations in introducing the Integrity Pact (IP) in India. The mechanism of monitoring IP through two Independent External Monitors (IEMs) has considerably reduced time for resolution of representation/ issues coming up during tender processing and has met the objectives set by Transparency International (India).

Representations as well as opinions from bidders/contractors sought by the Company against various tenders are referred to the IEMs. The bidders can also directly write to the IEMs. They discuss the issues with the executives concerned and bidders’ representatives, wherever necessary, and give their opinion through a speaking order.

The Company also has put in place a “Stakeholders Relationship Committee”. The Committee specifically looks into redressing Shareholders’ and Investors’ complaints pertaining to transmission of shares, non-receipt of Annual Report, dividend payments, issue of duplicate share certificates and other miscellaneous complaints, etc. The Committee also monitors implementation and compliance of the Company’s code of conduct for prevention of insider trading. The Company has also put in place shareholders’ service standards, which define service-level standards for shareholders’ requests/ complaints.

- Number of complaints received during April 2019 to March 2020 from Vendors/Contractors: 09 through grievance portal , since then 08 cases have been resolved.
- All representations were forwarded to IEMs who promptly gave their opinions in all cases for further action.
- Number of complaints received from investors during 2019-20: The total number of complaints received and replied attended to the satisfaction of the shareholders was 61. The number of grievances pending at SCORES Platform on March 31, 2020 were - nil.

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

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

a. Railway project:

RITES has recently carried out a project for Uttar Pradesh Expressways and Industrial Development Authority (UPEIDA) titled as “Pre-Feasibility Study for Development of Semi High Speed Railway (HSR) Corridor along Agra-Lucknow and Purvanchal Expressways of UP”. In addition to Civil Engineering

and other associated topics, this project also had a component of Preliminary Environmental Impact Examination and Preliminary Social Impact Examination.

Approximately 35,600 trees are estimated to be affected due to the project, of which 30% is proposed to be transplanted. Protected forest will be partially affected at three locations between Agra and Lucknow. There will be noise and vibrations during construction and operation which will impact the residential areas. Land requirement for the project is about 850 Ha, of which 680 Ha is private agricultural land. About 1,700 structures, 6,650 families and 40 cultural properties are likely to be affected.

There were three milestones viz. Inception Report, Interim Report and Draft Report (followed by Final Report after incorporating client's comments). RITES has submitted Inception and Interim Reports so far, also covering environmental and social aspects of the project.

b. Metro project:

The DPR studies carried out by the Urban Infrastructure (UI) unit have social and environmental considerations built-in in its planning and design. Be it alignment planning, system selection, station planning and operation planning, the objective is to have minimal disturbance to the environment and society. Mitigation measures to counter the negative impacts, environmental management and monitoring plans are essential components of the DPR. The costs associated with these measures are included in the project cost so that these measures are implemented along with the project. In 2019-20, the UI SBU carried out various DPR studies such as DPR for rail-based transit systems for Jammu, Srinagar, Thane, Nagpur, Varanasi, Chennai, Coimbatore, Nashik, and Gorakhpur, etc.

RITES has been associated with detailed Environmental and Social Impact Assessment Studies at the project implementation stage for the Ahmedabad Metro Rail Project Phase-II and for Surat Metro Rail Project Phase-I.

The Ahmedabad Metro Phase-II has two corridors of length of 26.91 km with 20 elevated stations. The Surat Phase-I Metro network consists of two corridors with a total length of 40.35 km with 38 stations of which 6.47 km is underground section with six stations. The Environmental and Social Impact Assessment Studies have been carried as per the Government of India and JICA guidelines for the Ahmedabad Metro and as per AFD guidelines, for the Surat Metro.

The impact of these infrastructure projects was assessed based on secondary data, field studies and on-site public and stakeholders' consultations.

The major negative effects due to these projects are loss of trees, noise & vibration, water & energy consumption, loss of land, loss of livelihood, displacement of people etc. whereas the major positive effects are employment opportunities, benefits to economy, reduction in road traffic, fuel consumption, GHG emissions, improvement in quality of life etc.

Mitigation measures to counter the negative impacts, environment management and monitoring program were proposed. It is estimated to cost about ₹ 47 crore for Ahmedabad and ₹ 16.5 crore for Surat. Besides, the cost of Resettlement and Rehabilitation implementation has been estimated to be ₹ 10.82 crore for Ahmedabad and ₹ 37.6 crore for Surat.

c. Highway project:

1. RITES has been entrusted with consultancy services for the preparation of Detailed Project Report for development of Economic Corridors, Inter Corridors and Feeder Routes to improve the efficiency of freight movement under the Bharatmala Scheme in Haryana (Lot-2/Haryana/Package-1) - Total length 421 km.
2. RITES has been entrusted with consultancy services for the preparation of Feasibility Study/ Detailed Project Report for the East Coast-East Bank Road Linkage in Guyana (South America)

by Ministry of Public Infrastructure, Government of Guyana (EXIM Bank Funded) - Total length 25 km.

The preparation of Feasibility/DPR includes EIA (Environmental Impact Assessment)/EMP (Environmental Management Plan) and SIA (Social Impact Assessment)/RAP (Resettlement Action Plan) report as per the requirement of ADB/World Bank/Government of India guidelines for the projects in India and as per the prevailing international guidelines & standards while satisfying the law of the soil for the international projects. The major environmental and social impacts are covered for green field alignments, bypasses, realignments and widening and strengthening of roads.

The environment-friendly ground improvement techniques with an appropriate engineering approach having minimal ecological disturbance are designed for construction, green/brown field road projects, which may require felling of trees and diversion of cultivated/habitated land. These are identified with District Administration for compensatory afforestation as per MoEF Guidelines. The partly-affected structure census and socio-economic survey is conducted, the Land Plan Schedule, along with R&R plans, is prepared. Public consultations are carried out for alignments with stakeholders such as public representatives (Member of Parliament and Member of Legislative Assembly), Public Works Departments, Utility Departments, Forest Departments, project-affected persons, etc.

RITES reports/studies provided various alternatives analysis for minimizing the impacts. The implementation of the EMP (Environment Management Plan) & RAP (Resettlement Action Plan) is the responsibility of the client/supervising consultant of project.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material, etc.) per unit of production (optional):

- a) Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?**
- b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?**

The company is engaged in design, engineering consultancy and project management for the transport infrastructure sector. So, this question is not applicable to it.

3. Does the company have procedures in place for sustainable sourcing (including transportation)? (a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

Yes, the Company has a well-documented Material Management Policy that helps in sourcing the requisites for operations and business activities in a steady, continuous and sustainable manner. The Company has policies of long-term contracts and rate-contracts to ensure that operations and business pursuits do not suffer owing to externalities.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

Yes, the company procurement policy and practices are guided by the Government Policies and practices. These are based on transparent procurement mechanisms which promote procurement from technically competent suppliers. However, care is also taken for the interest of local suppliers and contractors within the frame-work of CVC's guidelines. For example, the Company has a policy to encourage MSMEs and those belonging to SC/ST and Women categories in line with various guidelines issued by the Ministry.

5. If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

The Company has always encouraged local suppliers to participate in its tendering process and also

promotes 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. Provisions are also made in tenders to promote "Make in India" directives of the Government of India.

6. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

The Company's main business relates to design, engineering and consultancy and there has been emphasis on paperless working. Accordingly, the Company has implemented e-office and SAP/ERP and most of the communication is through emails and other electronic means. However, clients require reports and drawings in hard paper copy which are provided to the clients.

In our office complex, all norms of State Pollution Control Board for air, water and disposal of solid wastes are complied with. The sewage water is treated, recycled and used for irrigation of lawns. Similarly, cartridges are refilled from the original suppliers. The waste paper is recycled through NGOs and other stakeholders.

The buildings at RITES office complex in Gurugram have implemented the rainwater harvesting system and have been provided with solar power panels. Besides, solar power plants have also been installed on the rooftops of Gurugram and Jodhpur Railway Stations under RITES CSR scheme. The RITES office complex at Sector 44, Gurugram, has been rated as 'GREHA Gold Standard Building'.

REMCL, a subsidiary company of RITES, has successfully commissioned 26MW windmill in Jaisalmer and has implemented many power procurement agreements under 'open access' policy of the Electricity Act, 2003, resulting in substantial energy savings to Indian Railways.

As per Govt. of India policy, e-waste is given to the vendors approved by the government for recycling of these products.

PRINCIPLE 3: Businesses Should Promote the Wellbeing of all Employees.

1. Please indicate the total number of employees.

The total number of employees is 3156. (Regular - 1970; Deputation - 161; Contract - 785; Experts - 240)

2. Please indicate the total number of employees hired on temporary/contractual/casual basis.

The total number of employees hired on temporary/contractual/casual basis is 785.

3. Please indicate the number of permanent women employees.

The number of permanent women employees is 183.

4. Please indicate the number of permanent employees with disabilities.

The number of permanent employees with disabilities is 24.

5. Do you have an employee association that is recognized by management?

Yes, the company has a participative employee association named as CONCERT. This body comprises the elected representatives of employees (up to manager level) and representatives nominated (up to Executive Director (ED) level) by the management, representing the managerial cadre. The Chairman & Managing Director and the Director (Finance) are Patrons of the CONCERT, which participates in formulation, review and updation of HR policies.

6. What percentage of your permanent employees is members of this recognized employee association?

100%.All employees i.e. elected members up to the level of Manager and nominated members up to the level of Executive Director (ED).

7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

S. No	Category	No. of Complaints filed during the financial year	No. of complaints pending at the end of financial year
1.	Child labour/forced labour/ involuntary labour	Nil	Nil
2.	Sexual Harassment*	Nil	Nil
3.	Discriminatory employment	Nil	Nil

(*Complaint pending in the financial year 2018-19 was resolved in 2019-20.)

8. What percentage of your under mentioned employees were given safety & skill upgradation training in the last year?

(a) Permanent Employees: 51.88% (1022 out of 1970)

(b) Permanent Women Employees: 60.12% (110 out of 183)

(c) Casual/Temporary/Contractual Employees: 9.43% (74 out of 785)

(d) Employees with Disabilities: 45.83% (11 out of 24)

PRINCIPLE 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

1. Has the Company mapped its internal and external stakeholders?

Yes.

2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders?

Yes. 'Stakeholder participation' approach where the communities in and around RITES project offices are seen as important stakeholders and therefore, their development is seen in alignment with the company's business development. In remote and backward areas, the process of engaging with the external stakeholders, including the community around our areas of operation, gives us significant input relating to the needs of the disadvantaged and vulnerable marginal stakeholders. Besides, RITES carried out baseline survey and need assessment around some areas of operation to have greater insight into the needs of the community through structured interactions and feedback.

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

The CSR policy of RITES covers CSR Projects/Programmes undertaken by RITES listed in Schedule-VII of the Act, within the geographical limits of India, preferably towards the benefit of marginalized, disadvantaged, poor and deprived sections of the community and the environment. This way, the ultimate objective is to reach the bottom of the pyramid in our demographic strata and touch their lives in a positive manner. Thus, while RITES has been engaged in serving the society through various welfare

measures, it has now adopted a more structured approach in undertaking such welfare measures. Many projects related to infrastructure development, education, healthcare & skill development have been undertaken in remote areas, mainly populated with such disadvantaged groups.

PRINCIPLE 5: Businesses should respect and promote human rights.

1. Does the policy of the Company on human rights cover only the Company or extend to the Group/ Joint Ventures/Suppliers/Contractors/NGOs/ Others?

The company policies towards upholding the Human Rights are also applicable to subsidiary companies, however, for joint ventures and consortiums policies are decided by the agreement of the partners.

2. How many stakeholder complaints have been received in the past financial year and what per cent was satisfactorily resolved by the management?

Please refer answer to part 2 of Principle 1.

PRINCIPLE 6: Business should respect, protect, and make efforts to restore the environment.

1. Does the policy related to Principle 6 cover only the Company or extends to the Group/ Joint Ventures/Suppliers/Contractors/NGOs/ others.

The policies of the Company extend to its wholly owned subsidiaries in India. While forming the Joint Venture with other Companies, where RITES is the lead partner, other JV partners are perused on the tenets & premises of environmental commitment.

2. Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.?

RITES is a consultancy organization and as such, addresses the requirements of environmental concerns, climate change, global warming etc., during the preparation of Detailed Project Reports by identifying the issues and the measures for its mitigations by the project authorities as per scope of work assigned to it.

3. Does the Company identify and assess potential environmental risks?

Yes. These are highlights in the Detailed Project Reports submitted to the clients as per scope of work assigned to RITES.

4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so.

No.

5. Has the Company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy, etc.?

Yes. The buildings at RITES office complex in Gurugram have implemented the rainwater harvesting system and have been provided with the solar power panels. Besides, solar power plants have also been installed on the roof tops of Gurugram and Jodhpur Railway Stations under RITES CSR scheme. The RITES office complex at Sector 44, Gurugram, has been rated as 'GREHA Gold Standard Building'.

REMCL, a subsidiary company of RITES, has successfully commissioned 26MW windmill in Jaiselmer and has implemented many power procurement agreements under 'open access' policy of the Electricity Act, 2003 resulting in substantial energy savings to Indian Railways.

6. Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Yes. The emissions & waste generated by the Company is within permissible limits. Annual Environment Compliance reports are submitted by the respective work units to respective State Pollution Control

Boards (SPCB). All the buildings/offices comply with environmental regulations. Procedures are in place for storage, handling and disposal of hazardous chemicals and wastes.

7. Number of show-cause/legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year:

None.

PRINCIPLE 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

1. Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

Yes. The Company has association with a number of trade chambers and associations such as:

- Federation of Indian Chambers of Commerce and Industry (FICCI)
- Confederation of Indian Industries (CII)
- Standing Conference on Public Enterprises (SCOPE)
- Federation of Indian Export Organisation (FIEO)
- Engineering Export Promotion Council (EEPC), Ministry of Commerce, Govt. of India
- Consulting Engineers Association of India
- Projects Exports Promotion Council (PEPC)

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

The company always proposes constructive suggestions through SCOPE or other such institutions in areas of corporate governance, energy security, remuneration & wages, finances, taxation matters, pricing policies, sustainable development, corporate social responsibility and labour reforms that are beneficial to the Industry and society. Further, details are available on the Company's site www.rites.com.

PRINCIPLE 8: Businesses should support inclusive growth and equitable development.

1. Does the Company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8?

RITES is committed to understand the developmental needs of economically weaker, differently abled and less privileged sections in identified geographical locations in India primarily around the remote operational areas of the company thus creating a more inclusive and equitable world.

Corporate Social Responsibility (CSR) at RITES is a structured mechanism of engaging and benefiting the local communities in the areas where we operate. It aims to strengthen the fabric of the society that we operate in. Through our implementation partners we identify the needs of the communities, and select and implement programs that address those needs. Our CSR projects are targeted towards empowering the weakest sections of the society, such as children, women, and the elderly. Our programs aim at improving the infrastructure of the localities so as to improve mobility, access to education and clean environment.

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?

The CSR projects or programs are aligned to national theme/directions from the Ministry of Railways/DPE and accordingly, projects are selected and implemented through executing agencies and progress

is monitored by RITES own in-house team to make sure that funds made available are properly utilized and project results in intended benefits to targeted beneficiaries.

3. Have you done any impact assessment of your initiative?

Apart from our own assessment, impact assessment, both concurrent and final, is conducted by expert third-party agency to assess the direct and indirect impact of a few selected projects.

4. What is your Company's direct contribution to community development projects-Amount in INR and the details of the projects undertaken?

In the year 2019-20, the amount of total CSR spend is ₹ 11.21 crore.

Amount utilized for the annual theme of School Education & Health Care ₹ 7.04 crore.

Details of CSR Projects are given on Page Nos. 51-58 of the Annual Report.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

RITES endeavours to understand the stakeholder expectations through a structured engagement process and communication strategy and leverages this understanding for betterment of all stakeholders. Company's endeavour in this regard is uniquely positioned to herald a business paradigm that is based on an interconnected vision of all people's well-being, growth and contentment: by enabling citizens and local communities to be informed partners in the enterprise, be accountable in its consumption of environmental resources; and foster local communities that are prosperous; and manage their resources sustainably. To generate goodwill in the communities in and around RITES operational areas by not only mitigating operational impact but through creating social value that is sustainable and inclusive.

PRINCIPLE 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner.

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year:

There are no customer complaints/consumer cases pending against the company as on the end of financial year.

2. Does the Company display product information on the product label, over and above what is mandated as per local laws?

Yes. Please see RITES corporate brochure on www.rites.com.

3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year:

There is no case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year.

4. Did your Company carry out any consumer survey/ consumer satisfaction trends?

Yes. The Company interacts on regular basis with its B2B customers with respect to timely delivery of quality parameters within the project milestones. This kind of interaction with our partners ensures customer satisfaction. Concern related to the product by any of our consumers are addressed immediately. As a part of quality management system, regular feedback from clients is taken on various parameters and Customer Satisfaction Index is measured and reviewed at the highest management level and discussed during the corporate management review for corrective action, if any. For 2019-20, the average Customer Satisfaction Index (CSI) was calculated as 95%.

Annexure-D**DIVIDEND DISTRIBUTION POLICY****Preamble**

The Shares of RITES Limited (the "Company") are listed on National Stock Exchange of India Limited, Mumbai and Bombay Stock Exchange Limited, Mumbai.

Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2016 has inserted Regulation 43A w.e.f. 08th July, 2016 to the Securities and Exchange Board of India (LODR) Regulations, 2015. As per Regulation 43A, the top five hundred listed entities based on market capitalization (calculated as on March 31 of every financial year) shall formulate a dividend distribution policy which shall be disclosed in their annual reports and on their websites. Considering the fact that the Company, as of 31st March 2019, is amongst the top 500 listed entities as per the criteria, the dividend distribution policy has been formulated.

The Board of Directors of the Company (the "Board") has approved the Dividend Distribution Policy of the Company (the "Policy") in its meeting held on May 29, 2019.

Objective

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

The policy has been framed broadly in line with the provisions of the Companies Act, 2013 and also taking into consideration guidelines issued by other Regulatory Authorities, to the extent applicable.

Statutory and Government guidelines

The Board of the Company shall comply with the following statutory and government guidelines and requirements while taking decision of a dividend payout:

- a. Companies Act 2013 and rules & regulations there under ("Act").
- b. Guidelines or directives issued by Government of India.
- c. Any other law to the extent applicable.

The Company endeavours to declare dividend as per the guidelines issued by Department of Investment & Public Asset Management (DIPAM), Govt. of India from time to time.

Financial Parameters

- a. Financial performance for the year.
- b. Distributable surplus available as per the "Act".
- c. Liquidity position.

Internal and External factors that would be considered for declaration of dividend

- a. Capital expenditure requirements considering expansion and other opportunities.
- b. Borrowing levels and the capacity to borrow.
- c. Cost and availability of alternative source of financing.

- d. Covenants of loan agreements.
- e. Macroeconomic and business conditions.
- f. Regulatory norms.
- g. Any other relevant factors that the board may deem fit to consider before declaring dividend.

Circumstances under which the shareholders of the company may or may not expect dividend

The company has been consistently paying out dividends to its shareholders and is expected to continue in future as well, unless the company is restrained to declare dividends due to financial and other internal and external factors as mentioned above. The company would aim to strike a balance between rewarding shareholders through dividend and ensuring that sufficient profits are retained for growth of the Company and other needs.

Utilization of Retained Earnings

The Company's retained earnings shall be applied for:

- a. Capital and Revenue Expenditures for the growth of the business and operations of the Company.
- b. Issue of bonus shares or buy back of shares as per Government guidelines.
- c. Any other purpose which the board may consider appropriate.

Manner and Timelines for Dividend Payout

- a. Dividend for every financial year shall be decided by the Board considering various statutory requirements, financial performance of the company and other internal and external factors enumerated earlier in the policy.
- b. Interim dividend(s), if any, may be declared by the Board in addition to Final Dividend.
- c. Subject to applicable laws, the payment of interim dividend shall be made within 30 days from the date of approval by the Board to the shareholders entitled to receive dividend on the record date.
- d. Recommendation for final dividend, if any, shall be done by the Board usually in the Board meeting that considers and approves the annual financial statements, subject to approval of shareholders of the company.
- e. Subject to applicable laws, the payment of final dividend shall be made within 30 days from the date of approval by the members to the shareholders entitled to receive dividend on the record date.
- f. The payment of Interim Dividend shall be subject to subject to Shareholders' ratification.

Parameters to be adopted with regard to various classes of shares

As on date, the Company has issued only one class of equity shares. All the members of the Company on the record date are entitled to receive the same amount of dividend declared per share. The policy shall be revisited at the time of issue of any new class of shares depending upon the nature and guidelines thereof.

Other Provisions

The Board of Directors of the Company has approved the Dividend Distribution Policy of the Company.

The Board of Directors of the Company shall have the right to carry out any changes in the Policy, as it may deem appropriate.

INDEPENDENT AUDITOR'S REPORT

To the Members of RITES Limited

Report on the Audit of the Standalone 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, 2020, 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 statement of affairs of the Company as at March 31, 2020, 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 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

We draw attention to note no. 2.48.3.4 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, 2020. 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.

Our opinion is not modified in respect of above matter.

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><i>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).</i></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 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>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"> Evaluated the design of internal controls relating to implementation of the revenue accounting standard. Selected a sample of contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry and observation and inspection of evidence in respect of operation of these controls. Selected a sample of contracts and performed the following procedures: <ul style="list-style-type: none"> Read, analysed and identified the distinct performance obligations in these contracts.

Sr. No.	Key Audit Matter	Auditor's Response
	Refer Notes 1.2.1 and 2.40 to the Standalone Financial Statements.	<ul style="list-style-type: none"> - Compared these performance obligations with that identified and recorded by the Company. - Considered the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue and to test the basis of estimation of the variable consideration. - Performed analytical procedures for reasonableness of revenues disclosed by type and service offerings.
2	<p><i>Evaluation of uncertain tax positions</i></p> <p>The Company has disputed tax positions which involves significant judgment to determine the possible outcome of these disputes.</p> <p>Refer Note 2.46.2.1.II to the Standalone Financial Statements.</p>	<p><i>Principal Audit Procedures</i></p> <p>Obtained details of completed tax assessments and demands from management and management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes. We also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions.</p>

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 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 ₹1440.49 crores at March 31, 2020 and the total revenue of ₹738.07 crores and profit before tax of ₹262.78 crores 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 ₹4.34 crores as at March 31, 2020 and company's share of total revenue of ₹1.20 crores and share of net profit after tax including other comprehensive income of ₹0.01 crores for the year ended March 31, 2020, in respect of five joint operations, whose financial statements have not been audited by us. The financial statements of these joint operations have been audited by the joint operations' auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of joint operations, is based solely on the report of such joint operations' auditors.

Our opinion is not modified in respect of above matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure I" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. In terms of sub section (5) of section 143 of the Act, we give in the "Annexure II" a statement on the directions issued under the aforesaid section by the Comptroller and Auditor General of India.
3. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branches not visited by us;
 - (c) The reports on the accounts of the branch offices of the Company audited under Section 143(8) of the Act by branch auditors have been sent to us and have been properly dealt with by us in preparing this report;
 - (d) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, statement of changes in Equity, and the Cash Flow Statement dealt with by this report are in agreement with the books of account and with the returns received from the branches not visited by us;
 - (e) In our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (f) In view of exemption given vide notification no. G.S.R. 463(E) dated 5th June, 2015, issued by Ministry of Corporate Affairs, provisions of Section 164(2) of the Act regarding disqualifications of Directors, are not applicable to the Company;
 - (g) With respect to the adequacy of the internal financial controls 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 2.46.2.1 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.
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, 2020.

For J.C. Bhalla & Co.
Chartered Accountants
Firm's Regn. No. 001111N



(Anshuman Mallick)

Partner

Membership No. 547705

UDIN: 20547705AAAAAH4777

Place: Gurugram
Date : 30th June , 2020

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.

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of all Fixed Assets.
- (b) The Company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds/ lease deeds of immovable properties are held in the name of the Company except 4 leasehold building where lease deeds are pending for execution (Refer Note no. 2.62 and Note no. 2.62.1 of the standalone financial statements) and one number freehold land the title deed of which is yet to be executed in the name of the company (Refer Note no. 2.63 of the standalone financial statements). Details of such properties are as under:

Lying under the head Right of Use asset (Refer Note No. 2.3 of the standalone financial statements)

S. No.	Particulars	Gross Block as on 31.03.2020 (₹ in crores)	Net Block as on 31.03.2020 (₹ in crores)
1.	Office Building at Central Metro Railway Building, 56, C.R Avenue, Kolkata (Leasehold)	1.32	1.21
2.	Physical Testing Laboratory at 52 A&B, C.R Avenue, Kolkata	0.46	0.41
3.	Office Building at DLF Cyber city, Bhubaneshwar	5.43	5.33
4.	Wazirpur Northern Railway Colony, Delhi	1.93	1.60

Lying under the head Property, Plant and Equipment (Refer Note No. 2.1 of the standalone financial statements)

S. No.	Particulars	Gross Block as on 31.03.2020 (₹ in crores)	Net Block as on 31.03.2020 (₹ in crores)
1.	Plot of land at Gomti Nagar Extension Lucknow	4.22	4.22

2. As per the information and explanations given to us, physical verification of Inventory has been carried out by the management subsequent to the year end as the same could not be conducted at the year end as per extant policy of the Company due to lockdown restrictions imposed by the Government of India and no material discrepancies were noticed on physical verification.
3. According to the information and explanations given to us, the Company has not granted loans, secured or unsecured, during the year, to any Companies, firms, limited liability partnership or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013.
4. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
5. As per the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Section 73 to Section 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under during the year. Accordingly, clause (v) of paragraph 3 of the Companies (Auditor's Report) Order, 2016 is not applicable to the Company.
6. According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Companies Act, 2013 in respect of products sold and services rendered by the Company.

7. (a) According to the information and explanations given to us and on the basis of our verification of records of the Company, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess, Goods and Services Tax and other statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of aforesaid dues were in arrears as at March 31, 2020 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, the particulars of dues of Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Goods and Services Tax which have not been deposited on account of any dispute are as under:

Name of the statute	Nature of due	Amount Involved (₹ in crore)	Amount paid under protest (₹ in crore)	Period	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	2.21	0.56	A.Y. 2009-10	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	2.31	2.31	A.Y. 2012-13	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	2.71	0.25	A.Y. 2013-14	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	6.30	Nil	A.Y. 2014-15	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	1.87	Nil	A.Y. 2015-16	Income Tax Appellate Tribunal
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)
APVAT	Arrears of sales Tax	0.71	0.71	01.04.2014 To 30.11.2015	Appellate Deputy Commissioner of APVAT
West Bengal VAT	Value Added Tax	1.32	0.20	01.04.2015 To 31.03.2016	President, WBST Appellate-Revisional Board
West Bengal VAT	Value Added Tax	0.42	0.06	01.04.2016 To 31.03.2017	Commissioner of Commercial Tax
Finance Act, 1994	Service Tax Penalty	0.41 0.41	0.04	01.09.2012 To 31.12.2016	Customs, Excise and service Tax Appellate Tribunal
Finance Act, 1994	Service Tax Penalty	1.68 1.69	0.15	01.07.2012 To 31.03.2016	Commissioner of Goods and Service Tax (Appeal)

8. According to the information and explanations given to us, the Company has not taken any loans or borrowing from financial institution, bank, government and has not issued any debentures. Accordingly, clause (viii) of paragraph 3 of the Companies (Auditor's Report) Order, 2016 is not applicable to the Company.
9. In our opinion and according to the information and explanation given by the management, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loan during the year. Accordingly, clause (ix) of paragraph 3 of the Companies (Auditor's Report) Order, 2016 is not applicable to the Company.
10. During the course of our examination of the books of accounts and records carried out in accordance with the generally accepted auditing practices and according to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
11. In view of exemption given vide notification no. G. S. R 463(E) dated June 5, 2015, issued by Ministry of Corporate

Affairs, provisions of Section 197 read with Schedule V of the Act regarding managerial remuneration are not applicable to the Company. Accordingly, clause (xi) of paragraph 3 of the Companies (Auditors Report) Order, 2016 is not applicable to the Company.

12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause (xii) of paragraph 3 of the Companies (Auditors Report) Order, 2016 is not applicable to the Company.
13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013 where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
14. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause (xiv) of paragraph 3 of the Companies (Auditors Report) Order, 2016 is not applicable to the Company.
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with any of the directors or persons connected with him. Accordingly, clause (xv) of paragraph 3 of the Companies (Auditors Report) Order, 2016 is not applicable to the Company.
16. According to the information and explanations given to us the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, Clause (xvi) of paragraph 3 of the Companies (Auditor's Report) Order 2016 is not applicable to the Company.

For J.C. Bhalla & Co.
Chartered Accountants
Firm's Regn. No. 001111N



(Anshuman Mallick)
Partner

Membership No. 547705
UDIN: 20547705AAAAAH4777

Place: Gurugram
Date : 30th June , 2020

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, 2020.

S. No.	Directions	Auditor's Comments
1.	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	Yes, the Company has SAP system in place to process all the accounting transactions. As per information and explanations given to us and during the course of our audit we have not come across the any accounting transactions which were outside the IT system and have financial implications.
2.	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/ interest etc. made by a lender to the company due to company's inability to repay the loan? If yes, the financial impact may be stated.	According to the information and explanations given to us the Company has not taken any loan. Hence, there are no cases of waiver/write off of debts/ loans/interest etc.
3.	Whether funds received/receivable for specific schemes from Central/ State agencies were properly accounted for/utilized as per its term and conditions? List the cases of deviation.	As per the information and explanations given to us the Company has not received any funds from Central/ State agencies for specific schemes during the year.

For J.C. Bhalla & Co.
Chartered Accountants
Firm's Regn. No. 001111N



(Anshuman Mallick)
Partner

Membership No. 547705
UDIN: 20547705AAAAAH4777

Place: Gurugram
Date : 30th June , 2020

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")

Opinion

We have audited the internal financial controls with reference to the Standalone Financial Statements of RITES Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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, 2020, 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.

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, both applicable to an audit of Internal Financial Controls and, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to the Standalone Financial Statements were 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 with reference to the Standalone Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to the Standalone Financial Statements included obtaining an understanding of such internal financial controls, 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 with reference to the Standalone Financial Statements.

Meaning of Internal Financial Controls with reference to the Standalone Financial Statements

A company's internal financial control 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 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 Standalone 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 Standalone financial statements.

Inherent Limitations of Internal Financial Controls with reference to the Standalone Financial Statements

Because of the inherent limitations of internal financial controls 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 with reference to the Standalone Financial Statements to future periods are subject to the risk that the internal financial control 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.

For J.C. Bhalla & Co.
Chartered Accountants
Firm's Regn. No. 001111N



(Anshuman Mallick)
Partner

Membership No. 547705
UDIN: 20547705AAAAAH4777

Place: Gurugram
Date : 30th June , 2020

BALANCE SHEET AS AT 31ST MARCH, 2020


(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2020	AS AT 31.03.2019
ASSETS			
NON CURRENT ASSETS			
PROPERTY, PLANT AND EQUIPMENT	2.1	384.77	338.25
CAPITAL WORK IN PROGRESS	2.2	4.45	2.32
RIGHT OF USE ASSETS	2.3	22.99	-
INVESTMENT PROPERTY	2.4	-	0.80
INTANGIBLE ASSETS	2.5	4.19	0.62
INTANGIBLE ASSETS UNDER DEVELOPMENT	2.6	-	1.59
FINANCIAL ASSETS			
INVESTMENTS	2.7.1	179.87	180.01
LOANS	2.8	16.21	16.30
OTHER FINANCIAL ASSETS	2.9	50.93	43.40
DEFERRED TAX ASSETS (NET)	2.10	37.09	74.03
OTHER NON CURRENT ASSETS	2.11	53.95	120.78
		754.45	778.10
CURRENT ASSETS			
INVENTORIES	2.12	10.67	104.93
FINANCIAL ASSETS			
INVESTMENTS	2.7.2	111.66	-
TRADE RECEIVABLES	2.13	821.66	585.75
CASH AND CASH EQUIVALENTS-OWNED FUND	2.14.1	113.12	156.18
CASH AND CASH EQUIVALENTS-CLIENTS FUND	2.15.1	764.07	486.38
OTHER BANK BALANCES-OWNED FUND	2.14.2	988.92	1,116.77
OTHER BANK BALANCES-CLIENTS FUND	2.15.2	1,752.25	1,704.04
LOANS	2.16	18.10	13.13
OTHER FINANCIAL ASSETS	2.17	209.89	166.38
CURRENT TAX ASSETS (NET)	2.18	91.85	51.00
OTHER CURRENT ASSETS	2.19	78.69	87.32
		4,960.88	4,471.88
		5,715.33	5,249.98
TOTAL ASSETS			
EQUITY AND LIABILITIES			
EQUITY			
EQUITY SHARE CAPITAL	2.20.2	250.00	200.00
OTHER EQUITY	2.21	2,326.62	2,183.83
		2,576.62	2,383.83
LIABILITIES			
NON CURRENT LIABILITIES			
FINANCIAL LIABILITIES			
LEASE LIABILITIES	2.42.1	4.38	-
TRADE PAYABLES			
- TOTAL OUTSTANDING DUES OF MICRO ENTERPRISES AND SMALL ENTERPRISES	2.58	-	-
- TOTAL OUTSTANDING DUES OTHER THAN MICRO ENTERPRISES AND SMALL ENTERPRISES		-	-
OTHER FINANCIAL LIABILITIES	2.22	163.23	177.37
PROVISIONS	2.23	22.94	6.70
OTHER NON CURRENT LIABILITIES	2.24	71.28	3.36
		261.83	187.43
CURRENT LIABILITIES			
FINANCIAL LIABILITIES			
LEASE LIABILITIES	2.42.1	2.83	-
TRADE PAYABLES			
- TOTAL OUTSTANDING DUES OF MICRO ENTERPRISES AND SMALL ENTERPRISES	2.58	8.65	9.05
- TOTAL OUTSTANDING DUES OTHER THAN MICRO ENTERPRISES AND SMALL ENTERPRISES		125.23	186.63
OTHER FINANCIAL LIABILITIES	2.25	2,587.30	2,244.23
PROVISIONS	2.26	85.19	68.78
OTHER CURRENT LIABILITIES	2.27	67.68	170.03
		2,876.88	2,678.72
		5,715.33	5,249.98
TOTAL EQUITY AND LIABILITIES			
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS FORM AN INTEGRAL PART OF STANDALONE FINANCIAL STATEMENTS	1&2		

For and on behalf of the Board


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


Bibhu Prasad Nayak
 Director Finance
 DIN:08197975


Parmod Kumar Narang
 Chief Financial Officer
 M.No. : FCA 086360


Ashish Srivastava
 Company Secretary
 M. No: FCS 5325

As per our report of even date attached
 For J C BHALLA & COMPANY, Chartered Accountants
 Firm Registration No. 001111N


(ANSHUMAN MALLICK)
 Partner, Membership No. 547705

Place : Gurugram
 Date : 30th June 2020

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2020


(₹ in crore)

PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2020	YEAR ENDED 31.03.2019
REVENUE			
REVENUE FROM OPERATIONS	2.28	2,400.57	1,968.97
OTHER INCOME	2.29	264.48	195.19
TOTAL REVENUE		2,665.05	2,164.16
EXPENDITURE			
EMPLOYEE BENEFIT EXPENSES	2.30	516.67	483.59
TRAVEL		49.83	48.78
SUPPLIES & SERVICES	2.31	773.71	681.36
PURCHASES FOR EXPORT		248.61	222.54
CHANGES IN INVENTORIES OF STOCK IN TRADE	2.32	94.77	(95.85)
FINANCE COST	2.33	3.04	3.58
DEPRECIATION & AMORTISATION EXPENSES	2.34	40.93	32.18
OTHER EXPENSES	2.35	114.88	111.26
TOTAL EXPENDITURE		1,842.44	1,487.44
PROFIT BEFORE TAX		822.61	676.72
TAX EXPENSES			
- CURRENT TAX	2.36	(189.28)	(247.72)
- DEFERRED TAX	2.37	(36.94)	15.65
PROFIT AFTER TAX		596.39	444.65
OTHER COMPREHENSIVE INCOME			
ITEMS THAT WILL NOT BE RECLASSIFIED SUBSEQUENTLY TO PROFIT & LOSS			
- REMEASUREMENTS OF THE DEFINED BENEFIT LIABILITY/ASSET	2.38	(9.45)	(2.61)
- INCOME TAX		2.38	0.91
TOTAL OTHER COMPREHENSIVE INCOME (NET OF TAX)		(7.07)	(1.70)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		589.32	442.95
EARNING PER SHARE (EQUITY SHARE OF ₹ 10/- EACH) - BASIC & DILUTED	2.43	₹ 23.86	17.79
WEIGHTED AVERAGE NUMBER OF EQUITY SHARES USED IN COMPUTING EARNING PER SHARE		250,000,000	250,000,000

For and on behalf of the Board


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


Bibhu Prasad Nayak
 Director Finance
 DIN:08197975


Parmod Kumar Narang
 Chief Financial Officer
 M.No. : FCA 086360


Ashish Srivastava
 Company Secretary
 M. No: FCS 5325

As per our report of even date attached
 For J C BHALLA & COMPANY, Chartered Accountants
 Firm Registration No. 001111N


(ANSHUMAN MALLICK)
 Partner, Membership No. 547705

Place : Gurugram
 Date : 30th June 2020

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2020

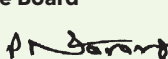
A. EQUITY SHARE CAPITAL			(₹ in crore)
BALANCE AS AT 01.04.2019	CHANGES IN EQUITY SHARE CAPITAL DURING THE YEAR		BALANCE AS AT 31.03.2020
200.00	50.00		250.00
(₹ in crore)			
BALANCE AS AT 01.04.2018	CHANGES IN EQUITY SHARE CAPITAL DURING THE YEAR		BALANCE AS AT 31.03.2019
200.00	-		200.00
(₹ in crore)			
B. OTHER EQUITY			(₹ in crore)
PARTICULARS	RESERVE AND SURPLUS		TOTAL
	GENERAL RESERVE	RETAINED EARNINGS	
BALANCE AS AT 01.04.2019	1951.85	231.98	2,183.83
PROFIT FOR THE YEAR	-	596.39	596.39
REMEASUREMENT OF THE NET DEFINED BENEFIT LIABILITY/ASSET, NET OF TAX EFFECT (OCI)		(7.07)	(7.07)
CAPITALISATION OF GENERAL RESERVE (ISSUE OF BONUS SHARES)	(50.00)		(50.00)
INTERIM DIVIDEND (2019-20)	-	(250.00)	(250.00)
FINAL DIVIDEND (2018-19)	-	(80.00)	(80.00)
CORPORATE DIVIDEND TAX	-	(66.53)	(66.53)
BALANCE AT 31.03.2020	1,901.85	424.77	2,326.62
INTERIM DIVIDEND PER SHARE FOR 2019-20 (₹)	10.00	NUMBER OF SHARES USED IN COMPUTING DIVIDEND PER SHARE	250,000,000
FINAL DIVIDEND PER SHARE FOR 2018-19 (₹)	4.00	NUMBER OF SHARES USED IN COMPUTING DIVIDEND PER SHARE	200,000,000


PARTICULARS	RESERVE AND SURPLUS		TOTAL
	GENERAL RESERVE	RETAINED EARNINGS	
BALANCE AT 01.04.2018	1,951.85	47.26	1,999.11
PROFIT FOR THE YEAR	-	444.65	444.65
REMEASUREMENT OF THE NET DEFINED BENEFIT LIABILITY/ASSET, NET OF TAX EFFECT (OCI)		(1.70)	(1.70)
INTERIM DIVIDEND (2018-19)	-	(175.00)	(175.00)
FINAL DIVIDEND (2017-18)	-	(40.00)	(40.00)
CORPORATE DIVIDEND TAX		(43.23)	(43.23)
BALANCE AT 31.03.2019	1,951.85	231.98	2,183.83
INTERIM DIVIDEND PER SHARE FOR 2018-19 (₹)	8.75	NUMBER OF SHARES USED IN COMPUTING DIVIDEND PER SHARE	200,000,000
FINAL DIVIDEND PER SHARE FOR 2017-18 (₹)	2.00	NUMBER OF SHARES USED IN COMPUTING DIVIDEND PER SHARE	200,000,000

For and on behalf of the Board


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


Bibhu Prasad Nayak
 Director Finance
 DIN:08197975


Parmod Kumar Narang
 Chief Financial Officer
 M.No. : FCA 086360


Ashish Srivastava
 Company Secretary
 M. No: FCS 5325

As per our report of even date attached
 For J C BHALLA & COMPANY, Chartered Accountants
 Firm Registration No. 001111N

Place : Gurugram
 Date : 30th June 2020


(ANSHUMAN MALLICK)
 Partner, Membership No. 547705

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2020

(₹ in crore)

PARTICULARS	YEAR ENDED 31.03.2020	YEAR ENDED 31.03.2019
CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT BEFORE TAX	822.61	676.72
OTHER COMPREHENSIVE INCOME BEFORE TAX	(9.45)	(2.61)
ADJUSTMENTS FOR:		
- DEPRECIATION AND AMORTIZATION	40.93	32.18
- LOSS/(PROFIT) ON SALE OF PROPERTY, PLANT AND EQUIPMENT (NET)	0.01	(0.06)
- INTEREST INCOME	(105.54)	(118.91)
- INCOME FROM INVESTMENTS	(9.49)	(8.81)
- INCOME FROM INVESTMENT PROPERTIES	-	(0.58)
- LIABILITIES WRITTEN BACK	(0.06)	(13.83)
- PROPERTY, PLANT AND EQUIPMENT WRITTEN OFF	0.03	-
- UNREALIZED GAIN/(LOSSES) FROM CHANGES IN FOREIGN EXCHANGE RATE	2.06	(15.21)
- PROVISION AND IMPAIRMENT EXPENSES (NET)	(30.39)	9.38
- FINANCE COST	3.04	3.58
EFFECT OF EXCHANGE DIFFERENCES ON TRANSLATION OF FOREIGN CURRENCY CASH & CASH EQUIVALENTS	(11.60)	(1.93)
OPERATING PROFIT BEFORE CHANGES IN ASSETS AND LIABILITIES	702.15	559.92
CHANGE IN ASSETS AND LIABILITIES:		
ADJUSTMENTS FOR (INCREASE)/DECREASE IN OPERATING ASSETS:		
- INVENTORIES	94.26	(95.55)
- TRADE RECEIVABLES	(247.28)	(134.53)
- LOANS, OTHER FINANCIAL ASSETS AND OTHER ASSETS	(86.79)	(20.58)
ADJUSTMENTS FOR INCREASE/(DECREASE) IN OPERATING LIABILITIES:		
- TRADE PAYABLES	(62.68)	116.57
- OTHER FINANCIAL LIABILITIES, OTHER LIABILITIES AND PROVISIONS (NET OF CLIENT FUNDS)	69.35	(61.65)
CASH GENERATED FROM OPERATIONS	469.01	364.18
- INCOME TAX PAID	(200.17)	(230.11)
NET CASH FROM OPERATING ACTIVITIES	268.84	134.07
CASH FLOWS FROM INVESTING ACTIVITIES		
- PURCHASE/CONSTRUCTION OF PROPERTY, PLANT AND EQUIPMENT/ INTANGIBLE ASSETS/ CWIP Etc.	(65.93)	(145.48)
- PROCEEDS FROM SALE OF PROPERTY, PLANT AND EQUIPMENT	0.12	0.07
- INVESTMENTS IN JOINT VENTURES	-	(0.25)
- INVESTMENTS IN SHARES, BONDS, LIQUID MUTUAL FUNDS	(111.10)	-
- DEPOSITS WITH BANK NOT CONSIDERED AS CASH AND CASH EQUIVALENTS	128.15	160.67
- INTEREST INCOME	116.12	113.84
- INCOME FROM INVESTMENTS	8.93	8.81
- INCOME FROM INVESTMENT PROPERTIES	-	0.58
NET CASH FROM INVESTING ACTIVITIES	76.29	138.24

(₹ in crore)

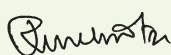
PARTICULARS	YEAR ENDED 31.03.2020	YEAR ENDED 31.03.2019
CASH FLOW FROM FINANCING ACTIVITIES		
- DIVIDEND PAID	(330.00)	(215.00)
- DIVIDEND TAX PAID	(66.53)	(43.23)
- REPAYMENT OF LEASE LIABILITIES	(1.31)	-
- FINANCE COST	(1.95)	(1.91)
NET CASH FROM FINANCING ACTIVITIES	(399.79)	(260.14)
EFFECT OF EXCHANGE DIFFERENCES ON TRANSLATION OF FOREIGN CURRENCY CASH & CASH EQUIVALENTS	11.60	1.93
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(43.06)	14.10
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	156.18	142.08
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	113.12	156.18

RECONCILIATION OF CASH AND CASH EQUIVALENTS		(₹ in crore)	
PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2020	YEAR ENDED 31.03.2019
CASH AND CASH EQUIVALENTS-OWNED FUND	2.14.1	113.12	156.18
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		113.12	156.18
COMPONENTS OF CASH AND CASH EQUIVALENTS (REFER NOTE NO. 2.14.1)		113.12	156.18

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.

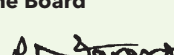
For and on behalf of the Board



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



Bibhu Prasad Nayak
Director Finance
DIN:08197975



Parmod Kumar Narang
Chief Financial Officer
M.No. : FCA 086360



Ashish Srivastava
Company Secretary
M. No: FCS 5325

As per our report of even date attached
For J C BHALLA & COMPANY, Chartered Accountants
Firm Registration No. 001111N



(ANSHUMAN MALLICK)

Partner, Membership No. 547705

Place : Gurugram
Date : 30th June 2020

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 72.02% equity share of the company (Refer Note No. 2.54).

The reporting and functional currency of the company is Indian Rupees (INR). Figures in financial statements are presented in ₹ crore, by rounding off upto two decimals except for per share data and as otherwise stated. Certain figures that are required to be disclosed but do not appear due to rounding off are detailed in note 2.64. 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, 2020, 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 30th June, 2020.

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 GENERAL

(a) Statement of Compliance

The financial statements of the Company are being prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act 2013, read with the Companies (Indian Accounting Standards) Rules as amended from time to time.

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

(b) Basis of Preparation

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

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

(c) Use of Estimates and 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/supplementary claims / counter claims/interest on delayed payments / awards in favour of the Company/ sale of tenders/ premium on sale of licenses etc. which are accounted for on final settlement / realization.

1.3 PROPERTY, PLANT AND EQUIPMENT (PPE)

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

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

1.3.1 Depreciation

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

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

- (c) Any addition or extension, which becomes an integral part of the existing asset and which results in increased economic benefits, is capitalized and depreciated over the remaining useful life of that asset.

An item of property, plant and equipment and any significant part initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on de-recognition of the asset which is calculated as the difference between the net disposal proceeds and the carrying amount of the asset, is included in the income statement when the asset is de-recognised.

- (d) In respect of BOT assets, depreciation is charged over the period of project or the life stated above whichever is lower.
- (e) In respect of buildings on lease hold land, depreciation is charged over the period of lease of land or the useful life stated above for buildings on freehold land, whichever is lower.
- (f) As per company's technical assessment, Fixtures, Mobile Hand Set, Coolers & Air Conditioners and In-Service Locomotives & Coaches (refurbished) have lower useful lives than prescribed in part C of schedule II of the Companies Act, 2013. Therefore depreciation is charged at higher rate than prescribed under the Companies Act, 2013.
- (g) Individual low cost assets of value less than ₹ 5,000/- are fully depreciated in the year of acquisition.
- (h) A nominal value of ₹ 1/- is assigned to the fully depreciated assets.

1.3.2 **Capital Work in Progress**

Assets which are not ready for the intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

1.3.3 **Capital Advances**

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date are classified as capital advances under other non-current assets.

1.4 **INTANGIBLE ASSETS**

Intangible assets acquired/ developed are measured on recognition at cost less accumulated amortisation and impairment losses, if any.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is de-recognised .

- (a) Software of value less than ₹ 100,000/- is fully amortized in the year of acquisition.
- (b) A nominal value of ₹1/- is assigned to the fully amortized assets.

1.4.1 **Amortization**

Estimated useful life of the software is 4 years and amortized on a straight line basis over the period.

1.5 **INVESTMENT PROPERTY**

Investment properties are measured at cost, including transaction costs less accumulated depreciation and impairment loss, if any.

The Company depreciates building component of investment property over the estimated useful lives of the assets as prescribed in property, plant and equipment.

Investment properties are de-recognised either on disposal or on permanent withdrawal from use. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the Statement of Profit and Loss in the period of de-recognition.

1.6 **INVESTMENTS**

Equity investments are measured at fair value through profit and loss except investments in subsidiary, participating joint venture with or without joint control and associate.

Investments in subsidiary, participating joint venture with or without joint control and associate are measured at cost.

1.7 **JOINT OPERATIONS**

- (a) In case of participating joint operations with joint control, company recognizes in relation to its interest in a joint operation as under :-
- (i) its assets, including its share of any assets held jointly;
 - (ii) its liabilities, including its share of any liabilities incurred jointly;

- (iii) its revenue from the sale of its share of the output arising from the joint operation;
 - (iv) its share of the revenue from the sale of the output by the joint operation; and
 - (v) its expenses, including its share of any expenses incurred jointly.
- (b) In case of participating joint operations without having joint control, interest in such arrangements is to be recognized as per aforesaid accounting policy if the company has right to the assets and obligations for the liabilities relating to joint operations otherwise interest in the joint operation is recognized in accordance with applicable Ind AS.

1.8 INVENTORIES

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

1.9 EMPLOYEE BENEFITS

1.9.1 Defined Contribution Plans

Pension Scheme/Post Retiral Medical Schemes

Retirement benefits in the form of pension scheme/post-retirement medical scheme are defined contribution schemes. The Company has no obligation, other than the contribution payable to such funds/ schemes. The Company recognizes contribution payable to such funds/schemes as an expense, when an employee renders the related service. If the contribution payable to the schemes for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Defined contributions towards pension under EPFO, superannuation pension fund and post retiral medical schemes are charged to the Statement of Profit and Loss based on contributions made in terms of applicable schemes on accrual basis.

1.9.2 DEFINED BENEFIT PLAN

1.9.2.1 Gratuity

Company provides gratuity, a defined benefit plan covering eligible regular and contract employees. The gratuity plan provides a lump-sum payment to vested employees of an amount based on the respective employee's salary and the tenure of employment with the company at retirement, death, incapacitation, or on completion of terms of employment.

The liabilities with regard to the Gratuity plan are determined by actuarial valuation, performed by an independent actuary, at the year end.

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

1.9.2.2 Provident Fund

The Company makes contribution to the recognized provident fund - "RITES CONTRIBUTORY 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 statement of profit and loss is recognised outside statement of profit and 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 statement of profit and loss is recognised outside statement of profit and 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

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

1.14.2 Foreign Currencies

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

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

1.14.4 Exchange differences arising on settlement or translation of monetary items are recognised in the Statement of Profit and Loss

1.15 CASH AND CASH EQUIVALENTS

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short term deposits with an original maturity of three months or less from the date of acquisitions which are readily convertible into known amounts of cash and be subject to an insignificant risk of change in value. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

1.16 STATEMENT OF CASH FLOWS

Statement of Cash Flows is made using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future cash receipts or payments and

item of income or expenses associated with investing or financing cash flows. The cash flows from operating, financing and investing activities of the Company are segregated.

1.17 EARNINGS PER SHARE

In determining basic earnings per share, net profit attributable to equity shareholders is divided by weighted average number of equity shares outstanding during the period.

In determining diluted earnings per share, net profit attributable to equity shareholders is divided by weighted average number of equity shares considered for deriving basic earning per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at the later date. Dilutive potential equity share are determined independently for each period presented.

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

1.18 IMPAIRMENT OF ASSETS

1.18.1 Financial Assets

(Other than at Fair Value)

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 Assets & 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.

2. NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020

2.1 PROPERTY, PLANT AND EQUIPMENT

FOLLOWING ARE THE CHANGES IN THE CARRYING VALUE OF PROPERTY, PLANT AND EQUIPMENT FOR THE YEAR ENDED 31.03.2020

(₹ in crore)

DESCRIPTION	GROSS BLOCK					DEPRECIATION/AMORTISATION						NET BLOCK
	AS AT 01/04/2019	ADDITIONS DURING THE YEAR	ADJ DURING THE YEAR	DELETIONS DURING THE YEAR	TOTAL	AS AT 01/04/2019	FOR THE YEAR	ADJ DURING THE YEAR	ADJ THROUGH RETAINED EARNING	DELETIONS DURING THE YEAR	TOTAL	AS AT 31/03/2020
LEASED HOLD												
BUILDING	10.02	-	(10.02)	-	-	0.78	-	(0.78)			-	-
SUB TOTAL	10.02	-	(10.02)	-	-	0.78	-	(0.78)	-	-	-	-
OTHERS												
LAND #	26.19	9.25	-		35.44	-					-	35.44
BUILDING	34.51	30.74			65.25	2.72	1.12				3.84	61.41
RESIDENTIAL QUARTERS	19.75			0.02	19.73	0.24	0.34			0.01	0.57	19.16
LEASED HOLD IMPROVEMENT		0.86	-	-	0.86		0.10				0.10	0.76
OFFICE EQUIPMENTS												
SURVEY AND OTHER INSTRUMENTS	9.75	0.17		-	9.92	3.32	1.05			-	4.37	5.55
COMPUTER AND EQUIPMENTS	11.13	2.02		0.66	12.49	8.20	1.96			0.63	9.53	2.96
SERVER & NETWORK	5.13	0.18			5.31	4.09	0.46				4.55	0.76
OFFICE AND OTHER EQUIPMENTS	4.99	1.66		0.42	6.23	3.58	0.77			0.37	3.98	2.25
AIR-CONDITIONER AND EQUIPMENTS	1.42	0.39		0.04	1.77	0.77	0.20			0.03	0.94	0.83
PLANT & MACHINERY												
AIR CONDITIONER PLANT	6.80	0.08		-	6.88	3.73	0.36			-	4.09	2.79
LOCOMOTIVES NEW @	183.68	41.41			225.09	20.29	13.75				34.04	191.05
LOCOMOTIVES IN SERVICE @	136.40	4.30	-		140.70	67.46	15.85				83.31	57.39
FURNITURE & FIXTURES												
FURNITURES	4.70	0.93		0.09	5.54	2.17	0.65			0.04	2.78	2.76
FIXTURES	2.01	0.66		0.06	2.61	1.66	0.18			0.05	1.79	0.82
VEHICLE												
VEHICLES	1.94	0.34		-	2.28	1.16	0.28			-	1.44	0.84
SUB TOTAL	448.40	92.99	-	1.29	540.10	119.39	37.07	-	-	1.13	155.33	384.77
TOTAL	458.42	92.99	(10.02)	1.29	540.10	120.17	37.07	(0.78)	-	1.13	155.33	384.77

FOLLOWING ARE THE CHANGES IN THE CARRYING VALUE OF PROPERTY, PLANT AND EQUIPMENT FOR THE YEAR ENDED 31.03.2019

(₹ in crore)

DESCRIPTION	GROSS BLOCK					DEPRECIATION/AMORTISATION						NET BLOCK
	AS AT 01/04/2018	ADDITIONS DURING THE YEAR	ADJ DURING THE YEAR	DELETIONS DURING THE YEAR	TOTAL	AS AT 01/04/2018	FOR THE YEAR	ADJ DURING THE YEAR	ADJ THROUGH RETAINED EARNING	DELETIONS DURING THE YEAR	TOTAL	AS AT 31/03/2019
LEASED HOLD												
BUILDING	9.58	-	0.44	-	10.02	0.53	0.21	0.04			0.78	9.24
SUB TOTAL	9.58	-	0.44	-	10.02	0.53	0.21	0.04	-	-	0.78	9.24
OTHERS												
LAND	26.19	-	-		26.19	-					-	26.19
BUILDING	34.51				34.51	2.04	0.68				2.72	31.79

(₹ in crore)

DESCRIPTION	GROSS BLOCK					DEPRECIATION/AMORTISATION						NET BLOCK
	AS AT 01/04/2018	ADDITIONS DURING THE YEAR	ADJ DURING THE YEAR	DELETIONS DURING THE YEAR	TOTAL	AS AT 01/04/2018	FOR THE YEAR	ADJ DURING THE YEAR	ADJ THROUGH RETAINED EARNING	DELETIONS DURING THE YEAR	TOTAL	AS AT 31/03/2019
RESIDENTIAL QUARTERS	0.98	18.77			19.75	0.06	0.18				0.24	19.51
OFFICE EQUIPMENTS												
SURVEY AND OTHER INSTRUMENTS	9.50	0.25		-	9.75	2.26	1.06			-	3.32	6.43
COMPUTER AND EQUIPMENTS	9.19	2.06		0.12	11.13	6.29	2.03			0.12	8.20	2.93
SERVER & NETWORK	4.83	0.30		-	5.13	3.02	1.07			-	4.09	1.04
OFFICE AND OTHER EQUIPMENTS	4.48	0.63		0.12	4.99	2.98	0.71			0.11	3.58	1.41
AIR-CONDITIONER AND EQUIPMENTS	1.31	0.11	-	-	1.42	0.57	0.20			-	0.77	0.65
PLANT & MACHINERY												
AIR CONDITIONER PLANT	6.80	-		-	6.80	3.37	0.36			-	3.73	3.07
LOCOMOTIVES NEW @	99.16	84.52			183.68	11.82	8.47				20.29	163.39
LOCOMOTIVES IN SERVICE @	136.40	-	-		136.40	52.01	15.45				67.46	68.94
FURNITURE & FIXTURES												
FURNITURES	4.15	0.55		-	4.70	1.67	0.50			-	2.17	2.53
FIXTURES	1.90	0.11		-	2.01	1.42	0.24			-	1.66	0.35
VEHICLE												
VEHICLES	1.72	0.22		-	1.94	0.89	0.27			-	1.16	0.78
SUB TOTAL	341.12	107.52	-	0.24	448.40	88.40	31.22	-	-	0.23	119.39	329.01
TOTAL	350.70	107.52	0.44	0.24	458.42	88.93	31.43	0.04	-	0.23	120.17	338.25
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. 2.63).												
@ REFER NOTE NO. 2.42.2												

2.2 CAPITAL WORK IN PROGRESS

(₹ in crore)

DESCRIPTION	GROSS BLOCK					DEPRECIATION/AMORTISATION						NET BLOCK
	OPENING	ADDITIONS DURING THE YEAR	ADJ DURING THE YEAR	DELETIONS DURING THE YEAR	TOTAL	OPENING	FOR THE YEAR	ADJ DURING THE YEAR	ADJ THROUGH RETAINED EARNING	DELETIONS DURING THE YEAR	TOTAL	
AS AT 31.03.2020	2.32	7.66	(5.53)	-	4.45	-	-	-	-	-	-	4.45
AS AT 31.03.2019	0.38	1.94	-	-	2.32	-	-	-	-	-	-	2.32

2.3 RIGHT OF USE ASSETS

FOLLOWING ARE THE CHANGES IN THE CARRYING VALUE OF RIGHT OF USE ASSETS FOR THE YEAR ENDED 31.03.2020

(₹ in crore)

DESCRIPTION	GROSS BLOCK					DEPRECIATION/AMORTISATION						NET BLOCK
	OPENING	ADDITIONS DURING THE YEAR	RECLASSIFY DURING THE YEAR	DELETIONS DURING THE YEAR	TOTAL	OPENING	FOR THE YEAR	ADJ DURING THE YEAR	ADJ THROUGH RETAINED EARNING	DELETIONS DURING THE YEAR	TOTAL	
LAND	-	1.94	-	-	1.94	-	0.32			-	0.32	1.62
BUILDING	-	6.58	12.86		19.44	-	2.15				2.15	17.29
RESIDENTIAL QUARTERS	-	-	4.33	-	4.33	-	0.25			-	0.25	4.08
TOTAL	-	8.52	17.19	-	25.71	-	2.72	-	-	-	2.72	22.99
- IN RESPECT OF LEASE AGREEMENTS PENDING EXECUTION (REFER NOTE NO. 2.62).												

2.4 INVESTMENT PROPERTY

(₹ in crore)

DESCRIPTION	GROSS BLOCK					DEPRECIATION/AMORTISATION						NET BLOCK
	OPENING	ADDITIONS DURING THE YEAR	ADJ DURING THE YEAR	DELETIONS DURING THE YEAR	TOTAL	OPENING	FOR THE YEAR	ADJ DURING THE YEAR	ADJ THROUGH RETAINED EARNING	DELETIONS DURING THE YEAR	TOTAL	
LEASEHOLD BUILDING												
AS AT 31.03.2020	0.89	-	(0.89)	-	0.00	0.09	0.02	(0.11)	-	-	-	0.00
AS AT 31.03.2019	1.33	-	(0.44)	-	0.89	0.11	0.02	(0.04)	-	-	0.09	0.80

2.5 INTANGIBLE ASSETS

(₹ in crore)

DESCRIPTION	GROSS BLOCK					DEPRECIATION/AMORTISATION						NET BLOCK
	OPENING	ADDITIONS DURING THE YEAR	ADJ DURING THE YEAR	DELETIONS DURING THE YEAR	TOTAL	OPENING	FOR THE YEAR	ADJ DURING THE YEAR	ADJ THROUGH RETAINED EARNING	DELETIONS DURING THE YEAR	TOTAL	
COMPUTER SOFTWARES (ACQUIRED)												
AS AT 31.03.2020	6.20	4.69		0.01	10.88	5.58	1.12		-	0.01	6.69	4.19
AS AT 31.03.2019	5.76	0.44		-	6.20	4.85	0.73		-	-	5.58	0.62

2.6 INTANGIBLE ASSETS UNDER DEVELOPMENT

(₹ in crore)

DESCRIPTION	GROSS BLOCK					DEPRECIATION/AMORTISATION						NET BLOCK
	OPENING	ADDITIONS DURING THE YEAR	ADJ DURING THE YEAR	DELETIONS DURING THE YEAR	TOTAL	OPENING	FOR THE YEAR	ADJ DURING THE YEAR	ADJ THROUGH RETAINED EARNING	DELETIONS DURING THE YEAR	TOTAL	
COMPUTER SOFTWARES (ACQUIRED)												
AS AT 31.03.2020	1.59	0.03	(1.62)	-	-	-	-		-	-	-	-
AS AT 31.03.2019	1.58	0.01		-	1.59	-	-		-	-	-	1.59

2.7 INVESTMENTS

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2020	AS AT 31.03.2019
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2.7.1 NON CURRENT INVESTMENTS

A) INVESTMENT IN UNQUOTED EQUITY INSTRUMENTS OF (INVESTMENT CARRIED AT COST):

SUBSIDIARIES

(i) RITES (Afrika) (Pty) Ltd., Botswana

10,000 (previous year 10,000) equity shares of face value of Pula 1/- each, fully paid-up.

0.01

0.01

(ii) RITES Infrastructure Services Limited (Under Liquidation)

50,000 (previous year 50,000) equity shares of face value of ₹ 10 each, fully paid-up.

0.05

0.05

Less : Provision for Diminution in value of Investment

(0.05)

(0.05)

-

(iii) Railway Energy Management Company Limited

35,700,000 (previous year 35,700,000) equity shares of face value of ₹ 10 each, fully paid-up.

35.70

35.70

35.71

35.71

JOINT VENTURES

(i) SAIL-RITES Bengal Wagon Industry Private Limited

24,000,000 (previous year 24,000,000) equity shares of face value of ₹ 10 each, fully paid-up.

24.00

24.00

(ii) BNV Gujarat Rail Private Limited

2,60,000 (previous year 2,60,000) equity shares of face value of ₹ 10 each, fully paid-up.

0.26

0.26

Less : Provision for Diminution in value of Investment

(0.14)

0.12

-

24.12

24.26

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2020	AS AT 31.03.2019
COOPERATIVE SOCIETIES			
(i) Moru Mahal Co-operative Society Limited	2.64	-	-
5 (previous year 5) Equity Shares of face value of ₹ 50/- each, fully paid-up acquired for purchase of residential quarter.			
(ii) Amit Industrial Premises Co-operative Society Limited	2.64	-	-
10 (previous year 10) Equity Shares of face value of ₹ 50/- each, fully paid-up acquired for purchase of laboratory.			
(iii) Nestle Co-operative Society Limited	2.64	-	-
10 (previous year NIL) Equity Shares of face value of ₹ 50/- each, fully paid-up acquired for purchase of residential quarter.		-	-
OTHERS			
Global Procurement Consultants Limited		0.04	0.04
32,279 (previous year 32,279) equity shares of face value of ₹ 10/- each, fully paid-up (includes 2,279 equity shares of face value of ₹ 10/- each at a price of ₹ 30/- each).			
AGGREGATE OF UNQUOTED INVESTMENTS (NON CURRENT)		59.87	60.01
B) INVESTMENT IN QUOTED TAX FREE BONDS OF (INVESTMENT CARRIED AT AMORTISED COST):			
(i) INDIAN RAILWAY FINANCE CORPORATION (10 YEAR SECURED REDEEMABLE 7.55% TAX FREE BONDS 08NOV.2021)			
2,500 Bonds of face value of ₹ 100,000/- each , fully paid		25.00	25.00
(ii) INDIAN RAILWAY FINANCE CORPORATION (10 YEAR SECURED REDEEMABLE 7.21% TAX FREE BONDS 26NOV.2022)			
300 Bonds of face value of ₹ 1,000,000/- each at premium of ₹100/- each, fully paid		30.00	30.00
(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	10.00
(iv) INDIAN RAILWAY FINANCE CORPORATION (10 YEAR SECURED REDEEMABLE 7.18% TAX FREE BONDS 19FEB.2023)			
100,000 Bonds of face value of ₹ 1,000/- each, fully paid		10.00	10.00
(v) INDIAN RAILWAY FINANCE CORPORATION (10 YEAR SECURED REDEEMABLE 8.35% TAX FREE BONDS 21NOV.2023)			
250 Bonds of face value of ₹ 1,000,000/- each at premium of ₹100/-each, fully paid		25.00	25.00
(vi) INDIAN RAILWAY FINANCE CORPORATION (10 YEAR SECURED REDEEMABLE 7.19% TAX FREE BONDS 31JUL.2025)			
200 Bonds of face value of ₹ 1,000,000/- each at premium of ₹100/-each, fully paid		20.00	20.00
AGGREGATE OF QUOTED INVESTMENTS (NON CURRENT)		120.00	120.00
TOTAL (NON CURRENT)		179.87	180.01

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2020	AS AT 31.03.2019
2.7.2 CURRENT INVESTMENTS			
A) INVESTMENT IN UNQUOTED MUTUAL FUNDS (INVESTMENT CARRIED AT FAIR VALUE THROUGH PROFIT OR LOSS):			
UTI LIQUID CASH PLAN - DIRECT GROWTH PLAN			
158279.482 (previous year Nil) units		51.46	-
SBI LIQUID FUND - DIRECT GROWTH PLAN			
193624.150 (previous year Nil) units		60.20	111.66
AGGREGATE OF UNQUOTED INVESTMENT (CURRENT)		111.66	-
TOTAL (CURRENT)		111.66	-
GRAND TOTAL		291.53	180.01
<hr/>			
A	AGGREGATE AMOUNT OF QUOTED INVESTMENTS	120.00	120.00
B	MARKET VALUE OF QUOTED INVESTMENTS*	129.80	126.89
C	AGGREGATE AMOUNT OF UNQUOTED INVESTMENTS	171.53	60.01
D	AGGREGATE AMOUNT OF IMPAIRMENT IN VALUE OF INVESTMENTS	0.19	0.05
*	MARKET VALUE OF SOME OF THE BONDS ARE NOT AVAILBALE AS THESE BONDS ARE NOT FREQUENTLY TRADED, HENCE TAKEN AT AMORTISED COST.		

2.8 NON CURRENT LOANS

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2020	AS AT 31.03.2019
SECURITY DEPOSITS CONSIDERED GOOD-UNSECURED		3.44	2.40
LOANS TO EMPLOYEES CONSIDERED GOOD-SECURED		7.34	7.59
LOANS TO EMPLOYEES CONSIDERED GOOD-UNSECURED		2.63	1.41
LOANS TO EMPLOYEES WHICH HAVE SIGNIFICANT INCREASE IN CREDIT RISK		-	-
LOANS TO EMPLOYEES -CREDIT IMPAIRED		-	-
LOANS TO JV (RELATED PARTY) CONSIDERED GOOD-SECURED		-	-
LOANS TO JV (RELATED PARTY) CONSIDERED GOOD-UNSECURED	2.41	2.80	4.90
LOANS TO JV (RELATED PARTY) WHICH HAVE SIGNIFICANT INCREASE IN CREDIT RISK		-	-
LOANS TO JV (RELATED PARTY)-CREDIT IMPAIRED		-	-
TOTAL		16.21	16.30

2.9 OTHER NON CURRENT FINANCIAL ASSETS

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2020	AS AT 31.03.2019
INTEREST ACCRUED (INCLUDING ACCRUED BUT NOT DUE) ON:			
- LOANS TO SRBWIPL (RELATED PARTY)	2.41.2.2	0.65	-
RETENTION MONEY		50.28	16.52
BANK DEPOSITS HAVING MATURITY OVER 12 MONTHS FROM REPORTING DATE:			
- OWNED FUND	2.14.3	-	0.30
- CLIENTS FUND	2.15.3	-	26.58
TOTAL		50.93	43.40

2.10 DEFERRED TAX ASSETS/ (LIABILITY) (NET)

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2020	AS AT 31.03.2019
DEFERRED INCOME TAX ASSETS:			
LEAVE ENCHANTMENT AND OTHER PROVISIONS		20.72	24.31
PROVISION FOR DOUBTFUL DEBTS, SECURITY DEPOSITS/ EMD, ADVANCES ETC.		31.38	61.23
TOTAL DEFERRED INCOME TAX ASSETS - I		52.10	85.54
DEFERRED INCOME TAX LIABILITIES:			
PROPERTY, PLANT & EQUIPMENT		11.64	11.51
INTEREST ACCRUED BUT NOT RECEIVED ON INCOME TAX REFUND		1.61	-
DONATION TO PM CARES FUND		1.76	-
TOTAL DEFERRED INCOME TAX LIABILITIES - II		15.01	11.51
DEFERRED INCOME TAX ASSETS (NET)	2.50	37.09	74.03

2.11 OTHER NON CURRENT ASSETS

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2020	AS AT 31.03.2019
CAPITAL ADVANCE		36.22	68.51
ADVANCES OTHER THAN CAPITAL ADVANCE			
PREPAID EXPENSES		0.78	0.94
PRE-PAYMENT TOWARDS LEASEHOLD ASSETS		-	6.73
DEFERRED COST TOWARDS STAFF LOAN		2.04	2.11
ADVANCE INCOME TAX (NET OF PROVISION)	2.50	14.91	42.49
TOTAL		53.95	120.78

2.12 INVENTORIES**(AT THE LOWER OF COST AND NET REALISABLE VALUE)**

(₹ in crore)

PARTICULARS	AS AT 31.03.2020	AS AT 31.03.2019
(AS CERTIFIED BY MANAGEMENT)		
STOCK IN TRADE*	8.56	103.33
STORES & SPARES	2.11	1.60
TOTAL**	10.67	104.93

*Includes inventory lying with third parties of ₹ 6.55 crore (previous year ₹ 33.74 crore) & stock in transit Nil (previous year ₹ 65.99 crore).

**The cost of inventories recognized as an expense during the year of ₹ 346.04 crore (previous year 31.03.2019 ₹ 128.99 crore)

Note - All inventories are expected to be utilised/sold within twelve months except certain items, which are utilised on need basis. Quantum of such items, which may be utilised beyond one year, is not determinable and is not expected to be material with reference to the total value of inventories.

2.13 CURRENT TRADE RECEIVABLES

(₹ in crore)

PARTICULARS	AS AT	
	31.03.2020	31.03.2019
TRADE RECEIVABLE CONSIDERED GOOD -SECURED	-	-
TRADE RECEIVABLE CONSIDERED GOOD -UNSECURED*	821.66	585.75
TRADE RECEIVABLE WHICH HAVE SIGNIFICANT INCREASE IN CREDIT RISK	-	-
TRADE RECEIVABLE -CREDIT IMPAIRED	101.85	95.30
	923.51	681.05
LESS: ALLOWANCE FOR EXPECTED CREDIT LOSSES	(101.85)	(95.30)
TOTAL**	821.66	585.75
* Includes dues from subsidiaries (note no. 2.41.2.1)	0.92	0.76
** Includes dues from companies where directors are interested		

2.14 CASH AND BANK BALANCES-OWNED FUND

(₹ in crore)

PARTICULARS	AS AT	
	31.03.2020	31.03.2019
2.14.1 CASH AND CASH EQUIVALENTS		
BANK BALANCES IN :		
CURRENT ACCOUNTS	37.74	32.02
DEPOSITS #	74.90	112.64
CHEQUES IN HAND	0.48	0.09
TOTAL	113.12	156.18
2.14.2 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS		
EARMARKED BALANCE WITH BANKS*	0.07	0.04
DEPOSITS ##	988.85	1,116.73
TOTAL @	988.92	1,116.77
2.14.3 BANK BALANCE MORE THAN 12 MONTHS MATURITY-OWNED FUND (NOTE NO. 2.9)		
DEPOSITS ###	-	0.30
TOTAL	-	0.30
TOTAL CASH & BANK BALANCE-OWNED FUND	1,102.04	1,273.25

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 ₹ 1.00 crore (previous year ₹ 54.35 crore) on account of bank balance held as margin money deposits against guarantees issued by banks and ₹ 0.07 crore (previous year ₹ 0.04 crore) on account of unpaid dividend.

* Earmarked bank balance is for unpaid dividend

2.15 CASH AND BANK BALANCES-CLIENTS FUND

(₹ in crore)

PARTICULARS	AS AT	
	31.03.2020	31.03.2019
2.15.1 CASH AND CASH EQUIVALENTS		
BANK BALANCES IN :		
CURRENT ACCOUNTS	265.15	184.48
DEPOSITS #	498.92	301.90
TOTAL	764.07	486.38

(₹ in crore)

PARTICULARS	AS AT 31.03.2020	AS AT 31.03.2019
2.15.2 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS		
DEPOSITS ##	1,752.25	1,704.04
TOTAL	1,752.25	1,704.04
2.15.3 BANK BALANCE MORE THAN 12 MONTHS MATURITY-CLIENT FUND (NOTE NO. 2.9)		
DEPOSITS ###	-	26.58
TOTAL	-	26.58
TOTAL CASH & BANK BALANCE-CLIENTS FUND*	2,516.32	2,217.00

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 at Note no. 2.22 & Note No. 2.25.

2.16 CURRENT LOANS

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2020	AS AT 31.03.2019
SECURITY DEPOSITS CONSIDERED GOOD-UNSECURED		10.37	5.74
SECURITY DEPOSITS CONSIDERED DOUBTFUL-UNSECURED		0.30	0.32
		10.67	6.06
LESS: ALLOWANCES FOR EXPECTED CREDIT LOSSES		(0.30)	(0.32)
LOANS TO EMPLOYEES CONSIDERED GOOD-SECURED		2.08	1.78
LOANS TO EMPLOYEES CONSIDERED GOOD-UNSECURED		2.85	3.51
LOANS TO EMPLOYEES WHICH HAVE SIGNIFICANT INCREASE IN CREDIT RISK		-	-
LOANS TO EMPLOYEES -CREDIT IMPAIRED		-	-
LOANS TO JV (RELATED PARTY) CONSIDERED GOOD-SECURED		-	-
LOANS TO JV (RELATED PARTY) CONSIDERED GOOD-UNSECURED	2.41	2.80	2.10
LOANS TO JV (RELATED PARTY) WHICH HAVE SIGNIFICANT INCREASE IN CREDIT RISK		-	-
LOANS TO JV (RELATED PARTY)-CREDIT IMPAIRED		-	-
TOTAL		18.10	13.13

2.17 OTHER CURRENT FINANCIAL ASSETS

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2020	AS AT 31.03.2019
GOVT. OF TANZANIA RECEIVABLES -UNSECURED	2.60	-	62.61
LESS: ALLOWANCES FOR EXPECTED CREDIT LOSSES		-	(62.61)
AMOUNT RECOVERABLES CONSIDERED GOOD-UNSECURED		11.23	21.86
AMOUNT RECOVERABLES CONSIDERED DOUBTFUL-UNSECURED		22.20	16.65
		33.43	38.51
LESS: ALLOWANCES FOR EXPECTED CREDIT LOSSES		(22.20)	(16.65)
INTEREST ACCRUED (INCLUDING ACCRUED BUT NOT DUE) ON:			
- BANK DEPOSITS HAVING MATURITY: WITHIN 3 MONTHS FROM THE DATE OF ACQUISITION		0.14	0.09

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2020	AS AT 31.03.2019
OVER 3 MONTHS FROM THE DATE OF ACQUISITION AND UPTO 12 MONTHS FROM REPORTING DATE		30.62	41.15
- BONDS		5.89	5.89
- LOANS TO SRBWIPL (RELATED PARTY)	2.41.2.2	0.69	1.44
		37.34	48.57
RETENTION MONEY		51.63	17.80
GOVT. OF MOZAMBIQUE RECEIVABLES		-	38.04
ADVANCES TO RELATED PARTIES	2.41	0.04	0.13
UNBILLED REVENUE		109.65	39.98
TOTAL		209.89	166.38

2.18 CURRENT TAX ASSETS (NET)

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2020	AS AT 31.03.2019
INCOME TAX RECEIVABLES	2.50	91.85	51.00
TOTAL		91.85	51.00

2.19 OTHER CURRENT ASSETS

(₹ in crore)

PARTICULARS		AS AT 31.03.2020	AS AT 31.03.2019
PREPAID EXPENSES		5.72	5.75
ADVANCES TO SUPPLIERS		65.10	71.37
OTHER ADVANCES		6.17	6.64
LESS: PROVISION FOR DOUBTFUL ADVANCES		(0.35)	(0.35)
EXPORT INCENTIVE RECEIVABLE		1.79	2.73
PRE-PAYMENT TOWARDS LEASEHOLD ASSETS		-	0.44
DEFERRED COST TOWARDS STAFF LOAN		0.26	0.24
DEFERRED COST TOWARDS GOVT OF MOZAMBIQUE RECEIVABLES		-	0.50
TOTAL		78.69	87.32

2.20 EQUITY SHARE CAPITAL

(₹ in crore)

PARTICULARS	AS AT 31.03.2020	AS AT 31.03.2019
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2.20.1 AUTHORISED

300,000,000 (PREVIOUS YEAR 300,000,000) EQUITY SHARES OF ₹10/- EACH	300.00	300.00
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2.20.2 ISSUED, SUBSCRIBED AND FULLY PAID-UP

250,000,000 (PREVIOUS YEAR 200,000,000) EQUITY SHARES OF ₹ 10/- EACH	250.00	200.00
	250.00	200.00

PARTICULARS	No. of Shares	(₹in crore)	No. of Shares	(₹in crore)
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2.20.3 RECONCILIATION OF NUMBER OF EQUITY SHARES

OPENING BALANCE	200,000,000	200.00	200,000,000	200.00
ADD/(LESS) DURING THE YEAR	50,000,000	50.00	-	-
CLOSING BALANCE	250,000,000	250.00	200,000,000	200.00

2.20.4 RIGHTS, PREFERENCES AND RESTRICTIONS ATTACHED TO EQUITY SHARES

THE COMPANY HAS ONE CLASS OF EQUITY SHARES HAVING A PAR VALUE OF ₹ 10 EACH. EACH SHAREHOLDER IS ELIGIBLE FOR ONE VOTE PER SHARE HELD IN CASE POLL IS DEMANDED BY THE MEMBERS IN ACCORDANCE WITH THE PROVISIONS OF THE COMPANIES ACT, 2013. IN THE EVENT OF LIQUIDATION, THE EQUITY SHAREHOLDERS ARE ELIGIBLE TO RECEIVE THE REMAINING ASSETS OF THE COMPANY AFTER DISTRIBUTION OF ALL PREFERENTIAL AMOUNTS, IN PROPORTION TO THEIR SHAREHOLDING.

PARTICULARS	No. of Shares	Share-holding (%)	No. of Shares	Share-holding (%)
2.20.5 EQUITY SHARES HELD BY EACH SHAREHOLDER MORE THAN 5% OF SHARES				
PRESIDENT OF INDIA ACTING THROUGH MINISTRY OF RAILWAYS (Refer Note No. 2.54)	180,047,174	72.02%	174,800,000	87.40%
LIFE INSURANCE CORPORATION OF INDIA	19,584,120	7.83%	-	-

2.20.6 FULLY PAID-UP AGGREGATE NUMBER OF EQUITY SHARES ALLOTTED BY WAY OF BONUS SHARES DURING THE YEAR OF FIVE YEARS IMMEDIATELY PRECEDING BALANCE SHEET DATE.

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.

2.21 OTHER EQUITY (REFER STATEMENT OF CHANGE IN EQUITY) (₹ in crore)

PARTICULARS	AS AT 31.03.2020	AS AT 31.03.2019
2.21.1 RESERVE & SURPLUS		
GENERAL RESERVE*	1,901.85	1,951.85
2.21.2 RETAINED EARNING	424.77	231.98
TOTAL **	2,326.62	2,183.83

* THE GENERAL RESERVE REPRESENTS AMOUNT KEPT BY THE COMPANY OUT OF ITS PROFIT FOR FUTURE PURPOSES. IT IS NOT EARMARKED FOR ANY SPECIFIC PURPOSE.

** INCLUDES OCI OF (₹ 9.88 CRORE) {PREVIOUS YEAR (₹ 2.81 CRORE)}.

2.22 OTHER NON CURRENT FINANCIAL LIABILITIES

PARTICULARS	NOTE NO.	AS AT 31.03.2020	AS AT 31.03.2019
CLIENTS DEPOSITS	2.15	-	26.58
SECURITY DEPOSITS - CLIENTS	2.15	146.18	123.28
SECURITY DEPOSITS		17.05	27.51
TOTAL		163.23	177.37

2.23 NON CURRENT PROVISIONS

PARTICULARS	NOTE NO.	AS AT 31.03.2020	AS AT 31.03.2019
EMPLOYEE BENEFITS	2.38	6.56	2.66
WARRANTIES	2.46.1	16.38	4.04
TOTAL		22.94	6.70

2.24 OTHER NON CURRENT LIABILITIES

PARTICULARS	AS AT 31.03.2020	AS AT 31.03.2019
CLIENTS ADVANCES	71.28	3.36
TOTAL	71.28	3.36

2.25 OTHER CURRENT FINANCIAL LIABILITIES

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT	AS AT
		31.03.2020	31.03.2019
CLIENTS DEPOSITS	2.15	2,312.64	1,987.46
SECURITY DEPOSITS - CLIENTS	2.15	57.50	79.68
SECURITY DEPOSITS		67.92	36.22
FOREIGN SERVICE CONTRIBUTION	2.61	5.80	5.87
SALARY PAYABLES		87.09	67.03
STAFF & OTHER CLAIMS		7.66	6.82
PAYABLE TO RELATED PARTIES	2.41	0.18	0.17
PAYABLE FOR OTHER EXPENSES		48.44	60.94
UNCLAIMED DIVIDEND*		0.07	0.04
TOTAL		2,587.30	2,244.23

* No amount is due for payment to Investor Education & Protection Fund

2.26 CURRENT PROVISIONS

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT	AS AT
		31.03.2020	31.03.2019
EMPLOYEE BENEFITS	2.38	36.53	25.81
WARRANTIES	2.46.1	41.64	35.90
COMMITMENTS	2.46.1	7.02	7.07
TOTAL		85.19	68.78

2.27 OTHER CURRENT LIABILITIES

(₹ in crore)

PARTICULARS	AS AT	AS AT
	31.03.2020	31.03.2019
CLIENTS ADVANCES	63.33	169.18
STATUTORY LIABILITIES	4.35	0.85
TOTAL	67.68	170.03

2.28 REVENUE FROM OPERATIONS

(₹ in crore)

PARTICULARS	NOTE NO.	YEAR ENDED	YEAR ENDED
		31.03.2020	31.03.2019
SALE OF SERVICES			
CONSULTANCY FEE		698.85	760.36
INSPECTION FEE		367.27	331.18
LEASE SERVICES	2.42.2.1.1	120.70	103.61
		1,186.82	1,195.15
SALE OF PRODUCTS			
EXPORT SALES		540.87	206.75
OTHERS			
TURNKEY CONSTRUCTION PROJECTS		672.88	567.07
TOTAL		2,400.57	1,968.97

Note- Revenue from operation does not include GST of ₹ 248.74 crore (previous year ₹ 231.82 crore)

2.29 OTHER INCOME

(₹ in crore)

PARTICULARS	YEAR ENDED 31.03.2020		YEAR ENDED 31.03.2019	
INTEREST INCOME ON:				
- DEPOSITS WITH BANK	96.09		109.15	
- TAX FREE BONDS	9.02		9.02	
- STAFF ADVANCES	1.26		1.29	
- LOAN TO RELATED PARTIES	0.43		0.74	
- INCOME TAX REFUND	10.17		3.09	
- DELAYED CONTRACT PAYMENTS	25.69	142.66	-	123.29
PROVISION NO LONGER REQUIRED		0.62		15.81
REVERSAL OF IMPAIRMENT OF FINANCIAL ASSETS		62.61		-
PROFIT ON SALE OF PROPERTY, PLANT AND EQUIPMENT		-		0.06
LIABILITIES WRITTEN BACK		0.06		13.83
DEFERRED INCOME TOWARDS GOVT OF MOZAMBIQUE RECEIVABLES		0.50		1.42
DIVIDEND FROM:				
- RITES (AFRIKA) (RELATED PARTY)	0.03		0.03	
- RAILWAY ENERGY MANAGEMENT COMPANY LTD (RELATED PARTY)	6.33		4.64	
- CURRENT INVESTMENTS	1.61	7.97	4.14	8.81
EXPORT INCENTIVES		9.09		7.84
REALIZED GAIN ON CURRENT INVESTMENT (MUTUAL FUNDS)		0.96		-
UNREALIZED GAIN ON CURRENT INVESTMENT (MUTUAL FUNDS)		0.56		-
RENT FROM INVESTMENT PROPERTIES		-		0.58
EXCHANGE VARIATION		34.43		17.12
MISCELLANEOUS INCOME		5.02		6.43
TOTAL		264.48		195.19

2.30 EMPLOYEE BENEFIT EXPENSES

(₹ in crore)

PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2020		YEAR ENDED 31.03.2019	
SALARIES		366.50		348.39	
FOREIGN SERVICE CONTRIBUTION	2.61	4.65		4.06	
CONTRIBUTION TO PROVIDENT & OTHER FUNDS	2.38	58.51		55.94	
STAFF WELFARE EXPENSES		23.93		22.43	
PERFORMANCE RELATED PAYMENT		42.51		35.00	
LEAVE ENCASHMENT	2.38	20.57		17.77	
TOTAL		516.67		483.59	

2.31 SUPPLIES & SERVICES

(₹ in crore)

PARTICULARS	YEAR ENDED 31.03.2020		YEAR ENDED 31.03.2019	
TURNKEY CONSTRUCTION PROJECTS	604.79		516.49	
OTHERS	168.92		164.87	
TOTAL	773.71		681.36	

2.32 CHANGES IN INVENTORIES OF STOCK IN TRADE

(₹ in crore)

PARTICULARS	YEAR ENDED 31.03.2020	YEAR ENDED 31.03.2019
OPENING BALANCE	103.33	7.48
CLOSING BALANCE	8.56	103.33
NET (INCREASE)/ DECREASE IN INVENTORIES	94.77	(95.85)

2.33 FINANCE COST

(₹ in crore)

PARTICULARS	YEAR ENDED 31.03.2020	YEAR ENDED 31.03.2019
UNWINDING WARRANTY	1.09	1.67
UNWINDING LEASE LIABILITY	0.51	-
BG/LC CHARGES	0.81	0.54
INTEREST- OTHERS*	0.63	1.37
TOTAL	3.04	3.58

*Includes Interest on Income tax of ₹ 0.40 crore (previous year ₹ 1.13 crore)

2.34 DEPRECIATION & AMORTISATION EXPENSES

(₹ in crore)

PARTICULARS	YEAR ENDED 31.03.2020	YEAR ENDED 31.03.2019
PROPERTY, PLANT AND EQUIPMENT	37.07	31.43
RIGHT OF USE ASSETS	2.72	-
INVESTMENT PROPERTY	0.02	0.02
INTANGIBLE ASSETS	1.12	0.73
TOTAL	40.93	32.18

2.35 OTHER EXPENSES

(₹ in crore)

PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2020	YEAR ENDED 31.03.2019
PRINTING, STATIONERY AND DOCUMENTATION		4.06	4.08
ADVERTISEMENT & BUSINESS PROMOTION		5.98	11.83
AUDITORS' REMUNERATION (INCLUDING OUT OF POCKET EXPENSES)	2.35.1	0.28	0.30
RATES & TAXES		3.84	3.43
OFFICE RENT		4.58	5.40
POSTAGE & TELECOMMUNICATION		5.86	5.55
OFFICE MAINTENANCE		10.44	9.28
REPAIRS TO MACHINERY/EQUIPMENTS		3.81	3.63
FREIGHT & FORWARDING (OUTWARD)		3.29	2.34
POWER AND FUEL CHARGES		4.74	4.46
STORES AND SPARES CONSUMED		2.66	2.30
INTERNAL AUDIT FEE		0.13	0.12
LEGAL AND PROFESSIONAL FEE		1.98	3.01
INSURANCE CHARGES		1.24	0.86
PROPERTY, PLANT AND EQUIPMENT WRITTEN OFF		0.03	-
MANPOWER DEVELOPMENT		2.75	1.72
LOSS ON SALE OF PROPERTY, PLANT AND EQUIPMENT		0.01	-
IMPAIRMENT LOSS FOR FINANCIAL ASSETS:			

(₹ in crore)

PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2020	YEAR ENDED 31.03.2019
- PROVISION FOR IMPAIRMENT		12.08	15.88
- BAD DEBTS		7.57	9.66
- DIMINUTION IN VALUE OF INVESTMENT		0.14	-
PROVISION FOR:			
- COMMITMENTS		-	7.07
- WARRANTIES		20.62	2.24
DIRECTORS' SITTING FEE		0.27	0.27
CORPORATE SOCIAL RESPONSIBILITY	2.57	11.21	10.23
AMORTISED DEFERRED COST TOWARDS GOVT OF MOZAMBIQUE RECEIVABLES		0.50	1.42
ADVANCES/RECOVERABLE WRITTEN OFF		0.02	0.11
MISCELLANEOUS EXPENSES		6.79	6.07
TOTAL		114.88	111.26

2.35.1 AUDITORS' REMUNERATION

(₹ in crore)

PARTICULARS		YEAR ENDED 31.03.2020	YEAR ENDED 31.03.2019
(A) STATUTORY AUDITORS			
STATUTORY AUDIT FEE		0.07	0.06
TAX AUDIT FEE		0.03	0.02
LIMITED REVIEW AND CONSOLIDATION FEE		0.05	0.03
OTHER SERVICES, i.e. CERTIFICATION ETC.		0.02	0.09
SUB TOTAL (A)		0.17	0.20
(B) BRANCH AUDITORS			
STATUTORY AUDIT FEE		0.02	0.02
TAX AUDIT FEE		0.01	0.01
LIMITED REVIEW FEE		0.03	0.03
SUB TOTAL (B)		0.06	0.06
AUDITORS' REMUNERATION (A+B)		0.23	0.26
AUDITORS' OUT OF POCKET EXPENSES		0.05	0.04

2.36 CURRENT TAX

(₹ in crore)

PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2020	YEAR ENDED 31.03.2019
- CURRENT YEAR		(190.58)	(227.75)
- EARLIER YEAR		1.30	(19.97)
TOTAL	2.50	(189.28)	(247.72)

2.37 DEFERRED TAX

(₹ in crore)

PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2020	YEAR ENDED 31.03.2019
CREDIT/(CHANGE) RELATING TO TEMPORARY DIFFERENCES			
- CURRENT YEAR		(36.76)	(5.53)
- EARLIER YEAR		(0.18)	21.18
TOTAL	2.50	(36.94)	15.65

DISCLOSURES AS PER INDIAN ACCOUNTING STANDARDS (IND AS):

2.38 Indian Accounting standard (Ind AS) 19, Disclosure on Employee Benefits is as follows:

2.38.1 Defined Benefit Plan

2.38.1.1 Gratuity (Funded)-Regular Employees.

2.38.1.1.1 Changes in Present Value of the Benefit Obligation are as follows:

(₹ in crore)

Particulars	31.03.20	31.03.19
Present Value of obligation as at beginning of year	138.56	134.06
Interest Cost	10.39	10.05
Current Service Cost	8.56	7.46
Benefits paid	(14.26)	(16.08)
Actuarial (Gain)/Loss on obligation	7.19	3.07
Present Value of Obligation as at end of year	150.44	138.56

Bifurcation of Present Benefit Obligation at end of year in current and non-current.

(₹ in crore)

Particulars	31.03.20	31.03.19
Current liability (Amount due within one year)	15.66	14.26
Non-Current liability (Amount due over one year)	134.78	124.30
Present Value of Obligation as at end of year	150.44	138.56

2.38.1.1.2 Changes in the Fair Value of Plan Assets are as follows:

(₹ in crore)

Particulars	31.03.20	31.03.19
Fair Value of Plan Assets at beginning of year	130.55	120.25
Actual Interest Income	8.01	9.67
Contributions	8.02	13.38
Benefits Paid	(15.17)	(12.75)
Fair value of Plan Assets at the end of year	131.41	130.55

Major categories of plan assets (as percentage of total plan assets):

Particulars	31.03.20	31.03.19
a) Government of India Securities	--	--
b) State Government securities	--	--
c) High Quality Corporate Bonds	--	--
d) Equity Shares of listed companies	--	--
e) Property	--	--
f) Funds Managed by Insurer	100 %	100 %
g) Bank Balance	--	--
Total	100 %	100 %

2.38.1.1.3 The amount recognized in the Balance Sheet is as follows:

	(₹ in crore)	
Particulars	31.03.20	31.03.19
Defined Benefit Obligation at end of year	150.44	138.56
Fair value of Plan Assets at the end of year	131.41	130.55
Funded Status - (Surplus)/ Deficit	19.03	8.01
Net (Liability)/ Asset recognized in Balance Sheet	(19.03)	(8.01)

2.38.1.1.4 Amount recognized in the Statement of Profit & Loss is as follows:

	(₹ in crore)	
Particulars	31.03.20	31.03.19
Current Service Cost	8.56	7.46
Net Interest on Net Defined Benefit Liability	0.60	1.04
Expenses recognized in the statement of Profit & Loss	9.16	8.50

Bifurcation of Actuarial Gain/Loss on Obligation

	(₹ in crore)	
Particulars	31.03.20	31.03.19
Actuarial (Gain)/Loss on arising from Change in Demographic Assumption	-	--
Actuarial (Gain)/Loss on arising from Change in Financial Assumption	8.24	(3.49)
Actuarial (Gain)/Loss on arising from Experience Adjustment	(1.05)	6.56

2.38.1.1.5 Amount recognized in Other Comprehensive Income is as follows:

	(₹ in crore)	
Particulars	31.03.20	31.03.19
Actuarial (Gains)/Losses on Liability	7.19	3.07
Actuarial (Gains)/Losses on Assets	1.78	(0.65)
Other Comprehensive (Income)/Expense	8.97	2.42

2.38.1.1.6 The principal actuarial assumptions are as follows:

Particulars	31.03.20	31.03.19
Discounting rate (%)	6.64%	7.50%
Future salary increase (%)	8.25%	8.25%
Retirement Age (Years)	60	60
Mortality rates inclusive of provision for disability	100% of IALM (2012 - 14)	100% of IALM (2006 - 08)
Attrition at Ages	Withdrawal Rate (%)	Withdrawal Rate (%)
Up to 30 Years	3.00	3.00
From 31 to 44 years	2.00	2.00
Above 44 years	1.00	1.00

The significant actuarial assumptions for the determination of the defined obligations are discount rate and expected salary increase. The sensitivity for actuarial assumptions have been computed by varying respective actuarial assumption used for valuation of the defined benefit obligation by 0.50%, while holding all other assumptions constant.

If the discount rate increases/decreases by 0.50%, the defined obligations would decrease by ₹ 4.94 crore / increase by ₹ 5.29 crore as on 31st March, 2020 and if the expected salary growth increases /decreases by 0.50%, the defined benefit obligations would increase by ₹ 2.45 crore/ decrease by ₹ 2.54 crore as on 31st March, 2020.

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 ₹ 19.03 crore to defined benefit plan obligations towards gratuity during the year 2020-21. Remeasurement (gain)/loss of defined employee benefit plans in Other Comprehensive Income (OCI) for the year ended 31.03.2020 and 31.03.2019 are ₹ 8.97 crore and ₹ 2.42 crore respectively.

The defined benefit obligation shall mature as follows:

(₹ in crore)	
Year ending March, 31	Defined benefit obligations
2021	15.66
2022	13.84
2023	18.35
2024	12.80
2025	14.25
2026	12.30
2026 onward	63.24

2.38.1.2 Gratuity (Funded)-Contract Employees.

2.38.1.2.1 Changes in Present Value of the Benefit Obligation are as follows:

(₹ in crore)		
Particulars	31.03.20	31.03.19
Present Value of obligation as at beginning of year	2.60	2.26
Interest Cost	0.20	0.17
Current Service Cost	0.35	0.27
Benefits paid	(0.18)	(0.28)
Actuarial (Gain)/Loss on obligation	0.48	0.18
Present Value of Obligation as at end of year	3.45	2.60

Bifurcation of Present Value of the Benefit Obligation at the end of year in current and non-current.

(₹ in crore)		
Particulars	31.03.20	31.03.19
Current liability (Amount due within one year)	0.10	0.10
Non-Current liability (Amount due over one year)	3.35	2.50
Total Present Value of Obligation as at end of year	3.45	2.60

2.38.1.2.2 Changes in the Fair Value of Plan Assets are as follows:

Particulars	(₹ in crore)	
	31.03.20	31.03.19
Fair Value of Plan Assets at beginning of year	2.40	2.04
Actual Interest Income	0.18	0.14
Contributions	0.20	0.22
Benefits Paid	-	-
Fair value of Plan Assets at the end of year	2.78	2.40

Major categories of plan assets (as percentage of total plan assets) :

Particulars	(₹ in crore)	
	31.03.20	31.03.19
Government of India Securities	--	--
State Government securities	--	--
High Quality Corporate Bonds	--	--
Equity Shares of listed companies	--	--
Property	--	--
Funds Managed by Insurer	100 %	100 %
Bank Balance	--	--
Total	100 %	100 %

2.38.1.2.3 The amount recognized in the Balance Sheet is as follows:

Particulars	(₹ in crore)	
	31.03.20	31.03.19
Defined Benefit Obligation at end of year	3.45	2.60
Fair value of Plan Assets at the end of year	2.78	2.40
Funded Status - (Surplus)/ Deficit	0.67	0.20
Net (Liability)/ Asset recognized in Balance Sheet	(0.67)	(0.20)

2.38.1.2.4 Amount recognized in the Statement of Profit & Loss is as follows:

Particulars	(₹ in crore)	
	31.03.20	31.03.19
Current Service Cost	0.35	0.27
Net Interest on Net Defined Benefit Liability	0.01	0.02
Expenses recognized in the statement of Profit & Loss	0.36	0.29

Bifurcation of Actuarial Gain/Loss on Obligation:

Particulars	(₹ in crore)	
	31.03.20	31.03.19
Actuarial (Gain)/Loss on arising from Change in Demographic Assumption	-	-
Actuarial (Gain)/Loss on arising from Change in Financial Assumption	0.37	(0.13)
Actuarial (Gain)/Loss on arising from Experience Adjustment	0.11	0.32

2.38.1.2.5 Amount recognized in Other Comprehensive Income is as follows:

Particulars	(₹ in crore)	
	31.03.20	31.03.19
Actuarial (Gains)/Losses on Liability	0.48	0.18
Actuarial (Gains)/Losses on Assets	-	0.01
Other Comprehensive (Income)/Expense	0.48	0.19

2.38.1.2.6 The principal actuarial assumptions are as follows:

Particulars	31.03.20	31.03.19
Discounting rate (%)	6.64%	7.50%
Future salary increase (%)	4.12%	4.12%
Retirement Age (Years)	60	60
Mortality rates inclusive of provision for disability	100% of IALM (2012 - 14)	100% of IALM (2006 - 08)
Attrition at Ages	Withdrawal Rate (%)	Withdrawal Rate (%)
Up to 30 Years	3.00	3.00
From 31 to 44 years	2.00	2.00
Above 44 years	1.00	1.00

2.38.1.2.7 The significant actuarial assumptions for the determination of the defined obligations are discount rate and expected salary increase. The sensitivity for actuarial assumptions have been computed by varying respective actuarial assumption used for valuation of the defined benefit obligation by 0.50%, while holding all other assumptions constant.

If the discount rate increases /decreases by 0.50%, the defined obligations would decrease by ₹ 0.22 crore / increase by ₹0.24 crore as on 31st March, 2020 and if the expected salary growth increases /decreases by 0.50%, the defined benefit obligations would increase by ₹ 0.25 crore/ decrease by ₹ 0.23 crore as on 31st March, 2020.

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 ₹ 0.67 crore to defined benefit plan obligations towards gratuity during the year 2020-21. Remeasurement (gain)/loss of defined employee benefit plans in Other Comprehensive Income (OCI) for the year ended 31.03.2020 and 31.03.2019 are ₹ 0.48 crore and ₹ 0.19 crore respectively.

The defined benefit obligations shall mature as follows:

Year ending March, 31	(₹ in crore)	
	Defined benefit obligations	
2021	0.10	
2022	0.15	
2023	0.15	
2024	0.06	
2025	0.07	
2026	0.09	
2026 onward	2.83	

2.38.1.3 Provident Fund

All eligible employees of the company are entitled to receive benefits under the Provident Fund, a defined benefit plan, set up through a Trust named as RITES Contributory Provident Fund Trust. Both employee and employer contribute monthly at a determined rate as specified under the law to the Trust. The obligation of the company is limited to such contribution and to make good the shortfall, if any, between the returns from the investments of the trust and the notified interest rate. Short fall, if any, is recognised as an expense during the year. As per actuarial valuation, present value of the expected future earnings on the fund is higher than the expected amount to be contributed to the individual members based on the expected guaranteed rate of interest, resulting in no liability on the company.

As per the provisions of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the company has no right to the benefits either in the form of refund from the plan or lower future contribution to the plan towards the net surplus of ₹ 0.05 crore determined through actuarial valuation. Accordingly company has not recognized the surplus as assets as it pertains to the provident fund trust and not to the company.

The company contributed ₹ 26.23 crore and ₹ 24.96 crore to the provident fund during the year ended 31st March, 2020 and 31st March, 2019 respectively.

2.38.1.3.1 Changes in Present Value of the Benefit Obligation are as follows:

Particulars	(₹ in crore)	
	31.03.20	31.03.19
Present value of obligation as at the beginning of the year	547.78	492.60
Interest Cost	47.06	36.80
Current Service Cost	22.27	21.03
Contributions by plan participants / employees	47.46	43.51
Benefits Paid	(72.96)	(56.54)
Total Actuarial (Gain)/Loss on Obligation	2.47	6.18
Settlements/Transfer In	5.66	4.20
Present value of obligation as at the End of the year	599.74	547.78

2.38.1.3.2 Changes in the Fair Value of Plan Assets are as follows:

Particulars	(₹ in crore)	
	31.03.20	31.03.19
Fair value of plan assets at the beginning of the year	551.23	496.42
Adjustment as per BS	0.06	-
Actual return on plan assets	46.07	42.60
Employer contribution	22.27	21.03
Plan Participants / Employee Contribution	47.46	43.51
Benefits paid	(72.96)	(56.54)
Settlements / Transfer In	5.66	4.21
Fair value of plan assets at the end of the year	599.79	551.23

2.38.1.3.3 Net defined benefit Surplus(Deficit) is as follows:

Particulars	(₹ in crore)	
	31.03.20	31.03.19
Defined Benefit Obligation at end of year	599.74	547.78
Fair value of Plan Assets at the end of year	599.79	551.23
Net defined benefit Surplus(Deficit)	0.05	3.45

2.38.1.4 Other Benefits

2.38.1.4.1 Other Benefits (Funded):- Earned Leave and Medical Leave- Regular Employees

2.38.1.4.1.1 Changes in Present Value of the Benefit Obligation are as follows:

Particulars	(₹ in crore)			
	Earned Leave (Regular Employee)		Medical Leave (Regular Employee)	
	31.03.20	31.03.19	31.03.20	31.03.19
Present Value of obligation as at beginning of year	67.70	66.19	61.76	59.25
Interest Cost	5.08	4.96	4.63	4.44
Current Service Cost	6.63	5.65	3.94	3.57
Benefits paid	(15.51)	(16.85)	(3.08)	(2.60)
Actuarial (Gain)/Loss on obligation	13.89	7.75	(4.13)	(2.90)
Present Value of Obligation as at end of year	77.79	67.70	63.12	61.76

2.38.1.4.1.2 Changes in the Fair Value of Plan Assets are as follows:

Particulars	(₹ in crore)			
	Earned Leave (Regular Employee)		Medical Leave (Regular Employee)	
	31.03.20	31.03.19	31.03.20	31.03.19
Fair Value of Plan Assets at beginning of year	62.96	59.50	54.23	51.22
Actual Interest Income	5.56	3.46	4.79	3.01
Contributions	-	-	-	-
Benefits Paid	-	-	-	-
Fair value of Plan Assets at the end of year	68.52	62.96	59.02	54.23

2.38.1.4.1.3 The amount recognized in the Balance Sheet is as follows:

Particulars	(₹ in crore)			
	Earned Leave (Regular Employee)		Medical Leave (Regular Employee)	
	31.03.20	31.03.19	31.03.20	31.03.19
Defined Benefit Obligation at end of year	77.79	67.70	63.12	61.76
Fair value of Plan Assets at the end of year	68.52	62.96	59.02	54.23
Funded Status - (Surplus)/ Deficit	9.27	4.74	4.10	7.53
Net (Liability)/ Asset recognized in Balance Sheet	(9.27)	(4.74)	(4.10)	(7.53)

2.38.1.4.1.4 Amount recognized in the Statement of Profit & Loss is as follows:

(₹ in crore)

Particulars	Earned Leave (Regular Employee)		Medical Leave (Regular Employee)	
	31.03.20	31.03.19	31.03.20	31.03.19
Current Service Cost	6.63	5.65	3.94	3.57
Net Interest on Net Defined Benefit Liability	0.36	0.50	0.57	0.60
Net Actuarial (gain)/loss recognized in the year	13.05	8.75	(4.85)	(2.07)
Expenses recognized in the statement of Profit & Loss	20.04	14.90	(0.34)	2.10

2.38.1.4.1.5 The principal actuarial assumptions are as follows:

Particulars	Earned Leave (Regular Employee)		Medical Leave (Regular Employee)	
	31.03.20	31.03.19	31.03.20	31.03.19
Discounting rate (%)	6.64%	7.50%	6.64%	7.50%
Future salary increase (%)	8.25%	8.25%	8.25%	8.25%

2.38.1.4.1.6 Sensitivity Analysis of the defined benefit obligation :

(₹ in crore)

Particulars	Increase (Decrease) in present value of obligation as on 31.03.2020	
	Earned Leave (Regular Employee)	Medical Leave (Regular Employee)
Impact due to Increase of 0.50% discount rate	(3.44)	(2.18)
Impact due to Decrease of 0.50% discount rate	3.73	2.35
Impact due to Increase of 0.50% in Salary.	3.66	(2.18)
Impact due to Decrease of 0.50% in Salary.	(3.40)	2.35

2.38.1.4.2 Other Benefits (unfunded):- Earned Leave (Contract employee), LTC and Long Service Award (Regular employee).

2.38.1.4.2.1 Present value of the defined benefits plan obligations:

Particulars	(₹ in crore)					
	Earned Leave (Contract Employee)		LTC (Regular employee)		Long Service Award (Regular employee)	
	31.03.20	31.03.19	31.03.20	31.03.19	31.03.20	31.03.19
Opening Balance	1.24	1.22	0.02	0.11	1.31	1.46
Interest Cost	0.09	0.09	-	0.01	0.12	0.12
Current Service Cost	0.42	0.48	-	-	0.10	0.11
Benefit paid	(0.85)	(0.75)	-	(0.03)	(0.27)	(0.29)
Actuarial (Gain)/Loss on obligation	0.36	0.20	(0.01)	(0.07)	0.17	(0.09)
Closing Balance	1.26	1.24	0.01	0.02	1.43	1.31

2.38.1.4.2.2 Total expenses recognized in the Statement of Profit & Loss are as follows:

(₹ in crore)

Particulars	Earned Leave (Contract Employee)		LTC (Regular employee)		Long Service Award (Regular employee)	
	31.03.20	31.03.19	31.03.20	31.03.19	31.03.20	31.03.19
Current Service Cost	0.42	0.48	-	-	0.12	0.11
Interest Cost	0.09	0.09	-	0.01	0.10	0.12
Actuarial (Gain)/Loss	0.36	0.20	(0.01)	(0.07)	0.17	(0.09)
Expenses recognized in the statement of Profit & Loss	0.87	0.77	(0.01)	(0.06)	0.39	0.14

2.38.1.4.2.3 The principal actuarial assumptions used at the Balance Sheet date are as follows:

Particulars	Earned Leave (Contract employee)		LTC (Regular employee)		Long Service Award (Regular employee)	
	31.03.20	31.03.19	31.03.20	31.03.19	31.03.20	31.03.19
Discount rate (%)	6.64%	7.50%	6.64%	7.50%	6.64%	7.50%
Future salary increase (%)	4.12%	4.12%	8.25%	8.25%	-	-

2.38.1.4.2.4 Sensitivity Analysis of the defined benefit obligation:

(₹ in crore)

Particulars	Increase (Decrease) in present value of obligation as on 31.03.2020	
	Earned Leave (Contract employee)	LTC (Regular Employee)
Impact due to Increase of 0.50% discount rate	(0.09)	-
Impact due to Decrease of 0.50% discount rate	0.10	-
Impact due to Increase of 0.50% in Salary	0.10	-
Impact due to Decrease of 0.50% in Salary	(0.09)	-

2.38.2 Defined Contribution Plans

2.38.2.1 Post Retirement Benefits (Pension & Medical):

All eligible employees are entitled to benefit under defined contribution plans towards pension under EPFO scheme, post retirement pension fund and medical schemes as defined contribution plans. The company has no obligations other than the contribution payable to such funds/schemes. The company recognizes such contributions as expenses when an employee renders the related service.

During the year, company contributed/ provided ₹ 17.09 crore (previous year ₹ 16.98 crore) towards post retirement pension fund, ₹ 3.94 crore (previous year ₹ 4.11 crore) towards pension under EPFO and ₹ 5.22 crore (previous year ₹ 4.77 crore) towards medical schemes.

2.39 Disclosures on Indian Accounting Standard (Ind AS) 108, 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.

2.39.1 Company has identified four operational reportable segments based on operations being carried out which are as under:-

- Consultancy Services

- Leasing of railway rolling stock & equipments
- Export of rolling stock, equipments and spares
- Turnkey Construction Projects

2.39.2 Geographical wise revenue segment is disclosed as under:-

- (a) Revenue within India from consultancy includes quality assurance & project management services, turnkey construction projects and domestic lease rental services to clients located inside India.
- (b) Revenue from outside India includes services rendered and export sales of rolling stock & spare parts to the clients located outside India.

2.39.3 The accounting principles used in the preparation of the financial statements are consistently applied to record revenue & expenditure in individual segment, as set out in the note of significant accounting policies.

2.39.4 Revenue and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly identifiable to each reporting segment have been allocated on the basis of attributed direct cost. All other expenses which are not attributable or allocable to the segments have been disclosed as un-allocable expenses.

2.39.5 Assets and liabilities used in the Company's business are not identified to any of the reportable segments as these are used interchangeably between segments. Depreciation, amortisation & impairment on Property, Plant & Equipment and Intangible Assets cannot be allocated to a specific segment. Company believes that it is currently not practicable to provide segmental disclosure relating to total assets, total liabilities and depreciation, amortisation & impairment since a meaningful segregation of the available data could be onerous.

2.39.6 Operational Segments:

Year ended 31.03.20

(₹ in crore)

Description	Consultancy Services		Leasing		Export Sale	Turnkey Construction Projects-Domestic	Total
	Domestic	Abroad	Domestic	Abroad			
Revenue	999.30	66.82	120.70	-	540.87	672.88	2400.57
Identifiable operating expenses	551.73	35.92	74.16	-	418.18	649.91	1729.90
Segmental profit from operations	447.57	30.90	46.54	-	122.69	22.97	670.67
Add: Interest Income*							142.66
Add: Other Income **							121.82
Less: Finance Cost							3.04
Less: Un allocable Expenses							109.50
Net Profit Before Tax							822.61
Less: Income Tax (including Deferred Tax)							226.22
Net Profit After Tax							596.39
Additional Information:							
Depreciation and amortization							40.93
Non-cash expenses/ (income) other than depreciation and amortization							19.78
Reversal of Provisions							63.23
Loss on sale of PPE							0.01

Year ended 31.03.19

(₹ in crore)

Description	Consultancy Services		Leasing		Export Sale	Turnkey Construction Projects-Domestic	Total
	Domestic	Abroad	Domestic	Abroad			
Revenue	1018.74	72.80	103.61	-	206.75	567.07	1968.97
Identifiable operating expenses	581.02	31.20	59.52	-	144.33	548.43	1364.50
Segmental profit from operations	437.72	41.60	44.09	-	62.42	18.64	604.47
Add: Interest Income*							123.29
Add: Other Income **							71.90
Less: Finance Cost							3.58
Less: Un-allocable Expenses							119.36
Net Profit Before Tax							676.72
Less: Income Tax (including Deferred Tax)							232.07
Net Profit After Tax							444.65
Additional Information:							
Depreciation and amortization							32.18
Non-cash expenses/ (income) other than depreciation and amortization							11.82
Reversal of Provisions							15.81
Profit on sale of PPE							0.06

2.39.7 Geographical Segment

Description	(₹ in crore)									
	Year ended 31.03.2020					Year ended 31.03.2019				
	India	Abroad			Total	India	Abroad			Total
		Asia	Africa	America			Asia	Africa	America	
Revenue	1792.88	552.10	51.40	4.19	2400.57	1689.41	210.08	64.56	4.92	1968.97
Identifiable operating expenses	1275.80	422.30	28.54	3.26	1729.90	1188.27	146.50	26.23	3.50	1364.50
Segmental profit from operations	517.08	129.80	22.86	0.93	670.67	501.14	63.58	38.33	1.42	604.47
Add: Interest Income*					142.66					123.29
Add: Other Income **					121.82					71.90
Less: Finance Cost					3.04					3.58
Less: Un-allocable Expenses					109.50					119.36
Net Profit Before Tax					822.61					676.72
Less: Income Tax (including Deferred Tax)					226.22					232.07
Net Profit After Tax					596.39					444.65
Additional Information:										

Description	Year ended 31.03.2020				Year ended 31.03.2019				(₹ in crore)	
	India	Abroad			Total	India	Abroad			Total
		Asia	Africa	America			Asia	Africa	America	
Depreciation and amortization				40.93					32.18	
Non-cash expenses/(income) other than depreciation and amortization				19.78					11.82	
Reversal of Provisions				63.23					15.81	
Profit (Loss) on sale of PPE				(0.01)					0.06	

* Interest income includes interest on bank deposits, bonds, staff advances, loans, income tax refunds etc.

** Other income includes provision/liability no longer required, profit on sale of assets, export incentives, rental income from investment properties, dividend on current & non-current investments, exchange gain etc.

Note: No Impairment and its reversal has been recognized in Other Comprehensive Income (OCI) during the year ended 31.03.2020 and 31.03.2019.

2.39.8 Revenue of ₹ 1160.41 crore (previous year ₹ 694.57 crore) from major customers is given below:

Description	Year ended 31.03.2020				Year ended 31.03.2019				(₹ in crore)
	Consultancy	Export Sales	Turnkey Construction Projects-Domestic	Total	Consultancy	Export Sales	Turnkey Construction Projects-Domestic	Total	
Customer 1	258.28	-	404.65	662.93	221.05	-	473.52	694.57	
Customer 2	-	497.48	-	497.48	-	-	-	-	
Total	258.28	497.48	404.65	1160.41	221.05	-	473.52	694.57	

Note: - PSUs under the same ministry have not been considered as one customer.

2.40 Disclosures on Indian Accounting Standard (Ind AS) 115, Revenue from contracts with customers are as follows:

2.40.1 Significant management judgments on Revenue Recognition:

Recognised amounts of contract revenues and related receivables reflect management's best estimate of each contract's outcome and stage of completion which is determined based on physical progress, efforts, cost incurred to date bear to the total estimated cost of the transaction, time spent, service performed or any other method that management considered appropriate. For more complex contracts in particular, costs to complete and contract profitability are subject to significant estimation and uncertainty.

2.40.2 Company has contracts with customers for different services which are given below:-

- Consultancy Services
- Export of rolling stock, equipments and spares
- Turnkey Construction Projects

Beside above, company has contracts with customers for wet leasing which are covered under Indian Accounting Standard (Ind AS) 116, Leases

2.40.3 Company has recognized revenue either on the basis of over time or point in time depending upon satisfaction of performance obligation on transferring control of goods or services to customers. Revenue has been recognized by the company over time basis if any one of the following condition is met:

- Customer simultaneously receives and consumes the benefits
- Company's performance creates or enhances an assets that the customer controls as the assets is created or enhanced
- Company's performance does not create with alternative use and company has enforceable right to payment for performance completed to date.

In case, none of the above condition is met, revenue recognized by the company on the basis of point in time.

2.40.4 Disaggregation Revenue information:

The below presents Disaggregated Revenues from contract with customer for the year ended 31st March 2020 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			
2019-20	635.96	62.89	363.34	3.93	540.87	672.88	2279.87
2018-19	691.89	68.47	326.84	4.34	206.75	567.07	1865.36

- 2.40.5 Company is rendering many project management consultancy services for and on behalf of clients where fee is due to company for professional services.
- 2.40.6 In most of the cases, payments from customers are linked with performance obligations. Wherever on the reporting date work has been performed and payment is not due as per the contract, in such cases contract assets have been created. However, where payment has been received including advance but performance has not been completed, in such cases contract liabilities have been created. Advances received by the company for execution of work are in the nature of security i.e a source of protection and are not for financing the project.
- 2.40.7 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.
- 2.40.8 During the year provision for impairment of amount receivable from client for services rendered/goods supplied amounting to ₹ 14.13 crore (previous year ₹ 22.13 crore) which includes provisions for lease services amounting to ₹ 0.18 crore (previous year ₹ 0.17 crore).
- 2.40.9 Balances of Receivables/Contract assets/Contract liabilities are as under:

(₹ in crore)

Particulars	As on 31.03.2020	As on 31.03.2019
Receivables includes lease receivables of ₹ 44.40 crore (Previous year ₹25.41 crore)	923.51	681.05
Contract assets	211.56	74.30
Contract liabilities includes lease liabilities of ₹ 0.26 crore (Previous year ₹ 0.27 crore)	134.61	172.54

- 2.40.10 During the year ended March 31st, 2020, ₹ 37.67 crore and March 31st 2019, ₹ 3.69 crore of unbilled revenue as of April 1st, 2019 and April 1st 2018 respectively has been reclassified to Trade receivables upon billing to customers on completion of milestones.
- 2.40.11 During the year ended March 31, 2020 ₹158.79 crore of contract liabilities as of April 1, 2019 has been recognised as revenue after completion of milestones.
- 2.40.12 The aggregate value of performance obligations that are completely or partially unsatisfied as at March 31,

2020 is ₹ 5325 crore which pertains to various segment of the company. Company is likely to recognize these revenue over a period ranging from one years to three years. The aggregate value of performance obligations that was completely or partially unsatisfied as at March 31, 2019 was ₹ 5945 crore which pertains to various segment of the company.

- 2.40.13 Company has not incurred any cost for obtaining contracts except administrative cost required for preparation of offers and the same is charged to statement of Profit and Loss.
- 2.40.14 Cost incurred in fulfilling the contract is charged to Statement of Profit and Loss if it is not recoverable otherwise the same is part of unbilled revenue and unbilled assets.
- 2.40.15 Company has assessed the impact of COVID-19 on revenue, which may be due to (i) constraints in rendering of services and supply of goods during lock down period, (ii) liquidated damages for breaching milestones, and (iii) termination or deferment of contracts by customers. Impact so assessed is insignificant for FY 2019-20. Further, Company will continue to monitor developments to identify significant uncertainties relating to revenue in future periods.

2.41 Indian Accounting Standard (Ind AS-24) Related Party Disclosures are as follows:-

2.41.1.1 Subsidiary Companies

Name of Subsidiaries	Country	Holding as on	
		31.03.20	31.03.19
M/s RITES (Afrika) (Pty) Ltd. (RAPL)	Botswana	100%	100%
M/s RITES Infrastructure Services Ltd. (RISL)*	India	100%	100%
M/s Railway Energy Management Company Ltd. (REMCL)	India	51%	51%

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

*RITES Infrastructure Services Limited (RISL) is under liquidation. Prior to initiating process of liquidation, all assets & liabilities have been taken over by RITES on 30.09.2016.

2.41.1.2 Joint Ventures

Name of Joint Ventures	Country	Holding as on	
		31.03.20	31.03.19
M/s SAIL-RITES Bengal Wagon Industry Private Limited	India	50%	50%
M/s BNV Gujarat Rail Private Limited	India	26%	26%

2.41.1.3 Other Related Parties:

Name of Other Related Parties	Country	Nature of Relationship
RITES Contributory Provident Fund Trust	India	Post- Employment Benefit Plan of RITES
RITES Ltd. Superannuation Pension Trust	India	Post- Employment Benefit Plan of RITES
RITES Ltd. Retired Employees Medical Trust	India	Post- Employment Benefit Plan of RITES
RITES Employees Group Gratuity Cum Life Insurance Scheme Trust	India	Post- Employment Benefit Plan of RITES

2.41.1.4 Key Management Personnel

Chairman & Managing Director (Chief Executive Officer)

Mr. Rajeev Mehrotra

Whole Time Directors

Mr. Gopi Sureshkumar Varadarajan (Director Projects)

Mr. Anil Vij (Director Technical) (w.e.f. 04.11.2019)
 Mr. Bibhu Prasad Nayak (Director Finance) (w.e.f. 07.11.2019)
 Mr. Ajay Kumar Gaur (Director Finance & Chief Financial Officer) (Superannuated on 31.07.2019)
 Mr. Mukesh Rathore (Director Technical) (Superannuated on 31.10.2019)

Government Nominee Directors

Mr. Alok Kumar Tewari
 Mr. Vinay Srivastava (w.e.f 13.12.2019)
 Mr. A.P. Dwivedi, Director Ceased to be Director w.e.f. 13-11-2019
 Mr. Bhupendra Kumar Agarwal, Director Ceased to be Director w.e.f. 01-05-2019

Non-Executive (Independent) Directors

Dr. Pramod Kumar Anand
 Dr. Rajendra N.Goyal
 Ms. Geethakumary
 Mr. Anil Kumar Goel
 Mr. Satish Sareen

Chief Financial Officer

Mr. Parmod Kumar Narang (w.e.f. 01.08.2019)

Company Secretary

Mr. Ashish Srivastava, Company Secretary

2.41.2 Transactions and Balance with Related Parties

Outstanding balances from the related parties are unsecured and considered good which are due towards ordinary course of business and are being realised within reasonable time.

2.41.2.1 Subsidiary Companies

Transactions with Subsidiary Companies:

(₹ in crore)

Particulars	RAPL		RISL*		REMCL	
	Year ended		Year ended		Year ended	
	31.03.20	31.03.19	31.03.20	31.03.19	31.03.20	31.03.19
Investment	-	-	-	-	-	-
Reimbursement/ Recoverable	-	-	-	-	0.26	0.13
Consultancy Fee/ Income from Construction Turnkey Projects	2.31	2.04	-	-	10.30	7.96
Dividend Received	0.03	0.03	-	-	6.33	4.64

*RITES Infrastructure Services Limited (RISL) is under liquidation.

Balances with Subsidiary Companies:

(₹ in crore)

Particulars	RAPL		RISL*		REMCL	
	Year ended		Year ended		Year ended	
	31.03.20	31.03.19	31.03.20	31.03.19	31.03.20	31.03.19
Investments	0.01	0.01	0.05	0.05	35.70	35.70
Recoverable	-	-	-	-	0.04	0.13
Receivables	0.04	-	-	-	0.88	0.76
Unbilled Assets	-	-	-	-	0.75	-

2.41.2.2 Joint Ventures

Transactions with Joint Ventures:

(₹ in crore)

Particulars	SAIL-RITES Bengal Wagon Industry Private Ltd.		BNV Gujarat Rail Private Limited	
	Year ended		Year ended	
	31.03.20	31.03.19	31.03.20	31.03.19
Investments (equity)	-	-	-	0.25
Reimbursement/Recoverable	-	(0.02)	-	-
Operating Income (Consultancy Fee/ Income from Construction Turnkey Projects/Export Sales/Leasing Service)	0.01	0.40	-	-
Interest on Loan given*	0.43	0.74	-	-
Provision for Diminution in value of investment**	-	-	0.14	-

Balances with Joint Ventures

(₹ in crore)

Particulars	SAIL-RITES Bengal Wagon Industry Private Ltd.		BNV Gujarat Rail Private Limited	
	As on		As on	
	31.03.20	31.03.19	31.03.20	31.03.19
Investments (equity)	24.00	24.00	0.26	0.26
Recoverable (Payable)/Advances	(0.18)	(0.17)	-	-
Receivables	0.13	0.42	-	-
Loan (Working Capital)*	5.60	7.00	-	-
Interest accrued on Loan given*	1.34	1.44	-	-

* With a moratorium period of 30 months up to July 2019 for principal and interest. Further, repayment of moratorium period interest is payable in 8 equal quarterly installments each to be paid in the next quarter from the quarter ending 31st March 2020.

** Company has invested in M/s BNV Gujarat Rail Private Limited during the year 2016-17. Venture Company is incorporated in the year 2016-17 but no operation was started. During the year management reassessed viability of project and decided to transfer its share to other venture members at ₹ 4.77 per share. Accordingly during the year company has made provision for impairment of ₹ 0.14 crore.

2.41.2.3 Transactions with other related parties (Post-Retirement Benefits Trusts/Plans):

Refer note no 2.38 & 2.41.1.3

2.41.2.4 Transactions with Key Managerial Personnel:

(₹ in crore)

Description	Year ended	
	31.03.20	31.03.19
Compensation to CMD, Whole Time Directors, CFO & Company Secretary:		
Short Term Employee Benefits	2.56	2.34
Post-employment Benefits	0.75	0.48
Other Long Term Benefits	0.47	0.32
Sub-Total	3.78	3.14
Sitting fee to Non-Executive (Independent) Directors	0.27	0.27
Total	4.05	3.41

2.41.3 Entities under the control of same Government

Government of India (GOI) as on 31st march 2020 is holding 72.02% equity shares of the company, which are held by President of India through Ministry of Railways. GOI controls the company through Ministry of Railways (refer note no: - 2.54)

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	
	31.03.20	31.03.19
Revenue	957.29	761.47
Interest on tax free bonds	9.02	9.02
Liability written back	-	0.19
Procurements	151.20	151.70
Fee for services obtained	8.19	40.34
Provision for bad debts	5.35	3.09
Consumables	0.07	0.43

Significant balances with Government related entities:

(₹ in crore)

Particulars	As on	
	31.03.20	31.03.19
Capital Advances	9.20	8.79
Other Advances	55.61	18.97
Payables	0.06	0.15
Advance Received	3.64	4.75
Clients Funds Received	152.97	214.55
Receivables	262.92	187.66
Tax Free Bonds	120.00	120.00
Interest on tax free bonds	5.89	5.89

2.42 Indian Accounting Standard (Ind AS-116): Disclosures on Leases are as follows:

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases, and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.

The company adopted Ind AS 116 "Leases" with effect from April 1, 2019, applied to all lease contracts existing on April 1, 2019 using the modified retrospective method, using the cumulative effect method and hence the comparative information is not restated.

2.42.1 Company as Lessee:-

Lease contracts entered into by the Company primarily pertains to buildings and land taken on lease for office space and for staff accommodation. The Company does not have any lease restrictions and commitment towards variable rent as per the contract.

During the year, on adoption of new standard resulted in recognition of 'Right of Use'(ROU) asset of ₹ 8.52 crore and a lease liability by the same amount. The principal portion of the lease payments have been disclosed under cash flow from financing activities. The lease payments for operating leases as per Ind AS 17 - Leases, were earlier reported under cash flow from operating activities. Company has no borrowing, as such 3 year SBI MCLR rate (8.75%) at the date of initial application has been considered as weighted average incremental borrowing rate for calculation of present value of lease liability.

The Company has leases that were classified as operating leases applying Ind AS 17 against which company has made one time upfront payment in full. For such leases, the carrying amount of the right-of-use asset at the date of initial application of Ind AS 116 is the carrying amount of pre-payment towards leasehold assets at the date of initial application. Accordingly, an amount of ₹7.17 crore has been reclassified from pre-payment towards leasehold assets to right-of-use assets.

The Company has also leases that were classified as finance leases applying Ind AS 17 against which company has made one time upfront payment in full. For such leases, the carrying amount of the right-of-use asset at the date of initial application of Ind AS 116 is the carrying amount of the lease asset on the transition date as measured applying Ind AS 17. Accordingly, an amount of ₹ 9.24 crore has been reclassified from property, plant and equipment to right-of-use assets.

On application of Ind AS 116, the nature of expenses has changed from operating lease payment/rent in previous periods to depreciation cost for the right-to-use asset and finance cost for interest accrued on lease liability.

The effect of Implementation of Ind AS-116 is insignificant on the profit for the year and earnings per share.

2.42.1.1 The following is the summary of practical expedients elected on initial application:

- The Company has used a single discount rate to a portfolio of leases with similar characteristics.
- 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.
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
- Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

2.42.1.2 Following are the changes in the carrying value of right of use assets for the year ended March 31, 2020:

(₹ in crore)

Particulars	Category of ROU Assets			Total
	Land	Building	Residential Quarters	
Balance as at April 1, 2019	-	-	-	-
Reclassified on account of adoption of Ind AS 116	-	12.08	4.33	16.41
Reclassification of investment property	-	0.78	-	0.78
Additions	1.94	6.58	-	8.52
Deletion	-	-	-	-
Depreciation	0.32	2.15	0.25	2.72
Balance as at March 31, 2020	1.62	17.29	4.08	22.99

Depreciation on right-of-use assets is as follows:

(₹ in crore)

Description	Year Ended March 31, 2020
Land	0.32
Building	2.15
Residential qtrs	0.25
Total	2.72

2.42.1.3 The following is the break-up of current and non-current lease liabilities as at March 31, 2020:

(₹ in crore)

Particulars	As at March 31, 2020
Current lease liabilities	2.83
Non-current lease liabilities	4.38
Total	7.21

2.42.1.4 The following is the movement in lease liabilities during the year ended March 31, 2020:

(₹ in crore)

Particulars	As at March 31, 2020
Balance as at April 1, 2019	-
Additions	8.52
Finance cost accrued during the period	0.51
Payment of lease liabilities	1.82
Balance as at March 31, 2020	7.21

2.42.1.5 The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2020 on an undiscounted basis:

(₹ in crore)

Particulars	As at March 31, 2020
Less than one year	3.37
One to five years	4.71
More than five years	-
Total	8.08

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

2.42.1.6 During the year ended 31 March 2020, the Company incurred expenses amounting to ₹ 8.24 crore on account of short-term leases and leases of low-value assets. For the year ended 31 March 2020, the total cash outflows for leases, including short-term leases and low-value assets amounted to ₹ 10.06 crore.

2.42.1.7 The company does not have any lease restrictions and commitment towards variable lease rent as per the contract.

2.42.1.8 Company has no commitments towards Leases yet to be commenced as on 31.03.2020.

2.42.1.9 The company has not sub-leased any of the assets taken on lease.

2.42.2 Company as a lessor

The Company is not required to make any adjustments on transition to Ind AS 116 for leases in which it acts as a lessor.

2.42.2.1 Operating Lease: - As Lessor

2.42.2.1.1 The company has leasing arrangement of locomotives in domestic mainly on cancelable basis which includes providing services of its experts for maintenance of these locomotives for which lease rent is received from the clients as per terms of the contracts.

Detail of the leased assets: New & In-Service Locomotives (refer note no. 2.1)

(₹ in crore)

Description	Year ended	
	31.03.2020	31.03.2019
Gross carrying amount	365.79	320.08
Accumulated depreciation	117.35	87.75
Net carrying amount	248.44	232.33
Depreciation provided for the year	29.60	23.92

Future minimum lease payments receivable under long-term operating leases in the aggregate is Nil (Previous Year ₹ 2.22 crore) and for each of the following period:

(₹ in crore)

Particulars	As at 31.03.2020	As at 31.03.2019
Less than one year	-	2.22
Between one and five years	-	-
More than five years	-	-

2.42.2.1.2 Details of the leased assets

The Company has leased 545 sq.m. area of furnished accommodation at Scope Office Complex to Railway Board, Indian Railways. The lease arrangement was upto 31st October, 2018.

(₹ in crore)

Description	Year ended 31.03.20	Year ended 31.03.19
Gross carrying amount	-	0.96
Accumulated depreciation	-	0.13
Net carrying amount	-	0.83
Depreciation provided for the period	-	0.03

2.42.3 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.

2.43 Disclosures on Earning Per Share (EPS) (Indian Accounting Standard-33) are as follows:

Particulars		Year Ended	
		31.03.20	31.03.19
A	Net Profit available for Equity Shareholder (₹ in crore)	596.39	444.65
B	Weighted average number of Equity Shares	25,00,00,000	25,00,00,000
C	Earnings Per Share(Basic & Diluted) (A)/(B)	₹ 23.86	₹ 17.79
D	Face value per equity share	₹ 10/-	₹ 10/-

As per requirement of Ind AS 33, the basic and diluted earnings per share for the year ended 2018-19 has been computed on the basis of number of shares post bonus issue i.e 25 crore equity shares of ₹ 10/- each.

2.44 Disclosures of Interest in Other Entities (Indian Accounting Standard-112) are as follows:

2.44.1 RITES has following Joint Arrangements:

Name of Joint Arrangements	Nature of Interest/Relationship with Joint Arrangements	Principal Place of Business of Joint Arrangements	Proportionate ownership interest or participating share
Joint ventures			
SAIL-RITES Bengal Wagon Industry Private Limited	RITES has formed a Joint Venture with SAIL for manufacturing Wagons at SGW, Kulti, West Bengal.	India	50%
BNV Gujarat Rail Private Limited	RITES has formed a Joint Venture with Shapoorji Pallonji Roads Private Limited and PCM Cement Concrete Private Limited to set up, own, operate, finance and maintain the Bhuj-Naliya-Vayor rail connectivity project in Kutch district of the state of Gujarat	India	26%
Joint operations			
Geoconsult - RITES	RITES has formed a Joint venture with M/s. Geoconsult-ZT-Gmbh (Austria) for detailed design consultancy and construction supervision of about 11 kms long railway tunnel in J&K State. Both the venturers contributed in the seed money as agreed for operational and execution purposes.	India	13%
Geoconsult - RITES, NRT-1	RITES has formed a Joint venture with M/s. Geoconsult-ZT-Gmbh (Austria) for detailed design consultancy and construction supervision of Tunnel No.1 (3.1 km long) on Udampur - Katra Section for the USBRL project in the state of J&K.	India	16%
Geoconsult ZT GmbH - RITES	RITES has formed a Joint venture with M/s. Geoconsult ZT GmbH (Austria) for detailed design and construction supervision of Tunnel No.10 (Approx. Length 3.3 km) in connection with Jiribam-Tupul new railway line project in the state of Manipur.	India	39.40%
Geoconsult-RITES (JV)	RITES has formed a Joint venture with M/s. Geoconsult India Pvt. Ltd. for instrumentation, monitoring and design of remedial works as per requirement for vulnerable locations for two monsoon seasons in Lumding-Silchar BG Rail Line.	India	35.01%
RICON	RITES has formed a Joint Venture with M/s. IRCON International Ltd. to secure and execute contracts to be awarded by M/s Companhia Dos Caminhos de Ferro Da Beira, SA, Mozambique to RICON for rendering Management Support Services, Consultancy Works, Project Management, Construction Supervision, Supply of Materials, Rolling Stock and equipment, Works Contracts, Leasing of Equipments / Rolling Stocks etc.	India	51%

2.44.2 Disclosures in respect of Joint Ventures:

2.44.2.1 Investment is measured at cost.

2.44.2.2 Summarised financial information of the Joint Ventures are as under:

(₹ in crore)

Description / JVs	SAIL-RITES Bengal Wagon Industry Private Limited		BNV Gujarat Rail Private Limited	
	31.03.20	31.03.19	31.03.20	31.03.19
Non Current Assets	94.59	98.02	-	0.13
Current Assets, Loans & Advances	82.41	71.62	0.48	0.80
Current Liabilities & Provisions	85.58	90.77	-	0.02
Non Current Liabilities & Provisions	33.88	36.87	-	-
Capital	48.00	48.00	1.00	1.00
Retained Earnings / (losses)	9.54	(5.99)	(0.52)	(0.08)
Revenue	265.45	216.98	-	-
Expenditure including Tax	249.92	200.49	0.44	0.07
Profit / (Loss) After Tax	15.53	16.49	(0.44)	(0.07)
Additional information:				
Cash and Cash Equivalents	0.03	0.02	0.48	0.77
Current financial liabilities (excluding trade and other payables and provisions)	52.23	59.23	-	-
Non- Current financial liabilities (excluding trade and other payables and provisions)	32.70	36.87	-	-
Depreciation and Amortisation	7.38	6.81	-	-
Interest Income	-	0.01	-	-
Interest Expense	8.45	8.06	-	-
Income tax expenses or (income)	0.03	1.37	-	-

Company has invested in M/s BNV Gujarat Rail Private Limited during the year 2016-17. Venture Company is incorporated in the year 2016-17 but no operation was started. During the year management reassessed viability of project and decided to transfer its share to other venture members at ₹ 4.77 per share. Accordingly during the year company has made provision for impairment of ₹ 0.14 crore.

2.44.2.3 Reconciliation of Company's interest in Joint Ventures:

(₹ in crore)

Description / JVs	SAIL-RITES Bengal Wagon Industry Private Limited		BNV Gujarat Rail Private Limited	
	2019-20	2018-19	2019-20	2018-19
Net Assets				
Net Assets of Joint Venture	57.54	42.00	0.48	0.92
Proportionate share in Joint Venture (%)	50%	50%	26%	26%
Share of interest in net assets of Joint Venture	28.77	21.00	0.12	0.24
Carrying amount of interest in Joint Venture	28.77	21.00	0.12	0.24

(₹ in crore)

Description / JVs	SAIL-RITES Bengal Wagon Industry Private Limited		BNV Gujarat Rail Private Limited	
	2019-20	2018-19	2019-20	2018-19
Net Profit				
Net Profit / (Loss) After Tax of Joint Venture	15.53	16.49	(0.44)	(0.07)
Proportionate share in Joint Venture (%)	50%	50%	26%	26%
Share of interest in net profit after tax of Joint Venture	7.77	8.24	(0.11)	(0.02)
Amount of interest in net profit after tax of Joint Venture	7.77	8.24	(0.11)	(0.02)

There is no restriction on the ability of Joint Ventures to transfer funds to the company in the form of cash dividends or to repay loans and advances made by the company.

2.44.2.4 All the investments in Joint Ventures are non-tradable in market.

2.44.3 Summarised financial information of the Joint Operations:

(₹ in crore)

Description / JVs	RICON		Geoconsult-RITES		Geoconsult - RITES, NRT-1		Geoconsult ZT GmbH-RITES		Geoconsult-RITES (JV)	
	Year ended 31.03.20	Year ended 31.03.19	Year ended 31.03.20	Year ended 31.03.19	Year ended 31.03.20	Year ended 31.03.19	Year ended 31.03.20	Year ended 31.03.19	Year ended 31.03.20	Year ended 31.03.19
Non Current Assets	3.24	3.25	-	-	-	-	-	0.01	-	-
Current Assets, Loans & Advances	-	18.98	6.02	5.84	5.05	3.68	2.43	1.78	0.39	1.72
Current Liabilities & Provisions	-	0.77	4.20	3.99	4.16	3.46	2.44	2.37	0.01	0.83
Non Current Liabilities & Provisions	-	-	-	-	-	-	-	-	-	-
Capital	-	-	-	-	-	-	-	-	-	-
Retained Earnings /(losses)	3.24	21.46	1.82	1.85	0.89	0.22	(0.01)	(0.58)	0.38	0.89
Revenue	0.58	0.62	0.12	0.10	1.49	0.11	1.55	1.85	0.10	3.16
Expenditure including Tax	1.13	0.17	0.16	0.07	0.82	0.10	0.98	1.69	0.21	2.68
Profit/ (Loss) After Tax	(0.55)	0.45	(0.04)	0.03	0.67	0.01	0.57	0.16	(0.11)	0.48
Additional information:										
Cash and Cash Equivalents	-	-	0.10	0.31	1.57	1.22	-	0.10	0.05	1.25
Current financial liabilities (excluding trade and other payables and provisions)	-	-	-	-	-	-	0.13	0.13	-	-
Non- Current financial liabilities (excluding trade and other payables and provisions)	-	-	-	-	-	-	-	-	-	-

(₹ in crore)

Description / JVs	RICON		Geoconsult-RITES		Geoconsult - RITES, NRT-1		Geoconsult ZT GmbH-RITES		Geoconsult-RITES (JV)	
	Year ended 31.03.20	Year ended 31.03.19	Year ended 31.03.20	Year ended 31.03.19	Year ended 31.03.20	Year ended 31.03.19	Year ended 31.03.20	Year ended 31.03.19	Year ended 31.03.20	Year ended 31.03.19
Depreciation and Amortisation	-	-	-	-	-	-	-	-	-	-
Interest Income	0.58	0.62	0.12	0.10	1.49	0.11	0.02	0.01	-	-
Finance cost	-	-	-	-	-	-	-	-	-	-
Income tax expenses or (income)	0.02	0.17	0.01	0.02	0.52	0.01	-	-	-	0.23

2.44.4 Company jointly participated in the followings projects with other entities:

Project Name	Name of entities
General Consultancy to Delhi Metro Rail Corporation Ltd. for Delhi Mass Rapid Transit System Project-Phase-III.	M/s Oriental Consultants Co. Ltd. M/s Parsons Brickerhoff International INC. M/s Tonichi Engineering Consultants INC.
General Consultancy to Bangalore Metro Rail Corporation Ltd. for Bangalore Metro.	M/s Oriental Consultants Co. Ltd. M/s Parsons Brickerhoff International INC. M/s Systra SA
General Consultancy to Metro Link Express for Gandhinagar & Ahmedabad (MEGA) Company Ltd. for Mass Rapid Transit System project at Ahmedabad.	M/s Systra SA France (Lead). M/s Oriental Consultants Global Co. Ltd., Japan. M/s AECOM Asia Company Ltd., HongKong.
General consultancy to Nagpur Metro Rail Corporation Ltd. for Nagpur Metro.	M/s Systra, France M/s AECOM Asia Co. Ltd. M/s EGIS Rail S.A.
General consultancy to Pune Metro Rail Corporation Ltd. for Pune Metro.	M/s Systra, France M/s AECOM Asia Co. Ltd. M/s EGIS Rail S.A.
Detailed design consultancy services for power supply & distribution system, 750 V DC, 3rd rail traction electrification & SCADA system of Metro Link Express for Ghandhinagar & Ahmedabad (MEGA) Company Ltd. for mass Rapid Transit System Project at Ahmedabad.	M/s TUV SUD South Asia Pvt. Ltd. (TUV)
Feasibility report /DPR for development and operation of airport at Singrauli, M.P.	M/s KPMG
Development of six lane supervision cable Greenfield bridge over river Ganga from Kacchi Dargah on NH-30 to Bidupur in District Vaishali on NH-103.	M/s IDFC Limited M/s Infrastructure Development Corporation (Karnataka) Limited (IDeCK)
Preparation of feasibility report for proposed six lane bridge over river Brahmaputra connecting Narengi (near Guwahati) with Kurua (at North Bank) with a road link up to Dumnichowki on NH-52, Assam.	M/s STUP Consultants Pvt. Limited M/s Gifford India Pvt. Limited
Project Management Consultancy for river morphological analysis and design of river training and bank protection works in the state of Uttarakhand.	M/s DHI (India) Water & Environment Pvt. Ltd.
Consultancy for feasibility studies for package-2 (Mumbai-Chennai) of Diamond Quadrilateral Network of High Speed Rail Corridors.	M/s Systra M/s Ernst & Young LLP

Project Name	Name of entities
TEFR Study for Development of Integrated Multimodal Logistics Hub(IMLH) at Nangal Chaudhary in Haryana.	M/s KPMG M/s LnT IEL
DPR for MRTS in Vijayawada	M/s Systra SA, France M/s Gopa Omfra GmbH
Project Management Consultancy Services (PMC) for Improvement of Ashuganj River Port- Sarail-Dharkhar-Akhaura Land Port Road as 4-lane National Highway project in Bangladesh. Package No. PD/LOC-2/SP-01	Modern Engineers Planners & Consultants Limited, Bangladesh.
Feasibility and DPR for MRTS in Coimbatore	M/s Systra SA, France
PMC Services from concept to completion for construction/ modification & extension of existing passenger terminal building at Srinagar Airport.	M/s Behal Joshi & associates

2.45 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 fixed assets.

2.46 Indian Accounting Standard (Ind AS) 37, Disclosures on Provisions, Contingent Liabilities and Contingent Assets are as follows:

2.46.1 Provisions include mainly towards warranty which has been made for fulfillment of warranty obligation after export sale of rolling stocks/ locomotives & spares. Estimation of such provision is based on past experience, nature of rolling stock exported to various clients and period specified in the agreements with them. Actual expenditure may vary during the warranty period as per the requirements.

(₹ in crore)

Items	Carrying amount 01.04.19	Additional Provision made during the year	Provisions used during the year	Unused amount reversed during the year	Unwinding Cost	Carrying amount as on 31.03.20
Warranties	39.94	20.62	3.63	-	1.09	58.02
Commitments	7.07	-	-	0.05	-	7.02

(₹ in crore)

Items	Carrying amount 01.04.18	Additional Provision made during the year	Provisions used during the year	Unused amount reversed during the year	Unwinding Cost	Carrying amount as on 31.03.19
Warranties	41.36	6.90	5.33	4.66	1.67	39.94
Commitments	-	7.07	-	-	-	7.07

Effect of change in the discount rate:

As per the agreements with the customers, warranty years are varying from two to five years, i.e. extending beyond one year, require discounting to work out net present value of such provisions made towards warranty.

Discount rate is based on the average of interest rates in Fixed Deposits with banks during the reporting year. Average interest rate for the year 2019-20 is of 6.47% vice 7.65% for the year 2018-19. The effect of interest rate change on the above provisions is ₹ 0.36 crore.

Commitments pertain to estimated expenditure to be incurred for removing the defects in connection with construction/PMC projects and estimated period for utilization of provision for commitments is less than one year.

2.46.2 Contingent liabilities and commitments to the extent not provided for include:

2.46.2.1 Contingent Liabilities (As certified by the Management)

(I) Claims (excluding interest) against the company not acknowledged as debts are ₹ 31.71 crore (previous year ₹ 45.32 crore). These Claims includes ₹ 25.92 crore (previous year ₹ 25.92 crore) against the company for which company has made counter claims of ₹ 63.00 crore (previous year ₹ 63.00 crore) on the executing agency (refer note no.2.46.2.3.2)

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.

(II) Other money for which the company is contingently liable:

(a) Demand on account of income tax includes of ₹ 8.33 crore (excluding interest) (previous year ₹ 6.87 crore) which are being contested by the company. This excludes ₹ 12.28 crore (previous Year ₹12.28 crore) relating to cases where company has already won the same at different appellate authorities during earlier years, against which income tax department has gone for appeal at higher appellate authorities. In similar cases of past years, the appeal of the income tax department has been dismissed.

(b) Demand on account of service tax, VAT etc. amounting to ₹2.45 crore (previous year ₹4.38 crore) which are being contested by the company at different forums.

(III) Further these claims does not include claim against company for and on behalf of the client and management does not foresee any liability on the company as the same are being contesting by the company for and on behalf of the client.

2.46.2.2 Commitments

Gross estimated amount of capital commitment is ₹ 185.57 crore (previous year ₹ 219.92 crore) against which amount of contracts remaining to be executed on capital account as certified by the management and not provided for amounting to ₹ 150.24 crore (previous year ₹ 151.40 crore)

2.46.2.3.1 In a pre-closed contract in the year 2005-06, company raised claims of ₹ 233.93 crore (previous year ₹ 233.93 crore) against a client and the client raised counter claims of ₹ 469.10 crore (previous year ₹ 469.10 crore).

The sole arbitrator on 19th January, 2011 rejected the aforesaid counter claims of the client and awarded ₹ 88.31 crore in favour of the company against claims of ₹ 233.93 crore. Company filed an appeal before the appellate authority on 21st March, 2011 against the said award. Further on 16th September, 2011, the appellate authority awarded ₹ 231.68 crore with applicable interest in favour of the company. Client filed a petition in the Civil Court of Ranchi on 31st July, 2011 & thereafter amendment for setting aside the aforesaid award of the appellate authority. The said petition of client was dismissed by the court on 22.11.2017 and preliminary objections of company is allowed. Thereafter the company filed writ petition before Hon'ble Jharkhand High court on 05.07.2018 to issue the direction to client to pay the awarded amount. Till date no hearing is schedule by the Hon'ble Jharkhand High court.

2.46.2.3.2 The executing agency also raised claims (excluding interest) of ₹ 184.41 crore (previous year ₹ 184.41 crore) against the company before the arbitration tribunal at Ranchi and company has raised the counter claims of ₹ 644.53 crore (previous year ₹ 644.53 crore) against the executing agency for the contract which became void due to commitment of fraud by the agency, thus terminated. Both the parties had concluded their arguments before the Tribunal and award was published on 18th October, 2016 in favour of the company. As per the award, Company was to get ₹ 63 crore from executing agency effective from the date of publication of award i.e. 18th October, 2016. The executing agency had filed two petitions i.e. arbitration appeal before hon'ble

Jharkhand high court on 25.05.2017 and commercial revocation to set aside the award before the commercial court, Ranchi on 06.01.2018. The arbitration appeal has already been dismissed by hon'ble Jharkhand high court on 11.03.2019. 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 03.08.2020. In view of above, the company has not recognized the award amount in the books of account.

Further, Company has to pay ₹ 25.92 crore to executing agency after receiving the said amount from the client as per above para (2.46.2.3.1). The said amount of ₹ 25.92 crore is included in the contingent liabilities.

2.46.2.3.3 Cumulative interest up to 31.03.2020 due from the executing agency of ₹ 30.02 crore (previous year ₹ 28 crore) on mobilization advance of ₹ 16.80 crore has not been recognized as income due to uncertainty as regard to realizability. This includes Interest of ₹ 2.02 crore for the year (previous year ₹ 2.02 crore).

2.47 Indian Accounting Standard (Ind AS) 40, Disclosures on Investment Property are as follows:

2.47.1 Amounts recognized in the Statement of Profit and Loss are as follows:

(₹ in crore)

Particulars	Year ended	Year ended
	31.03.20	31.03.19
Rental income	NIL	0.57
Direct proportionate operating expenses relating to rental income (including repair & maintenance)	NIL	0.29
Profit before depreciation	NIL	0.28
Depreciation for the year	NIL	0.03
Profit from investment property	NIL	0.25

During the year company intended to leased out furnished accommodation area of 366 sq. m. which could not be materialized. Now company has changed its intention to lease such accommodation and accordingly same is converted into property plant and equipments during the year.

2.48 Financial Instruments

2.48.1 Financial Instruments by category

The carrying value and fair value of financial instruments categories-wise as on 31st March, 2020 are as under:

(₹ in crore)

Particulars	Total carrying Value	Amortized Cost	Financial assets/liabilities at fair value through profit or loss		Financial assets/liabilities at fair value through OCI	
			Designated upon initial recognition	Mandatory	Designated upon initial recognition	Mandatory
Financial Assets:						
Cash and Bank Balance - Owned Fund	1102.04	1102.04	-	-	-	-
Cash and Bank Balance- Client Fund	2516.32	2516.32	-	-	-	-
Investments:						
Equity	0.04	-	-	0.04	-	-
Tax Free Bonds	120.00	120.00	-	-	-	-

(₹ 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
Liquid Plan of Mutual Fund	111.66	-	-	111.66	-	-
Trade Receivables	821.66	821.66	-	-	-	-
Loans	34.31	34.31	-	-	-	-
Other Financial Assets	260.82	260.82	-	-	-	-
Total	4966.85	4855.15		111.70	-	-
Financial Liabilities:						
Trade Payables	133.88	133.88	-	-	-	-
Lease Liability	7.21	7.21	-	-	-	-
Other Financial Liabilities	2750.53	2750.53	-	-	-	-
Total	2891.62	2891.62	-	-	-	-

The carrying value and fair value of financial instruments categories-wise as on 31st March, 2019 are as under:

(₹ in crore)

Particulars	Total carrying Value	Amortized Cost	Financial assets/liabilities at fair value through profit or loss		Financial assets/liabilities at fair value through OCI	
			Designated upon initial recognition	Mandatory	Designated upon initial recognition	Mandatory
Financial Assets:						
Cash and Bank Balance - Owned Fund	1273.25	1273.25	-	-	-	-
Cash and Bank Balance-Client Fund	2217.00	2217.00	-	-	-	-
Investments:						
Equity	0.04	-	-	0.04	-	-
Tax Free Bonds	120.00	120.00	-	-	-	-
Trade Receivables	585.75	585.75	-	-	-	-
Loans	29.43	29.43	-	-	-	-
Other Financial Assets	182.90	182.90	-	-	-	-
Total	4408.37	4408.33	-	0.04	-	-
Financial Liabilities:						
Trade Payables	195.68	195.68	-	-	-	-
Other Financial Liabilities	2421.60	2421.60	-	-	-	-
Total	2617.28	2617.28	-	-	-	-

2.48.2 Fair value hierarchy & valuation techniques

To provide an indication about the reliability of method used in determining fair value, the company has classified its financial instruments into three levels prescribed under the Indian Accounting Standard (Ind AS-113) on fair value measure.

Level 1: Quoted prices in active markets for identical assets or liabilities.

Level 2: Fair value of financial instruments that are not traded in an active markets is determined using valuation techniques and observable inputs for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the assets or liabilities that are not based on observable market data (observable inputs).

Fair value hierarchies of assets and liabilities as on 31st March, 2020 are as follows:

(₹ in crore)

Particulars	Carrying Value As on 31.03.20	Fair Value As on 31.03.20	Level
Financial Assets:			
Investments:			
Equity*	0.04	0.04	III
Tax Free Bonds	120.00	129.80	II
Liquid Plan of Mutual Fund	111.66	111.66	I
Trade Receivables**	821.66	821.66	III
Loans**	34.31	34.31	III
Other Financial Assets**	260.82	260.82	III
Financial Liabilities:			
Trade Payables**	133.88	133.88	III
Lease Liability	7.21	7.21	III
Other Financial Liabilities**	2750.53	2750.53	III

Fair value hierarchies of assets and liabilities as on 31st March, 2019 are as follows:

(₹ in crore)

Particulars	Carrying Value As on 31.03.19	Fair Value As on 31.03.19	Level
Financial Assets:			
Investments:			
Equity*	0.04	0.04	III
Tax Free Bonds	120.00	126.89	II
Trade Receivables**	585.75	585.75	III
Loans**	29.43	29.43	III
Other Financial Assets**	182.90	182.90	III
Financial Liabilities:			
Trade Payables**	195.68	195.68	III
Other Financial Liabilities**	2421.60	2421.60	III

* Equity shares of ₹ 0.04 crore of Global Procurement Consultants Limited (GPCL) which are not tradable and amount of investment in the entity is immaterial, hence investment is recognized at cost and same is considered as its fair value.

** The carrying amounts of trade receivables, trade payables, cash and cash equivalents, short term loans, other current financial assets and liabilities are considered to be same as their fair value due to their short-term nature.

2.48.3 Financial Risk Management

The Company's activities are exposed to a variety of financial risks: market risk, credit risk and liquidity risk. The company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from few customers.

2.48.3.1 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 and South Asian countries. The exchange rates between the rupee and foreign currencies have changed substantially in recent years which may also fluctuate substantially in the future. However, company has currency risk management policy and exchange fluctuations are regularly monitored by the risk management committee to mitigate this risk. Policy covers various aspects of currency risk management, benchmarking, hedging and risk appetite, permissible instruments, hedging policy, structure of the risk management committee and treasury group, reporting procedures etc.

Analysis of foreign currency risk from financial instruments is as follows:

Particulars	As on 31.03.2020	As on 31.03.2019	As on 31.03.2020	As on 31.03.2019
	US Dollar (Figure in Millions)		₹ in crore)	
Cash & Cash equivalents	3.27	1.83	24.22	12.45
Loans	0.01	0.01	0.05	0.06
Trade Receivables	30.73	12.22	227.80	83.25
Other financial assets	9.65	0.05	71.54	0.35
Trade Payable	(3.06)	(2.85)	(22.68)	(19.39)
Other financial liabilities	(0.39)	(0.43)	(2.86)	(2.95)
Net assets/(liabilities)	40.21	10.83	298.07	73.77

For the year ended 31st March, 2020 and 31st March, 2019, every percentage increase/decrease in the exchange rate between the INR & US Dollar has affected the Company's incremental margins by approximately 0.36% (previous year 0.11%) each.

Sensitivity analysis is computed based on the changes in the income and expenses in foreign currency upon conversion into functional currency, due to exchange rate fluctuations between the previous reporting year and the current reporting year.

The above foreign currency exposure is unhedged as these are covered through foreign currency risk management policy.

2.48.3.2 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 ₹ 923.51 crore (previous year ₹ 681.05 crore) and unbilled revenue amounting to ₹ 109.65 crore (previous year ₹ 39.98 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 due to outbreak of COVID-19. Company has impaired, as a prudent measure, the trade receivables towards expected credit loss as per company accounting policy to the extent of ₹ 101.85 crore (previous year ₹ 95.30 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	112.27	33.49	21.41	124.35
2	Amount Recoverable from Foreign Client	62.61	2.38	64.99	-

No significant credit risk on cash and bank balances including clients' funds amounting to ₹ 3618.36 crore (previous year ₹ 3490.25 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 ₹ 1063.75 crore (previous year ₹ 1241.10 crore) with Schedule banks with negligible credit risks.

Non-Strategic Investments primarily include investments in liquid mutual fund units of ₹ 111.66 crore (previous year Nil) and tax free bonds of ₹ 120 crore (previous year ₹ 120 crore) issued by Public Sector Undertaking where risk is minimal.

Company has given loans to employees and one of its joint ventures. House building, Multi-purpose loans etc. to the employee which are insured, and are mortgage against house properties or hypothecation of vehicles in line with the policies of the company. The loan provided to the joint venture is long term. The risk of default in respect of these loans is considered negligible.

2.48.3.3 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 ₹ 2084.00 crore (previous year ₹ 1793.16 crore) including cash and bank balance (owned funds) of ₹ 1102.04 crore (previous year ₹ 1272.95 crore).

Outbreak of COVID-19 has slightly impacted the realization from customers, however due to company's cash & bank balances position, Company does not foresee its impact on liquidity of company.

Company believes that the working capital is sufficient to meet its requirements, accordingly no liquidity risk is perceived by the company.

Maturities of financial liabilities

The tables below analyze the Company's financial liabilities into relevant maturity groupings based on their contractual maturities. The amounts disclosed in the table are the contractual undiscounted cash flows.

(₹ in crore)

Contractual maturities of financial Liabilities	Within a year	Between 1-5 Years	Beyond 5 Years	Total
31st March, 2020				
Trade Payables	133.88	-	-	133.88
Lease Liabilities	3.37	4.71	-	8.08
Other Financial Liabilities	2587.30	163.23	-	2,750.53
Total	2,724.55	167.94	-	2,892.49
31st March, 2019				
Trade Payables	195.68	-	-	195.68
Other Financial Liabilities	2,244.23	177.37	-	2,421.60
Total	2,439.91	177.37	-	2,617.28

2.48.3.4 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, the Company does not expect any material impact on the carrying amount of these assets and liabilities. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

2.49 Disclosures on Indian Accounting Standard (Ind AS) 8, Accounting Policies, Change in Accounting Estimates and Errors are as follows:

2.49.1 Prior Period Transactions are as follows: (₹ in crore)

Nature	2019-20	2018-19
Revenue from Operations	-	(1.74)
Employee Benefits Expenses	-	(2.28)
Other Income	-	(7.67)
Deferred Tax	-	4.08
Total	-	(7.61)

2.49.2 Correction of Prior Period transactions with impact on profit.

2.49.2.1 Impact on Balance Sheet Items is as follows:

(₹ in crore)

Prior period for the year	2019-20	2018-19
Line Items		Prior to 01.04.18
Other financial assets	-	9.41
Deferred Tax Assets (Net)	-	(4.08)
Total Assets	-	5.33
Other current financial liabilities	-	(2.28)
Total Liabilities	-	(2.28)
Net Assets (Equity)	-	7.61

2.50 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 has taken 25.168% (Income tax 22%+Surcharge10% + Health & Higher Education Cess 4%) rate of Corporate tax in its accounts. Accordingly, the company has recognized provision for income tax for the year. The Company has re-measured its deferred tax assets/ liabilities on the basis of the above option and additional deferred tax expense due to such change in rate was recognized during the year.

2.50.1 **Income tax expense in the Statement of Profit & Loss comprises:**

(₹ in crore)

Particulars	Year Ended	
	31.03.2020	31.03.2019
Income Tax Expenses:		
- Current Taxes	190.58	227.75
- Earlier Years(Net)	(1.30)	19.97
Sub Total - A	189.28	247.72
Tax on Other Comprehensive Income(OCI)- B	(2.38)	(0.91)
Total	186.90	246.81
Deferred Tax (Net) - Prior Periods	0.18	(21.18)
Deferred Tax (Net) - Current Years	36.76	5.53
Total	223.84	231.16

Entire deferred income tax for the year ended 31st March, 2020 and 31st March, 2019 relates to origination and reversals of temporary differences.

2.50.2 **Reconciliation of the Income Tax Expenses for the year to amount computed as expected tax expense by applying statutory income tax rates is as follows:**

(₹ in crore)

Particulars	Year Ended	
	31.03.2020	31.03.2019
Profit before Tax	822.61	676.72
Enacted Tax Rates in India on Normal Income	25.17%	34.94%
Enacted Tax Rates in India on LTCG	23.30%	23.30%
Special Enacted Tax Rates in India on Dividend from foreign company	17.47%	17.47%
Computed Expected Tax Expense	207.03	236.47
Tax effect of Income Exempted from Taxation	(4.27)	(6.22)
Tax effect due to deductible temporary differences	1.08	(0.99)
Tax effect due to earlier period taxes	(1.12)	(1.21)
Additional Tax Effect due to Income from House Property and other sources	(0.14)	(0.02)
Effect of Non-Deductible Expenditures for determining taxable Profit	3.06	4.03
Tax Effect due to Income from foreign dividend	-	(0.01)
Tax effect due to income from joint operations	(0.13)	0.02
Tax effect due to change in corporate Tax rates on Deferred Tax Expenses	20.71	-
Income tax expenses (including tax effect on OCI) for the year	226.22	232.07
Tax effect due to OCI	(2.38)	(0.91)
Current Tax Expense for the year	223.84	231.16

Details of income tax assets and liabilities as of 31st March, 2020 and 31st March, 2019 are as follows:

(₹ in crore)

Particulars	As on	
	31.03.20	31.03.19
Income Tax Assets	294.96	320.33
Less: Current income tax liabilities	188.20	226.84
Net Current Income Tax Assets/(Liability) at the end	106.76	93.49

The gross movement in the current income tax asset/(liability) for the year ended 31st March, 2020 and 31st March, 2019 is as follows:

(₹ in crore)

Particulars	Year Ended	
	31.03.2020	31.03.2019
Net current income tax asset/(liability) at the beginning of the year	93.49	110.19
Current Income Tax on OCI	2.38	0.91
Income Tax paid	200.17	230.11
Current income tax expense	(189.28)	(247.72)
Net Current Income Tax Asset/(Liability) at the end of the year	106.76	93.49

(₹ in crore)

Tax effects of significant temporary differences that resulted in deferred income tax asset and liabilities are as follows:

Particulars	As on	
	31.03.2020	31.03.2019
Deferred Income Tax Assets:		
Accrued Compensation to Employees	20.72	24.31
Provisions for Doubtful Debts, Security Deposits/EMD, Advances Etc.	31.38	61.23
Total Deferred Income Tax Assets - I	52.10	85.54
Deferred Income Tax Liabilities:		
Depreciation on Property Plant & Equipment, Furniture & Fixtures, Loco & Coaches	11.64	11.51
Interest Accrued on Income Tax Refund	1.61	-
Donation to PM Cares Fund	1.76	-
Total Deferred Income Tax Liabilities - II	15.01	11.51
Deferred Income Tax Assets after set off	37.09	74.03
Deferred Income Tax Liabilities after set off	-	-

Deferred tax assets and liabilities have been offset wherever the company has a legally enforceable right to set off current tax assets against current tax liabilities and where the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority.

The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the year in which the temporary differences become deductible. Management considers the scheduled reversals of deferred income tax liabilities, projected future taxable income and tax planning strategies in making the assessment.

Based on the level of historical taxable income and projections for future taxable income over the years in which the deferred income tax assets are deductible, management believes that the company will realize the benefits of those deductible differences. The amount of deferred income tax assets considered realizable could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

The gross movement in the deferred income tax account for the year ended 31st March, 2020 and 31st March, 2019 are as follows:

(₹ in crore)

Movement During the year ended 31st March 2020	As at 31st March 2019	Recognised in Profit and Loss	Recognised in OCI	As at 31st March 2020
Tax Effect of items constituting deferred Tax Liabilities				
Property, Plant & Equipments	11.51	0.13	-	11.64
Interest on Income Tax Refund Accrued but not received	-	1.61	-	1.61
Donation to PM Cares Fund	-	1.76	-	1.76
TOTAL-A	11.51	3.50	-	15.01
Tax Effects of Items Constituting deferred Tax Assets				
Provisions for Leave Encashment of Employees	23.96	(4.16)	-	19.80
Provision for superannuation Medical	0.35	0.38	-	0.73
Other Employee Benefits	-	0.19	-	0.19
Prov. For Doubtful Debts & Advances	61.23	(29.85)	-	31.38
TOTAL-B	85.54	(33.44)	-	52.10
Deffered Tax (Assets)/Liabilities (A-B)	(74.03)	36.94	-	(37.09)

The gross movement in the deferred income tax account for the year ended 31st March, 2019 and 31st March, 2018 are as follows:

(₹ in crore)

Movement During the year ended 31st March 2019	As at 31st March 2018	Recognised in Profit and Loss	Recognised in OCI	As at 31st March 2019
Tax Effect of items constituting deferred Tax Liabilities				
Property, Plant & Equipments	8.89	2.62	-	11.51
Acturial Gain on Defined Benefit Obligations	-	-	-	-
Prior Period Adjustment	4.00	(4.00)	-	-
TOTAL-A	12.89	(1.38)	-	11.51
Tax Effects of Items Constituting deferred Tax Assets				
Provisions for Leave Encashment of Employees	2.74	21.22	-	23.96
Acturial Loss on Defined Benefit Obligations	-	-	-	-
Provision for superannuation Medical	13.31	(12.96)	-	0.35
Other Employee Benefits	0.07	(0.07)	-	-
Prov. For Doubtful Debts & Advances	55.15	6.08	-	61.23
Prior Period Adj.	-	-	-	-
TOTAL-B	71.27	14.27	-	85.54
Deffered Tax (Assets)/Liabilities (A-B)	(58.38)	(15.65)	-	(74.03)

The composition of deferred assets relating to temporary differences during the year ended 31st March, 2020 is primarily on account of Property Plant and Equipment, Trade Receivable and Compensation to Employees, etc.

2.51 Indian Accounting Standard (Ind AS)1,Disclosures on Presentation of Financial Statements are as follows:

2.51.1 Change in Significant Accounting policies:

Ind AS-116 on Leases is applicable w.e.f 1.4.2019. Ind AS-116 has replaced Ind AS-17. Accordingly, policies on Leases has been modified to align with new Ind AS-116 on Leases. There is no material impact on account of change in the said accounting policies.

2.51.2 Reclassifications and comparative figures

Certain reclassifications have been made to the comparative period's financial statements to enhance comparability with the current year's financial statements.

As a result, certain line items have been reclassified in the balance sheet, statement of profit and loss, and statement of cash flows, the details of which are as under:

Items of balance sheet before and after reclassification for the year ended 31st March 2019.

(₹ in crore)

Particulars	Before Reclassification	Reclassification	After Reclassification
CURRENT ASSETS			
Cash and cash equivalents-client Fund	491.63	(5.25)	486.38
CURRENT LIABILITIES			
Total outstanding Dues Other Than Micro Enterprises and Small Enterprises	185.37	1.26	186.63
Other Financial Liabilities	2249.55	(5.32)	2244.23
Other Current Liabilities	171.22	(1.19)	170.03

Items of statement of profit & loss before and after reclassification for the year ended 31st March 2019

(₹ in crore)

Particulars	Before Reclassification	Reclassification	After Reclassification
REVENUE			
Other Income	195.20	(0.01)	195.19
EXPENDITURE			
Supplies & Services	164.87	516.49	681.36
Cost of Trunkey Construction projects	516.49	(516.49)	-
Finance Cost	3.04	0.54	3.58
Other Expenses	111.81	(0.55)	111.26

Items of statement of Cash Flow before and after reclassification for the year ended 31st March,2019

(₹ in crore)

Particulars	Before Reclassification	Reclassification	After Reclassification
Net Cash flow from operating Activities	129.15	4.92	134.07
Net Cash Flow From Investing Activities	142.62	(4.38)	138.24
Net Cash Flow from Financing activities	(259.60)	(0.54)	(260.14)

2.51.3 Capital Management

The Company's objective for capital management is to maximize shareholders value, safeguard business continuity and support the growth of the Company. The Company determines the capital requirement based on annual operating plans and long-term and other strategic investment plans. The funding requirements are primarily being met through operating cash flows generated.

2.51.4 Subsequent Event-Dividend

Company has proposed a sum of ₹ 150.00 crore (₹ 6 per share to 25 crore equity shares) as final dividend for FY 2019-20 subject to approval of shareholders in Annual General Meeting. If approved, the dividend would result in a cash outflow of ₹ 150.00 crore.

2.52 Indian Accounting Standard (Ind AS-20), Disclosures on Accounting for Government Grant are as follows:

The Company is receiving government grant in form of export incentive on export of Rolling Stock and Spare parts. There are two types of export incentive i.e duty drawback and MEIS Scrips. The Company has recognized ₹ 9.09 crore (previous year ₹ 7.84 crore) as export incentive. The export incentive receivable at the end of the year is ₹ 1.79 crore (previous year ₹ 2.73 crore).

2.53 Disclosure as per regulation 34(3) of listing agreements with the stock exchange

(₹ in crore)

Particulars	Financial Year	Outstanding balance	Maximum amount due during the year
Investment in Subsidiaries			
Railway Energy Management Company Ltd.	31.03.2020	35.70	35.70
	31.03.2019	35.70	35.70
RITES (Afrika) (Pty) Ltd., Botswana	31.03.2020	0.01	0.01
	31.03.2019	0.01	0.01
Investment in Joint Ventures			
SAIL-RITES Bengal Wagon Industry Private Limited	31.03.2020	24.00	24.00
	31.03.2019	24.00	24.00
BNV Gujarat Rail Private Limited	31.03.2020	0.26	0.26
	31.03.2019	0.26	0.26
Loans & advances to Subsidiaries			
Railway Energy Management Company Ltd.	31.03.2020	-	-
	31.03.2019	-	-
RITES (Afrika) (Pty) Ltd., Botswana	31.03.2020	-	-
	31.03.2019	-	-
Loans & advances to Joint Ventures			
SAIL-RITES Bengal Wagon Industry Private Limited	31.03.2020	6.94	8.44
	31.03.2019	8.44	8.44
BNV Gujarat Rail Private Limited	31.03.2020	-	-
	31.03.2019	-	-

Other Disclosures:

- 2.54 Consequent upon the Govt. of India decision to disinvest 2.52 crore shares of the Company, shares of the company were listed on NSE and BSE on 2nd July, 2018 and the proceeds have been realized by Govt. of India. During the year the Govt. of India further disinvested 3.85 crore shares through OFS in the month of November-2019 and February-2020 and the proceeds have been realized by Govt. of India. At present holding by the public and Govt. of India is 27.98% and 72.02% respectively.
- 2.55 Company has signed shareholder agreement on 21st May 2020 for acquiring 24% stake in Indian Railway Stations Development Corporation (IRSDC) for ₹ 48 crore (4.80 crore equity share of ₹ 10/- each), with Rail Land

Development Authority (RLDA) and IRCON International being the other equity partners.

2.56 Assets and liabilities are classified between current and non-current considering 12 months period as operating cycle.

2.57 Information on CSR expenditure:

(a) Gross amount required to be spent including advances given during the year 2019-20 ₹ 11.20 crore (previous year 2018-19 ₹ 10.20 crore).

(b) Expenditure incurred including advance on CSR during the year on:

(₹ in crore)

Particulars	Amount Paid		Yet to be Paid		Total	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
(i) Construction/ acquisition of any asset	-	-	-	-	-	-
(ii) On purposes other than (i) above*	11.18	10.23	0.03	-	11.21	10.23
Total	11.18	10.23	0.03	-	11.21	10.23

* Includes following expenditure on account of admin overhead and capacity builds

(a) Salary Expenses ₹ 0.51 crore (previous year ₹ 0.50 crore)

(b) Other Expense ₹ 0.05 crore (previous year ₹ 0.01 crore)

2.58 Details of dues to micro, small and medium enterprises as defined under The Micro, Small and Medium Enterprises Development Act, 2006* are given on the basis of information available with the management.

(₹ in crore)

S. No.	Particulars	As on 31.03.20	As on 31.03.19
a	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year - Principal amount due to micro and small enterprises - Interest due on above	8.65 -	9.05 -
b	The amount of interest paid by the buyer in terms of Section 16 of The Micro, Small and Medium Enterprises Development Act, 2006, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
c	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding the interest specified under The Micro, Small and Medium Enterprises Development Act, 2006,	-	-
d	The amount of interest due and remaining unpaid at the end of each accounting year	-	-
e	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of The Micro, Small and Medium Enterprises Development Act, 2006.	-	-

* The Company identify supplier registered under The Micro, Small and Medium Enterprises Development Act, 2006, by obtaining confirmations from all suppliers at time issue of tender. Information has been

collated only to the extent of information received.

- 2.59 Pursuant to amicably settlement of dispute of CCFB with Govt of Mozambique, during the year company has received last installment of USD 5.655 million (₹ 39.53 crore) as per schedule of payment of settlement agreement.
- 2.60 Pursuant to settlement with a Foreign Client, during the year, company has recognized ₹ 91 crore (approx.) as other income out of which ₹ 63 crore (approx.) towards recovery of principal amount for which provision was already made, ₹ 26 crore (approx) towards interest on delayed contract payments and ₹ 2 crore (approx.) towards exchange rate fluctuation.
- 2.61 Foreign Service Contribution is recognized on accrual basis in the Statement of Profit and Loss Account as per the deputation terms with parent organizations in respect of officers taken on deputation from other organizations.
- 2.62 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, plot in wazirpur northern railway colony Delhi of ₹ 1.93 crore.
- 2.62.1 The residential flats for staff at Wazirpur Northern Railway colony, Delhi is on leasehold land allotted by Northern Railway initially for a period of thirty years. The lease period has been further extended upto March 2025. However lease deed for the extended period is yet to be executed.
- 2.63 RITES purchased a land for construction of office building at Gomati Nagar Extension, Lucknow from Lucknow Development Authority (LDA) and was registered in the financial year 2010-11 at a total cost of ₹ 4.22 crore including registration charges. The physical possession of the land was not given to RITES due to some disputes regarding acquisition of land by LDA. During the year LDA has allotted alternative land in Gomati Nagar Extension. On allotment of land, capital advance has been transferred to PPE. However, registration of the land is yet to be executed. Company plans to start construction shortly.
- 2.64 The financial statements are presented in ₹ crore. Those items which are required to be disclosed but can't be presented in the financial statement due to rounding off to the nearest ₹ crore are given as follows:-

Balance sheet items

(Figures in ₹)

Description	Note No.	As on 31.03.2020	As at 31.03.2019
Non-current investment			
Moru Mahal Co-operative Society Ltd.	2.7.1	250.00	250.00
Amit Industrial Co-operative Society Ltd.		500.00	500.00
Nestle Co-operative Society Limited		500.00	-

- 2.65 (a) Balances shown under trade receivable, advances and trade payables are subject to confirmation / reconciliation/ adjustment, if any. The company has been sending letters for confirmation to parties. However, the Company does not expect any material dispute w.r.t. the recoverability/payment of the same.
- (b) In the opinion of the management, the value of current assets, loans and advances on realization in the ordinary course of business, will not be less than the value at which these are stated in the balance sheet.
- 2.66 Information as regard to loans, investments made as required under section 186(4) of the Companies Act, 2013 have been given vide note no. 2.7.1,2.8,2.9,2.16 & 2.17
- 2.67 Recent Accounting Pronouncements:
Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020

COMMENTS BY CAG**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF RITES LIMITED FOR THE YEAR ENDED 31 MARCH, 2020.**

The preparation of financial statements of RITES Limited for the year ended 31st March, 2020 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act are responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 30th June, 2020.

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 31st March, 2020 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report under section 143(6)(b) of the Act.

**For and on the behalf of the
Comptroller & Auditor General of India**



(B.R. Mondal)

**Director General of Audit
Railway Commercial, New Delhi**

Place: New Delhi
Dated: 4th August, 2020

INDEPENDENT AUDITOR'S REPORT

To the Members of RITES Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated Financial Statements of RITES Limited (hereinafter referred to as the 'Holding Company') and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") and its jointly controlled entities, which comprise the consolidated Balance Sheet as at March 31, 2020, 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 statement of affairs of the Group and its jointly controlled entities as at March 31, 2020, 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 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

We draw attention to note no. 2.54.4 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, 2020. 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.

Our opinion is not modified in respect of above matter. .

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><i>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).</i></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 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>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"> • Evaluated the design of internal controls relating to implementation of the revenue accounting standard. • Selected a sample of contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry and observation and inspection of evidence in respect of operation of these controls. • Selected a sample of contracts and performed the following procedures: <ul style="list-style-type: none"> – Read, analysed and identified the distinct performance obligations in these contracts. – Compared these performance obligations with that identified and recorded by the Group.

Sr. No.	Key Audit Matter	Auditor's Response
	Refer Notes 1.2.1 and 2.45 to the Consolidated Financial Statements.	<ul style="list-style-type: none"> – Considered the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue and to test the basis of estimation of the variable consideration. – Performed analytical procedures for reasonableness of revenues disclosed by type and service offerings.
2	<p>Evaluation of uncertain tax positions</p> <p>The Group has disputed tax positions which involves significant judgment to determine the possible outcome of these disputes.</p> <p>Refer Note 2.51.2.1.II to the Consolidated Financial Statements.</p>	<p>Principal Audit Procedures</p> <p>Obtained details of completed tax assessments and demands from management and management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes. We also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions.</p>

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 term of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group including its Jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated 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.

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. 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 ₹228.34 Crores as at March 31, 2020, total revenue of ₹88.91 crores, net profit after tax of ₹35.43 crores and net cash flows amounting to ₹9.00 crores 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 ₹7.66 crores for the year ended March 31, 2020, 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 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. In terms of sub section (5) of section 143 of the Act, based on our audit and on the consideration of the report of the auditor of a subsidiary company, as referred in the 'Other Matters' paragraph we give in the Annexure 'I' a statement on the directions issued under the aforesaid section by the Comptroller and Auditor General of India.
2. As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditors on separate financial statements and the other financial information of subsidiaries and jointly controlled Companies, as referred in the 'Other Matters' paragraph we report, to the extent applicable, that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
 - (d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act;
 - (e) In view of exemption given vide notification no. G.S.R 463(E) dated 5th June, 2015, issued by Ministry of Corporate Affairs, provisions of Section 164(2) of the Act regarding disqualifications of Directors, are not applicable to the Holding Company and its subsidiaries. On the basis of the reports of the statutory auditors who are appointed under Section 139 of the Act, of its jointly controlled companies, none of the directors of the jointly controlled companies incorporated in India is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act;
 - (f) With respect to the adequacy of internal financial controls with reference to the Consolidated Financial Statements of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure II;
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements and the other financial information of subsidiaries and jointly controlled Companies, as referred in the 'Other Matters' paragraph:
 - i. The Consolidated Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group and jointly controlled companies - Refer Note 2.51.2.1 to the consolidated financial statements;
 - ii. The Group and its 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 company and its jointly controlled companies incorporated in India.
3. 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, 2020.

For J.C. Bhalla & Co.

Chartered Accountants

Firm's Regn. No. 001111N



(Anshuman Mallick)

Partner

Membership No. 547705

UDIN: 20547705AAAAA13297

Place : Gurugram


Date : 30th June, 2020

ANNEXURE I TO THE INDEPENDENT AUDITOR'S REPORT REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF RITES LIMITED

Report under Section 143 (5) of the Companies Act, 2013 in respect of RITES LIMITED on the Consolidated Financial Statements for the year ended March 31, 2020.

S. no.	Directions	Auditor's Comments
1.	Whether the Holding Company and a subsidiary Company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	Yes, the Holding Company has SAP system and a subsidiary Company has Tally ERP.9 software in place to process all the accounting transactions. As per information and explanations given to us and during the course of our audit we have not come across the any accounting transactions which were outside the IT system and have financial implications.
2.	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/ interest etc. made by a lender to the company due to company's inability to repay the loan? If yes, the financial impact may be stated.	According to the information and explanations given to us the Holding Company has not taken any loan. However, one of subsidiary Company has taken loan but there are no cases of waiver/write off of debts/loans/ interest etc.
3.	Whether funds received/receivable for specific schemes from Central/ State agencies were properly accounted for/utilized as per its term and conditions? List the cases of deviation.	As per the information and explanations given to us the Holding Company and a subsidiary Company has not received any funds from Central/State agencies for specific schemes during the year.

For J.C. Bhalla & Co.
Chartered Accountants
Firm's Regn. No. 001111N


(Anshuman Mallick)
Partner

Membership No. 547705
UDIN: 20547705AAAAAI3297

Place : Gurugram
Date : 30th June, 2020

ANNEXURE II TO THE INDEPENDENT AUDITOR'S REPORT REFERRED TO IN PARAGRAPH 2(F) UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF RITES LIMITED

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

Opinion

In conjunction with our audit of the Consolidated Financial Statements of the Company as of and for the year ended March 31, 2020, 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.

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, 2020, 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.

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, both applicable to an audit of Internal Financial Controls and, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls 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 with reference to the Consolidated Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to the Consolidated Financial Statements included obtaining an understanding of such internal financial controls, 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 with reference to the Consolidated Financial Statements.

Meaning of Internal Financial Controls with reference to the Consolidated Financial Statements

A company's internal financial control 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 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 Consolidated 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 Consolidated financial statements.

Inherent Limitations of Internal Financial Controls with reference to the Consolidated Financial Statements

Because of the inherent limitations of internal financial controls 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 with reference to the Consolidated Financial Statements to future periods are subject to the risk that the internal financial control 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.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls 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 companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India. Our opinion is not modified in respect of this matter.

For J.C. Bhalla & Co.

Chartered Accountants
Firm's Regn. No. 001111N



(Anshuman Mallick)

Partner Membership No. 547705
UDIN: 20547705AAAAAI3297

Place : Gurugram
Date : 30th June, 2020

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2020

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2020	AS AT 31.03.2019
ASSETS			
NON CURRENT ASSETS			
PROPERTY, PLANT AND EQUIPMENT	2.1	562.43	476.54
CAPITAL WORK IN PROGRESS	2.2	4.45	2.32
RIGHT OF USE ASSETS	2.3	23.86	-
INVESTMENT PROPERTY	2.4	-	0.80
INTANGIBLE ASSETS	2.5	4.19	0.62
INTANGIBLE ASSETS UNDER DEVELOPMENT	2.6	-	1.59
INVESTMENT IN JOINT VENTURES APPLYING EQUITY METHOD	2.7	28.90	21.24
FINANCIAL ASSETS			
INVESTMENTS	2.8	120.04	120.04
LOANS	2.10	17.42	16.30
OTHER FINANCIAL ASSETS	2.11	51.56	44.23
DEFERRED TAX ASSETS (NET)	2.12	28.80	71.87
OTHER NON CURRENT ASSETS	2.13	55.35	124.80
		<u>897.00</u>	<u>880.35</u>
CURRENT ASSETS			
INVENTORIES	2.14	10.67	104.93
FINANCIAL ASSETS			
INVESTMENTS	2.9	111.66	-
TRADE RECEIVABLES	2.15	843.74	609.52
CASH AND CASH EQUIVALENTS-OWNED FUND	2.16.1	116.66	168.72
CASH AND CASH EQUIVALENTS-CLIENTS FUND	2.17.1	764.08	486.38
OTHER BANK BALANCES-OWNED FUND	2.16.2	993.69	1,133.52
OTHER BANK BALANCES-CLIENTS FUND	2.17.2	1,756.39	1,717.40
LOANS	2.18	18.10	13.13
OTHER FINANCIAL ASSETS	2.19	216.48	173.28
CURRENT TAX ASSETS (NET)	2.20	95.33	50.93
OTHER CURRENT ASSETS	2.21	78.84	87.80
		<u>5,005.64</u>	<u>4,545.61</u>
TOTAL ASSETS		<u>5,902.64</u>	<u>5,425.96</u>
EQUITY AND LIABILITIES			
EQUITY			
EQUITY SHARE CAPITAL	2.22.2	250.00	200.00
OTHER EQUITY	2.23	2,383.27	2,222.10
EQUITY ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE COMPANY		<u>2,633.27</u>	<u>2,422.10</u>
NON-CONTROLLING INTERESTS	2.23.5	81.48	71.65
		<u>2,714.75</u>	<u>2,493.75</u>
LIABILITIES			
NON CURRENT LIABILITIES			
FINANCIAL LIABILITIES			
BORROWINGS	2.24	32.59	39.93
LEASE LIABILITIES	2.47.1	4.38	-
TRADE PAYABLES			
- TOTAL OUTSTANDING DUES OF MICRO ENTERPRISES AND SMALL ENTERPRISES	2.64	-	-
- TOTAL OUTSTANDING DUES OTHER THAN MICRO ENTERPRISES AND SMALL ENTERPRISES		-	-
OTHER FINANCIAL LIABILITIES	2.25	163.23	177.37
PROVISIONS	2.26	22.94	6.70
OTHER NON CURRENT LIABILITIES	2.27	71.28	3.36
		<u>294.42</u>	<u>227.36</u>
CURRENT LIABILITIES			
FINANCIAL LIABILITIES			
LEASE LIABILITIES	2.47.1	2.83	-
TRADE PAYABLES			
- TOTAL OUTSTANDING DUES OF MICRO ENTERPRISES AND SMALL ENTERPRISES	2.64	8.65	9.05
- TOTAL OUTSTANDING DUES OTHER THAN MICRO ENTERPRISES AND SMALL ENTERPRISES		127.13	189.61
OTHER FINANCIAL LIABILITIES	2.28	2,600.84	2,266.58
PROVISIONS	2.29	85.34	68.85
OTHER CURRENT LIABILITIES	2.30	68.68	170.76
		<u>2,893.47</u>	<u>2,704.85</u>
TOTAL EQUITY AND LIABILITIES		<u>5,902.64</u>	<u>5,425.96</u>
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS FORM AN INTEGRAL PART OF CONSOLIDATED FINANCIAL STATEMENTS	1&2		


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

For and on behalf of the Board

Bibhu Prasad Nayak
 Director Finance
 DIN:08197975


Parmod Kumar Narang
 Chief Financial Officer
 M.No.:FCA 086360


Ashish Srivastava
 Company Secretary
 M. No: FCS 5325

As per our report of even date attached
 For J C BHALLA & COMPANY, Chartered Accountants
 Firm Registration No. 001111N


(ANSHUMAN MALLICK)
 Partner, Membership No. 547705

Place : Gurugram
 Date : 30th June, 2020

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2020


(₹ in crore)

PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2020	YEAR ENDED 31.03.2019
REVENUE			
REVENUE FROM OPERATIONS	2.31.1	2,474.41	2,047.45
OTHER INCOME	2.31.2	260.10	192.17
TOTAL REVENUE		2,734.51	2,239.62
EXPENDITURE			
EMPLOYEE BENEFIT EXPENSES	2.32	520.97	487.09
TRAVEL		50.52	49.54
SUPPLIES & SERVICES	2.33	775.68	683.96
PURCHASES FOR EXPORT		248.61	222.54
CHANGES IN INVENTORIES OF STOCK IN TRADE	2.34	94.77	(95.85)
GENERATION EXPENSES	2.35	5.09	6.80
FINANCE COSTS	2.36	6.92	8.01
DEPRECIATION & AMORTISATION EXPENSES	2.37	47.27	38.39
OTHER EXPENSES	2.38	117.99	117.31
TOTAL EXPENDITURE		1,867.82	1,517.79
PROFIT BEFORE SHARE OF NET PROFIT/(LOSS) OF JOINT VENTURES		866.69	721.83
SHARE OF NET PROFIT/(LOSS) OF JOINT VENTURES	2.39	7.66	8.22
PROFIT BEFORE TAX		874.35	730.05
TAX EXPENSES			
- CURRENT TAX	2.40	(198.02)	(259.08)
- DEFERRED TAX	2.41	(43.07)	18.80
PROFIT AFTER TAX		633.26	489.77
OTHER COMPREHENSIVE INCOME			
ITEMS THAT WILL BE RECLASSIFIED SUBSEQUENTLY TO PROFIT & LOSS			
- FOREIGN CURRENCY TRANSLATION RESERVE		(0.03)	(0.14)
- INCOME TAX EFFECT		-	-
		(0.03)	(0.14)
ITEMS THAT WILL NOT BE RECLASSIFIED SUBSEQUENTLY TO PROFIT & LOSS			
- REMEASUREMENTS OF THE DEFINED BENEFIT LIABILITY/ASSET		(9.45)	(2.61)
- INCOME TAX EFFECT		2.38	0.91
		(7.07)	(1.70)
TOTAL OTHER COMPREHENSIVE INCOME (NET OF TAX)		(7.10)	(1.84)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		626.16	487.93
PROFIT FOR THE YEAR ATTRIBUTABLE TO:			
EQUITY SHAREHOLDERS OF THE COMPANY		616.10	469.51
NON-CONTROLLING INTERESTS		17.16	20.26
		633.26	489.77
TOTAL COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO:			
EQUITY SHAREHOLDERS OF THE COMPANY		609.00	467.67
NON-CONTROLLING INTERESTS		17.16	20.26
		626.16	487.93
EARNING PER SHARE (EQUITY SHARE OF ₹ 10/- EACH) - BASIC & DILUTED	2.48	₹ 24.64	18.78
WEIGHTED AVERAGE NUMBER OF EQUITY SHARES USED IN COMPUTING EARNING PER SHARE		250,000,000	250,000,000

For and on behalf of the Board


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


Bibhu Prasad Nayak
 Director Finance
 DIN:08197975


Parmod Kumar Narang
 Chief Financial Officer
 M.No.:FCA 086360


Ashish Srivastava
 Company Secretary
 M. No: FCS 5325

As per our report of even date attached
 For J C BHALLA & COMPANY, Chartered Accountants
 Firm Registration No. 001111N


(ANSHUMAN MALLICK)
 Partner, Membership No. 547705

Place : Gurugram
 Date : 30th June, 2020

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2020

A. EQUITY SHARE CAPITAL

(₹ in crore)

BALANCE AS AT 01.04.2019	CHANGES IN EQUITY SHARE CAPITAL DURING THE YEAR	BALANCE AS AT 31.03.2020
200.00	50.00	250.00

(₹ in crore)

BALANCE AS AT 01.04.2018	CHANGES IN EQUITY SHARE CAPITAL DURING THE YEAR	BALANCE AS AT 31.03.2019
200.00	0.00	200.00

B. OTHER EQUITY

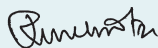
(₹ in crore)

PARTICULARS	OTHER EQUITY ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE COMPANY				NON-CONTROLLING INTERESTS	TOTAL	
	RESERVE AND SURPLUS		OTHER COMPREHENSIVE FOREIGN CURRENCY TRANSLATION RESERVE	DIS-CONTINUED OPERATIONS			
	GENERAL RESERVE	RETAINED EARNINGS					
BALANCE AS AT 01.04.2019	1966.00	255.89	0.73	(0.52)	2,222.10	71.65	2,293.75
PROFIT FOR THE YEAR	-	616.10			616.10	17.16	633.26
OTHER COMPREHENSIVE INCOME		(7.07)	(0.03)		(7.10)		(7.10)
CAPITALISATION OF GENERAL RESERVE (ISSUE OF BONUS SHARES)	(50.00)				(50.00)		(50.00)
INTERIM DIVIDEND (2019-20)	-	(250.00)			(250.00)		(250.00)
FINAL DIVIDEND (2018-19)	-	(80.00)			(80.00)	(6.08)	(86.08)
CORPORATE DIVIDEND TAX	-	(67.83)			(67.83)	(1.25)	(69.08)
BALANCE AT 31.03.2020	1,916.00	467.09	0.70	(0.52)	2,383.27	81.48	2,464.75
INTERIM DIVIDEND PER SHARE FOR 2019-20 (₹)	10.00	NUMBER OF SHARES USED IN COMPUTING DIVIDEND PER SHARE					250,000,000
FINAL DIVIDEND PER SHARE FOR 2018-19 (₹)	4.00	NUMBER OF SHARES USED IN COMPUTING DIVIDEND PER SHARE					200,000,000

(₹ in crore)

PARTICULARS	OTHER EQUITY ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE COMPANY				NON-CONTROLLING INTERESTS	TOTAL	
	RESERVE AND SURPLUS		OTHER COMPREHENSIVE FOREIGN CURRENCY TRANSLATION RESERVE	DIS-CONTINUED OPERATIONS			
	GENERAL RESERVE	RETAINED EARNINGS					
BALANCE AS AT 01.04.2018	1,966.00	47.26	0.87	(0.52)	2,013.61	56.77	2,070.38
PROFIT FOR THE YEAR	-	469.51			469.51	20.26	489.77
OTHER COMPREHENSIVE INCOME		(1.70)	(0.14)		(1.84)		(1.84)
INTERIM DIVIDEND (2018-19)		(175.00)			(175.00)		(175.00)
FINAL DIVIDEND (2017-18)		(40.00)			(40.00)	(4.46)	(44.46)
CORPORATE DIVIDEND TAX		(44.18)			(44.18)	(0.92)	(45.10)
BALANCE AT 31.03.2019	1,966.00	255.89	0.73	(0.52)	2,222.10	71.65	2,293.75
INTERIM DIVIDEND PER SHARE FOR 2018-19 (₹)	8.75	NUMBER OF SHARES USED IN COMPUTING DIVIDEND PER SHARE					200,000,000
FINAL DIVIDEND PER SHARE FOR 2017-18 (₹)	2.00	NUMBER OF SHARES USED IN COMPUTING DIVIDEND PER SHARE					200,000,000

For and on behalf of the Board



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



Bibhu Prasad Nayak
Director Finance
DIN:08197975



Parmod Kumar Narang
Chief Financial Officer
M.No.:FCA 086360



Ashish Srivastava
Company Secretary
M. No: FCS 5325

As per our report of even date attached
For J C BHALLA & COMPANY, Chartered Accountants
Firm Registration No. 001111N


(ANSHUMAN MALLICK)

Partner, Membership No. 547705

Place : Gurugram
Date : 30th June, 2020

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2020

(₹ in crore)

PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2020	YEAR ENDED 31.03.2019
CASH FLOW FROM OPERATING ACTIVITIES			
NET PROFIT BEFORE TAX		874.35	730.05
ADJUSTMENTS FOR:			
- OTHER COMPREHENSIVE INCOME BEFORE TAX		(9.48)	(2.75)
- DEPRECIATION AND AMORTIZATION		47.27	38.39
- LOSS/(PROFIT) ON SALE OF PROPERTY, PLANT AND EQUIPMENT (NET)		0.01	(0.06)
- - SHARE OF PROFIT/(LOSS) OF JOINT VENTURES		(7.66)	(8.22)
- INTEREST INCOME		(106.78)	(120.45)
- INCOME FROM INVESTMENTS		(3.13)	(4.14)
- FINANCE COST		6.92	8.01
- INCOME FROM INVESTMENT PROPERTIES		(0.04)	(0.63)
- LIABILITIES WRITTEN BACK		(0.06)	(13.83)
- PROPERTY, PLANT AND EQUIPMENT WRITTEN OFF		0.03	-
- UNREALIZED GAIN/(LOSSES) FROM CHANGES IN FOREIGN EXCHANGE RATE		2.06	(15.21)
- PROVISION AND IMPAIRMENT EXPENSES (NET)		(31.42)	12.28
EFFECT OF EXCHANGE DIFFERENCES ON TRANSLATION OF FOREIGN CURRENCY CASH & CASH EQUIVALENTS		(11.60)	(1.93)
OPERATING PROFIT BEFORE CHANGES IN ASSETS AND LIABILITIES		760.47	621.51
CHANGE IN ASSETS AND LIABILITIES:			
ADJUSTMENTS FOR (INCREASE)/DECREASE IN OPERATING ASSETS:			
- INVENTORIES		94.26	(95.55)
- TRADE RECEIVABLES		(245.14)	(152.20)
- LOANS, OTHER FINANCIAL ASSETS AND OTHER ASSETS		(87.51)	(22.68)
ADJUSTMENTS FOR INCREASE/(DECREASE) IN OPERATING LIABILITIES:			
- TRADE PAYABLES		(63.76)	119.26
- OTHER FINANCIAL LIABILITIES, OTHER LIABILITIES AND PROVISIONS (NET OF CLIENT FUNDS)		70.61	(64.60)
CASH GENERATED FROM OPERATIONS		528.93	405.74
- - INCOME TAX PAID		(209.85)	(242.16)
NET CASH FROM OPERATING ACTIVITIES		319.08	163.58
CASH FLOWS FROM INVESTING ACTIVITIES			
- PURCHASE/CONSTRUCTION OF PROPERTY, PLANT AND EQUIPMENT/ INATNGIBLE ASSETS/ CWIP Etc.		(112.51)	(151.71)
- PROCEEDS FROM SALE OF PROPERTY, PLANT AND EQUIPMENT		0.12	0.07
- INVESTMENTS IN JOINT VENTURES		(0.00)	(0.25)
- INVESTMENTS IN SHARES, BONDS & LIQUID MUTUAL FUNDS		(111.10)	-
- DEPOSITS WITH BANK NOT CONSIDERED AS CASH AND CASH EQUIVALENTS		140.33	168.61
- INTEREST INCOME		117.52	115.38
- INCOME FROM INVESTMENTS		2.57	4.14
- INCOME FROM INVESTMENT PROPERTIES		0.04	0.63
NET CASH FROM INVESTING ACTIVITIES		36.97	136.87
CASH FLOW FROM FINANCING ACTIVITIES			
- INCREASE/(DECREASE) IN SECURED LOAN FROM BANK		(7.34)	(7.72)
- FINANCE COST OTHER THAN INTEREST ON BORROWINGS		(2.04)	(1.96)
- INTEREST PAID ON BORROWINGS		(3.86)	(4.58)
- DIVIDEND PAID		(330.00)	(215.00)
- DIVIDEND TAX PAID		(67.83)	(44.18)
- REPAYMENT OF LEASE LIABILITIES		(1.31)	-
- INCREASE/(DECREASE) IN NON-CONTROLLING INTEREST		(7.33)	(5.38)
NET CASH FROM FINANCING ACTIVITIES		(419.71)	(278.82)
EFFECT OF EXCHANGE DIFFERENCES ON TRANSLATION OF FOREIGN CURRENCY CASH & CASH EQUIVALENTS		11.60	1.93
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(52.06)	23.56
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		168.72	145.16
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		116.66	168.72

RECONCILIATION OF CASH AND CASH EQUIVALENTS

(₹ in crore)

PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2020	YEAR ENDED 31.03.2019
CASH AND CASH EQUIVALENTS-OWNED FUND	2.16.1	116.66	168.72
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		116.66	168.72
COMPONENTS OF CASH AND CASH EQUIVALENTS (REFER NOTE NO. 2.16.1)		116.66	168.72

RECONCILIATION OF FINANCIAL LIABILITIES

(₹ in crore)

PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2020	YEAR ENDED 31.03.2019
LONG TERM BORROWING AT THE BEGINNING OF THE YEAR		47.60	55.32
- CASH FLOWS (REPAYMENT)		(7.34)	(7.72)
- NON CASH CHANGES		-	-
LONG TERM BORROWING AT THE END OF THE YEAR		40.26	47.60
INTEREST PAYABLE ON BORROWING AT THE BEGINNING OF THE YEAR	2.28	0.36	0.56
- CASH FLOWS (REPAYMENT)		(3.86)	(4.58)
- NON CASH CHANGES	2.36	3.79	4.38
INTEREST PAYABLE ON BORROWING AT THE END OF THE YEAR	2.28	0.29	0.36


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.

For and on behalf of the Board


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


Bibhu Prasad Nayak
 Director Finance
 DIN:08197975


Parmod Kumar Narang
 Chief Financial Officer
 M.No.:FCA 086360


Ashish Srivastava
 Company Secretary
 M. No: FCS 5325

As per our report of even date attached
 For J C BHALLA & COMPANY, Chartered Accountants
 Firm Registration No. 001111N

Place : Gurugram
 Date : 30th June, 2020


(ANSHUMAN MALLICK)
 Partner, Membership No. 547705

COMPANY OVERVIEW AND SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED FINANCIAL STATEMENTS

COMPANY OVERVIEW

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

The Company is a "Miniratna", Schedule-"A", Category-I CPSE and ISO 9001:2015 certified public limited company incorporated and domiciled in India. The address of its registered office is SCOPE Minar, Laxmi Nagar, Delhi-110092 (India) and address of its corporate office is RITES Bhawan, No. 1, Sector -29, Gurugram, Haryana-122001 (India). President of India through Ministry of Railways is presently holding 72.02% equity share of the company. (Refer Note No. 2.60)

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 and carrying out civil construction work.

The financial statements of the Group, comprises of RITES Limited, the holding company, RITES (Afrika) (Pty) Ltd. (RAPL), Botswana, a wholly owned subsidiary, Railway Energy Management Company Ltd. (REMCL), India, a subsidiary with 51% stake and joint venture entities viz. SAIL-RITES Bengal Wagon Industry Pvt. Ltd. (SRBWIPL) (50%) & BNV Gujarat Rail Private Limited (26%)(joint venture entities in India). RITES Infrastructure Services Ltd. (RISL) a wholly owned subsidiary, India and RITES Mohawarean Arabia Company Ltd.(RMAC), a subsidiary company with 76% stake, in Saudi Arabia are under liquidation. There is no transaction in both the subsidiaries during the financial year, hence not considered for consolidation.

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, 2020, 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 30th June, 2020.

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 GENERAL

(a) Statement of Compliance

These consolidated financial statements of the Group are being prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act 2013, read with the Companies (Indian Accounting Standards) Rules as amended from time to time.

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

(b) Basis of Preparation

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

- Derivative financial instruments,
- which are specifically indicated in the concerned accounting policies.

(c) Use of Estimates and Judgements

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

(d) Basis of Consolidation

- i) The consolidated financial statements comprise the financial statements of the Company and its controlled entities i.e. subsidiaries at the reporting date. Control is achieved when the Group is exposed, or has rights to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee, if and only if, the Group has:
 - Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee),
 - Exposure or rights to variable returns from its involvement with the investee, and
 - The ability to use its power over the investee to affect its returns.
- ii) Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:
 - The contractual arrangement with the other vote holders of the investee.
 - Rights arising from other contractual arrangements.
 - The Group's voting rights and potential voting rights.
 - The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.
- iii) The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed off during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.
- iv) Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.
- v) The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purpose, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.
- vi) **Consolidation procedure for:**
 - A) Subsidiaries**
 - (a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries.
 - (b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.
 - (c) Eliminate in full 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 Company exceed the payment, a contract asset is recognised. If payments exceed services rendered, a contract liability is recognised.

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

Reimbursable and supplies are accounted for on accrual basis.

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

1.2.1.2 **Inspection Fee**

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

1.2.1.3 **Export Sales**

Export sales are accounted for on the basis of bills raised when or as the Company transfers control of the assets to the customer which happens at the point in time the customer has undisputed right on delivered goods.

1.2.1.4 **Construction Projects**

In construction contracts/projects, the company recognises revenue over time. Due to high degree of interdependence among various elements of these projects, revenue is accounted for considering these activities as a single performance obligation.

To depict the progress by which the Company transfers control of the promised goods to the customer, and to establish when and to what extent revenue can be recognised, the Company measures its progress towards complete satisfaction of the performance obligation based on work done.

Any expected loss is recognized as an expense immediately.

1.2.1.5 **Wind Mill Projects**

Revenue from sale of power through wind mill projects is recognized on the basis of certificate from concerned State Electricity Authority for energy fed in kwh (units) in authority's system and as per terms and conditions of the Agreement with the beneficiary.

1.2.1.6 **Consultancy - Advisory service for Power Procurement**

Income from consultancy is recognized as per the terms and conditions of the agreement with the beneficiary.

1.2.1.7 **Lease Services**

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

1.3 PROPERTY, PLANT AND EQUIPMENT (PPE)

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

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

1.3.1 Depreciation

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

Assets	Useful Life (Years)
i) Furniture	10
ii) Fixture	5
iii) Office Equipment	5
iv) Mobile Hand Set	3
v) Coolers & Air Conditioners	7
vi) Air Conditioning Plant	15
vii) Computer Hardware	3-4
viii) Server & Networks	6
ix) Survey and Equipments	10
x) Vehicles	4-8
xi) Buildings on Freehold Land	60
xii) Locomotives-New	15
xiii) Locomotives-In-Service	10
xiv) Coaches-New	15
xv) Coaches-In-Service	10
xvi) Windmill Plant	25

- (c) Any addition or extension, which becomes an integral part of the existing asset and which results in increased economic benefits, is capitalized and depreciated over the remaining useful life of that asset.

An item of property, plant and equipment and any significant part initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on de-recognition of the asset which is calculated as the difference between the net disposal proceeds and the carrying amount of the asset, is included in the income statement when the asset is de-recognised.

- (d) In respect of BOT assets, depreciation is charged over the period of project or the life stated above whichever is lower.
- (e) In respect of buildings on lease hold land, depreciation is charged over the period of lease of land or the useful life stated above for buildings on freehold land, whichever is lower.
- (f) In case of RITES Ltd., as per company's assessment, Fixtures, Mobile Hand Set, Coolers & Air Conditioners and In-Service Locomotives & Coaches (refurbished) have lower useful lives than prescribed in part C of schedule II of the Companies Act, 2013. Therefore depreciation is charged at higher rate than prescribed under the Companies Act, 2013. In case of REMCL, Windmill plants have higher useful life of 25 years than prescribed in part C of schedule II of the Companies Act, 2013 or 22 years. Therefore, depreciation is charged at lower rate than prescribed under the Companies Act, 2013.
- (g) In case of holding & its subsidiary companies in India, Individual low cost assets of value less than ₹ 5,000/- is fully depreciated in the year of acquisition.
- (h) In case of holding company & its subsidiary companies in India, a nominal value of ₹1/- is assigned to the fully depreciated assets.

1.3.2 Capital Work in Progress

Assets which are not ready for the intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

1.3.3 Capital Advances

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date are classified as capital advances under other non-current assets.

1.4 INTANGIBLE ASSETS

Intangible assets acquired/ developed are measured on recognition at cost less accumulated amortisation and impairment losses, if any.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is de-recognised.

- (a) Software of value less than ₹ 100,000/- is fully amortized in the year of acquisition.
- (b) A nominal value of ₹1/- is assigned to the fully amortized assets.

1.4.1 Amortization

Estimated useful life of the software is 4 years and amortized on a straight line basis over the period.

1.5 INVESTMENT PROPERTY

Investment properties are measured at cost, including transaction costs less accumulated depreciation and impairment loss, if any.

The Company depreciates building component of investment property over the estimated useful lives of the assets as prescribed in property, plant and equipment.

Investment properties are de-recognised either on disposal or on permanent withdrawal from use. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the Statement of Profit and Loss in the period of de-recognition.

1.6 INVESTMENTS

Equity investments are measured at fair value through profit and loss except investments in subsidiary, participating joint venture with or without joint control and associate.

Investments in subsidiary, participating joint venture with or without joint control and associate are measured at cost.

1.7 JOINT ARRANGEMENTS

1.7.1 Joint Ventures

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.

The Group's investments in its joint venture are accounted for using the equity method. Under the equity method, the investment in a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the joint venture since the acquisition date.

1.7.2 Joint Operations

(a) In case of participating joint operations with joint control, company recognizes in relation to its interest in a joint operation as under :-

- (i) its assets, including its share of any assets held jointly;
- (ii) its liabilities, including its share of any liabilities incurred jointly;
- (iii) its revenue from the sale of its share of the output arising from the joint operation;
- (iv) its share of the revenue from the sale of the output by the joint operation; and
- (v) Its expenses, including its share of any expenses incurred jointly.

(b) In case of participating joint operations without having joint control, interest in such arrangements is to be recognized as per aforesaid accounting policy if the company has right to the assets and obligations for the liabilities relating to joint operations otherwise interest in the joint operation is recognized in accordance with applicable Ind AS.

1.8 INVENTORIES

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

1.9 EMPLOYEE BENEFITS

1.9.1 Defined Contribution Plans

Pension Scheme/Post Retiral Medical Schemes

Retirement benefits in the form of pension scheme/post-retirement medical scheme are defined contribution schemes. The Company has no obligation, other than the contribution payable to such funds/ schemes. The

Company recognizes contribution payable to such funds/schemes as an expense, when an employee renders the related service. If the contribution payable to the schemes for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Defined contributions towards pension under EPFO, superannuation pension fund and post retiral medical schemes are charged to the Statement of Profit and Loss based on contributions made in terms of applicable schemes on accrual basis.

1.9.2 **DEFINED BENEFIT PLAN**

1.9.2.1 **Gratuity**

Company provides gratuity, a defined benefit plan covering eligible regular and contract employees. The gratuity plan provides a lump-sum payment to vested employees of an amount based on the respective employee's salary and the tenure of employment with the company at retirement, death, incapacitation, or on completion of terms of employment.

The liabilities with regard to the Gratuity plan are determined by actuarial valuation, performed by an independent actuary, at the year end.

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

1.9.2.2 **Provident Fund**

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

1.9.3 **Other Long Term Benefits**

- (a) Leave Travel Concession (CDA employees), Leave Encashment (contract employees) and Long Service Award (regular employees)
 - i. Accounted for on actuarial valuation made at the end of year.
 - ii. The actuarial gains/losses are recognized in the Statement of Profit and Loss for the year.
- (b) Leave Encashment and Medical Leave for regular employees
 - i. Liabilities are funded under plan assets through insurance policies from insurance companies approved by Insurance Regulatory Development Authority (IRDA) and are accounted for on actuarial valuation made at the end of year.
 - ii. The company recognizes the net obligation of a defined benefit plan in its balance sheet as an asset or liability.
 - iii. Service cost and net interest cost/(income) on the net defined benefit liability/(asset) are recognized in Statement of Profit and Loss.
 - iv. Actuarial gains/losses are recognized in the Statement of Profit and Loss.

1.9.4 **Other Benefits**

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

1.10 RESEARCH & DEVELOPMENT

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

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

- (a) Technical feasibility of completing the intangible asset so that it will be available for use or sell.
- (b) Intention to complete the intangible asset and use or sell it.
- (c) Ability to use or sell the intangible assets.
- (d) Asset will generate future economic benefits.
- (e) There is availability of resources to complete the asset.

The developed asset is carried at cost less any accumulated amortisation and impairment loss, if any. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the Statement of Profit and Loss unless such expenditure forms part of carrying value of another asset.

1.11 INCOME TAXES

1.11.1 Current Income Tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. 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 statement of profit and loss is recognised outside statement of profit and 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 statement of profit and loss is recognised outside statement of profit and loss (either in other comprehensive income or in equity).

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred income taxes are not provided on the undistributed earnings of the subsidiaries where it is expected that the earning of the subsidiaries will not be distributed in foreseeable future.

1.12 RATES & TAXES

Overseas taxes on foreign assignments, service tax, value added tax, alike taxes, professional tax, property tax, entry tax, labour cess, octroi etc. paid/accrued in India or abroad for which credit are not available to the company are charged to the Statement of Profit and Loss.

1.13 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

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

1.14.2 Foreign Currencies

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

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

1.14.4 Exchange differences arising on settlement or translation of monetary items are recognised in the Statement of Profit and Loss.

1.14.5 Assets and liabilities for each balance sheet presented including comparatives are translated at the exchange rate prevailing on the reporting date.

Income and expenses for each statement of profit and loss is presented including comparatives are translated at exchange rate prevailing on the date of transaction.

All resulting exchange differences are recognised in other comprehensive income.

1.14.6 On the disposal off foreign operation, the cumulative amount of exchange differences relating to that foreign operation, recognised in other comprehensive income (OCI) and accumulated in separate component of equity is re-classified from equity to Statement of Profit and Loss.

1.15 CASH AND CASH EQUIVALENTS

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short term deposits with an original maturity of three months or less from the date of acquisitions which are readily convertible into known amounts of cash and be subject to an insignificant risk of change in value. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

1.16 STATEMENT OF CASH FLOWS

Statement of Cash Flows is made using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, financing and investing activities of the Company are segregated.

1.17 EARNINGS PER SHARE

In determining basic earnings per share, net profit attributable to equity shareholders is divided by weighted average number of equity shares outstanding during the period.

In determining diluted earnings per share, net profit attributable to equity shareholders is divided by weighted average number of equity shares considered for deriving basic earning per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at the later date. Dilutive potential equity share are determined independently for each period presented.

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

1.18 IMPAIRMENT OF ASSETS**1.18.1 Financial Assets**

(Other than at Fair Value)

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 Assets & Intangible Assets)

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use). Impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount and such losses either no longer exists or has decreased. Reversal of impaired loss is recognized in the Statement of Profit and Loss to the extent of previously recognized or balanced impairment loss.

1.19 WRITE OFF**1.19.1 Financial Assets**

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

1.19.2 Non Financial Assets

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

1.20 PROVISION FOR WARRANTY FOR SALE AND SERVICES RENDERED

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

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

1.21 PROVISION FOR PROFESSIONAL SERVICES (FOR EXPORT SALES)

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

1.22 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

1.23 BORROWING COST

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalized as part of cost of such assets which necessarily takes substantial period of time to get ready for their intended use. All other borrowing costs are recognized as expenses in the Statement of 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 contact 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 company's Board of Directors.

1.27 FINANCIAL INSTRUMENTS

1.27.1 Initial Recognition

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

1.27.2 Subsequent Measurement

(a) Financial assets are subsequently measured at amortised cost if these are held within a business model whose objective is to hold the assets in order to collect contractual cash flows and the contractual terms of the financial assets give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding using the Effective Interest Rate (EIR) method. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss.

(b) Financial assets at fair value through profit or loss

The financial assets are measured at fair value through profit or loss unless it is classified at amortised cost.

(c) Financial liabilities

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

All other financial liabilities are subsequently measured at amortised cost using EIR method. Gains and losses are recognised in Statement of Profit and Loss when the liabilities are de-recognised as well as through the EIR amortisation process.

1.27.3 De-recognition of Financial Instruments

A financial asset is de-recognised when:

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

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

1.27.4 Forward Contracts

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

2. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020

2.1 PROPERTY, PLANT AND EQUIPMENT

FOLLOWING ARE THE CHANGES IN THE CARRYING VALUE OF PROPERTY, PLANT AND EQUIPMENT FOR THE YEAR ENDED 31.03.2020

(₹ in crore)

DESCRIPTION	GROSS BLOCK						DEPRECIATION/AMORTISATION						NET BLOCK AS AT 31/03/2020
	AS AT 01/04/2019	ADDITIONS DURING THE YEAR	ADJ DURING THE YEAR	ADJ OF EXCHANGE RATE	DELETIONS DURING THE YEAR	TOTAL	AS AT 01/04/2019	FOR THE YEAR	ADJ DURING THE YEAR	ADJ OF EXCHANGE RATE	DELETIONS DURING THE YEAR	TOTAL	
LEASED HOLD													
LAND [^]	1.05	-	(1.05)	-	-	-	0.14	-	(0.14)	-	-	-	-
BUILDING	10.02	-	(10.02)	-	-	-	0.78	-	(0.78)	-	-	-	-
SUB TOTAL	11.07	-	(11.07)	-	-	-	0.92	-	(0.92)	-	-	-	-
OTHERS													
LAND #	26.19	9.25	-	-	-	35.44	-	-	-	-	-	-	35.44
BUILDING	34.51	77.22	-	-	-	111.73	2.72	1.18	-	-	-	3.90	107.83
RESIDENTIAL QUARTERS	25.98	-	-	-	0.02	25.96	0.29	0.45	-	-	0.01	0.73	25.23
LEASED HOLD IMPROVEMENT	-	0.86	-	-	-	0.86	-	0.10	-	-	-	0.10	0.76
OFFICE EQUIPMENTS													
SURVEY AND OTHER INSTRUMENTS	9.75	0.17	-	-	-	9.92	3.32	1.05	-	-	-	4.37	5.55
COMPUTER AND EQUIPMENTS	11.22	2.11	-	-	0.66	12.67	8.25	2.00	-	-	0.63	9.62	3.05
SERVER & NETWORK	5.13	0.18	-	-	-	5.31	4.09	0.46	-	-	-	4.55	0.76
OFFICE AND OTHER EQUIPMENTS	4.99	1.66	-	-	0.42	6.23	3.58	0.77	-	-	0.37	3.98	2.25
AIR-CONDITIONER AND EQUIPMENTS	1.42	0.39	-	-	0.04	1.77	0.77	0.20	-	-	0.03	0.94	0.83
PLANT & MACHINERY													
AIR CONDITIONER PLANT	6.80	0.08	-	-	-	6.88	3.73	0.36	-	-	-	4.09	2.79
LOCOMOTIVES NEW @	183.68	41.41	-	-	-	225.09	20.29	13.75	-	-	-	34.04	191.05
LOCOMOTIVES IN SERVICE @	136.40	4.30	-	-	-	140.70	67.46	15.85	-	-	-	83.31	57.39
WIND MILL PLANT [^]	152.22	-	-	-	-	152.22	21.06	6.09	-	-	-	27.15	125.07
FURNITURE & FIXTURES													
FURNITURES	4.70	0.94	-	-	0.09	5.55	2.17	0.65	-	-	0.04	2.78	2.77
FIXTURES	2.01	0.66	-	-	0.06	2.61	1.66	0.18	-	-	0.05	1.79	0.82
VEHICLE													
VEHICLES	1.94	0.34	-	-	-	2.28	1.16	0.28	-	-	-	1.44	0.84
VEHICLES ABROAD	0.03	-	-	-	-	0.03	0.03	-	-	-	-	0.03	-
SUB TOTAL	606.97	139.57	-	-	1.29	745.25	140.58	43.37	-	-	1.13	182.82	562.43
TOTAL	618.04	139.57	(11.07)	-	1.29	745.25	141.50	43.37	(0.92)	-	1.13	182.82	562.43

FOLLOWING ARE THE CHANGES IN THE CARRYING VALUE OF PROPERTY, PLANT AND EQUIPMENT FOR THE YEAR ENDED 31.03.2019

(₹ in crore)

DESCRIPTION	GROSS BLOCK						DEPRECIATION/AMORTISATION						NET BLOCK AS AT 31/03/2019
	AS AT 01/04/2018	ADDITIONS DURING THE YEAR	ADJ DURING THE YEAR	ADJ OF EXCHANGE RATE	DELETIONS DURING THE YEAR	TOTAL	AS AT 01/04/2018	FOR THE YEAR	ADJ DURING THE YEAR	ADJ OF EXCHANGE RATE	DELETIONS DURING THE YEAR	TOTAL	
LEASED HOLD													
LAND [^]	1.05	-	-	-	-	1.05	0.10	0.04	-	-	-	0.14	0.91
BUILDING	9.58	-	0.44	-	-	10.02	0.53	0.21	0.04	-	-	0.78	9.24
SUB TOTAL	10.63	-	0.44	-	-	11.07	0.63	0.25	0.04	-	-	0.92	10.15
OTHERS													
LAND	26.19	-	-	-	-	26.19	-	-	-	-	-	-	26.19
BUILDING	34.51	-	-	-	-	34.51	2.04	0.68	-	-	-	2.72	31.79
RESIDENTIAL QUARTERS	0.98	25.00	-	-	-	25.98	0.06	0.23	-	-	-	0.29	25.69

(₹ in crore)

DESCRIPTION	GROSS BLOCK						DEPRECIATION/AMORTISATION						NET BLOCK
	AS AT 01/04/2018	ADDITIONS DURING THE YEAR	ADJ DURING THE YEAR	ADJ OF EXCHANGE RATE	DELETIONS DURING THE YEAR	TOTAL	AS AT 01/04/2018	FOR THE YEAR	ADJ DURING THE YEAR	ADJ OF EXCHANGE RATE	DELETIONS DURING THE YEAR	TOTAL	AS AT 31/03/2019
OFFICE EQUIPMENTS													
SURVEY AND OTHER INSTRUMENTS	9.50	0.25	-	-	-	9.75	2.26	1.06	-	-	-	3.32	6.43
COMPUTER AND EQUIPMENTS	9.28	2.07	-	(0.01)	0.12	11.22	6.32	2.05	-	-	0.12	8.25	2.97
SERVER & NETWORK	4.83	0.30	-	-	-	5.13	3.02	1.07	-	-	-	4.09	1.04
OFFICE AND OTHER EQUIPMENTS	4.48	0.63	-	-	0.12	4.99	2.98	0.71	-	-	0.11	3.58	1.41
AIR-CONDITIONER AND EQUIPMENTS	1.31	0.11	-	-	-	1.42	0.57	0.20	-	-	-	0.77	0.65
PLANT & MACHINERY													
AIR CONDITIONER PLANT	6.80	-	-	-	-	6.80	3.37	0.36	-	-	-	3.73	3.07
LOCOMOTIVES NEW @	99.16	84.52	-	-	-	183.68	11.82	8.47	-	-	-	20.29	163.39
LOCOMOTIVES IN SERVICE @	136.40	-	-	-	-	136.40	52.01	15.45	-	-	-	67.46	68.94
COACHES	-	-	-	-	-	-	-	-	-	-	-	-	-
WIND MILL PLANT^	152.22	-	-	-	-	152.22	14.97	6.09	-	-	-	21.06	131.16
FURNITURE & FIXTURES													
FURNITURES	4.15	0.55	-	-	-	4.70	1.67	0.50	-	-	-	2.17	2.53
FIXTURES	1.90	0.11	-	-	-	2.01	1.42	0.24	-	-	-	1.66	0.35
VEHICLE													
VEHICLES	1.72	0.22	-	-	-	1.94	0.89	0.27	-	-	-	1.16	0.78
VEHICLES ABROAD	0.03	-	-	-	-	0.03	0.03	-	-	-	-	0.03	-
SUB TOTAL	493.46	113.76	-	(0.01)	0.24	606.97	103.43	37.38	-	-	0.23	140.58	466.39
TOTAL	504.09	113.76	0.44	(0.01)	0.24	618.04	104.06	37.63	0.04	-	0.23	141.50	476.54

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. 2.68.2).

^ LAND OF ₹ 1.05 CRORE AND PLANT & MACHINERY OF ₹ 152.22 CRORE ARE MORTGAGED/HYPOTHECATED AGAINST BORROWINGS (REFER NOTE NO. 2.24).

@ REFER NOTE NO. 2.47.2.1

2.2 CAPITAL WORK IN PROGRESS

(₹ in crore)

DESCRIPTION	GROSS BLOCK						DEPRECIATION/AMORTISATION						NET BLOCK
	OPENING	ADDITIONS DURING THE YEAR	ADJ DURING THE YEAR	ADJ OF EXCHANGE RATE	DELETIONS DURING THE YEAR	TOTAL	OPENING	FOR THE YEAR	ADJ DURING THE YEAR	ADJ OF EXCHANGE RATE	DELETIONS DURING THE YEAR	TOTAL	
AS AT 31.03.2020	2.32	7.66	(5.53)	-	-	4.45							4.45
AS AT 31.03.2019	0.38	1.94	-	-	-	2.32							2.32

2.3 RIGHT OF USE ASSETS

FOLLOWING ARE THE CHANGES IN THE CARRYING VALUE OF RIGHT OF USE ASSETS FOR THE YEAR ENDED 31.03.2020

(₹ in crore)

DESCRIPTION	GROSS BLOCK						DEPRECIATION/AMORTISATION						NET BLOCK
	OPENING	ADDITIONS DURING THE YEAR	RECLASSIFY DURING THE YEAR	ADJ OF EXCHANGE RATE	DELETIONS DURING THE YEAR	TOTAL	OPENING	FOR THE YEAR	ADJ DURING THE YEAR	ADJ OF EXCHANGE RATE	DELETIONS DURING THE YEAR	TOTAL	
LAND	-	1.94	0.91	-	-	2.85	-	0.36	-	-	-	0.36	2.49
BUILDING	-	6.58	12.86	-	-	19.44	-	2.15	-	-	-	2.15	17.29
RESIDENTIAL QUARTERS	-	-	4.33	-	-	4.33	-	0.25	-	-	-	0.25	4.08
TOTAL	-	8.52	18.10	-	-	26.62	-	2.76	-	-	-	2.76	23.86

- IN RESPECT OF LEASE AGREEMENTS PENDING EXECUTION (REFER NOTE NO. 2.68)

2.4 INVESTMENT PROPERTY

(₹ in crore)

DESCRIPTION	GROSS BLOCK						DEPRECIATION/AMORTISATION						NET BLOCK
	OPENING	ADDITIONS DURING THE YEAR	ADJ DURING THE YEAR	ADJ OF EXCHANGE RATE	DELETIONS DURING THE YEAR	TOTAL	OPENING	FOR THE YEAR	ADJ DURING THE YEAR	ADJ OF EXCHANGE RATE	DELETIONS DURING THE YEAR	TOTAL	
LEASEHOLD BUILDING													
AS AT 31.03.2020	0.89	-	(0.89)	-	-	0.00	0.09	0.02	(0.11)	-	-	-	-
AS AT 31.03.2019	1.33	-	(0.44)	-	-	0.89	0.11	0.02	(0.04)	-	-	0.09	0.80

2.5 INTANGIBLE ASSETS

(₹ in crore)

DESCRIPTION	GROSS BLOCK						DEPRECIATION/AMORTISATION						NET BLOCK
	OPENING	ADDITIONS DURING THE YEAR	ADJ DURING THE YEAR	ADJ OF EXCHANGE RATE	DELETIONS DURING THE YEAR	TOTAL	OPENING	FOR THE YEAR	ADJ DURING THE YEAR	ADJ OF EXCHANGE RATE	DELETIONS DURING THE YEAR	TOTAL	
COMPUTER SOFTWARES (ACQUIRED)													
AS AT 31.03.2020	6.22	4.69	-	-	0.01	10.90	5.60	1.12	-	-	0.01	6.71	4.19
AS AT 31.03.2019	5.78	0.44	-	-	-	6.22	4.86	0.74	-	-	-	5.60	0.62

2.6 INTANGIBLE ASSETS UNDER DEVELOPMENT

(₹ in crore)

DESCRIPTION	GROSS BLOCK						DEPRECIATION/AMORTISATION						NET BLOCK
	OPENING	ADDITIONS DURING THE YEAR	ADJ DURING THE YEAR	ADJ OF EXCHANGE RATE	DELETIONS DURING THE YEAR	TOTAL	OPENING	FOR THE YEAR	ADJ DURING THE YEAR	ADJ OF EXCHANGE RATE	DELETIONS DURING THE YEAR	TOTAL	
COMPUTER SOFTWARES (ACQUIRED)													
AS AT 31.03.2020	1.59	0.03	(1.62)	-	-	-	-	-	-	-	-	-	-
AS AT 31.03.2019	1.58	0.01	-	-	-	1.59	-	-	-	-	-	-	1.59

2.7 INVESTMENT IN JOINT VENTURES APPLYING EQUITY METHOD

(₹ in crore)

PARTICULARS	AS AT	AS AT
	31.03.2020	31.03.2019
SAIL-RITES BENGAL WAGON INDUSTRY PRIVATE LIMITED	28.77	21.00
BNV GUJARAT RAIL PRIVATE LIMITED	0.13	0.24
TOTAL	28.90	21.24

2.8 NON CURRENT INVESTMENTS

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT	AS AT
		31.03.2020	31.03.2019
A) INVESTMENT IN UNQUOTED EQUITY INSTRUMENTS OF (INVESTMENT CARRIED AT COST):			
COOPERATIVE SOCIETIES			
(i) Moru Mahal Co-operative Society Limited	2.74	-	-
5 (previous year 5) Equity Shares of face value of ₹ 50/- each, fully paid-up acquired for purchase of residential quarter.			
(ii) Amit Industrial Premises Co-operative Society Limited	2.74	-	-
10 (previous year 10) Equity Shares of face value of ₹ 50/- each, fully paid-up acquired for purchase of laboratory.			
(iii) Nestle Co-operative Society Limited	2.74	-	-
10 (previous year NIL) Equity Shares of face value of ₹ 50/- each, fully paid-up acquired for purchase of residential quarter.			
OTHERS			
Global Procurement Consultants Limited		0.04	0.04
32,279 (previous year 32,279) equity shares of face value of ₹ 10/- each, fully paid-up (includes 2,279 equity shares of face value of 10/- each at a price of ₹ 30/- each).			
AGGREGATE OF UNQUOTED INVESTMENTS (NON CURRENT)		0.04	0.04

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2020	AS AT 31.03.2019
B) INVESTMENT IN QUOTED TAX FREE BONDS OF (INVESTMENT CARRIED AT AMORTISED COST):			
(i) INDIAN RAILWAY FINANCE CORPORATION (10 YEAR SECURED REDEEMABLE 7.55% TAX FREE BONDS 08NOV.2021)			
2,500 Bonds of face value of ₹ 100,000/- each , fully paid		25.00	25.00
(ii) INDIAN RAILWAY FINANCE CORPORATION (10 YEAR SECURED REDEEMABLE 7.21% TAX FREE BONDS 26NOV.2022)			
300 Bonds of face value of ₹ 1,000,000/- each at premium of ₹100/- each, fully paid		30.00	30.00
(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	10.00
(iv) INDIAN RAILWAY FINANCE CORPORATION (10 YEAR SECURED REDEEMABLE 7.18% TAX FREE BONDS 19FEB.2023)			
100,000 Bonds of face value of ₹ 1,000/- each, fully paid		10.00	10.00
(v) INDIAN RAILWAY FINANCE CORPORATION (10 YEAR SECURED REDEEMABLE 8.35% TAX FREE BONDS 21NOV.2023)			
250 Bonds of face value of ₹ 1,000,000/- each at premium of ₹100/-each, fully paid		25.00	25.00
(vi) INDIAN RAILWAY FINANCE CORPORATION (10 YEAR SECURED REDEEMABLE 7.19% TAX FREE BONDS 31JUL.2025)			
200 Bonds of face value of ₹ 1,000,000/- each at premium of ₹100/-each, fully paid		20.00	20.00
AGGREGATE OF QUOTED INVESTMENTS (NON CURRENT)		120.00	120.00
TOTAL (NON CURRENT)		120.04	120.04

2.9 CURRENT INVESTMENTS

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2020	AS AT 31.03.2019
A) INVESTMENT IN UNQUOTED MUTUAL FUNDS (INVESTMENT CARRIED AT FAIR VALUE THROUGH PROFIT OR LOSS):			
UTI LIQUID CASH PLAN - DIRECT GROWTH PLAN			
158279.482 (previous year Nil) units		51.46	-
SBI LIQUID FUND - DIRECT GROWTH PLAN			
193624.150 (previous year Nil) units		60.20	111.66
AGGREGATE OF UNQUOTED INVESTMENT (CURRENT)		111.66	-
TOTAL (CURRENT)		111.66	-
GRAND TOTAL		231.70	120.04
A AGGREGATE AMOUNT OF QUOTED INVESTMENTS		120.00	120.00
B MARKET VALUE OF QUOTED INVESTMENTS*		129.80	126.89
C AGGREGATE AMOUNT OF UNQUOTED INVESTMENTS		111.70	0.04
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.

2.10 NON CURRENT LOANS

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2020	AS AT 31.03.2019
SECURITY DEPOSITS CONSIDERED GOOD-UNSECURED		4.65	2.40
LOANS TO EMPLOYEES CONSIDERED GOOD-SECURED		7.34	7.59
LOANS TO EMPLOYEES CONSIDERED GOOD-UNSECURED		2.63	1.41
LOANS TO EMPLOYEES WHICH HAVE SIGNIFICANT INCREASE IN CREDIT RISK		-	-
LOANS TO EMPLOYEES-CREDIT IMPAIRED		-	-
LOANS TO JV (RELATED PARTY) CONSIDERED GOOD-SECURED		-	-
LOANS TO JV (RELATED PARTY) CONSIDERED GOOD-UNSECURED	2.46.2.1	2.80	4.90
LOANS TO JV (RELATED PARTY) WHICH HAVE SIGNIFICANT INCREASE IN CREDIT RISK		-	-
LOANS TO JV (RELATED PARTY)-CREDIT IMPAIRED		-	-
TOTAL		17.42	16.30

2.11 OTHER NON CURRENT FINANCIAL ASSETS

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2020	AS AT 31.03.2019
INTEREST ACCRUED (INCLUDING ACCRUED BUT NOT DUE) ON:			
- LOANS TO SRBWIPL (RELATED PARTY)	2.46.2.1	0.65	-
RETENTION MONEY		50.28	16.52
BANK DEPOSITS HAVING MATURITY OVER 12 MONTHS FROM REPORTING DATE:			
- OWNED FUND	2.16.3	0.63	1.13
- CLIENTS FUND	2.17.3	-	26.58
TOTAL		51.56	44.23

2.12 DEFERRED TAX ASSETS/ (LIABILITY) (NET)

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2020	AS AT 31.03.2019
DEFERRED INCOME TAX ASSETS:			
LEAVE ENCHASHMENT AND OTHER PROVISIONS		20.68	24.29
PROVISION FOR DOUBTFUL DEBTS, SECURITY DEPOSITS/ EMD, ADVANCES ETC.		32.09	62.08
UNABSORBED DEPRECIATION		-	7.02
MAT CREDIT ENTITLEMENT		27.57	26.75
TOTAL DEFERRED INCOME TAX ASSETS - I		80.34	120.14
DEFERRED INCOME TAX LIABILITIES:			
PROPERTY, PLANT & EQUIPMENT		48.06	48.27
INTEREST ACCRUED BUT NOT RECEIVED ON INCOME TAX REFUND		1.72	-
DONATION TO PM CARES FUND		1.76	-
TOTAL DEFERRED INCOME TAX LIABILITIES - II		51.54	48.27
DEFERRED INCOME TAX ASSETS (NET)	2.56	28.80	71.87

2.13 OTHER NON CURRENT ASSETS

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2020	AS AT 31.03.2019
CAPITAL ADVANCE		36.22	68.51
ADVANCES OTHER THAN CAPITAL ADVANCE			
PREPAID EXPENSES		0.85	1.02
PRE-PAYMENT TOWARDS LEASEHOLD ASSETS		-	6.73
DEFERRED COST TOWARDS STAFF LOAN		2.04	2.11
ADVANCE INCOME TAX (NET OF PROVISION)	2.56	16.24	46.43
TOTAL		55.35	124.80

2.14 INVENTORIES**(AT THE LOWER OF COST AND NET REALISABLE VALUE)**

(₹ in crore)

PARTICULARS	AS AT	
	31.03.2020	31.03.2019
(AS CERTIFIED BY MANAGEMENT)		
STOCK IN TRADE*	8.56	103.33
STORES & SPARES	2.11	1.60
TOTAL**	10.67	104.93

*Includes inventory lying with third parties of ₹ 6.55 crore (previous year ₹ 33.74 crore) & stock in transit Nil (previous year ₹ 65.99 crore).

** The cost of inventories recognized as an expense during the year of ₹ 346.04 crore (previous year 31.03.2019 ₹ 128.99 crore)

Note - All inventories are expected to be utilised/sold within twelve months except certain items, which are utilised on need basis. Quantum of such items, which may be utilised beyond one year, is not determinable and is not expected to be material with reference to the total value of inventories.

2.15 CURRENT TRADE RECEIVABLES

(₹ in crore)

PARTICULARS	AS AT	
	31.03.2020	31.03.2019
TRADE RECEIVABLE CONSIDERED GOOD - SECURED	-	-
TRADE RECEIVABLE CONSIDERED GOOD - UNSECURED	843.74	609.52
TRADE RECEIVABLE WHICH HAVE SIGNIFICANT INCREASE IN CREDIT RISK	-	-
TRADE RECEIVABLE -CREDIT IMPAIRED	104.30	98.20
	948.04	707.72
LESS: ALLOWANCE FOR EXPECTED CREDIT LOSSES	(104.30)	(98.20)
TOTAL*	843.74	609.52

* Includes dues from companies where directors are interested

2.16 CASH AND BANK BALANCES-OWNED FUND

(₹ in crore)

PARTICULARS	AS AT 31.03.2020		AS AT 31.03.2019	
2.16.1 CASH AND CASH EQUIVALENTS				
BANK BALANCES IN :				
CURRENT ACCOUNTS	39.23		32.85	
DEPOSITS #	76.95	116.18	135.78	168.63
CHEQUES IN HAND		0.48		0.09
TOTAL		116.66		168.72
2.16.2 OTHER BANK BALANCES				
EARMARKED BALANCE WITH BANKS*		0.07		0.04
DEPOSITS ##		993.62		1,133.48
TOTAL @		993.69		1,133.52
2.16.3 BANK BALANCE MORE THAN 12 MONTHS MATURITY-OWNED FUND (NOTE NO. 2.11)				
DEPOSITS ###		0.63		1.13
TOTAL		0.63		1.13
TOTAL CASH & BANK BALANCE-OWNED FUND		1,110.98		1,303.37

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 ₹ 1.00 crore (previous year ₹ 54.45 crore) on account of bank balance held as margin money deposits against guarantees issued by banks and ₹ 0.07 crore (previous year ₹ 0.04 crore) on account of unpaid dividend.

* Earmarked bank balance is for unpaid dividend

2.17 CASH AND BANK BALANCES-CLIENTS FUND

(₹ in crore)

PARTICULARS	AS AT	
	31.03.2020	31.03.2019
2.17.1 CASH AND CASH EQUIVALENTS		
BANK BALANCES IN :		
CURRENT ACCOUNTS	265.16	184.48
DEPOSITS #	498.92	301.90
TOTAL	764.08	486.38
2.17.2 OTHER BANK BALANCES		
DEPOSITS ##	1,756.39	1,717.40
TOTAL	1,756.39	1,717.40
2.17.3 BANK BALANCE MORE THAN 12 MONTHS MATURITY-CLIENT FUND (NOTE NO. 2.11)		
DEPOSITS ###	-	26.58
TOTAL	-	26.58
TOTAL CASH & BANK BALANCE-CLIENTS FUND*	2,520.47	2,230.36

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 at Note no. 2.25 & Note No. 2.28.

2.18 CURRENT LOANS

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT	
		31.03.2020	31.03.2019
SECURITY DEPOSITS CONSIDERED GOOD-UNSECURED	10.37	5.74	
SECURITY DEPOSITS CONSIDERED DOUBTFUL-UNSECURED	0.30	0.32	
	10.67	6.06	
LESS: ALLOWANCES FOR EXPECTED CREDIT LOSSES	(0.30)	10.37	(0.32)
LOANS TO EMPLOYEES CONSIDERED GOOD-SECURED		2.08	1.78
LOANS TO EMPLOYEES CONSIDERED GOOD-UNSECURED		2.85	3.51
LOANS TO EMPLOYEES WHICH HAVE SIGNIFICANT INCREASE IN CREDIT RISK		-	-
LOANS TO EMPLOYEES -CREDIT IMPAIRED		-	-
LOANS TO JV (RELATED PARTY) CONSIDERED GOOD-SECURED		-	-
LOANS TO JV (RELATED PARTY) CONSIDERED GOOD-UNSECURED	2.46.2.1	2.80	2.10
LOANS TO JV (RELATED PARTY) WHICH HAVE SIGNIFICANT INCREASE IN CREDIT RISK		-	-
LOANS TO JV (RELATED PARTY)-CREDIT IMPAIRED		-	-
TOTAL		18.10	13.13

2.19 OTHER CURRENT FINANCIAL ASSETS

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT	
		31.03.2020	31.03.2019
GOVT. OF TANZANIA RECEIVABLES-UNSECURED	2.66	-	62.61
LESS: ALLOWANCES FOR EXPECTED CREDIT LOSSES		-	(62.61)
AMOUNT RECOVERABLES CONSIDERED GOOD-UNSECURED		12.61	22.17
AMOUNT RECOVERABLES CONSIDERED DOUBTFUL-UNSECURED		22.20	16.65
		34.81	38.82
LESS: ALLOWANCES FOR EXPECTED CREDIT LOSSES		(22.20)	12.61
INTEREST ACCRUED (INCLUDING ACCRUED BUT NOT DUE) ON:			22.17

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2020	AS AT 31.03.2019
- BANK DEPOSITS HAVING MATURITY: WITHIN 3 MONTHS FROM THE DATE OF ACQUISITION		0.14	0.09
OVER 3 MONTHS FROM THE DATE OF ACQUISITION AND UPTO 12MONTHS FROM REPORTING DATE		30.75	41.44
- BONDS		5.89	5.89
- LOANS TO SRBWIPL (RELATED PARTY)	2.46.2.1	0.69	1.44
		37.47	48.86
RETENTION MONEY		51.63	17.80
GOVT. OF MOZAMBIQUE RECEIVABLES		-	38.04
UNBILLED REVENUE		114.77	46.41
TOTAL		216.48	173.28

2.20 CURRENT TAX ASSETS (NET OF PROVISION)

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2020	AS AT 31.03.2019
INCOME TAX RECEIVABLES	2.56	95.33	50.93
TOTAL		95.33	50.93

2.21 OTHER CURRENT ASSETS

(₹ in crore)

PARTICULARS		AS AT 31.03.2020	AS AT 31.03.2019
PREPAID EXPENSES		5.85	6.23
ADVANCES TO SUPPLIERS		65.10	71.37
OTHER ADVANCES		6.19	6.64
LESS: PROVISION FOR DOUBTFUL ADVANCES		(0.35)	(0.35)
EXPORT INCENTIVE RECEIVABLE		1.79	2.73
PRE-PAYMENT TOWARDS LEASEHOLD ASSETS		-	0.44
DEFERRED COST TOWARDS STAFF LOAN		0.26	0.24
DEFERRED COST TOWARDS GOVT OF MOZAMBIQUE RECEIVABLES		-	0.50
TOTAL		78.84	87.80

2.22 EQUITY SHARE CAPITAL

(₹ in crore)

PARTICULARS	AS AT 31.03.2020	AS AT 31.03.2019
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2.22.1 AUTHORISED

300,000,000 (PREVIOUS YEAR 300,000,000) EQUITY SHARES OF ₹ 10/- EACH	300.00	300.00
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2.22.2 ISSUED, SUBSCRIBED AND FULLY PAID-UP

250,000,000 (PREVIOUS YEAR 200,000,000) EQUITY SHARES OF ₹ 10/- EACH	250.00	200.00
	250.00	200.00

PARTICULARS	No. of Shares	(₹ in crore)	No. of Shares	(₹ in crore)
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2.22.3 RECONCILIATION OF NUMBER OF EQUITY SHARES

OPENING BALANCE	20,00,00,000	200.00	20,00,00,000	200.00
ADD/(LESS) DURING THE YEAR	5,00,00,000	50.00	-	-
CLOSING BALANCE	25,00,00,000	250.00	20,00,00,000	200.00

2.22.4 RIGHTS, PREFERENCES AND RESTRICTIONS ATTACHED TO EQUITY SHARES

THE COMPANY HAS ONE CLASS OF EQUITY SHARES HAVING A PAR VALUE OF ₹ 10 EACH. EACH SHAREHOLDER IS ELIGIBLE FOR ONE VOTE PER SHARE HELD IN CASE POLL IS DEMANDED BY THE MEMBERS IN ACCORDANCE WITH THE PROVISIONS OF THE COMPANIES ACT, 2013. IN THE EVENT OF LIQUIDATION, THE EQUITY SHAREHOLDERS ARE ELIGIBLE TO RECEIVE THE REMAINING ASSETS OF THE COMPANY AFTER DISTRIBUTION OF ALL PREFERENTIAL AMOUNTS, IN PROPORTION TO THEIR SHAREHOLDING.

PARTICULARS	AS AT 31.03.2020		AS AT 31.03.2019	
	No. of Shares	Shareholding (%)	No. of Shares	Shareholding (%)

2.22.5 EQUITY SHARES HELD BY EACH SHAREHOLDER MORE THAN 5% OF SHARES

PRESIDENT OF INDIA ACTING THROUGH MINISTRY OF RAILWAYS (Refer Note No. 2.46.3)	18,00,47,174	72.02%	17,48,00,000	87.40%
LIFE INSURANCE CORPORATION OF INDIA	1,95,84,120	7.83%	-	-

2.22.6 FULLY PAID-UP AGGREGATE NUMBER OF EQUITY SHARES ALLOTTED BY WAY OF BONUS SHARES DURING THE YEAR OF FIVE YEARS IMMEDIATELY PRECEEDING BALANCE SHEET DATE.

COMPANY ISSUED 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.

2.23 OTHER EQUITY (REFER STATEMENT OF CHANGE IN EQUITY)

(₹ in crore)

PARTICULARS	AS AT 31.03.2020	AS AT 31.03.2019
2.23.1 RESERVE & SURPLUS		
GENERAL RESERVE*	1,916.00	1,966.00
2.23.2 RETAINED EARNING	467.09	255.89
2.23.3 OTHER COMPREHENSIVE INCOME		
FOREIGN CURRENCY TRANSLATION RESERVE	0.70	0.73
2.23.4 DISCONTINUED OPERATIONS**	(0.52)	(0.52)
ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE COMPANY (2.23.1+2.23.2+2.23.3+2.23.4) #	2,383.27	2,222.10
2.23.5 NON-CONTROLLING INTERESTS***	81.48	71.65
TOTAL	2,464.75	2,293.75

* THE GENERAL RESERVE REPRESENTS AMOUNT KEPT BY THE COMPANY OUT OF ITS PROFIT FOR FUTURE PURPOSES. IT IS NOT EARMARKED FOR ANY SPECIFIC PURPOSE.

** DISCONTINUED OPERATIONS PERTAINS TO RISL

*** NON-CONTROLLING INTERESTS PERTAINS TO REMCL

INCLUDES OCI OF (₹ 9.88 CRORE) {PREVIOUS YEAR (₹ 2.81 CRORE)}.

2.24 NON CURRENT BORROWINGS

(₹ in crore)

PARTICULARS	AS AT 31.03.2020	AS AT 31.03.2019
SECURED TERM LOAN FROM INDIAN BANK*	32.59	39.93
TOTAL	32.59	39.93

Refer note no. 2.28 for current maturity of above term loan (payable within 1 year from reporting date).

* The details of security for the secured term loan from Indian Bank are as follows:-

- Hypothecation of all the movable assets pertaining to project including but not limited to plant and machinery, machinery spares, tools and accessories
- Hypothecation charge on the Borrower's book debts, operating cash flows, receivables, commissions, revenues of whatsoever nature and where ever arising, present and future, intangibles, goodwill present and future, related to project.

- c) A first charge on the company's bank accounts related to project including but not limited to the Escrow Account (Escrow) opened with our Bank, where all cash inflows of the company related to the project shall be deposited and all proceeds shall be utilised in a manner and priority to be decided by the Lenders.
- d) Mortgage charges on the rights on the sub-leased land in Jaisalmer, Rajasthan for the purpose of the Project - to be executed by way of an equitable mortgage.

*** Terms of repayment of term loan are as under:-**

- a). Repayment of loan to be made in 144 monthly installments started from April 2016. In addition to monthly schedule principal payment, company has also made lumpsum payment towards loan from time to time. Due to lumpsum payments, the entire loan will be repaid before the schedule of Term loan.
- b). Repayment of interest on term loan to be made monthly till closure of term loan
- c). Term Loan can be prepaid as per the availability of cash generation without any pre-payment charges

2.25 OTHER NON CURRENT FINANCIAL LIABILITIES

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2020	AS AT 31.03.2019
CLIENTS DEPOSITS	2.17	-	26.58
SECURITY DEPOSITS - CLIENTS	2.17	146.18	123.28
SECURITY DEPOSITS		17.05	27.51
TOTAL		163.23	177.37

2.26 NON CURRENT PROVISIONS

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2020	AS AT 31.03.2019
EMPLOYEE BENEFITS	2.43	6.56	2.66
WARRANTIES	2.51.1	16.38	4.04
TOTAL		22.94	6.70

2.27 OTHER NON CURRENT LIABILITIES

(₹ in crore)

PARTICULARS	AS AT 31.03.2020	AS AT 31.03.2019
CLIENTS ADVANCES	71.28	3.36
TOTAL	71.28	3.36

2.28 OTHER CURRENT FINANCIAL LIABILITIES

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2020	AS AT 31.03.2019
CURRENT MATURITY OF SECURED TERM LOAN FROM INDIAN BANK	2.24	7.67	7.67
CLIENTS DEPOSITS	2.17	2,313.71	1,998.03
SECURITY DEPOSITS - CLIENTS	2.17	60.58	82.47
SECURITY DEPOSITS		68.07	36.62
FOREIGN SERVICE CONTRIBUTION	2.67	5.80	5.87
SALARY PAYABLES		87.35	67.03
STAFF & OTHER CLAIMS		7.66	6.82
PAYABLE TO RELATED PARTIES	2.46.2.1	0.18	0.17
PAYABLE FOR OTHER EXPENSES OTHER THAN MSME		49.42	61.49
PAYABLE FOR OTHER EXPENSES OF MSME	2.64	0.04	0.01
INTEREST ACCRUED AND DUE ON BORROWINGS		0.29	0.36
UNCLAIMED DIVIDEND*		0.07	0.04
TOTAL		2,600.84	2,266.58

* No amount is due for payment to Investor Education & Protection Fund

2.29 CURRENT PROVISIONS

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT	
		31.03.2020	31.03.2019
EMPLOYEE BENEFITS	2.43	36.68	25.88
WARRANTIES	2.51.1	41.64	35.90
COMMITMENTS	2.51.1	7.02	7.07
TOTAL		85.34	68.85

2.30 OTHER CURRENT LIABILITIES

(₹ in crore)

PARTICULARS	AS AT	
	31.03.2020	31.03.2019
CLIENTS ADVANCES	63.33	169.18
STATUTORY LIABILITIES	5.35	1.58
TOTAL	68.68	170.76

2.31.1 REVENUE FROM OPERATIONS

(₹ in crore)

PARTICULARS	NOTE NO.	YEAR ENDED	
		31.03.2020	31.03.2019
SALE OF SERVICES			
CONSULTANCY FEE		761.49	820.21
INSPECTION FEE		367.27	331.18
LEASE SERVICES	2.47.2.1	120.70	103.61
		1,249.46	1,255.00
SALE OF PRODUCTS			
EXPORT SALES		540.87	206.75
SALE OF POWER GENERATION	2.69	11.20	18.63
OTHERS			
TURNKEY CONSTRUCTION PROJECTS		672.88	567.07
TOTAL		2,474.41	2,047.45

Note- Revenue from operation does not include GST of ₹ 260.87 crore (previous year ₹ 243.04 crore)

2.31.2 OTHER INCOME

(₹ in crore)

PARTICULARS	YEAR ENDED	
	31.03.2020	31.03.2019
INTEREST EARNED ON:		
- DEPOSITS WITH BANK	97.33	110.69
- TAX FREE BONDS	9.02	9.02
- STAFF ADVANCES	1.26	1.29
- LOAN TO RELATED PARTIES	0.43	0.74
- DELAYED CONTRACT PAYMENTS	25.69	-
- OTHERS	10.56	3.11
PROVISION NO LONGER REQUIRED	1.06	15.81
REVERSAL OF IMPAIRMENT OF FINANCIAL ASSETS	62.61	-
PROFIT ON SALE OF PROPERTY, PLANT AND EQUIPMENT	-	0.06
LIABILITIES WRITTEN BACK	0.06	13.83
DEFERRED INCOME TOWARDS GOVT OF MOZAMBIQUE RECEIVABLES	0.50	1.42
DIVIDEND FROM:		
- CURRENT INVESTMENTS	1.61	4.14
EXPORT INCENTIVES	9.09	7.84
REALIZED GAIN ON CURRENT INVESTMENT (MUTUAL FUNDS)	0.96	-
UNREALIZED GAIN ON CURRENT INVESTMENT (MUTUAL FUNDS)	0.56	-
RENT FROM INVESTMENT PROPERTIES	0.04	0.63
EXCHANGE VARIATION	34.39	17.12
MISCELLANEOUS INCOME	4.93	6.47
TOTAL	260.10	192.17

2.32 EMPLOYEE BENEFIT EXPENSES

(₹ in crore)

PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2020	YEAR ENDED 31.03.2019
SALARIES		370.66	351.68
FOREIGN SERVICE CONTRIBUTION	2.67	4.65	4.06
CONTRIBUTION TO PROVIDENT & OTHER FUNDS	2.43	58.51	55.94
STAFF WELFARE EXPENSES		24.07	22.64
PERFORMANCE RELATED PAYMENT		42.51	35.00
LEAVE ENCASHMENT	2.43	20.57	17.77
TOTAL		520.97	487.09

2.33 SUPPLIES & SERVICES

(₹ in crore)

PARTICULARS	YEAR ENDED 31.03.2020	YEAR ENDED 31.03.2019
TURNKEY CONSTRUCTION PROJECTS	604.79	516.49
OTHERS	170.89	167.47
TOTAL	775.68	683.96

2.34 CHANGES IN INVENTORIES OF STOCK IN TRADE

(₹ in crore)

PARTICULARS	YEAR ENDED 31.03.2020	YEAR ENDED 31.03.2019
OPENING STOCK	103.33	7.48
CLOSING STOCK	8.56	103.33
NET (INCREASE)/ DECREASE IN INVENTORIES	94.77	(95.85)

2.35 GENERATION EXPENSES

(₹ in crore)

PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2020	YEAR ENDED 31.03.2019
TRANSMISSION, WHEELING & SLDC CHARGES	2.69	5.08	5.10
OPERATION & MAINTAINANCE COST		0.01	1.70
TOTAL		5.09	6.80

2.36 FINANCE COSTS

(₹ in crore)

PARTICULARS	YEAR ENDED 31.03.2020	YEAR ENDED 31.03.2019
ON TERM LOAN	3.79	4.38
UNWINDING WARRANTY	1.09	1.67
BG/LC CHARGES	0.81	0.54
UNWINDING LEASE LIABILITY	0.51	-
INTEREST- OTHERS*	0.72	1.42
TOTAL	6.92	8.01

*Includes Interest on Income tax of ₹ 0.41 crore (previous year ₹ 1.13 crore)

2.37 DEPRECIATION & AMORTISATION EXPENSES

(₹ in crore)

PARTICULARS	YEAR ENDED 31.03.2020	YEAR ENDED 31.03.2019
PROPERTY, PLANT AND EQUIPMENT	43.37	37.63
RIGHT OF USE ASSETS	2.76	-
INVESTMENT PROPERTY	0.02	0.02
INTANGIBLE ASSETS	1.12	0.74
TOTAL	47.27	38.39

2.38 OTHER EXPENSES

(₹ in crore)

PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2020	YEAR ENDED 31.03.2019
PRINTING, STATIONERY AND DOCUMENTATION		4.12	4.13
ADVERTISEMENT & BUSINESS PROMOTION		6.39	12.49
AUDITORS' REMUNERATION (INCLUDING OUT OF POCKET EXPENSES)	2.38.1	0.36	0.37
RATES & TAXES		4.03	3.88
OFFICE RENT		5.13	5.80
POSTAGE & TELECOMMUNICATION		5.89	5.59
OFFICE MAINTENANCE		10.54	9.34
REPAIRS TO MACHINERY/EQUIPMENTS		3.81	3.63
FREIGHT & FORWARDING (OUTWARD)		3.29	2.34
POWER AND FUEL CHARGES		4.74	4.46
STORES AND SPARES CONSUMED		2.66	2.30
INTERNAL AUDIT FEE		0.14	0.13
LEGAL AND PROFESSIONAL FEE		3.12	3.56
INSURANCE CHARGES		1.35	0.95
PROPERTY, PLANT AND EQUIPMENT WRITTEN OFF		0.03	-
MANPOWER DEVELOPMENT		2.77	1.73
LOSS ON SALE OF PROPERTY, PLANT AND EQUIPMENT		0.01	-
IMPAIRMENT LOSS FOR FINANCIAL ASSETS:			
- PROVISION FOR IMPAIRMENT		11.63	18.78
- BAD DEBTS		7.57	9.66
PROVISION FOR:			
- COMMITMENTS		-	7.07
- WARRANTIES		20.62	2.24
DIRECTORS' SITTING FEE		0.29	0.27
CORPORATE SOCIAL RESPONSIBILITY	2.63	12.01	10.78
AMORTISED DEFERRED COST TOWARDS GOVT OF MOZAMBIQUE RECEIVABLES		0.50	1.42
ADVANCES/RECOVERABLE WRITTEN OFF		0.02	0.11
MISCELLANEOUS EXPENSES		6.97	6.28
TOTAL		117.99	117.31

2.38.1 AUDITORS' REMUNERATION

(₹ in crore)

PARTICULARS	YEAR ENDED 31.03.2020	YEAR ENDED 31.03.2019
(A) STATUTORY AUDITORS		
STATUTORY AUDIT FEE	0.11	0.11
TAX AUDIT FEE	0.04	0.03
LIMITED REVIEW AND CONSOLIDATION FEE	0.06	0.04
OTHER SERVICES, i.e. CERTIFICATION ETC.	0.03	0.09
SUB TOTAL (A)	0.24	0.27
(B) BRANCH AUDITORS		
STATUTORY AUDIT FEE	0.02	0.02
TAX AUDIT FEE	0.01	0.01
LIMITED REVIEW FEE	0.03	0.03
SUB TOTAL (B)	0.06	0.06
AUDITORS' REMUNERATION (A+B)	0.30	0.33
AUDITORS' OUT OF POCKET EXPENSES	0.06	0.04

2.39 SHARE OF PROFIT/(LOSS) OF JOINT VENTURES

(₹ in crore)

PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2020	YEAR ENDED 31.03.2019
SAIL-RITES BENGAL WAGON INDUSTRY PRIVATE LIMITED		7.77	8.24
BNV GUJARAT RAIL PRIVATE LIMITED		(0.11)	(0.02)
TOTAL	2.49.4.3	7.66	8.22

2.40 CURRENT TAX

(₹ in crore)

PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2020	YEAR ENDED 31.03.2019
- CURRENT YEAR		(199.32)	(239.11)
- EARLIER YEAR		1.30	(19.97)
TOTAL	2.56	(198.02)	(259.08)

2.41 DEFERRED TAX (NET)

(₹ in crore)

PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2020	YEAR ENDED 31.03.2019
CREDIT/(CHANGE) RELATING TO TEMPORARY DIFFERENCES			
- CURRENT YEAR		(42.89)	(2.38)
- EARLIER YEAR		(0.18)	21.18
TOTAL	2.56	(43.07)	18.80

DISCLOSURES AS PER INDIAN ACCOUNTING STANDARDS (IND AS):**2.42 The subsidiary companies considered in the financial statements are as follows:**

Name of Subsidiary Companies	Country of Incorporation	% of Shareholding as on 31.03.20	% of Shareholding as on 31.03.19
• RITES (Afrika) (Pty) Limited	Botswana	100%	100%
• Railway Energy Management Company Limited (REMCL)	India	51%	51%

RITES Infrastructure Services Limited (RISL) is a wholly owned subsidiary company is under liquidation since FY 2016-17.

2.43 In case of holding company, disclosures on Indian Accounting Standard (Ind AS) 19, Employee benefits are as follows:

2.43.1 Defined Benefit Plan

2.43.1.1 Gratuity (Funded) - Regular Employees

2.43.1.1.1 Changes in Present Value of the Benefit Obligation are as follows:

(₹ in crore)

Particulars	31.03.20	31.03.19
Present Value of obligation as at beginning of year	138.56	134.06
Interest Cost	10.39	10.05
Current Service Cost	8.56	7.46
Benefits paid	(14.26)	(16.08)
Actuarial (Gain)/Loss on obligation	7.19	3.07
Present Value of Obligation as at end of year	150.44	138.56

Bifurcation of Present Value Obligation at the end of year in current and noncurrent:

(₹ in crore)

Particulars	31.03.20	31.03.19
Current liability (Amount due within one year)	15.66	14.26
Non-Current liability (Amount due over one year)	134.78	124.30
Present Value of Obligation as at end of year	150.44	138.56

2.43.1.1.2 Changes in the Fair Value of Plan Assets are as follows:

(₹ in crore)

Particulars	31.03.20	31.03.19
Fair Value of Plan Assets at beginning of year	130.55	120.25
Actual Interest Income	8.01	9.67
Contributions	8.02	13.38
Benefits Paid	(15.17)	(12.75)
Fair value of Plan Assets at the end of year	131.41	130.55

Major categories of plan assets (as percentage of total plan assets) :

Particulars	31.03.20	31.03.19
a) Government of India Securities	--	--
b) State Government securities	--	--
c) High Quality Corporate Bonds	--	--
d) Equity Shares of listed companies	--	--
e) Property	--	--
f) Funds Managed by Insurer	100 %	100 %
g) Bank Balance	--	--
Total	100 %	100 %

2.43.1.1.3 The amount recognized in the Balance Sheet is as follows:

(₹ in crore)

Particulars	31.03.20	31.03.19
Defined Benefit Obligation at end of year	150.44	138.56
Fair value of Plan Assets at the end of year	131.41	130.55
Funded Status - (Surplus)/ Deficit	19.03	8.01
Net (Liability)/Asset recognized in Balance Sheet	(19.03)	(8.01)

2.43.1.1.4 Amount recognized in the Statement of Profit & Loss is as follows:

(₹ in crore)

Particulars	31.03.20	31.03.19
Current Service Cost	8.56	7.46
Net Interest on Net Defined Benefit Liability	0.60	1.04
Expenses recognized in Statement of Profit and Loss	9.16	8.50

Bifurcation of Actuarial Gain/Loss on Obligation

(₹ in crore)

Particulars	31.03.20	31.03.19
Actuarial (Gain)/Loss on arising from Change in Demographic Assumption	-	-
Actuarial (Gain)/Loss on arising from Change in Financial Assumption	8.24	(3.49)
Actuarial (Gain)/Loss on arising from Experience Adjustment	(1.05)	6.56

2.43.1.1.5 Amount recognized in Other Comprehensive Income is as follows:

(₹ in crore)

Particulars	31.03.20	31.03.19
Actuarial (Gains)/Losses on Liability	7.19	3.07
Actuarial (Gains)/Losses on Assets	1.78	(0.65)
Other Comprehensive (Income)/Expense	8.97	2.42

2.43.1.1.6 The principal actuarial assumptions are as follows:

Particulars	31.03.20	31.03.19
Discounting rate (%)	6.64%	7.50%
Future salary increase (%)	8.25%	8.25%

Particulars	31.03.20	31.03.19
i) Retirement Age (Years)	60	60
ii) Mortality rates inclusive of provision for disability	100% of IALM (2012 - 14)	100% of IALM (2006 - 08)
iii) Attrition at Ages	Withdrawal Rate (%)	Withdrawal Rate (%)
Up to 30 Years	3.00	3.00
From 31 to 44 years	2.00	2.00
Above 44 years	1.00	1.00

2.43.1.1.6 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 0.50%, while holding all other assumptions constant.

If the discount rate increases /decreases by 0.50%, the defined obligations would decrease by ₹ 4.94 crore/ increase by ₹ 5.29 crore as on 31st March, 2020 and if the expected salary growth increases /decreases by 0.50%, the defined benefit obligations would increase by ₹ 2.45 crore /decrease by ₹ 2.54 crore as on 31st March, 2020.

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 ₹ 19.03 crore to defined benefit plan obligations towards gratuity during the year 2020-21. Remeasurement (gain)/loss of defined employee benefit plans in Other Comprehensive Income (OCI) for the year ended 31.03.2020 and 31.03.2019 are ₹ 8.97 crore and ₹ 2.42 crore respectively.

The defined benefit obligation shall mature as follows:

Year ending March, 31	Defined benefit obligations (₹ in crore)
2021	15.66
2022	13.84
2023	18.35
2024	12.80
2025	14.25
2026	12.30
2026 onward	63.24

2.43.1.2 Gratuity (Funded) - Contract Employees

2.43.1.2.1 Changes in Present Value of the Benefit Obligation are as follows:

(₹ in crore)

Particulars	31.03.20	31.03.19
Present Value of obligation as at beginning of year	2.60	2.26
Interest Cost	0.20	0.17
Current Service Cost	0.35	0.27
Benefit paid	(0.18)	(0.28)
Actuarial (Gain)/Loss on obligation	0.48	0.18
Present Value of obligation as at end of year	3.45	2.60

Bifurcation of PBO at the end of year in current and noncurrent

(₹ in crore)

Particulars	31.03.20	31.03.19
Current liability (Amount due within one year)	0.10	0.10
Non-Current liability (Amount due over one year)	3.35	2.50
Total Present Value of Obligation as at end of year	3.45	2.60

2.43.1.2.2 Changes in the Fair Value of Plan Assets are as follows:

(₹ in crore)

Particulars	31.03.20	31.03.19
Fair Value of plan Assets at beginning of year	2.40	2.04
Actual Interest income	0.18	0.14
Contributions	0.20	0.22
Benefits paid	-	-
Fair value on Plan Assets at end of year	2.78	2.40

Major categories of plan assets (as percentage of total plan assets): All figures given in the table below are as provided by the company

Particulars	31.03.20	31.03.19
Government of India Securities	--	--
State Government securities	--	--
High Quality Corporate Bonds	--	--
Equity Shares of listed companies	--	--
Property	--	--
Funds Managed by Insurer	100 %	100 %
Bank Balance	--	--
Total	100 %	100 %

2.43.1.2.3 The amount recognized in the Balance Sheet is as follows:

(₹ in crore)

Particulars	31.03.20	31.03.19
Defined Benefit Obligation at end of year	3.45	2.60
Fair value of Plan Assets at the end of year	2.78	2.40
Funded Status - (Surplus)/ Deficit	0.67	0.20
Net (Liability)/ Asset recognized in Balance Sheet	(0.67)	(0.20)

2.43.1.2.4 Amount recognized in the Statement of Profit & Loss is as follows:

(₹ in crore)		
Particulars	31.03.20	31.03.19
Current Service Cost	0.35	0.27
Net Interest on Net Defined Benefit Liability	0.01	0.02
Expenses recognized in the statement of Profit & Loss	0.36	0.29

Bifurcation of Actuarial Gain/Loss on Obligation:

(₹ in crore)		
Particulars	31.03.20	31.03.19
Actuarial (Gain)/Loss on arising from Change in Demographic Assumption	-	--
Actuarial (Gain)/Loss on arising from Change in Financial Assumption	0.37	(0.13)
Actuarial (Gain)/Loss on arising from Experience Adjustment	0.11	0.32

2.43.1.2.5 Amount recognized in Other Comprehensive Income is as follows:

(₹ in crore)		
Particulars	31.03.20	31.03.19
Actuarial (Gains)/ Losses on Liability	0.48	0.18
Actuarial (Gains)/Losses on Assets	-	0.01
Other Comprehensive (Income)/Expense	0.48	0.19

2.43.1.2.6 The principal actuarial assumptions are as follows:

Particulars	31.03.20	31.03.19
Discounting rate (%)	6.64%	7.50%
Future salary increase (%)	4.12%	4.12%

Particulars	31.03.20	31.03.19
i) Retirement Age (Years)	60	60
ii) Mortality rates inclusive of provision for disability	100% of IALM (2012- 14)	100% of IALM (2006 - 08)
iii) Attrition at Ages	Withdrawal Rate (%)	Withdrawal Rate (%)
Up to 30 Years	3.00	3.00
From 31 to 44 years	2.00	2.00
Above 44 years	1.00	1.00

2.43.1.2.7 The significant actuarial assumptions for the determination of the defined obligations are discount rate and expected salary increase. The sensitivity for actuarial assumptions have been computed by varying respective actuarial assumption used for valuation of the defined benefit obligation by 0.50%, while holding all other assumptions constant.

If the discount rate increases /decreases by 0.50%, the defined obligations would decrease by ₹ 0.22 crore / increase by ₹ 0.24 crore as on 31st March, 2020 and if the expected salary growth increases /decreases by 0.50%, the defined benefit obligations would increase by ₹ 0.25 crore /decrease by ₹ 0.23 crore as on 31st March, 2020.

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 ₹ 0.67 crore to defined benefit plan obligations towards gratuity during the year 2020-21. Remeasurement (gain)/loss of defined employee benefit plans in Other Comprehensive

Income (OCI) for the year ended 31.03.2020 and 31.03.2019 are ₹ 0.48 crore and ₹ 0.19 crore respectively. The defined benefit obligation shall mature as follows:

Year ending March, 31	Defined benefit obligations (₹ in crore)
2021	0.10
2022	0.15
2023	0.15
2024	0.06
2025	0.07
2026	0.09
2026 onward	2.83

2.43.1.3 Provident Fund (Funded)

All eligible employees of the company are entitled to receive benefits under the Provident Fund, a defined benefit plan, set up through a Trust named as RITES Contributory Provident Fund Trust. Both employee and employer contribute monthly at a determined rate as specified under the law to the Trust. The obligation of the company is limited to such contribution and to make good the shortfall, if any, between the returns from the investments of the trust and the notified interest rate. Short fall, if any, is recognised as an expense during the year. As per actuarial valuation, present value of the expected future earnings on the fund is higher than the expected amount to be contributed to the individual members based on the expected guaranteed rate of interest, resulting in no liability on the company.

As per the provisions of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the company has no right to the benefits either in the form of refund from the plan or lower future contribution to the plan towards the net surplus of ₹ 0.05 crore determined through actuarial valuation. Accordingly company has not recognized the surplus as assets as it pertains to the provident fund trust and not to the company.

The company contributed ₹ 26.23 crore and ₹ 24.96 crore to the provident fund during the year ended 31st March, 2020 and 31st March, 2019 respectively.

2.43.1.3.1 Changes in Present Value of the Benefit Obligation are as follows:

Particulars	(₹ in crore)	
	31.03.20	31.03.19
Present value of obligation as at the beginning of the period	547.78	492.60
Interest Cost	47.06	36.80
Current Service Cost	22.27	21.03
Contributions by plan participants / employees	47.46	43.51
Benefits Paid	(72.96)	(56.54)
Total Actuarial (Gain)/Loss on Obligation	2.47	6.18
Settlements/Transfer In	5.66	4.20
Present value of obligation as at the End of the period	599.74	547.78

2.43.1.3.2 Changes in the Fair Value of Plan Assets are as follows:

Particulars	(₹ in crore)	
	31.03.20	31.03.19
Fair value of plan assets at the beginning of the Year	551.23	496.42
Adjustment as per BS	0.06	-
Actual return on plan assets	46.07	42.60
Employer contribution	22.27	21.03
Plan Participants / Employee Contribution	47.46	43.51
Benefits paid	(72.96)	(56.54)
Settlements / Transfer In	5.66	4.21
Fair value of plan assets at the end of the Year	599.79	551.23

2.43.1.3.3 Net defined benefit Surplus(Deficit) is as follows:

(₹ in crore)

Particulars	31.03.20	31.03.19
Defined Benefit Obligation at end of year	599.74	547.78
Fair value of Plan Assets at the end of year	599.79	551.23
Net defined benefit Surplus(Deficit)	0.05	3.45

2.43.1.4 Other Benefits

2.43.1.4.1 Other Benefits (Funded):- Leave Encashment and Medical Leave- Regular Employees

2.43.1.4.1.1 Changes in Present Value of the Benefit Obligation are as follows:

(₹ in crore)

Particulars	Leave Encashment (Regular Employee)		Medical Leave (Regular Employee)	
	31.03.20	31.03.19	31.03.20	31.03.19
Present Value of obligation as at beginning of year	67.70	66.19	61.76	59.25
Interest Cost	5.08	4.96	4.63	4.44
Current Service Cost	6.63	5.65	3.94	3.57
Benefits paid	(15.51)	(16.85)	(3.08)	(2.60)
Actuarial (Gain)/Loss on obligation	13.89	7.75	(4.13)	(2.90)
Present Value of Obligation as at end of year	77.79	67.70	63.12	61.76

2.43.1.4.1.2 Changes in the Fair Value of Plan Assets are as follows:

(₹ in crore)

Particulars	Leave Encashment (Regular Employee)		Medical Leave (Regular Employee)	
	31.03.20	31.03.19	31.03.20	31.03.19
Fair Value of Plan Assets at beginning of year	62.96	59.50	54.23	51.22
Actual Interest Income	5.56	3.46	4.79	3.01
Contributions	-	-	-	-
Benefits Paid	-	-	-	-
Fair value of Plan Assets at the end of year	68.52	62.96	59.02	54.23

2.43.1.4.1.3 The amount recognized in the Balance Sheet is as follows:

(₹ in crore)

Particulars	Leave Encashment (Regular Employee)		Medical Leave (Regular Employee)	
	31.03.20	31.03.19	31.03.20	31.03.19
Defined Benefit Obligation at end of year	77.79	67.70	63.12	61.76
Fair value of Plan Assets at the end of year	68.52	62.96	59.02	54.23
Funded Status - (Surplus)/ Deficit	9.27	4.74	4.10	7.53
Net (Liability)/ Asset recognized in Balance Sheet	(9.27)	(4.74)	(4.10)	(7.53)

2.43.1.4.1.4 Amount recognized in the Statement of Profit & Loss is as follows:

(₹ in crore)

Particulars	Leave Encashment (Regular Employee)		Medical Leave (Regular Employee)	
	31.03.20	31.03.19	31.03.20	31.03.19
Current Service Cost	6.63	5.65	3.94	3.57
Net Interest on Net Defined Benefit Liability	0.36	0.50	0.57	0.60
Net Actuarial (gain)/loss recognized in the year	13.05	8.75	(4.85)	(2.07)
Expenses recognized in the statement of Profit & Loss	20.04	14.90	(0.34)	2.10

2.43.1.4.1.5 The principal actuarial assumptions are as follows:

Particulars	Leave Encashment (Regular Employee)		Medical Leave (Regular Employee)	
	31.03.20	31.03.19	31.03.20	31.03.19
Discounting rate (%)	6.64%	7.50%	6.64%	7.50%
Future salary increase (%)	8.25%	8.25%	8.25%	8.25%

2.43.1.4.1.6 Sensitivity Analysis of the defined benefit obligation:

(₹ in crore)

Particulars	Increase (Decrease) in present value of obligation as on 31.03.2020	
	Leave Encashment (Regular Employee)	Medical Leave (Regular Employee)
Impact due to Increase of 0.50% discount rate	(3.44)	(2.18)
Impact due to Decrease of 0.50% discount rate	3.73	2.35
Impact due to Increase of 0.50% in Salary	3.66	(2.18)
Impact due to Decrease of 0.50% in Salary	(3.40)	2.35

2.43.1.4.2 Other Benefits (unfunded):- Leave Encashment (Contract employee), LTC and Long Service Award (Regular employee).

2.43.1.4.2.1 Present value of the defined benefits plan obligations:

(₹ in crore)

Particulars	Leave Encashment (Contract Employee)		LTC (Regular employee)		Long Service Award (Regular employee)	
	31.03.20	31.03.19	31.03.20	31.03.19	31.03.20	31.03.19
Opening Balance	1.24	1.22	0.02	0.11	1.31	1.46
Interest Cost	0.09	0.09	-	0.01	0.12	0.12
Current Service Cost	0.42	0.48	-	-	0.10	0.11
Benefit paid	(0.85)	(0.75)	-	(0.03)	(0.27)	(0.29)
Actuarial (Gain)/Loss on obligation	0.36	0.20	(0.01)	(0.07)	0.17	(0.09)
Closing Balance	1.26	1.24	0.01	0.02	1.43	1.31

2.43.1.4.2.2 Total expenses recognized in the Statement of Profit & Loss are as follows:

(₹ in crore)

Particulars	Leave Encashment (Contract Employee)		LTC (Regular employee)		Long Service Award (Regular employee)	
	31.03.20	31.03.19	31.03.20	31.03.19	31.03.20	31.03.19
Current Service Cost	0.42	0.48	-	-	0.12	0.11
Interest Cost	0.09	0.09	-	0.01	0.10	0.12
Actuarial (Gain)/Loss	0.36	0.20	(0.01)	(0.07)	0.17	(0.09)
Expenses recognized in the statement of Profit & Loss	0.87	0.77	(0.01)	(0.06)	0.39	0.14

2.43.1.4.2.3 The principal actuarial assumptions used at the Balance Sheet date are as follows:

Particulars	Leave Encashment (Contract employee)		LTC (Regular employee)		Long Service Award (Regular employee)	
	31.03.20	31.03.19	31.03.20	31.03.19	31.03.20	31.03.19
Discount rate (%)	6.64%	7.50%	6.64%	7.50%	6.64%	7.50%
Future salary increase (%)	4.12%	4.12%	8.25%	8.25%	-	-

2.43.1.4.2.4 Sensitivity Analysis of the defined benefit obligation:

(₹ in crore)

Particulars	Increase (Decrease) in present value of obligation as on 31.03.2020	
	Leave Encashment (Contract employee)	LTC (Regular Employees)
Impact due to Increase of 0.50% discount rate	(0.09)	-
Impact due to Decrease of 0.50% discount rate	0.10	-
Impact due to Increase of 0.50 % in Salary	0.10	-
Impact due to Decrease of 0.50% in Salary	(0.09)	-

2.43.2 Defined Contribution Plans

2.43.2.1 Post Retirement Benefits (Pension & Medical)

All eligible employees are entitled to benefit under defined contribution plans towards pension under EPFO scheme, post retirement pension fund and medical schemes as defined contribution plans. The company has no obligations other than the contribution payable to such funds/schemes. The company recognizes such contributions as expenses when an employee renders the related service.

During the year, company contributed/ provided ₹ 17.09 crore (previous year ₹ 16.98 crore) towards post retirement pension fund, ₹ 3.94 crore (previous year ₹ 4.11 crore) towards pension under EPFO and ₹ 5.22 crore (previous year ₹ 4.77 crore) towards medical schemes.

2.44 Disclosures on Indian Accounting Standard (Ind-AS) 108 ,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 company's chief operating decision maker is the Chairman & Managing Director who is also Chief Executive Officer.

2.44.1 The group has identified five operational reportable segments based on operations being carried out which are as under:-

- Consultancy Services
- Leasing of railway rolling stock & equipments
- Export of rolling stock, equipments and spares
- Turnkey Construction Projects
- Power Generation

- 2.44.2 Geographical wise revenue segment is disclosed as under:
- Revenue within India from consultancy includes quality assurance & project management services, turnkey construction projects, power generation and domestic lease rental services to clients located inside India.
 - Revenue from outside India includes services rendered and export sales of rolling stock & spare parts to the clients located outside India.
- 2.44.3 The accounting principles used in the preparation of the financial statements are consistently applied to record revenue & expenditure in individual segment, as set out in the note of significant accounting policies.
- 2.44.4 Revenue and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly identifiable to each reporting segment have been allocated on the basis of attributed direct cost. All other expenses which are not attributable or allocable to the segments have been disclosed as un-allocable expenses.
- 2.44.5 Assets and liabilities used in the Group's business are not identified to any of the reportable segments as these are used interchangeably between segments. Depreciation, amortisation & impairment on Property, Plant & Equipment and Intangible Assets cannot be allocated to a specific segment. The Group believes that it is currently not practicable to provide segmental disclosure relating to total assets, total liabilities and depreciation, amortisation & impairment since a meaningful segregation of the available data could be onerous.

2.44.6 Operational Segments:

Year ended 31.03.2020

(₹ in crore)

Description	Consultancy Services		Leasing		Export Sale	Turnkey Construction Projects-Domestic	Power Generation	Total
	Domestic	Abroad	Domestic	Abroad				
Revenue	1056.36	72.40	120.70	-	540.87	672.88	11.20	2474.41
Identifiable operating expenses	552.21	40.94	74.16	-	418.18	649.91	11.51	1746.91
Segmental profit/(loss) from operations	504.15	31.46	46.54	-	122.69	22.97	(0.31)	727.50
Add: Interest Income*								144.29
Add: Other Income **								115.81
Less: Finance Cost								6.92
Less: Un-allocable Expenses								113.99
Share of Profit/(Loss) of Joint Ventures								7.66
Net Profit Before Tax								874.35
Less: Income Tax (including Deferred Tax)								241.09
Net Profit After Tax								633.26
Additional Information:								
Depreciation and amortization								47.27
Non-cash expenses/ (Income) other than depreciation and amortisation								19.19
Reversal of provisions								63.67
Loss on sale of PPE								0.01

Year ended 31.03.2019

(₹ in crore)

Description	Consultancy Services		Leasing		Export Sale	Turnkey Construction Projects-Domestic	Power Generation	Total
	Domestic	Abroad	Domestic	Abroad				
Revenue	1073.63	77.76	103.61	-	206.75	567.07	18.63	2047.45
Identifiable operating expenses	583.06	35.95	59.52	-	144.33	548.43	14.84	1386.13
Segmental profit/(loss) from operations	490.57	41.81	44.09	-	62.42	18.64	3.79	661.32

(₹ in crore)

Description	Consultancy Services		Leasing		Export Sale	Turnkey Construction Projects-Domestic	Power Generation	Total
	Domestic	Abroad	Domestic	Abroad				
Add: Interest Income*								124.85
Add: Other Income **								67.33
Less: Finance Cost								7.47
Less: Un-allocable Expenses								124.20
Share of Profit/(Loss) of Joint Ventures								8.22
Net Profit Before Tax								730.05
Less: Income Tax (including Deferred Tax)								240.28
Net Profit After Tax								489.77
Additional Information:								
Depreciation and amortisation								38.39
Non-cash expenses/(Income) other than depreciation and amortisation								14.72
Reversal of provisions								15.81
Profit on sale of PPE								0.06

2.44.7 Geographical Segment

(₹ in crore)

Description	Year ended 31.03.2020					Year ended 31.03.2019				
	India	Abroad			Total	India	Abroad			Total
		Asia	Africa	America			Asia	Africa	America	
Revenue	1861.14	552.10	56.98	4.19	2474.41	1762.93	210.08	69.52	4.92	2047.45
Identifiable operating expenses	1287.79	422.30	33.56	3.26	1746.91	1205.15	146.50	30.98	3.50	1386.13
Segmental profit from operations	573.35	129.80	23.42	0.93	727.50	557.78	63.58	38.54	1.42	661.32
Add: Interest Income*					144.29					124.85
Add: Other Income **					115.81					67.33
Less: Finance Cost (including unwinding of warranty)					6.92					7.47
Less: Un-allocable Expenses					113.99					124.20
Share of Profit/(Loss) of Joint Ventures					7.66					8.22
Net Profit Before Tax					874.35					730.05
Less: Income Tax (including Deferred Tax)					241.09					240.28
Net Profit After Tax					633.26					489.77
Additional Information:										
Depreciation and amortization					47.27					38.39
Non-cash expenses/(Income) other than depreciation and amortisation					18.63					28.55
Reversal of provisions					63.67					15.81
Profit(Loss) on sale of PPE					(0.01)					0.06

* Interest income includes interest on bank deposits, bonds, staff advances, loans, income tax refunds etc.

** Other income includes provision/liability no longer required, profit on sale of assets, export incentives, rental income from investment properties, dividend on current & non-current investments, exchange gain, etc.

Note: No impairment and its reversal has been recognized in Other Comprehensive Income (OCI) during the year

ended 31.03.2020 and previous year ended 31.03.2019.

2.44.8 Revenue of ₹ 1237.90 crore (previous year ₹ 775.03 crore) from major customers is given below:

(₹ in crore)

Description	Year ended 31.03.2020					Year ended 31.03.2019				
	Consul-tancy	Export Sales	Turnkey Construction Projects-Domestic	Power Generation	Total	Consul-tancy	Export Sales	Turnkey Construction Projects-Domestic	Power Generation	Total
Customer 1	324.57	-	404.65	11.20	740.42	282.88	-	473.52	18.63	775.03
Customer 2	-	497.48	-	-	497.48	-	-	-	-	-
Total	324.57	497.48	404.65	11.20	1237.90	282.88	-	473.52	18.63	775.03

Note: PSUs under the same Ministry have not been considered as one customer.

2.45 Disclosures on Indian Accounting Standard (Ind AS) 115, Revenue from contracts with customers are as follows:

2.45.1 Significant management judgments on Revenue Recognition:

Recognised amounts of contract revenues and related receivables reflect management's best estimate of each contract's outcome and stage of completion which is determined based on physical progress, efforts, cost incurred to date bear to the total estimated cost of the transaction, time spent, service performed or any other method that management considered appropriate. For more complex contracts in particular, costs to complete and contract profitability are subject to significant estimation and uncertainty.

2.45.2 Company has contracts with customers for different services which are given below:-

- Consultancy Services
- Export of rolling stock, equipments and spares
- Turnkey Construction Projects
- Power Generation

Beside above, company has contracts with customers for wet leasing which are covered under Indian Accounting standard (Ind AS) 116, Leases

2.45.3 Company has recognized revenue either on the basis of over time or point in time depending upon satisfaction of performance obligation on transferring control of goods or services to customers. Revenue has been recognized by the company over time basis if any one of the following condition is met:

- Customer simultaneously receives and consumes the benefits
- Company's performance creates or enhances an assets that the customer controls as the assets is created or enhanced
- Company's performance does not create with alternative use and company has enforceable right to payment for performance completed to date.
- In case, none of the above condition is met, revenue recognized by the company on the basis of point in time.

2.45.4 Disaggregation Revenue information:

The below presents Disaggregated Revenues from contract with customer for the year ended 31st March, 2020 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	Power generation	Total
	Domestic	Abroad	Domestic	Abroad				
2019-20	693.02	68.47	363.34	3.93	540.87	672.88	11.20	2353.71
2018-19	746.79	73.42	326.84	4.34	206.75	567.07	18.63	1943.84

2.45.5 Company is rendering many project management consultancy services for and on behalf of clients where fee is due to company for professional services.

2.45.6 In most of the cases, payments from customers are linked with performance obligations. Wherever on the reporting date work has been performed and payment is not due as per the contract, in such cases contract assets have been created. However, where payment has been received including advance but performance has

not been completed, in such cases contract liabilities have been created. Advances received by the company for execution of work are in the nature of security i.e. a source of protection and are not for financing the project.

- 2.45.7 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
- 2.45.8 During the year provision for impairment of amount receivable from client for services rendered/goods supplied amounting to ₹ 13.68 crore (previous year ₹ 25.03 crore) which includes provisions for lease services amounting to ₹ 0.18 crore (previous year ₹ 0.17 crore).
- 2.45.9 Balances of Receivables/Contract assets/Contract liabilities are as under:

(₹ in crore)

Particulars	As on 31.03.20	As on 31.03.19
Receivables includes lease receivables of ₹ 44.40 crore (Previous year ₹ 25.41 crore)	948.05	707.72
Contract assets	216.68	80.73
Contract liabilities includes lease liabilities of ₹ 0.26 crore (Previous year ₹ 0.27 crore)	134.61	172.54

- 2.45.10 During the year ended March 31, 2020, ₹ 44.11 crore and March 31st 2019, ₹ 8.93 crore of unbilled revenue as of April 1, 2019 and April 1st 2018 respectively has been reclassified to Trade receivables upon billing to customers on completion of milestones.
- 2.45.11 During the year ended March 31, 2020 ₹158.79 crore of contract liabilities as of April 1, 2019 has been recognised as revenue after completion of milestones.
- 2.45.12 The aggregate value of performance obligations that are completely or partially unsatisfied as at March 31, 2020 is ₹ 5325 crore which pertains to various segment of the Holding Company. Holding Company likely to recognize these revenue over a period ranging from one years to three years. The aggregate value of performance obligations that was completely or partially unsatisfied as at March 31, 2019 was ₹ 5945 crore which pertains to various segment of the company
- 2.45.13 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.
- 2.45.14 Cost incurred in fulfilling the contract is charged to Statement of Profit and Loss if it is not recoverable otherwise the same part of unbilled revenue and unbilled assets.
- 2.45.15 Group has assessed the impact of COVID-19 on revenue, which may be due to (i) constraints in rendering of services and supply of goods during lock down period, (ii) liquidated damages for breaching milestones, and (iii) termination or deferment of contracts by customers. Impact so assessed is insignificant for FY 2019-20. Further, Holding Company will continue to monitor developments to identify significant uncertainties relating to revenue in future periods

2.46 Disclosures on Indian Accounting Standard (Ind AS)-24, Related Party Disclosures are as follows:-

2.46.1.1 Joint Ventures

Name of Joint Ventures	Country	Holding as on	
		31.03.20	31.03.19
M/s SAIL-RITES Bengal Wagon Industry Private Limited	India	50%	50%
M/s BNV Gujarat Rail Private Limited*	India	26%	26%

*Ventures have decided to discontinue joint venture (BNV Gujarat Rail Private Limited) due to un-viability of project for which joint venture was created. Accordingly joint venture has not prepared its financial statement for financial year 2019-20 on going concern basis.

2.46.1.2 Other Related Parties

Name of Other Related Parties	Country	Nature of Relationship
RITES Contributory Provident Fund Trust	India	Post- Employment Benefit Plan of RITES
RITES Ltd. Superannuation Pension Trust	India	Post- Employment Benefit Plan of RITES
RITES Ltd. Retired Employees Medical Trust	India	Post- Employment Benefit Plan of RITES
RITES Employees Group Gratuity Cum Life Insurance Scheme Trust	India	Post- Employment Benefit Plan of RITES

2.46.1.3 Key Management Personnel

Holding Company

Chairman & Managing Director (Chief Executive Officer)

Mr. Rajeev Mehrotra

Whole Time Directors

Mr. Gopi Sureshkumar Varadarajan (Director Projects)

Mr. Anil Vij (Director Technical) (w.e.f. 04.11.2019)

Mr. Bibhu Prasad Nayak (Director Finance) (w.e.f. 07.11.2019)

Mr. Ajay Kumar Gaur (Director Finance & Chief Financial Officer) (Superannuated on 31.07.2019)

Mr. Mukesh Rathore (Director Technical) (Superannuated on 31.10.2019)

Government Nominee Directors

Mr. Alok Kumar Tewari

Mr. Vinay Srivastava (w.e.f 13.12.2019)

Mr. A.P. Dwivedi, Director Ceased to be director w.e.f. 13-11-2019

Mr. Bhupendra Kumar Agarwal, Director Ceased to be director w.e.f. 01-05-2019

Non-Executive (Independent) Directors

Dr. Pramod Kumar Anand

Dr. Rajendra N.Goyal

Ms. Geethakumary

Mr. Anil Kumar Goel

Mr. Satish Sareen

Chief Financial Officer

Mr. Parmod Kumar Narang (w.e.f. 01.08.2019)

Company Secretary

Mr. Ashish Srivastava, Company Secretary

Subsidiary Companies

1 Railway Energy Management Company Limited (REMCL)

Chairman

Mr. Rajeev Mehrotra

Whole Time Directors

Mr. Gopi Suresh kumar Varadarajan

Mr. Ajeet Kumar Srivastava

Mr. Shalabh Goel (Up to 19.11.2019)

Mr. Anil Ghai (Up to 31.05.2019)

Mr. Parmod Kumar Narang (From 01.06.2019)

Non-Executive (Independent) Directors

Mr. Pradeep Kumawat

Mrs. Sheela Kaul (From 25.07.2019)

Chief Executive Officer(CEO)

Mr. Sudhir Kumar Saxena (Up to 19.02.2020)

Mr. Alok Nath Mathur (From 20.02.2020)

Chief Financial Officer

Mr. Sunil Kumar Singh

Company Secretary

Mr. Ranjan Kumar Tiwary

2 RITES (Afrika) (Pty) Limited

Directors

Mr. Rajesh Kumar

Mr. Narayan Ganesh Babu

2.46.2 Transactions and Balances with Related Parties

Outstanding balances from the related parties are unsecured and considered good which are due in ordinary course of business and are being realized within reasonable time.

2.46.2.1 Joint Ventures

Transactions with Joint Ventures:

(₹ in crore)

Particulars	SAIL-RITES Bengal Wagon Industry Private Ltd.		BNV Gujarat Rail Private Limited	
	Year ended		Year ended	
	31.03.20	31.03.19	31.03.20	31.03.19
Investments (equity)	-	-	-	0.25
(Payable)/Advances	-	(0.02)	-	-
Operating Income (Consultancy Fee/ Income from Construction Turnkey Projects/Export Sales/ Leasing Service)	0.01	0.40	-	-
Interest on Loan given*	0.43	0.74	-	-
Provision for diminution in value of investment**	-	-	0.14	-

Balances with Joint Ventures:

(₹ in crore)

Particulars	SAIL-RITES Bengal Wagon Industry Private Ltd.		BNV Gujarat Rail Private Limited	
	As on		As on	
	31.03.20	31.03.19	31.03.20	31.03.19
Investments (equity)	24.00	24.00	0.26	0.26
Recoverable /(Payable)	(0.18)	(0.17)	-	-
Receivables	0.13	0.42	-	-
Loan (Working Capital)*	5.60	7.00	-	-
Interest accrued on loan given*	1.34	1.44	-	-

* With a moratorium period of 30 months up to July 2019 for principal and interest. Further, repayment of moratorium period interest is payable in 8 equal quarterly installments each to be paid in the next quarter from the quarter ending 31st March 2020.

** Holding Company has invested in M/s BNV Gujarat Rail Private Limited during the year 2016-17. Venture Company is incorporated in the year 2016-17 but no operation was started. During the year management reassessed viability of project and decided to transfer its share to other venture members at ₹ 4.77 per share. Accordingly during the year Holding company has made provision for impairment of ₹ 0.14 crore.

2.46.2.2 Transactions with other related parties (Post-Retirement Benefits Trusts/Plans):

Refer note no.2.43 & 2.46.1.3.

2.46.2.3 Transactions with Key Managerial Personnel:

(₹ in crore)

Description	Year ended 31.03.20	Year ended 31.03.19
Compensation to CMD, Whole Time Directors, CFO & Company Secretary:		
• Short Term Employee Benefits	4.48	3.94
• Post-employment Benefits	0.75	0.48
• Other Long Term Benefits	0.47	0.32
Sub-Total	5.70	4.74
Sitting fee to Non-Executive (Independent Directors)	0.29	0.27
Total	5.99	5.01

2.46.3 Entities under the control of same government

Government of India (GOI) as on 31st march 2020 is holding 72.02% equity shares of the company, which is 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 31.03.20	Year ended 31.03.19
Revenue	1034.78	841.93
Interest on Tax Free Bonds	9.02	9.02
Liability written back	-	0.19
Procurements	151.20	151.70
Fee for services obtained	8.19	40.34
Provision for bad debts	5.35	5.99
Consumables	0.07	0.43
Reimbursement/Recoverable	0.35	0.21

Significant balances with Government related entities:

(₹ in crore)

Particulars	As on 31.03.20	As on 31.03.19
Capital Advances	9.20	8.79
Other Advances	55.61	18.97
Payables	0.06	0.15
Advance Received	3.64	4.75
Clients Funds Received	157.12	221.59
Receivables	283.75	203.46
Tax Free Bonds	120.00	120.00
Interest on Tax Free Bonds	5.89	5.89
Recoverable	0.54	0.31

2.47 Disclosures on Indian Accounting Standard (Ind AS)116, Leases are as follows:

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases, and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.

The Group adopted Ind AS 116 "Leases" with effect from April 1, 2019, applied to all lease contracts existing on April 1, 2019 using the modified retrospective method, using the cumulative effect method and hence the comparative information is not restated.

2.47.1 Group as Lessee:-

Lease contracts entered into by the Group primarily pertains to buildings and land taken on lease for office space and for staff accommodation and one land for setting up its 26 MW windmill plant. The Group does not have any lease restrictions and commitment towards variable rent as per the contract.

During the year, on adoption of new standard resulted in recognition of 'Right of Use'(ROU) asset of ₹ 8.52 crore and a lease liability by the same amount. The principal portion of the lease payments have been disclosed under cash flow from financing activities. The lease payments for operating leases as per Ind AS 17 - Leases, were earlier reported under cash flow from operating activities. Company has no borrowing, as such 3 year SBI MCLR rate (8.75%) at the date of initial application has been considered as weighted average incremental borrowing rate for calculation of present value of lease liability.

The Company has leases that were classified as operating leases applying Ind AS 17 against which company has made one time upfront payment in full. For such leases, the carrying amount of the right-of-use asset at the date of initial application of Ind AS 116 is the carrying amount of pre-payment towards leasehold assets at the date of initial application. Accordingly, an amount of ₹ 7.17 crore has been reclassified from pre-payment towards leasehold assets to right-of-use assets.

The Group has also leases that were classified as finance leases applying Ind AS 17 against which Group has made one time upfront payment in full. For such leases, the carrying amount of the right-of-use asset at the date of initial application of Ind AS 116 is the carrying amount of the lease asset on the transition date as measured applying Ind AS 17. Accordingly, an amount of ₹ 10.15 crore has been reclassified from property, plant and equipment to right-of-use assets.

On application of Ind AS 116, the nature of expenses has changed from operating lease payment/rent in previous periods to depreciation cost for the right-to-use asset and finance cost for interest accrued on lease liability.

The effect of Implementation of Ind AS-116 is insignificant on the profit for the year and earnings per share.

2.47.1.1 The following is the summary of practical expedients elected on initial application:

- The Company has used a single discount rate to a portfolio of leases with similar characteristics.
- 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
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
- Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

2.47.1.2 Following are the changes in the carrying value of right of use assets for the year ended March 31, 2020:

(₹ in crore)

Particulars	Category of ROU Assets			
	Land	Building	Residential Quarters	Total
Balance as at April 1, 2019	-	-	-	-
Reclassified on account of adoption of Ind AS 116	0.91	12.08	4.33	17.32
Reclassification of investment property	-	0.78	-	0.78
Additions	1.94	6.58	-	8.52
Deletion	-	-	-	-
Depreciation	0.36	2.15	0.25	2.76
Balance as at March 31, 2020	2.49	17.29	4.08	23.86

Depreciation on right-of-use assets is as follows:

(₹ in crore)

Description	Year Ended March 31, 2020
Land	0.36
Building	2.15
Residential qtrs	0.25
Total	2.76

2.47.1.3 The following is the break-up of current and non-current lease liabilities as at March 31, 2020:

(₹ in crore)

Particulars	As at March 31, 2020
Current lease liabilities	2.83
Non-current lease liabilities	4.38
Total	7.21

2.47.1.4 The following is the movement in lease liabilities during the year ended March 31, 2020:

(₹ in crore)

Particulars	As at March 31, 2020
Balance as at April 1, 2019	-
Additions	8.52
Finance cost accrued during the period	0.51
Payment of lease liabilities	1.82
Balance as at March 31, 2020	7.21

2.47.1.5 The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2020 on an undiscounted basis:

(₹ in crore)

Particulars	As at March 31, 2020
Less than one year	3.37
One to five years	4.71
More than five years	-
Total	8.08

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

2.47.1.6 During the year ended 31 March 2020, the Group incurred expenses amounting to ₹ 8.79 crore on account of short-term leases and leases of low-value assets. For the year ended 31 March 2020 the total cash outflows for leases, including short-term leases and low-value asset amounted to ₹ 10.61 crore.

2.47.1.7 The Group does not have any lease restrictions and commitment towards variable lease rent as per the contract.

2.47.1.8 The Group has no commitments towards Leases yet to be commenced as on 31.03.2020.

2.47.1.9 The Group has not sub-leased any of the assets taken on lease.

Operating Lease - Group as lessor

The Group is not required to make any adjustments on transition to Ind AS 116 for leases in which it acts as a lessor.

2.47.2 The holding company has leasing arrangement of locomotives in domestic and overseas markets mainly on cancelable basis which includes providing services of its experts for maintenance of these locomotives for which lease rent is received from the clients as per terms of the contracts.

2.47.2.1 Detail of the leased assets: New & In-Service Locomotives (refer note no. 2.1)

(₹ in crore)

Description	Year ended 31.03.20	Year ended 31.03.19
Gross carrying amount	365.79	320.08
Accumulated depreciation	117.35	87.75
Net carrying amount	248.44	232.33
Depreciation provided for the year	29.60	23.92

Future minimum lease payments receivable under long-term operating leases in the aggregate is Nil (Previous Year ₹ 2.22 crore) and for each of the following period:

Particulars	As at 31.03.20	As at 31.03.19
Less than one year	-	2.22
Between one and five years	-	-
More than five year	-	-

2.47.2.2 Details of the leased assets

Holding company has leased 545 sq.m. area of furnished accommodation at Scope Office Complex to Railway Board, Indian Railways. The lease arrangement was upto 31st October, 2018.

(₹ in crore)

Description	Year ended 31.03.20	Year ended 31.03.19
Gross carrying amount	-	0.96
Accumulated depreciation	-	0.13
Net carrying amount	-	0.83
Depreciation provided for the period	-	0.03

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.

2.48 Indian Accounting Standard(Ind-AS) 33, Disclosure on Earning Per Share (EPS) are as follows:

Particulars	Year ended 31.03.20	Year ended 31.03.19
A Net Profit available for Equity Shareholder (₹ in crore)	616.10	469.51
B Weighted average number of Equity Shares	250,000,000	250,000,000
C Earnings Per Share (Basic & Diluted) (A)/(B)	₹ 24.64	₹ 18.78
D Face value per equity share	₹ 10/-	₹ 10/-

As per requirement of Ind AS 33, the basic and diluted earnings per share for the year ended 2018- 19 has been computed on the basis of number of shares, post bonus issue i.e 25 crore equity shares of ₹ 10/- each.

2.49 Disclosure of Indian Accounting Standard (Ind-AS)-112, Interest in Other Entities are as follows:

2.49.1 Subsidiaries

The subsidiary companies considered in the financial statements are as follows:

Name of Subsidiary Companies	Country of Incorporation	Functional Currency	% of Shareholding as on 31.03.20	% of Shareholding as on 31.03.19	Principal activities
• RITES (Afrika) (Pty) Limited	Botswana	Pula	100%	100%	Consultancy
• Railway Energy Management Company Limited (REMCL)	India	INR	51%	51%	Generation and procurement of power

2.49.2 Disclosure in respect of subsidiary that has non-controlling interests:

2.49.2.1 Dividend to non-controlling interest by subsidiary company amounting to ₹ 6.08 crore

2.49.2.2 Summarised financial information of the subsidiary that has non-controlling interests are as under:

(₹ in crore)

Description of Subsidiary that have non -controlling interest	Railway Energy Management Company Limited (REMCL)	
	31.03.2020	31.03.2019
Non-Current Assets	181.97	142.32
Current Assets, Loans & Advances	42.13	65.14
Current Liabilities & Provisions	16.99	19.17
Non Current Liabilities and provisions	40.83	42.07
Capital	70.00	70.00
Retained Earnings /(losses)	96.28	76.23

(₹ in crore)

Description of Subsidiary that have non -controlling interest	Railway Energy Management Company Limited (REMCL)	
	31.03.2020	31.03.2019
Total Revenue	80.96	83.03
Expenditure including tax	45.95	41.69
Profit After tax	35.02	41.34
Proportion of ownership interest held by non controlling interest	49%	49%
Profit/(loss) allocated to non controlling interest	17.16	20.26
Accumulated non-controlling interest of the subsidiary at the end of the reporting period	47.18	37.35
Additional information:		
Cash and Cash Equivalents*	2.12	11.72
Current financial liabilities (excluding trade and other payables and provisions)	12.25	15.25
Non- Current financial liabilities (excluding trade and other payables and provisions)	32.59	39.93
Depreciation and Amortisation	6.34	6.21
Interest Income	1.61	1.53
Interest Expense	3.84	4.43
Income tax expenses or (income)	14.73	8.12

*Cash and cash equivalents Balances include Fund on behalf of client.

2.49.3 The Holding Company has following Joint Arrangements:

Name of Joint Arrangements	Nature of Interest/Relationship with Joint Arrangements	Principal Place of Business of Joint Arrangements	Proportionate ownership interest or participating share
Joint ventures			
SAIL - RITES Bengal Wagon Industry Private Limited	RITES has formed a Joint Venture with SAIL for manufacturing Wagons at SGW, Kulti, West Bengal.	India	50%
BNV Gujarat Rail Private Limited	RITES has formed a Joint Venture with Shapoorji Pallonji Roads Private Limited and PCM Cement Concrete Private Limited to set up, own, operate, finance and maintain the Bhuj-Naliya-Vayor rail connectivity project in Kutch district of the state of Gujarat	India	26%
Joint operations			
Geoconsult - RITES	RITES has formed a Joint venture with M/s. Geoconsult-ZT-Gmbh (Austria) for detailed design consultancy and construction supervision of about 11 kms long railway tunnel in J&K State. Both the venturers contributed in the seed money as agreed for operational and execution purposes.	India	13%
Geoconsult - RITES, NRT-1	RITES has formed a Joint venture with M/s. Geoconsult-ZT-Gmbh (Austria) for detailed design consultancy and construction supervision of Tunnel No.1 (3.1 km long) on Udampur - Katra Section for the USBRL project in the state of J&K.	India	16%

Name of Joint Arrangements	Nature of Interest/Relationship with Joint Arrangements	Principal Place of Business of Joint Arrangements	Proportionate ownership interest or participating share
Geoconsult ZT GmbH - RITES	RITES has formed a Joint venture with M/s. Geoconsult ZT GmbH (Austria) for detailed design and construction supervision of Tunnel No.10 (Approx. Length 3.3 km) in connection with Jiribam-Tupul new railway line project in the state of Manipur.	India	39.40%
Geoconsult-RITES (JV)	RITES has formed a Joint venture with M/s. Geoconsult India Pvt. Ltd. for instrumentation, monitoring and design of remedial works as per requirement for vulnerable locations for two monsoon seasons in Lumding-Silchar BG Rail Line.	India	35.01%
RICON	RITES has formed a Joint Venture with M/s. IRCON International Ltd. to secure and execute contracts to be awarded by M/s Companhia Dos Caminhos de Ferro Da Beira, SA, Mozambique to RICON for rendering Management Support Services, Consultancy Works, Project Management, Construction Supervision, Supply of Materials, Rolling Stock and equipment, Works Contracts, Leasing of Equipments / Rolling Stocks etc.	India	51%

2.49.4 Disclosures in respect of Joint Ventures:

2.49.4.1 Investment is measured at cost.

2.49.4.2 Summarised financial information of the Joint Ventures is as under:

Description / JVs	(₹ in crore)			
	SAIL-RITES BENGAL WAGON INDUSTRY PRIVATE LIMITED		BNV Gujarat Rail Private Limited	
	Year ended 31.03.20	Year ended 31.03.19	Year ended 31.03.20	Year ended 31.03.19
Non Current Assets	94.59	98.02	-	0.13
Current Assets, Loans & Advances	82.41	71.62	0.48	0.80
Current Liabilities & Provisions	85.58	90.77	-	0.02
Non Current Liabilities and provisions	33.88	36.87	-	-
Capital	48.00	48.00	1.00	1.00
Retained Earnings /(losses)	9.54	(5.99)	(0.52)	(0.08)
Revenue	265.45	216.98	-	-
Expenditure including tax	249.92	200.49	0.44	0.07
Profit/(Loss) After tax	15.53	16.49	(0.44)	(0.07)
Additional information:				
Cash and Cash Equivalents	0.03	0.02	0.48	0.77
Current financial liabilities (excluding trade and other payables and provisions)	52.23	59.23	-	-
Non- Current financial liabilities (excluding trade and other payables and provisions)	32.70	36.87	-	-
Depreciation and Amortisation	7.38	6.81	-	-
Interest Income	-	0.01	-	-
Interest Expense	8.45	8.06	-	-
Income tax expenses or (income)	0.03	1.37	-	-

Holding Company has invested in M/s BNV Gujarat Rail Private Limited during the year 2016-17. Venture Company is incorporated in the year 2016-17 but no operation was started. During the year management reassessed viability of project and decided to transfer its share to other venture members at ₹ 4.77 per share. Accordingly during the year Holding Company has made provision for impairment of ₹ 0.14 crore

2.49.4.3 Reconciliation of Company's interest in Joint Ventures:

(₹ in crore)

Description / JVs	SAIL-RITES BENGAL WAGON INDUSTRY PRIVATE LIMITED		BNV GUJARAT RAIL PRIVATE LIMITED	
	As on 31.03.20	As on 31.03.19	As on 31.03.20	As on 31.03.19
Net Assets				
Net Assets of Joint Venture	57.54	42.00	0.48	0.92
Proportionate share in Joint Venture (%)	50%	50%	26%	26%
Share of interest in net assets of Joint Venture	28.77	21.00	0.12	0.24
Carrying amount of interest in Joint Venture	28.77	21.00	0.12	0.24
	Year ended 31.03.20	Year ended 31.03.19	Year ended 31.03.20	Year ended 31.03.19
Net Profits				
Net Profit/(Loss) After Tax of Joint Venture	15.53	16.49	(0.44)	(0.07)
Proportionate share in net profit of Joint Venture (%)	50%	50%	26%	26%
Share of interest in net profit of Joint Venture	7.77	8.24	(0.11)	(0.02)
Amount of interest in net profit of Joint Venture	7.77	8.24	(0.11)	(0.02)

There is no restriction on the ability of Joint Ventures to transfer funds to the company in the form of cash dividends or to repay loans and advances made by the company.

2.49.4.4 All the investments in Joint Ventures are non-tradable in market.

2.49.5 Summarised financial information of the Joint Operations:

(₹ in crore)

Description / JVs	RICON		Geoconsult-RITES		Geoconsult - RITES, NRT-1		Geoconsult ZT GmbH - RITES		Geoconsult-RITES(JV)	
	Year ended 31.03.20	Year ended 31.03.19	Year ended 31.03.20	Year ended 31.03.19	Year ended 31.03.20	Year ended 31.03.19	Year ended 31.03.20	Year ended 31.03.19	Year ended 31.03.20	Year ended 31.03.19
Non Current Assets	3.24	3.25	-	-	-	-	-	0.01	-	-
Current Assets, Loans & Advances	-	18.98	6.02	5.84	5.05	3.68	2.43	1.78	0.39	1.72
Current Liabilities & Provisions	-	0.77	4.20	3.99	4.16	3.46	2.44	2.37	0.01	0.83
Non Current Liabilities & Provisions	-	-	-	-	-	-	-	-	-	-
Capital	-	-	-	-	-	-	-	-	-	-
Retained Earnings / (losses)	3.24	21.46	1.82	1.85	0.89	0.22	(0.01)	(0.58)	0.38	0.89
Revenue	0.58	0.62	0.12	0.10	1.49	0.11	1.55	1.85	0.10	3.16
Expenditure including Tax	1.13	0.17	0.16	0.07	0.82	0.10	0.98	1.69	0.21	2.68
Profit/(Loss) After tax	(0.55)	0.45	(0.04)	0.03	0.67	0.01	0.57	0.16	(0.11)	0.48

(₹ in crore)

Description / JVs	RICON		Geoconsult-RITES		Geoconsult - RITES, NRT-1		Geoconsult ZT GmbH - RITES		Geoconsult-RITES(JV)	
	Year ended 31.03.20	Year ended 31.03.19	Year ended 31.03.20	Year ended 31.03.19	Year ended 31.03.20	Year ended 31.03.19	Year ended 31.03.20	Year ended 31.03.19	Year ended 31.03.20	Year ended 31.03.19
Additional information:										
Cash and Cash Equivalents	-	-	0.10	0.31	1.57	1.22	0.00	0.10	0.05	1.25
Current financial liabilities (excluding trade and other payables and provisions)	-	-	-	-	-	-	0.13	0.13	-	-
Non- Current financial liabilities (excluding trade and other payables and provisions)	-	-	-	-	-	-	-	-	-	-
Depreciation and Amortisation	-	-	-	-	-	-	-	-	-	-
Interest Income	0.58	0.62	0.12	0.10	1.49	0.11	0.02	0.01	-	-
Finance cost	-	-	-	-	-	-	-	-	-	-
Income tax expenses or (income)	0.02	0.17	0.01	0.02	0.52	0.01	-	-	-	0.23

2.49.6 Holding Company jointly participated in the followings projects with other entities:-

Project Name	Name of entities
General Consultancy to Delhi Metro Rail Corporation Ltd. for Delhi Mass Rapid Transit System Project-Phase-III.	M/s Oriental Consultants Co. Ltd. M/s Parsons Brickerhoff International INC. M/s Tonichi Engineering Consultants INC.
General Consultancy to Bangalore Metro Rail Corporation Ltd. for Bangalore Metro.	M/s Oriental Consultants Co. Ltd. M/s Parsons Brickerhoff International INC. M/s Systra SA
General Consultancy to Metro Link Express for Gandhinagar & Ahmedabad (MEGA) Company Ltd. for Mass Rapid Transit System project at Ahmedabad.	M/s Systra SA France (Lead). M/s Oriental Consultants Global Co. Ltd., Japan. M/s AECOM Asia Company Ltd., HongKong.
General consultancy to Nagpur Metro Rail Corporation Ltd. for Nagpur Metro.	M/s Systra, France M/s AECOM Asia Co. Ltd. M/s EGIS Rail S.A.
General consultancy to Pune Metro Rail Corporation Ltd. for Pune Metro.	M/s Systra, France M/s AECOM Asia Co. Ltd. M/s EGIS Rail S.A.
Detailed design consultancy services for power supply & distribution system, 750 V DC, 3rd rail traction electrification & SCADA system of Metro Link Express for Ghandhinagar & Ahmedabad (MEGA) Company Ltd. for mass Rapid Transit System Project at Ahmedabad.	M/s TUV SUD South Asia Pvt. Ltd. (TUV)
Feasibility report /DPR for development and operation of airport at Singrauli, M.P.	M/s KPMG
Development of six lane supervision cable Greenfield bridge over river Ganga from Kacchi Dargah on NH-30 to Bidupur in District Vaishali on NH-103.	M/s IDFC Limited M/s Infrastructure Development Corporation (Karnataka) Limited (IDeCK)
Preparation of feasibility report for proposed six lane bridge over river Brahmaputra connecting Narengi (near Guwahati) with Kurua (at North Bank) with a road link up to Dumnichowki on NH-52, Assam.	M/s STUP Consultants Pvt. Limited M/s Gifford India Pvt. Limited

Project Name	Name of entities
Project Management Consultancy for river morphological analysis and design of river training and bank protection works in the state of Uttarakhand.	M/s DHI (India) Water & Environment Pvt. Ltd.
Consultancy for feasibility studies for package-2 (Mumbai-Chennai) of Diamond Quadrilateral Network of High Speed Rail Corridors.	M/s Systra M/s Ernst & Young LLP
TEFR Study for Development of Integrated Multimodal Logistics Hub(IMLH) at Nangal Chaudhary in Haryana.	M/s KPMG M/s LnT IEL
DPR for MRTS in Vijayawada	M/s Systra SA, France M/s Gopa Omfra GmbH
Project Management Consultancy Services (PMC) for Improvement of Ashuganj River Port- Sarail-Dharkhar-Akhaura Land Port Road as 4-lane National Highway project in Bangladesh.Package No. PD/LOC-2/SP-01	Modern Engineers Planners & Consultants Limited, Bangladesh.
Feasibility and DPR for MRTS in Coimbatore	M/s Systra SA, France
PMC Services from concept to completion for construction/ modification & extension of existing passenger terminal building at Srinagar Airport.	M/s Behal Joshi & associates

2.50 Group 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 fixed assets.

2.51 In case of Holding Company Disclosures on Indian Accounting Standard (Ind AS) 37, Provisions, Contingent Liabilities and Contingent Assets are as follows:

2.51.1 Provision includes mainly towards warranty which has been made for fulfillment of warranty obligation after export sale of rolling stocks/ locomotives & spares. Estimation of such provision is based on past experience, nature of rolling stock exported to various clients and period specified in the agreements with them. Actual expenditure may vary during the warranty period as per the requirements.

(₹ in crore)

Items	Carrying amount 01.04.19	Additional Provision made during the period	Provisions used during the period	Unused amount reversed during the period	Increase/ (decrease) in discounted amount	Carrying amount as on 31.03.20
Warranties	39.94	20.62	3.63	-	1.09	58.02
Commitments	7.07	-	-	0.05	-	7.02

(₹ in crore)

Items	Carrying amount 01.04.18	Additional Provision made during the year	Provisions used during the year	Unused amount reversed during the year	Increase/ (decrease) in discounted amount	Carrying amount as on 31.03.19
Warranties	41.36	6.90	5.33	4.66	1.67	39.94
Commitments	-	7.07	-	-	-	7.07

Effect of change in the discount rate:

As per the agreements with the customers, warranty periods are varying from two to five years, i.e. extending beyond one year, require discounting to work out net present value of such provisions made towards warranty.

Discount rate is based on the average of interest rates in Fixed Deposits with banks during the reporting period. Average interest rate for the year 2019-20 is of 6.47% vice 7.65% for the year 2018-19. The effect of interest rate change on the above provisions is ₹ 0.36 crore.

Commitments pertain to estimated expenditure to be incurred for removing the defects in connection with construction/PMC projects and estimated period for utilization of provision for commitments is less than one year.

2.51.2 Contingent liabilities and commitments to the extent not provided for include:

2.51.2.1 Contingent Liabilities (As certified by the Management)

(I) Claims (excluding interest) against the Holding Company not acknowledged as debts are ₹ 31.71 crore (previous year ₹ 45.32 crore). These Claims includes ₹ 25.92 crore (previous year ₹ 25.92 crore) against the holding company for which holding company has made counter claims of ₹ 63.00 crore (previous year ₹ 63.00 crore) on the executing agency (refer note no. 2.51.2.3.2).

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.

(II) Other money for which the Holding Company is contingently liable:

(a) Demand on account of income tax includes of ₹ 8.33 crore (excluding interest) (previous year ₹ 6.87 crore) which are being contested by the Holding Company. This excludes ₹ 12.28 crore relating to cases where company has already won the same at different appellate authorities during earlier years, against which income tax department has gone for appeal at higher appellate authorities. In similar cases of past years, the appeal of the income tax department has also been dismissed.

(b) Demand on account of service tax, VAT etc. amounting to ₹ 2.45 crore (previous year ₹ 4.38 crore) which are being contested by the Holding Company at different forums.

(III) In case of REMCL, contingent liability on account of wheeling & transmission charges for 26MW wind mill plant of company at Jaisalmer, an amount of ₹ 1.62 crore (previous year ₹ 1.62 crore) for which company may be contingently liable to Rajasthan State utilities (Refer note no: 2.69).

(iv) Further these claims does not include claim against Group for and on behalf of the client and management does not foresee any liability on the Group Company as the same are being contesting by the Holding Company for and on behalf of the client.

2.51.2.2 Commitments

Gross estimated amount of capital commitment is ₹ 185.57 crore (previous year ₹ 219.92 crore) against which amount of contracts remaining to be executed on capital account as certified by the management and not provided for amounting to ₹ 150.24 crore (previous year ₹ 151.40 crore).

2.51.2.3.1 In a pre-closed contract in the year 2005-06, company raised claims of ₹ 233.93 crore (previous year ₹ 233.93 crore) against a client and the client raised counter claims of ₹ 469.10 crore (previous year ₹ 469.10 crore).

The sole arbitrator on 19th January, 2011 rejected the aforesaid counter claims of the client and awarded ₹ 88.31 crore in favour of the company against claims of ₹ 233.93 crore. Company filed an appeal before the appellate authority on 21st March, 2011 against the said award. Further on 16th September, 2011, the appellate authority awarded ₹ 231.68 crore with applicable interest in favour of the company. Client filed a petition in the Civil Court of Ranchi on 31st July, 2011 & thereafter amendment for setting aside the aforesaid award of the appellate authority. The said petition of client was dismissed by the court on 22.11.2017 and preliminary objections of company is allowed. Thereafter the company filed writ petition before Hon'ble Jharkhand High court on 05.07.2018 to issue the direction to client to pay the awarded amount. Till date no hearing is schedule by the Hon'ble Jharkhand High court.

2.51.2.3.2 The executing agency also raised claims (excluding interest) of ₹ 184.41 crore (previous year ₹184.41 crore) against the Holding Company before the arbitration tribunal at Ranchi and company has raised the counter claims of ₹ 644.53 crore (previous year ₹ 644.53 crore) against the executing agency for the contract which became void due to commitment of fraud by the agency, thus terminated. Both the parties had concluded their arguments before the Tribunal and award was published on 18th October, 2016 in favour of the company. As per the award, Company was to get ₹ 63.00 crore from executing agency effective from the date of publication of award i.e. 18th October, 2016. The executing agency had filed two petitions i.e. arbitration appeal before Hon'ble Jharkhand High Court on 25.05.2017 and commercial revocation to set aside the award before the commercial Court, Ranchi on 06.01.2018. The arbitration appeal has already been dismissed by Hon'ble Jharkhand High Court on 11.03.2019. The commercial revocation has also been dismissed on 29.06.2019. Now RITES limited filed the commercial execution case no.03 of 2020 on 16.01.2020 before commercial court Ranchi to execute the award amount. Same is pending and next date of hearing is fixed on 03.08.2020. In view of above, the company has not recognized the award amount in the books of account.

Further, Company has to pay ₹ 25.92 crore to executing agency after receiving the said amount from the client as per above para (2.51.2.3.1). The said amount of ₹ 25.92 crore is included in the contingent liabilities.

2.51.2.3.3 In case of holding company, cumulative interest up to 31.03.2020 due from the executing agency of ₹ 30.02 crore (previous year ₹ 28 crore) on mobilization advance of ₹ 16.80 crore has not been recognized as income due to uncertainty as regard to realizability. This includes Interest of ₹ 2.02 crore for the year (previous year ₹2.02 crore).

2.52 In case of Holding Company, Indian Accounting Standard (Ind AS) 40, Disclosures on Investment Property are as follows:

2.52.1 Amounts recognized in the Statement of Profit and Loss are as follows:

(₹ in crore)

Particulars	Year ended 31.03.20	Year ended 31.03.19
Rental income	-	0.57
Direct proportionate operating expenses relating to rental income (including repair & maintenance)	-	0.29
Profit before depreciation	-	0.28
Depreciation for the period	-	0.03
Profit from investment property	-	0.25

During the year company intended to leased out furnished accommodation area of 366 sq. m. which could not be materialized. Now company has changed its intention to lease such accommodation and accordingly same is converted into property plant and equipments during the year.

2.53 Financial Instruments of Group

2.53.1 Financial Instruments by category

The carrying value and fair value of financial instruments categories-wise as on 31st March, 2020 are as under:

(₹ in crore)

Particulars	Total carrying value	Amortised Cost	Financial assets/liabilities at fair value through profit or loss		Financial assets/liabilities at fair value through OCI	
			Designated upon initial recognition	Mandatory	Designated upon initial recognition	Mandatory
Financial Assets:						
Cash and Bank Balance - Owned Fund	1110.98	1110.98	-	-	-	-
Cash and Bank Balance- Client Fund	2520.47	2520.47	-	-	-	-
Investments:						
Equity	0.04	-	-	0.04	-	-
Tax Free Bonds	120.00	120.00	-	-	-	-
Liquid Plan of Mutual Funds	111.66	-	-	111.66	-	-
Trade Receivables	843.74	843.74	-	-	-	-
Loans	35.52	35.52	-	-	-	-
Other Financial Assets	267.41	267.41	-	-	-	-
Total	5009.82	4898.12	-	111.70	-	-
Financial Liabilities:						
Borrowing	40.26	40.26	-	-	-	-
Trade Payables	135.78	135.78	-	-	-	-
Lease Liability	7.21	7.21	-	-	-	-
Other Financial Liabilities	2756.40	2756.40	-	-	-	-
Total	2939.65	2939.65	-	-	-	-

The carrying value and fair value of financial instruments categories-wise as on 31st March, 2019 are as under:

(₹ in crore)

Particulars	Total carrying value	Amortised Cost	Financial assets/liabilities at fair value through profit or loss		Financial assets/liabilities at fair value through OCI	
			Designated upon initial recognition	Mandatory	Designated upon initial recognition	Mandatory
Financial Assets:						
Cash and Bank Balance - Owned Fund	1303.37	1303.37	-	-	-	-
Cash and Bank Balance-Client Fund	2230.36	2230.36	-	-	-	-
Investments:						
Equity	0.04	-	-	0.04	-	-
Tax Free Bonds	120.00	120.00	-	-	-	-
Trade Receivables	609.52	609.52	-	-	-	-
Loans	29.43	29.43	-	-	-	-
Other Financial Assets	189.80	189.80	-	-	-	-
Total	4482.52	4482.48	-	0.04	-	-
Financial Liabilities:						
Borrowing	47.60	47.60	-	-	-	-
Trade Payables	198.66	198.66	-	-	-	-
Other Financial Liabilities	2436.28	2436.28	-	-	-	-
Total	2682.54	2682.54	-	-	-	-

2.53.2 Fair value hierarchy & valuation techniques

To provide an indication about the reliability of method used in determining fair value, group has classified its financial instruments into three levels prescribed under the Indian Accounting Standard (Ind AS) 113, on Fair Value 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 31st March, 2020 are as follows:

(₹ in crore)

Particulars	Carrying Value As on 31.03.20	Fair Value As on 31.03.20	Level
Financial Assets:			
Investments:			
Equity*	0.04	0.04	III
Tax Free Bonds	120.00	129.80	II
Liquid Plan of Mutual Fund	111.66	111.66	I
Trade Receivables**	843.74	843.74	III
Loans**	35.52	35.52	III
Other Financial Assets**	267.41	267.41	III
Financial Liabilities:			
Borrowings	40.26	40.26	III
Trade Payables**	135.78	135.78	III
Lease Liability	7.21	7.21	III
Other Financial Liabilities**	2756.40	2756.40	III

Fair value hierarchies of assets and liabilities as on 31st March, 2019 are as follows:

(₹ in crore)

Particulars	Carrying Value As on 31.03.19	Fair Value As on 31.03.19	Level
Financial Assets:			
Investments:			
Equity*	0.04	0.04	III
Tax Free Bonds	120.00	126.89	II
Trade Receivables**	609.52	609.52	III
Loans**	29.43	29.43	III
Other Financial Assets**	189.80	189.80	III
Financial Liabilities:			
Borrowings	47.60	47.60	III
Trade Payables**	198.66	198.66	III
Other Financial Liabilities**	2436.28	2436.28	III

* Equity shares of ₹ 0.04 crore of Global Procurement Consultants Limited (GPCL) which are not tradable and amount of investment in the entity is immaterial, hence investment is recognized at cost and same is considered as its fair value.

** The carrying amounts of trade receivables, trade payables, cash and cash equivalents, short term loans, other current financial assets and liabilities are considered to be same as their Fair value due to their short-term nature.

2.54 Financial Risk Management

The Group's activities are exposed to a variety of financial risks: market risk, credit risk and liquidity risk. The Group's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The Group's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from few customers.

2.54.1 Market Risk of Holding company

The Company operates internationally and a major portion of the business is transacted in several currencies and consequently the Company is exposed to foreign exchange risk for its sales and services in the Middle East and South Asian countries. The exchange rates between the rupee and foreign currencies have changed substantially in recent years which may also fluctuate substantially in the future. However, company has currency risk management policy and exchange fluctuations are regularly monitored by the risk management committee to mitigate this risk. Policy covers various aspects of currency risk management, benchmarking, hedging and risk appetite, permissible instruments, hedging policy, structure of the risk management committee and treasury group, reporting procedures etc.

Analysis of foreign currency risk from financial instruments is as follows:

Particulars	As on 31.03.2020	As on 31.03.2019	As on 31.03.2020	As on 31.03.2019
	US Dollar (Figure in Millions)		(₹ in crore)	
Cash & Cash equivalents	3.27	1.83	24.22	12.45
Loans	0.01	0.01	0.05	0.06
Trade Receivables	30.73	12.22	227.80	83.25
Other financial assets	9.65	0.05	71.54	0.35
Trade Payable	(3.06)	(2.85)	(22.68)	(19.39)
Other financial liabilities	(0.39)	(0.43)	(2.86)	(2.95)
Net assets/(liabilities)	40.21	10.83	298.07	73.77

For the year ended 31st March, 2020 and year ended 31st March, 2019, every percentage increase/decrease in the exchange rate between the INR & US Dollar has affected the Company's incremental margins by approximately 0.34% (previous year 0.10%) each.

Sensitivity analysis is computed based on the changes in the income and expenses in foreign currency upon conversion into functional currency, due to exchange rate fluctuations between the previous reporting year and the current reporting year.

The above foreign currency exposure is unhedged as these are covered through foreign currency risk management policy.

2.54.2 Credit Risk of Group

Credit Risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. Primarily exposure to the credit risk is from trade receivables amounting to ₹ 948.04 crore (previous year ₹ 707.72 crore) and unbilled revenue amounting to ₹114.77 crore (previous year ₹ 46.41 crore) which are typically unsecured. Credit risk is being managed by continuously monitoring the outstanding dues from the customers. Trade Receivables towards export sales are generally managed by establishing Letter of Credit with the customer. Further most of the clients of the company are Government or Government Undertakings; hence credit risk is bare minimum and company also does not foresee any impact on credit risk of the company due to outbreak of COVID-19. Company has impaired, as a prudent measure, the trade receivables towards expected credit loss as per company accounting policy to the extent of ₹ 104.30 crore (previous year ₹ 98.20 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	115.17	33.49	21.86	126.80
2	Amount Recoverable from Foreign Client	62.61	2.38	64.99	-

No significant credit risk on cash and bank balances including clients' funds amounting to ₹ 3631.45 crore (previous year ₹ 3533.73 crore) is expected as holding company and its Indian Subsidiaries parks surplus funds with Schedule Banks having good credit adequacy ratio and least NPA as determined by RBI and guidelines of the respective companies. Holding Company and its Indian Subsidiaries has parked its owned funds in fixed deposits of ₹ 1071.20 crore (previous year ₹ 1270.39 crore) with Schedule banks with negligible credit risks.

Non-Strategic Investments primarily include investments in liquid mutual fund units of ₹111.66 crore (previous year Nil) and tax free bonds of ₹ 120 crore (previous year ₹ 120 crore) issued by Public Sector Undertaking where risk is minimal.

Company has given loans to employees and one of its joint ventures. House building, Multi-purpose loans etc. to the employee are secured by way of insurance and mortgage of the house properties or hypothecation of vehicles in line with the policies of the company. The loan provided to the joint venture is long term. The risk of default in respect of these loans is considered negligible.

2.54.3 Liquidity Risk of Group

Group's principal sources of liquidity are "cash and cash equivalents" and the cash flow that is generated from operations. Group has outstanding bank borrowings of ₹ 40.26 crore (previous year ₹ 47.60 crore). Group has a working capital of ₹ 2112.17 crore (previous year ₹ 1840.76 crore) including cash and bank balance (owned funds) of ₹ 1110.35 crore (previous year ₹ 1302.24 crore) and current investment ₹ 111.66 crore (previous year Nil). Outbreak of COVID-19 has slightly impacted the realisation from customers, however due to company's cash & bank balances position, Company does not foresee its impact on liquidity of company. Group 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 Group's financial liabilities into relevant maturity groupings based on their contractual maturities. The amounts disclosed in the table are the contractual undiscounted cash flows.

(₹ in crore)

Contractual maturities of financial Liabilities	Within a year	Between 1-5 Years	Beyond 5 Years	Total
31st March, 2020				
Trade Payables	135.78	-	-	135.78
Lease Liabilities	3.37	4.71	-	8.08
Other Financial Liabilities	2,593.17	163.23	-	2,756.40
Borrowings	7.67	30.66	1.93	40.26
Total	2739.99	198.60	1.93	2940.52
31st March, 2019				
Trade Payables	198.66	-	-	198.66
Other Financial Liabilities	2,258.91	177.37	-	2436.28
Borrowings	7.67	30.66	9.27	47.60
Total	2,465.24	208.03	9.27	2,682.54

2.54.4 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.

2.55 Disclosures on Indian Accounting Standard (Ind -AS) 8, Accounting Policies, Change in Accounting Estimates and Errors) are as follows:

2.55.1 Prior Period Transactions are as follows:

(₹ in crore)

Nature	2019-20	2018-19
Fees	-	(1.74)
Employee Benefits	-	(2.28)
Other Income	-	(7.67)
Deferred Tax	-	4.08
Total	-	(7.61)

2.55.2 Correction of Prior Period transactions with impact on profit.

2.55.2.1 Impact on Balance Sheet Items is as follows:

(₹ in crore)

Prior period for the year	2019-20	2018-19
Line Items		Prior to 01.04.18
Other financial assets	-	9.41
Deferred Tax Assets (Net)	-	(4.08)
Total Assets	-	5.33
Other current financial liabilities	-	(2.28)
Total Liabilities	-	(2.28)
Net Assets (Equity)	-	7.61

2.56 Disclosures on Indian Accounting Standard (Ind-AS) 12, Income Taxes are as follows:

The holding company opted to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as promulgated by the GOI vide the Taxation Laws (Amendment) Ordinance, 2019 and has taken 25.168% (Income tax 22%+Surcharge10%+Health and Higher Education Cess 4%) rate of Corporate tax in its accounts. However one of the subsidiary company (REMCL) has not opted the same due to available balances of unutilised 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 re-measured its deferred tax assets/liabilities on the basis of the above option and additional deferred tax expense due to such change in rate was recognized during the year.

2.56.1 Income tax expense in the consolidated statement of profit and loss comprises:

(₹ in crore)

Particulars	Year ended 31.03.20	Year ended 31.03.19
Income Tax Expenses:		
- Current Taxes	199.32	239.11
- Earlier Years (Net)	(1.30)	19.97
Sub Total	198.02	259.08
OCI	(2.38)	(0.91)
Total	195.64	258.17
Deferred Tax (Net) - Prior Periods	0.18	(21.18)
Deferred Tax (Net) - Current Years	42.89	2.38
Total	238.71	239.37

Entire deferred income tax for the year ended 31st March, 2020 and previous year ended on 31st March, 2019 relates to origination and reversal of temporary differences.

- 2.56.2 Reconciliation of the Income Tax Expenses for the year to amount computed as expected tax expense by applying statutory income tax rates is as follows:

(₹ in crore)

Particulars	Year ended 31.03.20	Year ended 31.03.19
Profit before Tax	874.35	730.05
Inter Corporate Dividend	-	-
Profit before Tax	874.35	730.05
Enacted Tax Rates in India on Normal Income	25.17%	34.94%
Enacted Tax Rates in India on LTCG	23.30%	23.30%
Computed Expected Tax Expense	220.06	255.11
Tax effect due to accounting for JVs/Subsidiaries	(0.37)	(2.87)
Tax effect of income exempted from non operating income	(4.27)	(4.59)
Tax Effect Due to c/f of Business Loss	-	(6.65)
Tax effect due to deductible temporary differences	1.10	(0.99)
Tax Effect due to Earlier Period Taxes	(1.12)	(1.21)
Additional Tax Effect due to Income from House Property and other sources	(0.14)	(0.02)
Tax Effect of Non-Deductible Expenditures for determining taxable Profit	3.30	4.20
Tax Effect due to Income from Foreign Dividend	-	(0.01)
Tax effect due to income from Joint Operations	(0.13)	0.02
Tax Effect Due to Change in Corporate Tax Rates on Deferred Tax Expenses	20.71	-
Effect of Different Tax Rate under various jurisdiction	1.95	(2.71)
Tax effect due to OCI	(2.38)	(0.91)
Current Tax Expense for the year	238.72	239.37

*Computed expected tax expense for the respective years including tax expense calculated on income of RITES at the rates mentioned herein and tax expense calculated on income of subsidiaries and joint ventures at the different from rates mentioned herein.

- 2.56.3 REMCL is taxable Under section - 115JB (MAT) of the income tax act. The enacted tax rates on normal income is 17.47% and 21.55% for the year ended 31st March, 2020 and previous year ended on 31st March, 2019 respectively.

The enacted tax rate of RAPL is 22% both for the year ended 31st March, 2020 and previous year ended on 31st March, 2019 respectively.

The consolidated statement includes unabsorbed business loss and unabsorbed depreciation of REMCL for the year ended 31st March, 2020 is Nil & Nil (previous year Nil & ₹ 24.13 crore) respectively.

- 2.56.4 The following table provides the details of income tax assets and liabilities as of March 31, 2020 and March 31, 2019

(₹ in crore)

Particulars	Year ended 31.03.20	Year ended 31.03.19
Income Tax Assets	308.50	324.28
Less: Current income tax liabilities	196.93	226.92
Net Current Income Tax Assets/(Liability) at the year end	111.57	97.36

2.56.5 The gross movement in the current income tax asset/ (liability) for the year ended March 31, 2020 and March 31, 2019 is as follows:

(₹ in crore)

Particulars	Year ended 31.03.20	Year ended 31.03.19
Net current income tax asset/(liability) at the beginning of the year	97.36	113.37
Current Income Tax on OCI	2.38	0.91
Income Tax paid during the year	209.85	242.16
Current income tax expense from Normal Business	(198.02)	(259.08)
Net Current Income Tax Asset/(Liability) at the end of the year	111.57	97.36

2.56.6 The tax effects of significant temporary differences that resulted in deferred income tax asset and liabilities are as follows:

(₹ in crore)

Particulars	As at	
	March 31, 2020	March 31, 2019
Deferred Income Tax Assets:		
Accrued Compensation to Employees	20.68	24.29
Provisions for Doubtful Debts, Security Deposits/EMD, Advances Etc.	32.09	62.08
Business Losses	-	7.02
MAT credit available	27.57	26.75
Total Deferred Income Tax Assets - I	80.34	120.14
Deferred Income Tax Liabilities:		
Depreciation on Property Plant & Equipment, Furniture & Fixtures, Loco & Coaches	48.06	48.27
Interest Accrued on income tax Refund	1.72	-
Donation to PM care Fund	1.76	-
Total Deferred Income Tax Liabilities - II	51.54	48.27
Deferred Income Tax Assets after set off	28.80	71.87
Deferred Income Tax Liabilities after set off	-	-

2.56.6.1 Deferred tax assets and liabilities have been offset wherever the company has a legally enforceable right to set off current tax assets against current tax liabilities and where the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority.

2.56.6.2 The ultimate realisation of deferred income tax assets is dependent upon the generation of future taxable income during the period in which the temporary differences become deductible. Management considers the scheduled reversals of deferred income tax liabilities, projected future taxable income and tax planning strategies in making the assessment.

Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, management believes that the Group will realise the benefits of those deductible differences. The amount of deferred income tax assets considered realisable, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

- 2.56.7 The gross movement in the deferred income tax account for the year ended March 31,2020 and previous year ended on March 31, 2019 are as follows:

(₹ in crore)

Movement During the year ended 31st March 2020	As at 31st March 2019	Recognised in Profit and Loss	Recognised in OCI	As at 31st March 2020
Tax Effect of items constituting deferred Tax Liabilities				
(i) Property, Plant & Equipments	48.27	(0.21)	-	48.06
(ii) Interest accrued on income tax refund	-	1.72	-	1.72
(iii) Donation to PM care fund	-	1.76	-	1.76
TOTAL-A	48.27	3.27	-	51.54
Tax Effects of Items Constituting deferred Tax Assets				
(i) Provisions for Leave Encashment of Employees	23.94	(4.18)	-	19.76
(ii) Provision for superannuation Medical	0.35	0.38	-	0.73
(iii) Other Employee Benefits	-	0.19	-	0.19
(iv) Prov. For Doubtful Debts & Advances	62.08	(29.99)	-	32.09
(v) MAT credit available	26.75	0.82	-	27.57
(vi) Business Loss	7.02	(7.02)	-	-
TOTAL-B	120.14	(39.80)	-	80.34
Deferred Tax (Assets)/Liabilities (A-B)	(71.87)	43.07	-	(28.80)

- 2.56.7.1 The gross movement in the deferred income tax account for the year ended March 31,2019 and previous year ended on March 31, 2018 are as follows:

(₹ in crore)

Movement During the year ended 31st March 2019	As at 31st March 2018	Recognised in Profit and Loss	Recognised in OCI	As at 31st March 2019
Tax Effect of items constituting deferred Tax Liabilities				
(i) Property, Plant & Equipments	45.83	2.44	-	48.27
(ii) Actuarial Gain on Defined Benefit Obligations	-	-	-	-
(iii) Prior Period Adjustment	4.00	(4.00)	-	-
TOTAL-A	49.83	(1.56)	-	48.27
Tax Effects of Items Constituting deferred Tax Assets				
(i) Provisions for Leave Encashment of Employees	2.73	21.21	-	23.94
(ii) Provision for superannuation Medical	13.31	(12.96)	-	0.35
(iii) Other Employee Benefits	0.07	(0.07)	-	-
(iv) Prov. For Doubtful Debts & Advances	55.15	6.93	-	62.08
(v) MAT credit available	15.47	11.28	-	26.75
(vi) Business Loss	16.17	(9.15)	-	7.02
TOTAL-B	102.90	17.24	-	120.14
Deferred Tax (Assets)/Liabilities (A-B)	(53.07)	(18.80)	-	(71.87)

The composition of deferred assets relating to temporary differences during the year ended 31st March, 2020 is primarily on account of Property Plant and Equipment, Trade Receivable and Compensation to Employees, MAT credit Entitlement etc.

- 2.56.8 In case of BNV Gujarat Rail Private Limited, in the absence of virtual certainty of availability of taxable business income and capital gains in near future against which the deferred tax assets can be adjusted, the Company has not recognised the deferred tax assets on unabsorbed business losses and capital losses.

2.57 Indian Accounting Standard (Ind-AS) 1 : Disclosures on Presentation of Financial Statements are as follows:

2.57.1 Change in Significant Accounting Policies in the Group:

Ind AS-116 on Leases is applicable w.e.f 1.4.2019. Ind AS-116 has replaced Ind AS-17. Accordingly, policies on Leases has been modified to align with new Ind AS-116 on Leases. There is no material impact on account of change in the said accounting policies

2.57.2 Reclassifications and comparative figures

Certain reclassifications have been made to the comparative period's financial statements to enhance comparability with the current year's financial statements.

As a result, certain line items have been reclassified in the balance sheet, statement of profit and loss, and statement of cash flows, the details of which are as under:

Items of balance sheet before and after reclassification for the year ended 31st March, 2019:

(₹ in crore)

Particulars	Before Re-classification	Re-classification	After Re-classification
Current Assets			
Cash and cash equivalents- Owned fund	168.96	(0.24)	168.72
Cash and cash equivalents- Client fund	491.63	(5.25)	486.38
Current Liabilities			
Total outstanding Dues other than Micro Enterprises and small enterprises	186.80	2.81	189.61
Other Financial Liabilities	2273.69	(7.11)	2266.58
Other Current Liabilities	171.95	(1.19)	170.76

Items of statement of profit & loss before and after reclassification for the year ended 31st March, 2019

(₹ in crore)

Particulars	Before Re-classification	Re-classification	After Re-classification
REVENUE			
Other Income	192.18	(0.01)	192.17
EXPENDITURE			
Supplies & Services	167.47	516.49	683.96
Cost of Turnkey Construction projects	516.49	(516.49)	-
Generation Expenses	5.10	1.70	6.80
Finance Cost	7.47	0.54	8.01
Other Expenses	119.56	(2.25)	117.31

Items of statement of Cash Flow before and after reclassification for the year ended 31st March, 2019

(₹ in crore)

Particulars	Before Re-classification	Re-classification	After Re-classification
Net Cash flow from operating activities	158.64	4.94	163.58
Net Cash flow from Investing Activities	141.27	(4.40)	136.87
Net Cash Flow from Financing Activities	(278.28)	(0.54)	(278.82)

2.57.3 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.

2.57.4 Subsequent Event -Dividend in case of Holding and its Indian subsidiary

The Board of Directors of holding Company has proposed a sum of ₹ 150.00 crore (₹ 6.00 per share to 25 crore equity shares) as final dividend for FY 2019-20 subject to approval of shareholders in Annual General Meeting. If approved, the dividend would result in a cash outflow of ₹ 150.00 crore.

The Board of Directors of the subsidiary Company (REMCL) proposed a final dividend of ₹ 10.50 crore (₹ 1.50 per share to 7 crore equity shares) in respect of the financial year 2019-20 subject to approval of shareholders in Annual General meeting. If approved, the dividend would result into cash outflow of ₹ 10.50 crore.

2.58 Disclosures on Indian Accounting Standard (Ind-AS) 20, Accounting for Government Grant are as follows:

The Company is receiving government grant in form of export incentive on export of Rolling Stock and Spare parts. There are two types of export incentive i.e. duty drawback and MEIS Scrips. The Company has recognized ₹ 9.09 crore (previous year ₹ 7.84 crore) as export incentive. The export incentive receivable at the end of the year is ₹ 1.79 crore (previous year ₹ 2.73 crore).

2.59 Disclosure as per regulation 34(3) of listing agreements with the stock exchange

(₹ in crore)

	Financial Year	Outstanding balance	Maximum amount due during the year
Investment in Subsidiaries			
(i) Railway Energy Management Company Ltd.	31.03.2020	35.70	35.70
	31.03.2019	35.70	35.70
(ii) RITES (Afrika) (Pty) Ltd., Botswana	31.03.2020	0.01	0.01
	31.03.2019	0.01	0.01
Investment in Joint Ventures			
(i) SAIL-RITES Bengal Wagon Industry Private Limited	31.03.2020	24.00	24.00
	31.03.2019	24.00	24.00
(ii) BNV Gujarat Rail Private Limited	31.03.2020	0.26	0.26
	31.03.2019	0.26	0.26
Loans & advances to Subsidiaries			
(i) Railway Energy Management Company Ltd.	31.03.2020	-	-
	31.03.2019	-	-
(ii) RITES (Afrika) (Pty) Ltd., Botswana	31.03.2020	-	-
	31.03.2019	-	-
Loans & advances to Joint Ventures			
(i) SAIL-RITES Bengal Wagon Industry Private Limited	31.03.2020	6.94	8.44
	31.03.2019	8.44	8.44
(ii) BNV Gujarat Rail Private Limited	31.03.2020	-	-
	31.03.2019	-	-

Other Disclosures

2.60 Consequent upon the Govt. of India decision to disinvest 2.52 crore shares of the holding company, shares of the holding company were listed on NSE and BSE on 2nd July, 2018 and the proceeds have been realized by Govt. of India. During the year the Govt. of India further disinvested 3.85 crore shares through OFS in the month of November-2019 and February-2020 and the proceeds have been realized by Govt. of India. At present holding by the public and Govt. of India is 27.98% and 72.02% respectively.

2.61 Holding Company has signed shareholder agreement on 21st May 2020 for acquiring 24% stake in Indian Railway Stations Development Corporation (IRSDC) for ₹ 48 crore (₹ 4.80 crore equity share of ₹ 10/- each), with Rail Land Development Authority (RLDA) and IRCON International being the other equity partners

2.62 Assets and liabilities are classified between current and non-current considering 12 months period as operating cycle.

2.63 Information on Corporate Social Responsibility expenditure

2.63.1 In case of holding company:

- (a) Gross amount required to be spent including advances given during the year 2018-19 ₹ 11.20 crore (previous year 2018-19 ₹ 10.20 crore).
 (b) Expenditure incurred including advance on CSR during the year on:

(₹ in crore)

Particulars	Amount Paid		Yet to be Paid		Total	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
(i) Construction/ acquisition of any asset	-	-	-	-	-	-
(ii) On purposes other than (i) above*	11.18	10.23	0.03	-	11.21	10.23
Total	11.18	10.23	0.03	-	11.21	10.23

*Includes following expenditure on account of admin overhead and capacity builds:

- (a) Salary Expenses ₹ 0.51 crore (previous year ₹ 0.50 crore)
 (b) Other Expense ₹ 0.05 crore (previous year ₹ 0.01 crore)

2.63.2 In case of subsidiary company (REMCL):

- (a) Gross amount required to be spent during the year 2019-20 is ₹ 0.79 crore (previous year 2018-19 ₹ 0.55 crore).
 (b) Expenditure incurred including advances on CSR during the year on:

(₹ in crore)

Particulars	Amount Paid		Yet to be Paid		Total	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
(i) Construction/ acquisition of any asset	-	-	-	-	-	-
(ii) On purposes other than (i) above	0.60	0.55	0.20	-	0.80	0.55
Total	0.60	0.55	0.20	-	0.80	0.55

2.64 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)

S. No.	Particulars	As at 31.03.2020	As at 31.03.2019
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	8.69	9.06
	- 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.	-	-

(₹ in crore)

S. No.	Particulars	As at 31.03.2020	As at 31.03.2019
d	The amount of interest due and remaining unpaid at the end of each accounting period.	-	-
e	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of The Micro, Small and Medium Enterprises Development Act, 2006.	-	-

*The Holding Company identify supplier registered under The Micro, Small and Medium Enterprises Development Act, 2006, by obtaining confirmations from all suppliers at time issue of tender. Information has been collated only to the extent of information received.

- 2.65 Pursuant to amicably settlement of dispute of CCFB with Govt of Mozambique, during the year holding company has received last installment of USD 5.655 million (₹39.53 Crore) as per schedule of payment of settlement agreement.
- 2.66 Pursuant to settlement with a foreign client, during the year, holding company has recognized ₹ 91 crore (approx.) as other income out of which ₹ 63 crore (approx.) towards recovery of principal amount for which provision was already made, ₹ 26 crore (approx) towards interest on delayed contract payments and ₹ 2 crore (approx.) towards exchange rate fluctuation
- 2.67 In case of holding company, Foreign Service Contribution is recognized on accrual basis in the Statement of Profit and Loss Account as per the deputation terms with parent organizations in respect of officers taken on deputation from other organizations.
- 2.68 In case of holding company, Lease deeds are pending for execution in respect of the office building at Central Metro Railway Building, 56, C.R Avenue, Kolkata of ₹ 1.32 crore, the physical testing laboratory at 52 A&B, C.R Avenue, Kolkata of ₹ 0.46 crore, office building at DLF Cybercity, Bhubaneshwar of ₹ 5.43 crore, plot in wazirpur northern railway colony Delhi of ₹ 1.93 crore.
- 2.68.1 In case of Holding Company, residential flats for staff at Wazirpur Northern Railway colony, Delhi is on leasehold land allotted by Northern Railway initially for a period of thirty years. The lease period has been further extended upto March 2025. However lease deed for the extended period is yet to be executed.
- 2.68.2 Holding company purchased a land for construction of office building at Gomati Nagar Extension, Lucknow from Lucknow Development Authority (LDA) and was registered in the financial year 2010-11 at a total cost of ₹ 4.22 crore including registration charges. The physical possession of the land was not given to RITES due to some disputes regarding acquisition of land by LDA. During the year LDA has allotted alternative land in Gomati Nagar Extension. On allotment of land, capital advance has been transferred to PPE. However, registration of the land is yet to be executed. Holding Company plans to start construction shortly.
- 2.69 In case of REMCL, 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) (Bharatpur, Hindaun & Ramganj Mandi) in Rajasthan State connected as consumer of Rajasthan DISCOM i.e. Jaipur Vidyut Vitran Nigam limited (JVVNL).

With effect from 10.01.2017, open access status was permitted to Indian Railways as deemed distribution licensee in the state of Rajasthan. Accordingly, Railways started taking power at Six TSS as a deemed distribution licensee through open access route from M/s JITPL which included 3 TSS(Bharatpur, Hindaun & Ramganj) where WCR was taking Wind power from company on consumer mode. With grant of open access collective scheduling and accounting was implemented in accordance with CERC order dated 05.11.2015 in petition no. 197/MP/2015 and accordingly accountal/methodology for utilization of energy generated by Wind Mill Plant had to be changed. One of the conditions for Indian Railways to draw power as deemed distribution licensee is to surrender their existing connection on consumer mode and seek connectivity with State Transmission Utility (RRVNL). Accordingly, the TSSs initially power from 26 MW Wind Power Plant were disconnected as Consumer and connected with RRVNL as licensee and WCR is contesting that payment to REMCL for the month of January'17 to April'17 was withheld as wind energy for the above period has not been set off from the conventional energy drawn from JITPL. The state distribution company (JVVNL) and state transmission utility (RRVNL) terminated the Wheeling and Banking Agreement and Wheeling Agreement with effect from

10.01.2017 respectively which was communicated vide JVVNL letter dated 18.04.2017 and RRVNL letter dt.19.04.2017.

In present circumstances, there is uncertainty regarding realization of revenue. As per company's accounting policies, when there is uncertainty as to realisability, recognition of revenue is postponed until such uncertainty is removed. Therefore revenue amounting to ₹ 6.81 crore for the period 10.01.2017 to 26.04.2017 has been postponed and not recognized. In this regard, a petition was filed in Rajasthan Electricity Regulatory Commission (RERC) for realization of the wind energy charges during this period (i.e. 10.01.2017 to 26.04.2017) as this power was fed into the state grid. As per RERC order dt.05.11.2018, "The commission is of the considered view that the petitioner (REMCL) is not entitled for Adjustment of energy wheeled from its CPP after termination of WBA". Accordingly petition was disposed off. Now, company has filed as appeal before APTEL on 20.12.2018 against this RERC order. The hearing is due on 20.08.2020.

Wheeling and Transmission charges payable to Rajasthan state utilities are directly paid by WCR and deduction for the same is made by WCR in gross bill and only net amount i.e. after deduction towards wheeling & transmission is paid to REMCL on monthly basis. Therefore Wheeling & Transmission charges for the corresponding period i.e. 10.01.2017 to 26.04.2017 which are payable to Rajasthan state utilities has not been recognized and shown as contingent liability under note no.2.51.2.1.

- 2.70 (a) Balances shown under trade receivable, advances and trade payables are subject to confirmation / reconciliation/ adjustment, if any. The company has been sending letters for confirmation to parties. However, the Company does not expect any material dispute w.r.t. the recoverability/payment of the same.
 (b) In the opinion of the management, the value of current assets, loans and advances on realization in the ordinary course of business, will not be less than the value at which these are stated in the balance sheet.

2.71 In case of Holding Company, information as regard to loans, investments made as required under section 186 (4) of the Companies Act, 2013 have been given vide note no. 2.8,2.10,2.11, 2.18 & 2.19.

2.72 Recent Accounting Pronouncements:

Ministry of Corporate Affairs("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020

2.73 Other disclosure of Group

2.73.1 In case of SRBWIPL, Company has following borrowing facilities:-

2.73.1.1 Term Loan:-

(₹ in crore)

Bank name	Sanction Amount	Outstanding as at 31st March, 2020	Current portion	Long term	Repayment Term
SBI	72.00	33.74	9.60	24.14	Repayable in 30 quarterly installments of ₹ 2.40 crore each with total period of 10 years after moratorium period of 3.5 years. Repayment of term loan has started from 01.04.2016, as per the modification in terms sanction. Interest is payable at Base Rate of Bank i.e. 8.60% at the time of sanction.

This is secured a) by way of first charge on Hypothecation of goods, book debts and other moveable assets of the Company and b) by way of first charge on Building of the Company situated at Kulti, Burdwan, West Bengal.

2.73.1.2 Other Borrowings:

(₹ in crore)

Particulars	31st March, 2020	31st March, 2019
Cash credit from SBI	36.57	27.65
Cash credit from HDFC Bank	0.10	7.52
Unsecured Loan from RITES Limited*	5.60	7.00
Unsecured Loan from SAIL	5.60	7.00
Total	47.87	49.17

- 2.73.2 In case of SRBWIPL, sales revenue for rehabilitation of BOXNR wagons have been accounted for based on the Basic Price (including CRRM) specified in the order by the Eastern Railway. The CRRM generated in the process of rehabilitation of wagons is booked under current assets at the time of raising of bills at value specified in the work order.
- 2.73.3 In case of REMCL, company has borrowed term loan of ₹ 120.59 crore from Indian Bank for setting up 26 MW Wind Mill plants at Jaisalmer, Rajasthan. The entire amount of loan was borrowed during the financial year 2015-16. During the current year company has incurred interest cost of ₹ 3.79 crore (previous year ₹ 4.38 crore).
- 2.74 The financial statements are presented in ₹ crore. Those items which are required to be disclosed but can't be presented in the financial statement due to rounding off to the nearest ₹ crore are given as follows:-

Balance sheet items of holding company

(Figures in ₹)

Description	Note No.	As at 31.03.2020	As at 31.03.2019
Non-current investment	2.8		
(i) Moru Mahal Co-operative Society Ltd.		250.00	250.00
(ii) Amit Industrial Co-operative Society Ltd.		500.00	500.00
(iii) Nestle Co-operative Society Ltd		500.00	-

- 2.75 Assets & Liabilities have been translated at closing exchange rate and profit & loss items have been translated at average exchange rate of RITES (Afrika) (Pty) Limited (Subsidiary Company) .

INR

Currency	31.03.2020		31.03.2019	
	Closing rate	Average rate	Closing rate	Average rate
1 Pula (Botswana)	6.190931	6.423805	6.303913	6.562833

(Source Oanda.com)

- 2.76 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 31.03.2020

Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in Other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount (₹ in crore)	As % of consolidated net assets	Amount (₹ in crore)	As % of consolidated net assets	Amount (₹ in crore)	As % of consolidated net assets	Amount (₹ in crore)
Holding Company								
RITES LTD.	97.85	2576.62	96.80	596.39	99.58	(7.07)	96.77	589.32
Subsidiaries								
Indian								
Railway Energy Management Company Limited (REMCL)	6.31	166.28	5.69	35.02	-	-	5.75	35.02
Foreign								
RITES (Afrika) (Pty) Limited (RITES-Afrika)	0.10	2.74	0.07	0.41	-	-	0.07	0.41
Minority Interests in all subsidiaries	(3.09)	(81.48)	(2.79)	(17.16)	-	-	(2.82)	(17.16)
Joint ventures (as per proportionate consolidation/investment as per equity method)								

Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in Other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount (₹ in crore)	As % of consolidated net assets	Amount (₹ in crore)	As % of consolidated net assets	Amount (₹ in crore)	As % of consolidated net assets	Amount (₹ in crore)
Indian								
SAIL-RITES Bengal Wagon Industry Private Limited (SRBWIPL)	1.09	28.77	1.26	7.77	-	-	1.28	7.77
BNV Gujarat Rail Private Limited	0.01	0.13	(0.02)	(0.11)	-	-	(0.02)	(0.11)
Adjustment for consolidation	(2.27)	(59.79)	(1.01)	(6.22)	0.42	(0.03)	(1.03)	(6.25)
TOTAL	100.00	2633.27	100.00	616.10	100.00	(7.10)	100.00	609.00

Information for the year ended 31.03.2019

Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in Other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount (₹ in crore)	As % of consolidated net assets	Amount (₹ in crore)	As % of consolidated net assets	Amount (₹ in crore)	As % of consolidated net assets	Amount (₹ in crore)
Holding Company								
RITES LTD.	98.42	2383.83	94.71	444.65	92.39	(1.70)	94.71	442.95
Subsidiaries								
Indian								
Railway Energy Management Company Limited (REMCL)	6.04	146.23	8.80	41.34	-	-	8.84	41.34
Foreign								
RITES (Afrika) (Pty) Limited (RITES-Afrika)	0.10	2.42	0.05	0.25	-	-	0.05	0.25
Minority Interests in all subsidiaries	(2.96)	(71.65)	(4.32)	(20.26)	-	-	(4.33)	(20.26)
Joint ventures (as per proportionate consolidation/investment as per equity method)								
Indian								
SAIL-RITES Bengal Wagon Industry Private Limited (SRBWIPL)	0.87	21.00	1.76	8.24	-	-	1.76	8.24
BNV Gujarat Rail Private Limited	0.01	0.24	-	(0.02)	-	-	-	(0.02)
Adjustment for consolidation	(2.48)	(59.97)	(1.00)	(4.69)	7.61	(0.14)	(1.03)	(4.83)
TOTAL	100.00	2422.10	100.00	469.51	100.00	(1.84)	100.00	467.67

COMMENTS BY CAG

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) READ WITH SECTION 129(4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF RITES LIMITED FOR THE YEAR ENDED 31 MARCH, 2020.

The preparation of consolidated financial statements of RITES Limited for the year ended 31st March, 2020 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the Management of the company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139 (5) read with section 129(4) of the Act are responsible for expressing opinion on the financial statements under Section 143 read with section 129(4) of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 30th June, 2020.

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 31st March, 2020 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 but did not conduct supplementary audit of the financial statements of Subsidiaries and Jointly Controlled Entities (as per Annexure) for the year ended on that date. **Further, section 139(5) and 143(6)(a) of the Act are not applicable to RITES (Afrika) (Pty) Limited being private entities incorporated in Foreign country under the respective laws, for appointment of their Statutory Auditor and for conduct of supplementary audit. Accordingly, Comptroller and Auditor General of India has neither appointed the Statutory Auditors nor conducted the supplementary audit of this company.** This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report under section 143(6)(b) of the Act.

For and on the behalf of the
Comptroller & Auditor General of India



(B.R. Mondal)
Director General of Audit
Railway Commercial, New Delhi

Place: New Delhi
Dated: 4th August, 2020

ANNEXURE

LIST OF SUBSIDIARIES, ASSOCIATE COMPANY AND JOINT VENTURES OF RITES LIMITED, NEW DELHI FOR WHICH SUPPLEMENTARY AUDIT WAS NOT CONDUCTED UNDER SECTION 143(6)(a) READ WITH SECTION 129(4) OF THE COMPANIES ACT, 2013 FOR THE YEAR 2019-20.

Subsidiaries

1. RITES Infrastructure Services Limited (under Liquidation)
2. Railway Energy Management Company Limited

Joint Ventures

3. BNV Gujarat Rail Pvt. Ltd.



Sr. Audit Officer (Co-ordination)
Railway Commercial

STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES/JOINT VENTURES FOR THE YEAR ENDED 31ST MARCH, 2020

(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		Railway Energy Management Company Limited (REMCL)**	
3	Reporting currency and exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	Botswana Pula (BWP)*		INR	
		31.03.2020	31.03.2019	31.03.2020	31.03.2019
		(₹ In crore)		(₹ In crore)	
4	Share Capital	0.01	0.01	70.00	70.00
5	Reserves & Surplus	2.74	2.41	96.28	76.23
6	Total Assets	4.24	4.08	224.11	207.46
7	Total Liabilities	1.49	1.66	57.83	61.23
8	Investments	-	-	-	-
9	Operating Turnover	7.88	7.00	78.56	81.48
10	Profit before taxation	0.55	0.34	49.74	49.46
11	Provision for taxation	0.14	0.09	14.72	8.12
12	Profit after taxation	0.41	0.25	35.02	41.34
13	Proposed Dividend	-	-	10.50	12.41
14	% of shareholding	100%		51%	

*As on 31.03.2020: 1BWP= ₹ 6.190931 ; Average Rate 1BWP= ₹ 6.423805, As on 31.03.2019: 1BWP= ₹ 6.303913 ; Average Rate 1BWP= ₹ 6.562833

** REMCL figures are inclusive of non-controlling interest.

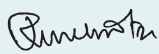
Note: RITES Mohawarean Arabia Company Ltd.(RMAC) in Saudi Arabia & RITES Infrastructure Services Ltd. (RISL) in India are under liquidation, hence its financial statements are not considered for consolidation. Investment in equity of ₹ 0.47 crore were made by the holding company has already been received from RMAC.

PART "B" : JOINT VENTURES

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Joint Ventures

1	Sl. No.	1		2	
2	Name of Joint Ventures	SAIL-RITES Bengal Wagon Industry Private Limited (SRBWIPL)		BNV Gujarat Rail Pvt. Ltd.	
3	Latest Audited Balance Sheet Date	31.03.2020	31.03.2019	31.03.2020	31.03.2019
4	Shares of Joint Ventures held by the company on the year end:				
4(i)	No.	2,40,00,000	2,40,00,000	2,60,000	2,60,000
4(ii)	Amount of investment in Joint Venture (₹ in crore)	24.00	24.00	0.26	0.26
4 (iii)	Extent of Holding/Profit Sharing %	50%	50%	26%	26%
5	Description of how there is significant influence	There is significant influence due to percentage (%) of share capital/profit sharing and joint control.			
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)	28.77	21.00	0.13	0.24
8	Profit/Loss for the year				
8 (i)	Considered in Consolidation (₹ in crore)	7.77	8.24	(0.11)	(0.02)
8 (ii)	Not Considered in Consolidation	-	-	-	-

For and on behalf of the Board



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



Bibhu Prasad Nayak
Director Finance
DIN:08197975



Parmod Kumar Narang
Chief Financial Officer
M.No. : FCA 086360



Ashish Srivastava
Company Secretary
M. No: FCS 5325

For J C BHALLA & COMPANY, Chartered Accountants
Firm Registration No. 001111N



(ANSHUMAN MALLICK)
Partner, Membership No. 547705

Place : Gurugram
Date : 30th June 2020

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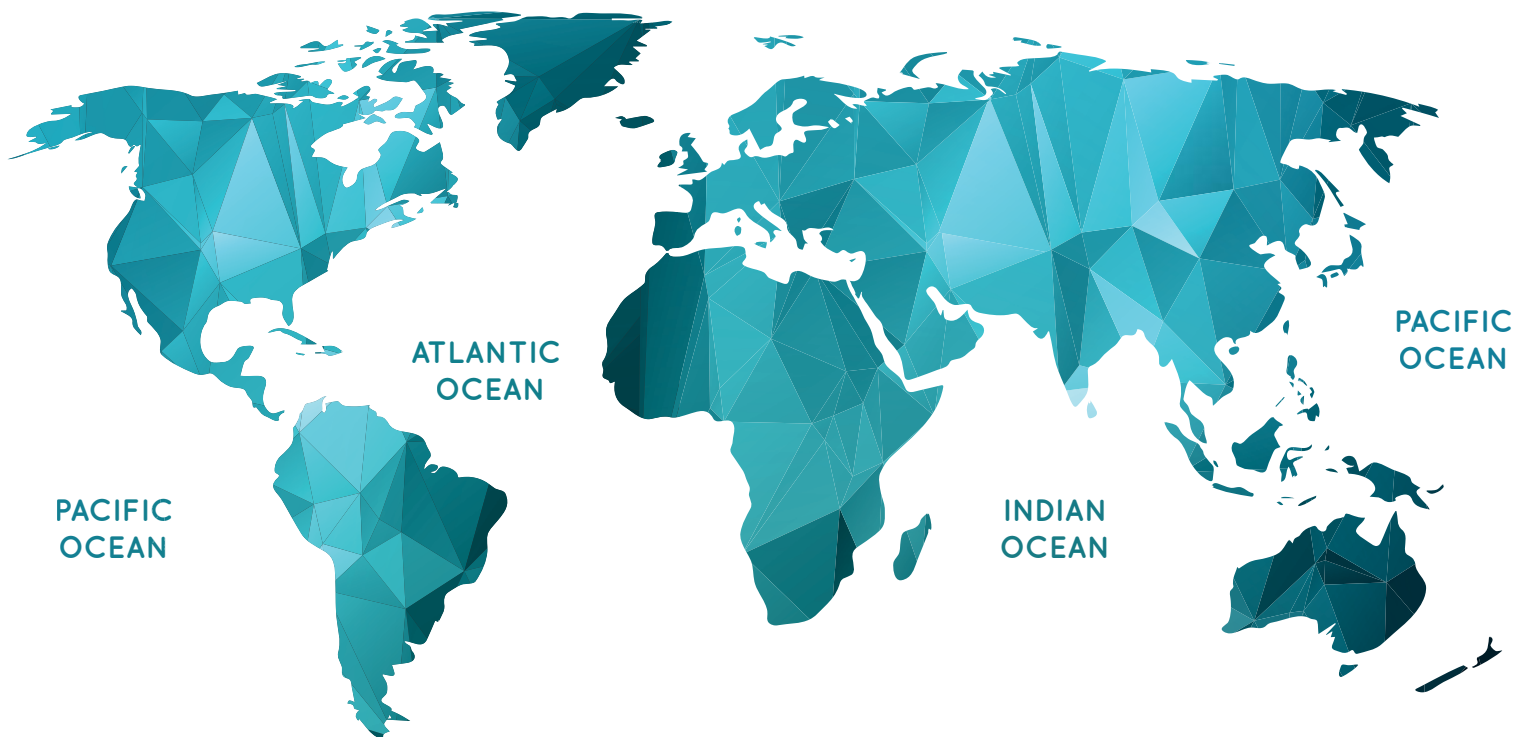
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M/s S.N. Guha & Co. Kolkata
M/s Ashra & Co. Mumbai
M/s Nisar & Kumar Chennai

BANKERS

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ICICI Bank
Indian Bank
Indusind Bank
HDFC
Bank of Baroda
State Bank of India
EXIM Bank

rites' WORLDWIDE EXPERIENCE



Afghanistan	Egypt	Mexico	Sri Lanka
Algeria	Ethiopia	Mozambique	Sudan
Angola	Finland	Myanmar	Swaziland
Australia	Gabon	Namibia	Syria
Austria	Ghana	Nepal	Tanzania
Bangladesh	Guinea	Netherlands	Thailand
Benin	Guyana	Nigeria	Togo
Bhutan	Indonesia	Peru	Tunisia
Botswana	Iran	Philippines	Turkmenistan
Brazil	Iraq	Poland	UAE
Brunei	Italy	Republic of Congo	Uganda
Burkina Faso	Jamaica	Romania	UK
Cambodia	Japan	Russia	Ukraine
Cameron	Jordan	Rwanda	USA
Canada	Kenya	Saudi Arabia	Uzbekistan
Chile	Laos	Senegal	Vanuatu
China	Libya	Seychelles	Vietnam
Colombia	Malawi	Singapore	Yemen
Cuba	Malaysia	South Korea	Zambia
Czech	Mali	South Africa	Zimbabwe
Djibouti	Mauritius	Spain	



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CIN: L74899DL1974GOI007227

RITES Ltd.
(A Govt. of India Enterprise)