



**ANNUAL
REPORT
2014-15**



Mission

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

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

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



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Board of Directors

Chairman & Managing Director



Mr. Rajeev Mehrotra

Whole Time Directors



Mr. Sumit Sinha
Director Technical
(Upto 31st Oct., 2014)



Mr. Arbind Kumar
Director Projects



Mr. Ajay K. Gaur
Director Finance



Mr. S. B. Malik
Director Technical
(From 1st Nov., 2014)

Govt. Nominee Official Directors / Non-Executive (Independent) Director



Mr. Arvind Khare
Govt. Nominee Director



Mr. Pramod Sharma
Govt. Nominee Director
(Upto 30th Sept., 2014)



Mr. A.P. Dwivedi
Govt. Nominee Director
(From 13th March, 2015)



Mr. Debidas Datta
Independent Director
(Upto 24th June, 2014)

Senior Executives



Mr. A.K. Arora
ED-Urban Infrastructure



Mr. V.K. Jain
ED-Expotech



Mr. R.L. Prasad
ED-Quality Assurance



Mr. Rajiv Milind
ED-Corporate Services



Mr. K.K. Gupta
ED-(CEO-RISL)



Mr. S.K. Luthra
ED-Planning & Business
Development



Mr. R.K. Tyagi
ED-North East



Mr. Alok Garg
ED-Building & Airport



Mr. H.K. Bali
ED-Finance



Mr. S.S. Gavane
ED-Railway Equipment
Services



Mr. P. T. Mittal
Company Secretary

FINANCIAL PERFORMANCE OF A DECADE AT A GLANCE

(₹ in crore)

Particulars	05-06	06-07	07-08	08-09	09-10	10-11	11-12	12-13	13-14	14-15
Total Income (including other income)	426	566	661	672	623	#881	934	1076	1246	1166
Expenditure (including increase/decrease in stock)	293	395	481	522	457	518	678	731	860	710
Operating Margin	101	138	100	16	99	180	158	222	233	305
Depreciation	12	8	9	11	12	12	14	16	20	26
Profit Before Tax	133	171	180	150	166	363	256	345	386	456
Profit After Tax	99	118	104	94	112	244	164	245	264	306
Dividend	20	40	21	20	23	49	33	50	53	62
General Reserve	383	456	499	570	655	836	961	1095	1297	1528
Fixed Assets (Gross Block)	121	140	171	183	202	237	253	281	324	352
Inventories	50	8	16	22	37	78	62	26	17	7
Foreign Exchange Earnings	136	274	258	137	94	242	310	342	444	189
Share Capital	4	4	40	40	40	40	40	100	100	100
Capital Employed	367	433	435	501	538	689	602	781	853	1122
Government Investment*	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
Net Worth	387	460	539	610	695	876	1001	1195	1397	1628
Profit Before Tax to Capital Employed (in %)	36	39	41	30	31	53	43	44	45	41
Operating Margin to Capital Employed (in %)	28	32	23	3	18	26	26	28	27	27
Profit After Tax to Share Capital (in %)	2475	2950	260	235	280	610	410	245	264	306
Expenditure to Income (in %)	69	70	73	78	73	**66	73	68	69	61
Number of Employees	2655	2760	2924	3048	3002	3134	3294	3247	3226	3227
Income per Employee	0.16	0.21	0.23	0.22	0.21	0.28	0.28	0.33	0.39	0.36
Foreign Exchange Earning per Employee	0.05	0.10	0.09	0.04	0.03	0.08	0.09	0.11	0.14	0.06
Current Ratio	1.61	1.59	1.45	1.36	1.33	1.29	1.23	1.32	1.32	1.52
Investments	6	6	69	54	62	112	143	318	231	238

Includes exceptional income of ₹ 39 crore.

* Does not include bonus share of ₹ 99.90 crore issued from time to time.

** Excluding extraordinary and exceptional items.

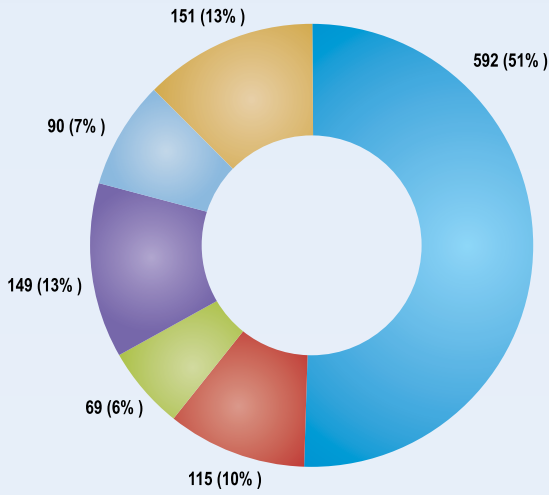
Financial information upto 2010-11 based on pre-Revised Schedule VI and thereafter on Revised Schedule VI of the Companies Act, 1956 (Schedule III of the Companies Act, 2013).

1 Crore = 10 Million

1 US \$ = ₹ 61.66 (31.03.2015)

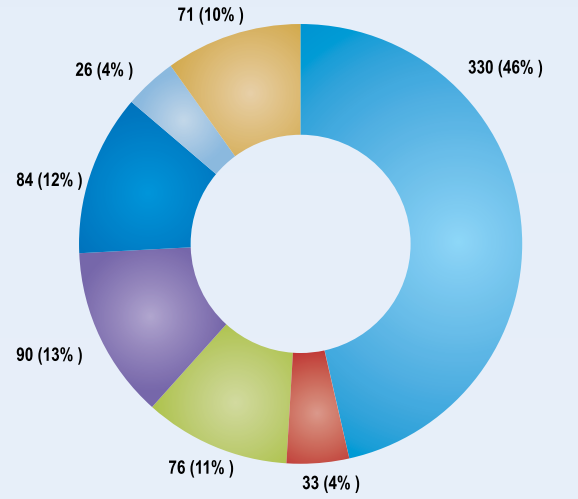
FINANCIAL INDICATORS

Earning (₹ 1166 crore)



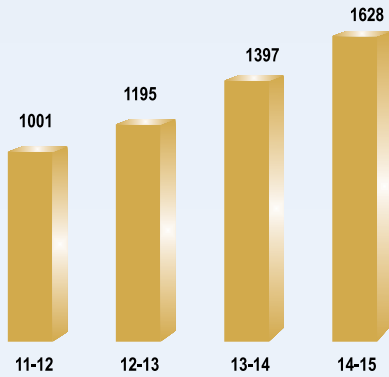
- Consultancy Fee
- Quality Assurance
- Lease Services
- Export Sales
- Turnkey Construction Projects
- Other Income

Spending (₹ 710 crore)

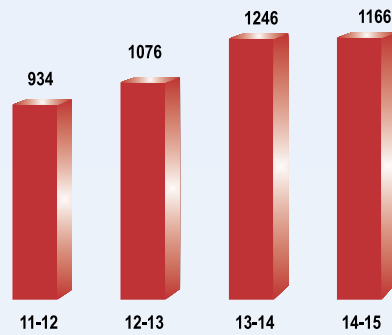


- Staff Cost
- Travel
- Supplies & Services
- Cost of Export Sales
- Cost of Turnkey Construction Projects
- Depreciation & Amortisation
- Other Expenses

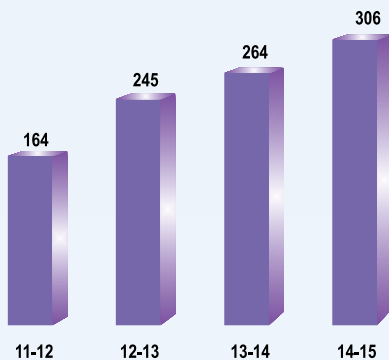
Net Worth (₹ in crore)



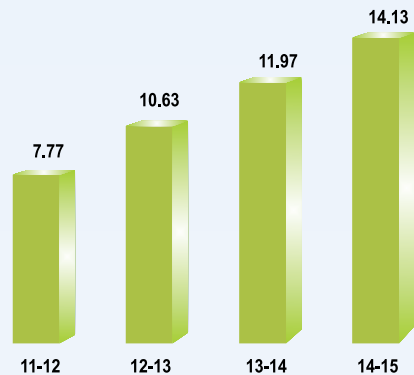
Turnover (₹ in crore)



Profit After Tax (₹ in crore)



PBT Per Employee (₹ in lakh)





CHAIRMAN & MANAGING DIRECTOR'S MESSAGE

Dear Shareholders,

It gives me immense pleasure to welcome you all on this special occasion of 41st Annual General Meeting of the Company. I am happy to share with you that the year 2014-15 has been a phenomenal year, as your Company recorded the highest ever Profit before tax of ₹ 456 crore, higher by 18% of the previous year. There is a slight fall in the operating income of the Company at ₹ 1015 crore, compared to ₹ 1093 crore in the previous year, which is mainly due to less export sales registered during the year. The fall in exports has been significantly met through rise in the income from the core business of consultancy and leasing, which has seen an increase of 31% from ₹ 593 crore to ₹ 776 crore. With improved order book and positive infrastructure investment scenario, I am sure, the Company will meet its growth targets in the coming year.

The audited accounts of the Company for the financial year 2014-15 along with the Directors' Report and report of Auditors and comments of Comptroller and Auditor General of India have already been circulated to you and with your permission, I take them as read.

During the year, company was engaged in a number of prestigious domestic projects, which included works for setting up a FIAT bogie frame manufacturing plant at Budge-Budge for RCF-Kapurthala, Installation of machinery & equipment for a FIAT bogie manufacturing plant at Integral Coach Factory (ICF), Chennai, a wagon manufacturing factory at Kulti, Modern Bus Terminal at Malpatpur, Puri for the Odisha Government, Preliminary Engineering & Traffic Survey (PETS) of Future Corridors for DFCCIL etc.

Company was also engaged in a number of prestigious international assignments in export, leasing and consultancy services, which included supply of eight BG Diesel Electric locomotives to Bangladesh Railways, leasing of locomotives to CFM, Mozambique, feasibility study for Mayumba-Mbigou New standard Gauge Railway line in Gabon etc.

During the year, the company has secured a major export order from Bangladesh Railways (BR) for the supply of 120 broad gauge LHB passenger coaches.

Company has taken over turnkey works for construction and supply, installation and commissioning of Machinery & Plant for upgradation / modernization of Railway Workshops.

RITES continues to maintain its position in the highway and metro rail sectors despite stiff competition. Business of offering shunting locomotives on wet lease including operation & maintenance continued to be well received by domestic Non- Railway clients.

As a matter of diversification, RITES has entered into developing renewable energy projects, facilitate competitive power purchases and taking up energy efficiency projects by forming a joint venture company with the Indian Railways, named the Railway Energy Management Company Limited. The Joint Venture (JV) is setting up a 26MW windmill project in Jaisalmer district of Rajasthan and taking up other projects.

A wagon factory is being set up at Kulti, West Bengal as a 50:50 JVC between RITES and SAIL, arising out of the commitment made by the Ministry of Railways in the year 2010 regarding assured off-take order for purchasing of 1200 wagons/annum and rehabilitation of a minimum of 300 wagons/annum.

Your Company firmly withstood the impact of slowdown faced by infrastructure sector projects in India and overseas. We continued to move ahead firmly on growth trajectory. This also reflected management commitment in execution of its planned strategies and accreditation among its clients.

The growth in the business & excellent financial results had prompted your Directors to declare an interim dividend of ₹ 30 crore, which has already been paid to the esteemed shareholders. Your Directors are further pleased to recommend a final dividend of ₹ 32 crore. The dividend payout for the year will amount to ₹ 62 crore, which is 62% of the paid up share capital of the Company & is also the highest ever paid so far.

As a result of continued growth, Company has been consistently rated as "Excellent" in its MOU performance. During the year under review, Company has once again delivered an outstanding performance and is eligible to be rated as "EXCELLENT" in its evaluation under MOU for the year 2014-15. However, communication from DPE in this regard is expected in due course.

With a view to ensure better and transparent functioning of the organization, the concept of Corporate Governance has been followed consistently. Your Company enjoys a high degree of credibility in India and abroad by upholding stiff standards of ethics and integrity in its functioning. A detailed report on compliance of the Guidelines on Corporate Governance as per the Guidelines on Corporate Governance issued by DPE for CPSEs forms part of the Directors' report.

RITES believes that Company too has a responsibility towards the society in which it operates. RITES is committed to contribute for the socio-economic development of its stakeholders and the business decisions of the Company will be in line with its social obligation also. Corporate Social responsibility and sustainability policy adopted by RITES shows its commitment to operate in economically, socially and environmentally sustainable manner. As a responsible corporate citizen, your Company has spent ₹ 7.90 crore on various CSR activities during the year 2014-15.

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

Special mention is warranted for the tireless efforts of RITES team of officers and staff for their performance and enduring contribution in bringing the Company to such a height. Powered by the talent of our people and vesting reaffirmed faith in the resilience of our business model, we look forward to overcoming any challenges that may lie ahead of us.

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

Firmly anchored in the traditional wisdom of the past and seizing the opportunities in the present, your company is poised to excel in the years ahead.

With Best Wishes

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

Dated: 10th Sept., 2015

DIRECTORS' REPORT

Distinguished Shareholders

The Directors of your company have immense pleasure in presenting the 41st Annual Report of the company together with the audited Statement of Accounts and Auditors' Report for the year ended 31st March, 2015.

FINANCIAL HIGHLIGHTS

The financial performance of the Company for the year 2014-15 is given below:

(₹ in Crore)

Particulars	2014-15	2013-14
Financial Results:		
Total Income	1166	1246
Operating Turnover	1015	1093
Operating Expenditure	710	860
Other Income	151	153
Profit Before Tax (PBT)	456	386
Income /Deferred Tax	(150)	(122)
Profit After Tax (PAT)	306	264
Appropriations:		
Dividend including Interim Dividend	62	53
Dividend Tax	13	9
Transfer to General Reserve	231	202

BUSINESS PERFORMANCE

During the year, company has achieved turnover of ₹ 1166 crore as compared to previous year's turnover of ₹ 1246 crore. The shortfall in income has been mainly on account of lesser export sales. Income from consultancy and leasing activities at ₹ 776 crore during the year has registered an increase of 31% over last year income of ₹ 593 crore. The profit before tax is of ₹ 456 crore being higher by 18% as against ₹ 386 crore of the



Inauguration of School and Vocational Training Centre, Wazirpur, Gurgaon by Hon'ble President of India Shri Pranab Mukharjee : CSR project of RITES and IRFC Ltd.

previous year's, as a result of realization of escalation bills for man-months, judicious reduction in less productive manpower and better expenditure management.

During the year, company was engaged in a number of prestigious domestic projects, which included works for setting up a FIAT bogie frame manufacturing plant at Budge- Budge for RCF- Kapurthala and a wagon manufacturing factory at Kulti, Modern Bus Terminal at Maltipatpur, Puri for the Orissa Government, Installation of machinery & equipment for a FIAT bogie manufacturing plant at Integral Coach Factory (ICF), Chennai, setting up of M-15 Gas Turbine aggregate testing facilities for Indian Navy at INS Eksila, Visakhapatnam, Preliminary Engineering & Traffic Survey (PETS) of Future Corridors for DFCCIL, Independent Engineer Services for Development of Chennai Outer Ring Road in Tamilnadu for TNRDC, Project Advisory Services including Detailed Design & Report Preparation for Development of Six Lane Extra dosed Bridge, a green field bridge project over river Ganga at Patna for Bihar State Road Development Corporation Ltd. (BSRDCL), DPR for construction of Six lane Suspension Bridge across Durgam Cheruvu at Hi-Tech City, Hyderabad, DPR for Construction of ROBs/Flyover at 6 locations for DDA, Consultancy for Bangalore Metro Phase-I and Delhi Metro Phase-III, Independent Quality monitor for Jaipur Metro Rail Corporation, Technical feasibility study & DPR for Metro Rail in Patna, DPR for MRTS/RRTS between Ahmedabad & Dholera, Feasibility study & DPR for Kochi Metro Phase II, Maintenance of Rolling Stock & workshop equipment of MGR system at various locations of NTPC like



Major initiative by RITES and Indian Railways Joint venture, Railway Energy Management Company Limited (REMCL) for a 26MW windmill in Rajasthan – award of contract.



Shri Suresh Prabhakar Prabhu, Hon'ble Minister of Railways inaugurating Facelift and augmentation works at National Rail Museum, New Delhi in presence of Dr. Harsh Vardhan, Union Minister for Science and Technology and Ms Meenakshi Lekhi, Hon'ble Member of Parliament, Shri Rajeev Mehrotra, CMD and Shri S B Malik, Director Technical

Rihand, Singrauli, Sipat, Talcher, Kahalgaon & Farakka, Project Management Consultancy services for (i) Central university at Pondicherry, Karnataka, Allahabad, IIT at Kharagpur, NIT at Meghalaya (ii) National Automotive Testing and R&D Infrastructure Project (NATRIP) - Ministry of Heavy Industries (iii) Rail Infrastructure for DVC, NTPC, CIL and others at different locations and (iv) Construction of Integrated check posts at Raxaul and Jogbani along Indo-Nepal border, at Agartala, Dawaki and Petrapole along Indo-Bangladesh border, Moreh along Indo - Myanmar border, Consultancy services for Taj International Airport and engineering consultancy for expansion of Shimla airport, Construction works for the expansion of Pithoragarh airport, Construction of surveillance radar tower buildings for IAF station at Jammu and Jorhat were completed. The company has started a R&D Project of LiDAR Survey, which is an upcoming technology for final location surveys.

During the year, company was engaged in a number of prestigious international assignments in export, leasing and consultancy services which included supply of eight BG Diesel Electric locomotives to Bangladesh Railways, leasing of locomotives to CFM, Mozambique for two different locations at Maputo and Beira. In addition to leased locomotives, RITES has also been providing maintenance services for 05 locomotives to CDN in Mozambique, Consultancy services for supervision for up-gradation to paved road Standard of existing roads in Terai region of Nepal, feasibility study and design for expansion of Kamembe and Gisenyi airports in Rwanda, services for development of 50



Shri Manoj Sinha, Hon'ble Minister of State for Railways, Shri Gulab Chand Kataria, Hon'ble Home Minister of Rajasthan and CMD-RITES at Inauguration of Vocational Cum Skill Development Training Centre at Udaipur.

year National Transport Master Plan for Kenya and feasibility study for Mayumba-Mbigou New standard Gauge Railway line in Gabon.

During the year, the company has secured a major export order from Bangladesh Railways (BR) for the supply of 120 broad gauge LHB passenger coaches.

OUTLOOK

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



Shri Jayant Sinha, Hon'ble Minister of State for Finance presenting Cost Management Award 2013-14 to CMD and DF-RITES

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

As a matter of diversification (i) RITES has entered into green field renewable energy and power trading sector by forming a joint venture with the Indian Railways named the Railway Energy Management Company Limited. The Joint Venture (JV) is executing a windmill project, in Jaisalmer district of Rajasthan for generation of power. (ii) A wagon factory is being set up at Kulti, West Bengal as a 50:50 JVC between RITES and SAIL arising out of the commitment made by the Ministry of Railways in the year 2010 regarding assured off-take order for manufacture of 1200 wagons/annum and rehabilitation of a minimum of 300 wagons/annum. (iii) Company has taken



Shri Hemant Kumar, Member Mechanical, Railway Board inspecting the factory site for Traction Alternator Factory of Indian Railways at Vidisha.

over turnkey works for construction and supply, installation and commissioning of Machinery & Plant for upgradation / modernization of Railway Workshops.

CAPITAL STRUCTURE

The Paid-up share capital of the company remained at ₹ 100 crore as against Authorised Share Capital of ₹ 150 crore and the company has not issued equity shares during the year under consideration.



Signing of Contract with Bangladesh Railways for supply of 120 BG stainless steel A/C sleeper, chair car, passenger coaches

DIVIDEND

Your Directors have recommended final dividend of ₹ 32 crore in addition to interim dividend of ₹ 30 crore paid during the year 2014-15. The total dividend pay-out for the year will amount to ₹ 62 crore (i.e. ₹ 6.20 per share) which is 62% of paid up share capital of the company.

FIXED DEPOSITS

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

RESERVES

An amount of ₹ 231 crore is proposed to be transferred to General Reserve by appropriation from the profits of the Company for the year 2014-15. Reserves & Surplus will increase from ₹1297 crore at end of the previous year to ₹ 1528 crore as at 31st March, 2015.

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

CONSERVATION OF ENERGY

As a consultancy organization, RITES is not a major energy consumer and hence our carbon emissions are minimum. Yet, for the consultancy studies undertaken by RITES, it has been the practice to pursue the national goal of energy conservation and accordingly, suggestions are given to our client's measures and methods to conserve energy. VFD's and VRF systems have been installed for the measures and methods they can adopt to conserve energy.

I. The steps taken or impact on conservation of energy;

In Gurgaon, RITES is housed in two large buildings (ROC-I&II) where energy saving measures have been implemented and energy audits conducted regularly. RITES has been awarded Gold LEED certification by Indian Green Building Council for one of its office. Real time air conditioning temperature is monitored and corrections are done to suit comfort of occupants. VFD's and VRF system have been installed for precise temperature control. The neon signs installed on the roof top are LED operated.

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

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

III. The Capital investment on energy conservation equipments;

₹ 7.68 lakh have been incurred towards installation of T5 light fittings in the new canteen.

TECHNOLOGY ABSORPTION

I. The efforts made towards technology absorption:

Being a player in the field of consultancy in transportation, RITES keep itself abreast with the latest technology and knowhow. To achieve this, the company continuously strives to absorb the best and the latest technological innovations in all the areas of its business by continuously updating its software and knowledge base by sponsoring and encouraging its experts to actively participates in national and international seminars and conferences, perusal of



A/C Coaches Inauguration Ceremony at Mandalay on 17th January 2015. Myanmar Minister and other senior Railway officers were present during the ceremony



Leading the way, CMD, DP and DF initiating Swachh Bharat Abhiyan in RITES

information and technological updates available on internet, study of periodicals.

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

The optimized wagons designs developed by the company have benefitted in more than one way from the technological expertise achieved by the company and have resulted in lighter weight, reduction in manufacturing cost reduced track load density, increased speed and higher carrying capacity. This has also added to reduced fuel consumption. This has been helping the industry in developing wagon components imported so far by developing and standardizing their specification.

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

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



Inauguration of Part Commissioning of 50 MGD Water Treatment Plant Garden Reach Project of KMC by Ms Mamta Banerjee, Hon'ble Chief Minister of West Bengal

IV. The expenditure incurred on Research and Development.

During the year RITES has undertaken the work of Development of Rail Milk Tank Wagons on behalf of Gujarat Co-operative Milk Marketing Federation (GCMMFI), the client. All the Development expenses have been borne by the client.

FOREIGN EXCHANGE EARNINGS AND OUTGO

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



Exploring new business: meetings with foreign and domestic parties

Total foreign exchange earnings during the year under review were ₹ 188.22 crore (previous year ₹ 446.51 crore) and foreign exchange outgo were ₹13.48 crore (previous year ₹ 40.03 crore) respectively. This resulted in net foreign exchange earnings of ₹ 174.74 crore (previous year ₹ 406.48 crore).

PRESIDENTIAL DIRECTIVE

No Presidential Directive was received during the year.

VIGILANCE

During the financial year 2014-15 impetus was again on preventive vigilance. Accordingly, surprise checks were taken up at manufacturer's premises at Mumbai, Hyderabad, Kolkata, Delhi and Jalandhar. CTE type checks were carried out at NTPC – BARH project near Patna, Hyderabad University/Hyderabad,

RINL/Vishakhapatnam and Police Lines at Kondli check post. As a result of CTE type inspections carried out by RITES recoveries amounting to ₹16.39 lakhs have been effected during 2014-15. Training programme on how to prepare detailed estimate for track works and how to fill hindrance register at site was organized during Vigilance Awareness Week in November 2014 and relayed to all the Regional Project units located across the country. In addition to CTE Type inspections RITES Vigilance cell carried out 09 surprise checks which included examination of tenders for award of sub-consultancy works.

To ensure prompt observance of conduct rules, checks on annual property returns, gifts accepted by the officials was kept. During the year 2014-15, 175 Annual Property Returns were scrutinized. In line with Commission guideline on leveraging of technology, a close watch was kept on the tenders and other details uploaded



Highlighting the importance of preventive vigilance, CMD and other Directors at RITES Vigilance Awareness Week

on RITES website. Details of all assets being issued to individual staff are also being updated regularly on employee portal.

Speedy processing of vigilance cases at all stages has been carried out in regard to cases requiring consultation with CVC. A total of 46 complaint cases and 15 cases of departmental inquiry (CVC and non-CVC) have been disposed during 2014-15. Further, vigilance cell received 51 complaints and submitted 47 investigation reports during 2014-15.

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

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

Your Directors draw attention of the members to Note 2.32 to the standalone financial statement which sets our related party disclosures. **(The details of contracts entered into with related parties in prescribed format AOC-2 is placed at Annexure-I).**

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

Particulars of loans, guarantees given or investments made along with the purpose for which the loan is proposed to be utilized by the recipients are provided in the standalone financial statement (Please refer to Note 2.09, 2.11 and 2.19 to the standalone financial statements).

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

Board of Directors in their meeting held in May, 2011 had re-constituted the Risk Management Committee comprising of Shri Debidas Datta, Independent Director (Chairman), Dr. Vinayshil Gautam, Independent Director, Shri Vinod Somani, Independent Director, Director Finance and Director Technical as members.

However, since the term of two Independent Directors viz Shri Vinod Somani, (Chairman) and Dr. Vinayshil Gautam, (member) was completed on 28th December, 2013 and the term of the third Independent Director i.e Shri Debidas Datta completed on 24.06.2014, Committee will be re-constituted once the Independent Directors are in position. The proposal for appointment/re-appointment of Independent Directors is under consideration of Ministry of Railways.

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

For control and directions of operations pertaining to currency risk management, Company has also constituted treasury Risk Management Committee comprising of Director Finance, 3 Executive Directors of operational units, General manager (Treasury / finance), Additional General Manager (Treasury / finance) and an external consultant / economist (as and when required). Actions taken with respect to currency risk management are informed to Board periodically.

The Company has introduced several improvements to integrated Enterprise Risk Management, Internal Controls Management and Assurance Frameworks and processes to drive a common integrated view of risks, optimal risk mitigation responses and efficient management of internal control and assurance activities. This integration is enabled by all three being fully aligned across Group wide Risk Management, Internal Control and Internal Audit Methodologies and processes.

PROPAGATION OF HINDI

In pursuance of Official Language policy of the Govt. of India (Ministry of Home Affairs, Official Language department) and the directions received from Railway Board from time to time, all round efforts were made to accelerate the progressive use of Hindi in official work of the Company. Important documents, such as Annual Report, MOU, Circulars, Office Orders and Minutes of various meetings were prepared and issued in bilingual form. On an annual basis, the orders re-issued individually to all Hindi proficient officers and employees of RITES to work in Hindi.

Rajbhasha Fortnight was organized smoothly from 15th September to 30th September, 2014. Competitions like, Noting and Drafting, Essay, Elocution and Typing on Computer were organized during this period, in which 81 officers and employees participated. Hindi books exhibition was held in library and Hindi workshop, Table Training and inspections of different departments were also conducted.



Rajbhasha Pakhwara: Inspection of Library

On 30.09.2014, 24 winners of various competitions and 105 winners of other incentive and reward schemes of Rajbhasha were awarded cash prizes and certificates. In addition to the head office, RITES various regional inspection offices and Project offices also organized Rajbhasha Fortnight.

During the year, 04 inspections regarding Progressive use of Hindi and 04 workshops in different Departments/Offices were conducted. Hindi books were purchased in the library. The quarterly meetings of Official Language Implementation Committee were held regularly in which progress of various items of Annual Programme of the Official Language Department, Ministry of Home Affairs were discussed and reviewed. Officers of RITES also participated in meeting of Official Language Implementation Committee (OLIC), Railway Board, Railway Hindi



Official Language Department of MHA joins in Award ceremony during Rajbhasha Pakhwara.

advisory committee and Town Official Language Implementation Committee (TOLIC) meetings regularly.

MEMORANDUM OF UNDERSTANDING

The company meets parameters for 'Excellent' rating in its performance evaluation under the MOU signed with the Ministry of Railways for the year under consideration (2014-15). However, communication from DPE in this regard is expected in due course.



Shri Rajeev Mehrotra, CMD-RITES and Shri P C Gajbhiye, Secretary Railway Board signing MOU for 2015-16

SCHEDULED CASTES, SCHEDULED TRIBES AND OTHER BACKWARD CLASSES

The company continued to give utmost importance to implementation of the policies and directives of the Government of India in matters relating to reservations in employment for candidates belonging to SC/ST/OBC and differently abled categories. During the year 2014-15, 137 employees have been inducted against regular post, out of which 59 belongs to SC/ST/OBC Categories. Similarly during the year 2014-15, 233 employees were inducted against contractual posts, out of which 99 belonged to SC/ST/OBC/ differently abled categories.

ISO 9001-2008 CERTIFICATION

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

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

CORPORATE GOVERNANCE & MANGEMENT DICUSSION AND ANALYSIS

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

EXTRACT OF THE ANNUAL RETURN AS PER SECTION 92 (3) OF THE COMPANIES ACT, 2013 has been placed at Annex-II PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURE

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

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

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

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

At present, there is no Independent Director on the Board of the Company. The position of two Independent Directors is lying vacant since 29/12/2013 and position of third Independent Director is lying vacant since 25/06/2014 and filling up of the same is under consideration of Ministry of Railways.

BOARD OF DIRECTORS AND NUMBER OF MEETINGS OF THE BOARD

Board of the Company comprises of 9 Directors viz 4 functional Directors including Chairman & Managing Director, two Government Nominee Directors and 3 Independent Non-Official Directors. The composition of the Board is in consonance with the Guidelines issued by DPE. As on 31st March, 2015, Company has six (6) Directors including four Functional Directors and two Government Nominee Directors.

At present, there is no Independent Director on the Board of the Company. The position of two Independent Directors is lying vacant since 29/12/2013 and position of third Independent Director is lying vacant since 25/06/2014 and filling up of the same is under consideration of Ministry of Railways. Shri S.B Malik has assumed the charge of Director Technical w.e.f 1/11/2014 vice Shri Sumit Sinha, Director Technical who has superannuated on 31/10/2014. Shri A.P Dwivedi, Executive Director (PSU & HS), Railway Board has been appointed as Government Nominee Director of the Company w.e.f 13/03/2015 vice Shri Pramod Sharma, who was on the Board of the Company till 30/09/2014. The Board met six (6) times during the year 2014-15.

The following Directors held office during the year:

Whole-time Directors

Shri Rajeev Mehrotra	Chairman and Managing Director
Shri Sumit Sinha	Director Technical (upto 31/10/2014)
Shri Arbind Kumar	Director Projects
Shri Ajay Kumar Gaur	Director Finance
Shri S.B. Malik	Director Technical (from 01/11/2014)

Government Nominee Directors

Shri Arvind Khare	Director (upto 30/04/2015)
Shri A.P. Dwivedi	Director (from 13/03/2015)

Shri Pramod Sharma Director (upto 30/09/2014)

Independent Director

Shri Debidas Datta Director (upto 24/06/2014)

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

Shri Rajeev Mehrotra	Chairman and Managing Director (CEO)
Shri Sumit Sinha	Director Technical (upto 31/10/2014)
Shri Arbind Kumar	Director Projects
Shri Ajay Kumar Gaur	Director Finance (CFO)
Shri S.B. Malik	Director Technical (from 01/11/2014)
Shri PT. Mittal	Company Secretary

AUDIT COMMITTEE OF DIRECTORS

The Board of Directors in their meeting held in May, 2011, reconstituted the Audit Committee comprising of Shri Vinod Somani, Independent Director (Chairman), Dr. Vinayshil Gautam, Independent Director, Shri Debidas Datta, Independent Director and Shri Sumit Sinha, Director (Technical) as members. Shri P.T Mittal, Company Secretary is the Secretary of the Audit Committee.

However, since the term of two Independent Directors viz Shri Vinod Somani, (Chairman) and Dr. Vinayshil Gautam, (member) completed on 28th December, 2013, Company re-constituted the Audit Committee comprising of one Independent Director, Shri Debidas Datta as Chairman, one Government nominee Director, Shri Pramod Sharma and Shri Sumit Sinha, Director Technical as Members in compliance with the provisions of Section 292A of the Companies Act, 1956 on 3rd March, 2014.

The term of the third Independent Director i.e Shri Debidas Datta completed on 24/06/2014. However, Company on 06/08/2014 re-constituted Audit Committee comprising of Shri Arvind Khare, Government Nominee Director (Chairman), Shri Pramod Sharma, Government Nominee Director and Shri Arbind Kumar, Director Projects as members. The term of Shri Pramod Sharma, Government Nominee Director got completed on 30.09.2014 and the term of one another Govt Nominee Official Director got completed on 30/04/2015 on reaching the age of Superannuation. Hence, at present, there is no Audit Committee. The same will be re-constituted once the Independent Director are in position, since, as per Companies Act, 2013, Audit Committee shall have minimum 3 Directors with majority of Independent Directors. The proposal for appointment/re-appointment of Independent Directors is under consideration of Ministry of Railways. The Audit Committee met three times during the financial year 2014-15.

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

As per the provisions of the Companies Act 2013 Nomination and Remuneration Committee shall have three or more Non Executive Directors, not less than half being Independent. As there is no Independent Director on the board of the Company, the matter of which is under the consideration of Ministry of Railways, the Committee will be constituted once the Independent Directors are in position.

DIRECTORS' RESPONSIBILITY STATEMENT UNDER THE COMPANIES ACT, 2013

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

- (a) In the preparation of the annual accounts the applicable accounting standards have been followed and there is no material departure from the same.
- (b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) The directors have prepared the annual accounts on a going concern basis; and
- (e) The directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and are operating effectively and
- (f) The directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

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

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

KNOWLEDGE MANAGEMENT SYSTEM

Knowledge Management System is a knowledge base of experts available and projects executed by various functional units/departments of RITES in different areas of expertise/ Key Professional Areas/ Sectors. Knowledge Management System

contains knowledge repositories formed by continuous updation of knowledge through collaboration and its access and sharing.

During the year 2014-15, the Knowledge base of the system was made stronger and effective by all the departments by regularly updating details of the new projects secured, status of on-going projects, new project reports submitted, enhancements in their experience sector wise. They also made use of the vast data bank system to extract information of experts /projects/project reports in a particular sector /discipline, department/functional unit etc.

Knowledge Management System has provided meaningful access to the RITES knowledge data warehouses/repositories. Knowledge Management System has helped RITES in effective working through sharing and re-use of knowledge and has managed knowledge as an asset for RITES.

ENVIRONMENTAL PROTECTION

The company is in consultancy services and is operating from various offices in India and abroad which have no significant impact on environment. Further, in rendering consultancy to its clients, it ensures that rules pertaining to the environmental protection are being followed in their projects.



CMD-RITES sharing the Plan of Action for implementation of Swachh Bharat Mission

RITES has installed Sewerage Treatment Plants (STP's) in both the office buildings at Gurgaon and the waste water is reused for horticulture. RITES has installed rain water harvesting system to recharge the ground water. All electronic waste is disposed off through authorised recyclers. Periodic inspections are carried out to ensure continued compliance of all relevant environmental rules.

CORPORATE SOCIAL RESPONSIBILITY & SUSTAINABILITY

Corporate Social Responsibility and Sustainability policy is our commitment to operate in economically, socially and environmentally sustainable manner that is transparent and ethical. It encourages engagement with the stakeholders in determining their needs and expectations. The stakeholders include employees, shareholders, investors, customers, clients, business associates, civil society groups, Centre/State/local government, communities, environment and society at large. A total of ₹ 7.90 crore was spent during 2014–15. Good image of RITES has been generated among the community. The underprivileged and economically weaker sections have also been benefitted from the activities.

The key CSR Initiatives taken up by RITES during FY 2014 – 15 include the following:

1. Providing clean energy services through Integrated Domestic Energy Systems (IDES) to rural communities in Bihar through TERI

RITES has taken up the CSR Project of providing Clean Energy Services through Integrated Domestic Energy



Sustainable Development: Reaching out to villages through Renewable Energy, Distt. Gaya, Bihar.

Systems (IDES) to Rural Communities in Bihar. The project provides household lighting through solar lights & improved cook stoves through forced draft mud stove in rural areas.

260 households spread over 4 villages: Sanda Village, Sahbara Village, Rasalpur Village and Bohiya Village, all in Block Tekari Distt. Gaya, Bihar have been the beneficiaries of this project resulting in improved illumination/ lighting.

2. Skill training of Persons with Disabilities (PwDs)

RITES joined hands with National Handicapped Finance and Development Corporation (NHFDC) for conducting the training of PwDs between 15-50 years of age with aim to make them capable and self-dependent through proper technical training in the field of traditional occupations and entrepreneurship.

This project addresses the thrust area of Promoting education, including special education and employment enhancing vocational skills especially among differently-abled.

3. Provision of assistive devices to Persons with disabilities (PwDs)

RITES has joined hands with ALIMCO to provide assistive devices to Persons with Disabilities (PwDs) in Bharatpur, Rajasthan. Various assistive aids such as tricycles, wheelchairs, crutches, walking sticks, rolator, Braille kits, hearing aids, multi-sensory inclusive educational developmental kits (MSIED) were provided to about 300 Persons with disabilities.

This project addresses the thrust area of promoting health care including preventive health care.



Enabling Persons with Disabilities through provision of assistive aids and preventive health care at Bharatpur, Rajasthan

4. Vehicles for Mid day meal programme for schools in Haryana- ISKCON Food Relief foundation - contribution of vehicles

RITES has partnered with ISKCON Food Foundation and Govt. of Haryana for a provision of 4 customized Vehicles for Govt's Mid Day Meal Program. Vehicles were flagged off on 2nd January, 2015 by Sh. Rajeev Mehrotra, CMD, Sh. A.K. Gaur, Director Finance, Sh. S. B. Malik, Director Technical & Sh. S.K. Luthra, ED / P & BD.



A collaborative effort of RITES, ISKCON and Govt. of Haryana: facilitating Mid day meal programme for schools in Haryana

This project addresses the thrust area of eradicating hunger, poverty and malnutrition.

5. Upgradation and strengthening of eye care services at Rama Krishna Mission, free TB clinic and medical centre New Delhi

RITES has supported Upgradation and strengthening of eye care services at free TB clinic and medical centre of Rama Krishna Mission, Karol Bagh, New Delhi. The objective is Restoration of high quality Fundus Fluorescein Angiography (FFA) services at subsidized rates for needy patients of Karol Bagh and adjacent areas of central Delhi, as well as from outside of Delhi having retinal vascular disease. The Clinic's services are availed of by middle and low income persons of Karol Bagh, and adjoining zones of Central Delhi district. Patients from outside Delhi also attend this Clinic.



Upgradation and strengthening of eye care services at medical centre of Rama Krishna Mission, New Delhi

This project addresses the thrust area of promoting health care including preventive health care for underprivileged and marginalized sections of society.

6. Heritage works at National Rail Museum, Delhi

RITES has carried out Heritage Works at National Rail Museum, New Delhi so as to promote this priceless national rail heritage for the benefit of future generations.

The major facelift and augmentation of facilities includes works in connection with augmentation of lighting & beautification of surroundings, landscaping, sitting arrangements, improvement of pathways to make them user friendly for visitors as well as disabled persons / staff, and installation of a musical fountain.



Protection of National Heritage: Facelift and augmentation works at National Rail Museum, New Delhi

This project addresses the thrust area of Protection of National Heritage, art and culture including restoration of buildings and sites of historical importance and works of art.

7. SOS Children's Villages

RITES CSR Initiatives for SOS Children's Villages of India include:

- Sponsoring of 2 Children's Caring Homes at Bhubaneswar & Kolkata



Children's Caring Homes at Bhubaneswar & Kolkata: joint effort of RITES and SOS

- Sponsoring Employment Linked Higher Education for 15 Youth under project Utkarsh enabling them to become self – reliant and Independent.

This project addresses the thrust area of setting up homes and hostels for orphans and promoting education, including special education and employment enhancing vocational skills especially among children from deprived sections of society.

8. Public Toilets at Gurgaon Railway Station

Compared to the influx of passengers and visitors to the station the public toilet facilities are disproportionately low. Objective of the project is to facilitate the passengers as well as the public visiting the Station. Providing this facility will greatly benefit people. The project has been conceived in consultation with Delhi division of Northern Railways. RITES has taken the initiative of setting up a public toilet complex within the premises of the Gurgaon Railway Station as part of Swachh Bharat Abhiyan.

This project addresses the thrust area of promoting health care including preventive health care and sanitation.

9. Swachh Vidyalaya Campaign – Provision of toilets

In line with Hon'ble Prime Minister's call for providing clean toilets in all schools across India with separate toilets for girls and improving the overall health, hygiene and sanitation in schools, RITES as part of its CSR Initiative has contributed funds to Swachh Bharat Kosh for provision of toilets in schools, as part of the "Swachh Vidyalaya Campaign".

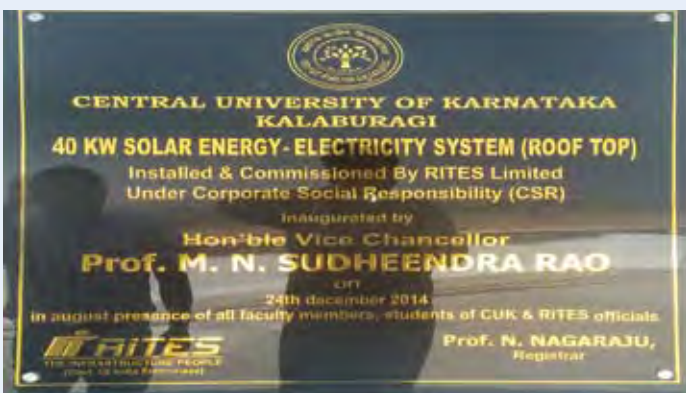
This project addresses the thrust area of Contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.

10. Solar power plant project & Harvesting of rainwater and its storage in a reservoir at Gulbarga, Karnataka

RITES has taken up the project of installing a 40 kWp Solar Power Plant as well as making provision for rain water harvesting and its storage in a reservoir in the campus of Central University of Gulbarga, Karnataka.



Promoting renewable energy: 40 kWp Solar Power Plant at Central University of Gulbarga, Karnataka



Promoting renewable energy: 40 kWp Solar Power Plant at Central University of Gulbarga, Karnataka

Gulbarga is a backward area with an acute shortage of water. RITES is setting up the campus of the Central University here. The area is water-starved and rainwater harvesting project would contribute to the needs of the area /local population resulting in satisfying basic needs of the community and thereby generating goodwill. The Solar Power Plant will result in renewable energy generation of about 25 kW.

This project addresses the thrust area of Ensuring environmental sustainability, ecological balance, conservation of natural resources.

11. Ambulance for Bharat Vikas Parishad, Ghazipur

RITES in association with Bharat Vikas Parishad (BVP) in Ghazipur, UP has provided an air-conditioned ambulance to provide prompt transport to local population, especially people from poor families for referral treatment to hospitals in Varanasi which is approx. 80 Kms from Ghazipur. Ghazipur does not have adequate medical centres to deal with accident victims and complicated maternity cases. It has only 3 ambulances to deal with population of approx. 30 lakhs. The Ambulance was flagged off by Sh. Manoj Sinha, MOSR on 25th December, 2014 at Ghazipur, UP.

This project addresses the thrust area of promoting health care including preventive health care.



Extending support in rural health care: provision of Advanced Ambulance, Ghazipur, U.P.

12. Vocational cum Skill Development Training Centre for backward area of Southern Rajasthan to generate alternative employment opportunity for Rural youth and Women, Vishvas Sansthan, Udaipur

Objective of setting up Vocational cum Skill Development Training Centre is socio-economic upliftment of the rural community through Skill Development and Vocational Training of the women and economically weaker sections of Rajasthan, covering the Districts of Banswara, Dungarpur, Udaipur which have been identified as backward areas by the Planning Commission. The beneficiaries mostly Rural Women and Youth from above mentioned districts include about 500 persons from SC/ST background. This project addresses the thrust area of promoting education, including special education and employment enhancing vocational skills especially among youth and women.



Vocational cum skill development centre at Udaipur

13. Construction of skill development centre and school complex at village Wazirpur, Manesar

To provide facility for vocational training and skill development among the economically backward under privileged section in village Wazirpur, Manesar, Haryana, construction of a school complex was undertaken by RITES in association with IRFC and Bharat Sevashram Sangh as one of the CSR Projects. The school was inaugurated on 7th December 2014, by Hon'ble President of India Shri Pranab Mukherjee.



CSR in education sector, a joint effort of RITES, IRFC and Bharat Sevashram: skill development centre and school complex at village Wazirpur, Manesar

This project addresses the thrust area of Promoting education, including special education and employment enhancing vocational skills especially among children.

14. Recruitment & retention of Voluntary blood donation for safe blood transfusion through education - phase II

RITES had undertaken a CSR project with Association of Voluntary Blood Donors, West Bengal to spread awareness regarding the importance of blood donation, as well as encourage volunteers to donate blood. This is achieved through Education Programme, District Level Certificate Course for Blood Donor Motivators and University / College Level Certificate Course, Blood Donation camps, Publications, Exhibitions.

The required information in respect of CSR Initiatives taken up by RITES during the year 2014-15 in the prescribed format has been placed at Annexure III.

HUMAN RESOURCES AND INDUSTRIAL RELATIONS

RITES is a Knowledge based Company, hence, nurturing and developing its human resources is critical, particularly as RITES is operating in a global environment.

RITES pursues a very progressive and dynamic manpower policy, sourcing professionals and experts with rich experience,



Annual Day 2015: Project Team for Turnkey project of ICF, Chennai being awarded



Annual Day 2015: Employee of the Year award

on deputation from Railways, Government & PSUs. This expertise is supplemented by market induction of qualified and knowledgeable personnel through open market and campus recruitment from premier institutes. Thus, the talent pool in RITES is vast, diversely experienced and professionally updated to meet emerging business needs.

As RITES business activities are growing, the flow of talent recruited from open market and on deputation from Government /PSUs has been a regular feature. 161 employees have been working in the company on deputation basis as on 31st March, 2015. Induction of GET's based on GATE Score has added further rigor in our recruitment. Further, 271 employees have been promoted to next level & 26 have been granted financial up-gradation. During the year 9839 man-days of training have been imparted. The career development of these personnel has been achieved through cadre review, modified promotion policy, competency mapping and appropriate strategies for professional



Inauguration of canteen facilities at ROC, Gurgaon.

excellence through capability building and resources mobilization. The professional development of Board-level incumbents has been ensured duly pursuing the MOU parameters and norms as laid down by DPE guidelines. We have also signed MOU with top academic institutions for developing customized training programs for our leadership team. The performance related payment scheme has been implemented to line the outcomes with the incentive scheme.



Hon'ble Minister of Railways inspected Solar Power Plant at Gurgaon Railway Station

RITES has maintained cordial relations with employees across levels and has promoted industrial peace through employees motivation measures, welfare and social security schemes and has ensured employees participation in management decision through regular dialogues with its consultative committee (CONCERT). A slew of these employees' oriented measures have made RITES a model employer in today's global competitive scenario.

To take care of post-retirement financial needs of the employees, a new pension scheme was prepared in terms of DPE Guidelines dated 26.11.2008 and 21.05.2014. The Scheme has been notified and is being implemented. A total number of 78 Super-speciality hospitals and Clinical Labs have been empanelled to provide cashless, CGHS/discounted rates for indoor treatment for employees and their dependent family members. Your Company aims to provide congenial and safe working atmosphere to women employees. On line grievance Redressal system is in place to attend to the staff grievances. The Company has a complaints committee for prevention of sexual harassment at work place.

ERP implementation of HR activities is under way to ensure data integrity and consistency. Workflow is being integrated to ensure easy availability of reports and information. Employee records are being scanned to create online images of different employee documents.

Our efforts have sustained RITES to be a vibrant and dynamic enterprise, become a market leader in infrastructure consultancy and have enabled RITES to achieve its targets year after year and meet the ever-growing expectations of its clientele.

IMPLEMENTATION OF RTI ACT, 2005

RTI Act, 2005, as an instrument for improving the system of Governance and a 'weapon of mass empowerment' has raised the expectations of all sections of the society.

In order to promote transparency and accountability in administration at RITES, the designate Public Information Officer (PIOs) and Assistant Public Information Officers (APIOs) at all Regional Inspection/Project Offices are entrusted with the responsibility of providing information to citizens requesting for the information under the Act. The APIOs are required under sub-

section 5(2) to receive all applications for information or appeals under the Act, and to forward these to the Public Information Officers (PIO) at Corporate Office, Gurgaon.

In RITES, during the year 2014-15, 178 RTI applications were responded to by the PIO and 44 appeals were disposed off by the First Appellate Authority. RITES also complied with the decision of the Hon'ble central Information Commission (CIC) in four second appeals.

Reduction in number of first appeals by 52% over the last year 2013-14 is a testimony of the adherence to the target dates set under various sections of the RTI Act, fulfillment of the obligations within the stipulated time period and the systematized record management in RITES.

EXHIBITIONS

RITES, as a part of business strategy, participates in specialized trade exhibitions with the objective of displaying its multifarious capabilities and to explore business opportunities in the transport and infrastructure sectors. These various expositions play an important role in building business linkages and providing exposure to numerous prospective clients, high level delegations and ministerial participation.

RITES participated in the following exhibitions:

- India manufacturing show (IMS) 2014, held from September 11, 2014 to September 13, 2014 at Bangalore International Exhibition Centre (BIEC), Bangalore.



Visitors to RITES stall during IMS 2014 at Bangalore International Exhibition Centre

- IMS, a premier trade fair for engineering companies provided a unique platform to RITES for exhibiting its profile, capabilities & experience, also enabling to interact with international and national audiences including global investors, diplomats, Government officials and industry stalwarts.
- RITES successfully projected its expertise in the field of transportation & infrastructure development and learnt from the best practices amongst its peers, business associates and competitors from the international arena.
- RITES participated in the 7th Vibrant Gujarat Summit, held during 11th to 13th January 2015 at Mahatma Mandir, Gandhinagar, Gujarat.

A visionary approach towards an all inclusive and sustainable development, the summit displayed strengths, progressive stand and initiatives taken by the Government to improve governance and investor friendly climate in the State.

Also, this summit has been an ideal convergence for other states and countries to showcase their strengths, highlight business opportunities, facilitate knowledge dissemination, etc., providing an attractive opportunity to RITES to understand the potential of Gujarat in various sectors.

Participation in these exhibitions provided RITES an ideal platform to interact with policy makers, industry leaders, global investors, diplomats and potential clients from all over the world. Various queries were received at these exhibitions from the potential clients, which were converted into leads and are being followed vigorously to convert it to business.

AWARDS

Company received following awards for its performance during the year 2014-15:

1. 'Cost Management' in 'Public Sector Large Category' for the year 2013 from the Institute of Cost Accountants of India. The award was presented by Shri Jayant Sinha, Honorable Minister of State for Finance on 25th November, 2014.
2. Special trophy for Excellence in Engineering Process Outsourcing services 2011-12 at the 44th EEPC India Regional Awards (Northern) for Export Excellence in recognition of RITES contributions in Design, Engineering And Project Management Consultancy services in India and abroad in the Transport and related Infrastructure sectors on 15th September, 2014.
3. "BT-STAR PSU Excellence Award 2014" on June 19, 2014 for the "PSU for outstanding performance in the non-Maharatna / Navratna category."

Apart from the above, Chairman and Managing Director, RITES Ltd. was honoured with Jindal Global Business School-Top rankers Excellence Award for Visionary Leadership on the occasion of the 16th National Management Summit in New Delhi on 16th January 2015.

AUDITORS

The Comptroller & Auditor General of India appointed the following as Statutory & Branch Auditors for the year 2014-15:

M/s AGIWAL & ASSOCIATES, Delhi	Statutory Auditors
M/s MAYRA & KHATRI, Mumbai	Branch Auditors for Western Region
M/s S.K. BHATTACHARIYA & Co., Kolkata	Branch Auditors for Eastern Region
M/s C.S.HARIHARAN & Co., Chennai	Branch Auditors for Southern Region

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

The qualifications in the Auditors' Report (Standalone) & Auditors' Report (Consolidated) and Management Replies are placed at Annexure-IV.

SECRETARIAL AUDITOR

The Board has appointed Mr. Akhil Rohatgi, Practicing Company Secretary, to conduct Secretarial Audit for the financial year 2014-15. The Secretarial Audit Report for the financial year ended March 31, 2015 has been placed at Annexure - V

The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

GENERAL

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

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

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

APPRECIATION

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

ACKNOWLEDGEMENTS

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

For and on behalf of Board of Directors



Place: Gurgaon
Dated: 13th August, 2015

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

Form No. AOC-2

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

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

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

RITES Limited has not entered into any contract or arrangement or transaction with its related parties which is not arm's length during financial year 2014-15.

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

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

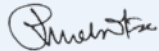
Particulars	1	2	3	4	5	6	7
(a) Name(s) of the related party and nature of relationship	RITES (Afrika) (Pty) Limited	RITES Infrastructure Services Limited (RISL)	Railway Energy Management Company Limited (REMCL)	Companhia Dos Caminhos De Ferro De Beira, SA, Beira, Mozambique (CCFB)	SAIL-RITES Bengal Wagon Industry Private Limited (SRBWIPL)	RICON	Geoconsult ZT GmbH – RITES (GC-RITES)
	Wholly Owned Subsidiary	Wholly Owned Subsidiary	Subsidiary (RITES shareholding 51% Indian Railway shareholding 49%)	Joint Venture of RITES, IRCON & Govt. of Mozambique (RITES shareholding 26%)	Joint Venture of RITES & SAIL (RITES shareholding 50%)	Joint Venture of RITES & IRCON (unincorporated Entity-RITES interest 51%)	Joint Venture of RITES & Geoconsult, Austria (unincorporated Entity-RITES interest 39.4%)
(b) Nature of contracts/ arrangements/ transactions	Supply of technical manpower for the purpose of construction supervision of road & airport projects in Botswana/ Rwanda	Planning, design and construction of bus terminal at Maltipatpur, Puri, Orissa.	Services of experts on man month basis for carrying day to day activities of the subsidiary company	Loan Agreement to meet arbitration expenses	<ul style="list-style-type: none"> Execution of Civil, electrical and Mechanical works required for setting up wagon manufacturing factory at Kulti with a production capacity of 1200 wagons per annum and rehabilitation of 300 wagons per annum. Short term loans 	Execute contracts to be awarded by CCFB, Mozambique (Joint venture of RITES, IRCON & Govt. of Mozambique).	Supply of man power in connection with detailed design consultancy and construction supervision of tunnel in the state of Manipur
(c) Duration of the contracts / arrangements/ transactions	Ongoing-standing arrangements.	From September, 2013 to be completed by July 2015.	Ongoing till subsidiary has its own employees.	On receipt of arbitration award or when funds are available with CCFB whichever is earlier.	<ul style="list-style-type: none"> Completion period of phase -I and Phase -II is 12 months from release of advance or handing over of encumbrance free land whichever is later. Phase -III all balance works in 18 months from the date of payment of advance or handing over of encumbrance free land, whichever is later. Till the equity portion of SAIL will be available and then the short term loan will be converted into equity. 	JV agreement shall remain valid till the term of concession agreement between CCFB and Government of Mozambique remain in force.	24 months from January, 2014.

(d) Salient terms of the contracts or arrangements or transactions including the value, if any:	RITES shall provide manpower at mutually agreed monthly rates. However, salary and related expenses incurred by RAPL on RITES personnel shall be adjusted from the amount payable to RITES.	Built up cost of project plus 7.5% of built up cost.	Expert services are charged on man month rates as being charged to other clients	CCFB shall repay the loan alongwith interest & other charges on receipt of arbitration award or when funds are available with CCFB whichever is earlier.	<ul style="list-style-type: none"> Built up cost of project plus 9% of built up cost. Same Interest rate that of Dena Bank, but rate of interest shall not be lower than the prevailing yield of 1 year, 3 year, 5 year or 10 year Govt. Security closest to the tenor of the loan till the equity portion of SAIL is also available and then the short term loan will be converted into equity. 	The working capital requirement of RICON, profit/loss arising from execution of the work (awarded by CCFB, Mozambique) will be shared by parties i.e. RITES and IRCON in the ratio of 51:49.	RITES shall provide manpower to Joint venture at mutually agreed monthly rates.
Transactions during the year	Consultancy Services: ₹ 0.24 crore.	<ul style="list-style-type: none"> Turnkey Construction Work: ₹ 5.37 crore. Incurred ₹ 1.32 crore as reimbursable. 	<ul style="list-style-type: none"> Consultancy Services: ₹ 1.30 crore. Incurred ₹ 0.05 crore as reimbursable. Equity participation: ₹ 10.20 crore 	Loan given: ₹ 7.40 crore (equivalent to US\$ 1.22 million).	<ul style="list-style-type: none"> Turnkey Construction Work: ₹ 22.90 crore. Short Term Loan given: ₹ 10 crore. Out of ₹ 10 crore, ₹ 2.90 crore has been converted into equity. Interest Income on short term loan: ₹ 0.30 crore. 	No Transaction during the year.	<ul style="list-style-type: none"> Consultancy Services: ₹ 1.09 crore. Incurred ₹ 0.07 crore as reimbursable.
(e) Date(s) of approval by the Board, if any: -				BOD approved the proposal on 20.12.2013	209th and 212th BOD Meeting held on 24th June, 2014 and 20th February, 2015 respectively.	Not Applicable	
(f) Amount paid as advances, if any:	NIL	NIL	NIL	NIL	NIL	NIL	NIL

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

Particulars	1	2	3	4	5	6
Name(s) of the related party and nature of relationship	Sh. Rajeev Mehrotra	Sh. Sumit Sinha	Sh. Arbind Kumar	Sh. Ajay Kumar Gaur	Sh. S.B. Malik	Sh. P.T. Mittal
	Chairman and Managing Director and Chief Executive Officer	Director Technical (upto 31/10/2014)	Director Project	Director Finance and Chief Finance Officer	Director Technical (from 01/11/2014)	Company Secretary
Remuneration for the year 2014-15 (₹)	32,95,383	20,32,447	30,20,604	28,03,479	13,30,312	23,26,663

Place: Gurgaon
Date : 13th August, 2015


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

**FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
As on financial year ended on 31.03.2015**

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

I. REGISTRATION & OTHER DETAILS:

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

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

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Export Sales		15%
2	Consultancy		58%
3	Quality Assurance		11%

III. Particulars of Holding, Subsidiary and Associate Companies

S. No.	Name and Address of the company	CIN/GLN	Holding / Subsidiary / Associate	% of Shares held	Applicable Section
1.	RITES Infrastructure Services Ltd (Wholly owned subsidiary of RITES Ltd) Registered office: SCOPE Minar, Laxmi Nagar Delhi-110092	CIN: U45200DL2010GOI202067	Wholly Owned Subsidiary	100%	Under Section- 2(87) of the Companies Act, 2013
2.	Railway Energy Management Company Ltd (REMCL) Registered office: SCOPE Minar, Laxmi Nagar Delhi-110092	CIN: U93000DL2013GOI256661	Subsidiary	51%	Under Section - 2(87) of the Companies Act, 2013
3.	RITES AFRIKA (PTY) LIMITED, BOTSWANA	-	Wholly Owned Subsidiary-Abroad	100%	Under Section - 2(87) of the Companies Act, 2013
4.	SAIL- RITES Bengal Wagon Industry Private Ltd, Registered office: SCOPE Minar, Laxmi Nagar Delhi-110092	CIN: U35200DL2010PTC211955	JVC of SAIL & RITES	50%	Under Section - 2(6) of the Companies Act, 2013
5.	RICON, India	-	Unincorporated Joint Venture.	51% (Share of interest)	-

S. No.	Name and Address of the company	CIN/GLN	Holding / Subsidiary / Associate	% of Shares held	Applicable Section
6.	Companhia Dos Caminhos De Ferro De Beira, SA Beira (CCFB), Mozambique	-	Joint Venture.	26%	Under Section - 2(6) of the Companies Act, 2013
7.	Geoconsult ZT GmbH-RITES, India	-	Unincorporated Joint Venture.	39.40% (Share of interest)	-

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

I) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter's									
(1) Indian									
a) Individual/ HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	9.998 Cr	0.002 Cr	10 Cr	100%	9.998 Cr	0.002 Cr	10 Cr	100%	Nil
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A)	9.998 Cr	0.002 Cr	10 Cr	100%	9.998 Cr	0.002 Cr	10 Cr	100%	Nil
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto ₹1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Non Resident Indians	-	-	-	-	-	-	-	-	-
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	-	-	-	-	-	-	-	-	-
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	9.998 Cr	0.002 Cr	10 Cr	100%	9.998 Cr	0.002 Cr	10 Cr	100%	Nil

II Shareholding of Promoters

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholder's Name	Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	President of India	99980000	99.98	0	President of India	99980000	99.98	0	0
2	Sh. Arunendra Kumar, Chairman Railway Board , Rly Board	9000	0.009	0	Sh. A K Mital Chairman Railway Board, Rly Board	9000	0.009	0	0
3	Sh Rajendra Kashyap, Financial Commissioner, Rly Board	9000	0.009	0	Smt Rajalakshmi Ravikumar, Financial Commissioner, Rly Board	9000	0.009	0	0
4	Sh. Subodh Jain, Member Engineering, Rly Board	500	0.0005	0	Sh. V.K.Gupta, Member Engineering, Rly Board	500	0.0005	0	0
5	Sh. Alok Johari Mechanical, Rly Board	500	0.0005	0	Sh. Hemant Kumar Member Mechanical, Rly Board	500	0.0005	0	0
6.	Sh. A.K.Rawal, Additional Member Planning, Rly Board	500	0.0005	0	Sh. A.K.Rawal, Additional Member Planning, Rly Board	500	0.0005	0	0
7.	Sh. Pramod Sharma, Executive Director (PSU) Rly Board	500	0.0005	0	Sh. A.P.Dwivedi, Executive Director (PSU & HS) Rly Board	500	0.0005	0	0
	Total	100000000	100%	-	Total	100000000	100%	-	-

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

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

SN	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	NA	NA	NA	NA
2	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):	-	-	-	
3	At the end of the year	NA	NA	NA	NA

IV Shareholding Pattern of top ten Shareholders: (Other than Directors, Promoters and Holders of GDRs and ADRs):

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

V Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year Sh. Pramod Sharma, ED (PSU) Raliway Board	500	0.0005	-	-
2	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	09.03.2015 (Transafer of Shares)	-	-	
3	At the end of the year Sh. A.P. Dwivedi, ED (PSU& HS), Raliway Board	500	0.0005	500	0.0005

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

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

VII REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

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

S. No.	Particulars of Remuneration	Name of MD/WTD/ Manager					Total Amount
		Sh. Rajeev Mehrotra CMD & CEO	Sh. Sumit Sinha DT (Up to 31/10/2014)	Sh. Arbind Kumar DP	Sh. Ajay Kumar Gaur DF & CFO	Sh. S.B.Malik DT (from 1/11/2014)	
1	Gross salary	₹	₹	₹	₹	₹	₹
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3239463	1726025	2619603	2771079	1315233	11671403
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	55920	306422	401001	32400	15079	810822
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-	-	-
2	Stock Option	-	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-	-
4	Commission - as % of profit - others, specify	-	-	-	-	-	-
5	Others, please specify	-	-	-	-	-	-
	Total (A)	3295383	2032447	3020604	2803479	1330312	12482225
	Ceiling as per the Act						

B. Remuneration to other directors

S. No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Shri Debidas Datta (upto24/06/2015)	-	-	
1	Independent Directors	₹			₹
	Fee for attending board committee meetings				
	• Board Meetings (Two)	40000			40000
	• Audit Committee (Two)	35000			35000
	• Sustainable Development Committee (Two)	35000			35000
	Commission	-			-
	Others, please specify	-			-
	Total (1)	110000			110000
2	Other Non-Executive Directors				
	Fee for attending board committee meetings	-			
	Commission	-			
	Others, please specify	-			
	Total (2)				
	Total (B)=(1+2)	110000			110000
	Total Managerial Remuneration (A+B)				12592225
	Overall Ceiling as per the Act				

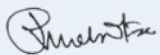
C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

SN	Particulars of Remuneration	Key Managerial Personnel		
		Sh. P. T. Mittal Company Secretary (CS)		Total
1	Gross salary	₹	-	₹
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2326663		2326663
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-		-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-		-
2	Stock Option	-		-
3	Sweat Equity	-		-
4	Commission	-		-
	• as % of profit	-		-
	others, specify...	-		-
	Total	2326663		2326663

VIII PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

Place: Gurgaon
Date : 13th August, 2015


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



Facelift and augmentation works at National Rail Museum, New Delhi

CSR projects for FY 2014 -15:

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

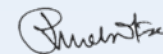
1	2	3	4	5	6	7	8
S. No.	CSR project or activities identified	Sector in which the project is covered	projects or programs 1. Local area or other 2. Specify the State and district where the projects or programs was undertaken	Amount outlay (budgeted) project or programs wise (Amount ₹ in Lakhs)	Amount spent on the projects or programs Sub - heads: (1) Direct expenditure on the projects or programs (2) Overheads ₹ In lakhs	Cumulative expenditures upto the reporting period ₹ In lakhs	Amount spent: Direct or through implementing agency ₹ In lakhs
1.	Vocational cum Skill Development Training Center for backward area of Southern Rajasthan to generate alternative employment opportunity for Rural youth and Women, Vishvas Sansthan, Udaipur.	promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects	Other, Udaipur (Rajasthan)	130.5	116.00	116.00	116.00
2.	Harvesting of rainwater and its storage in a reservoir & Renewable energy (solar power plant) project at Gulbarga, Karnataka	ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water	Other, Gulbarga (Karnataka)	109.80734	109.80734	225.80734	109.80734
3.	Tree plantation and preservation of green cover along sector road, Gurgaon- central verge	ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water	Local area	36.50	17.41374	243.22108	17.41374
4.	Construction of skill development centre and school complex at village Wazirpur, Manesar -complete 3rd floor (contd. From 2011-12 and 2012-13) : provision of furniture	promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects	Local area	23.75	23.75	266.97108	23.75
5.	Construction of Asian Institute of Transport Development , Dwarka Delhi	promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects	Local area	25.00	25.00	291.97108	25.00

1	2	3	4	5	6	7	8
S. No.	CSR project or activities identified	Sector in which the project is covered	projects or programs 1. Local area or other 2. Specify the State and district where the projects or programs was undertaken	Amount outlay (budgeted) project or programs wise (Amount ₹ in Lakhs)	Amount spent on the projects or programs Sub - heads: (1) Direct expenditure on the projects or programs (2) Overheads ₹ In lakhs	Cumulative expenditures upto the reporting period ₹ In lakhs	Amount spent: Direct or through implementing agency ₹ In lakhs
6.	Solar panel 7.5 kWp at Gurgaon Rly. Stn. Platform shelter (additional on the existing 25 kWp)	ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water	Local area	7.60	7.60	299.57108	7.60
7.	Recruitment & retention of Voluntary blood donation for safe blood transfusion through education - phase II	eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water	Other, Kolkata (West Bengal)	12.50	12.50	312.07108	12.50
8.	SOS children's villages : sponsoring 2 children's homes @ ₹ 7 lacs per home and 15 youth for employment linked higher education @ ₹ 40000/- per youth	eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water	Local area	20.00	27.37188	339.44296	27.37188
9.	Toilet at Gurgaon Rly. Stn.	ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water	Local area	93.05	27.46317	366.90613	27.46317
10.	Upgradation and strengthening of eye care services at Rama Krishna Mission, free TB clinic and medical centre New Delhi	eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water	Local area	22.80	19.32096	386.22709	19.32096
11.	Heritage works at National Rail Museum, Delhi	protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts:	Local area	51.08349	51.08349	437.31058	51.08349
12.	Providing clean energy services through Integrated Domestic Energy Systems (IDES) to rural communities in Bihar through TERI	ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water	Other, Gaya (Bihar)	30.00	29.93535+ 0.08826	467.24593 467.33419	29.93535 ₹ 8826.00

1	2	3	4	5	6	7	8
S. No.	CSR project or activities identified	Sector in which the project is covered	projects or programs 1. Local area or other 2. Specify the State and district where the projects or programs was undertaken	Amount outlay (budgeted) project or programs wise (Amount ₹ in Lakhs)	Amount spent on the projects or programs Sub - heads: (1) Direct expenditure on the projects or programs (2) Overheads ₹ In lakhs	Cumulative expenditures upto the reporting period ₹ In lakhs	Amount spent: Direct or through implementing agency ₹ In lakhs
13.	Contribution of funds for Skill training of Persons with Disabilities (PwDs)	promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects	Local area	30.00	30.00	497.33419	30.00
14.	Contribution of funds for Distribution of assistive devices to Persons with disabilities (PwDs) (ALIMCO)	eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water	Other, Bharatpur (Rajasthan)	25.19486	25.19486	522.52905	25.19486
15.	Vehicles for Mid day meal programme for schools in Haryana- ISCKON Food Relief foundation - contribution of vehicles	eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water	Local area	25.00	20.29872	542.82777	20.29872
16.	Swachh Vidyalaya Camping – provision of toilets in schools	eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water – including contribution to Swachh Barat Kosh	Other	100.00	100.00	642.82777	100.00
17.	Air Condition Ambulance for Bharat Vikas Parishad (BVP), Ghazipur (U.P).	eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water	Other, Bharatpur (Rajasthan)	12.05	9.95045	652.77822	9.95045
Previous year projects (continued)							
18.	(a) Rehabilitation on Haldia Bank on river Haldia on Haldia side (WB). (b) Construction of new Jetty on Nandigram bank of Haldia river, Nandigram (WB)	Rural development	Other, Nandigram (WB)	60	20.00	672.77822	20.00
19.	Khanpur Ghati girls' residential school complex, Mewat.	promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects	Local area	270	68.00	740.77822	68.00

1	2	3	4	5	6	7	8
S. No.	CSR project or activities identified	Sector in which the project is covered	projects or programs 1. Local area or other 2. Specify the State and district where the projects or programs was undertaken	Amount outlay (budgeted) project or programs wise (Amount ₹ in Lakhs)	Amount spent on the projects or programs Sub - heads: (1) Direct expenditure on the projects or programs (2) Overheads ₹ In lakhs	Cumulative expenditures upto the reporting period ₹ In lakhs	Amount spent: Direct or through implementing agency ₹ In lakhs
20.	Supply & Installation of STP Capacity 70 KLD in RITES Bhawan, Plote No. - 1, Sector - 29,Gurgaon.	ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water	Local area	38.22	8.37582	749.15404	8.37582
21.	Construction of the Resource Center for age care management counseling by health medical professionals, Patiala Wellness Centre (Phase-B.Part-II), Village rongla, Punjab	eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water	Other, Rongla, Punjab	49	2.44449	751.59853 = (A)	2.44449

Place: Gurgaon
Date : 13th August, 2015



(Rajeev Mehrotra)

Chairman & Managing Director & Chief Executive Officer

Other CSR Expenditure in FY 2014 – 15

S. No.	Description	Amount in ₹	Remarks
1	TALWAR HOSIERY INDUSTRIES	104422.50	Purchase of sweat shirts for distribution in SOS Children Villages of India on Children's Day
2	POOJA PRINTERS	148015.00	For Publication of RITES CSR Compendium.
3	STANDING CONFERENCE OF PUBLIC ENTERPRISES	54000.00	Publishing of RITES CSR in SCOPE Compendium.
4	LIVeweek BUSINESS	50000.00	Publishing of RITES CSR in CSR Good BOOK by Liveweek..
5	INSTITUTE OF PUBLIC ENTERPRISE	9000.00	Training Program on CSR
6	EA WATER PVT. LTD.	12000.00	Training Program on CSR
7	INDIAN SOCIETY OF LIGHTING ENGINEERS	6674.97	Training Program on CSR
8	NATIONAL REAL ESTATE DEVELOPMENT	6000.00	Training Program on CSR
9	JITENDERA TRAVELS	15206.00	Travel expense for RITES CSR camp.
10	STENLEY ISAAC	5500.00	Photography expense on CSR projects.
11	STUDIO SABHARWAL	9242.00	Photography expense on CSR projects
12	MOHAN PHOTOSTATS (REGD.)	4654.76	Photocopy expense on CSR projects.
13	INTERNATIONAL MANAGEMENT INSTITUTE	46000.00	Training Program on CSR
14	SALARY STAFF OF CSR TEAM	3333139.06	Salary of RITES CSR team personnel.
	EXCEL ROUNDING OFF DIFF	0.71	
	TOTAL(B) (S. No. 1 to 14)	3803855.00	
	Grand Total (Amount in Lakhs) = A + B	789.63708	

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

(₹ in Crore)

PARTICULARS	2014-15	2013-14	2012-13	2011-12
PROFIT BEFORE TAX	456.10	386.09	345.07	255.98
CSR	7.90	5.32	6.44	3.80
PBT BEFORE CSR(A)	464.00	391.41	351.51	259.78
TOTAL OF THREE YEARS (B)	1206.92	1002.70		
AVERAGE (C) (B/3)	402.31	334.23		
2% OF (C)	8.05	6.68		
ROUND OFF FIGURES	8.10	6.70		
FOR	2015-16	2014-15		

rites CSR & Suitainability Policy

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

COMPOSITION OF CSR COMMITTEE

COMPOSITION OF THE BOARD LEVEL COMMITTEE

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

Shri Arvind Khare, Govt. Nominee Director : Chairman

Shri Arbind Kumar, Director (Projects) : Member

Shri Ajay Gaur, Director (Finance) : Member

Shri S.B. Malik, Director (Technical) : Member

Shri Arvind Khare, Govt. Nominee Director retired on 30.04.2015 on reaching the age of superannuation. The CSR committee will be reconstituted once the Independent Directors are in position, since as per Section 135(i) of Companies Act 2013, CSR Committee shall consist of three or more Directors, out of which atleast one Director shall be an Independent Director. The proposal regarding appointment / re-appointment of Independent Directors is under the consideration of Ministry of Railways.

The qualifications in the Auditors' Report (Standalone) & Auditors' Report (Consolidated) and Management Replies are as under :

Standalone

Auditor's Observations	Management Reply
Standalone financial statements comply with the accounting standards referred to in section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014 except regarding Accounting Standard 11 "Effects of changes in Foreign Exchange Rates" as referred to in para no. 2.43.5, 2.43.6 & 2.43.7 of notes to accounts of the financial statements; resulting in non-recognition of exchange gain and understatement of the profit before tax by ₹ 5.60 crore (previous year ₹ 10.34 crore) for the year, long term loan & advances by ₹ 32.51 crore (previous year ₹ 27.30 crore) and other non-current assets by ₹ 2.50 crore (previous year ₹ 2.11 crore) as on 31st March, 2015	The reply to Auditors observation is contained in para 2.43.5, 2.43.6 & 2.43.7 of notes to accounts which has been referred by auditors in their observation also.

Consolidated

	Auditor's Observations	Management Reply
1.	In the case of one of the joint venture entities, the long term lease against land of 15.43 acres has not been executed between Steel Authority of India Ltd. and the entity as per the joint venture agreement entered on 14.09.2010 between Steel Authority of India Ltd and RITES Ltd as of now- Refer note no. 2.51.2 to the consolidated financial statements.	Long term lease has since been executed.
2	During the year in the case of one of the joint venture entities, SAIL has raised invoice of ₹ 2.45 crore to SRBWIPL (entity), which is not accepted by the entity. As per the Joint Venture agreement. "SAIL shared facilities and support services agreement" would need to be executed by the SAIL and the entity and before execution of the agreement, the same need to be approved by BOD of the entity. Till date the "SAIL shared facilities and support services agreement" has not been approved by the BOD, hence in view of the management of the entity there can be no ground for considering/acceptance of the dues of ₹ 2.45 crore as mentioned by SAIL- Refer note no. 2.52.2 to the consolidated financial statements.	SAIL RITES BENGAL WAGON INDUSTRIES PVT. LTD. (SRBWIPL) (JV of SAIL & RITES) has not accepted the invoice of SAIL amounting to ₹ 2.45 crore pending execution of "shared facilities and support services agreement" between SRBWIPL & SAIL.
3	Holding company, its subsidiary companies and jointly controlled companies have not taken any term loan except one of the joint venture companies has availed term loan during the period under report, which was applied for the purposes for which loan was obtained except proportionate amount of interest due considered for consolidation of ₹ 1.39 crore during the year, has been paid by the joint venture company from the amount of the loan itself.	One of the condition of approval of loan was repayment of interest.

For and on behalf of the Board


Ajay K. Gaur
 Director Finance
 and
 Chief Finance Officer


Rajeev Mehrotra
 Chairman & Managing Director
 and
 Chief Executive Officer


P.T. Mittal
 Company Secretary

Place : Gurgaon

Dated : 13th August, 2015

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st March 2015
[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies
(Appointment and Remuneration Personnel) Rules, 2014]

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by RITES Limited for the financial year ended on 31st March, 2015 according to the provisions of:

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

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

1. The Company was not having required number of Independent Directors in terms of Rule 4 of 'the Companies (Appointment and Qualifications of Directors) Rules, 2014 and DPE Guidelines. There was only one Independent Director on the Board of the Company who ceased to be Director w.e.f 25/06/2014 on completion of his tenure as Director and thereafter no Independent Director was appointed. The Company has already sent a proposal for appointment of adequate number of Independent Directors to its Administrative Ministry i.e Ministry of Railways.
2. There was no / duly constituted Audit Committee for want of Independent Directors as required under Section 177 of the Companies Act, 2013 Rule 12.6 of the Companies (Meeting Board & its Powers) Rules and DPE Guidelines. As stated above the proposal for Appointment of Independent Directors is under consideration of Ministry of Railways.
3. Nomination & Remuneration Committee was not in position for want of Independent Directors in terms of Section 178 of the Companies Act, 2013 read with Rule 12.6 of the Companies (Meeting Board & its Powers) Rules and DPE Guidelines. As stated above a proposal for appointment of Independent Directors is pending with Ministry of Railways.

4. The Company is not having woman director on its Board as required under section 149(1) read with rule 11.3 of the 'Appointment and Qualifications of Directors'. The proposal for appointment of Woman Director is under consideration with Ministry of Railways.
5. Meeting of Independent directors, as required under Schedule IV of the Companies Act 2013, has not been held in the absence of Independent Directors on the Board of the company. A proposal for appointment of Independent Directors is pending with the Ministry of Railways.
6. We further report that the Board is duly constituted with proper balance of Executive Directors, and Non Executive Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. However, we report that there was only one Independent Director on the Board of the Company who ceased to be Director w.e.f 25.06.2014 on completion of his tenure as Director and thereafter no Independent Director was appointed. The Company has already written to its Administrative Ministry i.e Ministry of Railways for appointment of appropriate number of Independent Directors on the Board of the Company.

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

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

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

For Akhil Rohatgi & Co.



(Akhil Rohatgi)

Company Secretary in Practice

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

Place : New Delhi
Date : 13th August, 2015

To,
The Members,
RITES Limited.

Scope Minar, Laxmi Nagar Delhi-110092

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

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

For Akhil Rohatgi & Co.



(Akhil Rohatgi)

Company Secretary in Practice

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

Place : New Delhi
Date : 13th August, 2015

Annexure – ‘A’

REPORT ON CORPORATE GOVERNANCE

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

1. Company’s Philosophy on the code of Governance

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

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

2. Board of Directors:

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

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

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

As on 31st March, 2015, Company has six (6) Directors including four Functional Directors and two Government Nominee Directors

At present, there is no Independent Director on the Board of the Company, the position of two Independent Directors is lying vacant since 29.12.2013 and position of one Independent Director is lying vacant since 25.06.2014 and filling up of the same is under consideration of Ministry of Railways.

Shri S.B Malik has assumed the charge of Director Technical w.e.f 01.11.2014

Shri AP Dwivedi, Executive Director (PSU & HS), Railway Board has joined the Board of the Company as Government Nominee Director w.e.f 13.03.2015.

2.1 Composition of the Board of Directors

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

S. No.	Name and Designation	Category of Directors	No. of other Directorship*	No. of Committee Membership**	
				As Chairman	As Member
1.	Shri Rajeev Mehrotra Chairman & Managing Director	Whole Time	1 (RITES Nominee)	Nil	Nil
2.	Shri Sumit Sinha Director Technical (upto 31.10.2014)	Whole Time	Nil	Nil	Nil
3.	Shri Arbind Kumar Director Projects	Whole Time	1 (RITES Nominee)	Nil	1
4.	Shri Ajay Kumar Gaur Director Finance	Whole Time	1 (RITES Nominee) Upto 20.08.2014	Nil	Nil
5.	Shri S.B Malik Director Technical (from 01.11.2014)	Whole Time	Nil	Nil	Nil
6.	Shri Debidas Datta Director (upto 24.06.2014)	Independent	2	Nil	Nil
7.	Shri Pramod Sharma Director (upto 30.09.2014)	Govt. Nominee	Nil	Nil	Nil
8.	Shri Arvind Khare Director	Govt. Nominee	Nil	Nil	Nil
9.	Shri A.P Dwivedi Director (from 13.03.2015)	Govt. Nominee	Nil	Nil	Nil

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

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

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

2.2 Brief Resume of Directors who joined the Board as Whole - time / Part - time Directors during the year 2014-15:

- Mr. S B Malik**- 58 years, is our Director Technical, heading a multi-disciplinary team of engineers, professionals, experts providing detailed consultancy services in the railway, exports, and quality assurance sectors. He joined RITES in the year 2000 and held positions of GM/GGM/ED. He has a vast and varied experience of working for Railways projects in India and abroad in Iran. Before joining RITES, he was working in Central Organisation for Modernisation of Workshops (COFMOW) of Indian Railways. Mr. Malik belongs to IRSME batch of 1980 and has about 35 years of experience of serving in the Indian Railways and RITES. As a Mechanical Engineers he has

rich and wide experience of handling Railways Projects - planning, design, bid process management, project management, quality assurance, rolling stock design, ropeways and industrial engineering, Railway workshops, loco leasing, operations & maintenance and export of rolling stock. Besides, he has rich experience of technical studies of many railway mechanical engineering projects - both domestic and international. He assumed the charge of Director Technical w.e.f. 1st November, 2014.

- 2. Mr. A P Dwivedi-** 51 years, is our Government Nominee Director. He has done Civil Engineering from IIT, Delhi, joined Indian Railways Service of Engineers (IRSE) in March 1989 and held various positions i.e. AEN, DEN, Sr.DEN, Dy.Chief Engineer (Construction), Secretary to General Manager, Chief Engineer (Construction) at various places like Asansol, Mughalsarai, Kolkata. He has rich and wide experience of more than 25 years of handling Railway maintenance, construction projects and administration. Presently, he is working as Executive Director (PSU & HS), Railway Board since October 2014. He joined our Board on 13.03.2015.

2.3 Number of Board Meetings:

The Board met six times during the year 2014-15 to review the working of the Company and discuss the future plans etc.

S. No.	Name and Designation	Board Meetings during the year		Attendance at the last AGM held on 25th September, 2014
		Held during tenure	Attended	
1.	Shri Rajeev Mehrotra Chairman & Managing Director	6	6	Present
2.	Shri Sumit Sinha Director Technical (upto 31.10.2014)	3	2	Absent
3.	Shri Arbind Kumar Director Projects	6	6	Present
4.	Shri Ajay Kumar Gaur Director Finance	6	6	Present
5.	Shri S.B Malik Director Technical (from 01.11.2014)	3	3	NA
6.	Shri Debidas Datta Director (upto 24.06.2014)	2	2	NA
7.	Shri Pramod Sharma Director (upto 30.09.2014)	3	3	Present
8.	Shri Arvind Khare Director	6	5	Present
9.	Shri AP Dwivedi Director (from 13.03.2015)	1	1	NA

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

3. Code of Conduct:

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

All Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for the year ended 31st March, 2015 and a declaration to this effect signed by the Chairman and Managing Director is placed as Annexure – 2 to this report.

4. Committees of the Board of Directors:

4.1 Audit Committee:

The Board of Directors in their meeting held in May, 2011, reconstituted the Audit Committee comprising of Shri Vinod Somani, Independent Director (Chairman), Dr. Vinayshil Gautam, Independent Director, Shri Debidas Datta, Independent Director and Shri Sumit Sinha, Director (Technical) as members. Shri P.T Mittal, Company Secretary is the Secretary of the Audit Committee.

However, since the term of two Independent Directors viz Shri Vinod Somani, (Chairman) and Dr. Vinayshil Gautam, (member) got completed on 28th December, 2013, Company by circulation of papers re-constituted the Audit Committee comprising of one Independent Director, Shri Debidas Datta as Chairman, one Government nominee Director, Shri Pramod Sharma and Shri Sumit Sinha, Director Technical as Members in compliance with the provisions of Section 292A of the Companies Act, 1956 w.e.f 3rd March, 2014 which was ratified by the Board in its meeting held on 14.03.2014.

The term of the third Independent Director i.e Shri Debidas Datta got completed on 24.06.2014. However, Company by circulation of papers on 06.08.2014 had constituted Audit Committee comprising of Shri Arvind Khare, Government Nominee Director (Chairman), Shri Pramod Sharma, Government Nominee Director and Shri Arbind Kumar, Director Projects as members. Shri Pramod Sharma, Government Nominee Director, no longer continues to be on the Board of the Company w.e.f 30.09.2014. Hence, at present, there is no Audit Committee. The same will be re-constituted once the Independent Director are in position, since, as per Companies Act, 2013, Audit Committee shall have minimum 3 Directors with majority of Independent Directors. The proposal for appointment/re-appointment of Independent Directors is under consideration of Ministry of Railways.

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

- ✓ Oversight of the Company's financial reporting process and the disclosures of its financial information to ensure that the financial statements are correct, sufficient and credible;
- ✓ Recommending to the Board regarding the fixation of audit fees;
- ✓ Approval of payment to statutory auditors for any other services rendered by them;
- ✓ Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to;
 - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause(2AA) of section 217 of the Companies Act, 1956;
 - Changes, if any, in accounting policies and practices and reasons for the same;
 - Major accounting entries involving estimates based on the exercise of judgment by management;
 - Significant adjustments made in the financial statements arising out of audit findings;

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

- Significant findings during the year, including the status of previous audit recommendations.
- Any difficulty encountered during audit work including any restrictions on the scope of activities or access to required information.

- ✓ Approval of related party transaction.
- ✓ Scrutiny of inter corporate loans and investment.
- ✓ Valuation of undertaking or assets of the company.
- ✓ Evaluation of internal financial control and mismanagement system.
- ✓ Monitoring the end use of funds raised through public offers.
- ✓ Carrying out any other function as mentioned in the terms of reference of the Audit Committee.

4.3 Meetings of Audit Committee:

The Audit Committee met three times during the financial year 2014-15 on 30th May, 2014, 24th June, 2014, and 20th August, 2014. The attendance of each member at Audit Committee meetings is as under:

Member	Status	Audit Committee meeting held during the year 2014- 15	
		Held during tenure	Attended
Shri Debidas Datta (upto 24th June, 2014)	Member / Chairman	2	2
Shri Sumit Sinha (upto 5th August, 2014)	Member	2	2
Shri Pramod Sharma (from 3rd March, 2014)	Member	3	3
Shri Arvind Khare (from 6th August, 2014)	Chairman	1	1
Shri Arbind Kumar (from 6th August, 2014)	Member	1	1

4.4 Powers of Audit Committee:

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

5. Remuneration Committee:

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

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

In accordance of these guidelines, the Board of Directors in their meeting held in October, 2011, re-constituted

Remuneration Committee comprising of Dr. Vinayshil Gautam, Independent Director (Chairman), Shri Vinod Somani, Independent Director and Shri Debidas Datta, Independent Director as members.

However, since the term of two Independent Directors viz Shri Vinod Somani, (Chairman) and Dr. Vinayshil Gautam, (member) was completed on 28th December, 2013. The term of the third Independent Director i.e Shri Debidas Datta got completed on 24.06.2014. Committee will be re-constituted once the Independent Directors are in position. The proposal for appointment/re-appointment of Independent Directors is under consideration of Ministry of Railways. No meeting of Remuneration committee was held during the year 2014-15.

Details of Remuneration of Functional Directors of the Company during the year 2014-15 are as under:

Name of Director	Salary (₹)	Benefits (₹)	Bonus/Commission Ex-gratia (₹)	Performance linked incentives (2014-15) (₹)	Stock option during the year (₹)	Total (₹)
Shri Rajeev Mehrotra Chairman & Managing Director	32,39,463	55,920	-	-	-	32,95,383
Shri Sumit Sinha Director Technical (Upto 31.10.2014)	17,26,025	3,06,422	-	-	-	20,32,447
Shri Arbind Kumar Director Projects	26,19,603	4,01,001	-	-	-	30,20,604
Shri Ajay Gaur Director Finance	27,71,079	32,400	-	-	-	28,03,479
Shri S.B Malik Director Technical (From 01.11.2014)	13,15,233	15,079	-	-	-	13,30,312

The Independent Directors were paid sitting fee of ₹ 17,500/- for attending Committee meetings and ₹ 20,000 for attending Board meeting.

Details of payments towards sitting fees to Independent Directors during the financial year 2014-15 are as under:

Name of the Independent Non-Official Directors	Sitting Fees*			Total (₹)
	Board Meeting (₹)	Audit Committee Meeting (₹)	Sustainable Development Committee Meeting (₹)	
Shri Debidas Datta (Upto 24.06.2014)	40,000	35,000	35,000	1,10,000
Total	40,000	35,000	35,000	1,10,000

*Gross fees excluding Tax Deducted at Source as per applicable Tax Laws and Rules.

6. Risk Management Committee:

Board of Directors in their meeting held in May, 2011 had re-constituted the Risk Management Committee comprising of Shri Debidas Datta, Independent Director (Chairman), Dr. Vinayshil Gautam, Independent Director, Shri Vinod Somani, Independent Director, Director Finance and Director Technical as members. However, since the term of two Independent Directors viz Shri Vinod Somani, (Chairman) and Dr. Vinayshil Gautam, (member) was completed on 28th December, 2013 and the term of the third Independent Director i.e Shri Debidas Datta got completed on 24.06.2014. Committee will be re-constituted once the Independent Directors are in position. The proposal for appointment/re-appointment of Independent Directors is under consideration of Ministry of Railways. However, the information regarding currency risk management is being put up to the Board of Directors periodically.

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

In this respect Company also constituted Treasury Risk Management Committee comprising of Director Finance, three Executive Directors of operational units, General Manager (Treasury/Finance), Additional General Manager (Treasury/Finance) and an external consultant/economist (as and when required).

7. Project Investment Committee:

Board of Directors in their meeting held in July, 2011 reconstituted Project Investment Committee comprising of Shri Vinod Somani, Independent Director (Chairman). Dr. Vinayshil Gautam, Independent Director, Shri Debidas Datta, Independent Director, Director Finance & the concerned whole time Director as members to deal with the appraisal and approval of all the projects involving Equity participation. However, since the term of two Independent Directors viz Shri Vinod Somani, (Chairman) and Dr. Vinayshil Gautam, (member) got completed on 28th December, 2013. The term of the third Independent Director i.e Shri Debidas Datta got completed on 24.06.2014 Committee will be re-constituted once the Independent Directors are in position. The proposal for appointment/re-appointment of Independent Directors is under consideration of Ministry of Railways. No meeting of Project Investment Committee was held during the year 2014-15.

8. CSR and Sustainability Committee:

In order to comply with the Guidelines on CSR and Sustainable Development issued by DPE in September, 2011, the Board of Directors in their meeting held in November, 2011 has constituted a CSR and Sustainability Committee comprising of Shri Debidas Datta, Independent Director (Chairman) and Shri Sumit Sinha, Director (Technical) as member to oversee the Sustainable Development projects.

However, Board of Directors in their meeting held in February, 2013 re-constituted CSR and Sustainability Committee

comprising of Shri Debidas Datta, Independent Director (Chairman), Director (Technical), Director (Projects) and Director (Finance) as members to oversee the Sustainable Development projects.

Since the term of Shri Debidas Datta got completed on 24.06.2014, Board of Directors had reconstituted the CSR and Sustainability Committee comprising of Shri Arvind Khare (Chairman), Director (Technical), Director (Projects) and Director (Finance) as members. Four meeting of CSR and Sustainability Committee was held during the year 2014-15 on 30.05.2014, 24.06.2014, 27.11.2014 and 20.02.2015 respectively and all the members of the committee were present.

9. General Body Meeting:

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

AGM	Year	Date of holding Meeting	Time	Venue	Special Resolution
40th	2013-14	25th September, 2014	12:30 HRS	Railway Board, Rail Bhawan, New Delhi	NIL
39th	2012-13	11th September, 2013	12:00 HRS	Railway Board, Rail Bhawan, New Delhi	NIL
38th	2011-12	12th September, 2012	12:00 HRS	Railway Board, Rail Bhawan, New Delhi	Increase In Authorised Capital And Issue of Bonus Shares

10. Subsidiary Companies:

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

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

Under the Guidelines on Corporate Governance for Central Public Sector Enterprises 2010, issued by Department of Public Enterprises in May, 2010, Subsidiary Company means only those subsidiaries, whose turnover or net worth is not less than 20% of the turnover or net worth of the holding company. No subsidiary of RITES comes under the ambit of above mentioned definition of Subsidiary Company. Hence, this is not applicable to RITES Limited.

11. Disclosures:

- During the year, there has been no materially significant related party transaction with the Directors, Management or their relatives that have a potential conflict with the interest of the company.
- Transactions with related parties as per requirements of Accounting Standard (AS-18) 'Related Party Disclosures' issued by the Institute of Chartered Accountants of India are disclosed in Note no. 2.32.
- The company has followed the Accounting Standards issued by the Institute of Chartered Accountants of India in the preparation of financial Statements.
- No penalties imposed or strictures passed against the company by any statutory authorities on any matters related to any guidelines issued by the Government during the last three years.
- There were no instances of non-compliance by the Company.

12. Means of Communication:

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

13. Training of Board Members:

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

14. CEO/CFO Certification:

The certification by Chairman and Managing Director and Director Finance was placed before the Board of Directors at the meeting held on 24.07.2015 (placed as Annexure-3 to this report).

15. Whistle Blower Policy

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

16. Compliance

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

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

ANNEXURE-1

ATTENDANCE OF BOARD OF DIRECTORS MEETING DURING THE YEAR 2014-15

Name of Directors	208 30th May, 2014	209 24th June, 2014	210 20th Aug, 2014	211 27th Nov, 2014	212 20th Feb, 2015	213 26th Mar, 2015	Total 6 Meetings
Shri Rajeev Mehrotra Chairman & Managing Director	✓	✓	✓	✓	✓	✓	6(All)
Shri Sumit Sinha Director Technical (Upto 31st October, 2014)	✓	✓	•	NA	NA	NA	2 out of 3
Shri Arbind Kumar Director Projects	✓	✓	✓	✓	✓	✓	All
Shri Ajay Kumar Gaur Director Finance	✓	✓	✓	✓	✓	✓	All
Shri SB Malik Director Technical (from 1st November, 2014)	NA	NA	NA	✓	✓	✓	3 (All)
Shri Debidas Datta Director (Upto 24th June, 2014)	✓	✓	NA	NA	NA	NA	2 (All)
Shri Arvind Khare Director	✓	•	✓	✓	✓	✓	5 out of 6
Shri Pramod Sharma Director (upto 30th September, 2014)	✓	✓	✓	NA	NA	NA	3 (All)
Shri AP Dwivedi Director (From 13th March, 2015)	NA	NA	NA	NA	NA Special Invitee	✓	1 (All)

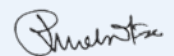
Note:

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

ANNEXURE-2

DECLARATION BY CHAIRMAN & MANAGING DIRECTOR REGARDING COMPLIANCE WITH THE CODE OF CONDUCT BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL DURING THE YEAR 2014-15

I Rajeev Mehrotra, Chairman & Managing Director, RITES Limited do hereby declare that all the members of the Board of Directors and the Senior Management Team of the Company have affirmed their compliance of the Code of Conduct during the year 2014-15.



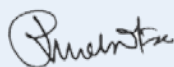
(Rajeev Mehrotra)

Chairman & Managing Director
& Chief Executive Officer

Place : Gurgaon
Date : 5th June, 2015

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

- (a) We have reviewed financial statements and the cash flow statements for the financial year 2014-15 and to the best of our knowledge and belief:
- (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading,
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of Company's internal control systems pertaining to financial reporting. We have not come across any reportable deficiencies in the design or operation of such internal controls.
- (d) We have indicated to the Auditors and the Audit Committee:-
- (i) that there are no significant changes in internal control system during the year,
 - (ii) that there are no significant changes in accounting policies during the year; except (1) in respect of Depreciation, due to change in the useful life of the assets as per Companies Act, 2013, the impact of which has been incorporated in note no. 2.46 of notes to accounts and (2) addition of the word "Superannuation Pension Fund" under "Employee Benefits - Defined Contributions"
 - (iii) that there are no instances of significant fraud of which we have become aware.



(Rajeev Mehrotra)



(Ajay K. Gaur)

Place : Gurgaon

Chairman & Managing Director

Director Finance

Date : 24th July, 2015

(Chief Executive Officer)

(Chief Financial Officer)

CERTIFICATE

To

The Members

BITES LIMITED

We have examined the compliance of conditions of Corporate Governance by BITES LIMITED for the year ended on 31st March, 2015 as stipulated in the DPE guidelines on Corporate Governance for Central Public Sector Enterprises issued by the 'Department of Public Enterprises', Ministry of Heavy Industries and Public Enterprises, Government of India.

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

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the guidelines on corporate governance issued by the 'Department of Public Enterprises' except that there was only one Independent Director, as against the requirement of three Independent Directors, on the Board of the Company. That Independent Director ceased to be Director w.e.f. 25.06.2014 on completion of his tenure as Director. Thereafter no Independent Director was appointed on the Board of the Company. Further, in the absence of Independent Directors, 'Audit Committee' and 'Nomination, and Remuneration Committee, are not in position. However, the Company has already written to its Administrative Ministry i.e Ministry of Railways for appointment of Independent Directors.

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

For Akhil Rohatgi & Co.



(Akhil Rohatgi)

Place : New Delhi

Company Secretary in Practice

Date : 13th August, 2015

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

Annexure – ‘B’

MANAGEMENT DISCUSSION AND ANALYSIS

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

I. ABOUT THE COMPANY AND THE INDUSTRY

RITES Ltd., a “Miniratna”, Schedule-“A”, Category-I CPSE, and ISO 9001-2008 certified, is a multi-disciplinary 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, operation & maintenance, leasing and export of rolling stock. In recent years, the company has diversified into the field of renewable energy such as solar and wind energy and railway workshop projects on turnkey basis. The company has been involved in the development of transport infrastructure for the last 41 years and has been an important transport infrastructure contributor in nation building in the country. The company enjoys a key position in conceptualization of transport infrastructure plans for the Government of India and for a number of foreign Governments. The company has experienced management and technical personnel to provide innovative solutions to the clients’ requirements. With the track record of successfully handling of number of projects in infrastructure in India and abroad, RITES has earned its reputation as “The Infrastructure People”. RITES

and existing projects but also usher in an era of multifaceted infrastructural growth with the involvement of several Ministries and States. The Government has been investing in up-gradation of the transport infrastructure and has brought into focus the capacity building and technology adoption. RITES with experience of 41 years, is rightly placed to contribute in development of domestic infrastructure projects and creating a world class transport infrastructure for the country. RITES has continued its presence in transport infrastructure consulting domain and other areas of operations viz. turnkey works of construction & upgrading /



Three Span Continuous(132.65m+150m+132.65m) Railway Bridge Across River Hooghly on Naihati – Bandel section of eastern Railway, near Kolkata (West Bengal) in Replacement of existing Jubilee Bridge

modernization of Railway workshops and leasing of locomotives in domestic markets etc.

RITES in line with its strategy to diversify, has entered into green energy sector by forming a Joint Venture with Indian Railways. In spite of stiff competition, RITES has adapted itself and has aligned its processes to respond to the highly competitive market place. RITES has delivered growth consistently by providing value added services to various clients in India and abroad.

Key revenue drivers for RITES are development of railway siding, metro rail projects, operation and maintenance of rolling stock for non-railways clients, roads, highways, quality assurance, material procurement for Ministries / GOI, Project Management Consultancy (PMC) for railway infrastructure for coal, metals and other bulk movement materials, PMC for new areas-Institutional buildings, integrated check posts, turnkey execution of new and expansion of existing railway production units and workshops, export of rolling stock and leasing of rolling stock in domestic & international markets.

II. STRENGTH AND WEAKNESS

RITES has earned for itself a brand name and reputation in the field of infrastructure over the last 41 years since its establishment. RITES has satisfied customers offering repeat business, and also the loyalty and trust of several Government bodies and private sector firms in India and abroad. It has longstanding MOUs with many organizations and firms for sharing technical expertise in multitude domains. RITES has set up JVs with the target of expanding into upcoming sunshine sectors such as renewable energy, infrastructure & allied services. This foresight stands RITES in good stead in the evolving marketplace.



Hon'ble MR Shri Suresh Prabhakar Prabhu laying the Foundation Stone for Traction Alternator Factory of Indian Railways at Vidisha.

has wide international experiences in over 50 countries, including those in South East Asia, Africa, Gulf region, etc.

Development of infrastructure sector is the key to accelerate the growth momentum. In order to provide impetus to the economy through several initiatives, the Government of India has in place a policy that would not only remove the bottlenecks from the ongoing



Launching of open Web Girder across Railway Tracks for Monorail at Wadala, Mumbai under Supervision of RITES

RITES has been involved in some of the prestigious projects and has attained experience in the remotest and difficult terrains. RITES has been a key player in ASEAN and SAARC region by virtue of providing services in multilateral integration projects. A key component of RITES strength is in-house availability of its talented workforce and presence in wide spectrum of services in several infrastructure sectors.

While RITES has expanded its services over the years, it remains highly dependent on skilled manpower/ professionals. Hence, it is vulnerable to attrition and other manpower issues in this category. Establishing a strong foothold in managing/ handling mega projects requires more time & experience.



Independent Quality Monitor for Jaipur Metro

III. OPPORTUNITIES AND THREATS

A growing trend in India and several developing nations is that of infrastructure development, seamless connectivity and multi-modal transportation solutions. Countries increasingly understand the importance of infrastructure requirements and are actively looking for service providers with proven track record and assured delivery on time and within budget. SAARC, ASEAN countries, African nations, Middle East, etc. and INDIA itself represent good opportunities both in terms of the spread as well as the requirements in areas of multi-modal transportation services, logistics solutions and evolved infrastructure systems.

There is a threat from the aggressive pricing policies followed by several MNCs and private companies for the purpose of entering

the consulting & construction industries in the booming Indian market. MNCs also enjoy an advantage in terms of repositioning itself in a redefined marketplace with clients' keenness in going 'global'. Further, market for pure consultancy assignments is shrinking as focus is shifting to EPC/BOT projects. Reduction in business on nomination basis also poses a threat to the business.



MOU signed by Shri D. Naresh, Secretary in the presence of Shri MT Krishna Babu, IAS, Chairman-Visakhapatnam Port Trust and Shri Arbind Kumar, Director Project, RITES

IV. RISKS AND CONCERNS

In view of increased globalization and opening up of cross border businesses, there is a greater risk of competition from foreign companies in consultancy projects. Export of rolling stock, equipment etc depends upon the financial aid by multilateral funding agencies or line of credit extended by Government of India and the plans of the borrowing countries using line of credit. Any change in the Government foreign policy may result into consequential change in export business. RITES global operations are exposed to international legal, tax and economic risks. These risks are inherent in conducting operations in international market due to cultural, regulatory and statutory requirements.

Although public sector investments are expected to pick up, private sector investments haven't progressed on expected lines in the past due to several reasons. This has a bearing on the PPP models to be worked out for infrastructure projects. Several projects have been held up in the infrastructure sector due to poor market conditions, lack of promoter interest, inability to acquire timely regulatory clearances and land. Obtaining credit/funds for infrastructure projects has been sluggish. Several private sector players have developed a risk aversion due to excessive exposure to infrastructure projects and difficulties in completion of projects.

There is an inherent risk in arrangements where work is being undertaken in association with Joint Venture partners as success largely depends on the ability of each partner in efficient planning and execution of business plans. Availability of requisite experts and retaining them is a matter of concern for successful execution of projects.

The company's employees and projects are exposed to various kinds of risks including risk of life in some risky geographical areas in India and abroad.

V. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

RITES has effective internal control and audit systems for maintaining efficiency in operations and compliances of applicable relevant laws and regulations. The organization has well structured policies and guidelines which are well-documented with pre-defined powers to facilitate execution of business. Detailed F&A Manual is already in place to guide and strengthen the internal checks and controls. Regular and exhaustive internal audits are being conducted by experienced professionals firms and in-house audit team headed by qualified personnel. The internal control and audit systems are being reviewed periodically by the management. Corrective & preventive measures, whenever necessary are being taken up from time to time as a part of continuous improvement system.

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

Risk Management System

A Risk Management system is already in place in the company. The company has a Risk Management Committee comprising of three Directors i.e. one Independent Director as Chairman, Director (Finance) and Director (Projects) as members. Framework covers areas of risk, identification and solution to mitigate the effect of risks.

Treasury Risk and Liquidity Management

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



RITES Annual Day 2015

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

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

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

VI. FINANCIAL PERFORMANCE

During the current financial year, the company has achieved the operating turnover of ₹ 1015 crore as against ₹ 1093 crore of previous year, which is lower by ₹ 78 crore (7%) and total revenue of ₹ 1166 crore as against ₹ 1246 crore of the previous year, lower by ₹ 80 crore (6%) due to adverse market conditions. Still the company, with strict cost control has managed to increase its Profit After Tax (PAT) to ₹ 306 crore in 2014-15 compared to ₹ 264 crore in 2013-14. The net-worth has increased from ₹ 1397 crore to ₹ 1628 crore. The company has spent ₹ 7.90 crore (0.8% of operating turnover) towards corporate social responsibilities during the year.

VII. SEGMENT-WISE PERFORMANCE

During the year, the consultancy services including quality assurance services contributed 69% of the total operating income, export sales contributed 15%, leasing income contributed 7% and balance 9% was contributed by turnkey workshop construction projects. A segment-wise comparison is given below which shows an increase in consultancy & leasing business particularly in domestic market segments while there was a fall in export sale and turnkey construction projects.

Particulars	(₹ in crore)			
	2013-14		2014-15	
	Operating Income	%	Operating Income	%
Consultancy Services				
-Domestic	518	47	686	67
-Abroad	15	1	21	2
Turnkey Construction Projects	96	9	90	9
Export	404	37	149	15
Leasing (Domestic & Abroad)	60	6	69	7
Total	1093	100	1015	100

OPERATIONAL PERFORMANCE

VIII. BUSINESS OUTLOOK

RITES is well known for providing innovative solutions to transport infrastructure sector through techno-economic feasibility studies, conceptual/preliminary detailed design, engineering

surveys, geological studies, geo-technical investigation, detailed structural design and drawings, technical specifications, project management and quality assurance.

Over the next five years, railways has envisaged an investment of ₹ 8.5 lakh crores, aiming to revitalize the railways with significant expansion in its network capacity through its new ventures in hi-speed rails, new corridors, up-gradation in infrastructure projects, rolling stock and manufacturing capability etc. RITES expects a significant business from these initiatives of Indian Railways.

Leasing of locomotives is one of the diversifications undertaken by the company and business in this segment is picking up, particularly in domestic market. As a matter of diversification, RITES has entered into green field renewal energy and power trading sector by forming a joint venture with the Indian Railways named the Railway Energy Management Company Limited. The Joint Venture (JV) is executing a windmill project, in Jaisalmer district of Rajasthan for generation of power.

Further, the business segment in turnkey works of up-gradation / modernization of railway workshops is proving to be a sustainable revenue stream.

OVERSEAS BUSINESS

RITES provides export services as 'The Total Package' for supply of locomotives and rolling stock, equipment for workshops / railways systems and modernization of workshops to foreign railway organizations. This also includes providing technical assistance to clients' railway systems as well as to locomotives & rolling stock on wet-leasing.

In export of rolling stock segment, RITES has secured a major export order from Bangladesh Railways (BR) for the supply of 120 broad gauge LHB Type passenger coaches. During the year, eight BG Diesel electric locomotives were delivered, as last lot of the contract for supply of total twenty six locomotives. The contract for locomotives leased to CFM/ Mozambique which was last extended up to August, 2014, was further extended for another year till August 2015. Also RITES continued to provide maintenance services for five locomotives owned by CDN in Mozambique. Significant orders for export of rolling stock are expected from Sri Lanka and Myanma Railways.

RITES has been trying to make further inroads into Africa markets. A consultancy services contract for the feasibility study and design for expansion of Kamembe and Gisenyi airports is under execution. The feasibility study for a new standard gauge railway line in Gabon on the west coast of Africa was completed during the year. RITES has also executed a project on the Development of 50 years National Transport Master Plan for Kenya, being undertaken at instance of the World Bank.

During the year, RITES secured the consultancy services for the expansion of apron, taxiway and development of new hanger at Kigali International Airport, Rwanda.

DOMESTIC BUSINESS

On the domestic front, RITES has provided consultancy services to various clients including Ministries / Departments of Central Government, State Government and private corporate houses etc. During the year, RITES association continued with several railway

infrastructure projects for the Indian Railways, NTPC, SAIL, DVC, CONCOR, Coal India, MCL, RINL and various private companies in steel, power, mining and port sector.



Inspection by Member Mechanical, Railway Board at the site of Traction Alternators Factory at Vidisha.

RITES is establishing itself in turnkey projects domain successfully. During the year, RITES has completed the turnkey projects for bogie shops at Budge Budge and ICF, Chennai and ₹ 70 crore for Modern Bus Terminal at Malpatpur, Puri for the Orissa Government. RITES is also engaged in turnkey project of setting up of a factory of traction alternator and traction motor for EMD locos at Vidisha, MP. RITES is collaborating with the Indian Railways on a turnkey project to rehabilitate and upgrade the National Rail Museum in New Delhi, so that it becomes more meaningful for the contemporary visitors.

The business of wet leasing of shunting locos including operation and maintenance has been well received by domestic non-railway customers and so far 27 locos have been leased out.

North Eastern Region offers great potential for company's business; an investment/ Central Assistance of ₹ 1,798 crore has been planned for Ministry of Development of North Eastern Region in the Union Budget for 2015-16. In the Rail Budget 2015-16, Proposed Investment Plan for 2015-2019 has proposed ₹ 39,000 crore for the National Projects in North Eastern & Kashmir connectivity projects.

During the year, RITES completed preliminary engineering-cum-traffic study for the two proposed Dedicated Freight Corridors:



Fiat Bogie Frame Manufacturing Plant - Budge Budge

North-South Corridor and East-West Corridor. Study for East Coast Corridor and Southern Corridor from Chennai to Goa is in progress.

RITES has designed and developed a high capacity milk van for National Dairy Development Board which is capable of running at a speed of 110 kmph and be attached to any mail or express train, without refrigeration for 72 hours.

In civil design area, New Austrian Tunneling Method (NATM) in 11 km long prestigious Pir Panjal Railway Tunnel, for which detailed design and construction supervision services were provided by RITES in partnership with Geo-Consult an Austrian firm, are now operational as a part of USBRL project.

RITES continues to maintain its firm position in the highway, airport and metro rail sector, despite increased competition. RITES has secured projects such as a detailed design consultancy for six elevated metro stations for Metro Link Express for Gandhinagar and Ahmedabad, DPR for rail based mass transit system in Kanpur, feasibility study for high speed rail corridor between Delhi-Chandigarh-Amritsar, multi-modal transport integrated plan for Airport Authority of India for major airports in India and setting up of Greenfield airports in Singrauli and Gwalior, Madhya Pradesh. A contract has been awarded for setting up of Integrated Check Posts at Nepalgunj and Bhairahawa along Indo-Nepal border. Recently, highway project has been secured for preparation of package III for Hooghly and Nadia districts of West Bengal.



Foundation work for Wind Mill project of Railway Energy Management Company Ltd (REMCL), under installation

RITES is an established entity for providing project management consultancy (PMC) services for rail infrastructure connectivity projects. RITES has secured a major contract at Lara from NTPC for providing PMC services. RITES new clients for such projects include Orissa Power Generation Corporation, Singareni Collieries Co. Ltd. and Kamraj Port, Chennai. Further MOU has been signed with RINL Steel Plant for their rail infrastructure projects. In building works, RITES has recently secured PMC work for the Central University of Kerala at Kasargod, Central University of Bihar at Gaya and the National Institute of Technology, Cherrapunji, Meghalaya, each valuing more than ₹ 300 crore. RITES is also involved in PMC projects of CONCOR, all over India worth ₹ 1500 crore.

The Railway Energy Management Co.Ltd (REMCL), a joint venture of the Indian Railways and RITES has become operational and was awarded the work for the installation of 26 MW Windmill Farm in Jaisalmer, Rajasthan. This is the biggest renewable energy project being installed for the captive consumption of the Indian Railways. Regarding the economical power procurement, REMCL has already commenced the procurement of 50MW power supply from Damodar Valley Corporation (DVC) to NCR and resulting into savings of about ₹ 100 crore per year to the railways. This is a great breakthrough and efforts are on to implement cheaper power purchase arrangements at several other locations. This will help in significantly reducing power procurement cost of Indian Railways on long term basis.

REVIEW OF BUSINESS DIVISIONS

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

RAIL INFRASTRUCTURE DIVISION (RI)

Rail Infrastructure division provides consultancy in transportation & economics, electrical engineering, signal & telecommunication, track and survey, geo-technology, civil engineering design through conceptualization, design and project management of rail based transportation system, including “merry-go-round” (MGR) system for transportation of bulk commodities like cement, fertilizers, coal, iron ore etc. This division operates through a number of Strategic Business Units (SBU) at Corporate Office.

TRANSPORTATION & ECONOMICS UNIT

The unit plays a pivotal role in the domain of transport logistics planning, traffic assessment, modal integration and project appraisal both financial and economic. In addition, the division also undertakes work on social sector like concurrent evaluation



Wind Mill project of Railway Energy Management Company Ltd (REMCL)-under installation

or impact assessment of various schemes launched by the Governments. Recently the unit has successfully completed projects pertaining to railway connectivity to SAIL plant at Gua



Development of 50 years National Transport Master plan for Government of Kenya

in Jharkhand, IOCL Panipat and Paradip Port. In addition the division also undertook the studies related to the development of container freight stations at Mamidipally, Rangareddy and at Visakhapatnam Port.

The unit is carrying out an international project on the Development of 50 years National Transport Master plan for Government of Kenya, being undertaken at instance of the World Bank. On domestic front, the Unit is engaged in the preparation of a detailed project report for the implementation of Bangalore Suburban Rail Project to provide mass transit link to nearby cities in the region, on behalf of the Government of Karnataka. The other assignments secured include the development of container freight station at Vishakhapatnam Port, rail connectivity to the super critical Kalisindh Thermal Power Project (Rajasthan Rajya Vidyut Utpadan Nigam Ltd), assessment of demand for LNG on the industrial clusters of Odisha (Paradip Port Trust), revalidation of feasibility study to provide broad gauge railway linkage to Bedi/ Rozi for Gujarat Maritime Board and a study on transit losses of food grains by railways for the Food Corporation of India etc.

ELECTRICAL ENGINEERING UNIT

The unit provides project management consultancy services, quality assurance and surveillance inspections in the field of



Railway Electrification work at Rourkela Steel Plant Railway Siding

railway electrification, electric substations, building Electrification, air conditioning, illumination systems, installation of lifts, standby power supply arrangement / DG sets, rural electrification etc.

Presently the unit is executing PMC works of railway electrification of sidings for various clients e.g. TISCO, DFCCIL, SAIL, MRVC, NTPC & RINL. Other works include electrification of buildings with HVAC, lifts, solar installation and associated sub-stations etc.

Further, unit is providing consultancy services to DFCCIL for carrying PETS Survey for future corridors: North-South Corridor (Delhi-Chennai), East -West Corridor (Kolkata- Mumbai), East Corridor (Kharagpur-Vijaywada), Southern Corridor (Chennai-Goa); MRVC, Mumbai for Overhead Equipment (OHE), detailed design engineering for MUTP phase-II works of Western & Central Railways; project management consultancy services to



OHE WORK AT NTPC DADR

SAIL, RINL, TISCO and NTPC for electrification of rail sidings. Consultancy services are also being provided for third party audit/ inspection of electrified villages with associated feeders & transformers under Rajeev Gandhi Gramin Vidyut Yojana (RGGVY) scheme. Under this scheme third party audit/ inspections are being conducted for electrical power distribution companies of the state of West Bengal viz. WBSIEDCL and DMRC - Third party inspection of ILBS hospital phase-2 works for HVAC & electrical works.

SIGNALLING & TELECOMMUNICATION UNIT



Route Relay Interlocking at NTPC, Vindhyachal (MGR)

The unit is providing consultancy & construction management services in the sphere of signaling in India as well as abroad mainly for power plants, cement plants, steel plants, refineries, ports, coal mines etc. The scope of work ranged from concept to commissioning of the modern signal & telecommunication projects including post operation & maintenance services. The unit is handling the prestigious projects of signaling design, video conferencing/surveillance has also entered into new field of consultancy assignment of highway traffic management system for the National Highway Authority of India.

During the year, the unit has completed project management consultancy works of NTPC at Talcher & Dadri, APCPL work of R&D yard at Jhajjar, Japye Cement Rewa work of Turkey Road station & in plant yard and Madhya Pradesh Jaypee Minerals Ltd. work at Majhauli.

Presently, the major project management consultancy works are in progress at NTPC - Mauda, RINL Visakhapatnam, Tata Steel - Kalinganagar, Rourkela steel plant - Rourkela, Bokaro steel plant - Bokaro steel city, CSPGCL work at Marwa and MSPGCL work at Khanwa. Consultancy & design works of MRVC, Mumbai for Central & Western Railways and preparation of PETS reports for four new corridors of DFCCIL are also in progress. The unit has secured signaling work and its associated civil and electrical works from M/s RINL, Visakhapatnam and also a project for replacement of existing RRI by SSI at Steel Works Station BSL, Bokaro (Jharkhand).

TRACK & SURVEY UNIT

This unit works as a nodal unit for rail infrastructure projects, starting with pre-feasibility and feasibility studies and progressing to preliminary engineering-cum-traffic studies, final local surveys, detailed project reports and detailed engineering studies. The projects include new railway lines, doubling/tripling/quadrupling of existing lines, high speed railway lines as well as heavy haul lines.

During the year, this unit completed preliminary engineering-cum-traffic study for two proposed Dedicated Freight Corridors of heavy-haul railway: North-South Corridor from Delhi to Chennai (2,328 km) and East-West Corridor from Kolkata to Mumbai (2,328 km). Similar study for East Coast Corridor from Kharagpur to Vijayawada (1,115 km) is also substantially completed. Study for Southern Corridor from Chennai to Goa (890 km) is in progress. The work of preparation of "Manual of specifications and standards for Dedicated Freight Corridor", which was awarded by DFCCIL during the year has also completed. Feasibility study for a new standard gauge railway line in Gabon on the west coast of Africa, from Mayumba to Franceville with a length of about 655km, which was secured from the Govt. of Gabon, has also completed during the year.

A major consultancy projects of "Pre-feasibility study for Delhi-Chandigarh-Amritsar high speed railway" was awarded this year by the High Speed Railway Corporation of India Ltd. The study is progressing well and expected to be completed by the middle of next year. During the year, the unit also completed an R&D project to evaluate the usefulness of LiDAR technology, which is an upcoming technology for final location surveys. The knowledge and experience gained during this process will be utilized for executing big projects, in difficult terrain, under time-critical circumstances.

GEO TECHNOLOGY UNIT

This unit imparts consultancy services in engineering geology, soil/rock mechanics, geophysical survey, ground water and allied fields including diamond core drilling of exploratory bore holes, in-situ and laboratory tests etc. The geo-tech division has already carried out geo-technical investigations for a number of prestigious



Exploratory drilling for Geotechnical investigations for Bhanupali-Bilaspur-Beri New BG Rail Link

projects in the country and has attained the singular status of being the only organization that provides total consultancy for complete geotechnical/geological/geophysical investigations.

The unit is presently carrying out detailed geotechnical investigation along the stretch of realignment between Katra - Dharam (km 30.00-km 100.868), geo technical investigation and topographic survey for pre-construction survey and feasibility studies for Bhanupali-Bilaspur-Beri New BG Rail Link Project, and geotechnical investigation for Hydropower project at Kalez Khola (West Sikkim) etc. The unit is also providing geotechnical, geological & geophysical services to DFCCIL.

During the year, this unit was awarded the work of geophysical investigation at dam, HRT and power house sites of Kuri-I Hydropower Project at Mongar in Bhutan by M/s Druk Green. In addition, the work of GT investigation for construction of new BG line between Talcher-Bimalgarh has been awarded by East Coast Railway.

CIVIL ENGINEERING DESIGN UNIT

The unit provides engineering design services involving planning and design of various rail-cum road bridges, approach structures like rail/road viaduct, road over/under bridges, flyovers, suspension, cable stayed & extradosed bridges on various rivers/gorges of India and abroad. It also, provides consultancy for river engineering works involving hydraulic model studies, design of river training & protection measures and detailed design & supervision services for tunneling works.

Design and Designer's Association services during construction are being provided for rail - cum road bridge over river Brahmaputra, Assam for NF Rly. This state of the art bridge 4.94 Km long (1x33.4 m + 39x125 m + 33.4 m), is declared as National Project and comprises of 125 m long fully welded composite steel truss spans and North & South approach viaduct of 800 m each. It also includes model study for river training over 16 kms (9 kms upstream to 7 kms downstream).

Project Advisory Services including DPR for a Green Field Bridge Project 9.76 Km long (123 m Span) six lane extradosed bridge over River Ganga at Patna for BSRDCL has been secured and substantially completed by the unit. Consultancy services are underway for preparation of feasibility report for construction of 2.8km long 6-lane road bridge with provision of 2- lane metro track over River Brahmaputra near Guwahati, Assam. The bridge has a combination of cable stayed (650m span) and extradosed



Detailed Engineering Design and Designer support during construction of Bogibeel bridge

(140m span). The unit has also completed the project report of six lane suspension bridge across Durgam Cheruvu at Hi-Tech City, Hyderabad for APIIC. These recent projects have moved the unit significantly up the value chain in its business portfolio.

Railroad bridges comprising of PSC, specialized steel, steel-concrete composite with single/continuous spans catering to forces due to LWR / CWR have been planned, designed & detailed to Euro norms for USBRL project in fragile and highly seismically sensitive Himalayan Region in J&K. Designs for slope stability with soil nails/ground anchors are also being undertaken along with large height reinforced earth embankments.

The unit continues to provide designer's support to Eastern Railway for replacement of Jubilee Rail Bridge with three span continuous(132.65m+150m+132.65m) span steel arch truss over river Hooghly, Kolkata. Such a bridge supported on state of the art spherical bearing is being executed for the first time for Indian Railways.



Detailed Design and Construction Supervision of Tunnel No.10 Jiribam - Tupul New Railway Line Project, Manipur

The unit is currently providing services for detailed design and construction supervision of Tunnel No.10 (approx. length 3.3km) through the rugged terrain of irregularly serrated ridges, running in North-South parallel fold in Jiribam - Tupul section of new Railway line project in Manipur.

The New Austrian Tunneling Method (NATM) adopted in 11 km long prestigious Pir Panjal Railway Tunnel (longest transportation tunnel in India) and tunnel no. 1, between Udampur & Katra on Northern Railway section, for which detailed design and construction supervision services were provided by the unit, are now operational as a part of USBRL project. This technology has now become the norm for tunneling works in USBRL and N.F. Railway projects.

REGIONAL PROJECT OFFICES (RPOs)

North, New Delhi- This unit covers Haryana, Punjab, Rajasthan and other northern states and provides consultancy services for preparation of detailed project reports (DPR), detailed engineering & project management, including planning and design for projects of flyovers, roads, railway sidings, inland containers depots etc. in northern region of the country. Major works of this unit consists of PMC & DPR for providing additional facilities, modification of existing ICD and planning for new ICD for CONCOR at various locations in Northern India. In addition, this unit is also providing PMC for construction of three underpasses at NOIDA for New Okhla Industrial Development Authority (NOIDA).



Project Management Consultancy Centre for Perishable Cargo at New Delhi - CONCOR

Recently, an MOU has been signed with South Delhi Municipal Corporation for providing third party inspection of building & infrastructure works at different locations in South Delhi.

Lucknow- This unit works in areas covering Uttar Pradesh and a part of Bihar and Madhya Pradesh. The services offered by this unit include concept to commissioning of infrastructure development works, consultancy, project management, design and drawing, procurement and quality assurance in the field of rail infrastructure.

The client list of this unit includes UPRVUNL, NTPC, NCL, LANCO, BRBCL, MUNPL etc. Currently, it is managing various projects costing more than ₹ 1000 crore. The major works in hand include rail connectivity to power plants at Nabinagar and Meja. NCL is going for expansion of its annual coal production capacity for which rail transportation system are being planned & constructed by this unit. It has also bagged a third party inspection work for the

prestigious work of U.P. Civil Services Officers Institute Complex, Lucknow for U.P. Government. During the year, Anpara - D unit of UPRVUNL has been commissioned and rail siding work was completed in time before commissioning of the project.

Nagpur- This unit cover Maharashtra, a part of Chhattisgarh and Madhya Pradesh, has executed major project management consulting assignments in the area of construction of railway sidings for NTPC at Mouda, CSPGCL at Marwa, MSPGCL at Chadrapur and Koradi, SAIL at Bhilai and Jaypee Minireals at Majhauri MP. It is also executing Multi Model Logistic Parks at Mihan Nagpur and Naya Raipur for M/s CONCOR.

Some of the major milestones achieved by this unit include commissioning of the first phase of Santra Market, Nagpur (200m span) cable stayed bridge for MSRDC, EIG sanctioned for OHE at Khaperkheda railway siding and new siding for expansion project at Khaperkheda for MSPGCL, Majhauri Railway Station with additional two loop lines for Jaypee Minerals, Nigrie Railway station with additional three loop lines was commissioned for M/s JPVL and RCC box of 7.5m x 7.75m with pushing length of 54m in Kachewani yard for Adani power, etc.



Project Management Consultancy Services Cable Stayed Bridge - Nagpur

During the year, the unit has secured PMC assignments like construction of road over bridges at various locations for important clients like PWD Rajnandgaon, PWD Raipur, Ujjaini Highways Pvt. Ltd., MPPWD, etc. Railway siding projects for Jaypee at Nigrie and MPPGCL at Birsinghpur and also construction of RCC box at five locations for MP Irrigation Works.

Secunderabad- This unit covers southern part of India viz. Tamil Nadu, Karnataka, Andhra Pradesh, Telangana and Kerala and provides rail infrastructure related consultancy services, maintenance and project management services for building works. Some of the important clients being served are NTPC, CONCOR, Andhra Pradesh Power Generation Corporation, Indian National Center for Ocean Information Services, Centre for DNA & Fingerprinting Diagnostic, Tamil Nadu Energy Generation & Distribution Company, Chennai Petro Chemicals Ltd, Steel Authority of India, Chennai Port Trust, Tuticorin Port Trust, Visakhapatnam Port Trust, Kerala Industrial Infrastructure Corporation (KINFRA), Karnataka Road Development Corporation, Visveswaraya Technological University, Directorate of Technical Education, Directorate of Colligate Education, Tobacco Board, EPFO, etc. New clients added during the year include Singareni Collieries Company Ltd. (SCCL) & Kamaraj Port Trust Ltd. (KPL).

Kolkata- This office covers eastern part of India viz. West Bengal, Jharkhand, a part of Bihar and the North East. It develops rail infrastructure of different industries: steel, power and mining sectors belonging to DVC, BCCL, CCL, NECL, CIL, NTPC, SAIL, CONCOR, JRDA, EIL, WBPDC, KPT, CESC, TATA Steel & JSPL etc. During last 5 years, this office has diversified and developed expertise in infrastructure projects like water works projects of civil authorities, namely KMC, KEIP, KMDA. The water work projects related to facilities of surface raw water withdrawal from river, laying of water transmission main by micro tunneling, pipe jacking, horizontal drilling and construction of water treatment plant from concept to commissioning. This office has also diversified in preparation of detailed engineering work of



Raw water intake Jetty construction, Ma-er-Ghat, Baghbazar, Kolkata

oil gantry modification of IOCL and development and building of factory sheds of SGW, Kulti, RCF bogie factory of Budge-Budge. Besides above, this office also undertaken various beautification works of river front and development of museums, multifunctional complexes, box pushing and pipe jacking below running railway track. In order to execute EPC contract, under the marketing strategy of RPO/ Kolkata, RITES has signed a MOU with McNally Bharat Engg. Co. Ltd., so that total CHP, wagon tripler, rapid

loading system with development of rail infrastructure can be taken up as a single package.

Bhubaneswar- This unit covers South-Eastern part of India viz. Odisha, part of Andhra Pradesh, Jharkhand & Chattishgarh states. The unit is generally involved in developing rail infrastructure for different industries, like steel, aluminium, power and mining sectors of NALCO, MCL, RINL, NTPC, SAIL, CONCOR, JSPL, TATA Steel and the Govt. of Odisha (IDCO), During last 5 years, this office has diversified and developed expertise in infrastructure projects like box pushing and over bridge on railways' running main line. It has been engaged by the Govt. of Odisha (IDCO) for planning of coal corridor consisting of railway line, road and water pipe line in one corridor. It was also engaged by the Institute of Life Science (ILS) for construction of their research centre, animal houses, hostel for the research of scientists, water treatment plant and related land scaping etc. NTPC has awarded the work of DPR and construction management works of mega project of Lara at Raigrah district of Chattishgarh state. With a minimum manpower, RITES team of NTPC Lara project has completed the survey and submitted the DPR in record time. The unit has got a total in-house expertise in preparation of FSR & DPR for rail infra projects. As a result of this business, potentiality for PMC services have also increased manifold.

Ahmedabad- The unit carries out business in Gujarat and adjoining states. Nature of work handled by this unit includes feasibility study, DPR, DER, project management, supervision and consultancy services. This unit deals with clients like CONCOR, BSCPL, GSFC, Megha Engg. and Infrastructure, IOCL, GVK, Valechha Kutch Toll roads Ltd, SAIL, L&T IDPL, Urban Development Authority, Gandhinagar, R&B Division Naiad, Ahmedabad Municipal Corporation, Surat Municipal Corporation, Reliance Industries, Ultra Tech Cement and National Highway Division, Rajkot etc.

This unit has been engaged by CONCOR for consultancy services, for development of Infrastructure facilities, for Proposed Logistic Hub at Varnama, Multi Model Logistic Park at ICD Khodiyar in Gujarat, development of RTH/ Logistic Hub at Swaroopganj in Rajasthan. This unit is also engaged by Ultra Tech for feasibility and detailed engineering study for new rail facilities at their Cement Plant at Wanakbori. It is carrying out TPI work for railway crossing, ROBs, RUBs, box pushing etc. work at various locations in Gujarat.



Consultancy services for Multi Model Logistic Park at ICD Khodiyar, Gujarat

During the year, the unit has actively participated in "Vibrant Gujarat", a Global Investors Summit, which is a platform to explore new business opportunities in the state of Gujarat.

BUILDING AND AIRPORT DIVISION

CONSTRUCTION PROJECT MANAGEMENT UNIT

The unit renders consultancy and project management services for institutional buildings / universities / colleges, infrastructural projects, residential buildings/colonies, hospitals, office complexes, inland container depots, bus terminals, quality assurance & third party inspection etc. The division has expertise, resources and technical competence to undertake projects from conceptual stage to its completion & commissioning which includes preparation of CPR / DPR, estimates, tendering, execution, budgetary management, quality assurance etc. Besides this, the unit also deals with third party inspection, technical audit and quality surveillance.



Turnky Project for Bus Terminal at Maltipatpur, Orissa

During the year, this unit had been awarded project management services for establishment of New Central University Campus for Bihar, Central University of Kerala at Kasaragod, NIT Meghalaya, the Bose Institute at Kolkata, the Centre of Innovative and Applied Bio Processing Agri Food cluster premises at Mohali etc.

In addition to above, other major works undertaken for project management consultancy services were police stations & residential quarters for Delhi Police at fifteen locations in Delhi; setting up of school buildings, hostels & other infra structures of



Green Building of Madanjeet school of Green Energy Technologies (MSGET) for Pondicherry University at Pondicherry

Navodaya Vidyalaya Samiti (NVS) at various locations in India. The unit is also providing PMC for establishment of academic complex for universities such as Jawahar Lal University at Delhi, Delhi University (North & South Campus), Central University at Pondicherry, Central University of Karnataka at Gulbarga,



Construction of 2000 Bedded Hostel for Boys at IIT Kharagpur, West Bengal.

Central University of Punjab at Bhatinda, University of Allahabad, Guru Ghasidas Vishwavidyalaya Campus (GGV) at Bilaspur / Chhattisgarh, IIT Kharagpur, NIT Meghalaya Campus at Sohra/ Shillong. The PMC services rendered by the unit encompass the construction of Marketing Development cum Business Park (MDBP) for National Small Industries Corporation Ltd. (NSIC) at New Delhi, construction of 1200 seated auditorium / convention centre at National Agriculture Science Centre (Indian Council of Agriculture Research) at Pusa, New Delhi, construction of unified academic campus of Bose Institute Kolkata, construction of National Agri Food Bio Technology Institute at Mohali, development of bus terminal at Maltipatpur / Puri (Odisha). The unit is also providing construction supervision services for multi modal logistic parks at Kathuwas (Rajasthan) and Pant Nagar (Uttarakhand) in addition to various container depots of CONCOR in India.

The major works of third party inspection have also been undertaken for building and infrastructure works related to DDA, NOIDA, HUDA, YEIDA, Delhi Jal Board, Ghaziabad Development Authority, Border Fencing and Roads to Ministry of Home Affairs.

AIRPORT UNIT

This unit offers specialized consultancy services in the area of planning, design and construction management of airport and integrated check posts at international borders. In India, unit secured the consultancy services for preparation of feasibility report/DPR for Green field Airports at Singrauli and Gwalior in Madhya Pradesh. This unit continued to provide consultancy services, to Uttar Pradesh State Civil Aviation of design and construction management in respect of runways at Etawah and Sharavasti. The unit also secured engineering consultancy services for extension of runway at Pantnagar Airport for Airports Authority of India (AAI). Consultancy services for the Taj International Airport at Agra, Karad Airport in Maharashtra and engineering consultancy for expansion of Shimla airports are in progress and completed the development of existing airstrip at Etawah. Construction works for the expansion of Pitharagarh airport and construction of infrastructure facilities for SRE Radars,



PMC services for ICP Agartala

IAF station Thanjavur are nearing completion. The unit has successfully completed construction of surveillance radar tower buildings for IAF station at Jammu and Jorhat.

During the year, the unit successfully completed/provided project management consultancy services for ICPs at Agartala, Birgunj, Raxaul and Jogbani along Indo-Nepal border and Petrapole, Dawki along Indo-Bangladesh border and Moreh along Indo Myanmar border. The unit also secured consultancy services projects for detailed engineering design services for development of Integrated Check post (ICP) at Nepalgunj and Bhairahwa and PMC for development of ICP at Biratnagar, Nepal along Indo Nepal Border.



Feasibility Study and Design for Expansion of Kamembe Airport, Rwanda

During the year, the unit secured the consultancy services for expansion of apron, taxiway and development of a new hanger at Kigali International Airport, Rwanda.

ARCHITECTURE & PLANNING UNIT

The unit provides design consultancy for institutional and office complexes, transport terminals, housing, educational campus, hospitals, industrial buildings, workshops, etc.

Projects secured during the year include: Design & PMC works for construction of 100 Type-V quarters at residential complex at AIIMS Rishikesh; architectural & design consultancy services for

Proposed Trans-Disciplinary Academic Building at JNU campus, New Delhi; detailed engineering works for development of MMLP at Quila Raipur near Ludhiana, Punjab and A&P; consultancy services for environment monitoring & reporting for DAP lines and residences at sector 9, Dwarka for Delhi Police and other miscellaneous works like construction of boundary wall / retaining wall etc. at ICT Tughlakabad, New Delhi. Project for the proposed expansion of IGNOU Campus at Maidangarhi, Delhi, is under progress.

TRANSPORT INFRASTRUCTURE DIVISION

This division has two strategic business units namely Ports & Water Resources (PWR) & Highway.

PORTS AND WATER RESOURCES UNIT

This unit provides consultancy services for ports and harbours, water resources engineering and inland water transport (IWT). During the year, this unit has secured prestigious consultancy



Masterplan study for Mombasa port, Kenya

projects for preparation of land use plan for major ports of Paradip, Mumbai, New Mangalore and VOC Port, Tuticorin. Further, NTPC has awarded a project for coal conveying and transportation study for their proposed Pudimadakka Super Thermal power project. The NTPC has also awarded the work of designing dykes to divert water towards intake at Bongaigaon. Paradip Port has awarded a study to prepare a detailed project report for capital dredging to enhance the draught to -18m. During the year, this unit secured an important project of pre-feasibility study for navigation through Pamban Channel from Sethusamudram Corporation. The prestigious project of feasibility study to set up a major port at Duggarajapatnam is completed and final report submitted during the year. Design review report for Kakinada Port Slipway unit is carried out and submitted to AP Govt. The work of DPR for outer harbour berth of Mumbai Port is reviewed and revised DPR is being prepared by this unit.

HIGHWAYS UNIT

This unit provides comprehensive road transport consultancy as well as project management services covering all aspects of highways viz. expressways, national highways, state highways, rural roads etc. including bridges/viaducts and tunnels in relation to conceptual & detailed design, construction supervision, operation and maintenance, planning/management of networks, improvement/up-gradation, safety audits etc. It is well equipped to carry out a variety of services viz. survey, investigation,



PMC for Chennai Outer Ring Road

traffic studies, pre-feasibility studies, feasibility studies, preparation of detailed project reports, construction supervision, independent engineer, project advisory etc. The unit is pioneer in conducting safety audit of expressways and highways during design, construction and maintenance stages. The unit has been providing services since mid-eighties in India & abroad. The services rendered to other countries are Nepal, Bhutan, Botswana, Uganda, Malaysia, Myanmar, Ethiopia, Afghanistan, Bangladesh, Cameroon, Ghana, Mozambique, Tanzania, United Arab Emirates and Zambia.

During the year, the unit provided overseas consultancy services for supervision & up-gradation to paved road standard of existing roads in Terai Region of Nepal. The unit had provided domestic services for feasibility study and preparation of DPR for 400 km ADB funded road project in Tamil Nadu; DPR for 300 km NH sections in Nagaland; feasibility study for two major bridges in Manipur; DPR for Barsai-Raiganj road including bridge over River Sui in district of North Dinajpur in West Bengal; Independent engineer services for development of Chennai Outer Ring road in Tamil Nadu for TNRDC; project advisory consultancy services for Yamuna Expressway Project; DPR for construction of ROBs on GT Road in Hooghly and Burdwan districts in West Bengal; project management services for NATRIP projects; PMC for utility corridor in Bhubaneswar; construction supervision of NH sections in Assam; quality assurance services to PWD/Goa; safety audit for NH sections (1238 Km) during construction stage;



PMC works for NHAI

SOS for selected state highways in West Bengal; design and detailed estimate preparation for ROBs/flyovers at intersections at 6 locations for Delhi Development Authority; proof checking of design and construction of ROBs under NHHURM project in West Bengal; supervision and quality control services for coal transportation in MCL and Sambalpur; Base-line Master Plan with SOS for development of state highways in West Bengal etc.

URBAN INFRASTRUCTURE DIVISION

URBAN TRANSPORT UNIT

This unit provides comprehensive consultancy services in all aspects of urban transport including planning of integrated multi-mode public transit network; design, engineering and project management of infrastructure; O&M management of public transit systems; high, medium and light capacity mass rapid rail transit (RRT) and bus rapid transit (BRT) systems, etc. Regional transport studies are undertaken for optimal use of available infrastructure and phased augmentation of facilities for medium and long term.



Cross Passage CP-01 – Pipe Roofing Work in Progress b/w Lajpat Nagar – Vinobapuri Tunnel (CC-24), Delhi Metro

Projects handled during the year include general consultancy for Bangalore Metro phase I and Delhi Metro phase III projects; interim consultancy for Bangalore Metro phase II; Independent quality monitor for Jaipur Metro Rail Corporation; technical feasibility study & DPR for metro rail for Patna; DPR for MRTS/ RRTS between Ahmedabad & Dholera; DPR for 3 new metro corridors in Kolkata for Rail Vikas Nigam Limited; feasibility



General Consultancy work of Delhi Metro- Phase III line crossing Airport Express Line



General Consultancy work of Bangalore Metro Rail Project

study & DPR for Kochi Metro, phase II; feasibility study & DPR of rail based MRTS in Guwahati for GMDA; techno financial DPR of alternate route of East-West Metro Rail between Sealdah & Howrah; review of DPR for maintenance depots including scope of property development of Kengeri & Anjanapura depots of Bangalore Metro; consultancy services for preparation of DPR for Dahisar-Charkop-Bandra-Mankhurd metro corridor & Khadala-Ghatkopar-Thane-Kasarwadavali metro corridors in Mumbai; feasibility study for Elevated Rail Corridor in Mumbai; Corridor improvement for ORR from IIT Gate to NH-8 intersection Traffic Improvement Plan; consultancy services for construction of ROBs/ RUBs/Subways in the state of Punjab; DDC for Gyaspur Depot on North-South corridor for MEGA Co. Ltd. and DDC for six elevated metro stations for Ahmedabad Metro Rail Project; review of DPR for maintenance depots including scope of property development of Hebbagodi & Kothnur depots of Bangalore Metro.

During the year, this unit has secured major assignments of feasibility study & DPR of rail based MRTS in Guwahati for GMDA; detailed design of power supply & distribution system, 750 V DC, third rail traction electrification and SCADA system for Bangalore Metro; integrated transit corridor & street network/connectivity plan for the corridor- Delhi UP Border- Ghazipur- NH-24 junction for PWD, Delhi; redevelopment of Kidwai Nagar (East), Traffic Impact and Connectivity study for New Delhi, PWD Delhi; extension for providing services as Independent Quality Monitor for Jaipur Metro; techno financial DPR of alternate route of East-West Metro Rail between Sealdah & Howrah; Transport Demand Forecast Study and Identification of corridors for Bangalore Metro, phase-III; DDC for Gyaspur Depot on North-South corridor for MEGA Co. Ltd.; consultancy work of 300 Ft. approach road to International Airport at SAS Nagar; DDC for six elevated metro stations for Ahmedabad Metro Rail Project; DPR for rail based mass transit system in Kanpur for KDA; multimodal transport integration at six major airports i.e. Delhi, Mumbai, Chennai, Kolkata, Hyderabad, Bangalore for AAI; DPR for rail based mass transit system in Agra for ADA; feasibility and DPR for rail based mass transit system for Meerut for MDA; Proof checking consultancy services for viaduct and 7 elevated metro stations for elevated North – South corridor in Western Railway area for Ahmedabad Metro Rail Project and Review of DPR for Hebbagodi & Kothnur depots including scope of property development of Bangalore Metro, phase-2.

URBAN ENGINEERING UNIT

The Environmental engineering unit conducts EIA/SIA studies and design of water supply and sanitation for the infrastructure projects. The unit also prepares feasibility/detailed study for solid waste management, pollution abatement of rivers/lakes, cost and revenue study of water supply schemes etc. The study is conducted as per the Water (Protection and Control) Act, 1974, Air (Prevention and Control) Act, 1981, Environmental Protection Act, 1986, Wildlife Protection Act, 1972, Forest Conservation Act, 1980, EIA Notification 2006 amended in 2009, CPHEEO manual for water, waste water and solid waste etc. The unit is NABET accredited for EIA study of ropeways, airports, water resources, building construction, area development (township etc), transportation (highways, railways, metro etc.) and solid waste projects. NABET accreditation is mandatory to take up the EIA study for environmental clearance. Till date, the unit has completed more than 100 number projects which includes EIA study of airports, ropeways, hydropower projects, building construction, transport infrastructure projects (highways, railways, metro, rapid bus transit system, monorail etc), design of water supply and sanitation, solid waste management, pollution abatement etc.

The unit has recently completed Initial Environmental Examination study of 652 km Mayumba-Mbigou-Franceville railway line in Gabon, EIA study of Phase I roads of TNRSF II state highway projects in Tamil Nadu and EIA study of Patna Metro, Kochi Metro, Ahmedabad Metro, Delhi phase IV and Mumbai Metro, pollution abatement study of Killi and Karmana river in Thiruvanthapuram, inventorisation of railway sidings in India and their environmental management etc. EIA Study of phase II roads of TNRSF II state highway project, EIA study of aerial ropeway at Rajgir in Bihar, EIA study for Bhalleydunga ropeway, EIA study for Mandar Hill ropeway, EIA study of Shimla, Pithoragarh, Karad airports and Greater Noida Heliport etc. are in progress.

EXPOTECH DIVISION

The division offers integrated export packages for rolling stock including leasing, rehabilitation, maintenance and spare part support. Apart from that it also renders technical consultancy services for workshop modernization, facility planning for rolling stock maintenance, training and technology transfer. During the year, the division handled the following projects: Supply of locomotives to Bangladesh Railways and leasing and maintenance of locomotives in Mozambique.

Bangladesh Railways (BR) had placed two separate contracts for a supply of twenty six BG diesel electric locomotives. The first contract for ten locomotives had been completed in the month of April, 2013. The delivery of sixteen locomotives of the second contract started in July, 2013 and the last eight locomotives were delivered during the early part of the current year. All the locomotives have been rendering satisfactory performance on the BR network.

The locomotives leased by RITES to CFM/Mozambique continued to operate throughout the year. The contract which was last extended up to August, 2014 was further extended for another year till August, 2015. The fleet of seventeen locomotives including two locomotives of 3000 HP, one locomotive of 2300 HP and fourteen locomotives of 1350 HP are operating on leased arrangements at two different locations, Maputo and Beira in Mozambique. The



DMU in-operation in Sri Lanka

locomotives have been providing excellent services to the clients for the last eight years. The company service teams located at these two places are providing complete maintenance support to ensure maximum availability of locomotives as per the clients requirement. In addition to leased locos, RITES continued to provide maintenance services for five locomotives owned by CDN in Mozambique.

RITES has got a major export order from Bangladesh Railways for the supply of 120 BG stainless steel passenger coaches. The project will be funded through the Indian Line of Credit. The coaches shall be produced in the Rail Coach Factory at Kapurthala and delivered to BR within two years.

Prospect of getting an order from Myanma Railways (MR) has brightened considerably. All negotiations in this regard have been concluded and MR is expected to award the contract for supply of 18 MG diesel locomotives shortly.



RITES exported MG Locomotive in Myanmar hauling Express Train

QUALITY ASSURANCE DIVISION

The division renders third party inspection and vendor assessment in India and abroad to various clients in the government, public and private sectors. In India, the laboratory testing services are also provided by the division. This division has regional offices at Delhi,



Third Party Inspection of wheel sets at China

Chennai, Kolkata, Mumbai & Bhilai and 27 sub-regional offices spread over prominent locations across India.

This division does substantial portion of third party inspection for Indian Railways. During the year, the division was able to enhance its business with the power utilities and infrastructure projects in different states and with renewal of the contracts with Central/ State Public Sector Undertakings & extension in the scope of inspection with existing clients. In addition to existing prestigious non-railway sector clients, many new organizations and clients like Delhi Metro Rail Corporation, Dedicated Freight Corridor Corporation of India, various state electricity boards, public health departments awarded contracts for third party inspection & related services.

RITES has been awarded ISO/IEC 17020:2012 accreditation for various NABCB Scope Sectors including the fabricated metal products & other transport equipments (rolling stock-wagons, coaches, wheels & axles). One more Scope Sector namely "pulp, paper & paper products" has been added in the scope of accreditation during the year thus covering most of the sectors in recognition to our standard of services to clients.

The division has been doing inspection of air-conditioned coaches, EMU, DEMU coaches at Integral Coach Factory (ICF) from the year 2010-11. Due to excellent work at ICF, this division continues



Inspection of Loco Wheel Disc at Czech Republic

to receive repeat orders from ICF. The division is providing third party inspection services at Conversion and Wet Leasing Agents against Steel Authority of India Ltd. contracts satisfactorily and many new conversion units have been added during the current financial year. The division also continued to provide the services to National Small Industries Corporation (NSIC) in the management of their product certification scheme and registration of small scale Industries.

In addition, the division has been performing inspection of crank shaft, wheels, axles, wheel sets, pistons, piston rings, machines in USA, China, Germany, Sweden, Italy etc. on behalf of Railways, Container Corporation of India and a number of wagon builders.

The division has been rendering consultancy services for QMS (ISO 9001), FSMS (ISO 22000), OHSAS 18001, service quality management system (IS 15700) for various prestigious PSUs/ state government organizations. The division also has experience in undertaking energy efficiency studies, energy audits and water audits for the Indian Railways and PSUs.

The division also continues to progress with projects in the field of Clean Development Mechanism (CDM). PPHA-I, Bhutan has been registered with United Nations Framework Convention for Climate Change (UNFCCC) and is one of the largest Hydro Power Project registered with UNFCCC so far.

RITES is represented by participation of officers in various Standard Formulation Committees of Bureau of Indian Standards as well as Board Membership of Quality Council of India (QCI)/ NABCB to enhance RITES contribution in quality improvement at the national level.

INDUSTRIAL ENGINEERING DIVISION

ROLLING STOCK DESIGN UNIT

Rolling Stock Design (RSD) formerly named as Mechanical Design Division (MDD) is the design and development wing of RITES that provides complete solutions in rolling stock design and development and also handles technically complex projects. It undertakes studies of high technical content such as crashworthiness simulation and field testing, static and dynamic structural analysis simulations, linear and non-linear analysis, vehicle dynamic simulation and diesel engine process studies. The core competence of this unit lies in its ability to provide complete one stop solutions to clients using the latest CAE tools, virtual proto-typing and other modern techniques to reduce design cycle time & cost.

This unit has highly qualified and experienced engineers having both theoretical and domain knowledge. RSD team has experts with experience in engine design, development and testing. The spectrum of services offered by RSD includes design & development of new wagons, virtual prototyping and design optimization, finite element modeling and analysis, field testing, total project management, pre and post manufacture technical support, detailed project report & technical studies, occupant protection and crash simulation studies, technically complex R&D facilities and turnkey projects. In order to meet the customer requirements in the above spectrum RSD is equipped with latest suits of software.

Some major projects undertaken by this unit include design of 45 ft. container flat wagon, food grain wagon, 20-axle special wagon



Design of 24 axle wagon currently under testing at BHEL Trichy

for carrying 250 ton transformer, 24 axle special wagon for boiler drums transportation; setting up Fatigue Testing Laboratory at BEML, Bangalore and fatigue testing of DMRC Bogie Frames; design of high capacity high speed milk tank van; design, development, simulation and real life testing of crashworthy coach for the Indian Railways; setting up of Rail Wheel Development Centre at Rail Wheel Factory, Bangalore; consultancy services including preparation of technical specification to the Indian Railways for procurement, installation and commissioning of diesel powered high speed 160/200 kmph SPART (Self Propelled Accident Relief Train). This unit is a part of Joint Working Group along with the Indian Railways and the Department of Science & Technology, the Government of India involved with development of diesel engine development projects.

MATERIALS SYSTEM MANAGEMENT UNIT

This unit has been providing comprehensive procurement & logistics management consultancy services in compliance with the guidelines & procedures of the International Funding Organisations (IFOs) and the National Governments. The core competence of the unit is to offer specialized services such as in-depth knowledge of procurement policies & procedures of the Government of India, bilateral/multilateral funding agencies, Railways & DGS&D, expertise in various fields of Materials Management and use of state-of-art technology and resources to ensure customer satisfaction and best value for money duly adopting ISO based Quality Management Systems. Major Procurement Consultancy contracts include EPW and NACO under Ministry of Health and Family Welfare, Government of India.

During the year, consultancy contracts with Ministry of Health and Family Welfare have been extended by another year for additional procurements under external aid and domestic procurements as per GFR. Further, procurements have been processed for Second National Tuberculosis Control Project, National Vector Borne Disease Control Project and National AIDS Control Organisation (NACO), Ministry of Health & Family Welfare (MOHF&W), Government of India. The contract management activities undertaken include inspection & testing of drugs/equipments, monitoring of supplies, Co-ordination with consignees spread all over the country, processing of supplier's bills for payment and legal issues.

RAILWAY EQUIPMENT SERVICES UNIT

This unit is a leading service provider for complete one stop solution to non-railway customers for locomotives for sidings of power/cement/steel plants & ports. The unit has secured works from a number of clients in the recent past like NTPC, L&T, Reliance Power Co., Paradip Port Trust, Tata Steel, Reliance Cement Co., APML and VIPL for loco leasing, operation of their railway systems, maintenance of rolling stock & track etc.



Commissioning of Locomotive

The business of wet leasing of shunting locomotives including operation and maintenance has been well received by domestic non-railway customers. So far 27 locomotives have been leased out: one locomotive each to WBPDC/Bandel, NSPCL/Bhilai, Uttam Galva/Wardha, KTPS/Kolaghat, CLP/Jhajjar, DVC/Andal, APCPL/Jhajjar, APML/Tiroda, DVC/Kodarma, Reliance Cement/Maihar, VIPL/Butibori; two locomotives each to KoPT/Kolkata, Paradip Port Trust/Paradip, three locomotives to RSP/Rourkela, four locomotives to VPT/Vizag and five locomotives to DPCL/Dharma Port.

Further, demand of shunting locomotives on lease by non-railway customers is growing day by day. Apart from wet leasing, this unit is also engaged in maintenance of 102 diesel locomotives & about 1200 wagons owned by customers like NTPC, NSPCL, WBPDC, SAIL & APCPL.

ROPEWAY & INDUSTRIAL ENGINEERING UNIT

Ropeways unit is the leading consultant in the country in the field of ropeway and funicular railway. The unit provides comprehensive



Pre feasibility study for proposed Passenegeer Ropeway Construction at Mata Vaishno Devi Shrine



Revamping of Ropeway at Joshimath-Auli

services from “Concept to Commissioning” and is presently undertaking project management consultancy for passenger ropeway at Shri Mata Vaishno Devi Shrine (SMVDS), J&K; Near Bahu fort in two sections at Jammu, J&K; near PWD rest house at Namchi in two sections, Sikkim and connecting Bodh Stupa at Rajgir, Bihar. In addition, this unit is also providing project management consultancy for a material ropeway and bagged a new job for an additional passenger ropeway connecting Katra to Adhkuwari at SMVDS, J&K.

The revamping work of 4 km long Joshimath - Auli passenger ropeway has been completed for operation.

Unit has also prepared and submitted feasibility reports for passenger ropeway at Shivkhori, J&K, DUNGESHWARI at Bodh Gaya, Bihar, Brahmyoni at Gaya, Bihar, Vanavar caves, Bihar and Toranmal, Maharashtra. Recently unit has been shortlisted for supervision consultancy for passenger ropeway at Karisimbi, Rwanda, East Africa.

Presently this unit is also rendering supervision consultancy for two funicular railway projects at Nashik and Hajimalang in Maharashtra, respectively.

Industrial Engineering unit provides technical and financial consultancy services for the setting up of new industrial units in the railway / non-railway sectors. The unit has also developed capability for turnkey execution of industrial engineering projects. At present, the unit is setting up a fiat bogie frame manufacturing



Fiat Bogie Frame Manufacturing Plant - Budge Budge

plant at Budge Budge and a wagon manufacturing factory at Kulti. Both the projects are nearing completion.

The unit has also provided technical consultancy services for the setting up of new rail coach factories at Kolar, Karnataka and at Palakkad, Kerala besides a dedicated traction machines manufacture/repair facility at Vidisha, M.P. The unit has been



RCF Bogie Manufacturing Facility Set up on Turnkey basis at Budge-Budge

awarded the work of setting up of the traction machines factory at Vidisha on turnkey basis. Besides, the unit is providing technical & financial consultancy services to Indian Railways for their PPP projects such as setting up of a diesel locomotive manufacturing factory at Marhowra, Bihar and a rail coach factory at Palakkad, Kerala.

Industrial Engineering unit has also undertaken project management for the Indian Navy for the setting up of the first ever indigenous test bed for M-15 gas turbines at INS Eksila, Visakhapatnam. The unit has completed the works of “Turnkey services for supply, erection, commissioning and proving of M&P for FIAT bogie manufacturing project” at ICF/Chennai.

This unit is also carrying out a prestigious project for modernisation works at National Rail Museum, Chanakyapuri, New Delhi. Assignment of 1:8 scaled down train layout with live diesel engine and mock-up coaches with complete scaled layout consisting of signalling, bridges, tunnels and station” was completed during the year.

PRIVATISATION AND CONCESSIONS UNIT

During the year, the unit continued to provide transaction advisory services for various public private partnership projects in infrastructure sector and unit secured a number of transaction advisory assignments mainly in ports and urban infrastructure sectors.

In port sector, unit completed one assignment of Jawaharlal Nehru Port Trust namely development and operation of fourth container berth at JNP on DBFOT. Unit also secured and completed the assignment of Silliguri Jalpaiguri Development Authority (“SJDA”) in respect of evaluation of proposal for development of new township near Silliguri. A new project in respect of providing advisory services to SJDA was secured and completed during the year. Unit also secured two transaction advisory services namely development of additional liquid terminal at Jawaharlal Nehru Port and development of offshore multipurpose cargo berth at Mumbai Port Trust, which are under progress.

In the urban infra sector, the unit continued to provide advisory services for assignment of selection of developer cum operator for Vijayaraje

Scindia Convention Centre at Uaipur, development and operation of parking structures at Silliguri. Unit also secured from Government of Andhra Pradesh advisory assignment for development of 7th berth at Kakinada Deep Water Port which is under progress. The unit provided services for consultancy assignments from Ministry of Railways namely, setting up of rail coach factory at Kanchrapara in West Bengal and development of electric loco factory at Madhepura on PPP basis.

INFORMATION TECHNOLOGY UNIT

This unit offers services in the field of project management, feasibility studies, system study & design, software development, hardware sizing, consultancy in site preparation, user training etc. to various clients in Government, State and public sector organizations. Projects under execution include; centralized apportionment of Indian Railway earnings for goods & passengers among various zones of Indian Railways; development of budget modules for preparation of fund management system, Govt. of Tripura; development of pension module for IRCON International Ltd, etc. Unit also provides annual maintenance support for various application software developed for clients like Ministry of Railways, IRCON, Tripura State Government.

It also manages procurement of hardware, engineering and system software, access to internet, corporate e-mail services, Wi-Fi etc. for various divisions of RITES. With support of IT division, RITES is able to enter the era of enterprise systems. SAP ERP is under implementation in the company and all major business processes have been streamlined. On implementation of ERP, company will be able to achieve a greater focus on quick decision making on the basis of robust and accurate business information.

The state of the art data center equipped with high end blade servers, network equipments, modern surveillance system, fire detection, fire suppression etc. is managed by this unit. The unit is in process of implementation of Information Security Management System (ISMS) 27001 policy within some departments of the organization. ISO 27001 provides a framework to manage risks of information security related areas that may affect a business from external threats and internal threats. This unit is actively involved in implementation of E procurement system and Setting up of Virtual Private Network (VPN) using MPLS technology with fast and secure communications between RITES offices spread length and breadth.

HRD AND TRAINING UNIT

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

During the year, a MoU was signed with MDI, Gurgaon, to cover executive learning, increasing managerial effectiveness and leadership development. Another MoU was signed with IIT, Kanpur for technical collaboration and knowledge sharing in specific project areas.

In-house training programs aimed at improving the functional and technical skills across levels of employees were organised. Professional programs, workshops and seminars conducted by reputed and prestigious agencies were carefully identified in line with business needs of RITES and suitable officers were nominated for such programs. Besides, RITES also organized customized training exclusively for officials through experts and knowledge partners. Also, behavioral and personality development training programs were conducted focusing on developing attitudinal and soft skills. Employees were also sensitized on labour law compliances through appropriate programs / workshops to comply with statutory obligations in labour deployment. Employees wellness programs like yoga, meditation and mind-control were the other training also organized during the year.

Newly recruited Graduate Engineers Trainees (GETs) were given structured induction training for seamless assimilation into the organization, duly understanding the organizational culture. Indian Railway officers at SAG/SG/JAG level were given five weeks training on various topics and ten such programs covering 69 Railway officers were conducted during the year. RITES also achieved and far exceeded the training target set as per MoU for the year.

Special focus was laid on skill development and initiatives taken to upskill/reskill lower level employees for better deployment and enhancing their career growth. For effective use of computers at workplace, training on MS Office was done in many locations across the country. Further, reskilling in technical areas on operation & maintenance of DG sets, pump operations & plumbing, maintenance of electrical equipment, etc. were done for Group D staff.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF BITES LIMITED

REPORT ON THE STANDALONE FINANCIAL STATEMENTS

We have audited the accompanying standalone financial statements of BITES LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year ended, and a summary of the significant accounting policies and other explanatory information, in which are incorporated accounts of one Branch/ Regional Office (consisting of Project and Inspection offices) audited by us and three Branch / Regional Offices (consisting of Project and Inspection Offices) audited by Branch Auditors appointed by the Comptroller and Auditor General of India, New Delhi and we have relied on the same. The Head Office accounts include transactions relating to overseas assignments, which have been incorporated on the basis of periodical statement of expenditure supported by bills received from there. In respect of joint ventures in India, the company has incorporated their proportionate shares of income and expenditure in the said joint ventures. The gross consultancy receipts and gross expenditure so incorporated amounts to ₹ 1.75 crore and ₹ 1.30 crore respectively, which have resulted into a net profit after tax of ₹ 0.45 crore, related to joint ventures. We cannot comment on such figures as the same are audited by other auditors.

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing whether the company has in place an adequate internal financial control system over financial reporting and operating effectiveness of such control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and

give a true and fair view in conformity with the accounting principles generally accepted in India:

- In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2015;
- In the case of the Statement of Profit & Loss, of the Profit for the year ended on that date;
- In the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

- As required by the Companies (Auditor's Report) Order, 2015, issued by the Central Government of India in terms of sub section (11) of section 143 of the Act, (hereinafter referred to as the "Order"), we give in the Annexure '1' a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.
- In terms of sub section (5) of section 143 of the Act, we give in the Annexure '2' a statement on the directions issued under the aforesaid section by the Comptroller and Auditor General of India.
- As required by Section 143 (3) of the Act, we report that:
 - We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - In our opinion, the aforesaid standalone financial statements comply with the accounting standards referred to in section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014 *except regarding Accounting Standard 11 "Effects of Changes in Foreign Exchange Rates" as referred to in para no. 2.43.5, 2.43.6 & 2.43.7 of notes to accounts of the financial statements; resulting in non-recognition of exchange gain and understatement of the profit before tax by ₹ 5.60 crore (previous year ₹ 10.34 crore) for the year, long term loan & advances by ₹ 32.51 crore (previous year ₹ 27.30 crore) and other non-current assets by ₹ 2.50 crore (previous year ₹ 2.11 crore) as on 31st March, 2015;*
 - On the basis of written representation received from the directors as on 31st March, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015, from being appointed as a director in terms of sub section (2) of section 164 of the Act;
 - With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to best of our information and according to the explanation given to us:
 - The company has disclosed the impact of pending litigation as at 31st March, 2015 on its financial position in its financial statements-refer para no. 2.52.1 of notes to accounts of financial statements.
 - The company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company.

For AGI WAL & ASSOCIATES

Chartered Accountants

Firm Registration No. 000181N



(P.C. AGI WAL)

Partner

Place: New Delhi

Date: 24th July, 2015

Membership No. 080475

ANNEXURES TO INDEPENDENT AUDITORS' REPORT

Annexure '1'

Referred to in paragraph 1 of report on other legal and regulatory requirement's paragraph of our report on even date on the financial statements as of and for the year ended 31st March, 2015.

i. In respect of fixed assets:

- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
- (b) The fixed assets of the Company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable having regard to the size of the company and nature of its assets.

ii. In respect of inventory:

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

iii. In respect of loans :

- (a) As per the information and explanations given to us, the Company has granted unsecured loan to Companhia Dos Caminhos De Ferro Da beira, Sa (CCFB), Mozambique and SAIL-RITES Bengal Wagon Industry Pvt. Ltd. (SRBWIPL) joint venture companies during the year listed in the register maintained under Section 189 of the Act and so desired particulars have been placed in the register maintained under the said section.
- (b) In case of SRBWIPL, a part of the principal has been converted into equity and balance will be converted into equity when it becomes due. Further, the company is regular in receipt of interest from borrower.
- (c) In case of CCFB, Mozambique regarding principal and its interest, refer para No. 2.43 of Notes to Accounts of the Financial Statements.

- iv. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and income from the sale of goods & services.

- v. According to the information and explanations given to us, the Company has not accepted any deposits in terms of directives issued by Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under.
- vi. Cost Records under section 148(1) of the Companies Act, 2013 are not required to be maintained by the Company.
- vii. According to information and explanations given to us, and the records examined by us, in respect of statutory dues:
 - (a) The Company has generally been regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, value added tax, wealth tax, custom duty, excise duty, cess and other statutory dues wherever applicable.
 - (b) According to information and explanations given to us, no undisputed arrears of statutory dues were outstanding as at 31st March, 2015, for a period of more than six months from the date they became payable.
 - (c) According to the information and explanations given to us, there are no disputed statutory dues in respect of Sales tax/ Income tax/Wealth tax/Excise duty/Custom duty/Service tax/ Cess outstanding as on 31st March, 2015.
- viii. The company does not have accumulated losses at the end of the financial year and has not incurred any cash losses during the financial year covered by our audit and the immediately preceding financial year.
- ix. According to information and explanation given to us, the Company has not taken any loan from bank or financial institution.
- x. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institution.
- xi. In our opinion and according to the information and explanations given to us, the Company has not obtained any term loan during the year.
- xii. According to information and explanation given to us, no fraud on or by the company has been noticed or reported during the year of our audit.

For AGIWAL & ASSOCIATES
Chartered Accountants
Firm Registration No. 000181N



(P.C. AGIWAL)

Partner

Place: New Delhi

Date: 24th July, 2015

Membership No. 080475

Annexure '2'

Referred to in our Independent Auditors' Report of the Company of even date for the year ended 31st March, 2015.

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

- The Company has not been selected for disinvestment during the year.
- There are no cases of waiver/write off of debts, loans/ interest etc. other than Bad Debts of ₹ 3.04 crore written off during the year, which have arisen on account of normal business practice.
- The Company has maintained adequate records in respect of inventories lying with third parties. No assets have been received by the Company as gift from Government or other authorities.
- Age wise analysis of pending legal/arbitration cases as provided by the management are given as under:

(₹ in Crore)

Sl. No.	Particulars		Upto 1 year	1-2 year	2-3 year	3-4 year	4-5 year	More than 5 year	Total
1.	On behalf of the clients	Amount	178.96	67.79	23.86	0.70	4.56	49.77	325.64
		No. of cases	7	8	2	1	3	19	40
2.	Others	Amount	-	-	-	2.08	-	189.54	191.62
		No. of cases	-	-	-	1	-	7	8
Total		Amount	178.96	67.79	23.86	2.78	4.56	239.31	517.26
		No. of cases	7	8	2	2	3	26	48

As per the information and explanations given to us, pendency is mainly due to legal process of the Courts/arbitrators. In our opinion the Company has in place an adequate monitoring mechanism for tracking expenditure on such legal cases.

For AGIWAL & ASSOCIATES
Chartered Accountants
Firm Registration No. 000181N



(P.C. AGIWAL)

Partner

Membership No. 080475

Place: New Delhi

Date: 24th July, 2015

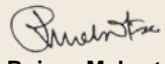
BALANCE SHEET AS AT 31st MARCH, 2015

(₹ in Crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2015	AS AT 31.03.2014
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
SHARE CAPITAL	2.01	100.00	100.00
RESERVES AND SURPLUS	2.02	1,528.07	1,296.60
		<u>1,628.07</u>	<u>1,396.60</u>
NON CURRENT LIABILITIES			
OTHER LONG TERM LIABILITIES	2.03	91.29	85.46
LONG TERM PROVISIONS	2.04	104.70	112.81
		<u>195.99</u>	<u>198.27</u>
CURRENT LIABILITIES			
TRADE PAYABLES	2.05	80.68	101.93
OTHER CURRENT LIABILITIES	2.06	1,540.54	1,785.28
SHORT TERM PROVISIONS	2.07	115.19	135.71
		<u>1,736.41</u>	<u>2,022.92</u>
TOTAL EQUITY AND LIABILITIES		3,560.47	3,617.79
ASSETS			
NON CURRENT ASSETS			
FIXED ASSETS			
TANGIBLE ASSETS			
TANGIBLE ASSETS	2.08.1	212.10	203.92
INTANGIBLE ASSETS	2.08.2	4.79	4.80
CAPITAL WORK-IN-PROGRESS	2.08.3	57.92	12.95
INTANGIBLE ASSETS UNDER DEVELOPMENT	2.08.4	0.75	0.49
		<u>275.56</u>	<u>222.16</u>
NON CURRENT INVESTMENTS	2.09	237.64	231.23
DEFERRED TAX ASSETS (NET)	2.10	46.13	59.70
LONG TERM LOANS AND ADVANCES	2.11	178.46	168.04
OTHER NON CURRENT ASSETS	2.12	126.22	152.87
OTHER NON CURRENT ASSETS-CLIENTS DEPOSITS	2.13	54.95	116.59
		<u>918.96</u>	<u>950.59</u>
CURRENT ASSETS			
INVENTORIES	2.14	6.66	17.49
WORK IN PROGRESS	2.15	38.22	41.08
TRADE RECEIVABLES	2.16	370.88	311.22
CASH AND BANK BALANCES-OWNED FUND	2.17	697.12	622.96
CASH AND BANK BALANCES-CLIENTS FUND	2.18	1,338.44	1,476.75
SHORT TERM LOANS AND ADVANCES	2.19	63.67	73.39
OTHER CURRENT ASSETS	2.20	126.52	124.31
		<u>2,641.51</u>	<u>2,667.20</u>
TOTAL ASSETS		3,560.47	3,617.79
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS FORM AN INTEGRAL PART OF FINANCIAL STATEMENTS	1&2		

For and on behalf of the Board


Ajay K. Gaur
Director Finance
and
Chief Finance Officer


Rajeev Mehrotra
Chairman & Managing Director
and
Chief Executive Officer


P.T. Mittal
Company Secretary

As per our report of even date attached

Place : Delhi
Dated : 24th July, 2015


P.C. Agiwal, Partner (M.No. 080475)
For Agiwal & Associates, Chartered Accountants (FRN : 000181N)

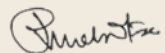
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2015

(₹ in Crore)

PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2015	YEAR ENDED 31.03.2014
REVENUE			
REVENUE FROM OPERATIONS	2.21	1,015.17	1,093.46
OTHER INCOME	2.22	150.85	152.77
TOTAL REVENUE		1,166.02	1,246.23
EXPENDITURE			
EMPLOYEE BENEFITS EXPENSES	2.23	329.59	309.98
TRAVEL		32.44	34.36
SUPPLIES & SERVICES		76.35	71.73
COST OF EXPORT SALES	2.24	90.22	273.25
COST OF TURNKEY CONSTRUCTION PROJECTS (INCREASE)/DECREASE IN WORK IN PROGRESS -CONSULTANCY PROJECTS	2.25	83.66	88.89
		2.14	(8.28)
DEPRECIATION & AMORTISATION EXPENSES	2.08	26.48	19.99
OTHER EXPENSES	2.26	64.81	76.68
PRIOR PERIOD ADJUSTMENTS (NET)	2.28	4.23	(6.46)
TOTAL EXPENDITURE		709.92	860.14
PROFIT BEFORE TAX		456.10	386.09
TAX EXPENSES			
• CURRENT YEAR		(139.25)	(137.35)
• EARLIER YEARS (NET)		2.94	2.60
DEFERRED TAX (NET)	2.10	(13.65)	12.27
PROFIT AFTER TAX		306.14	263.61
EARNING PER SHARE			
(EQUITY SHARE OF ₹ 10/- EACH) - BASIC & DILUTED	2.34	₹ 30.61	₹ 26.36
WEIGHTED AVERAGE NUMBER OF EQUITY SHARES USED IN COMPUTING EARNING PER SHARE		100,000,000	100,000,000

For and on behalf of the Board


Ajay K. Gaur
Director Finance
and
Chief Finance Officer


Rajeev Mehrotra
Chairman & Managing Director
and
Chief Executive Officer


P.T. Mittal
Company Secretary

As per our report of even date attached

Place : Delhi
Dated : 24th July, 2015


P.C. Agiwal, Partner (M.No. 080475)
For Agiwal & Associates, Chartered Accountants (FRN : 000181N)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2015

(₹ in Crore)

PARTICULARS	YEAR ENDED 31.03.2015	YEAR ENDED 31.03.2014
CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT BEFORE TAX	456.10	386.09
ADJUSTMENTS FOR:		
• DEPRECIATION AND AMORTIZATION	26.48	19.99
• LOSS/(PROFIT) ON SALE OF ASSETS (NET)	(0.07)	(0.02)
• INTEREST FROM FDs/OTHERS	(99.36)	(90.25)
• INCOME FROM INVESTMENTS	(2.75)	(2.28)
• INCOME FROM INVESTMENT PROPERTIES	(0.99)	(1.12)
• PROVISION FOR DOUBTFUL DEBTS, ADVANCES ETC.	(18.32)	(17.97)
EFFECT OF EXCHANGE DIFFERENCES ON TRANSLATION OF FOREIGN CURRENCY	(4.61)	3.17
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	356.48	297.61
CHANGE IN WORKING CAPITAL:		
ADJUSTMENTS FOR (INCREASE)/DECREASE IN OPERATING ASSETS:		
• INVENTORIES	10.83	7.36
• WORKS IN PROGRESS	2.86	(7.13)
• TRADE RECEIVABLES	(56.50)	(40.36)
• LOANS AND ADVANCES AND OTHER ASSETS	28.33	42.85
ADJUSTMENTS FOR INCREASE/(DECREASE) IN OPERATING LIABILITIES:		
• TRADE PAYABLES	(21.25)	(27.03)
• OTHER LIABILITIES AND PROVISIONS	(279.25)	200.63
CASH GENERATED FROM OPERATIONS	41.50	473.93
• INCOME TAX PAID	(139.18)	(126.79)
NET CASH FROM OPERATING ACTIVITIES	(97.68)	347.14
CASH FLOWS FROM INVESTING ACTIVITIES		
• PURCHASE/CONSTRUCTION OF FIXED ASSETS	(85.47)	(50.22)
• PROCEEDS FROM SALE OF FIXED ASSETS	5.64	0.08
• INVESTMENTS IN SHARES, BONDS ETC.	(6.63)	(36.10)
• LOAN TO CCFB, MOZAMBIQUE (RELATED PARTY)	(14.50)	-
• DEPOSITS AND INTEREST ACCRUED NOT CONSIDERED AS CASH AND CASH EQUIVALENTS	314.07	(385.33)
• INTEREST INCOME	99.36	90.25
• INCOME FROM INVESTMENTS	2.75	2.28

(₹ in Crore)

PARTICULARS	YEAR	YEAR
	ENDED	ENDED
	31.03.2015	31.03.2014
• INCOME FROM INVESTMENT PROPERTIES	0.99	1.12
NET CASH FROM INVESTING ACTIVITIES	316.21	(377.92)
CASH FLOW FROM FINANCING ACTIVITIES		
• DIVIDEND PAID	(53.00)	(60.00)
• DIVIDEND TAX PAID	(9.91)	(10.20)
NET CASH FROM FINANCING ACTIVITIES	(62.91)	(70.20)
EFFECT OF EXCHANGE DIFFERENCES ON TRANSLATION OF FOREIGN CURRENCY CASH & CASH EQUIVALENTS	4.61	(3.17)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	160.23	(104.15)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	281.33	385.48
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	441.56	281.33

RECONCILIATION OF CASH AND CASH EQUIVALENTS

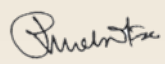
(₹ in Crore)

PARTICULARS	NOTE NO.	YEAR	YEAR
		ENDED	ENDED
		31.03.2015	31.03.2014
CASH AND CASH EQUIVALENTS-OWNED FUND	2.17.1	249.02	32.31
CASH AND CASH EQUIVALENTS-CLIENTS FUND	2.18.1	199.36	258.65
ADD : INTEREST ACCRUED ON BANK DEPOSITS HAVING MATURITY OF 3 MONTHS OR LESS FROM ACQUISITIONS' DATE	2.20	18.52	0.09
LESS : BANK BOOK OVERDRAFT-OWNED FUND	2.06	-	(0.04)
LESS : BANK BOOK OVERDRAFT-CLIENTS FUND	2.06	(25.34)	(9.68)
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		441.56	281.33

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

For and on behalf of the Board


Ajay K. Gaur
Director Finance
and
Chief Finance Officer


Rajeev Mehrotra
Chairman & Managing Director
and
Chief Executive Officer


P.T. Mittal
Company Secretary

As per our report of even date attached

Place : Delhi
Dated : 24th July, 2015


P.C. Agiwal, Partner (M.No. 080475)
For Agiwal & Associates, Chartered Accountants (FRN : 000181N)

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS FORM AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 GENERAL

Financial statements are prepared under historical cost convention on accrual basis and in conformity with applicable Indian Accounting Standards and provisions of the Companies Act, 2013. Accounting policies have been consistently applied except where an accounting standard is newly adopted or an accounting policy is revised by the company.

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 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 Consultancy Fee

Consultancy fee is accounted for on the basis of bills raised/due for the year. It also includes supplies and expenses forming part of the contract which are recoverable from the customers.

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

Mobilisation advance is adjusted against running bills and mobilisation fee is recognized as income in the year, if as per Management's review certain activities against that contract have been carried out during the year.

Provision for incomplete assignments is made in respect of consultancy assignments which are spread over a number of years, after considering the following factors regarding company's obligation for:

- i) rework activities of work done.
- ii) maintenance activity after completion of project.
- iii) removal of defect, if any, during defect liability period.

1.2.2 Construction Projects

Where the outcome of a construction contract/project can be estimated reliably, revenue and costs associated with the construction contracts/projects are recognized by reference to the stage of completion of the contract/project activity which is measured by reference to the proportion that costs incurred for work performed upto the reporting date bear to the estimated total contract/project costs. Any anticipated losses are recognized as an expense immediately in the Statement of Profit & Loss.

1.2.3 Inspection Fee

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

1.2.4 Export Sales

Export sales are accounted for on the basis of bills raised where all significant risks and rewards of ownership have been transferred to the buyer.

1.2.4.1 After Sales Service Expenses

Expenses for after sales services rendered in respect of export sales are recognized in the year in which sales are recognized.

1.2.5 Lease Services

Lease services are accounted for on time basis over the lease period. However, reimbursables under the contract are accounted for on accrual basis. Initial direct costs are charged to the Statement of Profit & Loss.

1.2.6 Other Income

Other income is accounted for on accrual basis except claims/supplementary claims/counter claims/interest on delayed payments/awards in favour of the Company/export incentives/premium on sale of licenses etc. which are accounted for on final settlement/realization. Dividend is recognized when right to receive it is established.

1.3 WORK IN PROGRESS

1.3.1 Consultancy Projects

Work in progress is recognized based on direct costs incurred on the activities which are in progress at end of the year for consultancy projects involving stage payments.

1.3.2 Construction Projects

In case of turnkey/lump sum contract/project where physical progress is less than 15% of total physical work of a contract/project, the same is treated as a part of work-in-progress on cost basis.

1.4 TANGIBLE FIXED AND INTANGIBLE ASSETS

- (a) Tangible Fixed Assets are stated at historical cost less accumulated depreciation and impairment losses, if any.
- (b) Incidental expenditure during construction period including interest charges incurred upto the date of completion, net of interest recovered on mobilisation advance, are capitalised.

- (c) Intangible Assets are recognized at the consideration paid for acquisition less accumulated amortization and impairment losses, if any.
- (d) Spare valuing more than ₹ 10 lakh which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant assets.
- (e) Subsequent expenditure relating to fixed assets is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

1.4.1 Depreciation and Amortization

- (a) Depreciation and amortization on tangible fixed assets and intangible assets are provided on straight line method over the estimated useful life determined by management. 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 (h) below. In respect of additions to/ deductions from the assets during the year, depreciation/amortization is charged on pro rata basis.
- (b) The useful life and depreciation/amortization rates of the various assets, are as under:-

Assets	Useful Life (Years)	Depreciation / Amortization Rate (%)
i) Furniture	10	10.00
ii) Fixture	5	20.00
iii) Office Equipment	5	20.00
iv) Mobile Hand Set	3	33.33
v) Coolers & Air Conditioners	7	14.29
vi) Air Conditioning Plant	15	6.67
vii) Computer Hardware	3	33.33
viii) Server & Networks	6	16.67
ix) Survey and Equipments	10	10.00
x) Vehicles	8	12.50
xi) Buildings on Freehold Land	60	1.67
xii) Locomotives-New	15	6.67
xiii) Locomotives-In-Service	10	10.00
xiv) Coaches-New	15	6.67
xv) Coaches-In-Service	10	10.00
xvi) Intangible Assets	4	25.00

- (c) Any addition or extension, which becomes an integral part of the existing asset, is depreciated over the remaining useful life of that asset.
- (d) In respect of BOT assets, depreciation is charged over the period of project or the life stated above whichever is lower.
- (e) Lease hold land is amortized over the lease term.
- (f) 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.
- (g) As per company's assessment, Fixtures, Mobile Hand Set, Coolers & Air Conditioners and In-Service Locomotives & Coaches (refurbished) have lower useful lives than prescribed in part C of schedule II of the Companies Act, 2013. Therefore depreciation is charged at higher rate than prescribed under the Companies Act, 2013.
- (h) Individual low cost assets of value less than ₹ 5,000/- and software of value less than ₹ 100,000/- are entirely depreciated/ amortized in the year of acquisition.
- (i) A nominal value of ₹ 1/- is assigned to the fully depreciated assets other than assets specified at (h) above.

1.4.2 Capital Work in Progress

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

1.5 INVESTMENTS

- (a) Long-term investments, excluding investment properties, are stated at cost. Diminution in value, if any, which is of a temporary nature, is not provided.
- (b) (i) Current investments are stated at cost or fair value whichever is less.
(ii) Any diminution in the carrying amount and any reversals of such diminutions are recognized in the Statement of Profit & Loss.
- (c) (i) Investment properties are stated at historical cost less accumulated depreciation and impairment, if any.

- (ii) Investment properties are capitalized and depreciated, where applicable, in accordance with the policy stated for tangible fixed assets.
- (iii) Impairment of investment property is determined in accordance with the policy stated for impairment of assets.

1.6 JOINT VENTURE

Contracts executed under Joint Venture

- (a) in jointly controlled operations, the company recognizes its interest in the financial statements:
 - (i) the assets that it controls and the liabilities that it incurs; and
 - (ii) the expenses that it incurs and its share of the income that it earns from the joint venture.
- (b) (i) in an unincorporated jointly controlled entity, share of profit/loss from joint venture is accounted in the year when determined by way of incorporating proportionate income and expenditure.
- (ii) in an incorporated jointly controlled entity, dividend from joint venture is accounted when right to receive it is established/received.

1.7 INVENTORIES

- (a) Inventories are valued at cost on First In First Out (FIFO) basis or net realizable value whichever is less.
- (b) Consumables are charged to the Statement of Profit & Loss in the year of purchase irrespective of the value.
- (c) The diminution in the value of obsolete, unserviceable, slow moving and non-moving stores and spares is ascertained on review and provided for.

1.8 EMPLOYEES BENEFITS

1.8.1 Defined Contribution

1.8.1.1 Provident Fund / Pension Scheme

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

1.8.2 Defined Benefits

1.8.2.1 Gratuity

The Company has set up a Gratuity Trust Fund which is being administered by Life Insurance Corporation of India (LIC). The annual gratuity liability is determined based on actuarial valuation under Group Gratuity Scheme on the basis of information provided of employees and their remuneration at the end of each year. The contribution paid / payable annually to cover future liability for gratuity based on actuarial valuation is charged to the Statement of Profit & Loss.

1.8.2.2 Other Benefits

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

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

1.8.4 Terminal Benefits to Contract Employees

Leave Encashment and Contract Completion Benefits are provided on accrual basis in the Statement of Profit & Loss.

1.9 RESEARCH & DEVELOPMENT

Revenue expenditure incurred/paid during the year on research is charged to the Statement of Profit & Loss. Development costs of product are also charged to the Statement of Profit & Loss unless a product's technological feasibility has been established, in which case such expenditure is capitalized. The amount capitalized comprises expenditure that can be directly attributed or allocated on a reasonable and consistent basis to creating, producing and making the asset ready for its intended use. Fixed assets are depreciated in accordance with the policy stated for tangible and intangible assets.

1.10 TAXES

Taxes including current income tax are computed using the applicable tax rates and tax laws. Liability for additional taxes, if any, is provided/paid as and when assessments are completed.

1.11 DEFERRED TAX

Deferred Tax resulting from "Timing Difference" between book and taxable profits is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the balance sheet date. The deferred tax asset is recognized and carried forward only to the extent that there is reasonable certainty that assets will be realized in future from the future taxable income.

1.12 RATES & TAXES

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

1.13 ADVANCES

Interest on house building, vehicle, computer, equipment, daughter marriage and multi-purpose advances is accounted for on accrual basis and is recoverable after full recovery of the principal amount.

1.14 PREPAID EXPENSES AND PRIOR PERIOD ADJUSTMENTS

Prepaid expenses and prior period adjustments up to ₹ 50,000/- in each case are treated as expenditure/income of the year and accounted for to the natural head of accounts.

1.15 TRANSLATION OF FOREIGN CURRENCY ACCOUNTS

The company has foreign currency transactions in respect of Integral Foreign Operations.

1.15.1 Convertible Foreign Currencies

Transactions in foreign currencies are initially recorded at the exchange rate prevailing on the date of transaction. Foreign currency monetary items and contingent liabilities are restated at the exchange rates prevailing on the reporting date. Foreign currency non-monetary items are reported at the exchange rate prevailing on the date of transaction.

In respect of transaction covered by forward exchange contract, the difference between the contract rate and spot rate on the date of transaction is recognized in the Statement of Profit & Loss over the period of the contract.

1.15.2 Non-Convertible Foreign Currencies

Income and Expenditure are translated at the available average rate. Non-convertible foreign currency monetary and non-monetary items are initially recorded at the exchange rate prevailing on the date of transaction or at available average rate. Monetary items and contingent liabilities are restated at the exchange rate prevailing on the reporting date. Non-monetary items are reported at the exchange rate prevailing on the date of transaction.

1.15.3 Exchange difference arising on translation of foreign currency transactions is recognized in the Statement of Profit & Loss.

1.16 CASH AND CASH EQUIVALENTS

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short term balances 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.

1.17 CASH FLOW STATEMENT

Cash flow statement is made using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, financing and investing activities of the company are segregated.

1.18 EARNINGS PER SHARE

In determining earnings per share, the company considers the net profit after tax and includes the post tax effect of any extraordinary item. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period.

1.19 IMPAIRMENT OF ASSETS

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value and impairment loss is charged to the Statement of Profit & Loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount and such losses either no longer exists or has decreased. Reversal of impaired loss is recognized in the Statement of Profit & Loss.

1.20 PROVISION FOR DOUBTFUL DEBTS AND ADVANCES

Provision for doubtful debts is made for debts outstanding for a period of over 3 years, except in cases where amount is considered recoverable as per the management. For other debts, provision is made when there is an uncertainty of realization.

Provision for advances is made when there is an uncertainty of realization irrespective of period of its due.

Debts and advances are written off when unrealisability is almost established.

1.21 PROVISION FOR WARRANTY

The estimated liability for warranties is recognized when products are sold with warranty provision as per the contract. These estimates are established 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.

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.

1.22 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

- (i) Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources.
- (ii) Contingent Liabilities are not recognized but are disclosed in the notes in any of the following cases :-
 - (a) 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
 - (b) a reliable estimate of the present obligation cannot be made; or
 - (c) a possible obligation, unless the probability of outflow of resource is remote.
- (iii) Contingent Assets are neither recognized nor disclosed.
- (iv) Contingent Liability is net of estimated provisions considering possible outflow on settlement.
- (v) Contingent Assets, Contingent Liabilities and Provisions needed against Contingent Liabilities are reviewed at each balance sheet date.

2. NOTES TO ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2015

FIGURES IN FINANCIAL STATEMENTS ARE PRESENTED IN ₹ CRORE, BY ROUNDING OFF UPTO TWO DECIMALS EXCEPT FOR PER SHARE DATA AND AS OTHERWISE STATED. CERTAIN FIGURES THAT ARE REQUIRED TO BE DISCLOSED BUT DO NOT APPEAR DUE TO ROUNDING OFF ARE DETAILED IN NOTE 2.39 PREVIOUS YEAR FIGURES HAVE BEEN REGROUPED/RECASTED/REARRANGED, WHEREVER NECESSARY.

2.01 SHARE CAPITAL

(₹ in Crore)

PARTICULARS	AS AT 31.03.2015	AS AT 31.03.2014
2.01.1 AUTHORISED		
150,000,000 (PREVIOUS YEAR 150,000,000) EQUITY SHARES OF ₹ 10/- EACH	150.00	150.00
2.01.2 ISSUED, SUBSCRIBED AND FULLY PAID-UP		
100,000,000 (PREVIOUS YEAR 100,000,000) EQUITY SHARES OF ₹ 10/- EACH	100.00	100.00
	100.00	100.00

PARTICULARS	NO. OF SHARES	(₹ in Crore)	NO. OF SHARES	(₹ in Crore)
2.01.3 RECONCILIATION OF NUMBER OF EQUITY SHARES				
OPENING BALANCE	100,000,000	100.00	100,000,000	100.00
ADD/(LESS) DURING THE YEAR NIL(PREVIOUS YEAR NIL)	-	-	-	-
CLOSING BALANCE	100,000,000	100.00	100,000,000	100.00

2.01.4 RIGHTS, PREFERENCES AND RESTRICTIONS ATTACHED TO EQUITY SHARES

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

(No. of Shares)

PARTICULARS	AS AT 31.03.2015	AS AT 31.03.2014
2.01.5 EQUITY SHARES HELD BY EACH SHAREHOLDER MORE THAN 5% OF SHARES		
PRESIDENT OF INDIA ACTING THROUGH MINISTRY OF RAILWAYS	99,980,000	99,980,000
	(99.98 %)	(99.98 %)
2.01.6 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. (BONUS SHARES WERE ISSUED DURING THE YEAR 2012-13)	60,000,000	60,000,000

2.02 RESERVES AND SURPLUS

(₹ in Crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2015	AS AT 31.03.2014
2.02.1 GENERAL RESERVE			
AS PER LAST BALANCE SHEET		1,296.60	1,094.78
ADD: TRANSFER FROM STATEMENT OF PROFIT AND LOSS	2.02.3	231.63	201.82
LESS: DEPRECIATION (NET OF TAX OF ₹ 0.08 CRORE)	2.46	(0.16)	-
		1,528.07	1,296.60

(₹ in Crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2015	AS AT 31.03.2014
2.02.2 CSR ACTIVITIES RESERVE			
AS PER LAST BALANCE SHEET		-	0.22
LESS: TRANSFER TO STATEMENT OF PROFIT AND LOSS	2.02.3	-	(0.22)
		-	-
TOTAL (2.02.1+2.02.2)		1,528.07	1,296.60
2.02.3 PROFIT AFTER TAX IN STATEMENT OF PROFIT AND LOSS		306.14	263.61
APPROPRIATIONS:			
DIVIDEND			
• INTERIM*		30.00	30.00
• FINAL (PROPOSED)*		32.00	23.00
• TAX ON DIVIDEND		12.51	9.01
TRANSFER FROM CSR ACTIVITIES RESERVE	2.02.2	-	(0.22)
TRANSFER TO GENERAL RESERVE	2.02.1	231.63	201.82
TOTAL		306.14	263.61
* DIVIDEND PAID AND PROPOSED PER SHARE		₹6.20	₹5.30
NUMBER OF SHARES USED IN COMPUTING DIVIDEND PER SHARE		100,000,000	100,000,000

2.03 OTHER LONG TERM LIABILITIES

(₹ in Crore)

PARTICULARS	AS AT 31.03.2015	AS AT 31.03.2014
CLIENTS ADVANCES	6.41	13.47
SECURITY DEPOSITS	82.21	68.80
SUNDRY CREDITORS	2.67	3.19
TOTAL	91.29	85.46

2.04 LONG TERM PROVISIONS

(₹ in Crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2015	AS AT 31.03.2014
EMPLOYEE BENEFITS		94.62	86.67
EXCISE DUTY		-	0.49
WARRANTIES	2.37	10.08	25.40
COMMITMENTS	2.37	-	0.25
TOTAL		104.70	112.81

2.05 TRADE PAYABLES

(₹ in Crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2015	AS AT 31.03.2014
MICRO, SMALL AND MEDIUM ENTERPRISES	2.41	0.03	1.13
CREDITORS FOR SUPPLIES AND SERVICES		80.65	100.80
TOTAL		80.68	101.93

2.06 OTHER CURRENT LIABILITIES

(₹ in Crore)

PARTICULARS	NOTE NO.	AS AT	AS AT
		31.03.2015	31.03.2014
CLIENTS ADVANCES		1,386.73	1,651.53
SECURITY DEPOSITS		67.64	78.24
FOREIGN SERVICE CONTRIBUTION		1.87	1.09
SALARY PAYABLES		40.03	22.61
BOOK OVERDRAFT-OWNED FUND*	2.17.4	-	0.04
BOOK OVERDRAFT-CLIENTS FUND*	2.18.4	25.34	9.68
STATUTORY LIABILITIES		6.97	10.89
STAFF & OTHER CLAIMS		6.35	4.52
SUNDRY CREDITORS		5.61	6.68
TOTAL		1,540.54	1,785.28

* BOOK OVERDRAFT DUE TO ISSUANCE OF CHEQUES, WHICH WILL BE CLEARED AGAINST TERM DEPOSITS AVAILABLE IN BANKS.

2.07 SHORT TERM PROVISIONS

(₹ in Crore)

PARTICULARS	NOTE NO.	AS AT	AS AT
		31.03.2015	31.03.2014
PROPOSED DIVIDEND		32.00	23.00
DIVIDEND TAX		6.51	3.91
EMPLOYEE BENEFITS		55.38	94.00
EXCISE DUTY		0.50	0.01
WARRANTIES	2.37	18.52	12.97
COMMITMENTS	2.37	2.28	1.82
TOTAL		115.19	135.71

2.08.1 TANGIBLE FIXED ASSETS AS AT 31.03.2015

(₹ in Crore)

DESCRIPTION	GROSS BLOCK					DEPRECIATION					NET BLOCK		
	AS AT 01/04/2014	ADDITIONS DURING THE YEAR	ADJ DURING THE YEAR	SALE/ WRITTEN OFF DURING THE YEAR	TOTAL	AS AT 01/04/2014	FOR THE YEAR	ADJ DURING THE YEAR	ADJ THROUGH RETAINED EARNING**	SALE/ WRITTEN OFF DURING THE YEAR	TOTAL	AS AT 31/03/2015	AS AT 31/03/2014
LEASED HOLD													
LAND	2.68	-	-	-	2.68	2.23	0.02	-	-	-	2.25	0.43	0.45
BUILDING	11.40	0.04	0.22	-	11.66	3.73	0.35	0.03	-	-	4.11	7.55	7.67
RESIDENTIAL QUARTERS	11.02	-	-	-	11.02	3.43	0.29	-	-	-	3.72	7.30	7.59
SUB TOTAL	25.10	0.04	0.22	-	25.36	9.39	0.66	0.03	-	-	10.08	15.28	15.71
OTHERS													
LAND	29.00	0.05	-	-	29.05	-	-	-	-	-	-	29.05	29.00
BUILDING	40.44	-	-	-	40.44	6.59	0.66	-	-	-	7.25	33.19	33.85
RESIDENTIAL QUARTERS*	2.34	-	-	-	2.34	1.33	0.02	-	-	-	1.35	0.99	1.01
SURVEY AND OTHER INSTRUMENTS	15.94	0.06	-	1.38	14.62	11.64	0.68	-	-	1.38	10.94	3.68	4.30
COMPUTER AND EQUIPMENTS	17.47	1.86	-	2.25	17.08	14.11	2.22	-	0.16	2.25	14.24	2.84	3.36
SERVER & NETWORK	8.31	0.05	-	0.06	8.30	3.37	0.97	-	-	0.06	4.28	4.02	4.94
OFFICE AND OTHER EQUIPMENTS	11.09	0.53	-	0.36	11.26	7.99	1.40	-	0.08	0.34	9.13	2.13	3.10
AIR-CONDITIONER AND EQUIPMENTS	1.61	0.21	-	0.03	1.79	1.07	0.15	-	-	0.03	1.19	0.60	0.54
AIR CONDITIONER PLANT	12.73	0.07	-	-	12.80	5.58	1.30	-	-	-	6.88	5.92	7.15
FURNITURES	5.87	0.37	-	0.07	6.17	3.65	0.45	-	-	0.06	4.04	2.13	2.22
FIXTURES	7.11	0.20	-	0.01	7.30	5.20	0.71	-	-	0.01	5.90	1.40	1.91
VEHICLES	4.37	0.32	-	0.41	4.28	2.74	0.30	-	-	0.41	2.63	1.65	1.63
VEHICLES ABROAD	0.76	-	-	0.58	0.18	0.76	-	-	-	0.58	0.18	-	-
LOCOMOTIVES NEW	8.43	-	-	8.43	-	2.66	0.23	-	-	2.89	-	-	5.77
LOCOMOTIVES IN SERVICE	115.34	35.08	-	-	150.42	25.91	14.76	0.53	-	-	41.20	109.22	89.43
COACHES IN SERVICE	7.52	-	-	-	7.52	7.52	-	-	-	-	7.52	-	-
SUB TOTAL	288.33	38.80	-	13.58	313.55	100.12	23.85	0.53	0.24	8.01	116.73	196.82	188.21
TOTAL	313.43	38.84	0.22	13.58	338.91	109.51	24.51	0.56	0.24	8.01	126.81	212.10	203.92
PREVIOUS YEAR	273.04	41.28	-	0.89	313.43	91.74	18.60	-	-	0.83	109.51	203.92	-

* DEPRECIATION ON FREEHOLD FLATS IS CHARGED ON THE TOTAL COST OF FLATS IN THE ABSENCE OF BREAK-UP OF LAND COMPONENTS IN THE FLATS VALUE.

** REFER NOTE NO. 2.46.

2.08.2 INTANGIBLE ASSETS AS AT 31.03.2015

(₹ in Crore)

DESCRIPTION	GROSS BLOCK					AMORTISATION						NET BLOCK	
	AS AT 01/04/2014	ADDITIONS DURING THE YEAR	ADJ DURING THE YEAR	SALE/ WRITTEN OFF DURING THE YEAR	TOTAL	AS AT 01/04/2014	FOR THE YEAR	ADJ DURING THE YEAR	ADJ THROUGH RETAINED EARNING	SALE/ WRITTEN OFF DURING THE YEAR	TOTAL	AS AT 31/03/2015	AS AT 31/03/2014
SOFTWARES	10.73	1.92	-	-	12.65	5.93	1.93	-	-	-	7.86	4.79	4.80
PREVIOUS YEAR	8.13	2.60	-	-	10.73	4.58	1.35	-	-	-	5.93	4.80	

2.08.3 CAPITAL WORK IN PROGRESS AS AT 31.03.2015

(₹ in Crore)

DESCRIPTION	GROSS BLOCK					DEPRECIATION						NET BLOCK	
	AS AT 01/04/2014	ADDITIONS DURING THE YEAR#	ADJ DURING THE YEAR	SALE/ WRITTEN OFF DURING THE YEAR	TOTAL	AS AT 01/04/2014	FOR THE YEAR	ADJ DURING THE YEAR	ADJ THROUGH RETAINED EARNING	SALE/ WRITTEN OFF DURING THE YEAR	TOTAL	AS AT 31/03/2015	AS AT 31/03/2014
CAPITAL WORK IN PROGRESS	12.95	73.73	(28.76)	-	57.92	-	-	-	-	-	-	57.92	12.95
PREVIOUS YEAR	6.87	31.65	(25.57)	-	12.95	-	-	-	-	-	-	12.95	

INCLUDES ₹ 71.36 CRORE (PREVIOUS YEAR ₹ 31.06 CRORE) ON DEVELOPMENT OF LOCOMOTIVES.

2.08.4 INTANGIBLE ASSETS UNDER DEVELOPMENT AS AT 31.03.2015

(₹ in Crore)

DESCRIPTION	GROSS BLOCK					DEPRECIATION						NET BLOCK	
	AS AT 01/04/2014	ADDITIONS DURING THE YEAR	ADJ DURING THE YEAR	SALE/ WRITTEN OFF DURING THE YEAR	TOTAL	AS AT 01/04/2014	FOR THE YEAR	ADJ DURING THE YEAR	ADJ THROUGH RETAINED EARNING	SALE/ WRITTEN OFF DURING THE YEAR	TOTAL	AS AT 31/03/2015	AS AT 31/03/2014
SOFTWARES	0.49	0.26	-	-	0.75	-	-	-	-	-	-	0.75	0.49
PREVIOUS YEAR	0.23	0.26	-	-	0.49	-	-	-	-	-	-	0.49	
GRAND TOTAL FIXED ASSETS	337.60	114.75	(28.54)	13.58	410.23	115.44	26.44	0.56	0.24	8.01	134.67	275.56	222.16
PREVIOUS YEAR	288.27	75.79	(25.57)	0.89	337.60	96.32	19.95	-	-	0.83	115.44	222.16	

2.08.5 INVESTMENT PROPERTIES AS AT 31.03.2015

(₹ in Crore)

DESCRIPTION	GROSS BLOCK					DEPRECIATION						NET BLOCK	
	AS AT 01/04/2014	ADDITIONS DURING THE YEAR	ADJ DURING THE YEAR	SALE/ WRITTEN OFF DURING THE YEAR	TOTAL	AS AT 01/04/2014	FOR THE YEAR	ADJ DURING THE YEAR	ADJ THROUGH RETAINED EARNING	SALE/ WRITTEN OFF DURING THE YEAR	TOTAL	AS AT 31/03/2015	AS AT 31/03/2014
LEASED HOLD BUILDING	1.83	-	(0.22)	-	1.61	0.28	0.04	(0.04)	-	-	0.28	1.33	1.55
PREVIOUS YEAR	1.83	-	-	-	1.83	0.24	0.04	-	-	-	0.28	1.55	
GRAND TOTAL INCLUDING INVESTMENT PROPERTIES	339.43	114.75	(28.76)	13.58	411.84	115.72	26.48	0.52	0.24	8.01	134.95	276.89	223.71
PREVIOUS YEAR	290.10	75.79	(25.57)	0.89	339.43	96.56	19.99	-	-	0.83	115.72	223.71	

2.09 NON CURRENT INVESTMENTS

(₹ in Crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2015	AS AT 31.03.2014
A) INVESTMENT PROPERTIES			
LEASEHOLD BUILDING	2.08.5	1.33	1.55
B) TRADE (UNQUOTED)-AT COST, LONG TERM INVESTMENTS IN SHARES			
(I) IN FOREIGN COMPANIES			
(a) SUBSIDIARY COMPANIES			
(I) RITES MOHAWAREAN ARABIA CO. LTD.		-	0.47
NIL (PREVIOUS YEAR 380) EQUITY SHARES OF FACE VALUE OF SAUDI RIYAL 1,000/- EACH, FULLY PAID-UP.			

(₹ in Crore)			
PARTICULARS	NOTE NO.	AS AT 31.03.2015	AS AT 31.03.2014
(II) RITES (AFRIKA) (PTY) LTD., BOTSWANA 10,000 (PREVIOUS YEAR 10,000) EQUITY SHARES OF FACE VALUE OF PULA 1/- EACH, FULLY PAID-UP.		0.01	0.01
(b) JOINT VENTURE ENTITY			
COMPANHIA DOS CAMINHOS DE FERRO DA BEIRA, SA (CCFB), MOZAMBIQUE		6.01	6.01
1,300,000 (PREVIOUS YEAR 1,300,000) EQUITY SHARES OF FACE VALUE OF US\$ 1/- EACH, FULLY PAID-UP.			
(II) IN INDIAN COMPANIES			
(a) SUBSIDIARY COMPANIES			
(I) RITES INFRASTRUCTURE SERVICES LIMITED		0.05	0.05
50,000 (PREVIOUS YEAR 50,000) EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH, FULLY PAID-UP.			
(II) RAILWAY ENERGY MANAGEMENT COMPANY LIMITED		15.30	5.10
15,300,000 (PREVIOUS YEAR 5,100,000) EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH, FULLY PAID-UP.			
(b) JOINT VENTURE ENTITY			
SAIL-RITES BENGAL WAGON INDUSTRY PRIVATE LIMITED		14.90	18.00
14,900,000 (PREVIOUS YEAR 18,000,000 (INCLUDES 6,000,000 EQUITY SHARES AMOUNTING TO ₹ 6 CRORE, PENDING ALLOTMENT)) EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH, FULLY PAID-UP.			
(c) OTHER			
GLOBAL PROCUREMENT CONSULTANTS LIMITED		0.04	0.04
32,279 (PREVIOUS YEAR 32,279) EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH, FULLY PAID-UP (INCLUDES 2,279 EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH AT A PRICE OF ₹ 30/- EACH).			
(III) IN INDIAN COOPERATIVE SOCIETIES			
(I) MORU MAHAL CO-OPERATIVE SOCIETY LIMITED	2.39	-	-
5 (PREVIOUS YEAR 5) EQUITY SHARES OF FACE VALUE OF ₹ 50/- EACH ACQUIRED FOR PURCHASE OF RESIDENTIAL QUARTER.			
(II) AMIT INDUSTRIAL PREMISES CO-OPERATIVE SOCIETY LIMITED	2.39	-	-
10 (PREVIOUS YEAR 10) EQUITY SHARES OF FACE VALUE OF ₹ 50/- EACH ACQUIRED FOR PURCHASE OF LABORATORY.			
AGGREGATE OF UNQUOTED INVESTMENTS-CARRYING VALUE AT COST		36.31	29.68
C) TRADE (QUOTED)-AT COST, LONG TERM INVESTMENTS			
(I) INDIAN RAILWAY FINANCE CORPORATION *		50.00	50.00
(7 YEAR SECURED REDEEMABLE 6.30% TAX FREE BONDS)			
5,000 BONDS OF FACE VALUE OF ₹ 100,000/- EACH, FULLY PAID			
(II) INDIAN RAILWAY FINANCE CORPORATION *		50.00	50.00
(7 YEAR SECURED REDEEMABLE 6.32% TAX FREE BONDS)			
5,000 BONDS OF FACE VALUE OF ₹ 100,000/- EACH, FULLY PAID			

(₹ in Crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2015	AS AT 31.03.2014
(III) INDIAN RAILWAY FINANCE CORPORATION * (10 YEAR SECURED REDEEMABLE 7.55% TAX FREE BONDS) 2,500 BONDS OF FACE VALUE OF ₹ 100,000/- EACH, FULLY PAID		25.00	25.00
(IV) INDIAN RAILWAY FINANCE CORPORATION * (10 YEAR SECURED REDEEMABLE 7.21% TAX FREE BONDS) 300 BONDS OF FACE VALUE OF ₹ 1,000,000/- EACH AT PREMIUM OF ₹ 100/- EACH, FULLY PAID		30.00	30.00
(V) INDIAN RAILWAY FINANCE CORPORATION * (10 YEAR SECURED REDEEMABLE 7.22% TAX FREE BONDS) 100 BONDS OF FACE VALUE OF ₹ 1,000,000/- EACH AT PREMIUM OF ₹ 100/- EACH, FULLY PAID		10.00	10.00
(VI) INDIAN RAILWAY FINANCE CORPORATION * (10 YEAR SECURED REDEEMABLE 7.18% TAX FREE BONDS) 100,000 BONDS OF FACE VALUE OF ₹ 1,000/- EACH, FULLY PAID		10.00	10.00
(VII) INDIAN RAILWAY FINANCE CORPORATION * (10 YEAR SECURED REDEEMABLE 8.35% TAX FREE BONDS) 250 BONDS OF FACE VALUE OF ₹ 1,000,000/- EACH AT PREMIUM OF ₹ 100/- EACH, FULLY PAID		25.00	25.00
AGGREGATE OF QUOTED INVESTMENTS-CARRYING VALUE AT COST		200.00	200.00
TOTAL		237.64	231.23

* BONDS' MARKET VALUES AS ON 31.03.2015 ARE NOT AVAILABLE AS THESE BONDS ARE NOT FREQUENTLY TRADED.

2.10 DEFERRED TAX ASSETS (NET)

(₹ in Crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2015	AS AT 31.03.2014
DEPRECIATION ON FIXED ASSETS		(10.13)	(9.64)
PROVISION FOR DOUBTFUL DEBTS, SECURITY DEPOSITS/EMD, ADVANCES ETC.		20.75	21.94
LEAVE ENCASHMENT AND OTHER PROVISIONS		35.51	47.40
TOTAL		46.13	59.70
CHARGED TO STATEMENT OF PROFIT & LOSS		(13.65)	12.27
TAX EFFECT ON DEPRECIATION ADJUSTED FROM GENERAL RESERVE	2.46	0.08	-
INCREASE/ (DECREASE) IN DEFERRED TAX ASSET (NET)		(13.57)	12.27

2.11 LONG TERM LOANS AND ADVANCES

(₹ in Crore)

PARTICULARS	AS AT 31.03.2015	AS AT 31.03.2014
(SECURED, CONSIDERED GOOD)		
STAFF ADVANCES	4.16	4.40
(UNSECURED, CONSIDERED GOOD)		
LOANS TO CCFB, MOZAMBIQUE (RELATED PARTY)*	90.85	83.45
STAFF ADVANCES	4.18	4.27
SECURITY DEPOSITS	1.11	0.96
ADVANCE INCOME TAX (NET OF PROVISION)	77.28	74.41
PREPAID EXPENSES	0.88	0.55
TOTAL	178.46	168.04

* SHAREHOLDERS LOAN, LOAN IN LIEU OF EQUITY AND LOAN TO MEET ARBITRATION EXPENSES.

2.12 OTHER NON CURRENT ASSETS

(₹ in Crore)			
PARTICULARS	NOTE NO.	AS AT 31.03.2015	AS AT 31.03.2014
INTEREST ACCRUED (INCLUDING ACCRUED BUT NOT DUE) ON:			
• BANK DEPOSITS		2.92	0.55
• LOANS TO CCFB, MOZAMBIQUE (RELATED PARTY)		6.45	6.45
• OTHER LOANS AND ADVANCES		5.56	5.50
RETENTION MONEY		7.27	6.67
BANK DEPOSITS HAVING MATURITY OVER 12 MONTHS FROM REPORTING DATE	2.17.3	104.02	133.70
AMOUNT RECOVERABLES		-	0.41
LESS: PROVISION FOR DOUBTFUL RECOVERABLES		-	(0.41)
TOTAL		126.22	152.87

2.13 OTHER NON CURRENT ASSETS-CLIENTS DEPOSITS

(₹ in Crore)			
PARTICULARS	NOTE NO.	AS AT 31.03.2015	AS AT 31.03.2014
BANK DEPOSITS HAVING MATURITY OVER 12 MONTHS FROM REPORTING DATE:			
• CLIENTS DEPOSITS	2.18.3	54.95	116.59
TOTAL		54.95	116.59

2.14 INVENTORIES

(₹ in Crore)			
PARTICULARS		AS AT 31.03.2015	AS AT 31.03.2014
(AS CERTIFIED BY MANAGEMENT)			
STORES & SPARES		0.24	1.68
FINISHED GOODS		6.42	15.81
TOTAL		6.66	17.49

2.15 WORK IN PROGRESS

(₹ in Crore)			
PARTICULARS		AS AT 31.03.2015	AS AT 31.03.2014
CONSULTANCY PROJECTS		38.08	40.23
CONSTRUCTION PROJECTS		0.14	0.85
TOTAL		38.22	41.08

2.16 TRADE RECEIVABLES

(₹ in Crore)			
PARTICULARS		AS AT 31.03.2015	AS AT 31.03.2014
TRADE RECEIVABLES (UNSECURED):			
FOR A PERIOD EXCEEDING SIX MONTHS			
• CONSIDERED GOOD	106.38	121.27	
• CONSIDERED DOUBTFUL	45.60	48.76	
LESS: PROVISION FOR DOUBTFUL DEBTS	(45.60)	106.38	121.27
OTHERS			
• CONSIDERED GOOD		264.50	189.95
TOTAL		370.88	311.22

2.17 CASH AND BANK BALANCES-OWNED FUND

(₹ in Crore)

PARTICULARS	AS AT 31.03.2015	AS AT 31.03.2014
SHOWN UNDER CURRENT ASSETS :		
2.17.1 CASH & CASH EQUIVALENTS		
CHEQUES IN HAND	0.22	0.39
BANK BALANCES IN :		
• CURRENT ACCOUNTS	9.36	11.04
• DEPOSITS #	<u>239.44</u>	<u>20.88</u>
	249.02	31.92
2.17.2 OTHER BANK BALANCES IN :		
• DEPOSITS ##	<u>448.10</u>	<u>590.65</u>
TOTAL	<u>697.12</u>	<u>622.96</u>
SHOWN UNDER NON CURRENT ASSETS :		
2.17.3 OTHER BANK BALANCES IN :		
• DEPOSITS ###	NOTE NO. 2.12 <u>104.02</u>	<u>133.70</u>
2.17.4 BOOK OVERDRAFT ####	NOTE NO. 2.06 <u>-</u>	<u>(0.04)</u>
TOTAL CASH & BANK BALANCES-OWNED FUND*	<u>801.14</u>	<u>756.62</u>

(I) # HAVING MATURITY 3 MONTHS OR LESS FROM THE DATE OF ACQUISITION.

(II) ## HAVING MATURITY OVER 3 MONTHS FROM THE DATE OF ACQUISITION AND UPTO 12 MONTHS FROM REPORTING DATE.

(III) ### HAVING MATURITY OVER 12 MONTHS FROM REPORTING DATE.

(IV) #### BOOK OVERDRAFT DUE TO ISSUANCE OF CHEQUES, WHICH WILL BE CLEARED AGAINST TERM DEPOSITS AVAILABLE IN BANKS.

(V) * INCLUDES MARGIN MONEY AGAINST GUARANTEES ISSUED BY BANKS.

2.18 CASH AND BANK BALANCES-CLIENTS FUND

(₹ in Crore)

PARTICULARS	AS AT 31.03.2015	AS AT 31.03.2014
SHOWN UNDER CURRENT ASSETS :		
2.18.1 CASH & CASH EQUIVALENTS		
BANK BALANCES IN :		
• CURRENT ACCOUNTS	33.66	9.63
• DEPOSITS #	<u>165.70</u>	<u>249.02</u>
	199.36	258.65
2.18.2 OTHER BANK BALANCES IN :		
• DEPOSITS ##	<u>1,139.08</u>	<u>1218.10</u>
TOTAL	<u>1,338.44</u>	<u>1,476.75</u>
SHOWN UNDER NON CURRENT ASSETS :		
2.18.3 OTHER BANK BALANCES IN :		
• DEPOSITS ###	NOTE NO. 2.13 <u>54.95</u>	<u>116.59</u>
2.18.4 BOOK OVERDRAFT ####	NOTE NO. 2.06 <u>(25.34)</u>	<u>(9.68)</u>
TOTAL CASH & BANK BALANCES-CLIENTS FUND	<u>1,368.05</u>	<u>1,583.66</u>

(I) # HAVING MATURITY 3 MONTHS OR LESS FROM THE DATE OF ACQUISITION.

(II) ## HAVING MATURITY OVER 3 MONTHS FROM THE DATE OF ACQUISITION AND UPTO 12 MONTHS FROM REPORTING DATE.

(III) ### HAVING MATURITY OVER 12 MONTHS FROM REPORTING DATE.

(IV) #### BOOK OVERDRAFT DUE TO ISSUANCE OF CHEQUES, WHICH WILL BE CLEARED AGAINST TERM DEPOSITS AVAILABLE IN BANKS.

2.19 SHORT TERM LOAN & ADVANCES

		(₹ in Crore)	
PARTICULARS		AS AT 31.03.2015	AS AT 31.03.2014
(SECURED, CONSIDERED GOOD)			
STAFF ADVANCES		1.74	1.42
(UNSECURED, CONSIDERED GOOD)			
LOANS TO JV (RELATED PARTY) FOR WORKING CAPITAL REQUIREMENTS		7.10	-
STAFF ADVANCES		2.57	2.14
ADVANCES TO RELATED PARTIES		20.05	20.92
OTHER ADVANCES	26.37		44.01
LESS: PROVISION FOR DOUBTFUL ADVANCES	(0.39)	25.98	(0.39) 43.62
SECURITY DEPOSITS	3.30		2.54
LESS: PROVISION FOR DOUBTFUL EMD/SD	(0.70)	2.60	(1.03) 1.51
INCOME TAX RECEIVABLES		1.62	1.62
PREPAID EXPENSES		2.01	2.16
TOTAL		63.67	73.39

2.20 OTHER CURRENT ASSETS

		(₹ in Crore)	
PARTICULARS		AS AT 31.03.2015	AS AT 31.03.2014
GOVT. OF TANZANIA RECEIVABLES		56.65	54.15
AMOUNT RECOVERABLES	23.07		23.96
LESS: PROVISION FOR DOUBTFUL RECOVERABLES	(14.37)	8.70	(13.96) 10.00
INTEREST ACCRUED (INCLUDING ACCRUED BUT NOT DUE) ON:			
• BANK DEPOSITS HAVING MATURITY:			
• 3 MONTHS OR LESS FROM THE DATE OF ACQUISITION	18.52		0.09
• OVER 3 MONTHS FROM THE DATE OF ACQUISITION AND UPTO 12 MONTHS FROM REPORTING DATE	25.14		30.65
• BONDS	8.23		6.14
• LOANS TO SRBWIPL (RELATED PARTY)	0.07		-
• OTHER LOANS AND ADVANCES	1.00	52.96	0.73 37.61
RETENTION MONEY		8.21	22.55
TOTAL		126.52	124.31

2.21 REVENUE FROM OPERATIONS

PARTICULARS	(₹ in Crore)	
	YEAR ENDED 31.03.2015	YEAR ENDED 31.03.2014
SALE OF SERVICES		
CONSULTANCY FEE (GROSS)	661.82	471.38
LESS: SERVICE TAX	(69.73)	(44.34)
CONSULTANCY FEE (NET)	<u>592.09</u>	427.04
QUALITY ASSURANCE (GROSS)	128.34	118.56
LESS: SERVICE TAX	(13.82)	(12.81)
QUALITY ASSURANCE (NET)	<u>114.52</u>	105.75
LEASE SERVICES (GROSS)	74.86	64.49
LESS: SERVICE TAX	(5.56)	(4.30)
LEASE SERVICES (NET)	<u>69.30</u>	60.19
	775.91	592.98
SALE OF PRODUCTS		
EXPORT SALES	149.23	404.61
OTHERS		
TURNKEY CONSTRUCTION PROJECTS	<u>90.03</u>	95.87
TOTAL	<u>1,015.17</u>	<u>1,093.46</u>

2.22 OTHER INCOME

PARTICULARS	(₹ in Crore)	
	YEAR ENDED 31.03.2015	YEAR ENDED 31.03.2014
INTEREST EARNED ON:		
• DEPOSITS WITH BANKS	82.83	76.52
• TAX FREE BONDS	13.89	12.56
• STAFF ADVANCES	1.32	1.17
• LOAN TO JV (RELATED PARTY)	0.30	-
• OTHERS	1.02	-
	<u>99.36</u>	90.25
PROVISION NO LONGER REQUIRED	30.98	54.33
PROFIT ON SALE OF FIXED ASSETS	0.08	0.04
DIVIDEND FROM:		
• TRADE NON CURRENT INVESTMENTS	0.01	0.01
• TRADE CURRENT INVESTMENTS	2.74	2.27
	<u>2.75</u>	2.28
EXPORT INCENTIVES	8.59	0.39
RENT FROM INVESTMENT PROPERTIES	0.99	1.12
EXCHANGE VARIATION	4.61	-
MISCELLANEOUS INCOME	3.49	4.36
TOTAL	<u>150.85</u>	<u>152.77</u>

2.23 EMPLOYEE BENEFITS EXPENSES

PARTICULARS	(₹ in Crore)	
	YEAR ENDED 31.03.2015	YEAR ENDED 31.03.2014
SALARIES-DOMESTIC	194.33	170.48
SALARIES-ABROAD	5.18	7.96
SALARIES CONTRACT EMPLOYEES	28.06	27.46
FOREIGN SERVICE CONTRIBUTION	3.14	0.70
CONTRIBUTION TO PROVIDENT FUND & OTHER FUNDS	17.71	14.45
GRATUITY	0.89	6.91
POST RETIRAL BENEFITS (PENSION/MEDICAL)	18.87	27.70
STAFF WELFARE EXPENSES	16.97	14.00
LEAVE TRAVEL CONCESSION	0.19	0.29
PERFORMANCE RELATED PAYMENT	20.00	14.00
LEAVE SALARIES	24.25	26.03
TOTAL	329.59	309.98

2.24 COST OF EXPORT SALES

PARTICULARS	NOTE NO.	(₹ in Crore)	
		YEAR ENDED 31.03.2015	YEAR ENDED 31.03.2014
COST OF TRADED GOODS		77.35	237.88
CONSUMABLES		0.09	0.12
FREIGHT & FORWARDING		0.33	1.64
INSURANCE		0.01	0.12
FEES FOR SERVICES OBTAINED		5.76	15.44
PROVISION FOR WARRANTIES	2.37	6.68	18.05
TOTAL		90.22	273.25

2.25 COST OF TURNKEY CONSTRUCTION PROJECTS

PARTICULARS	(₹ in Crore)	
	YEAR ENDED 31.03.2015	YEAR ENDED 31.03.2014
SUPPLIES & SERVICES	82.95	87.74
(INCREASE)/DECREASE IN WORK IN PROGRESS	0.71	1.15
TOTAL	83.66	88.89

2.26 OTHER EXPENSES

(₹ in Crore)			
PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2015	YEAR ENDED 31.03.2014
PRINTING, STATIONERY AND DOCUMENTATION		3.68	3.73
BUSINESS PROMOTION		1.79	1.97
AUDITORS' REMUNERATION	2.27.1	0.15	0.12
AUDITORS' OUT OF POCKET EXPENSES	2.27.1	0.03	0.02
RATES & TAXES		3.62	3.18
OFFICE RENT		4.02	4.08
POSTAGE & TELECOMMUNICATION		4.06	3.85
OFFICE MAINTENANCE		7.52	6.68
REPAIRS TO MACHINERY/EQUIPMENTS		0.84	0.86
REPAIRS TO BUILDING		0.39	0.07
POWER AND FUEL CHARGES		3.66	3.98
STORES AND SPARES CONSUMED-LEASED	2.27.2	2.54	3.35
STORES AND SPARES CONSUMED-OTHERS	2.27.3	1.41	0.97
BOOKS AND PERIODICALS		0.19	0.23
INTERNAL AUDIT FEE		0.17	0.17
ADVERTISEMENT AND PUBLICITY		1.98	2.56
SUBSCRIPTION AND MEMBERSHIP FEE		0.59	0.17
LEGAL AND PROFESSIONAL FEE		1.41	1.16
INSURANCE CHARGES		1.85	2.08
BANK CHARGES		1.53	1.57
BAD DEBTS		3.04	1.55
VEHICLE RUNNING AND MAINTENANCE		1.08	1.04
MANPOWER DEVELOPMENT		0.82	2.41
LOSS ON SALE OF FIXED ASSETS		0.01	0.02
PROVISION FOR:			
• DOUBTFUL DEBTS, ADVANCES, SECURITY DEPOSITS ETC.		4.38	16.30
• COMMITMENTS	2.37	1.60	0.90
• DOUBTFUL INVENTORIES		-	1.11
DIRECTORS' SITTING FEE		0.01	0.06
EXCHANGE VARIATION		-	3.17
CORPORATE SOCIAL RESPONSIBILITY	2.38	7.90	5.32
RESEARCH AND DEVELOPMENT		-	0.17
MISCELLANEOUS EXPENSES (COST OF TENDER DOCUMENTS, VISA CHARGES, ETC.)		4.54	3.83
TOTAL		64.81	76.68

2.27.1 AUDITORS' REMUNERATION

(₹ in Crore)		
PARTICULARS	YEAR ENDED 31.03.2015	YEAR ENDED 31.03.2014
(A) STATUTORY AUDITORS		
STATUTORY AUDIT FEE	0.04	0.04
TAX AUDIT FEE	0.02	0.02
LIMITED REVIEW AUDIT AND CONSOLIDATION FEE	0.03	0.02
OTHER SERVICES, i.e. CERTIFICATION ETC.	0.01	-
SUB TOTAL (A)	0.10	0.08
(B) BRANCH AUDITORS		
STATUTORY AUDIT FEE	0.02	0.01
TAX AUDIT FEE	0.01	0.01
LIMITED REVIEW AUDIT FEE	0.02	0.02
SUB TOTAL (B)	0.05	0.04
AUDITORS' REMUNERATION (A+B)	0.15	0.12
AUDITORS' OUT OF POCKET EXPENSES	0.03	0.02

2.27.2 STORES AND SPARES CONSUMED-LEASED

(₹ in Crore)		
PARTICULARS	YEAR ENDED 31.03.2015	YEAR ENDED 31.03.2014
COST OF STORES AND SPARES CONSUMED	2.30	1.27
CONSUMABLES	-	1.65
FREIGHT & FORWARDING INWARD	0.22	0.33
INSURANCE CHARGES	-	0.05
OTHER PROCUREMENT EXPENSES	0.02	0.05
TOTAL	2.54	3.35

2.27.3 STORES AND SPARES CONSUMED-OTHERS

(₹ in Crore)		
PARTICULARS	YEAR ENDED 31.03.2015	YEAR ENDED 31.03.2014
CONSUMABLES	1.28	0.89
FREIGHT & FORWARDING INWARD	0.13	0.08
TOTAL	1.41	0.97

2.28 PRIOR PERIOD ADJUSTMENTS (NET)

(₹ in Crore)		
PARTICULARS	YEAR ENDED 31.03.2015	YEAR ENDED 31.03.2014
FEES	(0.04)	(1.55)
OTHER (INCOME)/EXPENSES	2.12	0.05
EMPLOYEES' COST	-	(7.89)
SUPPLIES & SERVICES	2.15	2.93
TOTAL	4.23	(6.46)

DISCLOSURES AS PER ACCOUNTING STANDARDS:

2.29 Disclosure on construction contracts (Accounting Standard-7) is as follows:

(₹ in Crore)

S. No.	Particulars	Year Ended	
		31.03.2015	31.03.2014
1.	Contract revenue recognized during the year	90.03	95.87
2.	Aggregate amount of costs incurred upto reporting date	290.76	203.66
3.	Recognized profits upto reporting date	12.94	10.01
4.	Amount of advances received	10.96	7.81
5.	Gross amount due from customers for the contract work presented as an asset	0.14	0.85
6.	Retention Money	-	-
7.	Gross amount due to customers for the contract work presented as liability	-	-

2.30 Disclosure on Employees Defined Benefits in line with Accounting Standard-15 is as follows:

2.30.1 Reconciliation of Opening & Closing Balances of the present value of the defined benefits plan obligation (unfunded) and the effects during the period attributable to each is as follows:

(₹ in Crore)

Particulars	Leave Encashment		LTC		Medical Leave	
	31.03.15	31.03.14	31.03.15	31.03.14	31.03.15	31.03.14
Opening Balance	54.95	55.50	1.22	1.06	33.85	29.69
Interest Cost	4.39	4.44	0.10	0.09	2.71	2.38
Current Service Cost	5.19	4.05	0.22	0.64	2.61	2.05
Benefit paid	(13.84)	(19.28)	(0.07)	(0.13)	(0.49)	(3.15)
Actuarial (Gain)/Loss on obligation	8.61	10.24	(0.13)	(0.44)	0.74	2.88
Closing Balance	59.30	54.95	1.34	1.22	39.42	33.85

2.30.2 Total expenses recognized in the statement of Profit & Loss is as follows:

(₹ in Crore)

Particulars	Leave Encashment		LTC		Medical Leave	
	31.03.15	31.03.14	31.03.15	31.03.14	31.03.15	31.03.14
Current Service Cost	5.19	4.05	0.22	0.64	2.61	2.05
Interest Cost	4.39	4.44	0.10	0.09	2.71	2.38
Net actuarial (Gain)/Loss recognized during the year	8.61	10.24	(0.13)	(0.44)	0.74	2.88
Expenses recognized in the statement of Profit & Loss	18.19	18.73	0.19	0.29	6.06	7.31

2.30.3 Net present value of long service award as on 31.03.2015 is ₹ 1.58 crore (previous year ₹ 1.02 crore).

2.30.4 The principal actuarial assumptions used at the Balance Sheet date are as follow:

Particulars	Leave Encashment		LTC		Long Service Award		Medical Leave	
	31.03.15	31.03.14	31.03.15	31.03.14	31.03.15	31.03.14	31.03.15	31.03.14
Discount rate (%)	8%	8%	8%	8%	8%	8%	8%	8%
Future salary increase (%)	8%	8%	8%	8%	-	-	8%	8%

2.30.5 Gratuity-Defined Benefits wholly funded

2.30.5.1 The Company is contributing through RITES Employees Group Gratuity cum LIC Scheme to Life Insurance Corporation of India (LIC) to meet its gratuity liability. The details are as under:-

2.30.5.2 Changes in Present Value of the obligation are as follow:

Particulars	(₹ in Crore)	
	31.03.15	31.03.14
Present Value of obligation as at beginning of year	70.76	59.97
Interest Cost	5.66	4.79
Current Service Cost	4.63	4.56
Benefits paid	(3.19)	(2.09)
Actuarial (Gain)/Loss on obligation	(2.99)	3.53
Present Value of Obligation as at end of year	74.87	70.76

2.30.5.3 Changes in the Fair Value of Plan Assets are as follow:

Particulars	(₹ in Crore)	
	31.03.15	31.03.14
Fair Value of Plan Assets at beginning of year	71.52	62.37
Expected Return on Plan Assets	6.51	5.61
Contributions	-	5.27
Benefits Paid	(3.19)	(2.09)
Actuarial Gain / (Loss) on Plan Assets	(0.10)	0.36
Fair value of Plan Assets at the end of year	74.74	71.52

2.30.5.4 The amount recognized in the Balance Sheet is as follow:

Particulars	(₹ in Crore)	
	31.03.15	31.03.14
Present Value of obligation as at end of year	74.87	70.76
Fair value of Plan Assets at the end of year	74.74	71.52
Funded Status / difference	(0.13)	0.76
Excess of actual over estimated	(0.10)	0.36
Unrecognized actuarial (Gains)/Losses	-	-
Net Asset/(Liability) recognized in Balance Sheet	(0.13)	0.76

2.30.5.5 Expenses recognized in the Statement of Profit & Loss are as follow:

Particulars	(₹ in Crore)	
	31.03.15	31.03.14
Current Service Cost	4.63	4.56
Interest Cost	5.66	4.79
Expected Return on Plan Assets	(6.51)	(5.61)
Net actuarial (Gain)/Loss	(2.89)	3.17
Expenses recognized in Statement of Profit & Loss	0.89	6.91

2.30.5.6 The principal actuarial assumptions are as follow:

Particulars	31.03.15		31.03.14	
	8%	8%	8%	8%
Discounting rate (%)	8%	8%	8%	8%
Future salary increase (%)	8%	8%	8%	8%

2.30.6 Further, no planned assets have been created by the company for other employee benefits.

2.31 Segment Reporting

2.31.1 The Company has identified four business segments as primary segment as detailed below:-

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

2.31.2 The segment revenue in geographical segments considered for disclosure are as under:-

- (a) Revenue within India from consultancy including quality assurance, project management services, turnkey construction projects and domestic lease rental services to the clients located within the country.
- (b) Revenue from outside India for services rendered, export sales of rolling stock & spare parts and lease rental services to the clients located outside India.

2.31.3 The accounting principles used in the preparation of the financial statements are consistently applied to record revenue & expenditure in individual segments, as set out in the note of significant accounting policies.

2.31.4 Revenue & direct expenses in relation to segments are allocated based on items that are individually identifiable to that segment while the remaining costs are categorized as unallocated expense as the underlying services are used inter-changeably.

2.31.5 Business Segment:

Description	Year Ended	
	31.03.2015	31.03.2014
(₹ in Crore)		
REVENUE		
Consultancy Services		
• Domestic	686.09	517.99
• Abroad	20.52	14.80
Export Sale	149.23	404.61
Leasing		
• Domestic	45.00	34.76
• Abroad	24.30	25.43
Turnkey Construction Projects-Domestic	90.03	95.87
Total Income from Operations (A)	1015.17	1093.46
IDENTIFIABLE OPERATING EXPENSES		
Consultancy Services		
• Domestic	410.55	373.07
• Abroad	8.06	13.42
Export	98.53	292.37
Leasing		
• Domestic	21.07	16.30
• Abroad	14.59	9.25
Turnkey Construction Projects-Domestic	87.10	91.40
Total Operating Expenses (B)	639.90	795.81
SEGMENTAL PROFIT FROM OPERATIONS		
Consultancy Services		
• Domestic	275.54	144.92
• Abroad	12.46	1.38
Export	50.70	112.24

(₹ in Crore)

Description	Year Ended	
	31.03.2015	31.03.2014
Leasing		
• Domestic	23.93	18.46
• Abroad	9.71	16.18
Turnkey Construction Projects-Domestic	2.93	4.47
Operating Profit (A-B)	375.27	297.65
Add:		
Income from Investments/ Deposits*	99.47	91.36
Other Income **	51.38	61.41
Less: Un-allocable Expenses	70.02	64.33
Net Profit Before Tax	456.10	386.09
Less: Income Tax (including Deferred Tax)	149.96	122.48
Net Profit After Tax	306.14	263.61

2.31.6 Other Information

(₹ in Crore)

Description	Year Ended	
	31.03.2015	31.03.2014
Fixed Assets (Net) excluding Work in Progress ***	216.89	208.72
Current Assets, Loans & Advances	2641.51	2667.20
Current Liabilities, Provisions & Loans	1736.41	2022.92
Capital Employed ***	1121.99	853.00

2.31.7 Geographical Segment (Secondary Segment)

(₹ in Crore)

Description	Year Ended	
	31.03.2015	31.03.2014
Operating Revenue		
• India	821.12	648.62
• Abroad	194.05	444.84
Total	1015.17	1093.46
Operating Expenditure		
• India	518.72	480.77
• Abroad	121.18	315.04
Total	639.90	795.81
Operating Profit		
• India	302.40	167.85
• Abroad	72.87	129.80
Total	375.27	297.65

* Income from investment/deposits includes interest on bank deposits & bonds, dividend on trade current & non-current investment, etc.

** Other income includes interest on staff advance, interest on loans, interest on income tax refund, provision no longer required, profit on sale of assets, export incentives, rent from investment properties, etc.

*** Fixed assets used in the company's business or liabilities contracted are common in nature for all and cannot be allocated to a specific segment. The Company believes that it is currently not practicable to provide segmental disclosure of capital employed since a meaningful segregation of the available data could be onerous.

2.32 Related Party Disclosures

2.32.1 Relationship

Nature of relationship	Name of party
Joint Ventures	<ol style="list-style-type: none"> M/s RICON - Established in India. M/s Companhia Dos Caminhos De Ferro De Beira, SA, Beira (CCFB) - Established in Mozambique. M/s SAIL-RITES Bengal Wagon Industry Private Ltd. - Established in India. M/s Geoconsult ZT GmbH – RITES - Established in India.
Subsidiary Companies	<ol style="list-style-type: none"> M/s RITES (Afrika) (Pty) Ltd. (RAPL) - Established in Botswana, Shareholding-100%. M/s RITES Mohawarean Arabia Co. Ltd. (RMAC) - Established in Saudi Arabia, Shareholding-76%. M/s RITES Infrastructure Services Ltd. (RISL) - Established in India, Shareholding-100%. M/s Railway Energy Management Company Ltd. (REMCL) - Established in India, Shareholding-51%.
Directors	<ol style="list-style-type: none"> Shri Rajeev Mehrotra, Chairman & Managing Director Shri Sumit Sinha, Director Technical (Upto 31.10.2014) Shri Arbind Kumar, Director Projects Shri Ajay Kumar Gaur, Director Finance Shri S.B. Malik, Director Technical (From 01.11.2014) Shri Arvind Khare, Director Shri Debidas Datta, Director (Upto 24.06.2014) Shri Pramod Sharma, Director (Upto 30.09.2014) Shri A.P. Dwivedi (From 13.03.2015)

2.32.2 Remuneration to Key Management Personnels:

(₹ in Crore)

Description	Year Ended	
	31.03.15	31.03.14
Salaries and other employee benefits	1.25	1.58

2.32.3 Joint Ventures

(₹ in Crore)

Transactions for the year	CCFB		SAIL-RITES Bengal Wagon Industry Private Ltd.		Geoconsult ZT GmbH– RITES	
	Year Ended		Year Ended		Year Ended	
	31.03.15	31.03.14	31.03.15	31.03.14	31.03.15	31.03.14
Investments (equity)	-	-	2.90	-	-	-
Share Application Money pending allotment	-	-	-	6.00	-	-
Recoverable/Advances	-	3.67	-	0.69	0.07	-
Consultancy Fee/ Income from Turnkey Construction Projects	-	-	22.90	11.59	1.09	-
Loans	7.40	-	10.00	-	-	-
Interest on Loans given	-	-	0.30	-	-	-

(₹ in Crore)

Particulars	RICON		CCFB		SAIL-RITES Bengal Wagon Industry Private Ltd.		Geoconsult ZT GmbH – RITES	
	As on		As on		As on		As on	
	31.03.15	31.03.14	31.03.15	31.03.14	31.03.15	31.03.14	31.03.15	31.03.14
Investments	-	-	6.01	6.01	14.90	18.00	-	-
Recoverable/ Advances	11.42	11.15	-	-	0.05	0.95	0.14	-
Receivables	-	-	5.80	5.80	6.40	0.35	1.11	-
Loans	-	-	90.85	83.45	7.10	-	-	-
Interest accrued	-	-	6.45	6.45	0.07	-	-	-

Subsidiary Companies

(₹ in Crore)

Transactions for the year	RAPL		RISL		REMCL	
	Year Ended		Year Ended		Year Ended	
	31.03.15	31.03.14	31.03.15	31.03.14	31.03.15	31.03.14
Investment	-	-	-	-	10.20	5.10
Recoverable/ Advances	-	-	1.32	1.57	0.05	0.59
Consultancy Fee/ Income from Turnkey Construction Projects	0.24	0.28	5.37	0.25	1.30	0.38

(₹ in Crore)

Particulars	RAPL		RMAC*		RISL		REMCL	
	As on		As on		As on		As on	
	31.03.15	31.03.14	31.03.15	31.03.14	31.03.15	31.03.14	31.03.15	31.03.14
Investments	0.01	0.01	-	0.47	0.05	0.05	15.30	5.10
Recoverable /Advances	-	-	0.41	0.41	7.06	6.30	-	0.59
Receivables	0.24	0.29	-	-	-	0.22	0.87	0.42
Advance received against Construction projects	-	-	-	-	4.69	-	-	-

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

2.32.4 The company has been awarded a number of contracts jointly with other parties where work responsibilities / contractual obligations are clearly defined and segregated and the business relationship inter-se will automatically terminate on completion of the activity/project. The Company has no control or significant influence over these parties, hence not considered as related parties for disclosure.

2.33 Lease

2.33.1 Operating Lease (Cancellable)

2.33.1.1 The company has leasing arrangement of locomotives in domestic and overseas markets. Under the contracts, Company is also providing services of its experts for maintenance of these locomotives for which a consolidated lump sum payment including the lease rent is received from the clients as per terms of the contracts.

2.33.1.2 Detail of the leased assets: New & In-Service Locomotives (refer note no. 2.08.01)

(₹ in Crore)

Description	Year Ended	
	31.03.15	31.03.14
Gross carrying amount	150.42	123.77
Accumulated depreciation	41.20	28.57
Net carrying amount	109.22	95.20
Depreciation provided for the year	14.99	9.74

2.33.2 Other Lease (Cancellable)

2.33.2.1 Description of lease arrangement of Scope Office Complex

The company has leased 545 sq. m. area of furnished accommodation to Railway Board, Indian Railways on lease rent basis receivable every month. The lease arrangement is upto 31st March, 2016.

2.33.2.2 Details of the leased assets: Office Premises*

(₹ in Crore)

Description	Year Ended	
	31.03.15	31.03.14
Gross carrying amount	1.84	2.09
Accumulated depreciation	0.41	0.40
Net carrying amount	1.43	1.69
Depreciation provided for the year	0.06	0.06

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

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

2.33.2.4 Operating Leases for Company's offices and staff residential premises are renewable / cancelable as laid down in the respective agreements. The total of minimum lease payments recognized in the Statement of Profit & Loss for the year is ₹ 12.31 crore.

2.33.3 There are no provisions relating to contingent rent.

2.34 Earning Per Share (EPS)

Particulars	Year Ended	
	31.03.15	31.03.14
(A) Net profit for the year attributable to Equity Shareholders (₹ in crore)	306.14	263.61
(B) Weighted average number of Equity Shares	100,000,000	100,000,000
(C) Basic & Diluted Earning Per Share (A)/(B)	₹ 30.61	₹ 26.36
(D) Nominal value per share	₹ 10/-	₹ 10/-

2.35 Interest in Significant Joint Ventures

2.35.1 RITES has following Joint Ventures:

(₹ in Crore)			
Name / Place of JVs	Nature of Interest	Proportionate share of interest	Amount of investment
Geoconsult – RITES, India	RITES has formed a Joint Venture with M/s. Geoconsult-ZT-Gmbh (Austria) for detailed design consultancy and construction supervision of about 11 kms long railway tunnel in J&K State. Both the venturers contributed in the seed money as agreed for operational and execution purposes.	13%	Nil
Geoconsult – RITES, NRT-1, India	RITES has formed a Joint Venture with M/s. Geoconsult-ZT-Gmbh (Austria) for detailed design consultancy and construction supervision of Tunnel No.1 (3.1 km long) on Udampur – Katra Section for the USBRL project in the state of J&K.	16%	Nil
Geoconsult ZT GmbH – RITES, India	RITES has formed a Joint Venture with M/s. Geoconsult ZT GmbH (Austria) for detailed design and construction supervision of Tunnel No.10 (Approx. Length 3.3 km) in connection with Jiribam-Tupul new railway line project in the state of Manipur.	39.40%	Nil
RICON, India	RITES has formed a Joint Venture with M/s. IRCON International Ltd. to secure and execute contracts to be awarded by M/s Companhia Dos Caminhos de Ferro Beira, SARL, Beira, Mozambique to RICON for rendering Management Support Services, Consultancy Works, Project Management, Construction Supervision, Supply of Materials, Rolling Stock and equipment, Works Contracts, Leasing of Equipments / Rolling Stocks etc.	51%	Nil
Companhia Dos Caminhos De Ferro de Beira, SA, Beira, (CCFB) Mozambique	CCFB is a Joint Venture of RITES, IRCON International Ltd. and CFM (Parastatal of Government of Mozambique managing Ports and Railways in Mozambique) which is managing concession for Beira Rail Corridor since Dec., 2004. Concession period is 25 years.	26%	6.01
SAIL-RITES Bengal Wagon Industry Private Limited, India	RITES has formed a Joint Venture with SAIL for manufacturing Wagons at SGW, Kulti, West Bengal.	50%	14.90

2.35.2 RITES Share in Joint Ventures

2.35.2.1 Income, Expenditure, Assets & Liabilities:

(₹ in Crore)								
Description / JVs	Fixed Assets (Net)/Non Current Assets	Current Assets, Loans & Advances	Current Liabilities & Provisions	Other Liabilities	Capital	Retained Earnings / (Losses)	Income	Expenditure
RICON								
Year Ended 31.03.15	-	11.11	1.05	-	-	10.06	0.40	0.14
Year Ended 31.03.14	-	10.73	0.93	-	-	9.80	0.43	0.34
GEOCONSULT - RITES								
Year Ended 31.03.15	-	1.01	0.46	-	-	0.55	0.08	0.06
Year Ended 31.03.14	-	1.78	0.78	-	-	1.00	0.94	0.83

(₹ in Crore)

Description / JVs	Fixed Assets (Net)/Non Current Assets	Current As-sets, Loans & Advances	Current Liabilities & Provisions	Other Liabilities	Capital	Retained Earnings / (Losses)	Income	Expenditure
GEOCONSULT - RITES - NRT-1								
Year Ended 31.03.15	-	0.64	0.56	-	-	0.08	0.06	0.04
Year Ended 31.03.14	-	0.89	0.65	-	-	0.24	0.05	0.07
GEOCONSULT ZT GMBH - RITES								
Year Ended 31.03.15	0.12	0.87	0.85	-	-	0.14	1.21	1.06
Companhia Dos Caminhos De Ferro de Beira (CCFB)								
Year ended 31.12.14	0.01	124.82	119.68	-	5.42	(0.28)	1.53	5.74
Year ended 31.12.13	0.01	119.67	110.55	-	5.95	3.18	0.60	4.60
SAIL-RITES BENGAL WAGON INDUSTRY PRIVATE LIMITED								
Year ended 31.03.15	40.75	3.50	6.94	22.35	14.90	0.06	0.13	0.06
Year ended 31.03.14	27.59	6.66	0.08	16.18	18.00	(0.01)	0.06	0.02

- (i) Proportioned share of the company in the Income and Expenditure of M/s Geoconsult-RITES, M/s Geoconsult-RITES-NRT-1, M/s Geoconsult ZT GmbH-RITES and M/s RICON have been considered in the Statement of Profit & Loss under respective heads.
- (ii) M/s Companhia Dos Caminhos De Ferro de Beira, SA, Beira, (CCFB), Mozambique has calendar year as financial year and figures indicated above are from the audited financial statements as on 31.12.2014 & 31.12.2013.

2.35.2.2 Contingent Liabilities:

- (a) In CCFB Mozambique, withholding tax demand against the company, amount to ₹ 1.40 crore (equivalent MZN 8036076) previous year ₹ 1.53 crore (equivalent MZN 8036076), in which share of RITES @ 26% comes to ₹ 0.36 crore (previous year ₹ 0.40 crore).
- (b) In CCFB Mozambique, claims against the company amounting to ₹ 2.19 crore (equivalent US\$ 315530.65 and MZN 1391225.12) previous year ₹ 3.85 crore (equivalent US\$ 607321 and MZN 1391225.12) have not been acknowledged as debt in which share of RITES @ 26% comes to ₹ 0.57 crore (previous year ₹ 1 crore).

2.35.2.3 Capital Commitment:

SAIL-RITES Bengal Wagon Industry Private Limited has liability on account of capital commitment of ₹ 13.61 crore (previous year ₹ 36.31 crore) in which share of RITES @ 50% comes to ₹ 6.81 crore (previous year ₹ 18.16 crore).

2.35.3 Jointly Controlled Operations

RITES has Joint operations with the following ventures for the projects mentioned against each:-

Name of Venturers	Project Name
M/s Oriental Consultants Co. Ltd. M/s Parsons Brickerhoff International INC. M/s Tonichi Engineering Consultants INC.	General Consultancy to Delhi Metro Rail Corporation Ltd. for Delhi Mass Rapid Transit System Project-Phase-III.
M/s Oriental Consultants Co. Ltd. M/s Parsons Brickerhoff International INC. M/s SYSTRA S.A.	General Consultancy to Bangalore Metro Rail Corporation Ltd. for Bangalore Metro.

Name of Venturers	Project Name
M/s Stanley Consultants inc.	DPR for MRTS between Ahmedabad and Dholera for DMICDC.
M/s De Consult – Germany	Modernization of Signaling System in Ghaziabad – Kanpur section.
M/s Geo-Consult-ZT GmbH (Austria) M/s Seccon Pvt. Ltd., India	Consulting Services for feasibility & detailed Design of Road Tunnels in Shimla and other parts of Himachal Pradesh.
M/s Mukesh & Associates	Independent Engineer Services for development of Chennai Outer Ring Road on DBFOT on annuity basis-Phase I in the state of Tamil Nadu.
M/s KPMG	Taj International Airport project work at Agra.
M/s ITP Senergy Ltd.	Consultancy for Emission Reduction for Generation and transaction of Certified Emission Reduction (CERs) for Punatsangchhu Hydroelectric Project (PHPA I & II) and Mangdechhu Hydroelectric Project (MHPA) towards replacement of fossil fuel based power.
M/s IDFC Limited M/s Infrastructure Development Corporation (Karnataka) Limited (IDeCK)	Development of six lane supervision cable Greenfield bridge over river Ganga from Kacchi Dargah on NH-30 to Bidupur in District Vaishali on NH-103.
M/s STUP Consultants Pvt. Limited M/s Gifford India Pvt. Limited	Preparation of feasibility report for proposed six lane bridge over river Brahmaputra connecting Narengi (near Guwahati) with Kurua (at North Bank) with a road link up to Dumnichowki on NH-52, Assam.
M/s SYSTRA S.A.	Pre-feasibility study for Delhi-Chandigarh-Amritsar high speed railway.
M/s KPMG	Feasibility report /DPR for development and operation of airport at Singrauli, M.P.

2.36 The company has carried out the assessment on impairment of assets in terms of AS 28 “Impairment of Assets” issued by the Institute of Chartered Accountants of India, as there is no impairment in the assets; no impairment loss has been recognized during the year.

2.37 Provisions

(₹ in Crore)

Items	Carrying amount as on 01.04.14	Additional Provision made during the year	Provisions used during the year	Unused amount reversed during the year	Carrying amount as on 31.03.15
Warranties	38.37	6.68	8.23	8.22	28.60
Commitments	2.07	1.60	-	1.39	2.28

2.38 Information on CSR expenditure:

(a) Gross amount required to be spent during the year ₹ 6.70 crore.

(b) Amount spent during the year on:

(₹ in Crore)

Description	In cash	Yet to be paid in cash	Total
(i) Construction/acquisition of any asset	6.72	-	6.72
(ii) On purposes other than (i) above	1.18	-	1.18
Total	7.90	-	7.90

2.39 The financial statements are presented in ₹ crore. Those items which are required to be disclosed but can't be presented in the financial statement due to rounding off to the nearest ₹ crore are given as follows:-

Balance Sheet items

(Figures in ₹)

Description	Note No.	As at 31.03.2015	As at 31.03.2014
Non-current investment	2.09		
(i) Moru Mahal Co-operative Society Ltd.		250.00	250.00
(ii) Amit Industrial Co-operative Society Ltd.		500.00	500.00

2.40 Additional information as required by Schedule III of the Companies Act, 2013:-

2.40.1 Value of imports calculated on C.I.F. basis:-

(₹ in Crore)

Description		Year Ended	
		31.03.15	31.03.14
(i)	Components & Spares Parts	-	54.59

2.40.2 Expenditure in foreign currencies:-

(₹ in Crore)

Description		Year Ended	
		31.03.15	31.03.14
(i)	Consultation Fees	5.74	24.63
(ii)	Salaries & others	5.29	8.17
(iii)	Travel	2.20	5.64
(iv)	Others*	0.25	1.59

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

2.40.3 Spare parts and components consumed:-

(₹ in Crore)

Description	Year Ended			
	31.03.15		31.03.14	
	Value	%	Value	%
Imported	-	-	54.59	93%
Indigenous	3.95	100%	4.32	7%

2.40.4 Earning in foreign currencies:-

(₹ in Crore)

Description		Year Ended	
		31.03.15	31.03.14
(i)	Export sale - FOB basis	148.96	404.14
(ii)	Lease Services	24.30	25.43
(iii)	Consultation Fees	15.18	13.68
(iv)	Other Income	0.25	0.58

2.41 Details of dues to micro, small and medium enterprises are given on the basis of information available with the management and none of them are outstanding for a period more than 45 days.

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

The arbitrator on 19th January, 2011 rejected the aforesaid counter claims of the client and awarded ₹ 88.31 crore in favour of the company against claims of ₹ 233.93 crore. Company filed an appeal before the appellate authority on 21st March, 2011 against the said award. Further on 16th September, 2011, the appellate authority awarded ₹ 231.68 crore with interest in favour of the company. Client filed a petition in the civil court of Ranchi for setting aside the aforesaid award of the appellate authority, thus the award has not been recognized.

2.42.1 The executing agency also raised claims (excluding interest) of ₹ 184.41 crore (previous year ₹ 184.41 crore) against the company and company raised counter claims of ₹ 644.53 crore (previous year ₹ 644.53 crore) against the executing agency for the contract which became void due to commitment of fraud by the agency, thus terminated. The arbitration proceedings are under process. The claims of the executive agency have been included in the contingent liabilities. (Refer note no. 2.52.1).

2.42.2 Cumulative interest upto 31.03.15 ₹ 19.93 crore (previous year ₹ 17.91 crore) on mobilization advance due from the executing agency has not been recognized as income due to uncertainty as regard to realizability. This includes Interest of ₹ 2.02 crore for the year (previous year ₹ 2.02 crore).

2.43 Pursuant to a joint venture entered through CCFB, Mozambique in 2004, the company invested a sum of ₹ 6.01 crore in equity of the said joint venture company for a 26% share. The company further extended a shareholder loan of ₹ 74.75 crore (equivalent to US\$ 1.68 crore), out of which company had received repayment of part loan amounting to ₹ 4.44 crore (equivalent to US\$ 0.1 crore) during the year 2012-13 and balance amount receivable is of ₹ 70.31 crore (equivalent to US\$ 1.58 crore) on 31st March, 2015. The said joint venture had a 25 years concessioning agreement with the Government of Mozambique (GoM) to rehabilitate, operate and manage railway systems.

2.43.1 On 8th December, 2011, Government of Mozambique (GoM) unilaterally terminated the concessioning agreement and took over the project which in the opinion of the company is unlawful and against the provisions of the agreement. Consequently CCFB, the joint venture has initiated arbitration against the said decision of GoM.

2.43.2 Till 31st March 2011, company recognized interest on the said shareholder's loans in accordance with the loan agreements entered into with CCFB.

2.43.3 In view of the arbitration proceedings initiated and consequent uncertainties, the management considered it prudent not to recognize interest income for the year 2014-15 amounting to ₹ 5.48 crore (equivalent to US\$ 0.09 crore) {cumulative upto the period ₹ 21.37 crore (equivalent to US\$ 0.35 crore)} [previous year ₹ 5.07 crore (equivalent to US\$ 0.09 crore) {cumulative upto the period ₹ 15.19 crore (equivalent to US\$ 0.26 crore)}] on loan.

- 2.43.4** As per terms of the Concession Agreement, the management considers good the amounts due in respect of loans and interest accrued upto the year ended 31st March, 2011 and accordingly does not consider it necessary to make any provision in respect of the said sums. However, a provision of ₹ 5.80 crore (equivalent to US\$ 0.13 crore) has been made towards bad and doubtful debts for services rendered by company to CCFB till 31st March, 2011. Debt receivables and provision for doubtful debts upto 31st March, 2011 have been shown at the exchange rate prevailing on that date. This will have no financial implication as exchange gain/loss arising on translation of these transactions will get offset.
- 2.43.5** The company in accordance with the provisions of Accounting Standard 11 has recognized the exchange differences on the aforesaid foreign currency amounts till the year ended 31st March, 2011. In view of the arbitration proceedings initiated and consequent uncertainties, the management has considered it prudent not to recognize any exchange differences in respect of the amounts due from CCFB in foreign exchange towards loans, interest accrued, debts as well as of provision for doubtful debts and these are being stated at the prevailing exchange rate on 31st March, 2011, resulting non-recognition of exchange gain of ₹ 5.51 crore for the year, cumulative upto 31st March, 2015 ₹ 34.92 crore (previous year ₹ 10.34 crore, cumulative upto 31st March, 2014 ₹ 29.41 crore). However, any loss due to unfavorable exchange differences would have been/will be recognized and provided for.
- 2.43.6** Company has entered into a loan agreement with CCFB Mozambique on 15th January, 2015 for providing financial assistance to enable CCFB to meet arbitration expenses. A sum of ₹ 7.40 crore (equivalent to US\$ 0.122 crore) has been extended as loan till 31st March, 2015 which includes ₹ 6.65 crore (equivalent to US\$ 0.109 crore) paid for CCFB prior to signing of agreement and shown under amount recoverables. The loan provided has been translated at the rate prevalent on the date of payment/provision. Same has not been translated at the rate prevalent at the end of reporting date due to reason explained vide note no. 2.43.5, accordingly, exchange gain of ₹ 0.09 crore has not been recognized. Further, interest accrued on said loan amounting to ₹ 0.25 crore (equivalent to US\$ 0.0041 crore) has also not been recognized due to uncertainty of outcome of the proceedings.
- 2.43.7** Had the dues been translated at the closing exchange rate as on 31st March, 2015 as per AS-11, long term loan and advances and other non-current assets would have been higher by ₹ 32.51 crore (previous year ₹ 27.30 crore) and ₹ 2.50 crore (previous year ₹ 2.11 crore) respectively. Profit before tax would have been higher by ₹ 35.01 crore (effect of current year ₹ 5.60 crore and of earlier years ₹ 29.41 crore) (previous year ₹ 29.41 crore). The long term loans & advances would have been ₹ 210.97 crore (previous year ₹ 195.34 crore), other non-current assets would have been ₹ 128.72 crore (previous year ₹ 154.98 crore) and profit before tax would have been ₹ 491.11 crore (previous year ₹ 415.50 crore).
- 2.44** As per DPE guidelines, Company has formulated Employees' Post Retirement Medical Scheme to be effective from 1st January 2007 which is pending with administrative ministry for approval. Provision of ₹ 40.99 crore (previous year ₹ 31.61 crore) has been recognised w.e.f. 1st January 2007 which include ₹ 9.38 crore (previous year ₹ 5.22 crore) for the year.
- 2.45** During the year 2014-15, Ministry of Railways approved the superannuation pension scheme for the company's IDA employees effective from 1st January, 2007. A trust has been created to implement the scheme and trust entered into a scheme with Life Insurance Corporation to manage the funds and provide annuity to eligible employees after superannuation, accordingly, amount kept in provision for superannuation pension fund of ₹ 52.50 crore has been transferred to the trust and excess provision of ₹ 6.50 crore has been transferred to provision no longer required.
- 2.46** In line with Schedule-II of the Companies Act, 2013 and re-assessment of lives based on technical advice for tangible fixed assets, lives of Office equipments, Air-conditioning plant, Computer hardware, Server & Networks, Vehicles, Buildings on Free hold land, Locomotive –Abroad (in service), Locomotive – Domestic (New) & Coaches (New & in-service) have been revised during the year. This revision has resulted in increase of depreciation charge to the extent of ₹ 3.57 crore for the financial year ended 31st March, 2015. Out of said amount, an amount of ₹ 3.33 crore has been charged to Statement of

Profit & Loss and balance of ₹ 0.24 crore has been adjusted through general reserve (retained earnings) for those assets whose remaining useful lives have become nil due to revision of lives.

Due to aforesaid reasons, profit before tax for the year ended 31st March, 2015 is lower by ₹ 3.33 crore and general reserve (retained earnings) by ₹ 0.16 crore after net of tax of ₹ 0.08 crore.

- 2.47** Lease deeds are pending for execution in respect of the office building at Central Metro Railway Building, 56, C.R. Avenue, Kolkata of ₹ 3.46 crore (previous year ₹ 3.46 crore), the physical testing laboratory at 52A&B, C.R. Avenue, Kolkata of ₹ 1.24 crore (previous year ₹ 1.24 crore) and flats taken in Mumbai of ₹ 3.22 crore (previous year ₹ 3.22 crore) from Western Railways.
- 2.48** Consultancy fee of ₹ 6.29 crore (previous year ₹ 11.07 crore) due from one of the projects has not been recognized as income due to uncertainty of realisation.
- 2.49** In cases where execution/submission of title deeds/lease agreements etc. by employees are pending, house building, vehicle and multipurpose advances are considered unsecured.
- 2.50** Sundry creditors, customers advances, amounts recoverable, security deposits receivable/payable are subject to confirmation.
- 2.51** Information as regard to loans, investments made as required under section 186(4) of the Companies Act, 2013 have been given vide note no. 2.09 B, 2.11 & 2.19.
- 2.52** Contingent liabilities and commitments to the extent not provided for include:

2.52.1 Contingent Liabilities

- (a) Claims against the company not acknowledged as debts as certified by the Management are ₹ 517.26 crore (previous year ₹ 336.41 crore). These include:-
- (i) Claims (excluding interest) amounting to ₹ 325.64 crore (previous year ₹ 144.74 crore) against the company by the sub-contractors / other agencies including award against the company pending in courts. The management does not foresee any liability on the company as the same are contested by the company or on behalf of the clients.
- (ii) Other claims (excluding interest) amounting to ₹ 191.62 crore (previous year ₹ 191.67 crore) are contested by the company and the company has made counter claims of ₹ 644.53 crore (previous year ₹ 644.53 crore) on the executing agency.
- (b) Other money for which the company is contingently liable:
- (i) Excise bonds amounting to ₹ 9.98 crore (previous year ₹ 9.80 crore) are outstanding against export obligations with Central Excise Department. Out of this, bonds value of ₹ 3.15 crore (previous year ₹ 3.15 crore) are due for release by the department.
- (ii) In respect of joint venture entities refer to note no. 2.35.2.2

2.52.2 Commitments

- (i) Estimated amount of contracts remaining to be executed on capital account as certified by the management and not provided for amounting to ₹ 26.10 crore (previous year ₹ 26.51 crore).
- (ii) In respect of joint venture entities refer to note no. 2.35.2.3.

COMMENTS BY CAG

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF RITES LIMITED, GURGAON FOR THE YEAR ENDED 31 MARCH 2015

The preparation of financial statements of RITES LIMITED, GURGAON for the year ended 31 March 2015 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under section 139(5) of the Act are responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 24th July, 2015.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143(6)(a) of the Act of the financial statements of RITES LIMITED, GURGAON for the year ended 31 March 2015. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report.

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



(Dinesh Bhargava)

Principal Director of Audit (Railway Commercial)

Place : New Delhi

Dated : 6th August, 2015

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF RITES LIMITED

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

We have audited the accompanying consolidated financial statements of RITES LIMITED (hereinafter referred to as "the Holding Company") except three Branch/ Regional Offices (consisting of Project and Inspection offices) audited by Branch Auditors appointed by the Comptroller and Auditor General of India, New Delhi, its subsidiaries and jointly controlled entities which are together referred to as "the Group", comprising of the Consolidated Balance Sheet as at 31st March, 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

We did not audit the financial statements of subsidiaries and jointly controlled entities, whose financial statements reflect total assets of ₹ 246.33 crore as at 31st March, 2015, total revenues of ₹ 59.98 crore and net cash flows amounting to ₹ 4.36 crore for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and jointly controlled entities, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries and jointly controlled entities, is based solely on the reports of the other auditors.

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2015, and their consolidated profit and their consolidated cash flows for the year ended on that date.

EMPHASIS OF MATTERS

We draw attention to the following matters in the notes to the consolidated financial statements:

- (a) In the case of one of the joint venture entities, the long term lease against land of 15.43 acres has not been executed between Steel Authority of India Ltd. and the entity as per the joint venture agreement entered on 14.09.2010, between Steel Authority of India Ltd. and RITES Ltd. as of now - Refer note no. 2.51.2 to the consolidated financial statements.

- (b) During the year in the case of one of the joint venture entities, SAIL has raised invoice of ₹ 2.45 crore to SRBWIPL (entity), which is not accepted by the entity. As per the Joint Venture agreement "SAIL shared facilities and support services agreement" would need to be executed by the SAIL and the entity and before execution of the agreement, the same need to be approved by BOD of the entity. Till date the "SAIL shared facilities and support services agreement" has not been approved by the BOD, hence in view of the management of the entity there can be no ground for considering/acceptance of the dues of ₹ 2.45 crore as mentioned by SAIL- Refer note no. 2.52.2 to the consolidated financial statements.
- (c) One of the joint venture entities (CCFB, Mozambique) ceased to operate as a going concern as from 8th December, 2011 and its financial statements has been prepared and consolidated accordingly.

Our opinion is not modified in respect of these matters.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the holding company, its subsidiary companies and jointly controlled companies incorporated in India, we give in the Annexure '1' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. In terms of sub section (5) of section 143 of the Act, we give in the Annexure '2' a statement on the directions issued under the aforesaid section by the Comptroller and Auditor General of India.
3. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 *except regarding Accounting Standard 11 "Effects of Changes in Foreign Exchange Rates" as referred to in para no. 2.47.5, 2.47.6 & 2.47.7*

of notes to accounts of the financial statements; resulting in non-recognition of exchange gain and understatement of the profit before tax by ₹ 4.14 crore (previous year ₹ 7.65 crore) for the year, long term loan & advances by ₹ 24.06 crore (previous year ₹ 20.20 crore) and other non-current assets by ₹ 1.85 crore (previous year ₹ 1.56 crore) as on 31st March, 2015;

- (e) The matter described in under the Emphasis of Matters paragraph above, in our opinion, may have adverse effect on the functioning of entity.
- (f) On the basis of the written representations received from the directors of the holding company as on 31st March, 2015 taken on record by the Board of Directors of the holding company and the reports of the statutory auditors of its subsidiary companies and jointly controlled companies incorporated in India, none of the directors of the holding company, its subsidiaries companies and jointly controlled companies incorporated in India is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the holding company, its subsidiaries and jointly controlled entities – Refer para no. 2.58.1 of note to accounts of the consolidated financial statements.
 - ii. The Group did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies and jointly controlled companies incorporated in India.

For AGI WAL & ASSOCIATES

Chartered Accountants

Firm Registration No. 000181N



(P.C. AGI WAL)

Partner

Place: New Delhi

Date: 24th July, 2015

Membership No. 080475

ANNEXURES TO INDEPENDENT AUDITORS' REPORT

Annexure '1'

Referred to in paragraph 1 of report on other legal and regulatory requirement's paragraph of our report on even date on the Consolidated Financial Statements as of and for the year ended 31st March, 2015.

- i. In respect of fixed assets:
 - (a) The holding company, its subsidiary companies and jointly controlled companies having fixed assets have maintained proper records showing full particulars, including quantitative details and situation of its fixed assets. In one of the Indian subsidiaries, there is no fixed asset except capital work-in-progress of wind mill project.
 - (b) The fixed assets of the holding company, its subsidiary companies and jointly controlled companies have been physically verified by the Management of the respective entities during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable having regard to the size of the holding company, its subsidiary companies and jointly controlled companies and nature of its assets except one of the subsidiary companies does not have any fixed assets, as stated at (a) above.
- ii. In respect of inventory:
 - (a) The inventory has been physically verified by the Management of the holding company while other companies do not have inventories during the year. In our opinion, the frequency of verification is reasonable.
 - (b) In our opinion, the procedure of physical verification of inventory followed by the Management of holding company is reasonable and adequate in relation to the size of the holding company and the nature of its business.
 - (c) In our opinion and according to information and explanation given to us and based on auditors' reports, the holding company is maintaining proper records of its inventories. No discrepancy has been noticed on physical verification of inventory as compared to records.
- iii. In respect of loans :
 - (a) As per the information and explanations given to us, except holding company, its subsidiary companies and jointly controlled companies have not granted any loans secured or unsecured, the holding Company has granted unsecured loan to Companhia Dos Caminhos De Ferro Da beira, Sa (CCFB), Mozambique and SAIL-RITES Bengal Wagon Industry Pvt. Ltd. (SRBWIPL) joint venture companies during the year listed in the register maintained under Section 189 of the Act and so desired particulars have been placed in the register maintained by the respective entities under the said section.
 - (b) In case of SRBWIPL, a part of the principal has been converted into equity and balance will be converted into equity when it becomes due. Further, holding company is regular in receipt of interest.
 - (c) In case of CCFB, Mozambique regarding principal and its interest, refer para No. 2.43 of Notes to Accounts of the Financial Statements.
- iv. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the holding company, its subsidiary companies and jointly controlled companies and the nature of its business with regard to purchase of inventory and fixed assets and income from the sale of goods & services.
- v. According to the information and explanations given to us, holding company, its subsidiary companies and jointly controlled companies

have not accepted any deposits in terms of directives issued by Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under.

- vi. Cost Records under section 148(1) of the Companies Act, 2013 are not required to be maintained by the holding company, its subsidiary companies and jointly controlled companies.
- vii. According to information and explanations given to us, and the records examined by us, in respect of statutory dues :
 - (a) holding company, its subsidiary companies and jointly controlled companies have generally been regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, value added tax, wealth tax, custom duty, excise duty, cess and other statutory dues wherever applicable.
 - (b) according to information and explanations given to us, no undisputed arrears of statutory dues were outstanding as at 31st March, 2015, for a period of more than six months from the date they became payable.
 - (c) according to the information and explanations given to us, there are no disputed statutory dues in respect of Sales tax/ Income tax/Wealth tax/Excise duty/Custom duty/Service tax/ Cess outstanding as on 31st March, 2015.
- viii. Group does not have accumulated losses. Group have not incurred cash losses on a consolidated basis during the financial year covered by our audit in the immediately preceding financial year.
- ix. According to information and explanation given to us, holding company, its subsidiary companies and jointly controlled companies have not taken any loan from financial institution, banks or debenture holders except SAIL-RITES Bengal Wagon Industry Pvt. Ltd. (SRBWIPL) joint venture company. However, the joint venture company has not defaulted in repayment of dues.
- x. According to the information and explanations given to us, holding company, its subsidiary companies and jointly controlled companies have not given any guarantee for loans taken by others from bank or financial institution, therefore, the provision of clause 3(x) of the order are not applicable to Group.
- xi. In our opinion, and according to the information and explanations given to us, holding company, its subsidiary companies and jointly controlled companies have not taken any term loan except SAIL-RITES Bengal Wagon Industry Pvt. Ltd. (SRBWIPL) joint venture company has availed term loan during the period under report, which was applied for the purposes for which loan was obtained except proportionate amount of interest due considered for consolidation of ₹ 1.39 crore during the year, has been paid by the joint venture company from the amount of the loan itself.
- xii. According to information and explanation given to us, no fraud on or by the holding company, its subsidiary companies and jointly controlled companies have been noticed or reported during the year of our audit.

For AGIWAL & ASSOCIATES
Chartered Accountants
Firm Registration No. 000181N



(P.C. AGIWAL)

Place: New Delhi
Date: 24th July, 2015

Partner

Membership No. 080475

Annexure '2'

Referred to in our Independent Auditors' Report on the Consolidated Financial Statements for the year ended 31st March, 2015.

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

- Holding company, its subsidiary companies and jointly controlled entities have not been selected for disinvestment during the year.
- There are no cases of waiver/write off of debts, loans/ interest etc. other than Bad Debts of ₹ 3.04 crore written off during the year, which have arisen on account of normal business practice.
- Group have maintained adequate records in respect of inventories lying with third parties. No assets have been received by the Group as gift from Government or other authorities.
- Age wise analysis of pending legal/arbitration cases as provided by the management are given as under:

(₹ in Crore)

Sl. No.	Particulars	Upto 1 year	1-2 year	2-3 year	3-4 year	4-5 year	More than 5 year	Total	
1.	On behalf of the clients	Amount	178.96	67.79	23.86	0.70	4.56	49.77	325.64
		No. of cases	7	8	2	1	3	19	40
2.	Others	Amount	-	-	0.06	2.59	-	189.90	191.62
		No. of cases	-	-	1	2	-	8	11
Total		Amount	178.96	67.79	23.92	3.29	4.56	239.67	518.19
		No. of cases	7	8	3	3	3	27	51

As per the information and explanations given to us, pendency is mainly due to legal process of the Courts/arbitrators. In our opinion the Group have in place an adequate monitoring mechanism for tracking expenditure on such legal cases.

For AGIWAL & ASSOCIATES
Chartered Accountants
Firm Registration No. 000181N



(P.C. AGIWAL)
Partner

Membership No. 080475

Place: New Delhi

Date: 24th July, 2015

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2015

(₹ in Crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2015	AS AT 31.03.2014
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
SHARE CAPITAL	2.01	100.00	100.00
RESERVES AND SURPLUS	2.02	1,529.47	1,301.75
		<u>1,629.47</u>	<u>1,401.75</u>
MINORITY INTEREST	2.03	<u>14.70</u>	<u>4.79</u>
NON CURRENT LIABILITIES			
LONG TERM BORROWINGS	2.04	22.35	15.99
OTHER LONG TERM LIABILITIES	2.05	91.29	85.46
LONG TERM PROVISIONS	2.06	104.70	112.81
		<u>218.34</u>	<u>214.26</u>
CURRENT LIABILITIES			
SHORT TERM BORROWINGS	2.07	71.98	62.84
TRADE PAYABLES	2.08	107.44	126.41
OTHER CURRENT LIABILITIES	2.09	1,557.36	1,791.32
SHORT TERM PROVISIONS	2.10	115.22	135.75
		<u>1,852.00</u>	<u>2,116.32</u>
TOTAL EQUITY AND LIABILITIES		<u>3,714.51</u>	<u>3,737.12</u>
ASSETS			
NON CURRENT ASSETS			
FIXED ASSETS			
TANGIBLE ASSETS	2.11.1	216.69	204.02
INTANGIBLE ASSETS	2.11.2	4.79	4.80
CAPITAL WORK-IN-PROGRESS	2.11.3	113.95	46.27
INTANGIBLE ASSETS UNDER DEVELOPMENT	2.11.4	0.75	0.49
		<u>336.18</u>	<u>255.58</u>
NON CURRENT INVESTMENTS	2.12	201.37	201.59
DEFERRED TAX ASSETS (NET)	2.13	46.24	59.88
LONG TERM LOANS AND ADVANCES	2.14	156.82	147.99
OTHER NON CURRENT ASSETS	2.15	125.36	151.67
OTHER NON CURRENT ASSETS-CLIENTS DEPOSITS	2.16	70.52	120.90
		<u>936.49</u>	<u>937.61</u>
CURRENT ASSETS			
INVENTORIES	2.17	6.66	17.49
WORK IN PROGRESS	2.18	38.48	41.08
TRADE RECEIVABLES	2.19	367.20	311.01
CASH AND BANK BALANCES-OWNED FUND	2.20	723.76	644.43
CASH AND BANK BALANCES-CLIENTS FUND	2.21	1,338.44	1,476.75
SHORT TERM LOANS AND ADVANCES	2.22	43.28	55.01
OTHER CURRENT ASSETS	2.23	260.20	253.74
		<u>2,778.02</u>	<u>2,799.51</u>
TOTAL ASSETS		<u>3,714.51</u>	<u>3,737.12</u>
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS FORM AN INTEGRAL PART OF FINANCIAL STATEMENTS	1&2		

For and on behalf of the Board


Ajay K. Gaur
Director Finance
and
Chief Finance Officer


Rajeev Mehrotra
Chairman & Managing Director
and
Chief Executive Officer


P.T. Mittal
Company Secretary

As per our report of even date attached

Place : Delhi
Dated : 24th July, 2015


P.C. Agiwal, Partner (M.No. 080475)
For Agiwal & Associates, Chartered Accountants (FRN : 000181N)

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2015

(₹ in crore)

PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2015	YEAR ENDED 31.03.2014
REVENUE			
REVENUE FROM OPERATIONS	2.24	1,016.71	1,096.56
OTHER INCOME	2.25	154.14	153.74
TOTAL REVENUE		1,170.85	1,250.30
EXPENDITURE			
EMPLOYEE BENEFITS EXPENSES	2.26	330.01	310.51
TRAVEL		32.56	34.77
SUPPLIES & SERVICES		78.09	74.05
COST OF EXPORT SALES	2.27	90.22	273.25
COST OF TURNKEY CONSTRUCTION PROJECTS	2.28	83.66	88.89
(INCREASE)/DECREASE IN WORK IN PROGRESS -CONSULTANCY PROJECTS		2.14	(8.28)
DEPRECIATION & AMORTISATION EXPENSES	2.11	26.52	20.00
OTHER EXPENSES	2.29	70.18	81.32
PRIOR PERIOD ADJUSTMENTS (NET)	2.31	4.23	(6.46)
TOTAL EXPENDITURE		717.61	868.05
PROFIT BEFORE TAX		453.24	382.25
TAX EXPENSES			
• CURRENT YEAR		(139.38)	(137.37)
• EARLIER YEARS (NET)		2.95	2.61
DEFERRED TAX (NET)	2.13	(13.72)	12.45
PROFIT AFTER TAX		303.09	259.94
LESS: MINORITY INTEREST FOR THE YEAR	2.03	0.11	(0.11)
PROFIT AFTER TAX AND MINORITY INTEREST		302.98	260.05
EARNING PER SHARE (EQUITY SHARE OF ₹ 10/- EACH) - BASIC & DILUTED	2.38	₹ 30.30	₹ 26.01
WEIGHTED AVERAGE NUMBER OF EQUITY SHARES USED IN COMPUTING EARNING PER SHARE		100,000,000	100,000,000

For and on behalf of the Board


Ajay K. Gaur
Director Finance
and
Chief Finance Officer


Rajeev Mehrotra
Chairman & Managing Director
and
Chief Executive Officer


P.T. Mittal
Company Secretary

As per our report of even date attached

Place : Delhi
Dated : 24th July, 2015


P.C. Agiwal, Partner (M.No. 080475)
For Agiwal & Associates, Chartered Accountants (FRN : 000181N)

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED
31st MARCH, 2015**

(₹ in crore)

PARTICULARS	YEAR ENDED 31.03.2015	YEAR ENDED 31.03.2014
CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT BEFORE TAX	453.24	382.25
ADJUSTMENTS FOR:		
• DEPRECIATION AND AMORTIZATION	26.52	20.00
• LOSS/(PROFIT) ON SALE OF ASSETS (NET)	(0.08)	(0.02)
• INTEREST FROM FDS/OTHERS	(101.21)	(90.85)
• INCOME FROM INVESTMENTS	(2.75)	(2.28)
• INCOME FROM INVESTMENT PROPERTIES	(1.04)	(1.16)
• SHARE OF MINORITY INTEREST IN PROFIT	(0.11)	0.11
• FIXED ASSETS WRITTEN OFF	-	-
• PROVISION FOR DOUBTFUL DEBTS, ADVANCES ETC.	(18.32)	(17.97)
EFFECT OF EXCHANGE DIFFERENCES ON TRANSLATION OF FOREIGN CURRENCY	(5.97)	3.78
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	350.28	293.86
CHANGE IN WORKING CAPITAL:		
ADJUSTMENTS FOR (INCREASE)/DECREASE IN OPERATING ASSETS:		
• INVENTORIES	10.83	7.36
• WORKS IN PROGRESS	2.60	(7.13)
• TRADE RECEIVABLES	(53.03)	(42.61)
• LOANS AND ADVANCES AND OTHER ASSETS	22.39	26.21
ADJUSTMENTS FOR INCREASE/(DECREASE) IN OPERATING LIABILITIES:		
• TRADE PAYABLES	(18.97)	(22.82)
• OTHER LIABILITIES AND PROVISIONS	(268.48)	205.47
CASH GENERATED FROM OPERATIONS	45.62	460.34
• INCOME TAX PAID	(139.53)	(126.99)
NET CASH FROM OPERATING ACTIVITIES	(93.91)	333.35
CASH FLOWS FROM INVESTING ACTIVITIES		
• PURCHASE/CONSTRUCTION OF FIXED ASSETS	(112.72)	(61.99)
• PROCEEDS FROM SALE OF FIXED ASSETS	5.65	0.09
• INVESTMENTS IN SHARES, BONDS ETC.	-	(25.00)
• LOAN TO CCFB, MOZAMBIQUE (RELATED PARTY)	(9.03)	-
• DEPOSITS AND INTEREST ACCRUED NOT CONSIDERED AS CASH AND CASH EQUIVALENTS	302.05	(404.54)
• INTEREST INCOME	101.21	90.85
• INCOME FROM INVESTMENTS	2.75	2.28
• INCOME FROM INVESTMENT PROPERTIES	1.04	1.16
NET CASH FROM INVESTING ACTIVITIES	290.95	(397.15)

(₹ in crore)

PARTICULARS	YEAR	YEAR
	ENDED	ENDED
	31.03.2015	31.03.2014
CASH FLOW FROM FINANCING ACTIVITIES		
• INCREASE/(DECREASE) IN SECURED LOANS	6.36	12.12
• INCREASE/(DECREASE) IN UNSECURED LOANS	9.14	11.39
• INTEREST ACCRUED BUT NOT DUE ON BORROWINGS	-	(0.02)
• DIVIDEND PAID	(53.00)	(60.00)
• DIVIDEND TAX PAID	(9.91)	(10.20)
• PRE-OPERATIVE EXPENDITURE	(0.34)	(0.23)
• INCREASE/(DECREASE) IN MINORITY INTEREST	9.91	4.79
NET CASH FROM FINANCING ACTIVITIES	(37.84)	(42.15)
EFFECT OF EXCHANGE DIFFERENCES ON TRANSLATION OF FOREIGN CURRENCY CASH & CASH EQUIVALENTS	5.39	(2.54)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	164.59	(108.49)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	285.56	394.05
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	450.15	285.56

RECONCILIATION OF CASH AND CASH EQUIVALENTS

(₹ in crore)

PARTICULARS	NOTE NO.	YEAR	YEAR
		ENDED	ENDED
		31.03.2015	31.03.2014
CASH AND CASH EQUIVALENTS-OWNED FUND	2.20.1	257.61	36.54
CASH AND CASH EQUIVALENTS-CLIENTS FUND	2.21.1	199.36	258.65
ADD : INTEREST ACCRUED ON BANK DEPOSITS HAVING MATURITY OF 3 MONTHS OR LESS FROM ACQUISITIONS' DATE	2.23	18.52	0.09
LESS : BANK BOOK OVERDRAFT-OWNED FUND	2.09	-	(0.04)
LESS : BANK BOOK OVERDRAFT-CLIENTS FUND	2.09	(25.34)	(9.68)
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		450.15	285.56

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

For and on behalf of the Board


Ajay K. Gaur
Director Finance
and
Chief Finance Officer


Rajeev Mehrotra
Chairman & Managing Director
and
Chief Executive Officer


P.T. Mittal
Company Secretary

As per our report of even date attached

Place : Delhi
Dated : 24th July, 2015


P.C. Agiwal, Partner (M.No. 080475)
For Agiwal & Associates, Chartered Accountants (FRN : 000181N)

SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED FINANCIAL STATEMENTS

COMPANY OVERVIEW

RITES Limited is one of India's leading companies in transport infrastructure consultancy, engineering and project management services, with operations in India and abroad. The Company is providing services in three distinct fields of business activities, viz (a) consultancy in transport infrastructure (b) leasing, exports, maintenance and rehabilitation of rolling stock, railway equipments and modernisation of railway workshops (c) rehabilitation, operation and maintenance of railway systems under concession agreement.

Besides the above activities, RITES Limited ("Holding Company") along with its subsidiaries and joint venture entities (collectively referred to as "the Group" and individually referred to as "Entity") is also into the business of generating power from wind mills and solar energy plants, power trading, manufacturing and rehabilitation of wagons and carrying out civil construction work.

The financial statements of the Group, comprises of RITES Limited, the holding company, RITES (Afrika) (Pty) Ltd. (RAPL), in Botswana, RITES Infrastructure Services Ltd. (RISL) in India are wholly owned subsidiaries, Railway Energy Management Company Ltd. (REMCL), a subsidiary with 51% stake and proportionate share of company in joint venture entities in India viz. RICON (51%) unincorporate body, SAIL-RITES Bengal Wagon Industry Pvt. Ltd. (SRBW IPL) (50%) (joint venture entities in India), Geoconsult ZT GmbH – RITES (GC-RITES) (39.4%) and in abroad viz. Companhia Dos Caminhos De Ferro Da beira, Sa (CCFB) (26%), in Mozambique.

Companhia Dos Caminhos De Ferro Da Berira, Sa (CCFB), Mozambique has ceased to operate as a going concern as from 8th December, 2011 and its financial statements have been prepared accordingly. RITES Mohawarean Arabia Company Ltd. (RMAC), a subsidiary company with 76% stake, in Saudi Arabia is under liquidation & there is no significant transaction during the period, hence its financial statements are not considered for consolidation. Investment in equity of ₹ 0.47 crore made by the holding company has been returned by RMAC.

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

These consolidated financial statements have been prepared to comply with the Generally Accepted Accounting Principles in India (Indian GAAP), including the Accounting Standards notified under the relevant provisions of the Companies Act, 2013.

1.2 USE OF ESTIMATES

The preparation of the Consolidated Financial Statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities 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.

1.3 PRINCIPLE OF CONSOLIDATION

The consolidated financial statements relate to RITES Limited ("the Company") and its subsidiary companies and joint ventures. The consolidated financial statements have been prepared on the following basis :-

- a) The financial statements of the Company and its subsidiary companies are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group transactions in accordance with Accounting Standard (AS) 21 – "Consolidated Financial Statements".
- b) Interest in Joint Ventures have been accounted by using the proportionate consolidation method as per Accounting Standard (AS) 27 – "Financial Reporting of Interest in Joint Ventures".
- c) In case of foreign subsidiaries, being non-integral foreign operations, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognized in the foreign currency translation reserve.
- d) Minority Interest's share of net profit of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company.
- e) Minority Interest's share of net assets of consolidated subsidiaries is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the Company's shareholders.
- f) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.
- g) In case where an income of one intra group entity results into expenditure to be capitalized by the other counter entity, the said income/expenditure is not eliminated. The Financial Statements are prepared by applying uniform accounting policies.
- h) The financial statements of the subsidiary companies and joint venture entities except Companhia Dos Caminhos De Ferro Da beira, Sa (CCFB) used in the consolidation are drawn up to the same reporting date as of the Company, while financial statements of CCFB are drawn based on calendar year. Further, as stated in company's overview RMAC is under liquidation and have not been considered for consolidation.

1.4 REVENUE RECOGNITION

1.4.1 Consultancy Fee

Consultancy fee is accounted for on the basis of bills raised/due for the year. It also includes supplies and expenses forming part of the contract which are recoverable from the customers.

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

Mobilisation advance is adjusted against running bills and mobilisation fee is recognized as income in the year, if as per Management's review certain activities against that contract have been carried out during the year.

Provision for incomplete assignments is made in respect of consultancy assignments which are spread over a number of years, after considering the following factors regarding company's obligation for:

- i) rework activities of work done.
- ii) maintenance activity after completion of project.
- iii) removal of defect, if any, during defect liability period.

1.4.2 Construction Projects

Where the outcome of a construction contract/project can be estimated reliably, revenue and costs associated with the construction contracts/projects are recognized by reference to the stage of completion of the contract/project activity which is measured by reference to the proportion that costs incurred for work performed upto the reporting date bear to the estimated total contract/project costs. Any anticipated losses are recognized as an expense immediately in the Statement of Profit & Loss.

1.4.3 Inspection Fee

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

1.4.4 Export Sales

Export sales are accounted for on the basis of bills raised where all significant risks and rewards of ownership have been transferred to the buyer.

1.4.5 Lease Services

Lease services are accounted for on time basis over the lease period. However, reimbursables under the contract are accounted for on accrual basis. Initial direct costs are charged to revenue.

1.4.6 Railway Operations

Revenues from railways operations is recognized as under:

- i) Local Traffic – sales invoice/consignment note.
- ii) International Traffic (Ascendant)- consignment note on loading of goods to train.
- iii) International Traffic (Descendent)- advice note on unloading of goods from train.

Revenue from the transportation of passengers is recognized on collection.

1.4.7 Wind Mill Projects

Revenue from sale of power through wind mill projects is recognized on the basis of certificate from concerned State Electricity Authority for energy fed in kwh (units) in authority's system and as per terms and conditions of the Agreement with the beneficiary.

1.4.8 Power Trading

Income from sale of electricity is recognized as per the terms and conditions of the Agreement with the beneficiary.

1.4.9 Other Income

Other income is accounted for on accrual basis except claims/supplementary claims/counter claims/interest on delayed payments/awards in favour of the Company/export incentives/premium on sale of licenses etc. which are accounted for on final settlement/realization. Dividend is recognized when right to receive it is established.

1.5 WORK IN PROGRESS

1.5.1 Consultancy Projects

Work in progress is recognized based on direct costs incurred on the activities which are in progress at end of the year for consultancy projects involving stage payments.

1.5.2 Construction Projects

In case of turnkey/lump sum contract/project where physical progress is less than 15% of total physical work of a contract/project, the same will be treated as a part of work-in-progress on cost basis.

1.6 TANGIBLE FIXED AND INTANGIBLE ASSETS

- a) Tangible Fixed Assets are stated at historical cost less accumulated depreciation and impairment losses, if any.
- b) Incidental expenditure during construction period including interest charges incurred upto the date of completion, net of interest recovered on mobilisation advance, are capitalised.
- c) Intangible Assets are recognized at the consideration paid for acquisition less accumulated amortization and impairment losses, if any.
- d) Spare valuing more than ₹ 10 lakhs which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant assets.

- e) Subsequent expenditure relating to fixed assets is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.
- f) In case of concession projects, entry fees are capitalized and amortised over the concession period. Start-up and sundry expenses related to the initial phase of the operations are expensed as incurred.

1.6.1 Depreciation and Amortization

(a) Depreciation and amortization on tangible fixed assets and intangible assets are provided on straight line method over the estimated useful life determined by management. 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 (h) below. In respect of additions to/ deductions from the assets during the year, depreciation/amortization is charged on pro rata basis.

(b) The useful life and depreciation/amortization rates of the various assets, are as under:-

Assets	Useful Life (Years)	Depreciation / Amortization Rate (%)
i) Furniture	4-10	10.0-23.75
ii) Fixture	5	20.0
iii) Office Equipment	5-6	15.0-20.0
iv) Mobile Hand Set	3	33.3
v) Coolers & Air Conditioners	7	14.3
vi) Air Conditioning Plant	15	6.7
vii) Computer Hardware	3-4	23.75-33.3
viii) Server & Networks	6	16.67
ix) Survey and Equipments	4-10	10.0-23.75
x) Vehicles	6-8	12.5-25.0
xi) Buildings on Freehold land	60	1.7
xii) Locomotives-New	15	6.7
xiii) Locomotives-In service	10	10.0
xiv) Coaches-New	15	6.7
xv) Coaches-In service	10	10.0
xvi) Intangible Assets	3-4	25.0-33.33
xvii) Windmill Plant	4	25.0
xviii) Plant & Machinery	6	15.0
xix) Buildings (rehabilitated)-CCFB	20	4.75
xx) Locomotives (rehabilitated)-CCFB	25	3.80
xxi) Tools and Plant	10	9.5
xxii) Workshop Machinery	15	6.33

- (c) Any addition or extension, which becomes an integral part of the existing asset, is depreciated over the remaining useful life of that asset.
- (d) In respect of BOT assets, depreciation is charged over the period of project or the life stated above whichever is lower.
- (e) Lease hold land is amortized over the lease term.
- (f) 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.
- (g) In case of RITES Ltd., as per company's assessment, Fixtures, Mobile Hand Set, Coolers & Air Conditioners and In-Service Locomotives & Coaches (refurbished) have lower useful lives than prescribed in part C of schedule II of the Companies Act, 2013. Therefore depreciation is charged at higher rate than prescribed under the Companies Act, 2013.
- (h) In case of holding & its subsidiary companies in India, Individual low cost assets of value less than ₹ 5,000/- and software of value less than ₹ 100,000/- are entirely depreciated/amortized in the year of acquisition. In case of Joint Venture entity abroad, assets having purchase cost up to US\$ 500 and software up to US\$ 1000 are charged to income statement in the year of purchase.
- (i) In case of concession projects, rehabilitation / major overhaul cost incurred on conceded assets is depreciated over the life indicated above or over the remaining period of the concession whichever is lower.
- (j) In case of holding company & its subsidiary companies in India, a nominal value of ₹ 1/- is assigned to the fully depreciated assets except for the assets which are fully charged off to the income statement in the year of purchase being low value assets.

1.6.2 Capital Work in Progress

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

1.7 INVESTMENTS

- (a) Long-term investments, excluding investment properties, are stated at cost. Diminution in value, if any, which is of a temporary nature, is not provided.
- (b) (i) Current investments are stated at cost or fair value whichever is less.
(ii) Any diminution in the carrying amount and any reversals of such diminutions are recognized in the Statement of Profit & Loss.
- (c) (i) Investment properties are stated at historical cost less accumulated depreciation and impairment, if any.
(ii) Investment properties are capitalized and depreciated, where applicable, in accordance with the policy stated for tangible fixed assets.
(iii) Impairment of investment property is determined in accordance with the policy stated for impairment of assets.

1.8 JOINT VENTURE

Contracts executed under Joint Venture

- (a) in jointly controlled operations, the company recognizes its interest in the financial statements:
 - (i) the assets that it controls and the liabilities that it incurs; and
 - (ii) the expenses that it incurs and its share of the income that it earns from the joint venture.
- (b) (i) in an unincorporated jointly controlled entity, share of profit/loss from joint venture is accounted in the year when determined by way of incorporating proportionate income and expenditure.
(ii) in an incorporated jointly controlled entity, dividend from joint venture is accounted when right to receive it is established/received.

1.9 INVENTORIES

- (a) Inventories are valued at cost on First In First Out (FIFO) basis or net realizable value whichever is less.
- (b) Consumables are charged to the Statement of Profit & Loss in the year of purchase irrespective of the value.
- (c) The diminution in the value of obsolete, unserviceable, slow moving and non-moving stores and spares is ascertained on review and provided for.

1.10 EMPLOYEES BENEFITS

1.10.1 Defined Contribution

1.10.1.1 Provident Fund / Pension Scheme

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

1.10.2 Defined Benefits

1.10.2.1 Gratuity

The Company has set up a Gratuity Trust Fund which is being administered by Life Insurance Corporation of India (LIC). The annual gratuity liability is determined based on actuarial valuation under Group Gratuity Scheme on the basis of information provided of employees and their remuneration at the end of each year. The contribution paid / payable annually to cover future liability for gratuity based on actuarial valuation is charged to the Statement of Profit & Loss.

1.10.2.2 Other Benefits

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

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

1.10.4 Terminal Benefits to Contract Employees

Leave Encashment and Contract Completion Benefits are provided on accrual basis in the Statement of Profit & Loss.

1.11 RESEARCH & DEVELOPMENT

Revenue expenditure incurred/paid during the year on research is charged to the Statement of Profit & Loss. Development costs of product are also charged to the Statement of Profit & Loss unless a product's technological feasibility has been established, in which case such expenditure is capitalized. The amount capitalized comprises expenditure that can be directly attributed or allocated on a reasonable and consistent basis to creating, producing and making the asset ready for its intended use. Fixed assets are depreciated in accordance with the policy stated for tangible fixed and intangible assets.

1.12 TAXES

Taxes including current income tax are computed using the applicable tax rates and tax laws. Liability for additional taxes, if any, is provided/paid as and when assessments are completed. Tax expense relating to foreign operations is determined in accordance with tax laws applicable in countries where such operation are domiciled.

1.13 DEFERRED TAX

Deferred Tax resulting from "Timing Difference" between book and taxable profits is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the balance sheet date that originate in one period and is likely to reverse in one or more subsequent periods.

In the event of unabsorbed depreciation and carry forward of losses, deferred tax assets are recognized only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available to realize such assets. In other situations, deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available to realize these assets.

The Group offsets deferred tax assets and deferred tax liabilities if it has a legally enforceable right and these relate to taxes on income levied by the same governing taxation laws.

1.14 RATES & TAXES

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

1.15 ADVANCES

Interest on house building, vehicle, computer, equipment, daughter marriage and multi-purpose advances is accounted for on accrual basis and is recoverable after full recovery of the principal amount.

1.16 PREPAID EXPENSES AND PRIOR PERIOD ADJUSTMENTS

Prepaid expenses and prior period adjustments up to ₹ 50,000/- in each case are treated as expenditure/income of the year and accounted for to the natural head of accounts.

1.17 AFTER SALES SERVICE EXPENSES

Expenses for after sales services rendered in respect of export sales are recognized in the year in which sales are recognized.

1.18 TRANSLATION OF FOREIGN CURRENCY ACCOUNTS

The company has foreign currency transactions in respect of Integral Foreign Operations.

1.18.1 Convertible Foreign Currencies

Transactions in foreign currencies are initially recorded at the exchange rate prevailing on the date of transaction. Foreign currency monetary items and contingent liabilities are restated at the exchange rates prevailing on the reporting date. Foreign currency non-monetary items are reported at the exchange rate prevailing on the date of transaction.

In respect of transaction covered by forward exchange contract, the difference between the contract rate and spot rate on the date of transaction is recognized in the statement of profit & loss over the period of the contract.

1.18.2 Non-Convertible Foreign Currencies

Income and Expenditure are translated at the available average rate. Non-Convertible foreign currency monetary and non-monetary items are initially recorded at the exchange rate prevailing on the date of transaction or at available average rate. Monetary items and contingent liabilities are restated at the exchange rate prevailing on the reporting date. Non-monetary items are reported at the exchange rate prevailing on the date of transaction.

1.18.3 Exchange difference arising on translation of foreign currency transactions, except on borrowing cost in foreign currencies which is capitalized on eligible assets, is recognized in the Statement of Profit & Loss.

1.18.4 For the purpose of consolidation, income and expenses are translated at average rates and the assets and liabilities are stated at closing rate. The net impact of such change is accumulated under foreign currency translation reserve.

1.19 CASH AND CASH EQUIVALENTS

Cash comprises cash on hand and demand deposits with Banks. Cash equivalents are short term balances 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.

1.20 CASH FLOW STATEMENT

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

1.21 EARNINGS PER SHARE

In determining earnings per share, the company considers the net profit after tax and includes the post tax effect of any extraordinary item. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period and diluted earnings per share is computed using the weighted average number of shares outstanding after adjusting the effect of all dilutive potential equity shares that were outstanding during the period.

1.22 IMPAIRMENT OF ASSETS

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value and impairment loss is charged to the Statement of Profit & Loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount and such losses either no longer exists or has decreased. Reversal of impaired loss is recognized in the Statement of Profit & Loss.

1.23 PROVISION FOR DOUBTFUL DEBTS AND ADVANCES

In case of holding company, provision for doubtful debts is made for debts outstanding for a period of over 3 years, except in cases where amount is considered recoverable as per the management. For other debts, provision is made when there is an uncertainty of realization.

Provision for advances is made when there is an uncertainty of realization irrespective of period of its due.

Debts and advances are written off when unrealisability is almost established.

In case of subsidiaries & joint ventures entities, provisions of doubtful debts & advances are made whenever there are uncertainties in its realization.

1.24 PROVISION FOR WARRANTY

The estimated liability for warranties is recognized when products are sold with warranty provision as per the contract. These estimates are established 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.

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.

1.25 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

- (i) Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources.
- (ii) Contingent Liabilities are not recognized but are disclosed in the notes in any of the following cases :-
 - (a) 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
 - (b) a reliable estimate of the present obligation cannot be made; or
 - (c) a possible obligation, unless the probability of outflow of resource is remote.
- (iii) Contingent Assets are neither recognized nor disclosed.
- (iv) Contingent Liability is net of estimated provisions considering possible outflow on settlement.
- (v) Contingent Assets, Contingent Liabilities and Provisions needed against Contingent Liabilities are reviewed at each Balance Sheet date.

1.26 BORROWING COST

Borrowing costs in the ordinary course of business are recognized as an expense in the period in which they are incurred.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset is capitalized as part of the cost of the asset.

1.27 LEASES

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset.

Finance leases, where substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are reflected in the Statement of Profit & Loss.

Capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty to obtain ownership by the end of the lease term.

Operating lease payments are recognized as an expense in the Statement of Profit & Loss on a straight line basis over the lease term.

2. CONSOLIDATED NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2015

FIGURES IN FINANCIAL STATEMENTS ARE PRESENTED IN ₹ CRORE, BY ROUNDING OFF UPTO TWO DECIMALS EXCEPT FOR PER SHARE DATA AND AS OTHERWISE STATED. CERTAIN FIGURES THAT ARE REQUIRED TO BE DISCLOSED BUT DO NOT APPEAR DUE TO ROUNDING OFF ARE DETAILED IN NOTE 2.43. PREVIOUS YEAR FIGURES HAVE BEEN REGROUPED/RECASTED/REARRANGED, WHEREVER NECESSARY.

2.01 SHARE CAPITAL

(₹ in Crore)

PARTICULARS	AS AT 31.03.2015	AS AT 31.03.2014
2.01.1 AUTHORISED		
150,000,000 (PREVIOUS YEAR 150,000,000) EQUITY SHARES OF ₹ 10/- EACH	150.00	150.00
2.01.2 ISSUED, SUBSCRIBED AND FULLY PAID-UP		
100,000,000 (PREVIOUS YEAR 100,000,000) EQUITY SHARES OF ₹ 10/- EACH	100.00	100.00
	100.00	100.00

PARTICULARS	NO. OF SHARES	(₹ in Crore)	NO. OF SHARES	(₹ in Crore)
2.01.3 RECONCILIATION OF NUMBER OF EQUITY SHARES				
OPENING BALANCE	100,000,000	100.00	100,000,000	100.00
ADD/(LESS) DURING THE YEAR NIL (PREVIOUS YEAR NIL)	-	-	-	-
CLOSING BALANCE	100,000,000	100.00	100,000,000	100.00

2.01.4 RIGHTS, PREFERENCES AND RESTRICTIONS ATTACHED TO EQUITY SHARES

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

(No. of Shares)

PARTICULARS	AS AT 31.03.2015	AS AT 31.03.2014
2.01.5 EQUITY SHARES HELD BY EACH SHAREHOLDER MORE THAN 5% OF SHARES		
PRESIDENT OF INDIA ACTING THROUGH MINISTRY OF RAILWAYS	99,980,000	99,980,000
	(99.98 %)	(99.98 %)
2.01.6 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. (BONUS SHARES WERE ISSUED DURING THE YEAR 2012-13)	60,000,000	60,000,000

2.02 RESERVES AND SURPLUS

(₹ in Crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2015	AS AT 31.03.2014
2.02.1 GENERAL RESERVE			
AS PER LAST BALANCE SHEET		1,300.24	1,101.98
ADD: TRANSFER FROM STATEMENT OF PROFIT AND LOSS	2.02.4	228.47	198.26
LESS: DEPRECIATION (NET OF TAX OF ₹ 0.08 CRORE)	2.50.1	(0.16)	-
		1,528.55	1,300.24

(₹ in Crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2015	AS AT 31.03.2014
2.02.2 FOREIGN CURRENCY TRANSLATION RESERVE			
AS PER LAST BALANCE SHEET		1.51	0.26
ADD/(LESS) DURING THE YEAR		(0.59)	1.25
		<u>0.92</u>	<u>1.51</u>
2.02.3 CSR ACTIVITIES RESERVE			
AS PER LAST BALANCE SHEET		-	0.22
LESS: TRANSFER TO STATEMENT OF PROFIT AND LOSS	2.02.4	-	(0.22)
		<u>-</u>	<u>-</u>
TOTAL (2.02.1+2.02.2+2.02.3)		<u>1,529.47</u>	<u>1,301.75</u>
2.02.4 PROFIT AFTER TAX IN STATEMENT OF PROFIT AND LOSS		<u>302.98</u>	<u>260.05</u>
APPROPRIATIONS:			
DIVIDEND			
• INTERIM*		30.00	30.00
• FINAL (PROPOSED)*		32.00	23.00
• TAX ON DIVIDEND		12.51	9.01
TRANSFER FROM CSR ACTIVITIES RESERVE	2.02.3	-	(0.22)
TRANSFER TO GENERAL RESERVE	2.02.1	228.47	198.26
TOTAL		<u>302.98</u>	<u>260.05</u>
* DIVIDEND PAID AND PROPOSED PER SHARE		₹ 6.20	₹ 5.30
NUMBER OF SHARES USED IN COMPUTING DIVIDEND PER SHARE		100,000,000	100,000,000

2.03 MINORITY INTEREST

(₹ in Crore)

PARTICULARS	AS AT 31.03.2015	AS AT 31.03.2014
AS PER LAST BALANCE SHEET	4.79	-
ADDITION DURING THE YEAR IN SHARE CAPITAL	9.80	4.90
ADD: TRANSFER FROM STATEMENT OF PROFIT AND LOSS	0.11	(0.11)
TOTAL	<u>14.70</u>	<u>4.79</u>
49% MINORITY INTEREST PERTAINS TO REMCL.		

2.04 LONG TERM BORROWINGS

(₹ in Crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2015	AS AT 31.03.2014
SECURED LOAN FROM BANKS			
TERM LOAN	2.45.1	22.35	15.99
TOTAL		<u>22.35</u>	<u>15.99</u>

2.05 OTHER LONG TERM LIABILITIES

(₹ in Crore)

PARTICULARS	AS AT	
	31.03.2015	31.03.2014
CLIENTS ADVANCES	6.41	13.47
SECURITY DEPOSITS	82.21	68.80
SUNDRY CREDITORS	2.67	3.19
TOTAL	91.29	85.46

2.06 LONG TERM PROVISIONS

(₹ in Crore)

PARTICULARS	NOTE NO.	AS AT	
		31.03.2015	31.03.2014
EMPLOYEE BENEFITS		94.62	86.67
EXCISE DUTY		-	0.49
WARRANTIES	2.42	10.08	25.40
COMMITMENTS	2.42	-	0.25
TOTAL		104.70	112.81

2.07 SHORT TERM BORROWINGS

(₹ in Crore)

PARTICULARS	NOTE NO.	AS AT	
		31.03.2015	31.03.2014
UNSECURED LOAN			
(SHARE IN CCFB, JOINT VENTURE)	2.45.2	71.98	62.84
TOTAL		71.98	62.84

2.08 TRADE PAYABLES

(₹ in Crore)

PARTICULARS	AS AT	
	31.03.2015	31.03.2014
MICRO, SMALL AND MEDIUM ENTERPRISES CREDITORS FOR SUPPLIES AND SERVICES	0.03	1.13
TOTAL	107.41	125.28
TOTAL	107.44	126.41

2.09 OTHER CURRENT LIABILITIES

(₹ in Crore)

PARTICULARS	NOTE NO.	AS AT	
		31.03.2015	31.03.2014
CLIENTS ADVANCES		1,401.76	1,656.22
SECURITY DEPOSITS		67.68	78.24
FOREIGN SERVICE CONTRIBUTION		1.87	1.09
SALARY PAYABLES		40.04	22.62
BOOK OVERDRAFT-OWNED FUND*	2.20.4	-	0.04
BOOK OVERDRAFT-CLIENTS FUND*	2.21.4	25.34	9.68
STATUTORY LIABILITIES		8.63	12.23
STAFF & OTHER CLAIMS		6.35	4.52
SUNDRY CREDITORS		5.69	6.68
TOTAL		1,557.36	1,791.32

* BOOK OVERDRAFT DUE TO ISSUANCE OF CHEQUES, WHICH WILL BE CLEARED AGAINST TERM DEPOSITS AVAILABLE IN BANKS

2.10 SHORT TERM PROVISIONS

(₹ in Crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2015	AS AT 31.03.2014
PROPOSED DIVIDEND		32.00	23.00
DIVIDEND TAX		6.51	3.91
EMPLOYEE BENEFITS		55.41	94.04
EXCISE DUTY		0.50	0.01
WARRANTIES	2.42	18.52	12.97
COMMITMENTS	2.42	2.28	1.82
TOTAL		115.22	135.75

2.11.1 TANGIBLE FIXED ASSETS AS AT 31.03.2015

(₹ in Crore)

DESCRIPTION	GROSS BLOCK						DEPRECIATION						NET BLOCK		
	AS AT 01/04/ 2014	ADDI- TIONS DURING THE YEAR	AD- JUST- MENT DURING THE YEAR	ADJUST- MENT OF EX- CHANGE RATE	SALE/ WRITEN OFF DURING THE YEAR	TOTAL	AS AT 01/04/2014	FOR THE YEAR	ADJUST- MENT DUR- ING THE YEAR	ADJUST- MENT THROUGH RETAINED EARN- ING#	ADJUST- MENT OF EX- CHANGE RATE	SALE/ WRITEN OFF DURING THE YEAR	TOTAL	AS AT 31/03/ 2015	AS AT 31/03/ 2014
LEASED HOLD															
LAND	2.68	-	-	-	-	2.68	2.23	0.02	-	-	-	-	2.25	0.43	0.45
BUILDING	11.40	0.04	0.22	-	-	11.66	3.73	0.35	0.03	-	-	-	4.11	7.55	7.67
RESIDENTIAL QUARTERS	11.02	-	-	-	-	11.02	3.43	0.29	-	-	-	-	3.72	7.30	7.59
SUB TOTAL	25.10	0.04	0.22	-	-	25.36	9.39	0.66	0.03	-	-	-	10.08	15.28	15.71
OTHERS															
LAND	29.00	0.05	-	-	-	29.05	-	-	-	-	-	-	29.05	29.00	
BUILDING	40.44	-	-	-	-	40.44	6.59	0.66	-	-	-	-	7.25	33.19	33.85
RESIDENTIAL QUARTERS*	2.34	-	-	-	-	2.34	1.33	0.02	-	-	-	-	1.35	0.99	1.01
SURVEY AND OTHER INSTRUMENTS	15.94	0.06	-	-	1.38	14.62	11.64	0.68	-	-	-	1.38	10.94	3.68	4.30
COMPUTER AND EQUIPMENTS	17.52	1.86	-	-	2.25	17.13	14.14	2.22	0.16	-	2.25	14.27	2.86	3.38	
SERVER & NETWORK	8.31	0.05	-	-	0.06	8.30	3.37	0.97	-	-	-	0.06	4.28	4.02	4.94
OFFICE AND OTHER EQUIPMENTS	11.24	0.54	-	(0.01)	0.36	11.41	8.14	1.40	(0.01)	0.08	-	0.34	9.27	2.14	3.10
AIR-CONDITIONER AND EQUIPMENTS	1.61	0.21	-	-	0.03	1.79	1.07	0.15	-	-	-	0.03	1.19	0.60	0.54
AIR CONDITIONER PLANT	12.73	0.07	-	-	-	12.80	5.58	1.30	-	-	-	-	6.88	5.92	7.15
FURNITURES	5.93	0.39	-	-	0.07	6.25	3.69	0.46	-	-	-	0.06	4.09	2.16	2.24
FIXTURES	7.11	0.20	-	-	0.01	7.30	5.20	0.71	-	-	-	0.01	5.90	1.40	1.91
VEHICLES	4.44	0.32	-	-	0.41	4.35	2.75	0.30	0.01	-	-	0.41	2.65	1.70	1.69
VEHICLES ABROAD	0.97	0.04	-	(0.01)	0.62	0.38	0.97	0.01	-	(0.01)	0.62	0.35	0.03	-	-
LOCOMOTIVES NEW	8.43	-	-	-	8.43	-	2.66	0.23	-	-	-	2.89	-	-	5.77
LOCOMOTIVES IN SERVICE	115.34	35.08	-	-	-	150.42	25.91	14.76	0.53	-	-	-	41.20	109.22	89.43
COACHES IN SERVICE	7.52	-	-	-	-	7.52	7.52	-	-	-	-	-	7.52	-	-
MULTIFUNCTIONAL COMPLEX	-	4.44	-	-	-	4.44	-	0.02	-	-	-	-	0.02	4.42	-
PLANT & MACHINERY	-	0.03	-	-	-	0.03	-	-	-	-	-	-	-	0.03	-
SUB TOTAL	288.87	43.34	-	(0.02)	13.62	318.57	100.56	23.89	0.53	0.24	(0.01)	8.05	117.16	201.41	188.31
TOTAL	313.97	43.38	0.22	(0.02)	13.62	343.93	109.95	24.55	0.56	0.24	(0.01)	8.05	127.24	216.69	204.02
PREVIOUS YEAR	273.62	41.30	-	0.02	0.97	313.97	92.20	18.61	0.03	-	0.01	0.90	109.95	204.02	

* DEPRECIATION ON FREEHOLD FLATS IS CHARGED ON THE TOTAL COST OF FLATS IN THE ABSENCE OF BREAK-UP OF LAND COMPONENTS IN THE FLATS VALUE.
REFER NOTE NO. 2.50.1.

2.11.2 INTANGIBLE ASSETS AS AT 31.03.2015

(₹ in Crore)

DESCRIPTION	GROSS BLOCK						AMORTISATION						NET BLOCK		
	AS AT 01/04/2014	ADDITIONS DURING THE YEAR	ADJUSTMENT DURING THE YEAR	ADJUSTMENT OF EX-CHANGE RATE	SALE/WRITTEN OFF DURING THE YEAR	TOTAL	AS AT 01/04/2014	FOR THE YEAR	ADJUSTMENT DURING THE YEAR	ADJUSTMENT THROUGH RETAINED EARNING	ADJUSTMENT OF EX-CHANGE RATE	SALE/WRITTEN OFF DURING THE YEAR	TOTAL	AS AT 31/03/2015	AS AT 31/03/2014
SOFTWARES	10.73	1.92	-	-	-	12.65	5.93	1.93	-	-	-	-	7.86	4.79	4.80
PREVIOUS YEAR	8.13	2.60	-	-	-	10.73	4.58	1.35	-	-	-	-	5.93	4.80	

2.11.3 CAPITAL WORK IN PROGRESS AS AT 31.03.2015

(₹ in Crore)

DESCRIPTION	GROSS BLOCK						DEPRECIATION						NET BLOCK		
	AS AT 01/04/2014	ADDITIONS DURING THE YEAR	ADJUSTMENT DURING THE YEAR	ADJUSTMENT OF EX-CHANGE RATE	SALE/WRITTEN OFF DURING THE YEAR	TOTAL	AS AT 01/04/2014	FOR THE YEAR	ADJUSTMENT DURING THE YEAR	ADJUSTMENT THROUGH RETAINED EARNING	ADJUSTMENT OF EX-CHANGE RATE	SALE/WRITTEN OFF DURING THE YEAR	TOTAL	AS AT 31/03/2015	AS AT 31/03/2014
CAPITAL WORK IN PROGRESS	46.27	100.88	(33.20)	-	-	113.95	-	-	-	-	-	-	-	113.95	46.27
PREVIOUS YEAR	28.41	43.43	(25.57)	-	-	46.27	-	-	-	-	-	-	-	46.27	

2.11.4 INTANGIBLE ASSETS UNDER DEVELOPMENT AS AT 31.03.2015

(₹ in Crore)

DESCRIPTION	GROSS BLOCK						DEPRECIATION						NET BLOCK		
	AS AT 01/04/2014	ADDITIONS DURING THE YEAR	ADJUSTMENT DURING THE YEAR	ADJUSTMENT OF EX-CHANGE RATE	SALE/WRITTEN OFF DURING THE YEAR	TOTAL	AS AT 01/04/2014	FOR THE YEAR	ADJUSTMENT DURING THE YEAR	ADJUSTMENT THROUGH RETAINED EARNING	ADJUSTMENT OF EX-CHANGE RATE	SALE/WRITTEN OFF DURING THE YEAR	TOTAL	AS AT 31/03/2015	AS AT 31/03/2014
SOFTWARES	0.49	0.26	-	-	-	0.75	-	-	-	-	-	-	-	0.75	0.49
PREVIOUS YEAR	0.23	0.26	-	-	-	0.49	-	-	-	-	-	-	-	0.49	
GRAND TOTAL FIXED ASSETS	371.46	146.44	(32.98)	(0.02)	13.62	471.28	115.88	26.48	0.56	0.24	(0.01)	8.05	135.10	336.18	255.58
PREVIOUS YEAR	310.39	87.59	(25.57)	0.02	0.97	371.46	96.78	19.96	0.03	-	0.01	0.90	115.88	255.58	

2.11.5 INVESTMENT PROPERTIES AS AT 31.03.2015

(₹ in Crore)

DESCRIPTION	GROSS BLOCK						DEPRECIATION						NET BLOCK		
	AS AT 01/04/2014	ADDITIONS DURING THE YEAR	ADJUSTMENT DURING THE YEAR	ADJUSTMENT OF EX-CHANGE RATE	SALE/WRITTEN OFF DURING THE YEAR	TOTAL	AS AT 01/04/2014	FOR THE YEAR	ADJUSTMENT DURING THE YEAR	ADJUSTMENT THROUGH RETAINED EARNING	ADJUSTMENT OF EX-CHANGE RATE	SALE/WRITTEN OFF DURING THE YEAR	TOTAL	AS AT 31/03/2015	AS AT 31/03/2014
LEASED HOLD BUILDING	1.83	-	(0.22)	-	-	1.61	0.28	0.04	(0.04)	-	-	-	0.28	1.33	1.55
PREVIOUS YEAR	1.83	-	-	-	-	1.83	0.24	0.04	-	-	-	-	0.28	1.55	
GRAND TOTAL INCLUDING INVESTMENT PROPERTIES	373.29	146.44	(33.20)	(0.02)	13.62	472.89	116.16	26.52	0.52	0.24	(0.01)	8.05	135.38	337.51	257.13
PREVIOUS YEAR	312.22	87.59	(25.57)	0.02	0.97	373.29	97.02	20.00	0.03	-	0.01	0.90	116.16	257.13	

SRBWIPL, A JOINT VENTURE HAS CHARGED DEPRECIATION OF ₹ 0.03 CRORE (PREVIOUS YEAR ₹ 0.02 CRORE) TO PRE-OPERATIVE EXPENSES, IN WHICH SHARE OF GROUP @ 50% COMES TO ₹ 0.02 CRORE (PREVIOUS YEAR ₹ 0.01 CRORE).

2.12 NON CURRENT INVESTMENTS

(₹ in Crore)

PARTICULARS	NOTE NO.	AS AT 31.03.2015	AS AT 31.03.2014
A) INVESTMENT PROPERTIES			
LEASEHOLD BUILDING	2.11.5	<u>1.33</u>	<u>1.55</u>
B) TRADE (UNQUOTED)-AT COST, LONG TERM INVESTMENTS IN SHARES			
(I) IN INDIAN COMPANIES			
GLOBAL PROCUREMENT CONSULTANTS LIMITED		0.04	0.04
32,279 (PREVIOUS YEAR 32,279) EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH, FULLY PAID-UP (INCLUDES 2,279 EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH AT A PRICE OF ₹ 30/- EACH).			
(II) IN INDIAN COOPERATIVE SOCIETIES			
(I) MORU MAHAL CO-OPERATIVE SOCIETY LIMITED	2.43	-	-
5 (PREVIOUS YEAR 5) EQUITY SHARES OF FACE VALUE OF ₹ 50/- EACH ACQUIRED FOR PURCHASE OF RESIDENTIAL QUARTER.			
(II) AMIT INDUSTRIAL PREMISES CO-OPERATIVE SOCIETY LIMITED	2.43	-	-
10 (PREVIOUS YEAR 10) EQUITY SHARES OF FACE VALUE OF ₹ 50/- EACH ACQUIRED FOR PURCHASE OF LABORATORY.			
AGGREGATE OF UNQUOTED INVESTMENTS-CARRYING VALUE AT COST		<u>0.04</u>	<u>0.04</u>
C) TRADE (QUOTED)-AT COST, LONG TERM INVESTMENTS			
(I) INDIAN RAILWAY FINANCE CORPORATION *		50.00	50.00
(7 YEAR SECURED REDEEMABLE 6.30% TAX FREE BONDS)			
5,000 BONDS OF FACE VALUE OF ₹ 100,000/- EACH, FULLY PAID			
(II) INDIAN RAILWAY FINANCE CORPORATION *		50.00	50.00
(7 YEAR SECURED REDEEMABLE 6.32% TAX FREE BONDS)			
5,000 BONDS OF FACE VALUE OF ₹ 100,000/- EACH, FULLY PAID			
(III) INDIAN RAILWAY FINANCE CORPORATION *		25.00	25.00
(10 YEAR SECURED REDEEMABLE 7.55% TAX FREE BONDS)			
2,500 BONDS OF FACE VALUE OF ₹ 100,000/- EACH, FULLY PAID			
(IV) INDIAN RAILWAY FINANCE CORPORATION *		30.00	30.00
(10 YEAR SECURED REDEEMABLE 7.21% TAX FREE BONDS)			
300 BONDS OF FACE VALUE OF ₹ 1,000,000/- EACH AT PREMIUM OF ₹ 100/- EACH, FULLY PAID			
(V) INDIAN RAILWAY FINANCE CORPORATION *		10.00	10.00
(10 YEAR SECURED REDEEMABLE 7.22% TAX FREE BONDS)			
100 BONDS OF FACE VALUE OF ₹ 1,000,000/- EACH AT PREMIUM OF ₹ 100/- EACH, FULLY PAID			
(VI) INDIAN RAILWAY FINANCE CORPORATION *		10.00	10.00
(10 YEAR SECURED REDEEMABLE 7.18% TAX FREE BONDS)			
100,000 BONDS OF FACE VALUE OF ₹ 1,000/- EACH, FULLY PAID			
(VII) INDIAN RAILWAY FINANCE CORPORATION *		25.00	25.00
(10 YEAR SECURED REDEEMABLE 8.35% TAX FREE BONDS)			
250 BONDS OF FACE VALUE OF ₹ 1,000,000/- EACH AT PREMIUM OF ₹ 100/-EACH, FULLY PAID			
AGGREGATE OF QUOTED INVESTMENTS-CARRYING VALUE AT COST		<u>200.00</u>	<u>200.00</u>
TOTAL		<u>201.37</u>	<u>201.59</u>

* BONDS' MARKET VALUES AS ON 31.03.2015 ARE NOT AVAILABLE AS THESE BONDS ARE NOT FREQUENTLY TRADED.

2.13 DEFERRED TAX ASSETS/LIABILITY (NET)

(₹ in Crore)			
PARTICULARS	NOTE NO.	AS AT 31.03.2015	AS AT 31.03.2014
DEPRECIATION ON FIXED ASSETS		(10.12)	(9.64)
PROVISION FOR DOUBTFUL DEBTS, SECURITY DEPOSITS/EMD, ADVANCES ETC.		20.75	21.94
LEAVE ENCASHMENT AND OTHER PROVISIONS		35.51	47.40
CARRY FORWARD LOSSES		0.04	0.10
PRELIMINARY EXPENSES		0.06	0.08
TOTAL		46.24	59.88
CHARGED TO STATEMENT OF PROFIT & LOSS		(13.72)	12.45
TAX EFFECT ON DEPRECIATION ADJUSTED FROM GENERAL RESERVE	2.50.1	0.08	-
INCREASE/ (DECREASE) IN DEFERRED TAX ASSET (NET)		(13.64)	12.45

2.14 LONG TERM LOANS AND ADVANCES

(₹ in Crore)			
PARTICULARS		AS AT 31.03.2015	AS AT 31.03.2014
(SECURED, CONSIDERED GOOD)			
STAFF ADVANCES		4.16	4.40
(UNSECURED, CONSIDERED GOOD)			
LOANS TO RELATED PARTY*		67.23	61.75
STAFF ADVANCES		4.18	4.27
SECURITY DEPOSITS		1.21	0.96
ADVANCE INCOME TAX (NET OF PROVISION)		79.16	76.06
PREPAID EXPENSES		0.88	0.55
TOTAL		156.82	147.99

*SHAREHOLDERS LOAN, LOAN IN LIEU OF EQUITY AND LOAN TO MEET ARBITRATION EXPENSES.

2.15 OTHER NON CURRENT ASSETS

(₹ in Crore)			
PARTICULARS	NOTE NO.	AS AT 31.03.2015	AS AT 31.03.2014
INTEREST ACCRUED (INCLUDING ACCRUED BUT NOT DUE) ON:			
• BANK DEPOSITS		2.92	0.55
• LOANS TO RELATED PARTY		4.78	4.78
• OTHER LOANS AND ADVANCES		5.56	5.50
RETENTION MONEY		7.27	6.67
BANK DEPOSITS HAVING MATURITY OVER 12 MONTHS FROM REPORTING DATE	2.20.3	104.02	133.70
PRE-OPERATIVE EXPENSES NOT W/O		0.71	0.37
DEFERRED REVENUE EXPENDITURE NOT WRITTEN OFF		0.10	0.10
TOTAL		125.36	151.67

2.16 OTHER NON CURRENT ASSETS-CLIENTS DEPOSITS

(₹ in Crore)			
PARTICULARS	NOTE NO.	AS AT 31.03.2015	AS AT 31.03.2014
BANK DEPOSITS HAVING MATURITY OVER 12 MONTHS FROM REPORTING DATE:			
• CLIENTS DEPOSITS	2.21.3	70.52	120.90
TOTAL		70.52	120.90

2.17 INVENTORIES

(₹ in Crore)			
PARTICULARS		AS AT 31.03.2015	AS AT 31.03.2014
(AS CERTIFIED BY MANAGEMENT)			
STORES & SPARES		0.24	1.68
FINISHED GOODS		6.42	15.81
TOTAL		6.66	17.49

2.18 WORK IN PROGRESS

(₹ in Crore)			
PARTICULARS		AS AT 31.03.2015	AS AT 31.03.2014
CONSULTANCY PROJECTS		38.34	40.23
CONSTRUCTION PROJECTS		0.14	0.85
TOTAL		38.48	41.08

2.19 TRADE RECEIVABLES

(₹ in Crore)			
PARTICULARS		AS AT 31.03.2015	AS AT 31.03.2014
TRADE RECEIVABLES			
UNSECURED			
FOR A PERIOD EXCEEDING SIX MONTHS			
• CONSIDERED GOOD	103.61	121.90	
• CONSIDERED DOUBTFUL	45.60	48.76	
LESS: PROVISION FOR DOUBTFUL DEBTS	(45.60)	103.61	(48.76)
OTHERS			
• CONSIDERED GOOD		263.59	189.11
TOTAL		367.20	311.01

2.20 CASH AND BANK BALANCES-OWNED FUND

		(₹ in Crore)	
PARTICULARS	AS AT 31.03.2015	AS AT 31.03.2014	
SHOWN UNDER CURRENT ASSETS :			
2.20.1 CASH & CASH EQUIVALENTS			
CASH IN HAND	0.02	0.03	
CHEQUES IN HAND	0.22	0.39	
BANK BALANCES IN :			
• CURRENT ACCOUNTS	13.89	15.24	
• DEPOSITS #	243.48	20.88	
	<u>257.37</u>	<u>20.88</u>	
	257.61	36.12	
		<u>36.54</u>	
2.20.2 OTHER BANK BALANCES IN :			
• DEPOSITS ##	466.15	607.89	
TOTAL	<u>723.76</u>	<u>644.43</u>	
SHOWN UNDER NON CURRENT ASSETS :			
2.20.3 OTHER BANK BALANCES IN :			
• DEPOSITS ###	NOTE NO. 2.15	104.02	133.70
SHOWN UNDER OTHER CURRENT LIABILITIES :			
2.20.4 BOOK OVERDRAFT ####	NOTE NO. 2.09	-	(0.04)
TOTAL CASH & BANK BALANCES-OWNED FUND*	<u>827.78</u>	<u>778.09</u>	
(I) # HAVING MATURITY 3 MONTHS OR LESS FROM THE DATE OF ACQUISITION.			
(II) ## HAVING MATURITY OVER 3 MONTHS FROM THE DATE OF ACQUISITION AND UPTO 12 MONTHS FROM REPORTING DATE.			
(III) ### HAVING MATURITY OVER 12 MONTHS FROM REPORTING DATE.			
(IV) #### BOOK OVERDRAFT DUE TO ISSUANCE OF CHEQUES, WHICH WILL BE CLEARED AGAINST TERM DEPOSITS AVAILABLE IN BANKS.			
(V) * INCLUDES MARGIN MONEY AGAINST GUARANTEES ISSUED BY BANKS	8.82	7.60	

2.21 CASH AND BANK BALANCES-CLIENTS FUND

		(₹ in Crore)	
PARTICULARS	AS AT 31.03.2015	AS AT 31.03.2014	
SHOWN UNDER CURRENT ASSETS :			
2.21.1 CASH & CASH EQUIVALENTS			
BANK BALANCES IN :			
• CURRENT ACCOUNTS	33.66	9.63	
• DEPOSITS #	165.70	249.02	
	<u>199.36</u>	<u>258.65</u>	
2.21.2 OTHER BANK BALANCES IN :			
• DEPOSITS ##	1,139.08	1,218.10	
TOTAL	<u>1,338.44</u>	<u>1,476.75</u>	
SHOWN UNDER NON CURRENT ASSETS :			
2.21.3 OTHER BANK BALANCES IN :			
• DEPOSITS ###	NOTE NO. 2.16	70.52	120.90
SHOWN UNDER OTHER CURRENT LIABILITIES :			
2.21.4 BOOK OVERDRAFT ####	NOTE NO. 2.09	(25.34)	(9.68)
TOTAL CASH & BANK BALANCES-CLIENTS FUND	<u>1,383.62</u>	<u>1,587.97</u>	
(I) # HAVING MATURITY 3 MONTHS OR LESS FROM THE DATE OF ACQUISITION.			
(II) ## HAVING MATURITY OVER 3 MONTHS FROM THE DATE OF ACQUISITION AND UPTO 12 MONTHS FROM REPORTING DATE.			
(III) ### HAVING MATURITY OVER 12 MONTHS FROM REPORTING DATE.			
(IV) #### BOOK OVERDRAFT DUE TO ISSUANCE OF CHEQUES, WHICH WILL BE CLEARED AGAINST TERM DEPOSITS AVAILABLE IN BANKS.			

2.22 SHORT TERM LOAN & ADVANCES

PARTICULARS	(₹ in Crore)	
	AS AT 31.03.2015	AS AT 31.03.2014
(SECURED, CONSIDERED GOOD)		
STAFF ADVANCES	1.74	1.42
(UNSECURED, CONSIDERED GOOD)		
LOANS TO JV (RELATED PARTY) FOR WORKING CAPITAL REQUIREMENTS	3.55	-
STAFF ADVANCES	2.57	2.14
ADVANCE TO RELATED PARTIES	2.66	2.25
OTHER ADVANCES	26.92	44.30
LESS: PROVISION FOR DOUBTFUL ADVANCES	(0.39)	(0.39)
SECURITY DEPOSITS	3.30	2.54
LESS: PROVISION FOR DOUBTFUL EMD/SD	(0.70)	(1.03)
INCOME TAX RECEIVABLES	1.62	1.62
PREPAID EXPENSES	2.01	2.16
TOTAL	43.28	55.01

2.23 OTHER CURRENT ASSETS

PARTICULARS	(₹ in Crore)	
	AS AT 31.03.2015	AS AT 31.03.2014
GOVT. OF TANZANIA RECEIVABLES	56.65	54.15
AMOUNT RECOVERABLES	155.88	152.84
LESS: PROVISION FOR DOUBTFUL AMOUNT RECOVERABLES	(13.96)	(13.96)
INTEREST ACCRUED (INCLUDING ACCRUED BUT NOT DUE) ON:		
• BANK DEPOSITS HAVING MATURITY:		
• 3 MONTHS OR LESS FROM THE DATE OF ACQUISITION	18.52	0.09
• OVER 3 MONTHS FROM THE DATE OF ACQUISITION AND UPTO 12 MONTHS FROM REPORTING DATE	25.64	31.20
• BONDS	8.23	6.14
• LOAN TO RELATED PARTY	0.03	-
• OTHER LOANS AND ADVANCES	1.00	0.73
RETENTION MONEY	8.21	22.55
TOTAL	260.20	253.74

2.24 REVENUE FROM OPERATIONS

PARTICULARS	(₹ in Crore)	
	YEAR ENDED 31.03.2015	YEAR ENDED 31.03.2014
SALE OF SERVICES		
CONSULTANCY FEE (GROSS)	663.10	474.46
LESS: SERVICE TAX	<u>(69.73)</u>	<u>(44.34)</u>
CONSULTANCY FEE (NET)	593.37	430.12
QUALITY ASSURANCE (GROSS)	128.34	118.56
LESS: SERVICE TAX	<u>(13.82)</u>	<u>(12.81)</u>
QUALITY ASSURANCE (NET)	114.52	105.75
LEASE SERVICES (GROSS)	74.86	64.49
LESS: SERVICE TAX	<u>(5.56)</u>	<u>(4.30)</u>
LEASE SERVICES (NET)	<u>69.30</u>	<u>60.19</u>
	777.19	596.06
SALE OF PRODUCTS		
EXPORT SALES	149.23	404.61
OTHERS		
TURNKEY CONSTRUCTION PROJECTS	<u>90.29</u>	<u>95.89</u>
TOTAL	<u>1,016.71</u>	<u>1,096.56</u>

2.25 OTHER INCOME

PARTICULARS	(₹ in Crore)	
	YEAR ENDED 31.03.2015	YEAR ENDED 31.03.2014
INTEREST EARNED ON:		
• DEPOSITS WITH BANKS	84.68	77.12
• TAX FREE BONDS	13.89	12.56
• STAFF ADVANCES	1.32	1.17
• LOAN TO JV (RELATED PARTY)	0.30	-
• OTHERS	<u>1.02</u>	<u>-</u>
PROVISION NO LONGER REQUIRED	30.98	54.33
PROFIT ON SALE OF FIXED ASSETS	0.09	0.04
DIVIDEND FROM:		
• TRADE NON CURRENT INVESTMENTS	0.01	0.01
• TRADE CURRENT INVESTMENTS	<u>2.74</u>	<u>2.27</u>
EXPORT INCENTIVES	8.59	0.39
RENT FROM INVESTMENT PROPERTIES	1.04	1.16
EXCHANGE VARIATION	5.97	-
MISCELLANEOUS INCOME	<u>3.51</u>	<u>4.69</u>
TOTAL	<u>154.14</u>	<u>153.74</u>

2.26 EMPLOYEE BENEFITS EXPENSES

PARTICULARS	₹ in Crore)	
	YEAR ENDED 31.03.2015	YEAR ENDED 31.03.2014
SALARIES	194.33	170.48
SALARIES-ABROAD	5.59	8.48
SALARIES CONTRACT EMPLOYEES	28.06	27.46
FOREIGN SERVICE CONTRIBUTION	3.14	0.70
CONTRIBUTION TO PROVIDEND FUND & OTHER FUNDS	17.71	14.45
GRATUITY	0.89	6.91
POST RETIRAL BENEFITS (PENSION/MEDICAL)	18.87	27.70
STAFF WELFARE EXPENSES	16.98	14.01
LEAVE TRAVEL CONCESSION	0.19	0.29
PERFORMANCE RELATED PAYMENT	20.00	14.00
LEAVE SALARIES	24.25	26.03
TOTAL	330.01	310.51

2.27 COST OF EXPORT SALES

PARTICULARS	NOTE NO.	₹ in Crore)	
		YEAR ENDED 31.03.2015	YEAR ENDED 31.03.2014
COST OF TRADED GOODS		77.35	237.88
CONSUMABLES		0.09	0.12
FREIGHT & FORWARDING		0.33	1.64
INSURANCE		0.01	0.12
FEES FOR SERVICES OBTAINED		5.76	15.44
PROVISION FOR WARRANTIES	2.42	6.68	18.05
TOTAL		90.22	273.25

2.28 COST OF TURNKEY CONSTRUCTION PROJECTS

PARTICULARS	₹ in Crore)	
	YEAR ENDED 31.03.2015	YEAR ENDED 31.03.2014
SUPPLIES & SERVICES	82.95	87.74
(INCREASE)/DECREASE IN WORK IN PROGRESS	0.71	1.15
TOTAL	83.66	88.89

2.29 OTHER EXPENSES

(₹ in Crore)			
PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2015	YEAR ENDED 31.03.2014
PRINTING, STATIONARY AND DOCUMENTATION		3.71	3.78
BUSINESS PROMOTION		1.80	1.98
AUDITORS' REMUNERATION	2.30.1	0.19	0.16
AUDITORS' OUT OF POCKET EXPENSES	2.30.1	0.03	0.02
RATES & TAXES		3.67	3.64
OFFICE RENT		4.25	4.35
POSTAGE & TELECOMMUNICATION		4.10	3.89
OFFICE MAINTENANCE		7.53	6.71
REPAIRS TO MACHINERY/EQUIPMENTS		0.84	0.86
REPAIRS TO BUILDING		0.39	0.07
POWER AND FUEL CHARGES		3.70	3.98
STORES AND SPARES CONSUMED-LEASED	2.30.2	2.54	3.35
STORES AND SPARES CONSUMED-OTHERS	2.30.3	1.41	0.97
BOOKS AND PERIODICALS		0.19	0.23
INTERNAL AUDIT FEE		0.17	0.17
ADVERTISEMENT AND PUBLICITY		2.05	2.56
SUBSCRIPTION AND MEMBERSHIP FEE		0.59	0.17
LEGAL AND PROFESSIONAL FEE		5.28	3.57
INSURANCE		1.88	2.10
BANK CHARGES		1.62	1.65
BAD DEBTS		3.04	1.55
DAMAGED AND HIRE CHARGES OF ROLLING STOCK		0.79	-
VEHICLE RUNNING AND MAINTENANCE		1.10	1.06
MANPOWER DEVELOPMENT		0.82	2.43
LOSS ON SALE OF FIXED ASSETS		0.01	0.02
PROVISION FOR:			
• DOUBTFUL DEBTS, ADVANCES, SECURITY DEPOSITS ETC.		4.38	16.30
• COMMITMENTS	2.42	1.60	0.90
• DOUBTFUL INVENTORIES		-	1.11
DIRECTORS' SITTING FEE		0.01	0.06
EXCHANGE VARIATION		-	3.78
CORPORATE SOCIAL RESPONSIBILITY		7.90	5.32
RESEARCH AND DEVELOPMENT		-	0.17
MISCELLANEOUS EXPENSES (COST OF TENDER DOCUMENTS, VISA CHARGES ETC.)		4.59	4.41
TOTAL		70.18	81.32

2.30.1 AUDITORS' REMUNERATION

(₹ in Crore)		
PARTICULARS	YEAR ENDED 31.03.2015	YEAR ENDED 31.03.2014
(A) STATUTORY AUDITORS		
STATUTORY AUDIT FEE	0.08	0.08
TAX AUDIT FEE	0.02	0.02
LIMITED REVIEW AUDIT FEE	0.03	0.02
OTHER SERVICES, i.e. CERTIFICATION ETC.	0.01	-
SUB TOTAL (A)	0.14	0.12
(B) BRANCH AUDITORS		
STATUTORY AUDIT FEE	0.02	0.01
TAX AUDIT FEE	0.01	0.01
LIMITED REVIEW AUDIT FEE	0.02	0.02
SUB TOTAL (B)	0.05	0.04
AUDITORS' REMUNERATION (A+B)	0.19	0.16
AUDITORS' OUT OF POCKET EXPENSES	0.03	0.02

2.30.2 STORES AND SPARES CONSUMED-LEASED

(₹ in Crore)		
PARTICULARS	YEAR ENDED 31.03.2015	YEAR ENDED 31.03.2014
COST OF STORE AND SPARES CONSUMED	2.30	1.27
CONSUMABLES	-	1.65
FREIGHT & FORWARDING	0.22	0.33
INSURANCE	-	0.05
OTHER PROCUREMENT EXPENSES	0.02	0.05
TOTAL	2.54	3.35

2.30.3 STORES AND SPARES CONSUMED-OTHERS

(₹ in Crore)		
PARTICULARS	YEAR ENDED 31.03.2015	YEAR ENDED 31.03.2014
CONSUMABLES	1.28	0.89
FREIGHT & FORWARDING	0.13	0.08
TOTAL	1.41	0.97

2.31 PRIOR PERIOD ADJUSTMENTS (NET)

(₹ in Crore)		
PARTICULARS	YEAR ENDED 31.03.2015	YEAR ENDED 31.03.2014
FEES	(0.04)	(1.55)
OTHER (INCOME)/EXPENSES	2.12	0.05
EMPLOYEES' COST	-	(7.89)
SUPPLIES & SERVICES	2.15	2.93
TOTAL	4.23	(6.46)

DISCLOSURES AS PER ACCOUNTING STANDARDS:

2.32 The subsidiary companies considered in the financial statements are as follows:

Name of Subsidiary Companies	Country of Incorporation	% of Shareholding as on 31.03.2015	% of Shareholding as on 31.03.2014
• RITES(Afrika) (Pty) Limited	Botswana	100 %	100 %
• RITES Infrastructure Services Limited	India	100 %	100 %
• Railway Energy Management Company Limited	India	51%	51%

2.33 Disclosure on construction contracts (Accounting Standard-7) is as follows:

(₹ in Crore)

S. No.	Particulars	Year Ended	
		31.03.2015	31.03.2014
1.	Contract revenue recognized during the year	90.29	95.89
2.	Aggregate amount of costs incurred upto reporting date	290.92	203.71
3.	Recognized profits upto reporting date	13.06	9.98
4.	Amount of advances received	5.93	7.09
5.	Gross amount due from customers for the contract work presented as an asset	0.14	0.85
6.	Retention Money	-	-
7.	Gross amount due to customers for the contract work presented as liability	19.64	4.31

2.34 Disclosure on Employees Defined Benefits in line with Accounting Standard-15 is as follows:

2.34.1 Reconciliation of Opening & Closing Balances of the present value of the defined benefits plan obligation (unfunded) and the effects during the period attributable to each is as follows:

(₹ in Crore)

Particulars	Leave Encashment		LTC		Medical Leave	
	31.03.15	31.03.14	31.03.15	31.03.14	31.03.15	31.03.14
Opening Balance	54.95	55.50	1.22	1.06	33.85	29.69
Interest Cost	4.39	4.44	0.10	0.09	2.71	2.38
Current Service Cost	5.19	4.05	0.22	0.64	2.61	2.05
Benefit paid	(13.84)	(19.28)	(0.07)	(0.13)	(0.49)	(3.15)
Actuarial (Gain)/Loss on obligation	8.61	10.24	(0.13)	(0.44)	0.74	2.88
Closing Balance	59.30	54.95	1.34	1.22	39.42	33.85

2.34.2 Total expenses recognized in the Statement of Profit & Loss is as follows:

(₹ in Crore)

Particulars	Leave Encashment		LTC		Medical Leave	
	31.03.15	31.03.14	31.03.15	31.03.14	31.03.15	31.03.14
Current Service Cost	5.19	4.05	0.22	0.64	2.61	2.05
Interest Cost	4.39	4.44	0.10	0.09	2.71	2.38
Net actuarial (Gain)/Loss recognized during the year	8.61	10.24	(0.13)	(0.44)	0.74	2.88
Expenses recognized in the statement of Profit & Loss	18.19	18.73	0.19	0.29	6.06	7.31

2.34.3 Net present value of long service award as on 31.03.2015 is ₹ 1.58 crore (previous year ₹ 1.02 crore).

2.34.4 The principal actuarial assumptions used at the Balance Sheet date are as follow:

Particulars	Leave Encashment		LTC		Long Service Award		Medical Leave	
	31.03.15	31.03.14	31.03.15	31.03.14	31.03.15	31.03.14	31.03.15	31.03.14
Discount rate (%)	8%	8%	8%	8%	8%	8%	8%	8%
Future salary increase (%)	8%	8%	8%	8%	-	-	8%	8%

2.34.5 Gratuity-Defined Benefits wholly funded

2.34.5.1 Holding company is contributing through RITES Employees Group Gratuity cum LIC Scheme to Life Insurance Corporation of India (LIC) to meet its gratuity liability. The details are as under:-

2.34.5.2 Changes in Present Value of the obligation are as follow:

Particulars	₹ in Crore	
	31.03.15	31.03.14
Present Value of obligations as at beginning of year	70.76	59.97
Interest Cost	5.66	4.79
Current Service Cost	4.63	4.56
Benefits paid	(3.19)	(2.09)
Actuarial (Gain)/Loss on obligations	(2.99)	3.53
Present Value of Obligations as at end of year	74.87	70.76

2.34.5.3 Changes in the Fair Value of Plan Assets are as follow:

Particulars	₹ in Crore	
	31.03.15	31.03.14
Fair Value of Plan Assets at beginning of year	71.52	62.37
Expected Return on Plan Assets	6.51	5.61
Contributions	-	5.27
Benefits Paid	(3.19)	(2.09)
Actuarial Gain / (Loss) on Plan Assets	(0.10)	0.36
Fair value of Plan Assets at the end of year	74.74	71.52

2.34.5.4 The amount recognized in the Balance Sheet is as follow:

Particulars	₹ in Crore	
	31.03.15	31.03.14
Present Value of obligations as at end of year	74.87	70.76
Fair value of Plan Assets at the end of year	74.74	71.52
Funded Status/difference	(0.13)	0.76
Excess of actual over estimated	(0.10)	0.36
Unrecognized actuarial (Gains)/Losses	-	-
Net Asset/(Liability) recognized in Balance Sheet	(0.13)	0.76

2.34.5.5 Expenses recognized in the Statement of Profit & Loss are as follow:

Particulars	(₹ in Crore)	
	31.03.15	31.03.14
Current Service Cost	4.63	4.56
Interest Cost	5.66	4.79
Expected Return on Plan Assets	(6.51)	(5.61)
Net actuarial (Gain)/Loss	(2.89)	3.17
Expenses recognized in Statement of Profit & Loss	0.89	6.91

2.34.5.6 The principal actuarial assumptions are as follow:

Particulars	31.03.15		31.03.14	
	8%	8%	8%	8%
Discounting rate (%)				
Future salary increase (%)				

2.34.6 Further, no planned assets have been created by the Holding company for other employee benefits.

2.35 Segment Reporting

2.35.1 The group has identified four business segments as primary segment as detailed below:-

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

2.35.2 The segment revenue in geographical segments considered for disclosure are as under:-

- (a) Revenue within India from consultancy including quality assurance, project management services, turnkey construction projects and domestic lease rental services to the clients located within the country.
- (b) Revenue from outside India for services rendered, export sales of rolling stock & spare parts and lease rental services to the clients located outside India.

2.35.3 The accounting principles used in the preparation of the financial statements are consistently applied to record revenue & expenditure in individual segments, as set out in the note of significant accounting policies.

2.35.4 Revenue & direct expenses in relation to segments are allocated based on items that are individually identifiable to that segment while the remaining costs are categorized as unallocated expense as the underlying services are used inter-changeably.

2.35.5 Business Segment:

Description	(₹ in Crore)	
	Year Ended	
	31.03.2015	31.03.2014
REVENUE		
Consultancy Services		
• Domestic	685.16	517.67
• Abroad	22.73	18.20
Export Sale	149.23	404.61
Leasing		
• Domestic	45.00	34.76
• Abroad	24.30	25.43
Turnkey Construction Projects-Domestic	90.29	95.89
Total Income from Operations (A)	1016.71	1096.56

(₹ in Crore)

Description	Year Ended	
	31.03.2015	31.03.2014
IDENTIFIABLE OPERATING EXPENSES		
Consultancy Services		
• Domestic	410.67	373.47
• Abroad	10.37	16.81
Export	98.53	292.37
Leasing		
• Domestic	21.07	16.30
• Abroad	14.59	9.25
Turnkey Construction Projects-Domestic	87.21	91.45
Total Operating Expenses (B)	642.44	799.65
SEGMENTAL PROFIT FROM OPERATIONS		
Consultancy Services		
• Domestic	274.49	144.20
• Abroad	12.36	1.39
Export	50.70	112.24
Leasing		
• Domestic	23.93	18.46
• Abroad	9.71	16.18
Turnkey Construction Projects-Domestic	3.08	4.44
Operating Profit (A-B)	374.27	296.91
Add:		
Income from Investments/ Deposits*	101.32	91.96
Other Income **	52.82	61.78
Less: Un-allocable Expenses	75.17	68.40
Net Profit Before Tax	453.24	382.25
Less: Income Tax (including Deferred Tax)	150.15	122.31
Net Profit After Tax	303.09	259.94
Less: Minority Interest	0.11	(0.11)
Net Profit After Tax & Minority Interest	302.98	260.05

2.35.6 Other Information

(₹ in Crore)

Description	Year Ended	
	31.03.2015	31.03.2014
Fixed Assets (Net) excluding Work in Progress ***	221.48	208.82
Current Assets, Loans & Advances	2778.02	2799.51
Current Liabilities, Provisions & Loans	1852.00	2116.32
Capital Employed ***	1147.50	892.01

2.35.7 Geographical Segment (Secondary Segment)

(₹ in Crore)

Description	Year Ended	
	31.03.2015	31.03.2014
Operating Revenue		
• India	820.45	648.32
• Abroad	196.26	448.24
Total	1016.71	1096.56
Operating Expenditure		
• India	518.95	481.22
• Abroad	123.49	318.43
Total	642.44	799.65
Operating Profit		
• India	301.50	167.10
• Abroad	72.77	129.81
Total	374.27	296.91

* Income from investment/deposits includes interest on bank deposits & bonds, dividend on trade current & non-current investment, etc.

** Other income includes interest on staff advance, interest on loans, interest on income tax refund, provision no longer required, profit on sale of assets, export incentives, rent from investment properties, etc.

*** Fixed assets used in the Group's business or liabilities contracted are common in nature for all and cannot be allocated to a specific segment. The Group believes that it is currently not practicable to provide segmental disclosure of capital employed since a meaningful segregation of the available data could be onerous.

2.36 Related Party Disclosures

2.36.1 Relationship

Nature of relationship	Name of party
Joint Ventures	1. M/s RICON - Established in India.
	2. M/s Companhia Dos Caminhos De Ferro De Beira, SA, Beira (CCFB) - Established in Mozambique.
	3. M/s SAIL-RITES Bengal Wagon Industry Private Limited - Established in India.
	4. M/s Geoconsult ZT GmbH – RITES - Established in India.
Subsidiary Companies	1. M/s RITES (Afrika) (Pty) Ltd. (RAPL) - Established in Botswana, Shareholding-100%.
	2. M/s RITES Infrastructure Services Ltd. (RISL) - Established in India, Shareholding-100%.
	3. M/s Railway Energy Management Company Ltd. (REMCL) - Established in India, Shareholding-51%.
Key Management Personnels	1. Shri Rajeev Mehrotra, Chairman & Managing Director
	2. Shri Sumit Sinha, Director Technical (Upto 31.10.2014)
	3. Shri Arbind Kumar, Director Projects
	4. Shri Ajay Kumar Gaur, Director Finance
	5. Shri S.B. Malik, Director Technical (From 01.11.2014)

2.36.2 Remuneration to Key Management Personnels:

(₹ in Crore)

Description	Year Ended	
	31.03.15	31.03.14
Salaries and other employee benefits	1.25	1.58

2.36.3 Joint Ventures

(₹ in Crore)

Transactions for the year	CCFB		SAIL-RITES Bengal Wagon Industry Private Ltd.		Geoconsult ZT GmbH - RITES	
	Year Ended		Year Ended		Year Ended	
	31.03.15	31.03.14	31.03.15	31.03.14	31.03.15	31.03.14
Investments (equity)	-	-	2.90	-	-	-
Share Application Money pending allotment	-	-	-	6.00	-	-
Recoverable/Advances	-	3.67	-	0.69	0.07	-
Consultancy Fee/ Income from Turnkey Construction Projects	-	-	22.90	11.59	1.09	-
Loans	7.40	-	10.00	-	-	-
Interest on Loans given	-	-	0.30	-	-	-

(₹ in Crore)

Particulars	RICON		CCFB		SAIL-RITES Bengal Wagon Industry Private Ltd.		Geoconsult ZT GmbH - RITES	
	As on		As on		As on		As on	
	31.03.15	31.03.14	31.03.15	31.03.14	31.03.15	31.03.14	31.03.15	31.03.14
Investments	-	-	6.01	6.01	14.90	18.00	-	-
Recoverable/ Advances	11.42	11.15	-	-	0.05	0.95	0.14	-
Receivables	-	-	5.80	5.80	6.40	0.35	1.11	-
Loans	-	-	90.85	83.45	7.10	-	-	-
Interest accrued	-	-	6.45	6.45	0.07	-	-	-

Subsidiary Companies

(₹ in Crore)

Transactions for the year	RAPL		RISL		REMCL	
	Year Ended		Year Ended		Year Ended	
	31.03.15	31.03.14	31.03.15	31.03.14	31.03.15	31.03.14
Investment	-	-	-	-	10.20	5.10
Recoverable/ Advances	-	-	1.32	1.57	0.05	0.59
Consultancy Fee/ Income from Turnkey Construction Projects	0.24	0.28	5.37	0.25	1.30	0.38

(₹ in Crore)

Particulars	RAPL		RISL		REMCL	
	As on		As on		As on	
	31.03.15	31.03.14	31.03.15	31.03.14	31.03.15	31.03.14
Investments	0.01	0.01	0.05	0.05	15.30	5.10
Recoverable /Advances	-	-	7.06	6.30	-	0.59
Receivables	0.24	0.29	-	0.22	0.87	0.42
Advance received against Construction Projects	-	-	4.69	-	-	-

2.36.4 The Group has been awarded a number of contracts jointly with other parties where work responsibilities / contractual obligations are clearly defined and segregated and the business relationship inter-se will automatically terminate on completion of the activity/project. The group has no control or significant influence over these parties, hence not considered as related parties for disclosure.

2.37 Lease

2.37.1 Operating Lease (Cancelable)

2.37.1.1 Holding company has leasing arrangement of locomotives in domestic and overseas markets. Under the contracts, holding company is also providing services of its experts for maintenance of these locomotives for which a consolidated lump sum payment including the lease rent is received from the clients as per terms of the contracts.

2.37.1.2 Detail of the leased assets: New & In-Service Locomotives (refer note no. 2.11.1)

(₹ in Crore)

Description	Year Ended	
	31.03.15	31.03.14
Gross carrying amount	150.42	123.77
Accumulated depreciation	41.20	28.57
Net carrying amount	109.22	95.20
Depreciation provided for the year	14.99	9.74

2.37.2 Other Lease (Cancelable)

2.37.2.1 Description of lease arrangement of Scope Office Complex

Holding company has leased 545 sq. m. area of furnished accommodation to Railway Board, Indian Railways on lease rent basis receivable every month. The lease arrangement is upto 31st March, 2016.

2.37.2.2 Details of the leased assets: Office Premises*

(₹ in Crore)

Description	Year Ended	
	31.03.15	31.03.14
Gross carrying amount	1.84	2.09
Accumulated depreciation	0.41	0.40
Net carrying amount	1.43	1.69
Depreciation provided for the year	0.06	0.06

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

2.37.2.3 The Group has not sub-leased any of the assets taken on lease.

2.37.2.4 Operating Leases of holding company's offices and staff residential premises are renewable/cancelable as laid down in the respective agreements. The total of minimum lease payments recognized in the Statement of Profit & Loss for the year is ₹ 12.31 crore.

2.37.3 There are no provisions relating to contingent rent.

2.38 Earning Per Share (EPS)

Particulars	Year Ended	
	31.03.15	31.03.14
(A) Net profit for the year attributable to Equity Shareholders (₹ in crore)	302.98	260.05
(B) Weighted average number of Equity Shares	100,000,000	100,000,000
(C) Basic & Diluted Earning Per Share (A)/(B)	₹ 30.30	₹ 26.01
(D) Nominal value per share	₹ 10/-	₹ 10/-

2.39 Interest in Joint Ventures

2.39.1.1 Holding company has following Significant Joint Ventures:

(₹ in Crore)				
Name / Place of JVs	Country of Incorporation/ Establishment	Nature of Interest	Proportionate share of interest	Amount of investment
RICON	India	Holding company has formed a Joint Venture with M/s IRCON International Ltd. to secure and execute contracts to be awarded by M/s Companhia Dos Caminhos de Ferro Beira, SARL, Beira, Mozambique to RICON for rendering Management Support Services, Consultancy Works, Project Management, Construction Supervision, Supply of Materials, Rolling Stock and equipment, Works Contracts, Leasing of Equipments / Rolling Stocks etc.	51%	Nil
Companhia Dos Caminhos De Ferro de Beira, SA, Beira, (CCFB)	Mozambique	CCFB is a Joint Venture of BITES, IRCON International Ltd. and CFM (Parastatal of Government of Mozambique managing Ports and Railways in Mozambique) which is managing concession for Beira Rail Corridor since Dec 2004. Concession period is 25 years.	26%	6.01
SAIL-BITES Bengal Wagon Industry Private Limited	India	Holding company has formed a Joint Venture with SAIL for manufacturing Wagons at SGW, Kulti, West Bengal.	50%	14.90
Geoconsult ZT GmbH – BITES	India	Holding company has formed a Joint Venture with M/s Geoconsult ZT GmbH (Austria) for detailed design and construction supervision of Tunnel No.10 (Approx. Length 3.3 km) in connection with Jiribam-Tupul new railway line project in the state of Manipur.	39.40%	Nil

2.39.1.2 List of joint ventures other than indicated at note no. 2.39.1.1:

- (a) Geoconsult – BITES, India
- (b) Geoconsult – BITES, NRT-1, India

2.39.2 Holding Company Share in Joint Ventures

2.39.2.1 Income, Expenditure, Assets & liabilities:

(₹ in Crore)								
Description / JVs	Fixed Assets (Net)/Non Current Assets	Current Assets, Loans & Advances	Current Liabilities & Provisions	Other Liabilities	Capital	Retained Earnings / (Losses)	Income	Expenditure
RICON								
Year Ended 31.03.15	-	11.11	1.05	-	-	10.06	0.40	0.14
Year Ended 31.03.14	-	10.73	0.93	-	-	9.80	0.43	0.34
GEOCONSULT - BITES								
Year Ended 31.03.15	-	1.01	0.46	-	-	0.55	0.08	0.06
Year Ended 31.03.14	-	1.78	0.78	-	-	1.00	0.94	0.83

(₹ in Crore)

Description / JVs	Fixed Assets (Net)/Non Current Assets	Current Assets, Loans & Advances	Current Liabilities & Provisions	Other Liabilities	Capital	Retained Earnings / (Losses)	Income	Expenditure
GEOCONSULT - RITES - NRT-1								
Year Ended 31.03.15	-	0.64	0.56	-	-	0.08	0.06	0.04
Year Ended 31.03.14	-	0.89	0.65	-	-	0.24	0.05	0.07
GEOCONSULT ZT GMBH – RITES								
Year Ended 31.03.15	0.12	0.87	0.85	-	-	0.14	1.21	1.06
COMPANHIA DOS CAMINHOS DE FERRO DE BEIRA, SA, BEIRA, (CCFB)								
Year Ended 31.12.14	0.01	124.82	119.68	-	5.42	(0.28)	1.53	5.74
Year Ended 31.12.13	0.01	119.67	110.55	-	5.95	3.18	0.60	4.60
SAIL-RITES BENGAL WAGON INDUSTRY PRIVATE LIMITED								
Year Ended 31.03.15	40.75	3.50	6.94	22.35	14.90	0.06	0.13	0.06
Year Ended 31.03.14	27.59	6.66	0.08	16.18	18.00	(0.01)	0.06	0.02

2.39.2.2 Contingent Liabilities:

- In CCFB Mozambique, withholding tax demand against the entity, amount to ₹ 1.40 crore (equivalent MZN 8036076) previous year ₹ 1.53 crore (equivalent MZN 8036076), in which share of holding company @ 26% comes to ₹ 0.36 crore (previous year ₹ 0.40 crore).
- In CCFB Mozambique, Claims against the entity amounting to ₹ 2.19 crore (equivalent US\$ 315530.65 and MZN 1391225.12) previous year ₹ 3.85 crore (equivalent US\$ 607321 and MZN 1391225.12) have not been acknowledged as debt in which share of holding company @ 26% comes to ₹ 0.57 crore (previous year ₹ 1 crore).

2.39.2.3 Capital Commitment:

SAIL-RITES Bengal Wagon Industry Private Limited has capital commitment liability of ₹ 13.61 crore (previous year ₹ 36.31 crore) in which share of holding company @ 50% comes to ₹ 6.81 crore (previous year ₹ 18.16 crore).

2.40 Jointly Controlled Operations

Holding company has Joint operations with the following ventures for the projects mentioned against each:-

Name of Venturers	Project Name
M/s Oriental Consultants Co. Ltd. M/s Parsons Brickerhoff International INC. M/s Tonichi Engineering Consultants INC.	General Consultancy to Delhi Metro Rail Corporation Ltd. for Delhi Mass Rapid Transit System Project-Phase-III.
M/s Oriental Consultants Co. Ltd. M/s Parsons Brickerhoff International INC. M/s SYSTRA S.A.	General Consultancy to Bangalore Metro Rail Corporation Ltd. for Bangalore Metro.
M/s Stanley Consultants inc.	DPR for MRTS between Ahmedabad and Dholera for DMICDC.
M/s De Consult – Germany	Modernization of Signaling System in Ghaziabad – Kanpur section.

Name of Venturers	Project Name
M/s Geo-Consult-ZT GmbH (Austria) M/s Secon Pvt. Ltd., India	Consulting Services for feasibility & detailed Design of Road Tunnels in Shimla and other parts of Himachal Pradesh.
M/s Mukesh & Associates	Independent Engineer Services for development of Chennai Outer Ring Road on DBFOT on annuity basis-Phase I in the state of Tamil Nadu.
M/s KPMG	Taj International Airport project work at Agra.
M/s ITP Senergy Ltd.	Consultancy for Emission Reduction for Generation and transaction of Certified Emission Reduction (CERs) for Punatsangchhu Hydroelectric Project (PHPA I & II) and Mangdechhu Hydroelectric Project (MHPA) towards replacement of fossil fuel based power.
M/s IDFC Limited M/s Infrastructure Development Corporation (Karnataka) Limited (IDeCK)	Development of six lane supervision cable Greenfield bridge over river Ganga from Kacchi Dargah on NH-30 to Bidupur in District Vaishali on NH-103.
M/s STUP Consultants Pvt. Limited M/s Gifford India Pvt. Limited	Preparation of feasibility report for proposed six lane bridge over river Brahmaputra connecting Narengi (near Guwahati) with Kurua (at North Bank) with a road link up to Dumnichowki on NH-52, Assam.
M/s SYSTRA S.A.	Pre-feasibility study for Delhi-Chandigarh-Amritsar high speed railway.
M/s KPMG	Feasibility report /DPR for development and operation of airport at Singrauli, M.P.

2.41 The Group has carried out the assessment on impairment of assets in terms of AS 28 "Impairment of Assets" issued by the Institute of Chartered Accountants of India, as there is no impairment in the assets; no impairment loss has been recognized during the year.

2.42 Provisions

(₹ in Crore)

Items	Carrying amount as on 01.04.14	Additional Provision made during the year	Provisions used during the year	Unused amount reversed during the year	Carrying amount as on 31.03.15
Warranties	38.37	6.68	8.23	8.22	28.60
Commitments	2.07	1.60	-	1.39	2.28

2.43 The financial statements are presented in ₹ crore. Those items which are required to be disclosed but can't be presented in the financial statement due to rounding off to the nearest ₹ crore are given as follows:-

Balance Sheet items:

(Figures in ₹)

Description	Note No.	As at 31.03.2015	As at 31.03.2014
Non-current investment	2.12		
(i) Moru Mahal Co-operative Society Ltd.		250.00	250.00
(ii) Amit Industrial Co-operative Society Ltd.		500.00	500.00

2.44 Additional information as per Schedule-III of the Companies Act, 2013:

Name of the entity	2014-15				2013-14			
	Net Assets i.e. total assets minus total liabilities		Share in profit or loss		Net Assets i.e. total assets minus total liabilities		Share in profit or loss	
	As % of consolidated net assets	Amount (₹ in crore)	As % of consolidated net assets	Amount (₹ in crore)	As % of consolidated net assets	Amount (₹ in crore)	As % of consolidated net assets	Amount (₹ in crore)
Holding Company-								
RITES LTD.	99.91	1628.07	101.04	306.14	99.63	1396.60	101.37	263.61
Subsidiaries								
Indian								
RITES Infrastructure Services Ltd. (RISL)	-	(0.06)	0.03	0.10	(0.01)	(0.16)	0.02	0.05
Railway Energy Management Company Limited (REMCL)	1.84	29.99	0.07	0.22	0.70	9.77	(0.09)	(0.23)
Foreign								
RITES(Afrika) (Pty) Limited (RITES-Afrika)	0.11	1.84	0.09	0.26	0.12	1.72	0.15	0.39
Minority Interests in all subsidiaries	(0.90)	(14.70)	(0.03)	(0.11)	(0.34)	(4.79)	0.04	0.11
Joint Ventures								
Indian								
SAIL-RITES Bengal Wagon Industry Private Limited (SRBWIPL)	0.92	14.96	0.02	0.07	0.86	11.99	0.01	0.03
Foreign								
Companhia Dos Caminhos De Ferro De Beira, SA, Beira (CCFB)	0.35	5.65	(1.41)	(4.27)	0.75	10.57	(1.50)	(3.91)
Total Eliminations	(2.23)	(36.28)	0.19	0.57	(1.71)	(23.95)	-	-
TOTAL	100.00	1629.47	100.00	302.98	100.00	1401.75	100.00	260.05

2.45 Details of Secured and Unsecured Loans

2.45.1 Details of Long Term Secured Loan in respect of SRBWIPL is as under (refer note no. 2.04):

Bank Name	Sanction Amount	Outstanding as on 31.03.2015
Dena Bank	72.00	44.70
Group share (50%)	36.00	22.35

(₹ in Crore)

(In case of Dena Bank, term loan is repayable in 30 quarterly installments of ₹ 2.40 crore each with total period of 11 years after moratorium period of 3.5 years. Repayment of term loan will start from 01.04.2016, as per the modification in terms in sanction).

This is secured a) by way of first charge of hypothecation of goods, book debts and other moveable assets and b) by way of first charge on Building of joint venture entity situated at Kult, Burdwan, West Bengal.

2.45.2 Details of Short Term Unsecured Loans in respect of CCFB, Mozambique are as under (refer note no.2.07):

2.45.2.1 The first loan is unsecured and repayable on a bi-annual basis over 8 years in 16 equal instalments, being the first instalment of principal and interest payable on 1 July, 2011 and the last instalment payable on 1 January, 2019. The loan bears interest at Libor (6 months) plus a spread of 3%. Simple interest shall be accumulated until 31 December, 2010. Interest for the period starting from 1 January, 2011 onwards shall be paid on due dates which are 1 January and 1 July. However, due to termination of concession agreement, all outstanding payments including interest have become due for payment.

2.45.2.2 The second loan shall have pari passu charge on revenue and all assets of CCFB in which CCFB has ownership and other beneficiary rights and is repayable on a bi-annual basis over 9 years in 18 equal instalments, being the first instalment payable on 1 July, 2012. The loan bears interest at Libor (6 months) plus a spread of 3%. Interest is payable each 1 January and each 1 July, being 1 July, 2012 the first interest due date. However, due to termination of concession agreement, all outstanding payments including interest have become due for payment.

2.45.2.3 On termination of the Concession Agreement, CFM as direct beneficiary of the running of rail concession after termination distanced itself from the arbitration action. Therefore, board resolution to initiate legal action, as provided in the concession agreement was passed by majority. Since CCFB has no source of income and balance available with CCFB is kept to meet legal local costs of arbitration, CCFB requested all shareholders for funding the ongoing expenses in connection with arbitration but no response was received from CFM. As such, other shareholders i.e. RITES LTD and IRCON International Limited were requested for financial assistance by way of loan to meet arbitration cost, who has agreed to extend USD 4.22 million as loan to CCFB on same terms and conditions as for earlier two loans. Loan agreement has been approved by circulation by CCFB Board. The loan bears interest at Libor (6 months) plus a spread of 3%. Interest is payable each 1 January and each 1 July. Unpaid interest on due dates shall be converted into loan.

2.45.3 Indian Bank, Sushant Lok Branch, Gurgaon have sanctioned term loan of ₹ 130.40 crore to REMCL, subsidiary company for setting up 26 MW Wind Mill Plant at Jaisalmer, Rajasthan on debt equity ratio of 80:20 and in this connection, the following security has been offered by the subsidiary company:-

- (i) hypothecation of all the movable assets pertaining to project including but not limited to plant and machinery, machinery spares, tools and accessories.
- (ii) hypothecation charge on the Borrower's book debts, operating cash flows, receivables, commissions, revenues of whatsoever nature and wherever arising, present and future, intangibles, goodwill present and future, related to project.
- (iii) a first charge on the Borrower's bank accounts related to project including but not limited to the Escrow Account (Escrow) opened with our Bank, where all cash inflows of the Borrower related to the Project shall be deposited and all proceeds shall be utilized in a manner and priority to be decided by the Lenders.
- (iv) mortgage charges on the rights on the leased/sub-leased land in Jaisalmer, Rajasthan for the purpose of the Project – to be executed by way of an equitable mortgage (if permissible by state laws). The sub lease agreement will be executed after commissioning of the project.

The value of security by way of hypothecation/Equitable Mortgage of fixed assets will be ₹153.45 crore i.e. Cost of Project. However, no amount has been taken from bank towards aforesaid term loan during the financial year 2014-15.

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

The arbitrator on 19th January, 2011 rejected the aforesaid counter claims of the client and awarded ₹ 88.31 crore in favour of the Holding Company against claims of ₹ 233.93 crore. Holding Company filed an appeal before the appellate authority on

21st March, 2011 against the said award. Further on 16th September, 2011, the appellate authority awarded ₹ 231.68 crore with interest in favour of the Holding Company. Client filed a petition in the civil court of Ranchi for setting aside the aforesaid award of the appellate authority, thus the award has not been recognized.

- 2.46.1** The executing agency also raised claims (excluding interest) of ₹ 184.41 crore (previous year ₹ 184.41 crore) against the Holding Company and Holding Company raised counter claims of ₹ 644.53 crore (previous year ₹ 644.53 crore) against the executing agency for the contract which became void due to commitment of fraud by the agency, thus terminated. The arbitration proceedings are under process. The claims of the executive agency have been included in the contingent liabilities. (Refer note no. 2.58.1).
- 2.46.2** Cumulative interest upto 31.03.15 ₹ 19.93 crore (previous year ₹ 17.91 crore) on mobilization advance due from the executing agency has not been recognized as income due to uncertainty as regard to realizability. This includes Interest of ₹ 2.02 crore for the year (previous year ₹ 2.02 crore).
- 2.47** Pursuant to a joint venture entered through CCFB, Mozambique in 2004, the Holding Company invested a sum of ₹ 6.01 crore in equity of the said joint venture company for a 26% share. Holding Company further extended a shareholder loan of ₹ 74.75 crore (equivalent to US\$ 1.68 crore), out of which Holding Company had received repayment of part loan amounting to ₹ 4.44 crore (equivalent to US\$ 0.1 crore) during the year 2012-13 and balance amount receivable is of ₹ 70.31 crore (equivalent to US\$ 1.58 crore) on 31st March, 2015. The said joint venture had a 25 years concessioning agreement with the Government of Mozambique (GoM) to rehabilitate, operate and manage railway systems.
- 2.47.1** On 8th December, 2011, Government of Mozambique (GoM) unilaterally terminated the concessioning agreement and took over the project which in the opinion of the Group is unlawful and against the provisions of the agreement. Consequently CCFB, the joint venture has initiated arbitration against the said decision of GoM.
- 2.47.2** Till 31st March, 2011, holding company recognized interest on the said shareholder's loans in accordance with the loan agreements entered into with CCFB.
- 2.47.3** In view of the arbitration proceedings initiated and consequent uncertainties, the management of Holding Company considered it prudent not to recognize interest income for the year 2014-15 amounting to ₹ 5.48 crore (equivalent to US\$ 0.09 crore) {cumulative upto the period ₹ 21.37 crore (equivalent to US\$ 0.35 crore)} [previous year ₹ 5.07 crore (equivalent to US\$ 0.09 crore) {cumulative upto the period ₹ 15.19 crore (equivalent to US\$ 0.26 crore)}] on loan.
- 2.47.4** As per terms of the Concession Agreement, the management of Holding Company considers good the amounts due in respect of loans and interest accrued upto the year ended 31st March, 2011 and accordingly does not consider it necessary to make any provision in respect of the said sums. However, a provision of ₹ 5.80 crore (equivalent to US\$ 0.13 crore) has been made towards bad and doubtful debts for services rendered by Holding company to CCFB till 31st March, 2011. Debt receivables and provision for doubtful debts upto 31st March, 2011 have been shown at the exchange rate prevailing on that date. This will have no financial implication as exchange gain/loss arising on translation of these transactions will get offset.
- 2.47.5** The Group in accordance with the provisions of Accounting Standard 11 has recognized the exchange differences on the aforesaid foreign currency amounts till the year ended 31st March, 2011. In view of the arbitration proceedings initiated and consequent uncertainties, the management has considered it prudent not to recognize any exchange differences in respect of the amounts due from CCFB in foreign exchange towards loans, interest accrued, debts as well as of provision for doubtful debts and these are being stated at the prevailing exchange rate on 31st March, 2011, resulting non-recognition of exchange gain of ₹ 4.08 crore for the year, cumulative upto 31st March, 2015 ₹ 25.84 crore (previous year ₹ 7.65 crore, cumulative upto 31st March, 2014 ₹ 21.76 crore). However, any loss due to unfavorable exchange differences would have been/will be recognized and provided for.
- 2.47.6** Holding company has entered into a loan agreement with CCFB Mozambique on 15th January, 2015 for providing financial assistance to enable CCFB to meet arbitration expenses. A sum of ₹ 7.40 crore (equivalent to US\$ 0.122 crore) has been extended as loan till 31st March, 2015 which includes ₹ 6.65 crore (equivalent to US\$ 0.109 crore) paid for CCFB prior to signing of agreement and shown under amount recoverables. The proportionate share of the group in loan provided has been translated at the rate prevalent on the date of payment/provision. Same has not been translated at the rate prevalent at the end of reporting date due to reason explained vide note no. 2.47.5, accordingly, exchange gain of ₹ 0.07 crore has not been recognized. Further, interest accrued on said loan amounting to ₹ 0.19 crore (equivalent to US\$ 0.003 crore) has also not been recognized due to uncertainty of outcome of the proceedings.

- 2.47.7** Had the dues been translated at the closing exchange rate as on 31st March, 2015 as per AS-11, long term loan and advances and other non-current assets would have been higher by ₹ 24.06 crore (previous year ₹ 20.20 crore) and ₹ 1.85 crore (previous year ₹ 1.56 crore) respectively. Profit before tax would have been higher by ₹ 25.91 crore (effect of current year ₹ 4.15 crore and of earlier years ₹ 21.76 crore) (previous year ₹ 21.77 crore). The long term loans & advances would have been ₹ 180.88 crore (previous year ₹ 168.19 crore), other non-current assets would have been ₹ 127.21 crore (previous year ₹ 153.23 crore) and profit before tax would have been ₹ 479.15 crore (previous year ₹ 404.01 crore).
- 2.48** As per DPE guidelines, holding company has formulated Employees' Post Retirement Medical Scheme to be effective from 1st January, 2007 which is pending with administrative ministry for approval. Provision of ₹ 40.99 crore (previous year ₹ 31.61 crore) has been recognised w.e.f. 1st January, 2007 which include ₹ 9.38 crore (previous year ₹ 5.22 crore) for the year.
- 2.49** During the year 2014-15, Ministry of Railways approved the superannuation pension scheme for the Holding Company's IDA employees effective from 1st January, 2007. A trust has been created to implement the scheme and trust entered into a scheme with Life Insurance Corporation to manage the funds and provide annuity to eligible employees after superannuation, accordingly, amount kept in provision for superannuation pension fund of ₹ 52.50 crore has been transferred to the trust and excess provision of ₹ 6.50 crore has been transferred to provision no longer required.
- 2.50.1** In case of holding company, in line with Schedule-II of the Companies Act, 2013 and re-assessment of lives based on technical advice for tangible fixed assets, lives of Office equipments, Air-conditioning plant, Computer hardware, Server & Networks, Vehicles, Buildings on Free hold land, Locomotive –Abroad (in-service), Locomotive – Domestic (New) & Coaches (New & in-service) have been revised during the year. This revision has resulted in increase of depreciation charge to the extent of ₹ 3.57 crore for the financial year ended 31st March, 2015. Out of said amount, an amount of ₹ 3.33 crore has been charged to Statement of Profit & Loss and balance of ₹ 0.24 crore has been adjusted through general reserve (retained earnings) for those assets whose remaining useful lives have become nil due to revision of lives.
- Due to aforesaid reasons, profit before tax for the year ended 31st March, 2015 is lower by ₹ 3.33 crore and general reserve (retained earnings) by ₹ 0.16 crore after net of tax of ₹ 0.08 crore.
- 2.50.2** The useful lives of assets are different in all the entities for depreciation. No adjustment has been carried out for consolidation purpose, as useful lives of assets have been estimated by respective entities.
- 2.50.3** In case of RICON, depreciation is charged on written down value method and proportionate share of depreciation is of ₹ 4884/-, which is insignificant.
- 2.51.1** Lease deeds are pending for execution in respect of the office building at Central Metro Railway Building, 56, C.R. Avenue, Kolkata of ₹ 3.46 crore (previous year ₹ 3.46 crore), the physical testing laboratory at 52A&B, C.R. Avenue, Kolkata of ₹ 1.24 crore (previous year ₹ 1.24 crore) and flats taken in Mumbai of ₹ 3.22 crore (previous year ₹ 3.22 crore) from Western Railways.
- 2.51.2** In case of SRBWIPL, a joint venture entity, the long term lease against land of 15.43 acres has not been executed between Steel Authority of India Ltd. and the entity as per the joint venture agreement entered on 14.09.2010, between Steel Authority of India Ltd. and RITES Ltd. as of now. The entity has taken loan from DENA bank against Building, Plant & Machinery and Furniture and Fixtures on pre-disbursement condition that long term lease between SAIL and the entity to be executed within 36 months from the date of sanction i.e. 25th July, 2012.
- 2.52.1** Consultancy fee of ₹ 6.29 crore (previous year ₹ 11.07 crore) due from one of the projects has not been recognized as income due to uncertainty of realisation.
- 2.52.2** During the year, SAIL has raised invoice of ₹ 2.45 crore to SRBWIPL, entity, which is not accepted by the entity. As per the JV agreement "SAIL shared facilities and support services agreement" would need to be executed by the SAIL and the entity and before execution of the agreement, the same need to be approved by BOD of the entity. Till date the "SAIL shared facilities and support services agreement" has not been approved by the BOD of the entity and hence in view of the management of the entity there can be no ground for considering/acceptance of the dues of ₹ 2.45 crore as mentioned by SAIL.
- 2.53** In cases where execution/submission of title deeds/lease agreements etc. by employees are pending, house building, vehicle and multipurpose advances are considered unsecured.

2.54 Sundry creditors, customers advances, amounts recoverable, security deposits receivable/payable are subject to confirmation.

2.55 Rail Land Development Authority (RLDA) has given leased land on various locations for periods varying from 35-45 years to RISL (wholly owned subsidiary) for construction of Multi-Functional Complexes. Pending decisions of RLDA as regard to lease rent, same has not been provided for as this cannot be reliably estimated. However, life of the building on the leased land has been taken as 35 years for charging depreciation.

2.56 Holding company had decided to construct six multi-functional complexes (MFCs) under CSR scheme of the Holding Company and incurred an expenditure of ₹ 3 crore. RISL has received four MFCs at free of cost from the Holding Company and recorded in the books at nominal value of ₹ 1/- each. During the year, entity handed over remaining two MFCs to Railways (Previous year one) and value of these two MFCs of ₹ 2 adjusted accordingly from capital reserve and tangible assets, thus their value stands NIL as on 31st March, 2015.

Entity has adopted Capital Approach method for recognizing the values of the above MFCs and has recognized at nominal value @ ₹ 1/- per MFC by crediting to Capital Reserve.

2.57 In case of CCFB, a joint venture entity in Mozambique, amount of ₹ 18.86 crore has been debited to Government of Mozambique (GoM) on account of interest on shareholders loan, exchange variation on assets created on loans and dues payable including exchange variation to RICON. Further, amount of ₹ 2.16 crore has been debited to CFM on account of exchange variation on sale of rolling stock and amount payable to CFM. Above said figures are proportionate share considered for consolidation.

2.58 Contingent liabilities and commitments to the extent not provided for:

2.58.1 Contingent Liabilities

(a) Claims against the group not acknowledged as debts as certified by the Management are ₹ 518.19 crore (previous year ₹ 337.81 crore). These include:-

- (i) Claims (excluding interest) amounting to ₹ 325.64 crore (previous year ₹ 144.74 crore) against the Group by the sub-contractors / other agencies including award against the Group pending in courts. The management does not foresee any liability on the Group as the same are contested by the Group or on behalf of the clients.
- (ii) Other claims (excluding interest) amounting to ₹ 192.55 crore (previous year ₹ 193.07 crore) are contested by the Group and the Group has made counter claims of ₹ 644.53 crore (previous year ₹ 644.53 crore) on the executing agency.

(b) Other money for which the Group is contingently liable:

Excise bonds amounting to ₹ 9.98 crore (previous year ₹ 9.80 crore) are outstanding against export obligations with Central Excise Department. Out of this, bonds value of ₹ 3.15 crore (previous year ₹ 3.15 crore) are due for release by the department.

(c) Claims indicated at (a) above include proportionate share of claims against joint venture indicated vide note no. 2.39.2.2.

2.58.2 Commitments

Estimated amount of contracts remaining to be executed on capital account as certified by the management and not provided for amounting to ₹ 170.25 crore (previous year ₹ 44.68 crore) including proportionate share of joint venture indicated vide note no. 2.39.2.3.

2.59 Assets & Liabilities have been translated at closing exchange rate and profit & loss items have been translated at average exchange rate.

Currency	INR			
	2014-15		2013-14	
	Closing rate	Average rate	Closing rate	Average rate
1 Pula (Botswana)	6.2270	6.5735	6.7237	6.9058
1MTN (Mozambique)	1.9096	1.9450	2.0489	1.9427

(Source Oanda.com)

COMMENTS BY CAG

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) READ WITH SECTION 129(4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF RITES LIMITED, GURGAON FOR THE YEAR ENDED 31 MARCH, 2015.

The preparation of consolidated financial statements of RITES Limited, Gurgaon for the year ended 31 March, 2015 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under section 139(5) read with section 129(4) of the Act are responsible for expressing opinion on the financial statements under section 143 read with section 129(4) of the Act based on independent audit in accordance with standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 24th July, 2015.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143(6)(a) read with section 129(4) of the Act of the consolidated financial statements of RITES Limited for the year ended 31 March, 2015. We did not conduct supplementary audit of the financial statements of Subsidiaries, Associate Companies and Jointly Controlled Entities (as per list enclosed) for the year ended on that date. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report.

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



(Dinesh Bhargava)

Place : New Delhi

Dated : 6th August, 2015

Principal Director of Audit (Railway Commercial)

List of subsidiaries and joint ventures of RITES LIMITED, GURGAON for which Supplementary audit was not conducted under section 143(6)(a) read with section 129(4) of the Companies Act, 2013 for the year 2014-15.

Subsidiaries:

1. RITES Infrastructure Services Limited
2. Railway Energy Management Company Limited
3. RITES (Afrika) (Pty) Limited

Joint Ventures

4. Companhia Dos Caminhos De Ferro De Beira, SA, Beira ,Mozambique
5. SAIL-RITES Bengal Wagon Industry Private Limited
6. RICON
7. Geoconsult ZT Gmbh-RITES

STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES/JOINT VENTURES FOR THE YEAR ENDED 31st MARCH, 2015

(Statement pursuant to first proviso to sub-section 3 of section 129 of the Companies Act, 2013 read with rule 5 of the Companies (Accounts) Rules, 2014)

PART "A" : SUBSIDIARIES

1	Sl. No.	1	2	3
2	Name of the Subsidiary	rites (Afrika) (Pty) Limited	rites Infrastructure Services Limited (RISL)	Railway Energy Management Company Limited (REMCL)
3	Reporting currency and exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	Botswana Pula (BWP)*	INR	INR
		(₹ In crore)	(₹ In crore)	(₹ In crore)
4	Share Capital	0.01	0.05	30.00
5	Reserves & Surplus	1.83	(0.11)	(0.01)
6	Total Assets	3.05	26.95	30.95
7	Total Liabilities	1.21	27.01	0.96
8	Investments	-	-	-
9	Operating Turnover	2.45	53.97	0.26
10	Profit before taxation	0.27	0.15	0.32
11	Provision for taxation	0.01	0.05	0.10
12	Profit after taxation	0.26	0.10	0.22
13	Proposed Dividend	-	-	-
14	% of shareholding	100%	100%	51%

* As on 31.03.2015: 1BWP= ₹ 6.2270; Average Rate 1BWP=₹ 6.5735

** All company having 31st March, 2015 as reporting date.

*** RITES Mohawarean Arabia Company Ltd.(RMAC) in Saudi Arabia is under liquidation, hence its financial statements are not considered for consolidation. Investment in equity of ₹ 0.47 crore made by the holding company has been returned by RMAC.

PART "B" : JOINT VENTURES

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Joint Ventures

1	Sl. No.	1	2	3	4
2	Name of Joint Ventures	Companhia Dos Caminhos De Ferro De Beira, SA, Beira, Mozambique (CCFB)	SAIL-RITES Bengal Wagon Industry Private Limited (SRBWIPL)	RICON (unincorporated Entity)	Geoconsult ZT GmbH – RITES (GC-RITES) (unincorporated Entity)
3	Latest Audited Balance Sheet Date	31.12.2014	31.03.2015	31.03.2015	31.03.2015
4	Shares of Joint Ventures held by the company on the year end:				
4 (i)	No.	1,300,000	14,900,000	NIL	NIL
4 (ii)	Amount of investment in Joint Venture (₹ in crore)	6.01	14.90	NIL	NIL

1	Sl. No.	1	2	3	4
2	Name of Joint Ventures	Companhia Dos Caminhos De Ferro De Beira, SA, Beira, Mozambique (CCFB)	SAIL-RITES Bengal Wagon Industry Private Limited (SRBWIPL)	RICON (unincorporated Entity)	Geoconsult ZT GmbH – RITES (GC-RITES) (unincorporated Entity)
4 (iii)	Extend of Holding/Profit Sharing %	26%	50%	51%	39.40%
5	Description of how there is significant influence	There is significant influence due to percentage (%) of share capital/profit sharing			
6	Reason why the joint venture is not consolidated	Not Applicable			
7	Net worth attributable to shareholding as per latest audited Balance Sheet (₹ in crore)	5.65	14.96	10.06	0.14
8	Profit/Loss for the year				
8 (i)	Considered in Consolidation (₹ in crore)	(4.27)	0.07	0.26	0.15
8 (ii)	Not Considered in Consolidation	-	-	-	-

* As on 31.12.2014: 1MTN= ₹ 1.9096; Average Rate 1MTN= ₹ 1.9450

** SAIL-RITES Bengal Wagon Industry Private Limited (SRBWIPL) is under construction and has yet to commence its operations.


For and on behalf of the Board


Ajay K. Gaur
 Director Finance
 and
 Chief Finance Officer


Rajeev Mehrotra
 Chairman & Managing Director
 and
 Chief Executive Officer


P.T. Mittal
 Company Secretary

As per our report of even date attached


P.C. Agiwal, Partner (M.No. 080475)
 For Agiwal & Associates,
 Chartered Accountants (FRN : 000181N)

Place : Delhi
 Dated : 24th July, 2015

OFFICES, AUDITORS AND BANKERS

OFFICES

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M/s Mayra & Khatri Mumbai
M/s C.S. Hariharan & Co. Chennai

BANKERS

AXIS Bank State Bank of Bikaner & Jaipur
ICICI Bank State Bank of Patiala
Indian Bank State Bank of Mysore
IndusInd Bank Yes Bank
State Bank of India

rites' WORLDWIDE EXPERIENCE

Afghanistan

Algeria

Angola

Australia

Austria

Bangladesh

Benin

Bhutan

Botswana

Brazil

Brunei

Burkina Faso

Cambodia

Cameroon

Canada

Chile

China

Colombia

Congo

Cuba

Czech

Djibouti

Egypt

Ethiopia

Finland

Gabon

Ghana

Guinea

Indonesia

Iran

Iraq

Italy

Jamaica

Japan

Jordan

Kenya

Laos

Libya

Malawi

Malaysia

Mali

Mauritius

Mexico

Mozambique

Myanmar

Namibia

Nepal

Netherlands

Nigeria

Peru

Philippines

Poland

Romania

Russia

Rwanda

Saudi Arabia

Senegal

Singapore

South Korea

South Africa

Spain

Sri Lanka

Sudan

Swaziland

Syria

Tanzania

Thailand

Togo

Tunisia

Turkmenistan

UAE

Uganda

UK

Ukraine

USA

Uzbekistan

Vanuatu

Vietnam

Yemen

Zaire

Zambia

Zimbabwe

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