

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

COMPANY OVERVIEW

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

The Company is a "Miniratna", Schedule-"A", Category-I CPSE and ISO 9001 certified public limited company incorporated and domiciled in India. The address of its registered office is SCOPE Minar, Laxmi Nagar, Delhi-110092 (India) and address of its corporate office is RITES Bhawan, No. 1, Sector -29, Gurgaon, Haryana-122001 (India). President of India through Ministry of Railways and its nominees are presently holding 100% equity share of the company (Refer Note No. 2.50).

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 2.52. Previous periods figures have been regrouped/recasted/rearranged, wherever necessary.

The standalone financial statements are approved for issue by the company's Board of Directors in their meeting held on 30th July, 2018.

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 GENERAL

(a) Statement of Compliance

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

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

(b) Basis of Preparation

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

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

(c) Use of Estimates and Judgements

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

1.2 REVENUE RECOGNITION

1.2.1 REVENUE FROM OPERATIONS

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

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

General Parameters

- (a) Revenue is recognized on satisfaction of following conditions:-
- (i) outcome of the transaction can be estimated or measured reliably.
 - (ii) it is probable that the economic benefits associated with the transaction will flow to the company.

- (iii) the costs incurred and cost to complete the transaction can be measured reliably.
- (b) When outcome of transaction cannot be estimated reliably, revenue is recognized to the extent of cost incurred which is recoverable else cost incurred is charged to the Statement of Profit and Loss.
- (c) When there is uncertainty as to realisability, recognition of revenue is postponed until such uncertainty is removed.
- (d) Revenue is measured at the fair value of the consideration received or receivable.

1.2.1.1 Consultancy Fee

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

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

Reimbursable and supplies are accounted for on accrual basis.

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

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

1.2.1.2 Inspection Fee

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

1.2.1.3 Lease Services

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

1.2.1.4 Export Sales

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

1.2.1.5 Construction Projects

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

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

Any expected loss is recognized as an expense immediately.

1.2.2 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 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. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted in India, at the reporting date.

Management periodically evaluates positions taken in the tax assessments with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current tax assets are offset against current tax liabilities if, and only if, a legally enforceable right exists to set off the recognised amounts and there is an intention either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Additional taxes, interest and/or penalties levied/ imposed by the tax authorities / Appellate authorities on finality are recognized in the Statement of Profit and Loss.

Current tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

1.11.2 Deferred Tax

Deferred tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

1.12 RATES & TAXES

Overseas taxes on foreign assignments, service tax, value added tax, alike taxes, professional tax, property tax, entry tax, labour cess, octroi etc. paid/accrued in India or abroad for which credit are not available to the company are charged to the Statement of Profit and Loss.

1.13 PREPAYMENTS

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

PREPAID EXPENSES AND PRIOR PERIOD ADJUSTMENTS

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

1.14 TRANSLATION AND TRANSACTIONS OF FOREIGN CURRENCIES

1.14.1 Functional Currency

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

1.14.2 Foreign Currencies

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

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

1.14.4 Exchange differences arising on settlement or translation of monetary items are recognised in the Statement of Profit 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)

The Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on following financial assets – loans, deposits and trade receivables.

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

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

1.18.2 Non-Financial Assets

(Tangible and Intangible Assets)

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use). Impairment loss is charged to the Statement of Profit 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 assets have become obsolete, damaged beyond repair, stolen and uneconomical to use.

1.20 PROVISION FOR WARRANTY FOR SALE AND SERVICES RENDERED

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

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

1.21 PROVISION FOR PROFESSIONAL SERVICES (FOR EXPORT SALES)

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

1.22 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

1.23 LEASE EXPENSES

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

1.24 NON-CURRENT ASSETS HELD FOR SALE

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

1.25 DIVIDENDS

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

1.26 FINANCIAL INSTRUMENTS

1.26.1 Initial Recognition

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

1.26.2 Subsequent Measurement

(a) Financial assets are subsequently measured at amortised cost if these are held within a business model whose objective is to hold the assets in order to collect contractual cash flows and the contractual terms of the financial assets give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding using the Effective Interest Rate (EIR) method. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss.

(b) Financial assets at fair value through profit or loss

The financial assets are measured at fair value through profit or loss unless it is classified at amortised cost.

(c) Financial liabilities

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

All other financial liabilities are subsequently measured at amortised cost using EIR method. Gains and losses are recognised in Statement of Profit and Loss when the liabilities are de-recognised as well as through the EIR amortisation process.

1.26.3 De-recognition of Financial Instruments

A financial asset is de-recognised when:

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

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

1.26.4 Forward Contracts

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

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2018

2.1 PROPERTY, PLANT AND EQUIPMENT

FOLLOWING ARE THE CHANGES IN THE CARRYING VALUE OF PROPERTY, PLANT AND EQUIPMENT FOR THE YEAR ENDED 31.03.2018

(₹ in crore)

DESCRIPTION	GROSS BLOCK					DEPRECIATION/AMORTISATION						NET BLOCK AS AT 31/03/2018
	AS AT 01/04/2017	ADDITIONS DURING THE YEAR	ADJ DURING THE YEAR	DELETIONS DURING THE YEAR	TOTAL	AS AT 01/04/2017	FOR THE YEAR	ADJ DURING THE YEAR	ADJ THROUGH RETAINED EARNING	DELETIONS DURING THE YEAR	TOTAL	
LEASED HOLD												
BUILDING	9.58	-	-	-	9.58	0.34	0.19	-	-	-	0.53	9.05
MULTIFUNCTIONAL COMPLEX	5.76	-	-	5.76	-	0.08	0.08	-	-	0.16	-	-
SUB TOTAL	15.34	-	-	5.76	9.58	0.42	0.27	-	-	0.16	0.53	9.05
OTHERS												
LAND	30.35	0.06	(4.22)	-	26.19	-	-	-	-	-	-	26.19
BUILDING	34.51	-	-	-	34.51	1.36	0.68	-	-	-	2.04	32.47
RESIDENTIAL QUARTERS	0.98	-	-	-	0.98	0.04	0.02	-	-	-	0.06	0.92
SURVEY AND OTHER INSTRUMENTS	4.86	4.65	-	0.01	9.50	1.39	0.87	-	-	-	2.26	7.24
COMPUTER AND EQUIPMENTS	7.29	1.91	-	0.01	9.19	4.33	1.97	-	-	0.01	6.29	2.90
SERVER & NETWORK	4.30	0.53	-	-	4.83	1.97	1.05	-	-	-	3.02	1.81
OFFICE AND OTHER EQUIPMENTS	4.01	0.50	-	0.03	4.48	2.25	0.75	-	-	0.02	2.98	1.50
AIR-CONDITIONER AND EQUIPMENTS	1.15	0.17	-	0.01	1.31	0.37	0.20	-	-	-	0.57	0.74
AIR CONDITIONER PLANT	6.80	-	-	-	6.80	2.72	0.65	-	-	-	3.37	3.43
FURNITURES	3.50	0.67	-	0.02	4.15	1.06	0.61	-	-	-	1.67	2.48
FIXTURES	1.67	0.23	-	-	1.90	1.20	0.22	-	-	-	1.42	0.48
VEHICLES	1.64	0.08	-	-	1.72	0.61	0.28	-	-	-	0.89	0.83
VEHICLES ABROAD	0.01	-	-	0.01	-	0.01	-	-	-	0.01	-	-
LOCOMOTIVES NEW	60.30	38.86	-	-	99.16	6.87	4.95	-	-	-	11.82	87.34
LOCOMOTIVES IN SERVICE*	142.59	-	(6.19)	-	136.40	35.59	16.42	-	-	-	52.01	84.39
SUB TOTAL	303.96	47.66	(10.41)	0.09	341.12	59.77	28.67	-	-	0.04	88.40	252.72
TOTAL	319.30	47.66	(10.41)	5.85	350.70	60.19	28.94	-	-	0.20	88.93	261.77

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

(₹ in crore)

DESCRIPTION	GROSS BLOCK					DEPRECIATION/AMORTISATION						NET BLOCK	
	AS AT 01/04/2016	ADDITIONS DURING THE YEAR	ADJ DURING THE YEAR	DELETIONS DURING THE YEAR	TOTAL	AS AT 01/04/2016	FOR THE YEAR	ADJ DURING THE YEAR	ADJ THROUGH RETAINED EARNING	DELETIONS DURING THE YEAR	TOTAL	AS AT 31/03/2017	AS AT 01/04/2016
LEASED HOLD													
BUILDING	3.94	5.64	-	-	9.58	0.17	0.17	-	-	-	0.34	9.24	3.77
MULTIFUNCTIONAL COMPLEX	-	5.76	-	-	5.76	-	0.08	-	-	-	0.08	5.68	-
SUB TOTAL	3.94	11.40	-	-	15.34	0.17	0.25	-	-	-	0.42	14.92	3.77
OTHERS													
LAND	29.56	0.79	-	-	30.35	-	-	-	-	-	-	30.35	29.56
BUILDING	34.51	-	-	-	34.51	0.68	0.68	-	-	-	1.36	33.15	33.83
RESIDENTIAL QUARTERS	0.98	-	-	-	0.98	0.02	0.02	-	-	-	0.04	0.94	0.96
SURVEY AND OTHER INSTRUMENTS	3.80	1.06	-	-	4.86	0.68	0.71	-	-	-	1.39	3.47	3.12
COMPUTER AND EQUIPMENTS	5.27	2.04	-	0.02	7.29	2.11	2.22	-	-	-	4.33	2.96	3.16
SERVER & NETWORK	4.25	0.05	-	-	4.30	0.97	1.00	-	-	-	1.97	2.33	3.28

(₹ in crore)

DESCRIPTION	GROSS BLOCK					DEPRECIATION/AMORTISATION					NET BLOCK		
	AS AT 01/04/2016	ADDITIONS DURING THE YEAR	ADJ DURING THE YEAR	DELETIONS DURING THE YEAR	TOTAL	AS AT 01/04/2016	FOR THE YEAR	ADJ DURING THE YEAR	ADJ THROUGH RETAINED EARNING	DELETIONS DURING THE YEAR	TOTAL	AS AT 31/03/2017	AS AT 01/04/2016
OFFICE AND OTHER EQUIPMENTS	3.12	0.93	-	0.04	4.01	1.32	0.93	-	-	-	2.25	1.76	1.80
AIR-CONDITIONER AND EQUIPMENTS	0.91	0.27	(0.02)	0.01	1.15	0.18	0.20	-	-	0.01	0.37	0.78	0.73
AIR CONDITIONER PLANT	6.75	0.05	-	-	6.80	1.36	1.36	-	-	-	2.72	4.08	5.39
FURNITURES	3.06	0.46	-	0.02	3.50	0.54	0.53	-	-	0.01	1.06	2.44	2.52
FIXTURES	1.64	0.05	-	0.02	1.67	0.73	0.47	-	-	-	1.20	0.47	0.91
VEHICLES	1.64	-	-	-	1.64	0.31	0.30	-	-	-	0.61	1.03	1.33
VEHICLES ABROAD	0.01	-	-	-	0.01	0.01	-	-	-	-	0.01	-	-
LOCOMOTIVES NEW	60.30	-	-	-	60.30	2.85	4.02	-	-	-	6.87	53.43	57.45
LOCOMOTIVES IN SERVICE	129.24	13.35	-	-	142.59	17.83	17.76	-	-	-	35.59	107.00	111.41
SUB TOTAL	285.04	19.05	(0.02)	0.11	303.96	29.59	30.20	-	-	0.02	59.77	244.19	255.45
TOTAL	288.98	30.45	(0.02)	0.11	319.30	29.76	30.45	-	-	0.02	60.19	259.11	259.22

NOTE :

- DEPRECIATION ON FREEHOLD FLATS IS CHARGED ON THE TOTAL COST OF FLATS IN THE ABSENCE OF BREAK-UP OF LAND COMPONENTS IN THE FLATS VALUE.
- IN RESPECT OF LEASE AGREEMENTS PENDING EXECUTION (REFER NOTE NO. 2.59).
- AGGREGATE DEPRECIATION AND AMORTISATION HAS BEEN INCLUDED UNDER DEPRECIATION AND AMORTISATION EXPENSES IN THE PROFIT AND LOSS.
- PRESENTATION HAS BEEN CHANGED IN LINE WITH IND AS 101 & THE CARRYING COST AS ON 01.04.2015 HAS BEEN INDICATED AS GROSS BLOCK.
- * ASSETS TRANSFERRED TO INVENTORIES AT WRITTEN DOWN VALUE OF ₹6.19 CRORE (PREVIOUS YEAR NIL) AS LOWER THAN NET REALISABLE VALUE (GROSS BLOCK ₹ 28.04 CRORE LESS ACCUMULATED DEPRECIATION ₹ 21.85 CRORE)

2.2 CAPITAL WORK IN PROGRESS

(₹ in crore)

DESCRIPTION	GROSS BLOCK					DEPRECIATION/AMORTISATION					NET BLOCK	
	OPENING	ADDITIONS DURING THE YEAR	ADJ DURING THE YEAR	DELETIONS DURING THE YEAR	TOTAL	OPENING	FOR THE YEAR	ADJ DURING THE YEAR	ADJ THROUGH RETAINED EARNING	DELETIONS DURING THE YEAR		TOTAL
AS AT 31.03.2018	3.28	0.17	(3.07)	-	0.38	-	-	-	-	-	-	0.38
AS AT 31.03.2017	6.73	3.47	(6.92)	-	3.28	-	-	-	-	-	-	3.28
AS AT 01.04.2016	-	-	-	-	-	-	-	-	-	-	-	6.73

2.3 INVESTMENT PROPERTY

(₹ in crore)

DESCRIPTION	GROSS BLOCK					DEPRECIATION/AMORTISATION					NET BLOCK	
	OPENING	ADDITIONS DURING THE YEAR	ADJ DURING THE YEAR	DELETIONS DURING THE YEAR	TOTAL	OPENING	FOR THE YEAR	ADJ DURING THE YEAR	ADJ THROUGH RETAINED EARNING	DELETIONS DURING THE YEAR		TOTAL
LEASEHOLD BUILDING												
AS AT 31.03.2018	1.33	-	-	-	1.33	0.08	0.03	-	-	-	0.11	1.22
AS AT 31.03.2017	1.33	-	-	-	1.33	0.04	0.04	-	-	-	0.08	1.25
AS AT 01.04.2016	-	-	-	-	-	-	-	-	-	-	-	1.29

REFER NOTE NO. 2.45

2.4 INTANGIBLE ASSETS

(₹ in crore)

DESCRIPTION	GROSS BLOCK					DEPRECIATION/AMORTISATION					NET BLOCK	
	OPENING	ADDITIONS DURING THE YEAR	ADJ DURING THE YEAR	DELETIONS DURING THE YEAR	TOTAL	OPENING	FOR THE YEAR	ADJ DURING THE YEAR	ADJ THROUGH RETAINED EARNING	DELETIONS DURING THE YEAR		TOTAL
SOFTWARES (ACQUIRED)												
AS AT 31.03.2018	5.37	0.39	-	-	5.76	3.64	1.21	-	-	-	4.85	0.91
AS AT 31.03.2017	5.12	0.26	-	0.01	5.37	2.02	1.62	-	-	-	3.64	1.73
AS AT 01.04.2016	-	-	-	-	-	-	-	-	-	-	-	3.10

2.5 INTANGIBLE ASSETS UNDER DEVELOPMENT

(₹ in crore)

DESCRIPTION	GROSS BLOCK					DEPRECIATION/AMORTISATION					NET BLOCK	
	OPENING	ADDITIONS DURING THE YEAR	ADJ DURING THE YEAR	DELETIONS DURING THE YEAR	TOTAL	OPENING	FOR THE YEAR	ADJ DURING THE YEAR	ADJ THROUGH RETAINED EARNING	DELETIONS DURING THE YEAR		TOTAL
SOFTWARES (ACQUIRED)												
AS AT 31.03.2018	1.58	-		-	1.58	-	-		-	-	-	1.58
AS AT 31.03.2017	1.58	-		-	1.58	-	-		-	-	-	1.58
AS AT 01.04.2016	-	-		-	-	-	-		-	-	-	1.58

AGGREGATE DEPRECIATION AND AMORTISATION HAS BEEN INCLUDED UNDER DEPRECIATION AND AMORTISATION EXPENSES IN THE STATEMENT OF PROFIT AND LOSS.

2.6 INVESTMENTS

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2018	AS AT 31.03.2017	AS AT 01.04.2016
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2.6.1 NON CURRENT INVESTMENTS

A) INVESTMENT IN UNQUOTED EQUITY INSTRUMENTS OF (INVESTMENT CARRIED AT COST):

SUBSIDIARIES

(i) RITES (Afrika) (Pty) Ltd., Botswana		0.01	0.01	0.01
10,000 (previous year 10,000) equity shares of face value of Pula 1/- each, fully paid-up.				
(ii) RITES Infrastructure Services Limited***		0.05	0.05	0.05
50,000 (previous year 50,000) equity shares of face value of ₹ 10 each, fully paid-up.				
Less : Provision for Diminution in value of Investment	(0.05)	-	(0.05)	-
(iii) Railway Energy Management Company Limited		35.70	35.70	25.50
35,700,000 (previous year 35,700,000) equity shares of face value of ₹ 10 each, fully paid-up.				

JOINT VENTURES

(i) SAIL-RITES Bengal Wagon Industry Private Limited		24.00	24.00	22.27
24,000,000 (previous year 24,000,000) equity shares of face value of ₹ 10 each, fully paid-up.				
(ii) BNV Gujarat Rail Private Limited		0.01	0.01	-
13,000 (previous year 13,000) equity shares of face value of ₹ 10 each, fully paid-up.				

COOPERATIVE SOCIETIES

(i) Moru Mahal Co-operative Society Limited	2.52	-	-	-
5 (previous year 5) Equity Shares of face value of ₹ 50/- each acquired for purchase of residential quarter.				
(ii) Amit Industrial Premises Co-operative Society Limited	2.52	-	-	-
10 (previous year 10) Equity Shares of face value of ₹ 50/- each acquired for purchase of laboratory.				

OTHERS

Global Procurement Consultants Limited*****		0.04	0.04	0.04
32,279 (previous year 32,279) equity shares of face value of ₹ 10/- each, fully paid-up (includes 2,279 equity shares of face value of ₹ 10/- each at a price of ₹ 30/- each).				

AGGREGATE OF UNQUOTED INVESTMENTS (NON CURRENT)		59.76	59.76	47.82
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(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2018	AS AT 31.03.2017	AS AT 01.04.2016
B) INVESTMENT IN QUOTED TAX FREE BONDS OF (INVESTMENT CARRIED AT AMORTISED COST):				
(i) INDIAN RAILWAY FINANCE CORPORATION (7 YEAR SECURED REDEEMABLE 6.32% TAX FREE BONDS 20DEC., 2017)				
5,000 Bonds of face value of ₹ 100,000/- each , fully paid		-	-	50.00
(ii) 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	25.00
(iii) 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	30.00
(iv) 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	10.00
(v) 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	10.00
(vi) 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	25.00
(vii) 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	20.00
AGGREGATE OF QUOTED INVESTMENTS (NON CURRENT)		120.00	120.00	170.00
TOTAL (NON CURRENT)		179.76	179.76	217.82

2.6.2 CURRENT INVESTMENTS**A) INVESTMENT IN UNQUOTED EQUITY INSTRUMENTS OF (INVESTMENT CARRIED AT COST):****JOINT VENTURE****Companhia Dos Caminhos De Ferro Da Beira, SA (CCFB), Mozambique******

NIL (previous year NIL) equity shares of face value of US\$ 1/- each, fully paid-up.

- - 6.01

B) INVESTMENT IN UNQUOTED MUTUAL FUNDS (INVESTMENT CARRIED AT FAIR VALUE THROUGH PROFIT OR LOSS):**UTI LIQUID CASH PLAN**

NIL (PREVIOUS YEAR 699229.967) UNITS OF ₹ 1019.4457 PER UNIT.

- 71.28 -

CANARA ROBECO LIQUID FUND

NIL (PREVIOUS YEAR 713603.548) UNITS OF ₹ 1005.5000 PER UNIT

- - 71.76 143.04 - -

AGGREGATE OF UNQUOTED INVESTMENT (CURRENT)

- 143.04 6.01

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2018	AS AT 31.03.2017	AS AT 01.04.2016
C) INVESTMENT IN QUOTED TAX FREE BONDS OF (INVESTMENT CARRIED AT AMORTISED COST):				
(i) INDIAN RAILWAY FINANCE CORPORATION* (7 YEAR SECURED REDEEMABLE 6.30% TAX FREE BONDS 08MAR., 2017)		-	-	50.00
5,000 Bonds of face value of ₹ 100,000/- each , fully paid				
(ii) INDIAN RAILWAY FINANCE CORPORATION (7 YEAR SECURED REDEEMABLE 6.32% TAX FREE BONDS 20DEC., 2017)				
5,000 Bonds of face value of ₹ 100,000/- each , fully paid		-	50.00	-
AGGREGATE OF QUOTED INVESTMENTS (CURRENT)		-	50.00	50.00
TOTAL (CURRENT)		-	193.04	56.01
GRAND TOTAL		179.76	372.80	273.83
A AGGREGATE AMOUNT OF QUOTED INVESTMENTS		120.00	170.00	220.00
B MARKET VALUE OF QUOTED INVESTMENTS (INCLUDING INTEREST ACCRUED)**		127.19	178.56	229.67
C AGGREGATE AMOUNT OF UNQUOTED INVESTMENTS		59.76	202.80	53.83
D AGGREGATE AMOUNT OF IMPAIRMENT IN VALUE OF INVESTMENTS		0.05	0.05	0.05

* RECLASSIFIED FROM NON CURRENT TO CURRENT AT THE YEAR ENDED ON 01.04.2016.

** MARKET VALUE OF SOME OF THE BONDS ARE NOT AVAILBALE AS THESE BONDS ARE NOT FREQUENTLY TRADED, HENCE TAKEN AT AMORTISED COST.

*** UNDER LIQUIDATION.

**** DISPUTE OF CCFB, MOZAMBIQUE HAS BEEN AMICABLY SETTLED WITH GOVERNMENT OF MOZAMBIQUE (GOM) IN 2015-16. (REFER NOTE NO. 2.56)

***** EQUITY SHARES OF GLOBAL PROCUREMENT CONSULTANTS LIMITED ARE NOT TRADABLE AND AMOUNT OF INVESTMENT IN THE ENTITY IS NOT MATERIAL, HENCE INVESTMENT IS RECOGNISED AT COST. REFER NOTE NO. 2.46

2.7 NON CURRENT LOANS

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2018	AS AT 31.03.2017	AS AT 01.04.2016
(SECURED, CONSIDERED GOOD)				
LOANS TO EMPLOYEES		8.19	9.61	8.96
(UNSECURED, CONSIDERED GOOD)				
LOANS TO EMPLOYEES		-	0.04	1.36
LOANS TO JV (RELATED PARTY)	2.39	7.00	-	-
TOTAL		15.19	9.65	10.32

2.8 OTHER NON CURRENT FINANCIAL ASSETS

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2018	AS AT 31.03.2017	AS AT 01.04.2016
SECURITY DEPOSITS		3.55	2.64	1.54
INTEREST ACCRUED (INCLUDING ACCRUED BUT NOT DUE) ON:				
- BANK DEPOSITS		1.84	2.35	1.21
- LOANS TO SRBWPL (RELATED PARTY)		0.76	-	-
RETENTION MONEY		16.90	15.23	11.03
AMOUNT RECOVERABLES		0.03	-	-
GOVT. OF MOZAMBIQUE RECEIVABLES	2.56	35.03	68.49	45.96
BANK DEPOSITS HAVING MATURITY OVER 12 MONTHS FROM REPORTING DATE:				
- OWNED FUND	2.13.3	27.07	100.92	107.57
- CLIENTS FUND	2.14.3	41.03	49.94	28.66
TOTAL		126.21	239.57	195.97

2.9 DEFERRED TAX ASSETS/ (LIABILITY) (NET)

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2018	AS AT 31.03.2017	AS AT 01.04.2016
DEFERRED INCOME TAX ASSETS:				
LEAVE ENCHASHMENT AND OTHER PROVISIONS		16.12	21.45	33.14
PROVISION FOR DOUBTFUL DEBTS, SECURITY DEPOSITS/ EMD, ADVANCES ETC.		55.15	27.87	20.53
TOTAL DEFERRED INCOME TAX ASSETS - I		71.27	49.32	53.67
DEFERRED INCOME TAX LIABILITIES:				
PROPERTY, PLANT & EQUIPMENT		8.89	9.19	11.79
TOTAL DEFERRED INCOME TAX LIABILITIES - II		8.89	9.19	11.79
DEFERRED INCOME TAX ASSETS (NET)	2.48	62.38	40.13	41.88

2.10 OTHER NON CURRENT ASSETS

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2018	AS AT 31.03.2017	AS AT 01.04.2016
ADVANCE INCOME TAX (NET OF PROVISION)	2.48	73.37	106.19	69.43
PREPAID EXPENSES		0.47	1.08	1.21
PRE-PAYMENT TOWARDS LEASEHOLD ASSETS		7.18	7.62	8.04
DEFERRED COST TOWARDS STAFF LOAN		1.85	2.08	2.23
CAPITAL ADVANCE		32.94	11.44	17.34
DEFERRED COST TOWARDS GOVT OF MOZAMBIQUE RECEIVABLES		0.47	1.78	0.34
TOTAL		116.28	130.19	98.59

2.11 INVENTORIES**(AT THE LOWER OF COST AND NET REALISABLE VALUE)**

(₹ in crore)

PARTICULARS	AS AT 31.03.2018	AS AT 31.03.2017	AS AT 01.04.2016
(AS CERTIFIED BY MANAGEMENT)			
STORES & SPARES	1.90	2.58	2.11
STOCK IN TRADE*	7.48	47.84	10.96
TOTAL	9.38	50.42	13.07

*Includes inventory of ₹ 4.36 crore (previous year ₹ 38.83 crore, 01.04.2016 ₹ 5.74 crore) lying with third parties.

*Includes goods in transit ₹ 1.01 crore (previous year ₹ 3.83 crore, 01.04.2016 ₹ 1.66 crore).

2.12 CURRENT TRADE RECEIVABLES

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2018	AS AT 31.03.2017	AS AT 01.04.2016
UNSECURED				
CONSIDERED GOOD	2.39	458.70	453.85	530.16
CONSIDERED DOUBTFUL		82.83	63.53	41.74
		541.53	517.38	571.90
LESS: ALLOWANCES FOR EXPECTED CREDIT LOSSES		(82.83)	(63.53)	(41.74)
TOTAL		458.70	453.85	530.16

2.13 CASH AND BANK BALANCES-OWNED FUND

(₹ in crore)

	AS AT 31.03.2018		AS AT 31.03.2017		AS AT 01.04.2016	
2.13.1 CASH AND CASH EQUIVALENTS						
CHEQUES IN HAND		1.09		0.34		0.18
BANK BALANCES IN :						
CURRENT ACCOUNTS	21.99		47.73		129.14	
DEPOSITS #	119.00	140.99	202.97	250.70	110.82	239.96
TOTAL		142.08		251.04		240.14
2.13.2 OTHER BANK BALANCES						
DEPOSITS ##		1,250.67		609.42		457.61
TOTAL		1,250.67		609.42		457.61
2.13.3 BANK BALANCE MORE THAN 12 MONTHS MATURITY-OWNED FUND (NOTE NO. 2.8)						
DEPOSITS ###		27.07		100.92		107.57
TOTAL		27.07		100.92		107.57
TOTAL CASH & BANK BALANCE-OWNED FUND*		1,419.82		961.38		805.32

Includes flexi deposits and deposits having maturity within 3 months from the date of acquisition.

Having maturity over 3 months from the date of acquisition and upto 12 months from reporting date.

Having maturity over 12 months from reporting date.

* Includes restricted cash and bank balances of ₹ 0.56 crore (previous year ₹ 4.24 crore, 01.04.2016 ₹ 6.49 crore) on account of bank balance held as margin money deposits against guarantees issued by banks.

2.14 CASH AND BANK BALANCES-CLIENTS FUND

(₹ in crore)

	AS AT 31.03.2018		AS AT 31.03.2017		AS AT 01.04.2016	
2.14.1 CASH AND CASH EQUIVALENTS						
BANK BALANCES IN :						
CURRENT ACCOUNTS		57.24		58.09		6.46
DEPOSITS #		535.02		275.28		183.89
TOTAL		592.26		333.37		190.35
2.14.2 OTHER BANK BALANCES						
DEPOSITS ##		1,584.48		1,659.09		1,627.98
TOTAL		1,584.48		1,659.09		1,627.98
2.14.3 BANK BALANCE MORE THAN 12 MONTHS MATURITY-OWNED FUND (NOTE NO. 2.8)						
DEPOSITS ###		41.03		49.94		28.66
TOTAL		41.03		49.94		28.66
2.14.4 BOOK OVERDRAFT#### (NOTE NO. 2.26)		(7.73)		(26.58)		(3.58)
TOTAL CASH & BANK BALANCE-CLIENTS FUND		2,210.04		2,015.82		1,843.41

Includes flexi deposits and deposits having maturity within 3 months from the date of acquisition.

Having maturity over 3 months from the date of acquisition and upto 12 months from reporting date.

Having maturity over 12 months from reporting date.

Book overdraft due to issuance of cheques, which will be cleared against term deposits available in banks.

2.15 CURRENT LOANS

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2018	AS AT 31.03.2017	AS AT 01.04.2016
(SECURED, CONSIDERED GOOD)				
LOANS TO EMPLOYEES		3.67	3.94	3.90
(UNSECURED, CONSIDERED GOOD)				
LOANS TO JV (RELATED PARTY)	2.39	-	7.00	1.73
LOANS TO EMPLOYEES		0.30	0.48	1.54
TOTAL		3.97	11.42	7.17

2.16 OTHER CURRENT FINANCIAL ASSETS

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2018	AS AT 31.03.2017	AS AT 01.04.2016
GOVT. OF TANZANIA RECEIVABLES	2.57	59.04	58.72	60.09
LESS: ALLOWANCES FOR EXPECTED CREDIT LOSSES		(59.04)	-	-
AMOUNT RECOVERABLES		32.46	27.74	29.51
LESS: ALLOWANCES FOR EXPECTED CREDIT LOSSES		(16.65)	15.81	(15.94)
INTEREST ACCRUED (INCLUDING ACCRUED BUT NOT DUE) ON:				
- BANK DEPOSITS HAVING MATURITY:				
WITHIN 3 MONTHS FROM THE DATE OF ACQUISITION		0.09	0.29	0.35
OVER 3 MONTHS FROM THE DATE OF ACQUISITION AND UPTO 12 MONTHS FROM REPORTING DATE		34.92	39.40	41.48
- BONDS		5.89	7.47	8.36
- LOANS TO SRBWIPL (RELATED PARTY)		-	0.14	0.31
		40.90	47.30	50.50
RETENTION MONEY		14.23	7.21	7.53
GOVT. OF MOZAMBIQUE RECEIVABLES		35.87	36.20	36.99
ADVANCES TO RELATED PARTIES	2.39	1.17	5.22	13.02
SECURITY DEPOSITS		3.01	4.14	4.55
LESS: ALLOWANCES FOR EXPECTED CREDIT LOSSES		(0.49)	2.52	(0.68)
UNBILLED REVENUE		1.95	2.55	0.29
TOTAL		112.45	172.46	185.29

2.17 CURRENT TAX ASSETS (NET)

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2018	AS AT 31.03.2017	AS AT 01.04.2016
INCOME TAX RECEIVABLES	2.48	36.82	10.35	38.66
TOTAL		36.82	10.35	38.66

2.18 OTHER CURRENT ASSETS

(₹ in crore)

PARTICULARS	AS AT 31.03.2018	AS AT 31.03.2017	AS AT 01.04.2016
PREPAID EXPENSES	5.18	4.86	3.31
OTHER ADVANCES	68.21	42.03	76.85
LESS: ALLOWANCES FOR EXPECTED CREDIT LOSSES	(0.35)	67.86	(0.39)
PRE-PAYMENT TOWARDS LEASEHOLD ASSETS	0.44	0.44	0.47
DEFERRED COST TOWARDS STAFF LOAN	0.79	0.84	1.00
DEFERRED COST TOWARDS GOVT OF MOZAMBIQUE RECEIVABLES	1.31	2.03	1.10
TOTAL	75.58	49.81	82.35

2.19 EQUITY SHARE CAPITAL (₹ in crore)

PARTICULARS	AS AT 31.03.2018	AS AT 31.03.2017	AS AT 01.04.2016			
2.19.1 AUTHORISED						
300,000,000 (PREVIOUS YEAR 300,000,000) EQUITY SHARES OF ₹ 10/- EACH	300.00	300.00	150.00			
2.19.2 ISSUED, SUBSCRIBED AND FULLY PAID-UP						
200,000,000 (PREVIOUS YEAR 200,000,000) EQUITY SHARES OF ₹ 10/- EACH	200.00	200.00	100.00			
	200.00	200.00	100.00			
2.19.3 RECONCILIATION OF NUMBER OF EQUITY SHARES						
	No. of Shares	(₹ in crore)	No. of Shares	(₹ in crore)	No. of Shares	(₹ in crore)
OPENING BALANCE	20,00,00,000	200.00	10,00,00,000	100.00	10,00,00,000	100.00
ADD/(LESS) DURING THE YEAR	-	-	10,00,00,000	100.00	-	-
CLOSING BALANCE	20,00,00,000	200.00	20,00,00,000	200.00	10,00,00,000	100.00

2.19.4 RIGHTS, PREFERENCES AND RESTRICTIONS ATTACHED TO EQUITY SHARES

THE COMPANY HAS ONE CLASS OF EQUITY SHARES HAVING A PAR VALUE OF ₹ 10 EACH. EACH SHAREHOLDER IS ELIGIBLE FOR ONE VOTE PER SHARE HELD IN CASE POLL IS DEMANDED BY THE MEMBERS IN ACCORDANCE WITH THE PROVISIONS OF THE COMPANIES ACT, 2013. IN THE EVENT OF LIQUIDATION, THE EQUITY SHAREHOLDERS ARE ELIGIBLE TO RECEIVE THE REMAINING ASSETS OF THE COMPANY AFTER DISTRIBUTION OF ALL PREFERENTIAL AMOUNTS, IN PROPORTION TO THEIR SHAREHOLDING.

	No. of Shares	No. of Shares	No. of Shares
2.19.5 EQUITY SHARES HELD BY EACH SHAREHOLDER MORE THAN 5% OF SHARES			
PRESIDENT OF INDIA ACTING THROUGH MINISTRY OF RAILWAYS (Refer Note No. 2.50)	19,99,60,000	19,99,60,000	9,99,80,000
	(99.98 %)	(99.98 %)	(99.98 %)

2.19.6 FULLY PAID-UP AGGREGATE NUMBER OF EQUITY SHARES ALLOTTED BY WAY OF BONUS SHARES DURING THE YEAR OF FIVE YEARS IMMEDIATELY PRECEDING BALANCE SHEET DATE.

	No. of Shares	No. of Shares	No. of Shares
NUMBER OF BONUS SHARES ISSUED IN 2012-13 : 6 CRORE OF ₹ 10/- EACH			
NUMBER OF BONUS SHARES ISSUED IN 2016-17 : 10 CRORE OF ₹ 10/- EACH (ISSUED TWICE: 5 CRORE EACH TIME)	16,00,00,000	16,00,00,000	6,00,00,000

2.20 OTHER EQUITY (₹ in crore)

PARTICULARS	AS AT 31.03.2018	AS AT 31.03.2017	AS AT 01.04.2016
2.20.1 RESERVE & SURPLUS			
GENERAL RESERVE	1,992.77	1,833.71	1,778.50
2.20.2 OTHER COMPREHENSIVE INCOME	(1.11)	1.62	1.03
TOTAL	1,991.66	1,835.33	1,779.53

2.21 NON CURRENT TRADE PAYABLES

(₹ in crore)

PARTICULARS	AS AT 31.03.2018	AS AT 31.03.2017	AS AT 01.04.2016
CREDITORS FOR SUPPLIES AND SERVICES			
OTHER THAN MICRO, SMALL AND MEDIUM ENTERPRISES	-	-	0.66
TOTAL	-	-	0.66

2.22 OTHER NON CURRENT FINANCIAL LIABILITIES

(₹ in crore)

PARTICULARS	AS AT 31.03.2018	AS AT 31.03.2017	AS AT 01.04.2016
SECURITY DEPOSITS	122.26	108.46	99.62
TOTAL	122.26	108.46	99.62

2.23 NON CURRENT PROVISIONS

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2018	AS AT 31.03.2017	AS AT 01.04.2016
EMPLOYEE BENEFITS	2.37	2.61	97.55	89.89
WARRANTIES	2.44	9.28	15.13	9.97
TOTAL		11.89	112.68	99.86

2.24 OTHER NON CURRENT LIABILITIES

(₹ in crore)

PARTICULARS	AS AT 31.03.2018	AS AT 31.03.2017	AS AT 01.04.2016
CLIENTS ADVANCES	92.47	7.27	2.07
TOTAL	92.47	7.27	2.07

2.25 CURRENT TRADE PAYABLES

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2018	AS AT 31.03.2017	AS AT 01.04.2016
CREDITORS FOR SUPPLIES AND SERVICES				
MICRO, SMALL AND MEDIUM ENTERPRISES	2.54	0.61	0.70	0.60
OTHER THAN MICRO, SMALL AND MEDIUM ENTERPRISES		76.19	71.58	62.49
TOTAL		76.80	72.28	63.09

2.26 OTHER CURRENT FINANCIAL LIABILITIES

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2018	AS AT 31.03.2017	AS AT 01.04.2016
CLIENTS DEPOSITS		1,823.24	1,723.85	1,742.13
SECURITY DEPOSITS		95.93	80.53	58.77
FOREIGN SERVICE CONTRIBUTION	2.58	5.64	5.62	1.93
SALARY PAYABLES		60.66	49.22	50.26
BOOK OVERDRAFT-CLIENTS FUND*	2.14.4	7.73	26.58	3.58
STAFF & OTHER CLAIMS		6.20	5.06	4.71
PAYABLE TO RELATED PARTIES		0.15	-	-
SUNDRY CREDITORS FOR OTHER EXPENSES		74.76	37.50	49.16
TOTAL		2,074.31	1,928.36	1,910.54

* Book overdraft due to issuance of cheques, which will be cleared against term deposits clients fund available in banks.

2.27 CURRENT PROVISIONS

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2018	AS AT 31.03.2017	AS AT 01.04.2016
EMPLOYEE BENEFITS	2.37	73.57	113.72	78.91
EXCISE DUTY		-	1.79	0.50
WARRANTIES	2.44	32.07	34.99	21.77
COMMITMENTS	2.44	-	-	3.43
TOTAL		105.64	150.50	104.61

2.28 OTHER CURRENT LIABILITIES

(₹ in crore)

PARTICULARS	AS AT 31.03.2018	AS AT 31.03.2017	AS AT 01.04.2016
CUSTOMERS ADVANCES	330.96	225.51	87.13
STATUTORY LIABILITIES	26.08	20.13	18.18
TOTAL	357.04	245.64	105.31

2.29 REVENUE FROM OPERATIONS

(₹ in crore)

PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2018	YEAR ENDED 31.03.2017
SALE OF SERVICES			
CONSULTANCY FEE (GROSS)		823.00	715.01
LESS: SERVICE TAX/GST		(103.90)	(91.36)
CONSULTANCY FEE (NET)	2.60	719.10	623.65
QUALITY ASSURANCE (GROSS)		292.21	199.13
LESS: SERVICE TAX/GST		(42.60)	(25.38)
QUALITY ASSURANCE (NET)		249.61	173.75
LEASE SERVICES (GROSS)		98.41	103.92
LESS: SERVICE TAX/GST		(6.13)	(10.64)
LEASE SERVICES (NET)		92.28	93.28
		1,060.99	890.68
SALE OF PRODUCTS			
EXPORT SALES		231.61	377.40
OTHERS			
TURNKEY CONSTRUCTION PROJECTS	2.36	146.64	31.27
TOTAL		1,439.24	1,299.35

2.30 OTHER INCOME

(₹ in crore)

PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2018	YEAR ENDED 31.03.2017
INTEREST EARNED ON:			
- DEPOSITS WITH BANK		84.31	78.22
- TAX FREE BONDS		11.30	15.14
- STAFF ADVANCES		1.48	1.79
- LOAN TO RELATED PARTIES		0.94	0.50
- OTHERS		4.24	8.63
		102.27	104.28
PROVISION NO LONGER REQUIRED		24.86	5.52
PROFIT ON SALE OF FIXED ASSETS		0.15	0.06
PROFIT ON SALE OF NON CURRENT INVESTMENT	2.56	-	71.47
DEFERRED INCOME TOWARDS GOVT OF MOZAMBIQUE RECEIVABLES		2.03	1.96
DIVIDEND FROM:			
- RITES (AFRIKA) (RELATED PARTY)		0.03	-
- RAILWAY ENERGY MANAGEMENT COMPANY LTD		1.88	-
- TRADE CURRENT INVESTMENTS		7.22	4.45
		9.13	4.45
EXPORT INCENTIVES		10.97	14.01
RENT FROM INVESTMENT PROPERTIES		0.99	0.99
EXCHANGE VARIATION		6.94	1.88
MISCELLANEOUS INCOME		6.00	2.83
TOTAL		163.34	207.45

2.31 EMPLOYEE BENEFIT EXPENSES

(₹ in crore)

PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2018	YEAR ENDED 31.03.2017
SALARIES-DOMESTIC		282.65	246.01
SALARIES-ABROAD		3.50	3.23
SALARIES CONTRACT EMPLOYEES		25.59	23.53
FOREIGN SERVICE CONTRIBUTION	2.58	5.62	5.61
CONTRIBUTION TO PROVIDENT FUND & OTHER FUNDS	2.37	24.48	19.75
GRATUITY	2.37	10.60	40.63
POST RETIRAL BENEFITS (PENSION/MEDICAL)	2.37	29.13	24.27
STAFF WELFARE EXPENSES		18.37	15.98
LEAVE TRAVEL CONCESSION	2.37	0.01	0.06
PERFORMANCE RELATED PAYMENT		24.00	13.00
LEAVE ENCASHMENT	2.37	33.22	24.17
TOTAL		457.17	416.24

2.32 COST OF EXPORT SALES

(₹ in crore)

PARTICULARS	YEAR ENDED 31.03.2018	YEAR ENDED 31.03.2017
COST OF TRADED GOODS	153.88	252.59
CONSUMABLES	1.07	2.87
FREIGHT & FORWARDING	2.66	4.63
INSURANCE	0.12	0.05
FEES FOR SERVICES OBTAINED	6.33	15.73
PROVISION FOR WARRANTIES	5.35	19.57
UNWINDING WARRANTIES COST	2.66	0.66
TOTAL	172.07	296.10

2.33 COST OF TURNKEY CONSTRUCTION PROJECTS

(₹ in crore)

PARTICULARS	YEAR ENDED 31.03.2018	YEAR ENDED 31.03.2017
SUPPLIES & SERVICES	130.77	27.85
TOTAL	130.77	27.85

2.34 OTHER EXPENSES

(₹ in crore)

PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2018	YEAR ENDED 31.03.2017
PRINTING, STATIONERY AND DOCUMENTATION		3.61	3.84
BUSINESS PROMOTION		2.22	2.44
AUDITORS' REMUNERATION	2.34.1	0.20	0.16
AUDITORS' OUT OF POCKET EXPENSES	2.34.1	0.04	0.02
RATES & TAXES		4.60	3.04
OFFICE RENT		5.78	5.53
POSTAGE & TELECOMMUNICATION		5.35	4.13
OFFICE MAINTENANCE		8.97	8.24
REPAIRS TO MACHINERY/EQUIPMENTS		3.03	3.63
REPAIRS TO BUILDING		-	0.02
POWER AND FUEL CHARGES		4.69	4.64
STORES AND SPARES CONSUMED-LEASED	2.34.2	1.46	3.61
STORES AND SPARES CONSUMED-OTHERS	2.34.3	4.04	7.35
BOOKS AND PERIODICALS		0.15	0.14
INTERNAL AUDIT FEE		0.13	0.13
ADVERTISEMENT AND PUBLICITY		3.17	3.43
SUBSCRIPTION AND MEMBERSHIP FEE		0.31	0.28
LEGAL AND PROFESSIONAL FEE		2.09	1.73
INSURANCE CHARGES		0.60	3.19
BANK CHARGES		2.13	2.01
BAD DEBTS		1.77	3.42
FIXED ASSETS WRITTEN OFF		5.86	0.02
HIRE CHARGES OF EQUIPMENTS		0.02	-
VEHICLE RUNNING AND MAINTENANCE		0.85	0.96
MANPOWER DEVELOPMENT		1.65	1.20
LOSS ON SALE OF FIXED ASSETS		0.02	0.04
IMPAIRMENT FOR:			
- DOUBTFUL DEBTS, ADVANCES, SECURITY DEPOSITS ETC.		83.02	22.15
PROVISION FOR:			
- EXCISE DUTY BONDS		-	1.29
DIRECTORS' SITTING FEE		0.21	0.12
CORPORATE SOCIAL RESPONSIBILITY		9.90	9.20
OPERATING LEASE PAYMENTS		0.44	0.44
AMORTISED DEFERRED COST TOWARDS GOVT OF MOZAMBIQUE RECEIVABLES		2.03	1.96
MISCELLANEOUS EXPENSES (COST OF TENDER DOCUMENTS, VISA CHARGES, ETC.)		3.76	3.95
TOTAL		162.10	102.31

2.34.1 AUDITORS' REMUNERATION

(₹ in crore)

PARTICULARS	YEAR ENDED 31.03.2018	YEAR ENDED 31.03.2017
(A) STATUTORY AUDITORS		
STATUTORY AUDIT FEE	0.05	0.05
TAX AUDIT FEE	0.02	0.02
LIMITED REVIEW/QUARTERLY AUDIT AND CONSOLIDATION FEE	0.06	0.04
OTHER SERVICES, i.e. CERTIFICATION ETC.	-	-
SUB TOTAL (A)	0.13	0.11
(B) BRANCH AUDITORS		
STATUTORY AUDIT FEE	0.02	0.02
TAX AUDIT FEE	0.01	0.01
LIMITED REVIEW AUDIT FEE	0.04	0.02
SUB TOTAL (B)	0.07	0.05
AUDITORS' REMUNERATION (A+B)	0.20	0.16
AUDITORS' OUT OF POCKET EXPENSES	0.04	0.02

2.34.2 STORES AND SPARES CONSUMED-LEASED

(₹ in crore)

PARTICULARS	YEAR ENDED 31.03.2018	YEAR ENDED 31.03.2017
STORES AND SPARES CONSUMED	0.85	3.23
CONSUMABLES	0.37	0.13
FREIGHT & FORWARDING INWARD	0.19	0.20
INSURANCE CHARGES	0.04	-
OTHER PROCUREMENT EXPENSES	0.01	0.05
TOTAL	1.46	3.61

2.34.3 STORES AND SPARES CONSUMED-OTHERS

(₹ in crore)

PARTICULARS	YEAR ENDED 31.03.2018	YEAR ENDED 31.03.2017
CONSUMABLES	4.00	6.60
FREIGHT & FORWARDING INWARD	0.04	0.75
TOTAL	4.04	7.35

2.35 DEFERRED TAX (NET)

(₹ in crore)

PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2018	YEAR ENDED 31.03.2017
CREDIT/(CHANGE) RELATING TO TEMPORARY DIFFERENCES		22.25	(1.75)
TOTAL	2.48	22.25	(1.75)

DISCLOSURES AS PER INDIAN ACCOUNTING STANDARDS (IND AS):

2.36 DISCLOSURE ON CONSTRUCTION CONTRACTS (INDIAN ACCOUNTING STANDARD-11) IS AS FOLLOWS:

(₹ in crore)

S. No.	Particulars	Year ended	
		31.03.18	31.03.17
1.	Contract revenue recognized during the year	146.64	31.27
2.	Aggregate amount of Costs incurred upto reporting date	334.75	191.85
3.	Recognized profits/(Loss) up to reporting date	0.97	(2.78)
4.	Amount of advances received	256.14	270.84

2.37 Disclosure on Employee Benefits (Indian Accounting Standard-19) is as follows:

2.37.1 Defined Benefit Plan

2.37.1.1.1 Gratuity (Funded)-Regular Employees.

2.37.1.1.1.1 Changes in Present Value of the Benefit Obligation are as follows:

(₹ in crore)

Particulars	31.03.18	31.03.17
Present Value of obligation as at beginning of year	119.72	79.97
Interest Cost	8.95	6.26
Current Service Cost	7.28	4.99
Benefits paid	(7.25)	(5.95)
Actuarial (Gain)/Loss on obligation	5.36	(0.35)
Past Service Cost	-	34.80
Present Value of Obligation as at end of year	134.06	119.72

2.37.1.1.1.2 Changes in the Fair Value of Plan Assets are as follows:

(₹ in crore)

Particulars	31.03.18	31.03.17
Fair Value of Plan Assets at beginning of year	80.83	74.10
Actual Interest Income	7.29	6.81
Contributions	38.88	5.87
Benefits Paid	(6.76)	(5.95)
Fair value of Plan Assets at the end of year	120.24	80.83

2.37.1.1.1.3 The amount recognized in the Balance Sheet is as follows:

(₹ in crore)

Particulars	31.03.18	31.03.17
Defined Benefit Obligation at end of year	134.06	119.72
Fair value of Plan Assets at the end of year	120.24	80.83
Funded Status - (Surplus)/ Deficit	13.82	38.89
Net (Liability)/ Asset recognized in Balance Sheet	(13.82)	(38.89)

2.37.1.1.1.4 Amount recognized in the Statement of Profit & Loss is as follows:

(₹ in crore)

Particulars	31.03.18	31.03.17
Current Service Cost	7.28	4.99
Net Interest on Net Defined Benefit Liability	2.91	0.46
Past Service Cost	-	34.80
Expenses recognized in the statement of Profit & Loss	10.19	40.25

2.37.1.1.1.5 Amount recognized in Other Comprehensive Income is as follows:

(₹ in crore)		
Particulars	31.03.18	31.03.17
Actuarial (Gains)/Losses on Liability	5.36	(0.35)
Actuarial (Gains)/Losses on Assets	(1.25)	(1.01)
Other Comprehensive (Income)/Expense	4.11	(1.36)

2.37.1.1.1.6 The principal actuarial assumptions are as follows:

Particulars	31.03.18	31.03.17
Discounting rate (%)	7.50%	7.47%
Future salary increase (%)	9.00%	8.00%

The significant actuarial assumptions for the determination of the defined obligations are discount rate and expected salary increase. The sensitivity for actuarial assumptions have been computed by varying respective actuarial assumption used for valuation of the defined benefit obligation by 1%, while holding all other assumptions constant.

If the discount rate increases (decreases) by 1%, the defined obligations would decrease by ₹ 4.35 crore (increase by ₹ 4.64 crore) as on 31st March, 2018 and if the expected salary growth increases (decreases) by 1%, the defined benefit obligations would increase by ₹ 4.68 crore (decrease by ₹ 4.42 crore) as on 31st March, 2018.

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 ₹ 13.82 crore to defined benefit plan obligations towards gratuity during the year 2018-19. Remeasurement (gain)/loss of defined employee benefit plans in Other Comprehensive Income (OCI) for the year ended 31.03.2018 and 31.03.2017 are ₹ 4.11 crore and ₹ (1.36) crore respectively.

The defined benefit obligation shall mature as follows:

Year ending March, 31	Defined benefit obligations (₹ in crore)
2019	12.65
2020	26.38
2021	12.50
2022	11.64
2023	9.86
2024	10.21
2024 onward	50.83

2.37.1.1.2 Gratuity (Funded)-Contract Employees.

2.37.1.1.2.1 Changes in Present Value of the Benefit Obligation are as follows:

(₹ in crore)		
Particulars	31.03.18	31.03.17
Present Value of obligation as at beginning of year	2.01	1.65
Interest Cost	0.15	0.13
Current Service Cost	0.26	0.26
Benefits paid	(0.25)	(0.49)
Actuarial (Gain)/Loss on obligation	0.09	0.46
Present Value of Obligation as at end of year	2.26	2.01

2.37.1.1.2.2 Changes in the fair value of Plan Assets are as follows:

(₹ in crore)

Particulars	31.03.18	31.03.17
Fair Value of Plan Assets at beginning of year	-	-
Actual Interest Income	0.03	-
Contributions	2.01	-
Benefits Paid	-	-
Fair value of Plan Assets at the end of year	2.04	-

2.37.1.1.2.3 The amount recognized in the Balance Sheet is as follows:

(₹ in crore)

Particulars	31.03.18	31.03.17
Defined Benefit Obligation at end of year	2.26	2.01
Fair value of Plan Assets at the end of year	2.04	-
Funded Status - (Surplus)/ Deficit	0.22	2.01
Net (Liability)/ Asset recognized in Balance Sheet	(0.22)	(2.01)

2.37.1.1.2.4 Amount recognized in the Statement of Profit & Loss is as follows:

(₹ in crore)

Particulars	31.03.18	31.03.17
Current Service Cost	0.26	0.26
Net Interest on Net Defined Benefit Liability	0.15	0.13
Expenses recognized in the statement of Profit & Loss	0.41	0.39

2.37.1.1.2.5 Amount recognized in Other Comprehensive Income is as follows:

(₹ in crore)

Particulars	31.03.18	31.03.17
Actuarial (Gains)/Losses on Liability	0.09	0.46
Actuarial (Gains)/Losses on Assets	(0.03)	-
Other Comprehensive (Income)/Expense	0.06	0.46

2.37.1.1.2.6 The principal actuarial assumptions are as follows:

Particulars	31.03.18	31.03.17
Discounting rate (%)	7.50%	7.47%
Future salary increase (%)	4.50%	4.00%

2.37.1.1.2.7 The significant actuarial assumptions for the determination of the defined obligations are discount rate and expected salary increase. The sensitivity for actuarial assumptions have been computed by varying respective actuarial assumption used for valuation of the defined benefit obligation by 1%, while holding all other assumptions constant.

If the discount rate increases (decreases) by 1%, the defined obligations would decrease by ₹ 0.28 crore (increase by ₹ 0.31 crore) as on 31st March, 2018 and if the expected salary growth increases (decreases) by 1%, the defined benefit obligations would increase by ₹ 0.32 crore (decrease by ₹ 0.30 crore) as on 31st March, 2018.

However, the actual change in assumptions would not necessarily behave in isolation to each other. The defined benefit obligations would change accordingly.

2.37.1.2 Provident Fund (Funded)

All eligible employees of the company are entitled to receive benefits under the Provident Fund, a defined benefit plan, set up through a Trust named as RITES Contributory Provident Fund Trust. Both employee and employer contribute monthly at a determined rate as specified under the law to the Trust. The obligation of the company is limited to such contribution and to make good the shortfall, if any, between the returns from the investments of the trust and the notified interest rate. Short fall, if any, is recognised as an expense during the year. As per actuarial valuation, present value of the expected future earnings on the fund is higher than the expected amount to be contributed to the individual members based on the expected guaranteed rate of interest, resulting in no liability on the company.

The company contributed ₹ 23.78 crore and ₹ 19.44 crore to the provident fund during the year ended 31st March, 2018 and 31st March, 2017 respectively.

2.37.1.3 Other Benefits

2.37.1.3.1 Other Benefits (Funded):- Leave Encashment and Medical Leave- Regular Employees

2.37.1.3.1.1 Changes in Present Value of the Benefit Obligation are as follows:

(₹ in crore)

Particulars	Leave Encashment (Regular Employee)		Medical Leave (Regular Employee)	
	31.03.18	31.03.17	31.03.18	31.03.17
Present Value of obligation as at beginning of year	59.11	52.88	51.24	46.93
Interest Cost	4.42	4.23	3.83	3.68
Current Service Cost	5.67	3.30	3.60	2.93
Benefits paid	(16.43)	(11.59)	(1.53)	(1.36)
Actuarial (Gain)/Loss on obligation	13.42	10.29	2.11	(0.94)
Present Value of Obligation as at end of year	66.19	59.11	59.25	51.24

2.37.1.3.1.2 Changes in the Fair Value of Plan Assets are as follows:

(₹ in crore)

Particulars	Leave Encashment (Regular Employee)		Medical Leave (Regular Employee)	
	31.03.18	31.03.17	31.03.18	31.03.17
Fair Value of Plan Assets at beginning of year	-	-	-	-
Actual Interest Income	0.39	-	0.34	-
Contributions	59.11	-	50.88	-
Benefits Paid	-	-	-	-
Fair value of Plan Assets at the end of year	59.50	-	51.22	-

2.37.1.3.1.3 The amount recognized in the Balance Sheet is as follows:

(₹ in crore)

Particulars	Leave Encashment (Regular Employee)		Medical Leave (Regular Employee)	
	31.03.18	31.03.17	31.03.18	31.03.17
Defined Benefit Obligation at end of year	66.19	59.11	59.25	51.24
Fair value of Plan Assets at the end of year	59.50	-	51.22	-
Funded Status - (Surplus)/ Deficit	6.69	59.11	8.03	51.24
Net (Liability)/ Asset recognized in Balance Sheet	(6.69)	(59.11)	(8.03)	(51.24)

2.37.1.3.1.4 Amount recognized in the Statement of Profit & Loss is as follows:

(₹ in crore)

Particulars	Leave Encashment (Regular Employee)		Medical Leave (Regular Employee)	
	31.03.18	31.03.17	31.03.18	31.03.17
Current Service Cost	5.67	3.30	3.60	2.93
Net Interest on Net Defined Benefit Liability	4.42	4.23	3.83	3.68
Net Actuarial (gain)/loss recognized in the year	13.02	10.29	1.77	(0.94)
Expenses recognized in the statement of Profit & Loss	23.11	17.82	9.20	5.67

2.37.1.3.1.5 The principal actuarial assumptions are as follows:

Particulars	Leave Encashment (Regular Employee)		Medical Leave (Regular Employee)	
	31.03.18	31.03.17	31.03.18	31.03.17
Discounting rate (%)	7.50%	7.47%	7.50%	7.47%
Future salary increase (%)	9.00%	8.00%	9.00%	8.00%

2.37.1.3.1.6 Sensitivity Analysis of the defined benefit obligation.

(₹ in crore)

Particulars	Increase (Decrease) in present value of obligation as on 31.03.2018	
	Leave Encashment (Regular Employee)	Medical Leave (Regular Employee)
Impact due to Increase of 1% discount rate	(5.66)	(4.19)
Impact due to Decrease of 1% discount rate	6.15	4.48
Impact due to Increase of 1% in Salary	6.12	4.20
Impact due to Decrease of 1% in Salary	(5.72)	(4.52)

2.37.1.3.2 Other Benefits (unfunded):- Leave Encashment (Contract employee), LTC (Deputation employee) and Long Service Award (Regular employee).

2.37.1.3.2.1 Present value of the defined benefits plan obligations

(₹ in crore)

Particulars	Leave Encashment (Contract Employee)		LTC (Deputation employee)		Long Service Award (Regular employee)	
	31.03.18	31.03.17	31.03.18	31.03.17	31.03.18	31.03.17
Opening Balance	0.86	0.69	0.13	0.15	1.58	1.54
Interest Cost	0.06	0.05	0.01	0.01	0.12	0.12
Current Service Cost	0.53	0.17	0.01	0.01	0.11	0.10
Benefit paid	(0.53)	(0.51)	(0.04)	(0.08)	(0.25)	(0.28)
Actuarial (Gain)/ Loss on obligation	0.30	0.46	0.00	0.04	(0.10)	0.10
Closing Balance	1.22	0.86	0.11	0.13	1.46	1.58

2.37.1.3.2.2 Total expenses recognized in the Statement of Profit & Loss are as follows:

(₹ in crore)

Particulars	Leave Encashment (Contract Employee)		LTC (Deputation employee)		Long Service Award (Regular employee)	
	31.03.18	31.03.17	31.03.18	31.03.17	31.03.18	31.03.17
Current Service Cost	0.53	0.17	0.01	0.01	0.11	0.10
Interest Cost	0.06	0.05	0.01	0.01	0.12	0.12
Actuarial (Gain)/Loss	0.30	0.46	0.00	0.04	(0.10)	0.10
Expenses recognized in the statement of Profit & Loss	0.89	0.68	0.02	0.06	0.13	0.32

2.37.1.3.2.3 The principal actuarial assumptions used at the Balance Sheet date are as follows:

Particulars	Leave Encashment (Contract employee)		LTC (Deputation employee)		Long Service Award (Regular employee)	
	31.03.18	31.03.17	31.03.18	31.03.17	31.03.18	31.03.17
Discount rate (%)	7.50%	7.47%	7.50%	7.47%	7.50%	7.47%
Future salary increase (%)	4.50%	4.00%	9.00%	8.00%	-	-

2.37.1.3.2.4 Sensitivity Analysis of the defined benefit obligation.

(₹ in crore)

Particulars	Increase (Decrease) in present value of obligation as on 31.03.2018	
	Leave Encashment (Contract employee)	LTC (Deputation employee)
Impact due to Increase of 1% discount rate	(0.18)	(0.01)
Impact due to Decrease of 1% discount rate	0.20	0.01
Impact due to Increase of 1% in Salary	0.19	-
Impact due to Decrease of 1% in Salary	(0.18)	-

2.37.2 Defined Contribution Plans

2.37.2.1 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 ₹ 17.26 crore (previous year ₹ 12.33 crore) towards post retirement pension fund, ₹ 4.13 crore (previous year ₹ 4.01 crore) towards pension under EPFO and ₹ 11.87 crore (previous year ₹ 11.94 crore) towards medical schemes.

2.38 Disclosures on Operating Segments (Indian Accounting Standard-108) are as follows:

Operating segments are defined as components of an enterprise for which discrete financial information is available which is being evaluated regularly by the Chief Operating Decision Maker (CODM) in deciding how to allocate resources and assessing performance. The company's chief operating decision maker is the Chief Executive Officer and Chairman & Managing Director.

2.38.1 Company has identified four operational reportable segments based on operations being carried out which are as under:-

- Consultancy Services
- Turnkey Construction Projects
- Export of rolling stock, equipments and spares
- Leasing of railway rolling stock & equipments

2.38.2 Geographical wise revenue segment is disclosed as under:-

- Revenue within India from consultancy includes quality assurance & project management services, turnkey construction projects and domestic lease rental services to clients located inside India.
- Revenue from outside India includes services rendered, export sales of rolling stock & spare parts and lease rental services to the clients located outside India.

2.38.3 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.

2.38.4 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.

2.38.5 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.

2.38.6 Operational Segments:

Year ended 31.03.2018

(₹ in crore)

Description	Consultancy Services		Leasing		Export Sale	Turnkey Construction Projects-Domestic	Total
	Domestic	Abroad	Domestic	Abroad			
Revenue	906.38	62.33	82.54	9.74	231.61	146.64	1439.24
Identifiable operating expenses	547.71	33.00	51.16	4.37	180.00	142.91	959.15
Segmental profit from operations	358.67	29.33	31.38	5.37	51.61	3.73	480.09
Add: Interest Income*							102.27
Add: Other Income **							61.07
Less: Un-allocable Expenses							149.94
Net Profit Before Tax							493.49
Less: Income Tax (including Deferred Tax)							156.68
Net Profit After Tax							336.81
Additional Information:							
Depreciation and amortisation							30.18
Non-cash expenses/ (income) other than depreciation and amortization							90.65
Reversal of Provisions							24.86
Profit on sale of PPE							0.15
Loss on sale of PPE							0.02
Profit on sale of investment							-

Year ended 31.03.2017

(₹ in crore)

Description	Consultancy Services		Leasing		Export Sale	Turnkey Construction Projects-Domestic	Total
	Domestic	Abroad	Domestic	Abroad			
Revenue	769.55	27.85	70.91	22.37	377.40	31.27	1299.35
Identifiable operating expenses	512.33	10.96	44.50	11.95	311.73	38.08	929.55
Segmental profit from operations	257.22	16.89	26.41	10.42	65.67	(6.81)	369.80
Add: Interest Income*							104.28
Add: Other Income **							103.17
Less: Un-allocable Expenses							89.15
Net Profit Before Tax							488.10

(₹ in crore)

Description	Consultancy Services		Leasing		Export Sale	Turnkey Construction Projects-Domestic	Total
	Domestic	Abroad	Domestic	Abroad			
Less: Income Tax (including Deferred Tax)							157.17
Net Profit After Tax							330.93
Additional Information:							
Depreciation and amortisation							32.11
Non-cash expenses/ (income) other than depreciation and amortisation							26.88
Reversal of Provisions							5.52
Profit on sale of PPE							0.06
Loss on sale of PPE							0.04
Profit on sale of investment							71.47

2.38.7 Geographical Segment

(₹ in crore)

Description	Year ended 31.03.2018				Year ended 31.03.2017			
	India	Abroad		Total	India	Abroad		Total
		Asia	Africa			Asia	Africa	
Revenue	1135.56	220.64	83.04	1439.24	871.73	373.91	53.71	1299.35
Identifiable operating expenses	741.78	175.38	41.99	959.15	594.89	307.22	27.44	929.55
Segmental profit from operations	393.78	45.26	41.05	480.09	276.84	66.69	26.27	369.80
Add: Interest Income*				102.27				104.28
Add: Other Income **				61.07				103.17
Less: Un-allocable Expenses				149.94				89.15
Net Profit Before Tax				493.49				488.10
Less: Income Tax (including Deferred Tax)				156.68				157.17
Net Profit After Tax				336.81				330.93
Additional Information:								
Depreciation and amortisation				30.18				32.11
Non-cash expenses/ (income) other than depreciation and amortisation				90.65				26.88
Reversal of Provisions				24.86				5.52
Profit on sale of PPE				0.15				0.06
Loss on sale of PPE				0.02				0.04
Profit on sale of investment				-				71.47

* Interest income includes interest on bank deposits, bonds, staff advances, loans, income tax refunds etc.

** Other income includes provision no longer required, profit on sale of assets, export incentives, rental income from investment properties, dividend on trade current & non-current investments, exchange gain etc.

Note:- No Impairment and its reversal has been recognized in Other Comprehensive Income (OCI) during the year ended 31.03.2018 and 31.03.2017.

2.38.8 Revenue of ₹ 534.51 crore (previous year ₹ 518.60 crore) from major customers is given below:

(₹ in crore)

Description	Year ended 31.03.2018				Year ended 31.03.2017			
	Consul-tancy	Export Sales	Turnkey Construction Projects-Domestic	Total	Consul-tancy	Export Sales	Turnkey Construction Projects-Domestic	Total
Customer 1	184.84	-	143.47	328.31	124.98	-	28.11	153.09
Customer 2	-	206.20	-	206.20	-	365.51	-	365.51
Total	184.84	206.20	143.47	534.51	124.98	365.51	28.11	518.60

Note:- PSUs under the same ministry have not been considered as one customer.

2.39 Related Party Disclosures (Indian Accounting Standard-24) are as follows:-

2.39.1 Subsidiary Companies

Name of Subsidiaries	Country	Holding as on	
		31.03.18	31.03.17
M/s RITES (Afrika) (Pty) Ltd. (RAPL)	Botswana	100%	100%
M/s RITES Mohawarean Arabia Co. Ltd. (RMAC)*	Saudi Arabia	76%	76%
M/s RITES Infrastructure Services Ltd. (RISL)**	India	100%	100%
M/s Railway Energy Management Company Ltd. (REMCL)	India	51%	51%

*RITES Mohawarean Arabia Company Ltd. (RMAC), a subsidiary company with 76% stake, is under liquidation. Investment in equity of ₹ 0.47 crore made by the company has already been received from RMAC.

**RITES Infrastructure Services Limited (RISL) is under liquidation. Prior to initiating process of liquidation, all assets & liabilities have been taken over by RITES on 30.09.2016.

2.39.1.1 Joint Ventures

Name of Joint Ventures	Country	Holding as on	
		31.03.18	31.03.17
M/s SAIL-RITES Bengal Wagon Industry Private Limited	India	50%	50%
M/s BNV Gujarat Rail Private Limited	India	26%	26%

2.39.1.2 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

2.39.1.3 Key Management Personnel

Chairman & Managing Director (Chief Executive Officer)

Mr. Rajeev Mehrotra

Whole Time Directors

Mr. Arbind Kumar, Director Projects

Mr. Ajay Kumar Gaur, Director Finance (Chief Finance Officer)

Mr. Mukesh Rathore, Director Technical

Government Nominee Directors

Mr. A.P. Dwivedi, Director

Mr. Ravindra Nath Misra, Director (Upto 31st August, 2017)

Mr. Bhupendra Kumar Agarwal, Director (From 26th September, 2017)

Non-Executive (Independent) Directors

Dr. Vidya Rajiv Yeravdekar
 Mr. Anil Kumar Goel
 Mr. Satish Sareen
 Dr. Pramod Kumar Anand (From 19th Sept., 2017)
 Ms. Geethakumary (From 15th March, 2018)
 Dr. Rajendra N.Goyal (From 15th March, 2018)

Company Secretary

Mr. P.T. Mittal, Company Secretary & GM (Legal) (upto 31st March, 2018)
 Mr. Ashish Srivastava, Company Secretary (From 1st April, 2018)

2.39.2 Transactions and Balance with Related Parties

Outstanding balances from the related parties are unsecured and considered good which are due towards ordinary course of business and are being realised within reasonable time.

2.39.2.1 Subsidiary Companies

Transactions with Subsidiary Companies:

(₹ in crore)

Particulars	RAPL		RISL*		REMCL	
	Year ended		Year ended		Year ended	
	31.03.18	31.03.17	31.03.18	31.03.17	31.03.18	31.03.17
Investment	-	-	-	-	-	10.20
Recoverable/ Advances	-	-	(0.58)	(6.92)	(2.43)	0.48
Consultancy Fee/ Income from Construction Turnkey Projects	1.57	0.21	-	0.03	5.54	4.80
Interest Received	-	-	-	-	1.06	-
Dividend Received	0.03	-	-	-	1.88	-

Balances with Subsidiary Companies:

(₹ in crore)

Particulars	RAPL		RISL*		REMCL	
	Year ended		Year ended		Year ended	
	31.03.18	31.03.17	31.03.18	31.03.17	31.03.18	31.03.17
Investments	0.01	0.01	0.05	0.05	35.70	35.70
Recoverable /Advances	-	-	-	0.32	1.17	4.09
Receivables	0.05	0.21	-	0.26	0.86	-

*RITES Infrastructure Services Limited (RISL) is under liquidation. Prior to initiating process of liquidation, all assets & liabilities have been taken over by RITES on 30th September, 2016 and during the year holding company has written off ₹ 0.58 crore recoverable from RISL.

2.39.2.2 Joint Ventures

Transactions with Joint Ventures:

(₹ in crore)

Particulars	SAIL-RITES Bengal Wagon Industry Private Ltd.		BNV Gujarat Rail Private Limited	
	Year ended		Year ended	
	31.03.18	31.03.17	31.03.18	31.03.17
Investments (equity)	-	1.73	-	0.01
Recoverable(Payable)/Advances	(0.23)	0.08	-	-
Operating Income (Consultancy Fee/ Income from Construction Turnkey Projects/Export Sales/Leasing Service)	-	3.06	-	-
Loans given*	-	7.00	-	-
Interest on Loans given*	0.62	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	
	31.03.18	31.03.17	31.03.18	31.03.17
Investments(equity)	24.00	24.00	0.01	0.01
Recoverable (Payable)/Advances	(0.15)	0.07	-	-
Receivables	-	0.01	-	-
Loans*	7.00	7.00	-	-
Interest accrued on Loans given*	0.76	0.14	-	-

* With a moratorium period of 30 months upto July, 2019 for principal and interest

Note: Company has invested in M/s BNV Gujarat Rail Private Limited during the year 2016-17. Venture Company is incorporated in the year 2016-17 but no operation started till 31st March, 2018.

2.39.2.3 Transactions with other related parties (Post-Retirement Benefits Trusts/Plans):

Transactions regarding Post-Retirement Benefit Plans, as mentioned vide note no. 2.39.1.2, are indicated vide note 2.37.

2.39.2.4 Transactions with Key Managerial Personnel:

(₹ in crore)

Description	Year ended	
	31.03.18	31.03.17
Compensation to CMD, Whole Time Directors & Company Secretary:		
• Short Term Employee Benefits	2.18	2.71
• Post-employment Benefits	0.53	0.37
• Other Long Term Benefits	0.21	0.31
Sub-Total	2.92	3.39
Sitting fee to Non-Executive (Independent) Directors	0.21	0.12
Total	3.13	3.51

2.39.3 Government related entities

Government of India (GOI) is holding 100% equity shares of the company, which are held by President of India through Ministry of Railways and its nominees. GOI controls the company through Ministry of Railways (refer note no:- 2.50)

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	
	31.03.18	31.03.17
Revenue	399.98	224.98
Procurements	50.37	190.27
Consumables	0.37	9.07
Freight	-	4.05
Training Exp.	0.02	0.12
Redemption of Tax Free Bonds	50.00	50.00

Significant balances with Government related entities:

(₹ in crore)

Particulars	As on	
	31.03.18	31.03.17
Capital Advances	4.80	5.96
Other Advances	45.30	27.42
Payables	4.08	4.16
Advance Received	9.96	4.79
Clients Funds Received	101.83	75.49
Receivables	153.11	119.25
Tax Free Bonds	120.00	170.00

2.40 Disclosures on Leases (Indian Accounting Standard-17) are as follows:

Operating Lease (Cancelable)

2.40.1.1 The company has leasing arrangement of locomotives in domestic and overseas markets, Company is also providing services of its experts for maintenance of these locomotives for which lease rent is received from the clients as per terms of the contracts.

2.40.1.2 Detail of the leased assets: New & In-Service Locomotives (refer note no. 2.1)

(₹ in crore)

Description	Year ended	
	31.03.18	31.03.17
Gross carrying amount	235.56	202.89
Accumulated depreciation	63.83	42.46
Net carrying amount	171.73	160.43
Depreciation provided for the year	21.37	21.78

2.40.2.1 Description of lease arrangement of Scope Office Complex

The company has leased 545 sq. m. area of furnished accommodation to Railway Board, Indian Railways on lease rent basis receivable every month. The lease arrangement is upto 30th September, 2018.

2.40.2.2 Details of the leased assets: Office Premises*

(₹ in crore)

Description	Year ended	
	31.03.18	31.03.17
Gross carrying amount	1.56	1.56
Accumulated depreciation	0.28	0.24
Net carrying amount	1.28	1.32
Depreciation provided for the year	0.04	0.05

* Leased assets include building, air conditioners, AC plant, furniture and fixture.

2.40.3 The company has not sub-leased any of the assets taken on lease.

2.40.4 Operating Leases for Company's offices, staff residential premises and vehicles are renewable / cancelable as laid down in the respective agreements. The total of minimum lease payments recognized in the Statement of Profit & Loss for the year is ₹ 30.62 crore (previous year ₹ 31.84 crore).

2.40.5 There are no provisions relating to contingent rent.

2.41 Disclosures on Earning Per Share (EPS) (Indian Accounting Standard-33) are as follows:

Particulars		Year Ended	
		31.03.2018	31.03.2017
A	Net Profit available for Equity Shareholder (₹ in crore)	336.81	330.93
B	Weighted average number of Equity Shares	20,00,00,000	20,00,00,000
C	Earnings Per Share(Basic & Diluted) (A)/(B)	₹16.84	₹ 16.55
D	Face value per equity share	₹10/-	₹10/-

2.42 Disclosures of Interest in Other Entities (Indian Accounting Standard-112) are as follows:
2.42.1 RITES has following Joint Arrangements:

Name of Joint Arrangements	Nature of Interest/Relationship with Joint Arrangements	Principal Place of Business of Joint Arrangements	Proportionate ownership interest or participating share
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%
SAIL-RITES Bengal Wagon Industry Private Limited	RITES has formed a Joint Venture with SAIL for manufacturing Wagons at SGW, Kulti, West Bengal.	India	50%
BNV Gujarat Rail Private Limited	RITES has formed a Joint Venture with Shapoorji Pallonji Roads Private Limited and PCM Cement Concrete Private Limited to set up, own, operate, finance and maintain the Bhuj-Naliya-Vayor rail connectivity project in Kutch district of the state of Gujarat	India	26%

2.42.2 Disclosures in respect of Joint Ventures:

2.42.2.1 Investment is measured at cost.

2.42.2.2 Summarised financial information of the Joint Ventures are as under:

(₹ in crore)

Description / JVs	SAIL-RITES Bengal Wagon Industry Private Limited		BNV Gujarat Rail Private Limited	
	31.03.18	31.03.17	31.03.18	31.03.17
Fixed Assets (Net)/Non Current Assets	97.37	103.60	-	-
Current Assets, Loans & Advances	23.09	18.43	0.04	0.05
Current Liabilities & Provisions	50.72	39.34	0.01	-
Non Current Liabilities & Provisions	44.23	53.03	-	-
Capital	48.00	48.00	0.05	0.05
Retained Earnings / (losses)	(22.49)	(18.34)	(0.02)	-
Revenue	83.97	9.22	-	-
Expenditure including Tax	88.12	22.19	0.01	-
Profit / (Loss) After Tax	(4.14)	(12.97)	(0.01)	-
Additional information:				
Cash and Cash Equivalents	0.40	1.17	0.04	0.05
Current financial liabilities (excluding trade and other payables and provisions)	37.05	28.70	-	-
Non- Current financial liabilities (excluding trade and other payables and provisions)	44.23	53.03	-	-
Depreciation and Amortisation	6.78	5.83	-	-
Interest Income	0.02	0.22	-	-
Interest Expense	7.35	6.10	-	-
Income tax expenses or (income)	-	-	-	-

BNV Gujarat Rail Private Limited was incorporated in financial year 2016-17, but no commercial activity was started till 31.03.2018.

2.42.2.3 Reconciliation of Company's interest in Joint Ventures:

(₹ in crore)

Description / JVs	SAIL-RITES Bengal Wagon Industry Private Limited		BNV Gujarat Rail Private Limited	
	2017-18	2016-17	2017-18	2016-17
Net Assets				
Net Assets of Joint Venture	25.51	29.66	0.03	0.05
Proportionate share in Joint Venture (%)	50%	50%	26%	26%
Share of interest in net assets of Joint Venture	12.76	14.83	0.01	0.01
Carrying amount of interest in Joint Venture	12.76	14.83	0.01	0.01
Net Profit				
Net Profit / (Loss) After Tax of Joint Venture	(4.14)	(12.97)	(0.01)	-
Proportionate share in Joint Venture (%)	50%	50%	26%	26%
Share of interest in net profit after tax of Joint Venture	(2.07)	(6.49)	-	-
Amount of interest in net profit after tax of Joint Venture	(2.07)	(6.49)	-	-

- 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.
- Company has invested in M/s BNV Gujarat Rail Private Limited during the year 2016-17. Venture Company is incorporated in the year 2016-17 but no operation started till 31st March, 2018.

2.42.2.4 All the investments in Joint Ventures are non-tradable in market.

2.42.3 Summarised financial information of the Joint Operations:

(₹ in crore)

Description / JVs	RICON		Geoconsult-RITES		Geoconsult - RITES, NRT-1		Geoconsult ZT GmbH-RITES		Geoconsult-RITES (JV)	
	Year ended 31.03.18	Year ended 31.03.17	Year ended 31.03.18	Year ended 31.03.17	Year ended 31.03.18	Year ended 31.03.17	Year ended 31.03.18	Year ended 31.03.17	Year ended 31.03.18	Year ended 31.03.17
Fixed Assets (Net)/Non Current Assets	-	-	-	-	-	-	0.01	0.61	-	0.28
Current Assets, Loans & Advances	21.75	21.43	5.92	5.59	3.74	3.92	1.69	0.96	1.50	0.71
Current Liabilities & Provisions	0.73	0.75	4.10	3.65	3.52	3.42	2.44	1.85	0.84	0.57
Non Current Liabilities & Provisions	-	-	-	-	-	-	-	-	-	-
Capital	-	-	-	-	-	-	-	-	-	-
Retained Earnings / (losses)	21.02	20.68	1.82	1.94	0.21	0.50	(0.74)	(0.28)	0.66	0.42
Revenue	0.51	0.65	0.10	0.18	0.11	0.22	0.65	1.79	5.93	2.77
Expenditure including Tax	0.17	0.24	0.22	0.08	0.40	0.11	1.11	2.66	5.27	2.34
Profit/(Loss) After Tax	0.34	0.41	(0.12)	0.10	(0.29)	0.11	(0.46)	(0.87)	0.66	0.43
Additional information:										
Cash and Cash Equivalents	0.01	1.22	0.10	0.52	0.17	0.51	-	0.19	0.19	0.24
Current financial liabilities (excluding trade and other payables and provisions)	-	-	-	-	-	-	-	-	-	-
Non- Current financial liabilities (excluding trade and other payables and provisions)	-	-	-	-	-	-	-	-	-	-
Depreciation and Amortisation	-	-	-	-	-	-	0.01	0.02	-	-
Interest Income	0.51	0.62	0.10	0.09	0.11	0.10	0.01	-	-	-
Interest Expense	-	-	-	-	-	-	-	-	-	-
Income tax expenses or (income)	0.15	0.17	-	0.06	-	0.03	-	-	0.40	0.22

2.42.4 Company jointly participated in the followings projects with other entities:

Project Name	Name of entities
General Consultancy to Delhi Metro Rail Corporation Ltd. for Delhi Mass Rapid Transit System Project-Phase-III.	M/s Oriental Consultants Co. Ltd. M/s Parsons Brickerhoff International INC. M/s Tonichi Engineering Consultants INC.
General Consultancy to Bangalore Metro Rail Corporation Ltd. for Bangalore Metro.	M/s Oriental Consultants Co. Ltd. M/s Parsons Brickerhoff International INC. M/s Systra SA
General Consultancy to Metro Link Express for Gandhinagar & Ahmedabad (MEGA) Company Ltd. for Mass Rapid Transit System project at Ahmedabad.	M/s Systra SA France (Lead). M/s Oriental Consultants Global Co. Ltd., Japan. M/s AECOM Asia Company Ltd., HongKong.

Project Name	Name of entities
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 Gandhinagar & Ahmedabad (MEGA) Company Ltd. for mass Rapid Transit System Project at Ahmedabad.	M/s TUV SUD South Asia Pvt. Ltd. (TUV)
DPR for MRTS between Ahmedabad and Dholera for DMICDC.	M/s Stanley Consultants inc.
Consulting Services for feasibility & detailed Design of Road Tunnels in Shimla and other parts of Himachal Pradesh.	M/s Geo-Consult-ZT GmbH (Austria) M/s Secon Pvt. Ltd., India
1. Taj International Airport project work at Agra. 2. Feasibility report /DPR for development and operation of airport at Singrauli, M.P.	M/s KPMG
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
Consultancy services for the construction of Cargo Complex Parallel Taxiway and Modification of Old Terminal Building at PARO International Airport, Bhutan.	M/s PRCS, Bhutan
TEFR Study for Development of Integrated Multimodal Logistics Hub(IMLH) at Nangal Chaudhary in Haryana.	M/s KPMG M/s LnT IEL

2.43 The company has carried out the assessment on impairment of assets in terms of IND AS 36 "Impairment of Assets" accordingly impairment losses or reversal, if any, has been recognized during the year in the Statement of Profit & Loss.

2.44 **Disclosures on Provisions, Contingent Liabilities and Contingent Assets (Indian Accounting Standard-37) are as follows:**

2.44.1 Provisions include mainly towards warranty which has been made for fulfillment of warranty obligation after export sale of rolling stocks/ locomotives & spares. Estimation of such provision is based on past experience, nature of rolling stock exported to various clients and year specified in the agreements with them. Actual expenditure may vary during the warranty period as per the requirements.

(₹ in crore)

Items	Carrying amount 01.04.17	Additional Provision made during the year	Provisions used during the year	Unused amount reversed during the year	Unwinding Cost	Carrying amount as on 31.03.18
Warranties	50.12	8.10	4.71	14.81	2.66	41.36

(₹ in crore)

Items	Carrying amount 01.04.16	Additional Provision made during the year	Provisions used during the year	Unused amount reversed during the year	Unwinding Cost	Carrying amount as on 31.03.17
Warranties	31.74	23.78	1.84	4.21	0.65	50.12
Commitments	3.43	-	-	3.43	-	-

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 2017-18 is of 6.74% vice 7.5% for the year 2016-17. The effect of interest rate change on the above provisions is ₹ 0.24 crore.

2.44.2 Contingent liabilities and commitments to the extent not provided for include:

2.44.2.1 Contingent Liabilities

- (a) Claims against the company not acknowledged as debts as certified by the Management are ₹ 672.49 crore (previous year ₹ 491.60 crore). These include:-
- Claims (excluding interest) amounting to ₹ 639.48 crore (previous year ₹ 458.76 crore) against the company by the sub-contractors / other agencies including award against the company pending in courts. The management does not foresee any liability on the company as the same are contested by the company for and or on behalf of the clients.
 - Other claims (excluding interest) amounting to ₹ 33.01 crore (previous year ₹ 32.84 crore) are contested by the company and the company has made counter claims of ₹ 63.00 crore (previous year ₹ 63.00 crore) on the executing agency (refer note no.2.55.1). The company is subject to legal/arbitration proceedings and claims, which have arisen in the ordinary course of business. Management doesn't reasonably expect that when these cases ultimately conclude and determined, will have material and adverse effect on the company's results of operations or financial conditions.
 - Claims against the company not acknowledged as debts as certified by the Management includes 8 nos. of case amounting to ₹ 39.07 crore which has been settled after the decision of the respective appellate authority and 13 nos. of cases for an amount of ₹ 277.95 crore added during the year.
- (b) Other money for which the company is contingently liable:
- Excise bonds amounting to ₹ NIL crore (previous year ₹ 4.89 crore) are outstanding against export obligations with Central Excise Department. Out of this, bonds value of ₹ NIL crore (previous year ₹ 3.59 crore) are due for release by the department.
 - Demands on account of taxes viz. VAT, Service Tax & Income Tax amounting to ₹ 2.64 crore (previous year ₹ 1.34 crore) are contested by the company.

2.44.2.2 Commitments

Estimated amount of contracts remaining to be executed on capital account as certified by the management and not provided for amounts to ₹ 160.44 crore (previous year ₹ 3.35 crore) including ₹ 144.80 crore against booking of office space from NBCC at Nauroji Nagar, New Delhi.

2.45 Disclosures on Investment Property (Indian Accounting Standard-40) are as follows:

2.45.1 Amounts recognized in the Statement of Profit and Loss are as follows:

(₹ in crore)

Particulars	Year ended	Year ended
	31.03.18	31.03.17
Rental income	0.99	0.99
Direct proportionate operating expenses relating to rental income (including repair & maintenance)	0.19	0.25
Profit before depreciation	0.80	0.74
Depreciation for the year	0.04	0.05
Profit from investment property	0.76	0.69

2.45.2 Fair Value

Market value of investment property as on 31.03.2018 is ₹ 2.62 crore based on valuations performed by an external independent valuer and management considered no significant change in the value.

Methods & assumptions for valuation:

The valuation is carried out by Independent agency on the basis of present construction/replacement cost of similar structures/constituents without considering the value of furniture, fixture & fitting, office equipments etc.

There is no Capital Commitment in respect of investment property.

2.46 Financial Instruments

2.46.1 Financial Instruments by category

The carrying value and fair value of financial instruments categories-wise as on 31st March, 2018 are as under:

(₹ in crore)

Particulars	Total carrying value	Amortised Cost	Financial assets/ liabilities at fair value through profit or loss		Financial assets/ liabilities at fair value through OCI	
			Designated upon initial recognition	Mandatory	Designated upon initial recognition	Mandatory
Financial Assets:						
Cash and Bank Balance**	3629.86	-	-	3629.86	-	-
Investments:						
Equity*	0.04	-	-	0.04	-	-
Tax Free Bonds	120.00	120.00	-	-	-	-
Liquid Plan of Mutual Funds	-	-	-	-	-	-
Trade Receivables**	458.70	458.70	-	-	-	-
Loans**	19.16	19.16	-	-	-	-
Other Financial Assets**	170.56	170.56	-	-	-	-
Total	4398.32	768.42	-	3629.90	-	-
Financial Liabilities:						
Trade Payables**	76.80	76.80	-	-	-	-
Other Financial Liabilities**	2188.84	2188.84	-	-	-	-
Total	2265.64	2265.64	-	-	-	-

The carrying value and fair value of financial instruments categories-wise as on 31st March, 2017 are as under

(₹ in crore)

Particulars	Total carrying value	Amortised Cost	Financial assets/liabilities at fair value through profit or loss		Financial assets/liabilities at fair value through OCI	
			Designated upon initial recognition	Mandatory	Designated upon initial recognition	Mandatory
Financial Assets:						
Cash and Bank Balance**	2977.20	-	-	2977.20	-	-
Investments:						
Equity*	0.04	-	-	0.04	-	-
Tax Free Bonds	170.00	170.00	-	-	-	-
Liquid Plan of Mutual Funds	143.04	-	-	143.04	-	-
Trade Receivables**	453.85	453.85	-	-	-	-
Loans**	21.07	21.07	-	-	-	-
Other Financial Assets**	261.17	261.17	-	-	-	-
Total	4026.37	906.09	-	3120.28	-	-
Financial Liabilities:						
Trade Payables**	72.28	72.28	-	-	-	-
Other Financial Liabilities**	2010.24	2010.24	-	-	-	-
Total	2082.52	2082.52	-	-	-	-

* Equity shares of ₹ 0.04 crore of Global Procurement Consultants Limited (GPCL) which are not tradable and amount of investment in the entity is immaterial, hence investment is recognised at cost and same is considered as its fair value.

**The carrying amounts of trade receivables, trade payables, cash and cash equivalents, short term loans, other current financial assets and liabilities are considered to be same as their amortised cost due to their short-term nature. As per practice, Security Deposits and Retention money represent source of protection with respect to contract performance rather than a source of financing, hence shown at transaction value.

2.46.2 Fair value hierarchy & valuation techniques

To provide an indication about the reliability of method used in determining fair value, the company has classified its financial instruments into three levels prescribed under the Indian Accounting Standard (Ind AS-113) on fair value measure.

Level 1 : Quoted prices in active markets for identical assets or liabilities.

Level 2 : Fair value of financial instruments that are not traded in an active markets is determined using valuation techniques and observable Inputs for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 : Inputs for the assets or liabilities that are not based on observable market data (observable inputs).

Fair value hierarchies of assets and liabilities as on 31st March, 2018 are as follows:

(₹ in crore)

Particulars	As on 31.03.18	Fair value measurement at end of the reporting year using		
		Level 1	Level 2	Level 3
Financial Assets:				
Cash and Bank Balance	3629.86	3629.86	-	-
Investments:				
- Equity*	0.04	-	-	0.04
- Liquid plan of Mutual Funds**	-	-	-	-

Fair value hierarchies of assets and liabilities as on 31st March, 2017 are as follows:

(₹ in crore)

Particulars	As on 31.03.2017	Fair value measurement at end of the reporting year using		
		Level 1	Level 2	Level 3
Financial Assets:				
Cash and Bank Balance	2977.20	2977.20	-	-
Investments:				
- Equity*	0.04	-	-	0.04
- Liquid plan of Mutual Funds**	143.04	-	143.04	-

* Equity shares of ₹ 0.04 crore of Global Procurement Consultants Limited (GPCL) which are not tradable and amount of investment in the entity is immaterial, hence investment is recognised at cost and same is considered as its fair value.

**Liquid plan of mutual funds are valued at NAV.

2.46.3 Financial Risk Management

The Company's activities are exposed to a variety of financial risks: market risk, credit risk and liquidity risk. The company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from few customers.

Market Risk

The Company operates internationally and a major portion of the business is transacted in several currencies and consequently the Company is exposed to foreign exchange risk for its sales and services in the Middle East and South Asian countries. The exchange rates between the rupee and foreign currencies have changed substantially in recent years which may also fluctuate substantially in the future. However, company has currency risk management policy and exchange fluctuations are regularly monitored by the risk management committee to mitigate this risk. Policy covers various aspects of currency risk management, benchmarking, hedging and risk appetite, permissible instruments, hedging policy, structure of the risk management committee and treasury group, reporting procedures etc.

Analysis of foreign currency risk from financial instruments is as follows:

Particulars	As on 31.03.18	As at 31.03.17
	US Dollar (Figure in Millions)	
Cash & Cash equivalents	0.02	3.15
Trade Receivables	3.78	13.42
Other financial assets	22.03	2.54
Trade Payable	3.17	12.74
Other financial liabilities	30.44	0.09
Net assets/(liabilities)	(7.78)	6.28

For the year ended 31st March, 2018 and 31st March, 2017, every percentage increase/decrease in the exchange rate between the INR & US Dollar has affected the Company's incremental margins by approximately (1.01%) (previous year 0.82%) 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.

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 ₹ 541.53 crore (previous year ₹ 517.38 crore) and unbilled revenue amounting to ₹ 1.95 crore (previous year ₹ 2.55 crore) which are typically unsecured. Credit risk is being managed by continuously monitoring the outstanding dues from the customers. Trade Receivables towards export sales are generally managed by establishing Letter of Credit with the clients.

Further, most of the clients of the company are Government or Government Undertakings; hence credit risk is bare minimum. Company has impaired, as a prudent measure, the trade receivables towards expected credit loss as per company accounting policy to the extent of ₹ 82.83 crore (previous year ₹ 63.53 crore).

No significant credit risk on cash and bank balances including clients' funds amounting to ₹ 3629.86 crore (previous year ₹ 2977.20 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 ₹1396.74 crore (previous year ₹ 913.31 crore) with Schedule banks with negligible credit risks.

Non-Strategic Investments primarily include investments in liquid mutual fund units of ₹ Nil crore (previous year ₹ 143.04 crore) and tax free bonds of ₹120 crore (previous year ₹ 170 crore) issued by Public Sector Undertaking where risk is minimal.

Company has given loans to employees and one of the joint ventures. House building, Multi-purpose loans etc. to the employee are secured by way of insurance and mortgage of the house properties or hypothecation of vehicles in line with the policies of the company. The loan provided to the joint venture is long term. The risk of default in respect of these loans is considered negligible.

Liquidity Risk

Company's principal sources of liquidity are "cash and bank balances" and the cash flow that is generated from operations. The company has no outstanding bank borrowings. The company has a working capital of ₹ 1652.60 crore (previous year ₹ 1397.49 crore) including cash and bank balance (owned funds) of ₹ 1419.82 crore (previous year ₹ 961.38 crore) and current investment ₹ Nil crore (previous year ₹ 193.04 crore). Company believes that the working capital is sufficient to meet its requirements, accordingly no liquidity risk is perceived by the company.

2.47 Disclosures on Accounting Policies, Change in Accounting Estimates and Errors (Indian Accounting Standard-8) are as follows:

2.47.1 Prior Period Transactions are as follows:

(₹ in crore)

Nature	2017-18	2016-17
Fees	5.40	4.31
Supplies & Services	1.36	4.15
Employee Benefits	0.06	0.01
Others	(8.50)	2.99
Total	(1.68)	11.46

2.47.2 Correction of Prior Period transactions with impact on profit.

2.47.2.1 Impact on Balance Sheet Items is as follows:

(₹ in crore)

Prior period for the year	2017-18			2016-17
Line Items	Impact on 2016-17	Prior to 01.04.16	Total	Prior to 01.04.16
PPE	-	-	-	(1.82)
Capital WIP	(0.59)	(0.33)	(0.92)	(2.19)
Current trade receivables	(4.01)	(1.30)	(5.31)	(5.37)
Cash and bank balances-owned fund	6.34	3.43	9.77	-
Other current assets	-	(0.10)	(0.10)	(0.74)
Other non- current assets	-	-	-	0.44
Other financial assets	0.36	0.38	0.74	0.22
Total Assets	2.10	2.08	4.18	(9.46)
Current trade payables	1.64	0.43	2.07	2.38
Other current financial liabilities	0.35	-	0.35	0.09
Other current liabilities	-	0.08	0.08	(0.47)
Total Liabilities	1.99	0.51	2.50	2.00
Net Assets (Equity)	0.11	1.57	1.68	(11.46)

2.47.2.2 Impact on Statement of Profit & Loss Items is as follows:

(₹ in crore)

Prior Period for the year 2017-18	
Line Items	Impact on 2016-17
Revenue from Operations	(4.01)
Other Income	6.70
Total Revenue	2.69
Supplies & services	0.73
Employee Benefit Exp.	0.15
Travel	0.02
Cost of turnkey Construction projects	-
Other Expenses	1.68
Total Expenditure	2.58
Profit Before Tax	0.11

Prior period items have been re-stated for the year ended on 31.03.2017 however there is no impact of provision for taxation on account of prior period re-statement.

Aforesaid prior period figures are crystallized during the year 2017-18 though these are prior period transactions and tax benefit on such transactions is available in the year ended 2017-18. However, these figures are re-stated as per IND AS 8 to the respective years on which no tax benefit is available on these respective years due to the reasons given above. The tax impact on such transaction is of ₹ 0.58 crore which is not considered in EPS calculation for year ended on 31.03.2018, for the same reason as stated above.

2.47.3 Impact of Prior Period Errors in Earning Per Share (Basic & Diluted):

Year	2016-17
Impact on Profit attributable to Equity Share Holders (₹ in crore)	0.11
Weighted average nos. of Equity Shares	20,00,00,000
Impact on Earnings Per Share (Basic & Diluted)	₹ 0.01

2.47.4 Impact of Change in Accounting Policy:

Impact of change in accounting policy, in respect of gratuity for contract employees and leave encashment including medical leave for regular employees, are as under:

During the year, gratuity for contract employees has been funded by making contribution of ₹ 2.01 crore to Gratuity Trust Fund which is being administrated by Life Insurance Corporation of India (LIC) and leave encashment including medical leave for regular employees has also been funded by making contribution of ₹ 110 crore through insurance policies from insurance companies approved by Insurance Regulatory Development Authority (IRDA).

2.48 Disclosures on Income Taxes (Indian Accounting Standard-12) are as follows:

2.48.1 Income tax expense in the Statement of Profit & Loss comprises:

(₹ in crore)

Particulars	Year Ended	
	31.03.2018	31.03.2017
Income Tax Expenses:		
- Current Taxes	172.19	147.78
- Earlier Years(Net)	5.29	7.95
Total-A	177.48	155.73
OCI	1.45	(0.31)
Total	178.93	155.42
Deferred Tax (Net)	(22.25)	1.75
Total	156.68	157.17

Entire deferred income tax for the year ended 31st March, 2018 and 31st March, 2017 relates to origination and reversals of temporary differences.

2.48.2 Reconciliation of the Income Tax Expenses for the year to amount computed as expected tax expense by applying statutory income tax rates is as follows:

(₹ in crore)

Particulars	Year Ended	
	31.03.2018	31.03.2017
Profit Before Income Tax on Normal Business	487.40	417.53
Dividend Income	1.91	-
Profit Before Income Tax on Capital Gains	-	71.47
Total	489.31	489.00
Enacted Tax Rates in India on Normal Income	34.61%	34.61%
Enacted Tax Rates in India on LTCG	23.07%	23.07%
Special Enacted Tax Rates in India on Dividend from foreign company	17.30%	17.30%
Computed Expected Tax Expense	169.34	169.23
Tax effect of Exempted Non-Operating Income	(0.71)	(0.02)
Additional Tax Effect due to Income from HP	(0.11)	(0.11)
Tax Effect due to Tax Rate on LTCG	-	(8.24)
Tax Effect due to indexation	-	(1.86)
Tax Effect due to Tax Rate on Income from Dividend	(0.01)	-
Tax Effect of Non-Deductible Expenditures	23.86	28.39
Tax effect due to Non-Taxable Income	(20.94)	(26.84)
Tax effect due to Restatement of Prior Period Adj.	0.54	(12.93)
Tax Reversals and others	(15.29)	9.56
Current Tax Expense	156.68	157.17

Details of income tax assets and liabilities as of 31st March, 2018 and 31st March, 2017 are as follows:

(₹ in crore)

Particulars	As on	
	31.03.18	31.03.17
Income Tax Assets	344.76	304.45
Current income tax liabilities	(172.19)	(147.78)
Net Current Income Tax Assets/(Liability) at the end	172.57	156.67

The gross movement in the current income tax asset/(liability) for the year ended 31st March, 2018 and 31st March, 2017 is as follows:

(₹ in crore)

Particulars	Year Ended	
	31.03.2018	31.03.2017
Net current income tax asset/(liability) at the beginning of the year	156.67	149.97
Tax Impact due to change in Deferred Tax (Net)	22.25	(1.75)
Income Tax paid	171.13	164.18
Current income tax expense (Ref. Note 2.48.1)	(175.07)	(157.27)
Translation Difference/ Exchange Variation (Ref. Note 2.48.1)	(2.41)	1.54
Net Current Income Tax Asset/(Liability) at the end of the year	172.57	156.67

Tax effects of significant temporary differences that resulted in deferred income tax asset and liabilities are as follows:

(₹ in crore)

Particulars	As on	
	31.03.2018	31.03.2017
Deferred Income Tax Assets:		
Accrued Compensation to Employees	16.12	21.45
Provisions for Doubtful Debts, Security Deposits/EMD, Advances Etc.	55.15	27.87
Total Deferred Income Tax Assets - I	71.27	49.32
Deferred Income Tax Liabilities:		
Depreciation on Property Plant & Equipment, Furniture & Fixtures, Loco & Coaches	8.89	9.19
Total Deferred Income Tax Liabilities - II	8.89	9.19
Deferred Income Tax Assets after set off	62.38	40.13
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.

During the year ended March 31, 2018, 16 Locomotives having Gross Block ₹ 28.04 crore (WDV as on 31.03.2017 ₹ 8.32 crore) has been converted into Stock-in-Trade at ₹ 6.19 crore and subsequently sold to Govt. of Mozambique.

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, 2018 and 31st March, 2017 are as follows:

(₹ in crore)

Particulars	Year ended	
	31.03.2018	31.03.2017
Net deferred income tax asset/(liability) at the beginning	40.13	41.88
Credit/(Change) relating to temporary differences	22.25	(1.75)
Net Deferred Income Tax Asset/(Liability) at the end	62.38	40.13

The composition of deferred assets relating to temporary differences during the year ended 31st March, 2018 is primarily on account of Property, Plant and Equipment, Trade Receivable and Compensation to Employees.

2.49 Disclosures on Presentation of Financial Statements (Indian Accounting Standard-1) are as follows:

2.49.1 Capital Management

The Company's objective for capital management is to maximize shareholders value, safeguard business continuity and support the growth of the Company. The Company determines the capital requirement based on annual operating plans and long-term and other strategic investment plans. The funding requirements are primarily being met through operating cash flows generated.

2.49.2 Subsequent Event-Dividend

Dividend paid during the financial year ended 31.03.2018 is ₹ 148 crore which includes final dividend of ₹ 78 crore (₹ 3.90 per equity share to 20 crore equity shares) for the financial year 2016-17 and interim dividend of

₹ 70 crore (₹ 3.50 per equity share to 20 crore equity shares) for the financial year 2017-18.

As per DPE guidelines issued for CPSEs for payment of dividend, company has proposed a sum of ₹ 40 crore (₹ 2.00 per share to 20 crore equity shares) as final dividend for FY 2017-18 subject to approval of shareholders in Annual General Meeting. If approved, the dividend would result in a cash outflow of ₹ 48.22 crore inclusive of dividend distribution tax of ₹ 8.22 crore.

Other Disclosures:

2.50 Consequent upon 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.

2.51 Information on CSR expenditure:

(a) Gross amount required to be spent including advances given during the year 2017-18 ₹ 9.90 crore (previous year 2016-17 ₹ 9.20 crore).

(b) Expenditure incurred including advance on CSR during the year on:

(₹ in crore)

Particulars	Amount Paid		Yet to be Paid		Total	
	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
(i) Construction/ acquisition of any asset	7.71	5.21	-	-	7.71	5.21
(ii) On purposes other than (i) above	2.19	3.99	-	-	2.19	3.99
Total	9.90	9.20	-	-	9.90	9.20

2.52 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 31.03.2018	As at 31.03.2017
Non-current investment	2.6.1		
(i) Moru Mahal Co-operative Society Ltd.		250.00	250.00
(ii) Amit Industrial Co-operative Society Ltd.		500.00	500.00

2.53 Value of imports on CIF basis, Earnings and Expenditure in Foreign Currency

2.53.1 Value of imports calculated on C.I.F. basis:

(₹ in crore)

Description	Year ended	
	31.03.18	31.03.17
Components & Spares Parts	-	3.36
Capital Goods	-	-

2.53.2 Expenditure in foreign currencies:

(₹ in crore)

Description	Year ended	
	31.03.18	31.03.17
(i) Consultation Fees	16.08	23.60
(ii) Salaries & others	3.50	3.23
(iii) Travel	0.05	3.91
(iv) Others*	1.62	1.10

*includes entertainment expenses, bank charges, office expenses etc.

2.53.3 Spare parts and components consumed:

(₹ in crore)

Description	Year ended			
	31.03.18		31.03.17	
	Value	%	Value	%
Imported	-	-	-	-
Indigenous	5.47	100%	10.34	100%

2.53.4 Earning in foreign currencies:

(₹ in crore)

Description	Year ended	
	31.03.18	31.03.17
(i) Export sale - FOB basis	231.61	371.63
(ii) Lease Services	9.74	22.37
(iii) Consultation Fees	65.61	28.02
(iv) Interest & Dividend	0.03	-
(v) Other Income (includes sales of tender etc.)	0.51	0.01

2.53.5 Dividend from foreign subsidiary company ₹ 0.03 crore (previous year ₹ Nil).

2.54 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 31.03.18	As on 31.03.17
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	2.57	1.92
	- Interest due on above		
b	The amount of interest paid by the buyer in terms of Section 16 of The Micro, Small and Medium Enterprises Development Act, 2006, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
c	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding the interest specified under The Micro, Small and Medium Enterprises Development Act, 2006.	-	-
d	The amount of interest due and remaining unpaid at the end of each accounting year.	-	-
e	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of The Micro, Small and Medium Enterprises Development Act, 2006.	-	-

*The Company has initiated the process of identification of suppliers registered under The Micro, Small and Medium Enterprises Development Act, 2006, by obtaining confirmations from all suppliers. Information has been collated only to the extent of information received.

2.55 In a pre-closed contract in the year 2005-06, company raised claims of ₹ 233.93 crore (previous year ₹ 233.93 crore) against a client and the client raised counter claims of ₹ 469.10 crore (previous year ₹ 469.10 crore).

The arbitrator on 19th January, 2011 rejected the aforesaid counter claims of the client and awarded ₹ 88.31 crore in favour of the company against claims of ₹ 233.93 crore. Company filed an appeal before the appellate authority on 21st March, 2011 against the said award. Further on 16th September, 2011, the appellate authority awarded ₹ 231.68 crore with interest in favour of the company. Client filed a petition in the Civil Court of Ranchi on 31st July, 2011 & thereafter amendment filed by the client for setting aside the aforesaid award of the appellate authority. Argument is concluded and order is passed in favour of RITES on 22.11.2017, wherein the petition filed by Client is dismissed and preliminary objections filled by company is allowed by the Civil Court. RITES has asked our Advocate to furnish further course of action to recover the said awarded

amount. In response, the advocate has drafted the writ petition which is likely to be filed before Jharkhand High Court shortly. The awarded amount has not been recognized.

- 2.55.1 The executing agency also raised claims (excluding interest) of ₹ 184.41 crore (previous year ₹ 184.41 crore) against the company before the arbitration tribunal at Ranchi and company also raised counter claims of ₹ 644.53 crore (previous year ₹ 644.53 crore) against the executing agency for the contract which became void due to commitment of fraud by the agency, thus terminated. Both the parties 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. Executing agency had the right to file the objection before the Jharkhand High Court, Ranchi within four months of receipt of copy of award. As per information of the Tribunal, agency received the copy of award on 1st March, 2017. The executing agency filed the arbitration appeal before Jharkhand High Court on 25th May, 2017. The matter was fixed for argument on 2nd February, 2018 which could not take place and the next date of hearing is yet to be fixed. In view of the above, company has not recognized the award amount in the books of account.
- Further, Company has to pay ₹ 25.92 crore to executing agency after receiving the said amount from the client. The said amount of ₹ 25.92 crore is included in the contingent liabilities.
- 2.55.2 Cumulative interest up to 31.03.2018 due from the executing agency of ₹ 25.98 crore (previous year ₹ 23.97 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 ₹ 2.01 crore for the year (previous year ₹ 2.02 crore).
- 2.56 A joint venture company named CCFB was incorporated in Mozambique in 2004 for rehabilitation, operation and management of Beira Rail Corridor, Mozambique by entering into a 25 years concessioning agreement with the Government of Mozambique. Company invested a sum of ₹ 6.01 crore in equity in the said joint venture company for a 26% share. Other shareholders are IRCON & CFM, Mozambique with 25% & 49% share respectively. The company extended a shareholder loan of ₹ 87.89 crore (equivalent to US\$ 19.79 million) inclusive of interest accrued which was converted to principal as per agreement, out of which company received repayment of part loan amounting to ₹ 4.44 crore (equivalent to US\$ one million) during the year 2012-13.
- 2.56.1 On 8th December, 2011, Government of Mozambique (GoM) unilaterally terminated the concessioning agreement and took over the project which in the opinion of the company was unlawful and against the provisions of the agreement. Consequently, CCFB initiated arbitration proceeding against the said decision of GoM.
- 2.56.2 Dispute has been amicably settled with Government of Mozambique (GoM) on 21st October, 2015 through settlement agreement. As per schedule of payment of the settlement agreement, upfront payment of USD 17.07 million was received during financial year 2015-16 and LC was also established by GoM during financial year 2016-17. Further, 1st and 2nd installment of USD 5.655 million each as per schedule of payment has also been received in financial year 2016-17 and 2017-18 respectively and balance two installments of USD 5.655 million each are due in the FY 2018-19 and FY 2019-20 as per schedule of payment.
- 2.56.3 In view of receipt of payments and establishment of LC duly confirmed by Scheduled Bank in India, company transferred its shareholding in CCFB to CFM, a nominated agency of GoM on 22nd September, 2016 and consequently profit of ₹ 71.47 crore on such transfer of equity shares has been recognized in Statement of Profit and Loss for financial year 2016-17.
- 2.57 Under the settlement agreement with Government of Tanzania, last three installments out of six installments of principal amounting to ₹ 59.04 crore (equivalent US\$ 9.19 million) {Previous year is ₹ 58.72 crore (equivalent US\$ 9.19 million)} are still outstanding despite of continuous follow-up and legal notice issued to Government of Tanzania and therefore the company has made a provision for the same during the financial year 2017-18. Company is also contemplating invoking arbitration clause as per provisions of settlement deed. Interest on principal and on delayed payments of ₹ 20.88 crore (equivalent US\$ 3.25 million) {Previous year is ₹ 17.66 crore (equivalent US\$ 2.76 million)} have not been recognised.
- 2.58 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.
- 2.59 Lease deeds are pending for execution in respect of the office building at Central Metro Railway Building, 56, C.R. Avenune, Kolkata of ₹ 3.46 crore (previous year ₹ 3.46 crore), the physical testing laboratory at 52 A&B, C.R. Avenue, Kolkata of ₹ 1.24 crore (previous year ₹ 1.24 crore), office building at DLF Cybercity, Bhubaneshwar of ₹ 5.64 crore (previous year ₹ 5.64).
- 2.59.1 Northern Railway has leased a plot in Wazirpur Northern Railway colony, Delhi for construction of residential flats to RITES LTD for a period of thirty years. The lease period has been expired in the month of March-2015. The extension of lease has been sought from Northern Railway and the same is under consideration.

- 2.60 RITES purchased a freehold land for construction of office building at Gomati Nagar Extension, Lucknow from Lucknow Development Authority (LDA) and was registered in the financial year 2010-11 at a total cost of ₹ 4.22 crore including registration charges. The physical possession of the land has not been given to RITES due to some disputes regarding acquisition of land by LDA. LDA has for the first time disclosed about the dispute and legal issue in respect of the plot vide their letter dated 29.05.2017. Hon'ble Court has cancelled the acquisition of land by LDA. LDA assured to allot alternate land to RITES. Pending allotment of alternative land to RITES, the amount shown as freehold land under Property, Plant & Equipment has been transferred to capital advance.
- 2.61 A demand has been received during the year from West Bengal Housing Infrastructure Development Corporation Ltd (WBHIDC) for delay in submission of building plan in respect of land purchased from WBHIDC for office complex. Accordingly a sum of ₹1.09 crore has been provided in the books of accounts. Company is taking up the issue with authority for waiver of the demand.
- 2.62 It was decided by the company to wind up one of its wholly owned subsidiaries, RITES Infrastructure Services Ltd (RISL) and accordingly, all assets and liabilities were transferred to the parent company during the financial year 2016-17. Despite of best efforts, bidders could not be located to take up these Multi Functional Complexes (MFCs) on lease, so it was decided by the company to hand over these MFCs to Ministry of Railways free of cost to avoid expenses towards maintenance and security of these MFCs. These MFCs have already been handed over to Ministry of Railways expect one which is also likely to be handed over to them shortly. Accordingly, carrying cost of ₹ 5.84 crore of these MFCs has been charged off/write off during the current financial year 2017-18.
- 2.63 In one of the overseas project fee of ₹ 11.22 crore upto 31st March 2018(previous year ₹ 15.78 crore) has not been recognized as works have not been carried out by the contractors to the satisfaction of the client and the realisability of the fee based on the works done seems to be uncertain.
- 2.64 Sundry creditors, customers advances, amounts recoverable, security deposits receivable/payable are subject to confirmation.
- 2.65 Information as regard to loans, investments made as required under section 186(4) of the Companies Act, 2013 have been given vide note no. 2.6 & 2.7.


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, 2018.

The preparation of financial statements of RITES Limited for the year ended 31 March, 2018 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 30 July, 2018.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143(6)(a) of the Act of the financial statements of RITES Limited for the year ended 31 March, 2018. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report.

**For and on the behalf of the
Comptroller & Auditor General of India**



(B.R. Mondal)

**Principal Director of Audit
Railway Commercial, New Delhi**

Place: New Delhi
Dated: 9th August, 2018