

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

### Company Overview

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

The Company is a "Miniratna", Schedule-"A", Category-I CPSE and ISO 9001:2015 certified public limited company incorporated and domiciled in India. The address of its registered office is SCOPE Minar, Laxmi Nagar, Delhi-110092 (India) and address of its corporate office is RITES Bhawan, No. 1, Sector -29, Gurugram, Haryana-122001 (India). President of India through Ministry of Railways is presently holding 72.20% equity share of the company (Refer Note No. 57(b)).

The reporting and functional currency of the company is Indian Rupees (INR). Figures in financial statements are presented in ₹ crore, by rounding off upto two decimals except for per share data and as otherwise stated. Certain figures that are required to be disclosed but do not appear due to rounding off are detailed in note 57(j). Previous periods figures have been regrouped/recasted/rearranged, wherever necessary.

Due to outbreak of COVID-19 globally and in India, in view of the Management assessment, likely impact on the business of the Company is only for short term and no medium to long term risks is perceived which will have an impact on company's ability to continue as a going concern. Further, considering the Company's business plans and the availability of sufficient cash reserves as at March 31, 2021, the Management do not foresee any uncertainty in continuing its business operations and meeting its liabilities as and when it become due for payment.

The Standalone financial statements are approved for issue by the company's Board of Directors in their meeting held on 16th June, 2021.

## 1. SIGNIFICANT ACCOUNTING POLICIES

### 1.1 GENERAL

#### (a) Statement of Compliance

The financial statements of the Company are being prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act 2013, read with the Companies (Indian Accounting Standards) Rules as amended from time to time.

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

#### (b) Basis of Preparation

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

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

#### (c) Use of Estimates and Judgments

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

### 1.2 REVENUE RECOGNITION

#### 1.2.1 REVENUE FROM CONTRACTS WITH CUSTOMERS

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

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

### General Parameters

To determine whether to recognise revenue, the Company follows a five step process:

- Identifying the contract with a customer
- Identifying the performance obligations
- Determining the transaction price
- Allocating the transaction price to the performance obligations
- Recognising revenue when/as performance obligation(s) are satisfied.

The Company often enters into transactions involving a range of the Company's products and services. In all cases, the total transaction price for a contract is based on performance obligation. The transaction price for a contract excludes amounts received as deposit from client for execution of the project and amount collected on behalf of third party (for example, some GST).

Revenue is recognised either at a point in time or over time, when (or as) the Company satisfies performance obligations by transferring the promised goods or services to its customers.

The Company recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities in the balance sheet. Similarly, if the Company satisfies a performance obligation before the consideration is due, the Company recognises a contract asset in its balance sheet.

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

#### 1.2.1.1 Consultancy Fee

Revenue from providing services is recognized in the accounting period in which services are rendered. Revenue is recognized based on performance obligation satisfied either over time or at a point in time.

In case performance obligation satisfied over time revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided. This is determined based on physical progress, efforts, cost incurred to date bear to the total estimated cost of the transaction, time spent, service performed or any other method that management considered appropriate.

In other cases where performance obligation is not satisfied over time, revenue is recognized at a point in time.

In case of contracts, where customer pays fixed amount based on a payment schedule, if services rendered by the Company exceed the payment, a contract asset is recognised. If payments exceed services rendered, a contract liability is recognised.

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

Reimbursable and supplies are accounted for on accrual basis.

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

#### 1.2.1.2 Inspection Fee

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

#### 1.2.1.3 Export Sales

Export sales are accounted for on the basis of bills raised when or as the Company transfers control of the assets to the customer which happens at the point in time the customer has undisputed right on delivered goods.

#### 1.2.1.4 Construction Projects

In construction contracts/projects, the company recognises revenue over time. Due to high degree of interdependence among various elements of these projects, revenue is accounted for considering these activities as a single performance obligation.

To depict the progress by which the Company transfers control of the promised goods to the customer, and to establish when and to what extent revenue can be recognised, the Company measures its progress towards complete satisfaction of the performance obligation based on work done.

Any expected loss is recognized as an expense immediately.

#### 1.2.1.5 Lease Services

Refer Policy no-1.24:- Leases-Company as lessor.

**1.2.2 Other Income**

**1.2.2.1 Interest Income**

Interest income is recognized using effective interest method.

**1.2.2.2 Dividend**

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

**1.2.2.3 Export Incentives**

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

**1.2.2.4 OTHERS**

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

**1.3 PROPERTY, PLANT AND EQUIPMENT (PPE)**

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

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

**1.3.1 Depreciation**

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

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

- (c) Any addition or extension, which becomes an integral part of the existing asset and which results in increased economic benefits, is capitalized and depreciated over the remaining useful life of that asset.

An item of property, plant and equipment and any significant part initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on de-recognition of the asset which is calculated as the difference between the net disposal proceeds and the carrying amount of the asset, is included in the income statement when the asset is de-recognised.

- (d) In respect of BOT assets, depreciation is charged over the period of project or the life stated above whichever is lower.
- (e) In respect of buildings on lease hold land, depreciation is charged over the period of lease of land or the useful life stated above for buildings on freehold land, whichever is lower.
- (f) As per company's technical assessment, Fixtures, Mobile Hand Set, Coolers & Air Conditioners and In-Service Locomotives & Coaches (refurbished) have lower useful lives than prescribed in part C of schedule II of the Companies Act, 2013. Therefore depreciation is charged at higher rate than prescribed under the Companies Act, 2013.
- (g) Individual low cost assets of value less than ₹ 5,000/- are fully depreciated in the year of acquisition.
- (h) A nominal value of ₹ 1/- is assigned to the fully depreciated assets.

### 1.3.2 Capital Work in Progress

Assets which are not ready for the intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

### 1.3.3 Capital Advances

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date are classified as capital advances under other non-current assets.

## 1.4 INTANGIBLE ASSETS

Intangible assets acquired/ developed are measured on recognition at cost less accumulated amortisation and impairment losses, if any.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is de-recognised.

- (a) Software of value less than ₹ 100,000/- is fully amortized in the year of acquisition.
- (b) A nominal value of ₹1/- is assigned to the fully amortized assets.

### 1.4.1 Amortization

Estimated useful life of the software is 4 years and amortized on a straight line basis over the period.

## 1.5 INVESTMENT PROPERTY

Investment properties are measured at cost, including transaction costs less accumulated depreciation and impairment loss, if any.

The Company depreciates building component of investment property over the estimated useful lives of the assets as prescribed in property, plant and equipment.

Investment properties are de-recognised either on disposal or on permanent withdrawal from use. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the Statement of Profit and Loss in the period of de-recognition.

## 1.6 INVESTMENTS

Equity investments are measured at fair value through profit and loss except investments in subsidiary, participating joint venture with or without joint control and associate.

Investments in subsidiary, participating joint venture with or without joint control and associate are measured at cost.

## 1.7 JOINT OPERATIONS

- (a) In case of participating joint operations with joint control, company recognizes in relation to its interest in a joint operation as under:

- (i) its assets, including its share of any assets held jointly;
  - (ii) its liabilities, including its share of any liabilities incurred jointly;
  - (iii) its revenue from the sale of its share of the output arising from the joint operation;
  - (iv) its share of the revenue from the sale of the output by the joint operation; and
  - (v) its expenses, including its share of any expenses incurred jointly.
- (b) In case of participating joint operations without having joint control, interest in such arrangements is to be recognized as per aforesaid accounting policy if the company has right to the assets and obligations for the liabilities relating to joint operations otherwise interest in the joint operation is recognized in accordance with applicable Ind AS.

## 1.8 INVENTORIES

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

## 1.9 EMPLOYEE BENEFITS

### 1.9.1 Defined Contribution Plans

#### Pension Scheme/Post Retiral Medical Schemes

Retirement benefits in the form of pension scheme/post-retirement medical scheme are defined contribution schemes. The Company has no obligation, other than the contribution payable to such funds/ schemes. The Company recognizes contribution payable to such funds/schemes as an expense, when an employee renders the related service. If the contribution payable to the schemes for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Defined contributions towards pension under EPFO, superannuation pension fund and post retiral medical schemes are charged to the Statement of Profit and Loss based on contributions made in terms of applicable schemes on accrual basis.

### 1.9.2 DEFINED BENEFIT PLAN

#### 1.9.2.1 Gratuity

Company provides gratuity, a defined benefit plan covering eligible regular and contract employees. The gratuity plan provides a lump-sum payment to vested employees of an amount based on the respective employee's salary and the tenure of employment with the company at retirement, death, incapacitation, or on completion of terms of employment.

The liabilities with regard to the Gratuity plan are determined by actuarial valuation, performed by an independent actuary, at the year end.

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

#### 1.9.2.2 Provident Fund

The Company makes contribution to the recognized provident fund - "RITES CONTRIBUTORY PROVIDEND FUND" for its employees, which is a defined benefit plan to the extent that the Company has an obligation to

make good the shortfall, if any, between the returns from the investments of the trust and the notified interest rate. The Company's obligation in this regard is determined by an independent actuary and provided for if the circumstances indicate that the Trust may not be able to generate adequate returns to cover the interest rates notified by the Government.

### 1.9.3 Other Long Term Benefits

- (a) Leave Travel Concession (CDA employees), Leave Encashment (contract employees) and Long Service Award (regular employees)
  - i. Accounted for on actuarial valuation made at the end of year.
  - ii. The actuarial gains/losses are recognized in the Statement of Profit and Loss for the year.
- (b) Leave Encashment and Medical Leave for regular employees
  - i. Liabilities are funded under plan assets through insurance policies from insurance companies approved by Insurance Regulatory Development Authority (IRDA) and are accounted for on actuarial valuation made at the end of year.
  - ii. The company recognizes the net obligation of a defined benefit plan in its balance sheet as an asset or liability.
  - iii. Service cost and net interest cost/(income) on the net defined benefit liability/(asset) are recognized in Statement of Profit and Loss.
  - iv. Actuarial gains/losses are recognized in the Statement of Profit and Loss.

### 1.9.4 Other Benefits

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

## 1.10 RESEARCH & DEVELOPMENT

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

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

- (a) Technical feasibility of completing the intangible asset so that it will be available for use or sell.
- (b) Intention to complete the intangible asset and use or sell it.
- (c) Ability to use or sell the intangible assets.
- (d) Asset will generate future economic benefits.
- (e) There is availability of resources to complete the asset.

The developed asset is carried at cost less any accumulated amortisation and impairment loss, if any. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the Statement of Profit and Loss unless such expenditure forms part of carrying value of another asset.

## 1.11 INCOME TAXES

### 1.11.1 Current Income Tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted in India, at the reporting date.

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

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

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

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

### 1.11.2 Deferred Tax

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

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

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

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

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

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

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

### 1.12 RATES & TAXES

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

### 1.13 PREPAID EXPENSES AND PRIOR PERIOD ADJUSTMENTS

#### 1.13.1 Prepaid Expenses

Prepaid expenses up to ₹ 5,00,000/- in each case are treated as expenditure/income of the year and accounted for to the natural head of accounts.

#### 1.13.2 Prior Period Adjustments

Material prior period errors are corrected retrospectively by restating the comparative amounts for the prior periods presented in which the error occurred. If the error occurred before the earliest period presented, the opening balances of assets, liabilities and equity for the earliest period presented, are restated unless it is impracticable, in which case, the comparative information is adjusted to apply the new accounting policy prospectively from the earliest date practicable.

### 1.14 TRANSLATION AND TRANSACTIONS OF FOREIGN CURRENCIES

#### 1.14.1 Functional Currency

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

#### 1.14.2 Foreign Currencies

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

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

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

### 1.15 CASH AND CASH EQUIVALENTS

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short term deposits with an original maturity of three months or less from the date of acquisitions which are readily convertible into

known amounts of cash and be subject to an insignificant risk of change in value. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

**1.16 STATEMENT OF CASH FLOWS**

Statement of Cash Flows is made using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, financing and investing activities of the Company are segregated.

**1.17 EARNINGS PER SHARE**

In determining basic earnings per share, net profit attributable to equity shareholders is divided by weighted average number of equity shares outstanding during the period.

In determining diluted earnings per share, net profit attributable to equity shareholders is divided by weighted average number of equity shares considered for deriving basic earning per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at the later date. Dilutive potential equity share are determined independently for each period presented.

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

**1.18 IMPAIRMENT OF ASSETS**

**1.18.1 Financial Assets**

(Other than at Fair Value)

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive. When estimating the cash flows, the Company consider the following:

- All contractual terms of the financial assets (including extension) over the expected life of the assets.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Trade receivables: In respect of trade receivables, the Company applies the simplified approach of Ind AS 109, which requires measurement of loss allowance at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

Other financial assets: In respect of its other financial assets, the Company assesses if the credit risk on those financial assets has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the Company measures the loss allowance at an amount equal to 12-month expected credit losses, else at an amount equal to the lifetime expected credit losses.

**1.18.2 Non-Financial Assets**

(Tangible and Intangible Assets)

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use). Impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount and such losses either no longer exists or has decreased. Reversal of impaired loss is recognized in the Statement of Profit and Loss to the extent of previously recognized or balanced impairment loss.

**1.19 WRITE OFF**

**1.19.1 Financial Assets**

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

**1.19.2 Non Financial Assets**

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

**1.20 PROVISION FOR WARRANTY FOR SALE AND SERVICES RENDERED**

Provision for warranties is recognized when products are sold and services are rendered with warranty as



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

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

**1.21 PROVISION FOR PROFESSIONAL SERVICES (FOR EXPORT SALES)**

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

**1.22 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

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

**1.23 LEASES: COMPANY AS A LESSEE**

The Company's leased asset primarily consists of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over lease term.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability.

The right-of-use assets are depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

**1.24 LEASES:-COMPANY AS A LESSOR**

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

For operating leases, rental income is recognized on a straight line basis/systematic basis over the lease term. However, reimbursable under the contract are accounted for on accrual basis. Initial direct cost are added to the carrying amount of the leased assets and recognized as an expense over the lease term.

## 1.25 NON-CURRENT ASSETS HELD FOR SALE

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

## 1.26 DIVIDENDS

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

## 1.27 FINANCIAL INSTRUMENTS

### 1.27.1 Initial Recognition

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

### 1.27.2 Subsequent Measurement

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

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

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

(c) Financial liabilities

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

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

### 1.27.3 De-recognition of Financial Instruments

A financial asset is de-recognised when:

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

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

### 1.27.4 Forward Contracts

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

NOTES TO FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021

2 PROPERTY, PLANT AND EQUIPMENT

FOLLOWING ARE THE CHANGES IN THE CARRYING VALUE OF PROPERTY, PLANT AND EQUIPMENT FOR THE YEAR ENDED 31.03.2021

(₹ in crore)

DESCRIPTION	GROSS BLOCK					DEPRECIATION/AMORTISATION						NET BLOCK
	AS AT 01/04/2020	ADDITIONS DURING THE YEAR	ADJ DURING THE YEAR	DELETIONS DURING THE YEAR	TOTAL	AS AT 01/04/2020	FOR THE YEAR	ADJ DURING THE YEAR	ADJ THROUGH RETAINED EARNING	DELETIONS DURING THE YEAR	TOTAL	AS AT 31/03/2021
<b>OTHERS</b>												
LAND #	35.44	-	(0.05)	-	35.39	-	-	-	-	-	-	35.39
BUILDING	65.25	0.92	-	-	66.17	3.84	1.20	-	-	-	5.04	61.13
RESIDENTIAL QUARTERS	19.73	12.87	(0.10)	-	32.50	0.57	0.39	(0.10)	-	-	0.86	31.64
LEASED HOLD IMPROVEMENT	0.86	1.10	-	-	1.96	0.10	0.30	-	-	-	0.40	1.56
<b>OFFICE EQUIPMENTS</b>												
SURVEY AND OTHER INSTRUMENTS	9.92	1.65	-	0.02	11.55	4.37	1.06	-	-	0.02	5.41	6.14
COMPUTER AND EQUIPMENTS	12.49	3.44	-	1.41	14.52	9.53	2.22	-	-	1.38	10.37	4.15
SERVER & NETWORK	5.31	0.89	-	0.01	6.19	4.55	0.26	-	-	0.01	4.80	1.39
OFFICE AND OTHER EQUIPMENTS	6.23	2.06	-	0.34	7.95	3.98	0.95	-	-	0.31	4.62	3.33
AIR-CONDITIONER AND EQUIPMENTS	1.77	0.54	-	0.05	2.26	0.94	0.25	-	-	0.04	1.15	1.11
<b>PLANT &amp; MACHINERY</b>												
AIR CONDITIONER PLANT	6.88	0.10	-	-	6.98	4.09	0.36	-	-	-	4.45	2.53
LOCOMOTIVES NEW @	225.09	10.38	-	-	235.47	34.04	15.54	-	-	-	49.58	185.89
LOCOMOTIVES IN SERVICE @	140.70	1.47	-	0.40	141.77	83.31	15.31	-	-	0.40	98.22	43.55
<b>FURNITURE &amp; FIXTURES</b>												
FURNITURES	5.54	1.96	-	0.06	7.44	2.78	0.61	-	-	0.04	3.35	4.09
FIXTURES	2.61	4.06	-	-	6.67	1.79	0.66	-	-	-	2.45	4.22
<b>VEHICLE</b>												
VEHICLES	2.28	0.53	-	0.05	2.76	1.44	0.32	-	-	0.05	1.71	1.05
<b>SUB TOTAL</b>	<b>540.10</b>	<b>41.97</b>	<b>(0.15)</b>	<b>2.34</b>	<b>579.58</b>	<b>155.33</b>	<b>39.43</b>	<b>(0.10)</b>	-	<b>2.25</b>	<b>192.41</b>	<b>387.17</b>
<b>TOTAL</b>	<b>540.10</b>	<b>41.97</b>	<b>(0.15)</b>	<b>2.34</b>	<b>579.58</b>	<b>155.33</b>	<b>39.43</b>	<b>(0.10)</b>	-	<b>2.25</b>	<b>192.41</b>	<b>387.17</b>

FOLLOWING ARE THE CHANGES IN THE CARRYING VALUE OF PROPERTY, PLANT AND EQUIPMENT FOR THE YEAR ENDED 31.03.2020

(₹ in crore)

DESCRIPTION	GROSS BLOCK					DEPRECIATION/AMORTISATION						NET BLOCK
	AS AT 01/04/2019	ADDITIONS DURING THE YEAR	ADJ DURING THE YEAR	DELETIONS DURING THE YEAR	TOTAL	AS AT 01/04/2019	FOR THE YEAR	ADJ DURING THE YEAR	ADJ THROUGH RETAINED EARNING	DELETIONS DURING THE YEAR	TOTAL	AS AT 31/03/2020
<b>LEASED HOLD</b>												
BUILDING	10.02	-	(10.02)	-	-	0.78	-	(0.78)	-	-	-	-
<b>SUB TOTAL</b>	<b>10.02</b>	<b>-</b>	<b>(10.02)</b>	<b>-</b>	<b>-</b>	<b>0.78</b>	<b>-</b>	<b>(0.78)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>OTHERS</b>												
LAND #	26.19	9.25	-	-	35.44	-	-	-	-	-	-	35.44
BUILDING	34.51	30.74	-	-	65.25	2.72	1.12	-	-	-	3.84	61.41
RESIDENTIAL QUARTERS	19.75	-	-	0.02	19.73	0.24	0.34	-	-	0.01	0.57	19.16
LEASED HOLD IMPROVEMENT	-	0.86	-	-	0.86	-	0.10	-	-	-	0.10	0.76
<b>OFFICE EQUIPMENTS</b>												
SURVEY AND OTHER INSTRUMENTS	9.75	0.17	-	-	9.92	3.32	1.05	-	-	-	4.37	5.55
COMPUTER AND EQUIPMENTS	11.13	2.02	-	0.66	12.49	8.20	1.96	-	-	0.63	9.53	2.96
SERVER & NETWORK	5.13	0.18	-	-	5.31	4.09	0.46	-	-	-	4.55	0.76

(₹ in crore)

DESCRIPTION	GROSS BLOCK					DEPRECIATION/AMORTISATION						NET BLOCK
	AS AT 01/04/2019	ADDITIONS DURING THE YEAR	ADJ DURING THE YEAR	DELETIONS DURING THE YEAR	TOTAL	AS AT 01/04/2019	FOR THE YEAR	ADJ DURING THE YEAR	ADJ THROUGH RETAINED EARNING	DELETIONS DURING THE YEAR	TOTAL	AS AT 31/03/2020
OFFICE AND OTHER EQUIPMENTS	4.99	1.66	-	0.42	6.23	3.58	0.77	-	-	0.37	3.98	2.25
AIR-CONDITIONER AND EQUIPMENTS	1.42	0.39	-	0.04	1.77	0.77	0.20	-	-	0.03	0.94	0.83
<b>PLANT &amp; MACHINERY</b>												
AIR CONDITIONER PLANT	6.80	0.08	-	-	6.88	3.73	0.36	-	-	-	4.09	2.79
LOCOMOTIVES NEW @	183.68	41.41	-	-	225.09	20.29	13.75	-	-	-	34.04	191.05
LOCOMOTIVES IN SERVICE @	136.40	4.30	-	-	140.70	67.46	15.85	-	-	-	83.31	57.39
<b>FURNITURE &amp; FIXTURES</b>												
FURNITURES	4.70	0.93	-	0.09	5.54	2.17	0.65	-	-	0.04	2.78	2.76
FIXTURES	2.01	0.66	-	0.06	2.61	1.66	0.18	-	-	0.05	1.79	0.82
<b>VEHICLE</b>												
VEHICLES	1.94	0.34	-	-	2.28	1.16	0.28	-	-	-	1.44	0.84
<b>SUB TOTAL</b>	<b>448.40</b>	<b>92.99</b>	<b>-</b>	<b>1.29</b>	<b>540.10</b>	<b>119.39</b>	<b>37.07</b>	<b>-</b>	<b>-</b>	<b>1.13</b>	<b>155.33</b>	<b>384.77</b>
<b>TOTAL</b>	<b>458.42</b>	<b>92.99</b>	<b>(10.02)</b>	<b>1.29</b>	<b>540.10</b>	<b>120.17</b>	<b>37.07</b>	<b>(0.78)</b>	<b>-</b>	<b>1.13</b>	<b>155.33</b>	<b>384.77</b>

NOTE :

- Depreciation on residential quarters is charged on the total cost of flats in the absence of break-up of land components in the flats value.

# In respect of land pending execution of registration (Refer Note No. 57 (i)).

@ Refer Note No. 52 (b)

### 3 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	
<b>AS AT 31.03.2021</b>	<b>4.45</b>	<b>14.94</b>	<b>(3.91)</b>	<b>-</b>	<b>15.48</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15.48</b>
<b>AS AT 31.03.2020</b>	<b>2.32</b>	<b>7.66</b>	<b>(5.53)</b>	<b>-</b>	<b>4.45</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4.45</b>

### 4 RIGHT OF USE ASSETS

FOLLOWING ARE THE CHANGES IN THE CARRYING VALUE OF RIGHT OF USE ASSETS FOR THE YEAR ENDED 31.03.2021

(₹ in crore)

DESCRIPTION	GROSS BLOCK					DEPRECIATION/AMORTISATION						AS AT 31/03/2021
	AS AT 01/04/2020	ADDITIONS DURING THE YEAR	ADJ DURING THE YEAR	DELETIONS DURING THE YEAR	TOTAL	AS AT 01/04/2020	FOR THE YEAR	ADJ DURING THE YEAR	ADJ THROUGH RETAINED EARNING	DELETIONS DURING THE YEAR	TOTAL	
LAND	1.94	0.69	(0.01)	-	2.62	0.32	0.41	-	-	-	0.73	1.89
BUILDING	19.44	2.03	(0.93)	-	20.54	2.15	2.99	(0.60)	-	-	4.54	16.00
RESIDENTIAL QUARTERS	4.33	-	-	-	4.33	0.25	0.25	-	-	-	0.50	3.83
<b>TOTAL</b>	<b>25.71</b>	<b>2.72</b>	<b>(0.94)</b>	<b>-</b>	<b>27.49</b>	<b>2.72</b>	<b>3.65</b>	<b>(0.60)</b>	<b>-</b>	<b>-</b>	<b>5.77</b>	<b>21.72</b>

FOLLOWING ARE THE CHANGES IN THE CARRYING VALUE OF RIGHT OF USE ASSETS FOR THE YEAR ENDED 31.03.2020

(₹ in crore)

DESCRIPTION	GROSS BLOCK					DEPRECIATION/AMORTISATION						AS AT 31/03/2020
	AS AT 01/04/2019	ADDITIONS DURING THE YEAR	RECLASSIFY DURING THE YEAR	DELETIONS DURING THE YEAR	TOTAL	AS AT 01/04/2019	FOR THE YEAR	ADJ DURING THE YEAR	ADJ THROUGH RETAINED EARNING	DELETIONS DURING THE YEAR	TOTAL	
LAND	-	1.94	-	-	1.94	-	0.32	-	-	-	0.32	1.62
BUILDING	-	6.58	12.86	-	19.44	-	2.15	-	-	-	2.15	17.29
RESIDENTIAL QUARTERS	-	-	4.33	-	4.33	-	0.25	-	-	-	0.25	4.08
<b>TOTAL</b>	<b>-</b>	<b>8.52</b>	<b>17.19</b>	<b>-</b>	<b>25.71</b>	<b>-</b>	<b>2.72</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2.72</b>	<b>22.99</b>

- In respect of Lease Agreements pending execution (refer note no. 57 (h)).

5 INVESTMENT PROPERTY

FOLLOWING ARE THE CHANGES IN THE CARRYING VALUE OF INVESTMENT PROPERTY FOR THE YEAR ENDED 31.03.2021

(₹ in crore)

DESCRIPTION	GROSS BLOCK					DEPRECIATION/AMORTISATION						AS AT 31/03/2021
	AS AT 01/04/2020	ADDITIONS DURING THE YEAR	ADJ DURING THE YEAR	DELETIONS DURING THE YEAR	TOTAL	AS AT 01/04/2020	FOR THE YEAR	ADJ DURING THE YEAR	ADJ THROUGH RETAINED EARNING	DELETIONS DURING THE YEAR	TOTAL	
LAND	-	-	0.05	-	0.05	-	-	-	-	-	-	0.05
RESIDENTIAL QUARTERS	-	-	0.10	-	0.10	-	-	0.10	-	-	0.10	-
LEASEHOLD BUILDING	-	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	-	-	<b>0.15</b>	-	<b>0.15</b>	-	-	<b>0.10</b>	-	-	<b>0.10</b>	<b>0.05</b>

FOLLOWING ARE THE CHANGES IN THE CARRYING VALUE OF INVESTMENT PROPERTY FOR THE YEAR ENDED 31.03.2020

(₹ in crore)

DESCRIPTION	GROSS BLOCK					DEPRECIATION/AMORTISATION						AS AT 31/03/2020
	AS AT 01/04/2019	ADDITIONS DURING THE YEAR	ADJ DURING THE YEAR	DELETIONS DURING THE YEAR	TOTAL	AS AT 01/04/2019	FOR THE YEAR	ADJ DURING THE YEAR	ADJ THROUGH RETAINED EARNING	DELETIONS DURING THE YEAR	TOTAL	
LAND	-	-	-	-	-	-	-	-	-	-	-	-
RESIDENTIAL QUARTERS	-	-	-	-	-	-	-	-	-	-	-	-
LEASEHOLD BUILDING	0.89	-	(0.89)	-	-	0.09	0.02	(0.11)	-	-	-	-
<b>TOTAL</b>	<b>0.89</b>	-	<b>(0.89)</b>	-	-	<b>0.09</b>	<b>0.02</b>	<b>(0.11)</b>	-	-	-	-

6 INTANGIBLE ASSETS

(₹ in crore)

DESCRIPTION	GROSS BLOCK					DEPRECIATION/AMORTISATION						NET BLOCK
	OPENING	ADDITIONS DURING THE YEAR	ADJ DURING THE YEAR	DELETIONS DURING THE YEAR	TOTAL	OPENING	FOR THE YEAR	ADJ DURING THE YEAR	ADJ THROUGH RETAINED EARNING	DELETIONS DURING THE YEAR	TOTAL	
<b>COMPUTER SOFTWARES (ACQUIRED)</b>												
AS AT 31.03.2021	10.88	1.56	-	1.80	10.64	6.69	1.73	-	-	1.80	6.62	4.02
AS AT 31.03.2020	6.20	4.69	-	0.01	10.88	5.58	1.12	-	-	0.01	6.69	4.19

7 INTANGIBLE ASSETS UNDER DEVELOPMENT

(₹ in crore)

DESCRIPTION	GROSS BLOCK					DEPRECIATION/AMORTISATION						NET BLOCK
	OPENING	ADDITIONS DURING THE YEAR	ADJ DURING THE YEAR	DELETIONS DURING THE YEAR	TOTAL	OPENING	FOR THE YEAR	ADJ DURING THE YEAR	ADJ THROUGH RETAINED EARNING	DELETIONS DURING THE YEAR	TOTAL	
<b>COMPUTER SOFTWARES (ACQUIRED)</b>												
AS AT 31.03.2021	-	-	-	-	-	-	-	-	-	-	-	-
AS AT 31.03.2020	1.59	0.03	(1.62)	-	-	-	-	-	-	-	-	-

8 INVESTMENTS

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2021	AS AT 31.03.2020
-------------	----------	------------------	------------------

8.1 NON CURRENT INVESTMENTS

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

SUBSIDIARIES

(i) RITES (Afrika) (Pty) Limited, Botswana

0.01

0.01

10,000 (previous year 10,000) equity shares of face value of Pula 1/- each, fully paid-up.

(ii) RITES Infrastructure Services Limited

43 (e)

-

0.05

Nil (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)

-

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2021	AS AT 31.03.2020
<b>(iii) REMC Limited</b>		<b>35.70</b>	35.70
53,550,000 (previous year 35,700,000) equity shares of face value of ₹ 10 each, fully paid-up.		<u>35.71</u>	<u>35.71</u>
<b>JOINT VENTURES</b>			
<b>(i) SAIL-RITES Bengal Wagon Industry Private Limited</b>		<b>24.00</b>	24.00
24,000,000 (previous year 24,000,000) equity shares of face value of ₹ 10 each, fully paid-up.			
<b>(ii) BNV Gujarat Rail Private Limited</b>	43 (e)	-	0.26
Nil (previous year 260,000) equity shares of face value of ₹ 10 each, fully paid-up.			
<b>Less : Provision for Diminution in value of Investment</b>		-	(0.14)
<b>(iii) Indian Railway Stations Development Corporation Limited</b>	57 (c)	<b>48.00</b>	-
48,000,000 (previous year Nil) equity shares of face value of ₹ 10 each, fully paid-up.		<u>72.00</u>	<u>24.12</u>
<b>COOPERATIVE SOCIETIES</b>			
<b>(i) Moru Mahal Co-operative Society Limited</b>	57 (j)	-	-
5 (previous year 5) Equity Shares of face value of ₹ 50/- each, fully paid-up acquired for purchase of residential quarter.			
<b>(ii) Amit Industrial Premises Co-operative Society Limited</b>	57 (j)	-	-
10 (previous year 10) Equity Shares of face value of ₹ 50/- each, fully paid-up acquired for purchase of laboratory.			
<b>(iii) Regent Chambers Premises Co-operative Society Limited</b>	57 (j)	-	-
10 (previous year 10) Equity Shares of face value of ₹ 50/- each, fully paid-up acquired for purchase of residential quarter.		-	-
<b>OTHERS</b>			
<b>(i) GPCL Consulting Services Limited (formerly known as Global Procurement Consultants Limited)</b>		<b>0.04</b>	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).			
<b>(ii) Elicius Energy Private Limited</b>	57 (j)	-	-
1,573 (previous year Nil) equity shares of face value of ₹ 10 each, fully paid-up.			
<b>AGGREGATE OF UNQUOTED INVESTMENTS (NON CURRENT)</b>		<u><b>107.75</b></u>	<u>59.87</u>
<b>B) INVESTMENT IN QUOTED TAX FREE BONDS OF (INVESTMENT CARRIED AT AMORTISED COST):</b>			
<b>(i) INDIAN RAILWAY FINANCE CORPORATION (10 YEAR SECURED REDEEMABLE 7.55% TAX FREE BONDS 08NOV.2021)</b>			
2,500 Bonds of face value of ₹ 100,000/- each, fully paid		-	25.00
<b>(ii) INDIAN RAILWAY FINANCE CORPORATION (10 YEAR SECURED REDEEMABLE 7.21% TAX FREE BONDS 26NOV.2022)</b>			
300 Bonds of face value of ₹ 1,000,000/- each at premium of ₹100/- each, fully paid		<b>30.00</b>	30.00
<b>(iii) INDIAN RAILWAY FINANCE CORPORATION (10 YEAR SECURED REDEEMABLE 7.22% TAX FREE BONDS 30 NOV.2022)</b>			
100 Bonds of face value of ₹ 1,000,000/- each at premium of ₹100/- each, fully paid		<b>10.00</b>	10.00

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2021	AS AT 31.03.2020
<b>(iv) INDIAN RAILWAY FINANCE CORPORATION (10 YEAR SECURED REDEEMABLE 7.18% TAX FREE BONDS 19FEB.2023)</b>			
100,000 Bonds of face value of ₹ 1,000/- each, fully paid		10.00	10.00
<b>(v) INDIAN RAILWAY FINANCE CORPORATION (10 YEAR SECURED REDEEMABLE 8.35% TAX FREE BONDS 21NOV.2023)</b>			
250 Bonds of face value of ₹ 1,000,000/- each at premium of ₹100/-each, fully paid		25.00	25.00
<b>(vi) INDIAN RAILWAY FINANCE CORPORATION (10 YEAR SECURED REDEEMABLE 7.19% TAX FREE BONDS 31JUL.2025)</b>			
200 Bonds of face value of ₹ 1,000,000/- each at premium of ₹100/-each, fully paid		20.00	20.00
<b>AGGREGATE OF QUOTED INVESTMENTS (NON CURRENT)</b>		<b>95.00</b>	120.00
<b>TOTAL (NON CURRENT)</b>		<b>202.75</b>	179.87

**8.2 CURRENT INVESTMENTS**

**A) INVESTMENT IN UNQUOTED MUTUAL FUNDS (INVESTMENT CARRIED AT FAIR VALUE THROUGH PROFIT OR LOSS):**

**UTI LIQUID CASH PLAN - DIRECT GROWTH PLAN**

Nil (previous year 158279.482) units

- 51.46

**SBI LIQUID FUND - DIRECT GROWTH PLAN**

Nil (previous year 193624.150) units

- 60.20

**BANK OF BARODA LIQUID FUND - DIRECT GROWTH PLAN**

362004.681 (previous year Nil) units

85.77 85.77 - 111.66

**AGGREGATE OF UNQUOTED INVESTMENT (CURRENT)**

85.77 111.66

**B) INVESTMENT IN QUOTED TAX FREE BONDS OF (INVESTMENT CARRIED AT AMORTISED COST):**

**(i) INDIAN RAILWAY FINANCE CORPORATION  
(10 YEAR SECURED REDEEMABLE 7.55% TAX FREE  
BONDS 08NOV.2021)**

2,500 Bonds of face value of ₹ 100,000/- each, fully paid

25.00 -

**AGGREGATE OF QUOTED INVESTMENTS (CURRENT)**

25.00 -

**TOTAL (CURRENT)**

110.77 111.66

**GRAND TOTAL**

313.52 291.53

A	AGGREGATE AMOUNT OF QUOTED INVESTMENTS	120.00	120.00
B	MARKET VALUE OF QUOTED INVESTMENTS*	130.39	129.80
C	AGGREGATE AMOUNT OF UNQUOTED INVESTMENTS	193.52	171.53
D	AGGREGATE AMOUNT OF IMPAIRMENT IN VALUE OF INVESTMENTS	-	0.19

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

**9 NON CURRENT LOANS**

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT	AS AT
		31.03.2021	31.03.2020
SECURITY DEPOSITS CONSIDERED GOOD-UNSECURED		3.85	3.44
LOANS TO EMPLOYEES CONSIDERED GOOD-SECURED		7.83	7.34
LOANS TO EMPLOYEES CONSIDERED GOOD-UNSECURED		2.03	2.63
LOANS TO EMPLOYEES WHICH HAVE SIGNIFICANT INCREASE IN CREDIT RISK		-	-
LOANS TO EMPLOYEES -CREDIT IMPAIRED		-	-
LOANS TO JV (RELATED PARTY) CONSIDERED GOOD-SECURED		-	-
LOANS TO JV (RELATED PARTY) CONSIDERED GOOD-UNSECURED	43 (e) (ii)	-	2.80
LOANS TO JV (RELATED PARTY) WHICH HAVE SIGNIFICANT INCREASE IN CREDIT RISK		-	-
LOANS TO JV (RELATED PARTY)-CREDIT IMPAIRED		-	-
<b>TOTAL</b>		<b>13.71</b>	<b>16.21</b>

**10 OTHER NON CURRENT FINANCIAL ASSETS**

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT	AS AT
		31.03.2021	31.03.2020
INTEREST ACCRUED (INCLUDING ACCRUED BUT NOT DUE) ON:			
- LOANS TO SRBWPL (RELATED PARTY)	43 (e) (ii)	-	0.65
RETENTION MONEY		43.85	50.28
BANK DEPOSITS HAVING MATURITY OVER 12 MONTHS FROM REPORTING DATE:			
- CLIENTS FUND	16.3	47.29	17.73
<b>TOTAL</b>		<b>91.14</b>	<b>68.66</b>

**11 DEFERRED TAX ASSETS/ (LIABILITY) (NET)**

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT	AS AT
		31.03.2021	31.03.2020
<b>DEFERRED INCOME TAX ASSETS:</b>			
ACCRUED COMPENSATION TO EMPLOYEES		21.79	20.72
PROVISION FOR DOUBTFUL DEBTS, SECURITY DEPOSITS/ EMD, ADVANCES ETC.		32.89	31.38
LEASE LIABILITY FOR ROU ASSETS		1.05	-
<b>TOTAL DEFERRED INCOME TAX ASSETS - I</b>		<b>55.73</b>	<b>52.10</b>
<b>DEFERRED INCOME TAX LIABILITIES:</b>			
PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS		16.08	11.64
INTEREST ACCRUED BUT NOT RECEIVED ON INCOME TAX REFUND		-	1.61
DONATION TO PM CARES FUND		-	1.76
UNREALIZED SHORT TERM GAIN/(LOSS) ON MUTUAL FUNDS		0.05	-
<b>TOTAL DEFERRED INCOME TAX LIABILITIES - II</b>		<b>16.13</b>	<b>15.01</b>
<b>DEFERRED INCOME TAX ASSETS (NET)</b>	53	<b>39.60</b>	<b>37.09</b>

**12 OTHER NON CURRENT ASSETS**

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT	AS AT
		31.03.2021	31.03.2020
CAPITAL ADVANCE		61.37	36.22
<b>ADVANCES OTHER THAN CAPITAL ADVANCE</b>			
PREPAID EXPENSES		0.67	0.78
DEFERRED COST TOWARDS STAFF LOAN		1.51	2.04
ADVANCE INCOME TAX (NET OF PROVISION)	53	43.92	14.91
WORKS CONTRACT TAX RECEIVABLE		1.96	1.98
<b>TOTAL</b>		<b>109.43</b>	<b>55.93</b>



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

(₹ in crore)

PARTICULARS	AS AT		AS AT	
	31.03.2021		31.03.2020	
(AS CERTIFIED BY MANAGEMENT)				
STOCK IN TRADE*	287.59		8.56	
LESS: PROVISION FOR OBSOLETE INVENTORIES	(3.44)	284.15	-	8.56
STORES & SPARES		2.01		2.11
<b>TOTAL</b>		<b>286.16</b>		<b>10.67</b>

\*Includes inventory lying with third parties of ₹ 214.60 crore (previous year ₹ 6.55 crore) & stock in transit ₹ 69.35 crore (previous year Nil).

Note- All inventories are expected to be utilised/sold within twelve months except certain items, which are utilised on need basis. Quantum of such items, which may be utilised beyond one year, is not determinable and is not expected to be material with reference to the total value of inventories.

**14 CURRENT TRADE RECEIVABLES**

(₹ in crore)

PARTICULARS	AS AT		AS AT	
	31.03.2021		31.03.2020	
TRADE RECEIVABLE CONSIDERED GOOD -SECURED		-		-
TRADE RECEIVABLE CONSIDERED GOOD -UNSECURED*		568.00		821.66
TRADE RECEIVABLE WHICH HAVE SIGNIFICANT INCREASE IN CREDIT RISK		-		-
TRADE RECEIVABLE -CREDIT IMPAIRED		107.74		101.85
		675.74		923.51
LESS: ALLOWANCE FOR EXPECTED CREDIT LOSSES		(107.74)		(101.85)
<b>TOTAL</b>		<b>568.00</b>		<b>821.66</b>
* Includes dues from subsidiaries (Note no. 43 (e) (i))		3.12		0.92

**15 CASH AND BANK BALANCES-OWNED FUND**

(₹ in crore)

PARTICULARS	AS AT		AS AT	
	31.03.2021		31.03.2020	
<b>15.1 CASH AND CASH EQUIVALENTS</b>				
BANK BALANCES IN :				
CURRENT ACCOUNTS	35.45		37.74	
DEPOSITS #	62.45	97.90	74.90	112.64
CHEQUES IN HAND		1.33		0.48
<b>TOTAL</b>		<b>99.23</b>		<b>113.12</b>
<b>15.2 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS</b>				
EARMARKED BALANCE WITH BANKS*		0.38		0.07
DEPOSITS ##		789.78		988.85
<b>TOTAL @</b>		<b>790.16</b>		<b>988.92</b>
<b>TOTAL CASH &amp; BANK BALANCE-OWNED FUND</b>		<b>889.39</b>		<b>1,102.04</b>

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

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

@ Includes restricted cash and bank balances of ₹ 0.93 crore (previous year ₹ 1.00 crore) on account of bank balance held as margin money deposits against guarantees issued by banks and ₹ 0.38 crore (previous year ₹ 0.07 crore) on account of unpaid dividend.

\* Earmarked bank balance is for unpaid dividend.

**16 CASH AND BANK BALANCES-CLIENTS FUND**

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2021	AS AT 31.03.2020
<b>16.1 CASH AND CASH EQUIVALENTS</b>			
BANK BALANCES IN :			
CURRENT ACCOUNTS		405.33	265.15
DEPOSITS #		289.61	498.92
<b>TOTAL</b>		<b>694.94</b>	764.07
<b>16.2 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS</b>			
DEPOSITS ##		1,740.80	1,734.52
<b>TOTAL</b>		<b>1,740.80</b>	1,734.52
<b>16.3 BANK BALANCE MORE THAN 12 MONTHS MATURITY-CLIENT FUND (NOTE NO. 10)</b>			
DEPOSITS ###		47.29	17.73
<b>TOTAL</b>		<b>47.29</b>	17.73
<b>TOTAL CASH &amp; BANK BALANCE-CLIENTS FUND*</b>		<b>2,483.03</b>	2,516.32

- # 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.
- \* Equivalent amount appears in client liabilities at Note no. 23 & Note No. 26.

**17 CURRENT LOANS**

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2021	AS AT 31.03.2020
SECURITY DEPOSITS CONSIDERED GOOD-UNSECURED		14.31	10.37
SECURITY DEPOSITS CONSIDERED DOUBTFUL-UNSECURED		0.29	0.30
		14.60	10.67
LESS: ALLOWANCES FOR EXPECTED CREDIT LOSSES		(0.29)	(0.30)
LOANS TO EMPLOYEES CONSIDERED GOOD-SECURED		1.60	2.08
LOANS TO EMPLOYEES CONSIDERED GOOD-UNSECURED		2.60	2.85
LOANS TO EMPLOYEES WHICH HAVE SIGNIFICANT INCREASE IN CREDIT RISK		-	-
LOANS TO EMPLOYEES -CREDIT IMPAIRED		-	-
LOANS TO JV (RELATED PARTY) CONSIDERED GOOD-SECURED		-	-
LOANS TO JV (RELATED PARTY) CONSIDERED GOOD-UNSECURED	43 (e) (ii)	2.80	2.80
LOANS TO JV (RELATED PARTY) WHICH HAVE SIGNIFICANT INCREASE IN CREDIT RISK		-	-
LOANS TO JV (RELATED PARTY)-CREDIT IMPAIRED		-	-
<b>TOTAL</b>		<b>21.31</b>	18.10

**18 OTHER CURRENT FINANCIAL ASSETS**

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2021	AS AT 31.03.2020
AMOUNT RECOVERABLES CONSIDERED GOOD-UNSECURED		17.45	11.23
AMOUNT RECOVERABLES CONSIDERED DOUBTFUL-UNSECURED		21.20	22.20
		38.65	33.43
LESS: ALLOWANCES FOR EXPECTED CREDIT LOSSES		(21.20)	(22.20)
<b>INTEREST ACCRUED (INCLUDING ACCRUED BUT NOT DUE) ON:</b>			
- BANK DEPOSITS HAVING MATURITY:			
WITHIN 3 MONTHS FROM THE DATE OF ACQUISITION		0.08	0.14
OVER 3 MONTHS FROM THE DATE OF ACQUISITION AND UPTO 12 MONTHS FROM REPORTING DATE		23.33	30.62
- BONDS		5.89	5.89
- LOANS TO SRBWIPL (RELATED PARTY)	43 (e) (ii)	0.65	0.69
RETENTION MONEY		44.17	51.63
ADVANCES TO RELATED PARTIES	43	-	0.04
UNBILLED REVENUE		79.14	109.65
<b>TOTAL</b>		<b>170.71</b>	209.89

19	CURRENT TAX ASSETS (NET)		(₹ in crore)	
	PARTICULARS	NOTE NO.	AS AT 31.03.2021	AS AT 31.03.2020
	INCOME TAX RECEIVABLES	53	20.65	91.85
	<b>TOTAL</b>		<b>20.65</b>	<b>91.85</b>

20	OTHER CURRENT ASSETS		(₹ in crore)	
	PARTICULARS	NOTE NO.	AS AT 31.03.2021	AS AT 31.03.2020
	PREPAID EXPENSES		5.01	5.72
	ADVANCES TO SUPPLIERS		177.68	65.10
	LESS: PROVISION FOR DOUBTFUL ADVANCES		(1.11)	-
	OTHER ADVANCES		1.45	6.17
	LESS: PROVISION FOR DOUBTFUL ADVANCES		(0.35)	(0.35)
	EXPORT INCENTIVE RECEIVABLE	41	1.40	1.79
	DEFERRED COST TOWARDS STAFF LOAN		0.30	0.26
	UNAMORTIZED CONTRACT COST	51(n)	5.63	5.02
	GOODS & SERVICE TAX INPUT RECEIVABLE		53.45	24.94
	<b>TOTAL</b>		<b>243.46</b>	<b>108.65</b>

21	EQUITY SHARE CAPITAL		(₹ in crore)	
	PARTICULARS		AS AT 31.03.2021	AS AT 31.03.2020
21.1	<b>AUTHORISED</b>			
	300,000,000 (PREVIOUS YEAR 300,000,000) EQUITY SHARES OF ₹ 10/- EACH		300.00	300.00
21.2	<b>ISSUED, SUBSCRIBED AND FULLY PAID-UP</b>			
	240,301,887 (PREVIOUS YEAR 250,000,000) EQUITY SHARES OF ₹ 10/- EACH		240.30	250.00
			240.30	250.00

	PARTICULARS	No. of Shares	(₹ in crore)	No. of Shares	(₹ in crore)
21.3	<b>RECONCILIATION OF NUMBER OF EQUITY SHARES</b>				
	OPENING BALANCE	250,000,000	250.00	200,000,000	200.00
	ADD : ISSUE OF BONUS SHARES	-	-	50,000,000	50.00
	LESS: BUY BACK OF EQUITY SHARES	(9,698,113)	(9.70)	-	-
	CLOSING BALANCE	240,301,887	240.30	250,000,000	250.00

**21.4 RIGHTS, PREFERENCES AND RESTRICTIONS ATTACHED TO EQUITY SHARES**

The company has one class of equity shares having a par value of ₹ 10 each. Each shareholder is eligible for one vote per share held in case poll is demanded by the members in accordance with the provisions of the companies act, 2013. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

	PARTICULARS	No. of Shares	Share-holding (%)	No. of Shares	Share-holding (%)
21.5	<b>EQUITY SHARES HELD BY EACH SHAREHOLDER MORE THAN 5% OF SHARES</b>				
	PRESIDENT OF INDIA ACTING THROUGH MINISTRY OF RAILWAYS (Refer Note No. 57 (b))	173,504,773	72.20%	180,047,174	72.02%
	LIFE INSURANCE CORPORATION OF INDIA	19,584,120	8.15%	19,584,120	7.83%

**21.6 FULLY PAID-UP AGGREGATE NUMBER OF EQUITY SHARES ALLOTTED BY WAY OF BONUS SHARES DURING THE YEAR OF FIVE YEARS IMMEDIATELY PRECEEDING BALANCE SHEET DATE**

Company issued 5 crore bonus shares of ₹ 10 each during 2019-20 amounting to ₹ 50 crore. Earlier company issued 10 crore bonus shares of ₹ 10 each during 2016-17 amounting to ₹ 100 crore.

**21.7 FULLY PAID-UP AGGREGATE NUMBER OF EQUITY SHARES BUY-BACK DURING THE YEAR**

The company has bought back 9,698,113 fully paid-up equity shares of ₹ 10 each from the shareholders on 18th November, 2020, on proportionate basis by way of tender offer at a price of ₹ 265 per equity share for an aggregate amount of ₹ 257 crore. Consequent to the said buy-back, the equity share capital of the company has been reduced by ₹ 9.70 crore and capital redemption reserve of an equivalent amount has therefore been created as per the extant provision of the companies act, 2013.

**22 OTHER EQUITY (REFER STATEMENT OF CHANGES IN EQUITY)** (₹ in crore)

PARTICULARS	AS AT	AS AT
	31.03.2021	31.03.2020
<b>22.1 RESERVE &amp; SURPLUS</b>		
GENERAL RESERVE*	1,584.02	1,901.85
CAPITAL REDEMPTION RESERVE**	9.70	-
<b>22.2 RETAINED EARNING</b>	487.91	424.77
<b>TOTAL ***</b>	<b>2,081.63</b>	<b>2,326.62</b>

\* General Reserve represents amount kept by the company out of its profit for future purposes. It is not earmarked for any specific purpose.

\*\* Capital Redemption Reserve shall be utilised in accordance with the provisions of Companies Act, 2013.

\*\*\*Includes OCI of (₹ 4.82 crore) {previous year (₹ 9.88 crore)}.

**23 OTHER NON CURRENT FINANCIAL LIABILITIES**

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT	AS AT
		31.03.2021	31.03.2020
CLIENTS DEPOSITS	16	47.29	17.73
SECURITY DEPOSITS - CLIENTS	16	156.46	146.18
SECURITY DEPOSITS		16.81	17.05
<b>TOTAL</b>		<b>220.56</b>	<b>180.96</b>

**24 NON CURRENT PROVISIONS**

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT	AS AT
		31.03.2021	31.03.2020
EMPLOYEE BENEFITS	40	2.90	6.56
WARRANTIES	47 (a)	7.92	16.38
<b>TOTAL</b>		<b>10.82</b>	<b>22.94</b>

**25 OTHER NON CURRENT LIABILITIES**

(₹ in crore)

PARTICULARS	AS AT	AS AT
	31.03.2021	31.03.2020
CLIENTS ADVANCES	-	71.28
<b>TOTAL</b>	<b>-</b>	<b>71.28</b>

**26 OTHER CURRENT FINANCIAL LIABILITIES**

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT	AS AT
		31.03.2021	31.03.2020
CLIENTS DEPOSITS	16	2,214.46	2,294.91
SECURITY DEPOSITS - CLIENTS	16	64.82	57.50
SECURITY DEPOSITS		76.04	67.92
FOREIGN SERVICE CONTRIBUTION	40 (c)	4.93	5.80
SALARY PAYABLES		68.61	87.09
STAFF & OTHER CLAIMS		4.43	7.66
PAYABLE TO RELATED PARTIES	43	-	0.18
PAYABLE FOR OTHER EXPENSES		61.28	53.46
UNPAID DIVIDEND*		0.41	0.07
<b>TOTAL</b>		<b>2,494.98</b>	<b>2,574.59</b>

\* No amount is due for payment to Investor Education & Protection Fund

27 CURRENT PROVISIONS

(₹ in crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2021	AS AT 31.03.2020
EMPLOYEE BENEFITS	40	19.10	36.53
WARRANTIES	47 (a)	17.22	41.64
COMMITMENTS	47 (a)	0.58	7.02
<b>TOTAL</b>		<b>36.90</b>	<b>85.19</b>

28 OTHER CURRENT LIABILITIES

(₹ in crore)

PARTICULARS	AS AT 31.03.2021	AS AT 31.03.2020
CLIENTS ADVANCES	268.58	63.33
STATUTORY LIABILITIES	41.96	31.27
<b>TOTAL</b>	<b>310.54</b>	<b>94.60</b>

29 REVENUE FROM OPERATIONS

(₹ in crore)

PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2021	YEAR ENDED 31.03.2020
<b>SALE OF SERVICES</b>			
CONSULTANCY FEE		673.22	698.85
INSPECTION FEE		298.78	367.27
LEASE SERVICES	52 (b) (i)	108.27	120.70
		<b>1,080.27</b>	<b>1,186.82</b>
<b>SALE OF PRODUCTS</b>			
EXPORT SALES		93.27	540.87
<b>OTHERS</b>			
TURNKEY CONSTRUCTION PROJECTS		623.85	672.88
<b>TOTAL</b>		<b>1,797.39</b>	<b>2,400.57</b>

Note- 1 Revenue from operation does not include GST of ₹ 256.99 crore (previous year ₹ 269.68 crore)

2 Revenue from operation include unbilled income recognized of ₹ 77.05 crore (previous year ₹ 107.34 crore)

30 OTHER INCOME

(₹ in crore)

PARTICULARS	YEAR ENDED 31.03.2021	YEAR ENDED 31.03.2020
INTEREST INCOME ON:		
- DEPOSITS WITH BANK	71.71	96.09
- TAX FREE BONDS	9.02	9.02
- STAFF ADVANCES	1.63	1.26
- LOAN TO RELATED PARTIES	0.34	0.43
- INCOME TAX REFUND	-	10.17
- DELAYED CONTRACT PAYMENTS	-	25.69
	<b>82.70</b>	<b>142.66</b>
PROVISION NO LONGER REQUIRED*	33.00	0.62
REVERSAL OF IMPAIRMENT OF FINANCIAL ASSETS	1.01	62.61
LIABILITIES WRITTEN BACK	8.37	0.06
DEFERRED INCOME TOWARDS GOVT OF MOZAMBIQUE RECEIVABLES	-	0.50
DIVIDEND FROM:		

(₹ in crore)

PARTICULARS	YEAR ENDED 31.03.2021	YEAR ENDED 31.03.2020
- RITES (AFRIKA) (PTY) LIMITED (RELATED PARTY)	-	0.03
- REMC LIMITED (RELATED PARTY)	5.35	6.33
- CURRENT INVESTMENTS	-	1.61
EXPORT INCENTIVES	3.57	9.09
REALIZED GAIN ON CURRENT INVESTMENT (MUTUAL FUNDS)	4.12	0.96
UNREALIZED GAIN ON CURRENT INVESTMENT (MUTUAL FUNDS)	0.19	0.56
RENT FROM INVESTMENT PROPERTIES	0.18	-
EXCHANGE VARIATION	5.89	34.43
MISCELLANEOUS INCOME	5.78	5.02
<b>TOTAL</b>	<b>150.16</b>	<b>264.48</b>

\* Includes Reversal of Provision for Warranty (Net) of ₹ 22.19 crore (previous year Nil)

### 31 EMPLOYEE BENEFIT EXPENSES

(₹ in crore)

PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2021	YEAR ENDED 31.03.2020
SALARIES		361.13	366.50
FOREIGN SERVICE CONTRIBUTION	40 (c)	3.62	4.65
CONTRIBUTION TO PROVIDENT & OTHER FUNDS	40	61.14	58.51
STAFF WELFARE EXPENSES		20.95	23.93
PERFORMANCE RELATED PAYMENT		16.52	42.51
LEAVE ENCASHMENT	40	17.49	20.57
<b>TOTAL</b>		<b>480.85</b>	<b>516.67</b>

### 32 SUPPLIES & SERVICES

(₹ in crore)

PARTICULARS	YEAR ENDED 31.03.2021	YEAR ENDED 31.03.2020
TURNKEY CONSTRUCTION PROJECTS	552.63	604.79
OTHERS	132.12	168.92
<b>TOTAL</b>	<b>684.75</b>	<b>773.71</b>

### 33 CHANGES IN INVENTORIES OF STOCK IN TRADE

(₹ in crore)

PARTICULARS	YEAR ENDED 31.03.2021	YEAR ENDED 31.03.2020
OPENING BALANCE	8.56	103.33
CLOSING BALANCE	287.59	8.56
<b>NET (INCREASE)/ DECREASE IN INVENTORIES</b>	<b>(279.03)</b>	<b>94.77</b>

### 34 FINANCE COST

(₹ in crore)

PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2021	YEAR ENDED 31.03.2020
UNWINDING WARRANTY	47 (a)	0.74	1.09
UNWINDING LEASE LIABILITY	52 (a)	0.42	0.51
BG/LC CHARGES		1.34	0.81
INTEREST- OTHERS*		0.34	0.63
<b>TOTAL</b>		<b>2.84</b>	<b>3.04</b>

\*Includes Interest on Income tax of ₹ 0.01 crore (previous year ₹ 0.40 crore)

**35 DEPRECIATION & AMORTISATION EXPENSES**

(₹ in crore)

PARTICULARS	YEAR ENDED 31.03.2021	YEAR ENDED 31.03.2020
PROPERTY, PLANT AND EQUIPMENT	39.43	37.07
RIGHT OF USE ASSETS	3.65	2.72
INVESTMENT PROPERTY	-	0.02
INTANGIBLE ASSETS	1.73	1.12
<b>TOTAL</b>	<b>44.81</b>	<b>40.93</b>

**36 OTHER EXPENSES**

(₹ in crore)

PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2021	YEAR ENDED 31.03.2020
PRINTING, STATIONERY AND DOCUMENTATION		2.77	4.06
ADVERTISEMENT & BUSINESS PROMOTION		5.32	5.98
AUDITORS' REMUNERATION (INCLUDING OUT OF POCKET EXPENSES)	36.1	0.25	0.28
RATES & TAXES		2.02	3.84
OFFICE RENT		5.02	4.58
POSTAGE & TELECOMMUNICATION		5.58	5.86
OFFICE MAINTENANCE		10.45	10.44
REPAIRS TO MACHINERY/EQUIPMENTS		2.57	3.81
FREIGHT & FORWARDING (OUTWARD)		2.69	3.29
POWER AND FUEL CHARGES		4.09	4.74
STORES AND SPARES CONSUMED		2.84	2.66
INTERNAL AUDIT FEE		0.13	0.13
LEGAL AND PROFESSIONAL FEE		1.25	1.98
INSURANCE CHARGES		2.66	1.24
PROPERTY, PLANT AND EQUIPMENT WRITTEN OFF		0.01	0.03
MANPOWER DEVELOPMENT		0.45	2.75
LOSS ON SALE OF PROPERTY, PLANT AND EQUIPMENT		0.01	0.01
IMPAIRMENT LOSS FOR FINANCIAL ASSETS:			
-PROVISION FOR IMPAIRMENT		5.89	12.08
-BAD DEBTS		3.19	7.57
-DIMINUTION IN VALUE OF INVESTMENT		-	0.14
PROVISION FOR:			
-OBSOLETE INVENTORIES		3.44	-
-DOUBTFUL ADVANCES		1.11	-
-WARRANTIES		-	20.62
DONATION		7.00	-
DIRECTORS' SITTING FEE		0.21	0.27
CORPORATE SOCIAL RESPONSIBILITY	57 (e)	13.41	11.21

(₹ in crore)

PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2021	YEAR ENDED 31.03.2020
AMORTISED DEFERRED COST TOWARDS GOVT OF MOZAMBIQUE RECEIVABLES		-	0.50
LOSS ON SALE OF INVESTMENT		0.14	-
INVESTMENT WRITTEN OFF		0.05	-
ADVANCES/RECOVERABLE WRITTEN OFF		0.08	0.02
MISCELLANEOUS EXPENSES		4.68	6.79
<b>TOTAL</b>		<b>87.31</b>	<b>114.88</b>

**36.1 AUDITORS' REMUNERATION**

(₹ in crore)

PARTICULARS		YEAR ENDED 31.03.2021	YEAR ENDED 31.03.2020
<b>(A) STATUTORY AUDITORS</b>			
STATUTORY AUDIT FEE		0.07	0.07
TAX AUDIT FEE		0.03	0.03
LIMITED REVIEW AND CONSOLIDATION FEE		0.05	0.05
OTHER SERVICES, i.e. CERTIFICATION ETC.*		0.03	0.02
<b>SUB TOTAL (A)</b>		<b>0.18</b>	<b>0.17</b>
<b>(B) BRANCH AUDITORS</b>			
STATUTORY AUDIT FEE		0.02	0.02
TAX AUDIT FEE		0.01	0.01
LIMITED REVIEW FEE		0.03	0.03
<b>SUB TOTAL (B)</b>		<b>0.06</b>	<b>0.06</b>
<b>AUDITORS' REMUNERATION (A+B)</b>		<b>0.24</b>	<b>0.23</b>
AUDITORS' OUT OF POCKET EXPENSES		0.01	0.05

\* This amount is exclusive of ₹ 0.03 crore paid to the Statutory Auditors towards certificates in connection with buy-back of shares. The same has been adjusted against general reserve, as these are transaction costs pertaining to buy-back.

**37 CURRENT TAX**

(₹ in crore)

PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2021	YEAR ENDED 31.03.2020
- CURRENT YEAR		(144.14)	(190.58)
- EARLIER YEAR		3.63	1.30
<b>TOTAL</b>	53	<b>(140.51)</b>	<b>(189.28)</b>

**38 DEFERRED TAX**

(₹ in crore)

PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2021	YEAR ENDED 31.03.2020
CREDIT/(CHANGE) RELATING TO TEMPORARY DIFFERENCES			
- CURRENT YEAR		2.09	(36.76)
- EARLIER YEAR		0.42	(0.18)
<b>TOTAL</b>	53	<b>2.51</b>	<b>(36.94)</b>



**DISCLOSURES AS PER INDIAN ACCOUNTING STANDARDS (IND AS):**

**39. Indian Accounting Standard (Ind AS) 2, Disclosure on Inventories is as follows :**

Inventories are carried at lower of cost and net realizable value. Cost of finished goods procured or purchased by the company comprises of costs of purchase, costs of conversion and other costs incurred in bringing the inventories to its present location and condition.

Amount of inventories consumed and recognized as expenses during the year is as under:

(₹ in crore)

Particulars	Year ended	
	31.03.2021	31.03.2020
Finished Goods	53.58	343.38
Stores and spares	2.84	2.66
<b>Total</b>	<b>56.42</b>	346.04
Provision for Obsolete inventories	3.44	-

**40. Indian Accounting standard (Ind AS) 19, Disclosures on Employee Benefits are as follows:**

**a) Defined Benefit Plan**

**i) Gratuity (Funded)-Regular Employees.**

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

(₹ in crore)

Particulars	31.03.2021	31.03.2020
Present Value of obligation as at beginning of year	150.44	138.56
Interest Cost	9.99	10.39
Current Service Cost	8.37	8.56
Benefits paid	(16.55)	(14.26)
Actuarial (Gain)/Loss on obligation	(5.92)	7.19
Present Value of Obligation as at end of year	146.33	150.44

Bifurcation of Present Benefit Obligation at the end of year in current and non-current:

(₹ in crore)

Particulars	31.03.2021	31.03.2020
Current liability (Amount due within one year)	14.56	15.66
Non-Current liability (Amount due over one year)	131.77	134.78
Present Value of Obligation as at end of year	146.33	150.44

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

(₹ in crore)

Particulars	31.03.2021	31.03.2020
Fair Value of Plan Assets at beginning of year	131.41	130.55
Actual Interest Income	9.38	8.01
Contributions	19.03	8.02
Benefits Paid	(16.55)	(15.17)
Fair value of Plan Assets at the end of year	143.27	131.41

Major categories of plan assets (as percentage of total plan assets):

Particulars	31.03.2021	31.03.2020
a) Government of India Securities	--	--
b) State Government securities	--	--
c) High Quality Corporate Bonds	--	--
d) Equity Shares of listed companies	--	--
e) Property	--	--
f) Funds Managed by Insurer	100 %	100 %
g) Bank Balance	--	--
<b>Total</b>	<b>100 %</b>	<b>100 %</b>

III) The amount recognized in the Balance Sheet is as follows:

(₹ in crore)

Particulars	31.03.2021	31.03.2020
Defined Benefit Obligation at end of year	146.33	150.44
Fair value of Plan Assets at the end of year	143.27	131.41
Funded Status - (Surplus)/ Deficit	3.06	19.03
Net (Liability)/ Asset recognized in Balance Sheet	(3.06)	(19.03)

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

(₹ in crore)

Particulars	31.03.2021	31.03.2020
Current Service Cost	8.37	8.56
Net Interest on Net Defined Benefit Liability	1.27	0.60
Expenses recognized in the statement of Profit & Loss	9.64	9.16

Bifurcation of Actuarial Gain/Loss on Obligation:

(₹ in crore)

Particulars	31.03.2021	31.03.2020
Actuarial (Gain)/Loss on arising from Change in Demographic Assumption	-	-
Actuarial (Gain)/Loss on arising from Change in Financial Assumption	(0.20)	8.24
Actuarial (Gain)/Loss on arising from Experience Adjustment	(5.72)	(1.05)

V) Amount recognized in Other Comprehensive Income is as follows:

(₹ in crore)

Particulars	31.03.2021	31.03.2020
Actuarial (Gains)/Losses on Liability	(5.92)	7.19
Actuarial (Gains)/Losses on Assets	(0.66)	1.78
Other Comprehensive (Income)/Expense	(6.58)	8.97

VI) The principal actuarial assumptions are as follows:

Particulars	31.03.2021	31.03.2020
Discounting rate (%)	6.66%	6.64%
Future salary increase (%)	8.25%	8.25%
Retirement Age (Years)	60	60
Mortality rates inclusive of provision for disability	100% of IALM (2012 - 14)	100% of IALM (2012 - 14)
Attrition at Ages	Withdrawal Rate (%)	Withdrawal Rate (%)
Up to 30 Years	3.00	3.00
From 31 to 44 years	2.00	2.00
Above 44 years	1.00	1.00

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

If the discount rate increases/decreases by 1%, the defined obligations would decrease by ₹ 9.30 crore / increase by ₹ 10.73 crore as on 31st March, 2021 and if the expected salary growth increases /decreases by 1%, the defined benefit obligations would increase by ₹ 4.59 crore/decrease by ₹ 4.93 crore as on 31st March, 2021.

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 ₹ 3.06 crore to defined benefit plan obligations towards gratuity during the year 2021-22. Remeasurement (gain)/loss of defined employee benefit plans in Other Comprehensive Income (OCI) for the year ended 31.03.2021 and 31.03.2020 are ₹ (6.58) crore and ₹ 8.97 crore respectively.

The defined benefit obligation shall mature as follows:

(₹ in crore)

Year ending March, 31	Defined benefit obligations
2022	14.56
2023	19.45
2024	13.36
2025	14.99
2026	12.92
2027	20.10
2027 onward	50.95

ii) **Gratuity (Funded)-Contract Employees.**

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

(₹ in crore)

Particulars	31.03.2021	31.03.2020
Present Value of obligation as at beginning of year	3.45	2.60
Interest Cost	0.23	0.20
Current Service Cost	0.34	0.35
Benefits paid	(0.29)	(0.18)
Actuarial (Gain)/Loss on obligation	(0.16)	0.48
Present Value of Obligation as at end of year	3.57	3.45

Bifurcation of Present Value of the Benefit Obligation at the end of year in current and non-current.

(₹ in crore)

Particulars	31.03.2021	31.03.2020
Current liability (Amount due within one year)	0.15	0.10
Non-Current liability (Amount due over one year)	3.42	3.35
Total Present Value of Obligation as at end of year	3.57	3.45

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

(₹ in crore)

Particulars	31.03.2021	31.03.2020
Fair Value of Plan Assets at beginning of year	2.78	2.40
Actual Interest Income	0.21	0.18
Contributions	0.67	0.20
Benefits Paid	(0.29)	-
Fair value of Plan Assets at the end of year	3.37	2.78

Major categories of plan assets (as percentage of total plan assets) :

Particulars	31.03.2021	31.03.2020
Government of India Securities	--	--
State Government securities	--	--
High Quality Corporate Bonds	--	--
Equity Shares of listed companies	--	--
Property	--	--
Funds Managed by Insurer	100 %	100 %
Bank Balance	--	--
Total	100 %	100 %

III) The amount recognized in the Balance Sheet is as follows:

(₹ in crore)

Particulars	31.03.2021	31.03.2020
Defined Benefit Obligation at end of year	3.57	3.45
Fair value of Plan Assets at the end of year	3.37	2.78
Funded Status - (Surplus)/ Deficit	0.20	0.67
Net (Liability)/ Asset recognized in Balance Sheet	(0.20)	(0.67)

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

(₹ in crore)

Particulars	31.03.2021	31.03.2020
Current Service Cost	0.34	0.35
Net Interest on Net Defined Benefit Liability	0.04	0.01
Expenses recognized in the statement of Profit & Loss	0.38	0.36

Bifurcation of Actuarial Gain/Loss on Obligation:

(₹ in crore)

Particulars	31.03.2021	31.03.2020
Actuarial (Gain)/Loss on arising from Change in Demographic Assumption	-	-
Actuarial (Gain)/Loss on arising from Change in Financial Assumption	(0.01)	0.37
Actuarial (Gain)/Loss on arising from Experience Adjustment	(0.15)	0.11

V) Amount recognized in Other Comprehensive Income is as follows:

(₹ in crore)

Particulars	31.03.2021	31.03.2020
Actuarial (Gains)/Losses on Liability	(0.16)	0.48
Actuarial (Gains)/Losses on Assets	(0.02)	-
Other Comprehensive (Income)/Expense	(0.18)	0.48

VI) The principal actuarial assumptions are as follows:

Particulars	31.03.2021	31.03.2020
Discounting rate (%)	6.66%	6.64%
Future salary increase (%)	4.12%	4.12%
Retirement Age (Years)	60	60
Mortality rates inclusive of provision for disability	100% of IALM (2012-14)	100% of IALM (2012-14)
Attrition at Ages	Withdrawal Rate (%)	Withdrawal Rate (%)
Up to 30 Years	3.00	3.00
From 31 to 44 years	2.00	2.00
Above 44 years	1.00	1.00

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

If the discount rate increases /decreases by 1%, the defined obligations would decrease by ₹ 0.43 crore / increase by ₹ 0.51 crore as on 31st March, 2021 and if the expected salary growth increases /decreases by 1%, the defined benefit obligations would increase by ₹ 0.52 crore/ decrease by ₹ 0.44 crore as on 31st March, 2021.

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

The Company is expected to contribute ₹ 0.20 crore to defined benefit plan obligations towards gratuity during the year 2021-22. Remeasurement (gain)/loss of defined employee benefit plans in Other Comprehensive Income (OCI) for the year ended 31.03.2021 and 31.03.2020 are ₹ (0.18) crore and ₹ 0.48 crore respectively.

The defined benefit obligations shall mature as follows:

(₹ in crore)

Year ending March, 31	Defined benefit obligations
2022	0.16
2023	0.12
2024	0.06
2025	0.09
2026	0.09
2027	0.16
2027 onwards	2.89

**iii) Provident Fund**

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

As per the provisions of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the company has no right to the benefits either in the form of refund from the plan or lower future contribution to the plan towards the net surplus of ₹ 0.03 crore (previous year ₹ 0.05 crore) determined through actuarial valuation. Accordingly company has not recognized the surplus as assets as it pertains to the provident fund trust and not to the company.

The company contributed ₹ 22.84 crore and ₹ 22.27 crore to the provident fund during the year ended 31st March, 2021 and 31st March, 2020 respectively.

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

(₹ in crore)

Particulars	31.03.2021	31.03.2020
Present value of obligation as at the beginning of the year	599.74	547.78
Interest Cost	51.28	47.06
Current Service Cost	22.84	22.27
Contributions by plan participants/employees	49.56	47.46
Benefits Paid	(79.59)	(72.96)
Total Actuarial (Gain)/Loss on Obligation	0.02	2.47
Settlements/Transfer In	2.56	5.66
Present value of obligation as at the End of the year	646.41	599.74

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

(₹ in crore)

Particulars	31.03.2021	31.03.2020
Fair value of plan assets at the beginning of the period	599.79	551.23
Adjustment as per BS	0.13	0.06
Actual return on plan assets	51.15	46.07
Employer contribution	22.84	22.27
Plan Participants / Employee Contribution	49.56	47.46
Benefits paid	(79.59)	(72.96)
Settlements / Transfer In	2.56	5.66
Fair value of plan assets at the end of the period	646.44	599.79

III) Net defined benefit Surplus(Deficit) is as follows:

(₹ in crore)

Particulars	31.03.2021	31.03.2020
Defined Benefit Obligation at end of year	646.41	599.74
Fair value of Plan Assets at the end of year	646.44	599.79
Net defined benefit Surplus(Deficit)	0.03	0.05

iv) Other Benefits

1) Other Benefits (Funded):- Earned Leave and Medical Leave- Regular Employees

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

(₹ in crore)

Particulars	Earned Leave (Regular Employee)		Medical Leave (Regular Employee)	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020
Present Value of obligation as at beginning of year	77.79	67.70	63.12	61.76
Interest Cost	5.17	5.08	4.19	4.63
Current Service Cost	7.20	6.63	4.13	3.94
Benefits paid	(15.01)	(15.51)	(2.96)	(3.08)
Actuarial (Gain)/Loss on obligation	8.59	13.89	(3.94)	(4.13)
Present Value of Obligation as at end of year	83.74	77.79	64.54	63.12

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

(₹ in crore)

Particulars	Earned Leave (Regular Employee)		Medical Leave (Regular Employee)	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020
Fair Value of Plan Assets at the beginning of the year	68.52	62.96	59.02	54.23
Actual Interest Income	4.90	5.56	4.22	4.79
Contributions	-	-	-	-
Benefits Paid	-	-	-	-
Fair value of Plan Assets at the end of year	73.42	68.52	63.24	59.02

C) The amount recognized in the Balance Sheet is as follows:

(₹ in crore)

Particulars	Earned Leave (Regular Employee)		Medical Leave (Regular Employee)	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020
Defined Benefit Obligation at end of year	83.74	77.79	64.54	63.12
Fair value of Plan Assets at the end of year	73.42	68.52	63.24	59.02
Funded Status - (Surplus)/ Deficit	10.32	9.27	1.30	4.10
Net (Liability)/ Asset recognized in Balance Sheet	(10.32)	(9.27)	(1.30)	(4.10)

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

(₹ in crore)

Particulars	Earned Leave (Regular Employee)		Medical Leave (Regular Employee)	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020
Current Service Cost	7.20	6.63	4.13	3.94
Net Interest on Net Defined Benefit Liability	0.62	0.36	0.27	0.57
Net Actuarial (gain)/loss recognized in the year	8.25	13.05	(4.24)	(4.85)
Expenses recognized in the statement of Profit & Loss	16.07	20.04	0.16	(0.34)

E) The principal actuarial assumptions are as follows:

Particulars	Earned Leave (Regular Employee)		Medical Leave (Regular Employee)	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020
Discounting rate (%)	6.66%	6.64%	6.66%	6.64%
Future salary increase (%)	8.25%	8.25%	8.25%	8.25%

F) Sensitivity Analysis of the defined benefit obligation:

(₹ in crore)

Particulars	Increase (Decrease) in present value of obligation as on 31.03.2021	
	Earned Leave (Regular Employee)	Medical Leave (Regular Employee)
Impact due to Increase of 1 % discount rate	(7.22)	(4.35)
Impact due to Decrease of 1 % discount rate	8.56	5.04
Impact due to Increase of 1 % in Salary	8.34	4.92
Impact due to Decrease of 1 % in Salary	(7.18)	(4.32)

**II) Other Benefits (unfunded):- Earned Leave (Contract employee), Leave Travel Concession and Long Service Award (Regular employee).**

A) Present value of the defined benefits plan obligations:

(₹ in crore)

Particulars	Earned Leave (Contract Employee)		Leave Travel Concession* (Regular employee)		Long Service Award (Regular employee)	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020	31.03.2021	31.03.2020
Opening Balance	1.27	1.24	0.01	0.02	1.43	1.31
Interest Cost	0.08	0.09	0.00	0.00	0.10	0.12
Current Service Cost	0.44	0.42	0.00	0.00	0.03	0.10
Benefit paid	(0.89)	(0.84)	(0.00)	(0.00)	(0.00)	(0.27)
Actuarial (Gain)/Loss on obligation	0.74	0.36	(0.00)	(0.01)	(0.05)	0.17
Closing Balance	1.64	1.27	0.01	0.01	1.51	1.43



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

(₹ in crore)

Particulars	Earned Leave (Contract Employee)		Leave Travel Concession* (Regular employee)		Long Service Award (Regular employee)	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020	31.03.2021	31.03.2020
Current Service Cost	0.44	0.42	0.00	0.00	0.03	0.12
Interest Cost	0.08	0.09	0.00	0.00	0.10	0.10
Actuarial (Gain)/Loss	0.74	0.36	(0.00)	(0.01)	(0.05)	0.17
Expenses recognized in the statement of Profit & Loss	1.26	0.87	(0.00)	(0.01)	0.08	0.39

\*The values in Leave Travel Concession are under ₹1 lakh.

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

Particulars	Earned Leave (Contract employee)		Leave Travel Concession (Regular employee)		Long Service Award (Regular employee)	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020	31.03.2021	31.03.2020
Discount rate (%)	6.66%	6.64%	6.66%	6.64%	6.66%	6.64%
Future salary increase (%)	4.12%	4.12%	8.25%	8.25%	-	-

D) Sensitivity Analysis of the defined benefit obligation:

(₹ in crore)

Particulars	Increase (Decrease) in present value of obligation as on 31.03.2021	
	Earned Leave (Contract employee)	Leave Travel Concession (Regular Employee)
Impact due to Increase of 1 % discount rate	(0.23)	0.00
Impact due to Decrease of 1 % discount rate	0.25	0.00
Impact due to Increase of 1 % in Salary	0.25	-
Impact due to Decrease of 1 % in Salary	(0.24)	-

#### b) Defined Contribution Plans

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 ₹ 19.03 crore (previous year ₹ 17.09 crore) towards post retirement pension fund, ₹ 3.69 crore (previous year ₹ 3.94 crore) towards pension under EPFO and ₹ 5.31 crore (previous year ₹ 5.22 crore) towards medical schemes.

#### c) Foreign Service Contribution

Foreign Service Contribution is recognized on accrual basis in the Statement of Profit and Loss Account as per the deputation terms with parent organizations in respect of officers taken on deputation from other organizations.

#### 41. Indian Accounting Standard (Ind AS-20), Disclosures on Accounting for Government Grants and Disclosure of Government Assistance are as follows:

The Company is receiving government grant in the form of export incentive on export of Rolling Stock and Spare parts. There are two types of export incentive i.e duty drawback and Merchandise Exports from India Scheme

(MEIS) Scrips. The Company has recognized ₹ 3.57 crore (previous year ₹ 9.09 crore) as export incentive. The export incentive receivable at the end of the year is ₹ 1.40 crore (previous year ₹ 1.79 crore).

**42. Indian Accounting standard (Ind AS) 21, Disclosures on The Effects of Changes in Foreign Exchange Rates are as follows:**

The amount of exchange differences (net) credited to the statement of profit and loss account during the Financial Year is ₹ 5.89 crore (Previous Year ₹ 34.43 crore).

**43. Indian Accounting Standard (Ind AS) 24 -Related Party Disclosures are as follows:**

**a) Subsidiary Companies**

Name of Subsidiaries	Country	Holding as on	
		31.03.2021	31.03.2020
M/s RITES (Afrika) (Pty) Limited	Botswana	100%	100%
M/s RITES Infrastructure Services Limited*	India	-	100%
M/s REMC Limited	India	51%	51%

Above does not include RITES Mohawarean Arabia Company Limited, which has completed its liquidation process during the year and investment in equity made by the company has already been recovered.

\* RITES Infrastructure Services Limited has completed its liquidation process during the year.

**b) Joint Ventures**

Name of Joint Ventures	Country	Holding as on	
		31.03.2021	31.03.2020
M/s SAIL-RITES Bengal Wagon Industry Private Limited	India	50%	50%
M/s BNV Gujarat Rail Private Limited **	India	-	26%
M/s Indian Railway Stations Development Corporation Limited	India	24%	-

\*\* Company exited from BNV Gujarat Rail Private Limited (Joint Venture Company) by transferring its shares to the other joint venture partner.

**c) Other Related Parties:**

Name of Other Related Parties	Country	Nature of Relationship
RITES Contributory Provident Fund	India	Post- Employment Benefit Plan of RITES Limited
RITES Limited Superannuation Pension Trust	India	Post- Employment Benefit Plan of RITES Limited
RITES Limited Retired Employees Medical Trust	India	Post- Employment Benefit Plan of RITES Limited
RITES Employee Gratuity Fund	India	Post- Employment Benefit Plan of RITES Limited

**d) Key Management Personnel**

**Chairman & Managing Director (Chief Executive Officer)**

Mr. Rajeev Mehrotra

**Whole Time Directors**

Mr. Gopi Suresh Kumar Varadarajan - Director Projects

Mr. Anil Vij - Director Technical

Mr. Bibhu Prasad Nayak - Director Finance

**Government Nominee Directors**

Mr. Alok Kumar Tewari (Up to 31.08.2020)

Mr. Vinay Srivastava

**Non-Executive (Independent) Directors**

Dr. Pramod Kumar Anand (Up to 18.09.2020)

Dr. Rajendra Nath Goyal (Up to 14.03.2021)

Ms.Geethakumary ( Up to 14.03.2021)

**Chief Financial Officer**

Mr. Parmod Kumar Narang

**Company Secretary**

Mr. Ashish Srivastava, Company Secretary ( up to 31.03.2021)

Mr. Joshit Ranjan Sikidar, Company Secretary ( w.e.f. 01.04.2021)

**e) Transactions and Balances with Related Parties**

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

**i) Subsidiary Companies**

Transactions with Subsidiary Companies:

(₹ in crore)

Particulars	RITES (Afrika) (Pty) Limited		RITES Infrastructure Services Limited*		REMC Limited	
	Year ended		Year ended		Year ended	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020	31.03.2021	31.03.2020
Investment written off	-	-	0.05	-	-	-
Reimbursement / Recoverable	-	-	-	-	0.04	0.26
Consultancy Fee/ Income from Construction Turnkey Projects	1.74	2.31	-	-	9.95	10.30
Dividend Received	-	0.03	-	-	5.35	6.33
Deposit received for renovation of Office Building	-	-	-	-	1.02	-

Balances with Subsidiary Companies:

(₹ in crore)

Particulars	RITES (Afrika) (Pty) Limited		RITES Infrastructure Services Limited*		REMC Limited	
	As on		As on		As on	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020	31.03.2021	31.03.2020
Investments	0.01	0.01	-	0.05	35.70**	35.70
Recoverable	-	-	-	-	-	0.04
Receivables	0.37	0.04	-	-	2.75	0.88
Unbilled Assets	-	-	-	-	-	0.75
Deposit received for renovation of Office Building	-	-	-	-	1.00	-

\* RITES Infrastructure Services Limited has completed its liquidation process during the year and accordingly investment has been written off.

\*\* REMC Limited allotted 1.785 crore equity shares fully paid up as Bonus issue in the ratio 1:2.

ii) Joint Ventures

Transactions with Joint Ventures:

(₹ in crore)

Particulars	SAIL-RITES Bengal Wagon Industry Private Limited		BNV Gujarat Rail Private Limited*		Indian Railway Stations Development Corporation Limited	
	Year ended		Year ended		Year ended	
	31.03.21	31.03.20	31.03.21	31.03.20	31.03.21	31.03.20
Investments (equity)	-	-	-	-	48.00	-
Investment written off	-	-	0.14	-	-	-
Exited from Joint venture by transferring the shares to other Joint venture partner	-	-	0.12	-	-	-
Reimbursement/Recoverable	-	-	-	-	-	-
Operating Income (Consultancy Fee/ Income from Construction Turnkey Projects/Export Sales/Leasing Service)	0.01	0.01	-	-	-	-
Interest on Loan given	0.34	0.43	-	-	-	-
Provision for Diminution in value of investment	-	-	-	0.14	-	-
Foreign service Contribution / remittance received	-	-	-	-	0.03	-

Balances with Joint Ventures

(₹ in crore)

Particulars	SAIL-RITES Bengal Wagon Industry Private Limited		BNV Gujarat Rail Private Limited*		Indian Railway Stations Development Corporation Limited	
	As on		As on		As on	
	31.03.21	31.03.20	31.03.21	31.03.20	31.03.21	31.03.20
Investments(equity)	24.00	24.00	-	0.26	48.00	-
Recoverable (Payable)/ Advances	-	(0.18)	-	-	-	-
Receivables	0.04	0.13	-	-	-	-
Loan (Working Capital)	2.80	5.60	-	-	-	-
Interest accrued on Loan given	0.65	1.34	-	-	-	-

\* Company exited from BNV Gujarat Rail Private Limited (Joint Venture Company) by transferring its shares to the other joint venture partner.

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

Refer note no 40 & 43(c)

iv) Transactions with Key Managerial Personnel:

(₹ in crore)

Particulars	Year ended	
	31.03.2021	31.03.2020
Compensation to CMD, Whole Time Directors, CFO & Company Secretary:		
Short Term Employee Benefits	2.84	2.56
Post-employment Benefits	0.41	0.75
Other Long Term Benefits	0.21	0.47
Sub-Total	3.46	3.78
Sitting fee to Non-Executive (Independent) Directors	0.21	0.27
<b>Total</b>	<b>3.67</b>	<b>4.05</b>

**f) Entities under the control of same Government**

Government of India (GOI) as on 31st March 2021 is holding 72.20% equity shares of the company, which are held by President of India through Ministry of Railways. GOI controls the company through Ministry of Railways.

The Company has made various transactions with the Ministry of Railways and with entities being controlled or jointly controlled or having significant influence of the Ministry of Railways. The transactions with them are as under:

Significant Transactions with Government related entities:

(₹ in crore)

Particulars	Year ended	
	31.03.2021	31.03.2020
Revenue	643.24	957.29
Procurements	93.35	151.20
Fee for services & supplies obtained	15.06	25.98
Consumables	0.16	0.62
Lease rent paid	2.77	-
Training expenses	0.10	0.51
Provision for bad debts including written offs	11.63	3.20
Buyback of equity shares	173.37	-
Bonus issue of equity shares fully paid up	-	43.70
Dividend paid	264.18	263.40
Interest on tax free bonds	9.02	9.02

Significant balances with Government related entities:

(₹ in crore)

Particulars	As on	
	31.03.2021	31.03.2020
Capital Advances	-	9.20
Other Advances	174.53	55.62
Recoverable	8.06	6.31
Payables	81.45	25.23
Advance Received	4.21	3.64
Clients Funds Received	96.12	152.97
Receivables	148.14	262.92
Tax Free Bonds	120.00	120.00
Interest on tax free bonds	5.89	5.89

**44. Indian Accounting Standard (Ind AS) 27- Disclosures on Separate financial statements are as follows:**

**a) Investment in subsidiary companies\*:-**

Name of Company	Principal Place of Business	Proportion of ownership interest	
		As at 31.03.2021	As at 31.03.2020
M/s RITES (Afrika) (Pty) Limited	Botswana	100%	100%
M/s RITES Infrastructure Services Limited #	India	-	100%
M/s REMC Limited	India	51%	51%

\* Above does not include RITES Mohawarean Arabia Company Limited, which has completed its liquidation process during the year and investment in equity made by the company has already been recovered.

# RITES Infrastructure Services Limited has completed its liquidation process during the year.

**b) Investment in joint venture companies:**

Name of Company	Principal Place of Business	Proportion of ownership interest	
		As at 31.03.2021	As at 31.03.2020
SAIL-RITES Bengal Wagon Industry Private Limited	India	50%	50%
BNV Gujarat Rail Private Limited*	India	-	26%
Indian Railway Stations Development Corporation Limited	India	24%	-

\* Company exited from BNV Gujarat Rail Private Limited (Joint Venture Company) by transferring its shares to the other joint venture partner.

Equity investments in subsidiary and joint venture companies are measured at cost as per the provisions of Ind AS 27 on 'Separate Financial Statements'.

**45. Indian Accounting Standard (Ind AS) 33-Disclosures on Earnings per Share (EPS) are as follows:**

Particulars	Year Ended	
	31.03.2021	31.03.2020
A Net Profit available for Equity Shareholder (₹ in crore)	424.35	596.39
B Weighted average number of Equity Shares	246,439,597	250,000,000
C Earnings Per Share (Basic & Diluted) (A)/(B)	₹ 17.22	₹ 23.86
D Face value per equity share	₹ 10/-	₹ 10/-

The company has bought back 9,698,113 fully paid-up equity shares of ₹ 10 each from the shareholders on 18th November, 2021 on proportionate basis by way of tender offer at a price of ₹ 265 per equity share for an aggregate amount of ₹ 257 crore. As per Ind As 33 due to buy back, earnings per share (basic and diluted) for the year ending 2020-21 have been computed on the basis of weighted average number of equity shares.

**46. Indian Accounting Standard (Ind AS) 36, Disclosures on Impairment of Assets are as follows:**

The company has carried out the assessment on impairment of assets in terms of Indian Accounting standard (Ind AS) 36, Impairment of Assets and management does not perceive any impairment in the value of the carrying amount of assets.

**47. Indian Accounting Standard (Ind AS) 37, Disclosures on Provisions, Contingent Liabilities and Contingent Assets are as follows:**

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

(₹ in crore)

Items	Carrying amount 01.04.20	Additional Provision made during the year	Provisions used during the year	Unused amount reversed during the year	Unwind-ing Cost	Carrying amount as on 31.03.21
Warranties	58.02	3.47	11.43	25.66	0.74	25.14
Commitments	7.02	-	-	6.44	-	0.58

(₹ in crore)

Items	Carrying amount 01.04.19	Additional Provision made during the year	Provisions used during the year	Unused amount reversed during the year	Unwind-ing Cost	Carrying amount as on 31.03.20
Warranties	39.94	20.62	3.63	-	1.09	58.02
Commitments	7.07	-	-	0.05	-	7.02

As per the agreements with the customers, warranty years are varying from two to five years, i.e. extending beyond one year, require discounting to work out net present value of such provisions made towards warranty.

#### **Effect of change in the discount rates**

Discount rate is based on the average of interest rates in Fixed Deposits with banks during the reporting period. Average interest rate for the year 2020-21 is of 5.68% vice 6.47% for the year 2019-20. The effect of interest rate change on the above provisions is ₹ 0.11 crore.

Commitments pertain to estimated expenditure to be incurred for removing the defects in connection with construction/PMC projects and estimated period for utilization of provision for commitments is less than one year.

### **b) Contingent liabilities and Commitments to the extent not provided for include:**

#### **i) Contingent Liabilities**

- I) Claims (excluding interest) against the company not acknowledged as debts are ₹ 27.15 crore (previous year ₹ 27.63 crore).
- II) The company is subject to legal/arbitration proceeding and claims, which have arisen in the ordinary course of business. Management does not reasonably expect that when these cases ultimately conclude and determined, will have any material and adverse effect on the company's results of operations or financial conditions.
- III) Disputed taxes and duty:
  - A) Demand on account of income tax includes of ₹ 5.77 crore (excluding interest) (previous year ₹ 8.33 crore) which are being contested by the company. This excludes ₹ 3.52 crore (previous Year ₹ 12.28 crore) relating to cases where company has already won the same at different appellate authorities during earlier years, against which income tax department has gone for appeal at higher appellate authorities. In similar cases of past years, the appeal of the income tax department has been dismissed.
  - B) Demand on account of service tax, VAT etc. amounting to ₹ 2.45 crore (previous year ₹ 2.45 crore) which are being contested by the company at different forums.
  - C) Stamp duty of ₹ 1.17 Crore (previous year Nil) against alternative land at Gomati Nagar Extension, Lucknow allotted by Lucknow Development Authority (Refer note 57(i)).
- IV) The Company has issued indemnity bond to the official Liquidator of RITES Infrastructure Service Limited for indemnifying the claimants in future against all lawful claims and liabilities arise or observed even after the dissolution of RITES Infrastructure Service Limited and losses that may arise pursuant to dissolution of RITES Infrastructure Service Limited. However, company does not foresee any liability on this account as on 31.03.2021.
- V) A number of cases are lying for adjudication at various forums or under arbitration, which Company is contesting on behalf of Clients. The Company is not subject to any liability that may result pursuant to adjudication / arbitral award.
- VI) The above contingent liabilities do not include contingent liabilities on account of pending cases in respect of service matters & others where amount cannot be quantified.

#### **ii) Commitments**

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) amounting to ₹ 191.25 crore (previous year ₹ 150.24 crore).

### **c) Contingent Assets**

- i) In a pre-closed contract in the year 2005-06, company invoke arbitration for a claims of ₹ 233.93 crore (previous year ₹ 233.93 crore) against a client. Client also submit counter claims of ₹ 469.10 crore (previous year ₹ 469.10 crore) before arbitrator. The sole arbitrator awarded ₹ 88.31 crore in favour of the company

against the claim of Rs.233.93 Crore, while rejecting the counter claims of the client. Since the awarded amount is less than the claimed amount, Company appealed against the aforesaid award. Appellate authority awarded ₹ 231.68 crore with applicable interest in favour of the company. Client filed a petition in the Civil Court for setting aside the aforesaid award, which was dismissed by the court on 22.11.2017 and preliminary objections of company are allowed. Thereafter the company filed writ petition before Hon'ble Jharkhand High court on 05.07.2018 to issue the direction to client to pay the awarded amount. Hearing in the matter is yet to be scheduled.

- ii) In the above contract, executing agency also raised claims (excluding interest) of ₹184.41 crore (previous year ₹ 184.41 crore) against the company before the arbitration tribunal. The Company also submitted a counter claims of ₹ 644.53 crore (previous year ₹ 644.53 crore) against the executing agency. Both the parties had concluded their arguments before the Tribunal and award was published on 18th October, 2016 in favour of the company. As per the award, Company was to get ₹ 63 crore from executing agency effective from the date of publication of award i.e. 18th October, 2016. The executing agency had filed two petitions i.e. arbitration appeal before Hon'ble Jharkhand High Court on 25.05.2017 and commercial revocation to set aside the award before the commercial court, Ranchi on 06.01.2018. The arbitration appeal has already been dismissed by Hon'ble Jharkhand High Court on 11.03.2019. The commercial revocation has also been dismissed on 29.06.2019. Now RITES Limited filed the commercial execution case no. 03 of 2020 on 16.01.2020 before commercial court Ranchi to execute the award amount. Same is pending and next date of hearing is fixed on 19.06.2021. In view of above, the company has not recognized the award amount in the books of account.

**48. Indian Accounting Standard (Ind AS) 40, Disclosures on Investment Property are as follows:**

**a) Amounts recognized in the Statement of Profit and Loss are as follows:**

(₹ in crore)

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
Rental income	0.18	-
Direct proportionate operating expenses relating to rental income (including repair & maintenance)	0.00	-
Profit before depreciation	0.18	-
Depreciation for the period	0.00	-
<b>Profit from investment property</b>	<b>0.18</b>	<b>-</b>

The company has leased out one flat at Asian Games Village Complex, New Delhi to Land Port Authority of India (super area of 177.37 sq.m.).

**b) Fair Value**

Market value of investment property as on 31.03.2021 is ₹ 3.53 crore based on valuations performed by an external independent valuer and management considered no significant change in the value.

**Methods & assumptions for valuation:**

The valuation is carried out by an Independent agency on the basis of present construction/replacement cost of similar structures/constituents without considering the value of furniture, fixture & fitting, office equipments etc. There is no capital commitment in respect of investment property.

**49. Indian Accounting Standard (Ind AS) 107, Disclosures on Financial Instruments are as follows**

**a) Financial Instruments by category**

The carrying value and fair value of financial instruments categories-wise as on 31st March, 2021 are as under:

(₹ in crore)

Particulars	Total carrying Value	Amortized Cost	Financial assets/ liabilities at fair value through Profit or loss		Financial assets/liabilities at fair value through OCI	
			Designated upon initial recognition	Mandatory	Designated upon initial recognition	Mandatory
<b>Financial Assets:</b>						
Cash and Bank Balance - Owned Fund	889.39	889.39	-	-	-	-



(₹ in crore)

Particulars	Total carrying Value	Amortized Cost	Financial assets/ liabilities at fair value through Profit or loss		Financial assets/liabilities at fair value through OCI	
			Designated upon initial recognition	Mandatory	Designated upon initial recognition	Mandatory
Cash and Bank Balance-Client Fund	2483.03	2483.03	-	-	-	-
Investments:		-				
Equity	0.04	-	-	0.04	-	-
Tax Free Bonds	120.00	120.00	-	-	-	-
Liquid Plan of Mutual Fund	85.77	-	-	85.77	-	-
Trade Receivables	568.00	568.00	-	-	-	-
Loans	35.02	35.02	-	-	-	-
Other Financial Assets	214.56	214.56	-	-	-	-
<b>Total</b>	<b>4395.81</b>	<b>4310.00</b>	-	<b>85.81</b>	-	-
<b>Financial Liabilities:</b>						
Trade Payables	231.36	231.36	-	-	-	-
Lease Liability	4.17	4.17	-	-	-	-
Other Financial Liabilities	2715.54	2715.54	-	-	-	-
<b>Total</b>	<b>2951.07</b>	<b>2951.07</b>	-	-	-	-

The carrying value and fair value of financial instruments categories-wise as on 31st March, 2020 are as under: (₹ in crore)

Particulars	Total carrying Value	Amortized Cost	Financial assets/ liabilities at fair value through profit or loss		Financial assets/liabilities at fair value through OCI	
			Designated upon initial recognition	Mandatory	Designated upon initial recognition	Mandatory
<b>Financial Assets:</b>						
Cash and Bank Balance - Owned Fund	1102.04	1102.04	-	-	-	-
Cash and Bank Balance-Client Fund	2516.32	2516.32	-	-	-	-
Investments:						
Equity	0.04	-	-	0.04	-	-
Tax Free Bonds	120.00	120.00	-	-	-	-
Liquid Plan of Mutual Fund	111.66	-	-	111.66	-	-
Trade Receivables	821.66	821.66	-	-	-	-
Loans	34.31	34.31	-	-	-	-
Other Financial Assets	260.82	260.82	-	-	-	-
<b>Total</b>	<b>4966.85</b>	<b>4855.15</b>		<b>111.70</b>	-	-
<b>Financial Liabilities:</b>						
Trade Payables	133.88	133.88	-	-	-	-
Lease Liability	7.21	7.21	-	-	-	-
Other Financial Liabilities	2755.55	2755.55	-	-	-	-
<b>Total</b>	<b>2896.64</b>	<b>2896.64</b>	-	-	-	-

**b) Fair value hierarchy & valuation techniques**

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

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

**Level 2:** Fair value of financial instruments that are not traded in an active 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, 2021 are as follows:

(₹ in crore)

Particulars	Carrying Value As on 31.03.2021	Fair Value As on 31.03.2021	Level
<b>Financial Assets:</b>			
Investments:			
Equity*	0.04	0.04	III
Tax Free Bonds	120.00	130.39	II
Liquid Plan of Mutual Fund	85.77	85.77	I
Trade Receivables**	568.00	568.00	III
Loans**	35.02	35.02	III
Other Financial Assets**	214.56	214.56	III
<b>Financial Liabilities:</b>			
Trade Payables**	231.36	231.36	III
Lease Liability**	4.17	4.17	III
Other Financial Liabilities**	2715.54	2715.54	III

Fair value hierarchies of assets and liabilities as on 31st March, 2020 are as follows:

(₹ in crore)

Particulars	Carrying Value As on 31.03.2020	Fair Value As on 31.03.2020	Level
<b>Financial Assets:</b>			
Investments:			
Equity*	0.04	0.04	III
Tax Free Bonds	120.00	129.80	II
Liquid Plan of Mutual Fund	111.66	111.66	I
Trade Receivables**	821.66	821.66	III
Loans**	34.31	34.31	III
Other Financial Assets**	260.82	260.82	III
<b>Financial Liabilities:</b>			
Trade Payables**	133.88	133.88	III
Lease Liability**	7.21	7.21	III
Other Financial Liabilities**	2755.55	2755.55	III

\* Equity shares of ₹ 0.04 crore of GPCL Consulting Services Limited and ₹ 0.0016 crore of Elicius Energy Private Limited which are not tradable and amount of investment in the entity is immaterial, hence investment is recognized at cost and same is considered as its fair value.

\*\* The carrying amounts of trade receivables, trade payables, short term loans, other current financial assets and liabilities are considered to be same as their fair value due to their short-term nature.

**c) Financial Risk Management**

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

**i) Market Risk**

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

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

Particulars	Currency	As on	As on	As on	As on
		31.03.2021	31.03.2020	31.03.2021	31.03.2020
		(Figure in Millions)		(₹ in crore)	
Cash & Cash equivalents	US Dollar	2.23	3.27	16.10	24.22
	MUR	1.92	1.13	0.34	0.21
Loans	US Dollar	0.01	0.01	0.04	0.05
	MUR	0.65	0.62	0.12	0.12
Trade Receivables	US Dollar	9.86	30.73	71.21	227.80
	MUR	-	-	-	-
Other financial assets	US Dollar	7.36	9.65	53.17	71.54
	MUR	-	-	-	-
Trade Payable	US Dollar	(1.82)	(3.06)	(13.11)	(22.68)
	MUR	-	-	-	-
Other financial liabilities	US Dollar	(0.23)	(0.39)	(1.69)	(2.86)
	MUR	(0.16)	(0.66)	(0.03)	(0.12)
Net assets/(liabilities)	US Dollar	17.41	40.21	125.72	298.07
	MUR	2.41	1.09	0.43	0.21

For the year ended 31st March, 2021 and 31st March, 2020, every percentage increase/decrease in the exchange rate between the INR & US Dollar has affected the Company's incremental margins by approximately 0.22 % (previous year 0.36%) each. For the year ended 31st March, 2021 and 31st March, 2020, every percentage increase/decrease in the exchange rate between the INR & MUR has an insignificant affect on the Company's incremental margins.

Sensitivity analysis is computed based on the changes in the income and expenses in foreign currency upon conversion into functional currency, due to exchange rate fluctuations between the previous reporting year and the current reporting year.

The above foreign currency exposure is unhedged as these are covered through foreign currency risk management policy.

**ii) Credit Risk**

Credit Risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. Primarily exposure to the credit risk is from trade receivables amounting to ₹ 675.74 crore (previous year ₹ 923.51 crore) and unbilled revenue amounting to ₹79.14 crore (previous year ₹ 109.65 crore) which are typically unsecured. Credit risk is being managed by continuously monitoring the outstanding dues from the customers. Trade Receivables towards export sales are generally managed by establishing Letter of Credit with the clients. Further, most of the clients of the company are Government or Government

Undertakings; hence credit risk is bare minimum and company also does not foresee any impact on credit risk of the company due to outbreak of COVID-19. Company has impaired, as a prudent measure, the trade receivables towards expected credit loss as per company accounting policy to the extent of ₹107.74 crore (previous year ₹ 101.85 crore). Keeping in view the nature of business expected credit loss is provided for on case to case basis as per the policy on impairment of financial assets.

**Movement of Impairment of Financial Assets**

(₹ in crore)

Sl.No.	Particulars	Balance at the beginning of the year	Provision during the year	Reversal during the year	Balance at the end of the year
1	Trade & Other Receivable	124.35	39.34	34.46	129.23

No significant credit risk on cash and bank balances including clients’ funds amounting to ₹ 3372.42 crore (previous year ₹ 3618.36 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 ₹ 852.23 crore (previous year ₹ 1063.75 crore) with Schedule banks with negligible credit risks.

Non-Strategic Investments primarily include investments in liquid mutual fund units of ₹ 85.77 crore (previous year ₹ 111.66 Crore) and tax free bonds of ₹ 120 crore (previous year ₹ 120 crore) issued by Public Sector Undertaking where risk is minimal.

Company has given loans to employees and one of its joint ventures. House building, Multi-purpose loans etc. to the employee which are insured, and are mortgage against house properties 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.

**iii) Liquidity Risk**

Company’s principal sources of liquidity are “cash and bank balances” and the cash flow that is generated from operations. The company has no outstanding bank borrowings. The company has a working capital of ₹ 1670.41 crore (previous year ₹ 2082.02 crore) including cash and bank balance (owned funds) of ₹ 889.39 crore (previous year ₹ 1102.04 crore) and current investment ₹ 110.77 crore (previous year ₹ 111.66 crore). Company believes that the working capital is sufficient to meet its requirements, accordingly no liquidity risk is perceived by the company.

**Maturities of financial liabilities**

The tables below analyze the Company’s financial liabilities into relevant maturity groupings based on their contractual maturities. The amounts disclosed in the table are the contractual undiscounted cash flows.

(₹ in crore)

Contractual maturities of financial Liabilities	Within a year	Between 1-5 Years	Beyond 5 Years	Total
<b>31st March, 2021</b>				
Trade Payables	231.36	-	-	231.36
Lease Liabilities	2.25	2.29	-	4.54
Other Financial Liabilities	2494.98	220.56	-	2715.54
<b>Total</b>	<b>2728.59</b>	<b>222.85</b>	<b>-</b>	<b>2951.44</b>
<b>31st March, 2020</b>				
Trade Payables	133.88	-	-	133.88
Lease Liabilities	3.37	4.71	-	8.08
Other Financial Liabilities	2574.59	180.96	-	2755.55
<b>Total</b>	<b>2711.84</b>	<b>185.67</b>	<b>-</b>	<b>2897.51</b>

**50. Indian Accounting Standard (Ind AS) 108, Disclosures on Operating Segments are as follows:**

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

- a) Company has identified four operational reportable segments based on operations being carried out which are as under:-
  - Consultancy Services
  - Leasing of railway rolling stock & equipments
  - Export of rolling stock, equipments and spares
  - Turnkey Construction Projects
- b) Geographical wise revenue segment is disclosed as under:-
  - i) Revenue within India from consultancy includes quality assurance & project management services, turnkey construction projects and domestic lease rental services to clients located inside India.
  - ii) Revenue from outside India includes services rendered and export sales of rolling stock & spare parts to the clients located outside India.
- c) The accounting principles used in the preparation of the financial statements are consistently applied to record revenue & expenditure in individual segment, as set out in the note of significant accounting policies.
- d) Revenue and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly identifiable to each reporting segment have been allocated on the basis of attributed direct cost. All other expenses which are not attributable or allocable to the segments have been disclosed as un-allocable expenses.
- e) Assets and liabilities used in the Company's business are not identified to any of the reportable segments as these are used interchangeably between segments. Depreciation, amortization & impairment on Property, Plant & Equipment and Intangible Assets cannot be allocated to a specific segment. Company believes that it is currently not practicable to provide segmental disclosure relating to total assets, total liabilities and depreciation, amortization & impairment since a meaningful segregation of the available data could be onerous.
- f) **Operational Segments:**

Year ended 31.03.2021

(₹ in crore)

Description	Consultancy Services		Leasing		Export Sale	Turnkey Construction Projects-Domestic	Total
	Domestic	Abroad	Domestic	Abroad			
Revenue	892.60	79.40	108.27	-	93.27	623.85	1797.39
Identifiable operating expenses	507.51	35.26	69.68	-	75.52	600.38	1288.35
Segmental profit from operations	385.09	44.14	38.59	-	17.75	23.47	509.04
Add: Interest Income*							82.70
Add: Other Income **							67.46
Less: Finance Cost							2.84
Less: Un allocable Expenses							94.01
Net Profit Before Tax							562.35
Less: Income Tax (including Deferred Tax)							138.00
Net Profit After Tax							424.35
<b>Additional Information:</b>							
Depreciation and amortization							44.81
Non-cash expenses/ (income) other than depreciation and amortization							5.54
Reversal of Provisions							34.01
Loss on sale of PPE							0.01

Year ended 31.03.2020

(₹ in crore)

Description	Consultancy Services		Leasing		Export Sale	Turnkey Construction Projects-Domestic	Total
	Domestic	Abroad	Domestic	Abroad			
Revenue	999.30	66.82	120.70	-	540.87	672.88	2400.57
Identifiable operating expenses	551.73	35.92	74.16	-	418.18	649.91	1729.90
Segmental profit from operations	447.57	30.90	46.54	-	122.69	22.97	670.67
Add: Interest Income*							142.66
Add: Other Income **							121.82
Less: Finance Cost							3.04
Less: Un allocable Expenses							109.50
Net Profit Before Tax							822.61
Less: Income Tax (including Deferred Tax)							226.22
Net Profit After Tax							596.39
<b>Additional Information:</b>							
Depreciation and amortization							40.93
Non-cash expenses/(income) other than depreciation and amortization							19.78
Reversal of Provisions							63.23
Loss on sale of PPE							0.01

g) Geographical Segment

(₹ in crore)

Description	Year ended 31.03.2021					Year ended 31.03.2020				
	India	Abroad			Total	India	Abroad			Total
		Asia	Africa	America			Asia	Africa	America	
Revenue	1624.72	51.00	121.67	-	1797.39	1792.88	552.10	51.40	4.19	2400.57
Identifiable operating expenses	1177.57	41.91	68.87	-	1288.35	1275.80	422.30	28.54	3.26	1729.90
Segmental profit from operations	447.15	9.09	52.80	-	509.04	517.08	129.80	22.86	0.93	670.67
Add: Interest Income*					82.70					142.66
Add: Other Income **					67.46					121.82
Less: Finance Cost					2.84					3.04
Less: Un-allocable Expenses					94.01					109.50
Net Profit before Tax					562.35					822.61
Less: Income Tax (including Deferred Tax)					138.00					226.22
Net Profit after Tax					424.35					596.39
<b>Additional Information:</b>										
Depreciation and amortization					44.81					40.93
Non-cash expenses/(income) other than depreciation and amortization					5.54					19.78
Reversal of Provisions					34.01					63.23
Loss on sale of PPE					0.01					0.01

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

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

**Note:-** No Impairment and its reversal have been recognized in Other Comprehensive Income (OCI) during the year ended 31.03.2021 and 31.03.2020.

h) Revenue of ₹ 582.49 crore (previous year ₹ 1160.41 crore) from major customers is given below: (₹ in crore)

Description	Year ended 31.03.2021					Year ended 31.03.2020				
	Consultancy	Lease Services	Export Sales	Turnkey Construction Projects-Domestic	Total	Consultancy	Lease Services	Export Sales	Turnkey Construction Projects-Domestic	Total
Customer 1	193.25	1.49	-	97.67	292.41	258.28	-	-	404.65	662.93
Customer 2	4.15	-	-	285.93	290.08	-	-	497.48	-	497.48
<b>Total</b>	<b>197.40</b>	<b>1.49</b>	<b>-</b>	<b>383.60</b>	<b>582.49</b>	<b>258.28</b>	<b>-</b>	<b>497.48</b>	<b>404.65</b>	<b>1160.41</b>

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

**51. Indian Accounting Standard (Ind AS) 115, Disclosures on Revenue from Contracts with Customers are as follows:**

**a) Significant management judgments on Revenue Recognition:**

Recognised amounts of contract revenues and related receivables reflect management's best estimate of each contract's outcome and stage of completion which is determined based on physical progress, efforts, cost incurred to date bear to the total estimated cost of the transaction, time spent, service performed or any other method that management considered appropriate. For more complex contracts in particular, costs to complete and contract profitability are subject to significant estimation and uncertainty.

**b) Company has contracts with customers for different services which are given below:-**

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

Beside above, company has contracts with customers for wet leasing which are covered under Indian Accounting Standard (Ind AS) 116, Leases

**c) Company has recognized revenue either on the basis of over time or point in time depending upon satisfaction of performance obligation on transferring control of goods or services to customers. Revenue has been recognized by the company over time basis if any one of the following condition is met:**

- Customer simultaneously receives and consumes the benefits.
- Company's performance creates or enhances an assets that the customer controls as the assets is created or enhanced.
- Company's performance does not create with alternative use and company has enforceable right to payment for performance completed to date.

In case, none of the above condition is met, revenue recognized by the company on the basis of point in time.

**d) Disaggregation Revenue information:**

The below presents Disaggregated Revenues from contract with customer for the year ended 31st March, 2021 from various streams of revenue. The company believe that this Disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cash flows are affected by industry, market and other economic factor.

(₹ in crore)

Particulars	Consultancy Services		Inspection Fee		Export Sale	Turnkey Construction Projects-Domestic	Total
	Domestic	Abroad	Domestic	Abroad			
<b>2020-21</b>	<b>599.30</b>	<b>73.92</b>	<b>293.30</b>	<b>5.48</b>	<b>93.27</b>	<b>623.85</b>	<b>1689.12</b>
2019-20	635.96	62.89	363.34	3.93	540.87	672.88	2279.87

**e) Company is rendering many project management consultancy services for and on behalf of clients where fee is due to company for professional services.**

**f) In most of the cases, payments from customers are linked with performance obligations. Wherever on the reporting date work has been performed and payment is not due as per the contract, in such cases contract**

assets have been created. However, where payment has been received including advance but performance has not been completed, in such cases contract liabilities have been created. Advances received by the company for execution of work are in the nature of security i.e a source of protection and are not for financing the project.

- g) Company provides warranty in the nature of assurance for which provisions are made as per the Indian Accounting Standard (Ind AS) 37, Provisions, Contingent Liabilities and Contingent Assets.
- h) During the year provision for impairment of amount receivable from client for services rendered/goods supplied amounting to ₹ 9.08 crore (previous year ₹ 14.13 crore) which includes provisions for lease services amounting to ₹ 0.22 crore (previous year ₹ 0.18 crore).
- i) Balances of Receivables/Contract assets/Contract liabilities are as under:

(₹ in crore)

Particulars	As on 31.03.2021	As on 31.03.2020
Receivables includes lease receivables of ₹ 36.32 crore (Previous year ₹ 44.40 crore )	675.74	923.51
Contract assets	167.16	211.56
Contract liabilities includes lease liabilities of ₹ 0.27 crore (Previous year ₹ 0.27 crore)	268.58	134.61

- j) During the year ended March 31st, 2021, ₹ 107.56 crore and March 31st 2020, ₹ 37.67 crore of unbilled revenue as of April 1st, 2020 and April 1st 2019 respectively has been reclassified to trade receivables upon billing to customers on completion of milestones.
- k) During the year ended March 31, 2021 ₹ 14.65 crore and March 31, 2020 ₹ 158.53 crore of contract liabilities as of April 1, 2020 and April 1, 2019 has been recognized as revenue after completion of milestones.
- l) The aggregate value of performance obligations that are completely or partially unsatisfied as at March 31, 2021 is ₹ 6,074 crore which pertains to various segment of the company. Company is likely to recognize this revenue over a period ranging from one year to three years. The aggregate value of performance obligations that was completely or partially unsatisfied as at March 31, 2020 was ₹ 5,325 crore which pertains to various segment of the company.
- m) Company has not incurred any cost for obtaining contracts except administrative cost required for preparation of offers and the same is charged to statement of Profit and Loss.
- n) Company has recognized unamortized contract assets of ₹ 5.63 crore (previous year ₹ 5.02 crore) on account of costs incurred in fulfilling the contract. The unamortized contract cost will be charged to statement of Profit and Loss on completion of performance obligations.
- o) The Company's project management consultancy and turnkey business got impacted due to travel restrictions, non-availability of labor, delay in procurement of raw material, delay in acquisition of land etc. Quality assurance work got impacted due to travel restrictions and less procurement by Railways. Export's deliveries of locomotives got delayed due to supply chain disruptions across globe leading to delay in imports of certain sub-assemblies, therefore affecting the timelines set for shipment of locomotives and coaches. Leasing business got impacted due to stalled works at certain project sites, ports etc. during lockdown but with rising in demand, this business has quickly recovered. Pandemic disrupted the business flow, but company has tried to negate the Covid impact through remote working.

**52. Indian Accounting Standard (Ind AS-116): Disclosures on Leases are as follows:**

**a) Company as Lessee:**

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability. The right-of-use assets are depreciated using the straight-line method from the commencement date over the term of useful life of right-of-use asset.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. Company has no borrowing, as such 3 year SBI MCLR rate 8.05% and 8.75% has been considered as weighted average incremental borrowing rate for calculation of present value of lease liability for the FY- 2020-21 and 2019-20 respectively.



The Company has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

- i) The following is the summary of practical expedients applied:
- I) The Company has used a single discount rate to a portfolio of leases with similar characteristics.
  - II) Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
  - III) Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
- ii) Following are the changes in the carrying value of right of use assets for the year ended March 31, 2021:  
(₹ in crore)

Particulars	Category of ROU Assets			Total
	Land	Building	Residential Quarters	
Balance as at April 1, 2020	1.62	17.29	4.08	22.99
Additions	0.69	2.03	-	2.72
Deletion	-	-	-	-
Adjustment	(0.01)	(0.33)	-	(0.34)
Depreciation	0.41	2.99	0.25	3.65
Balance as at March 31, 2021	1.89	16.00	3.83	21.72

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2020:  
(₹ in crore)

Particulars	Category of ROU Assets			Total
	Land	Building	Residential Quarters	
Balance as at April 1, 2019	-	-	-	-
Reclassified on account of adoption of Ind AS 116	-	12.08	4.33	16.41
Reclassification of investment property	-	0.78	-	0.78
Additions	1.94	6.58	-	8.52
Deletion	-	-	-	-
Depreciation	0.32	2.15	0.25	2.72
Balance as at March 31, 2020	1.62	17.29	4.08	22.99

Depreciation on right-of-use assets is as follows:

Description	Year Ended	
	31.03.2021	31.03.2020
Land	0.41	0.32
Building	2.99	2.15
Residential qtrs	0.25	0.25
<b>Total</b>	<b>3.65</b>	<b>2.72</b>

- iii) The following is the break-up of current and non-current lease liabilities:

Particulars	Year Ended	
	31.03.2021	31.03.2020
Current lease liabilities	2.00	2.83
Non-current lease liabilities	2.17	4.38
<b>Total</b>	<b>4.17</b>	<b>7.21</b>

iv) The following is the movement in lease liabilities :

(₹ in crore)

Particulars	As on 31.03.2021	As on 31.03.2020
Opening Balance	7.21	-
Additions	2.72	8.52
Finance cost accrued during the period	0.42	0.51
Payment of lease liabilities	5.81	1.82
Adjustment	(0.37)	-
Closing Balance	4.17	7.21

v) The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

(₹ in crore)

Particulars	As on 31.03.2021	As on 31.03.2020
Less than one year	2.25	3.37
One to five years	2.29	4.71
More than five years	-	-
Total	4.54	8.08

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

vi) During the year ended 31 March 2021, the Company incurred expenses amounting to ₹ 11.42 crore (Previous year ₹ 8.24 crore) on accounts of short-term leases and leases of low-value assets. For the year ended 31 March 2021, the total cash outflows for leases, including short-term leases and low-value assets amounted to ₹17.24 crore (Previous year ₹ 10.06 crore).

vii) The company does not have any lease restrictions and commitment towards variable lease rent as per the contract.

viii) The company has no commitments towards Leases yet to be commenced as on 31.03.2021.

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

**b) Company as a lessor:-**

**i) Operating Lease: As Lessor**

l) The company has leasing arrangement of locomotives in domestic market mainly on cancelable basis which includes providing services of its experts for maintenance of these locomotives for which lease rent is received from the clients as per terms of the contracts.

New & In-Service Locomotives (refer note no.2)

(₹ in crore)

Description	Year ended	
	31.03.2021	31.03.2020
Gross carrying amount	377.24	365.79
Accumulated depreciation	147.80	117.35
Net carrying amount	229.44	248.44
Depreciation provided for the year	30.85	29.60

- II) The company has leased out one flat at Asian Games Village Complex, New Delhi to Land Port Authority of India (super area of 177.37 sq.m.).

(₹ in crore)

Description	Year ended	
	31.03.2021	31.03.2020
Gross carrying amount	0.15	-
Accumulated depreciation	0.10	-
Net carrying amount	0.05	-
Depreciation provided for the year	0.00	-

- c) The Company does not envisage any contraction in demand which could result in significant down-sizing of its business operations. Due to COVID-19 there is no change in terms of leases which company has entered as lessee as well as lessor.

**53. Indian Accounting Standard (Ind AS) 12, Disclosures on Income Taxes are as follows:**

The Company opted to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as promulgated by the GOI vide the Taxation Laws (Amendment) Ordinance, 2019 and accordingly Corporate tax rate of 25.168% (Income tax 22%+Surcharge 10%+Higher Education Cess 4%) has been considered for the purpose of provision for taxes and measuring the deferred tax assets / liabilities in the books of accounts.

- a) **Income tax expense in the Statement of Profit & Loss comprises:**

(₹ in crore)

Particulars	Year Ended	
	31.03.2021	31.03.2020
<b>Income Tax Expenses:</b>		
- Current Taxes	144.14	190.58
- Earlier Years (Net)	(3.63)	(1.30)
<b>Sub Total - A</b>	<b>140.51</b>	189.28
Tax on Other Comprehensive Income (OCI)- B	1.70	(2.38)
Tax on Buy Back Expenses-C	(0.33)	-
<b>Sub Total -D= (A+B+C)</b>	<b>141.88</b>	186.90
Deferred Tax (Net) - Prior Periods	(0.42)	0.18
Deferred Tax (Net) - Current Years	(2.09)	36.76
<b>Sub Total -E</b>	<b>(2.51)</b>	36.94
<b>Total - F=D+E</b>	<b>139.37</b>	223.84

Entire deferred income tax for the year ended 31st March, 2021 and 31st March, 2020 relates to origination and reversals of temporary differences.

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

(₹ in crore)

Particulars	Year Ended	
	31.03.2021	31.03.2020
<b>Profit before Tax</b>	<b>562.35</b>	822.61
Enacted Tax Rates in India on Normal Income	25.17%	25.17%
Enacted Tax Rates in India on LTCG	23.30%	23.30%
Special Enacted Tax Rates in India on Dividend from foreign company	17.47%	17.47%

(₹ in crore)

Particulars	Year Ended	
	31.03.2021	31.03.2020
<b>Computed Expected Tax Expense</b>	<b>141.53</b>	207.03
Tax effect of Income Exempted from Taxation	<b>(3.62)</b>	(4.27)
Tax effect due to deductible temporary differences	<b>1.16</b>	1.08
Tax effect due to earlier period taxes	<b>(4.05)</b>	(1.12)
Tax Effect due to claim of Expenditure not charged to Profit and Loss A/c	<b>(2.12)</b>	-
Additional Tax Effect due to Income from House Property and other sources	<b>(0.01)</b>	(0.14)
Effect of Non-Deductible Expenditures for determining taxable Profit	<b>3.47</b>	3.06
Tax effect due to income from joint operations	<b>1.31</b>	(0.13)
Tax effect due to change in corporate Tax rates on Deferred Tax Expenses	-	20.71
<b>Income tax expenses (including tax effect on OCI) for the year</b>	<b>137.67</b>	226.22
Tax effect due to OCI	<b>1.70</b>	(2.38)
<b>Current Tax Expense for the year</b>	<b>139.37</b>	223.84

- c) Based upon the Expert Opinion and judicial pronouncements, the company has considered cumulative tax relief of ₹ 5.18 crore while estimating current income tax liability for the financial year 2020-21.
- d) **Details of income tax assets and liabilities as of 31st March, 2021 and 31st March, 2020 are as follows:**

(₹ in crore)

Particulars	As on	
	31.03.2021	31.03.2020
Income Tax Assets	<b>210.09</b>	294.96
Less: Current income tax liabilities	<b>145.52</b>	188.20
<b>Net Current Income Tax Assets/(Liability) at the end</b>	<b>64.57</b>	106.76

- e) **The gross movement in the current income tax asset/(liability) for the year ended 31st March, 2021 and 31st March, 2020 is as follows:**

(₹ in crore)

Particulars	Year Ended	
	31.03.2021	31.03.2020
Net current income tax Asset/(Liability) at the beginning of the year	<b>106.76</b>	93.49
Current Income Tax on OCI	<b>(1.70)</b>	2.38
Current Income Tax on Buy Back	<b>0.33</b>	-
Income Tax paid	<b>99.69</b>	200.17
Current income tax expense	<b>(140.51)</b>	(189.28)
<b>Net Current Income Tax Asset/(Liability) at the end of the year</b>	<b>64.57</b>	106.76

f) Tax effects of significant temporary differences that resulted in deferred income tax asset and liabilities are as follows: (₹ in crore)

Particulars	As on	
	31.03.2021	31.03.2020
<b>Deferred Income Tax Assets:</b>		
Accrued Compensation to Employees	21.79	20.72
Provisions for Doubtful Debts, Security Deposits/EMD, Advances Etc.	32.89	31.38
Lease Liability for ROU Assets	1.05	-
<b>Total Deferred Income Tax Assets - I</b>	<b>55.73</b>	52.10
<b>Deferred Income Tax Liabilities:</b>		
Depreciation on Property Plant & Equipment and Intangible Assets	16.08	11.64
Interest Accrued on Income Tax Refund	-	1.61
Donation to PM Cares Fund	-	1.76
Unrealised Short-term Gain (Loss) on Mutual Funds	0.05	-
<b>Total Deferred Income Tax Liabilities - II</b>	<b>16.13</b>	15.01
Deferred Income Tax Assets after set off	39.60	37.09
Deferred Income Tax Liabilities after set off	-	-

Deferred tax assets and liabilities have been offset wherever the company has a legally enforceable right to set off current tax assets against current tax liabilities and where the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority.

The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the year in which the temporary differences become deductible. Management considers the scheduled reversals of deferred income tax liabilities, projected future taxable income and tax planning strategies in making the assessment.

Based on the level of historical taxable income and projections for future taxable income over the years in which the deferred income tax assets are deductible, management believes that the company will realize the benefits of those deductible differences. The amount of deferred income tax assets considered realizable could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

g) The gross movement in the deferred income tax account for the year ended 31st March, 2021 and 31st March, 2020 are as follows:

(₹ in crore)

Movement during the year ended 31.03.2021	As on 31.03.2020	Recognised in Profit and Loss	Recognised in OCI	As on 31.03.2021
<b>Tax Effect of items constituting deferred Tax Liabilities</b>				
(i) Property, Plant & Equipments	11.64	4.44	-	16.08
(ii) Interest on Income Tax Refund Accrued but not received	1.61	(1.61)	-	-
(iii) Donation to PM Cares Fund	1.76	(1.76)	-	-
(iv) Unrealised Short term Gain (Loss) on Mutual Funds	-	0.05	-	0.05
<b>TOTAL-A</b>	<b>15.01</b>	<b>1.12</b>	<b>-</b>	<b>16.13</b>
<b>Tax Effects of Items Constituting deferred Tax Assets</b>				
(i) Provisions for Leave Encashment of Employees	19.80	1.50	-	21.30
(ii) Provision for superannuation Medical	0.73	(0.41)	-	0.32

(₹ in crore)

Movement during the year ended 31.03.2021	As on 31.03.2020	Recognised in Profit and Loss	Recognised in OCI	As on 31.03.2021
(iii) Other Employee Benefits	0.19	(0.02)	-	0.17
(iv) Prov. For Doubtful Debts & Advances	31.38	1.51	-	32.89
(v) Lease Liability for ROU Assets	-	1.05	-	1.05
<b>TOTAL-B</b>	<b>52.10</b>	<b>3.63</b>	<b>-</b>	<b>55.73</b>
<b>Deferred Tax (Assets)/Liabilities (A-B)</b>	<b>(37.09)</b>	<b>(2.51)</b>	<b>-</b>	<b>(39.60)</b>

The gross movement in the deferred income tax account for the year ended 31st March, 2020 and 31st March, 2019 are as follows:

(₹ in crore)

Movement during the year ended 31.03.2020	As on 31.03.2019	Recognised in Profit and Loss	Recognised in OCI	As on 31.03.2020
<b>Tax Effect of items constituting Deferred Tax Liabilities</b>				
(i) Property, Plant & Equipments	11.51	0.13	-	11.64
(ii) Interest on Income Tax Refund Accrued but not received	-	1.61	-	1.61
(iii) Donation to PM Cares Fund	-	1.76	-	1.76
(iv) Unrealised Short term Gain (Loss) on Mutual Funds	-	-	-	-
<b>TOTAL-A</b>	<b>11.51</b>	<b>3.50</b>	<b>-</b>	<b>15.01</b>
<b>Tax Effects of Items Constituting Deferred Tax Assets</b>				
(i) Provisions for Leave Encashment of Employees	23.96	(4.16)	-	19.80
(ii) Provision for superannuation Medical	0.35	0.38	-	0.73
(iii) Other Employee Benefits	-	0.19	-	0.19
(iv) Prov. For Doubtful Debts & Advances	61.23	(29.85)	-	31.38
(v) Lease Liability for ROU Assets	-	-	-	-
<b>TOTAL-B</b>	<b>85.54</b>	<b>(33.44)</b>	<b>-</b>	<b>52.10</b>
<b>Deferred Tax (Assets)/Liabilities (A-B)</b>	<b>(74.03)</b>	<b>36.94</b>	<b>-</b>	<b>(37.09)</b>

The composition of deferred assets relating to temporary differences during the year ended 31st March, 2021 is primarily on account of Property Plant and Equipment, Trade Receivable and Compensation to Employees.

**54. Indian Accounting Standard (Ind AS)1, Disclosures on Presentation of Financial Statements are as follows:**

**a) Reclassifications and comparative figures**

Certain reclassifications have been made to the comparative period's financial statements to enhance the comparability with the current year's financial statements

As a result, certain items have been reclassified in the balance sheet, the details of which are as under:

i) Items of Balance Sheet before and after reclassification for the year ended 31st March, 2020

(₹ in crore)

Particulars	Before Reclassification	Reclassification	After Reclassification
<b>NON CURRENT ASSETS</b>			
Other Financial Assets	50.93	17.73	68.66
Other Non Current Assets	53.95	1.98	55.93
<b>CURRENT ASSETS</b>			
Other Bank Balances-Clients Fund	1752.25	(17.73)	1734.52
Other Current Assets	78.69	29.96	108.65
<b>NON CURRENT LIABILITIES</b>			
Other Financial Liabilities	163.23	17.73	180.96
<b>CURRENT LIABILITIES</b>			
Other Financial Liabilities	2587.30	(12.71)	2574.59
Other Current Liabilities	67.68	26.92	94.60

ii) Items of statement of Cash Flow before and after reclassification for the year ended 31st March, 2020

(₹ in crore)

Particulars	Before Reclassification	Reclassification	After Reclassification
Net Cash flow from Operating activities	268.84	(2.03)	266.81
Net Cash flow from Investing activities	76.29	1.40	77.69
Net Cash flow from Financing activities	(399.79)	0.63	(399.16)

**b) Subsequent Event-Dividend**

Company has proposed a sum of ₹ 96.12 crore (₹ 4 per share to 24.03 crore equity shares) as final dividend for FY 2020-21 subject to approval of shareholders in Annual General Meeting. If approved, the dividend would result in a cash outflow of ₹ 96.12 crore.

**55. Disclosure as per regulation 34(3) of listing agreements with the stock exchange**

(₹ in crore)

Particulars	Financial Year	Outstanding balance	Maximum amount due during the year
<b>Investment in Subsidiaries</b>			
(i) REMC Limited	31.03.2021	35.70	35.70
	31.03.2020	35.70	35.70
(ii) RITES (Afrika) (Pty) Limited., Botswana	31.03.2021	0.01	0.01
	31.03.2020	0.01	0.01
<b>Investment in Joint Ventures</b>			
(i) SAIL-RITES Bengal Wagon Industry Private Limited	31.03.2021	24.00	24.00
	31.03.2020	24.00	24.00
(ii) BNV Gujarat Rail Private Limited	31.03.2021	-	0.26
	31.03.2020	0.26	0.26
(iii) Indian Railway Stations Development Corporation Limited	31.03.2021	48.00	48.00
	31.03.2020	-	-
<b>Loans &amp; Advances to Subsidiaries</b>			
(i) REMC Limited	31.03.2021	-	-
	31.03.2020	-	-
(ii) RITES (Afrika) (Pty) Limited., Botswana	31.03.2021	-	-
	31.03.2020	-	-
<b>Loans &amp; Advances to Joint Ventures</b>			
(i) SAIL-RITES Bengal Wagon Industry Private Limited	31.03.2021	3.45	6.94
	31.03.2020	6.94	8.44
(ii) BNV Gujarat Rail Private Limited	31.03.2021	-	-
	31.03.2020	-	-
(iii) Indian Railway Stations Development Corporation Limited	31.03.2021	-	-
	31.03.2020	-	-

**56. Capital Management:**

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

**57. Other Disclosures:**

**a) Impact of COVID-19:**

The Company has considered the possible effects that may result from COVID-19 on the carrying amounts of financial assets, inventories, receivables, loans and advances, property plant and equipment, intangibles etc as well as liabilities accrued. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Company has used internal and external information. Having reviewed the underlying data and based on current estimates, the Company does not expect any material impact on the carrying amount of these assets and liabilities. The impact of COVID-19 on the Company’s financial statements may differ from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

**b)** The Company has bought back 9,698,113 fully paid-up equity shares of ₹ 10 each from the shareholders on 18th November, 2020 on proportionate basis by way of tender offer at a price of ₹ 265 per equity share for an aggregate amount of ₹ 257 crore. At present, holding by the public and Government of India is 27.80% and 72.20% respectively.

**c)** The Company has invested ₹ 48 crore (4.80 crore equity share of ₹ 10/- each) for 24% equity stake in Indian Railway Stations Development Corporation Limited. The other joint venture partners are Rail Land Development Authority and IRCON International Limited having equity stake of 50% and 26% respectively.

**d)** Assets and liabilities are classified between current and non-current considering 12 months period as operating cycle.

**e) Information on CSR expenditure:**

i) Gross amount required to be spent including advances given during the year 2020-21 is ₹ 13.40 crore (previous year 2019-20 ₹ 11.20 crore).

ii) Expenditure incurred including advance on CSR during the year on:

(₹ in crore)

Particulars	Amount Paid		Yet to be Paid		Total	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
(i) Construction/acquisition of any asset	-	-	-	-	-	-
(ii) On purposes other than (i) above*	13.41	11.18	-	0.03	13.41	11.21
Total	13.41	11.18	-	0.03	13.41	11.21

\* Includes following expenditure on account of admin overhead and capacity builds

(a) Salary Expenses ₹ 0.65 crore (previous year ₹ 0.51 crore)

(b) Other Expenses ₹ 0.02 crore (previous year ₹ 0.05 crore)

**f)** Salary expenses and Travel expenses included in expenditure on Capital work in progress/Property, Plant & Equipment and expenditure incurred during warranty period are as follows:

(₹ in crore)

Particulars	Year Ended 31.03.2021	Year Ended 31.03.2020
Salary Expenses	5.71	1.92
Travel Expenses	0.14	0.26



- g) Details of dues to micro, small and medium enterprises as defined under The Micro, Small and Medium Enterprises Development Act, 2006\* are given on the basis of information available with the management.

(₹ in crore)

Sl. No.	Particulars	As on 31.03.2021	As on 31.03.2020
A	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year - Principal amount due to micro and small enterprises - Interest due on above	8.85 -	8.65 -
B	The amount of interest paid by the buyer in terms of Section 16 of The Micro, Small and Medium Enterprises Development Act, 2006, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
C	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding the interest specified under The Micro, Small and Medium Enterprises Development Act, 2006.	0.07	-
D	The amount of interest due and remaining unpaid at the end of each accounting year	-	-
E	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of The Micro, Small and Medium Enterprises Development Act, 2006.	-	-

\* The Company identify supplier registered under The Micro, Small and Medium Enterprises Development Act, 2006, by obtaining confirmations from all suppliers at the time of issue of tender. Information has been collated only to the extent of information received.

- h) Lease deeds are pending for execution in respect of the office building at Central Metro Railway Building, 56, C.R Avenue, Kolkata of ₹ 1.32 crore, the physical testing laboratory at 52 A&B, C.R Avenue, Kolkata of ₹ 0.46 crore, office building at DLF Cybercity, Bhubaneswar of ₹ 5.43 crore, plot in Wazirpur Northern Railway Colony, Delhi of ₹ 2.61 crore.
- i) Land for office building at Gomati Nagar Extension, Lucknow allotted by Lucknow Development Authority (LDA) having a total cost of ₹ 4.22 crore is yet to be registered in the name of the Company due to dispute of stamp duty. However, physical possession of the land has been with the Company w.e.f. 27 th June 2019. An amount of ₹1.17 crore on account of disputed stamp duty is included in contingent liability (Refer note no.47(b)(i)(III)(C).)
- j) The financial statements are presented in ₹ crore. Those items which are required to be disclosed but can't be presented in the financial statement due to rounding off to the nearest ₹ crore are given as follows:-

Balance sheet items

(Figures in ₹)

Description	Note No.	As on 31.03.2021	As at 31.03.2020
Non-current Investment			
(i) Moru Mahal Co-operative Society Limited	8	250.00	250.00
(ii) Amit Industrial Premises Co-operative Society Limited		500.00	500.00
(iii) Regent Chambers Premises Co-operative Society Limited		500.00	500.00
(iv) Elicius Energy Private Limited		15730.00	-

- k) (i) Balances shown under trade receivable, advances and trade payables are subject to confirmation/reconciliation/adjustment, if any. The company has been sending letters for confirmation to parties. However, the Company does not expect any material dispute w.r.t. the recoverability/payment of the same.

- (ii) In the opinion of the management, the value of current assets, loans and advances on realization in the ordinary course of business, will not be less than the value at which these are stated in the balance sheet.
- l) Information as regard to loans, investments made as required under section 186(4) of the Companies Act, 2013 have been given vide note no. 8,9,10,17 &18 .
- m) The Code on Social Security, 2020 ("the Code") relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the code becomes effective.

**n) Recent Accounting Pronouncements:**

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

**Balance Sheet:**

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

**Statement of Profit and Loss:**

Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

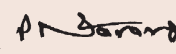
**For and on behalf of the Board**



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



**Bibhu Prasad Nayak**  
Director Finance  
DIN:08197975



**Parmod Kumar Narang**  
Chief Financial Officer  
M.No.:FCA 086360



**Joshit Ranjan Sikidar**  
Company Secretary  
M.No. : ACS 32442

**As per our report of even date**  
**For J C BHALLA & COMPANY, Chartered Accountants**  
Firm Registration No. 001111N

Place : Gurugram  
Dated : 16th June, 2021



**(ANSHUMAN MALLICK)**  
Partner, Membership No. 547705