



RITES LIMITED

Our Company was originally incorporated at New Delhi on April 26, 1974 under the Companies Act, 1956 as a private limited company under the name of "Rail India Technical and Economic Services Private Limited". The word "private" was deleted from the name of our Company pursuant to section 43A of the Companies Act, 1956 on February 17, 1976. Subsequently, in accordance with section 21 of the Companies Act, 1956, the name of our Company was changed to our present name, RITES Limited, consequent to which the Registrar of Companies, Delhi and Haryana issued a fresh certificate of incorporation dated March 28, 2000. Subsequently, our Company was converted into a public limited company pursuant to a fresh certificate of incorporation dated February 5, 2008 issued by the Registrar of Companies, National Capital Territory of Delhi and Haryana. For further details of change in name and registered office of our Company, please refer to "History and Certain Corporate Matters" on page 158.

Registered Office: RITES Limited, Scope Minar, Laxmi Nagar, Delhi - 110 092, India; **Corporate Office:** RITES Bhavan, No. 1, Sector 29, Gurugram, Haryana, India-122001
Contact Person: Mr. Ashish Kumar Srivastava, Company Secretary and Compliance Officer
Registered Office: Telephone: +91 11 22024610; **Fax:** +91 11 22024660; **Corporate Office: Telephone:** +91 124 2571665; **Fax:** +91 124 2571187
E-mail: cs@rites.com; **Website:** www.ritesltd.com
Corporate Identification Number: U74899DL1974GOI007227

OUR PROMOTER: THE PRESIDENT OF INDIA, ACTING THROUGH THE MINISTRY OF RAILWAYS, GOVERNMENT OF INDIA

INITIAL PUBLIC OFFERING OF 25,200,000 EQUITY SHARES OF FACE VALUE OF ₹10 EACH ("EQUITY SHARES") OF RITES LIMITED (OUR "COMPANY" OR THE "ISSUER") THROUGH AN OFFER FOR SALE BY THE PRESIDENT OF INDIA, ACTING THROUGH THE MINISTRY OF RAILWAYS, GOVERNMENT OF INDIA (THE "SELLING SHAREHOLDER"), FOR CASH AT A PRICE OF ₹[●]* PER EQUITY SHARE (INCLUDING A PREMIUM OF ₹[●]) (THE "OFFER PRICE"), AGGREGATING TO ₹[●] MILLION (THE "OFFER"). 1,200,000 EQUITY SHARES HAVE BEEN RESERVED FOR ELIGIBLE EMPLOYEES (DEFINED BELOW) (THE "EMPLOYEE RESERVATION PORTION"). THE OFFER LESS EMPLOYEE RESERVATION PORTION (IF ANY) IS REFERRED TO AS THE NET OFFER. THE OFFER WILL COMPRISE OF A NET OFFER OF 24,000,000 EQUITY SHARES AND THE EMPLOYEE RESERVATION PORTION OF 1,200,000 EQUITY SHARES. THE OFFER AND NET OFFER SHALL CONSTITUTE 12.60% AND 12% OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY RESPECTIVELY.

THE PRICE BAND, THE RETAIL DISCOUNT, EMPLOYEE DISCOUNT, AS APPLICABLE AND THE MINIMUM BID LOT SIZE WILL BE DECIDED BY THE SELLING SHAREHOLDER AND OUR COMPANY IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS ("BRLMs") AND WILL BE ADVERTISED IN ALL EDITIONS OF THE ENGLISH DAILY NEWSPAPER FINANCIAL EXPRESS AND ALL EDITIONS OF THE HINDI DAILY NEWSPAPER JANSATTA (HINDI BEING THE REGIONAL LANGUAGE OF DELHI WHEREIN THE REGISTERED OFFICE OF OUR COMPANY IS LOCATED), EACH WITH WIDE CIRCULATION, AT LEAST FIVE WORKING DAYS PRIOR TO THE BID/ OFFER OPENING DATE AND SUCH ADVERTISEMENT SHALL BE MADE AVAILABLE TO BSE LIMITED ("BSE") AND NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE", AND TOGETHER WITH BSE, THE "STOCK EXCHANGES") FOR THE PURPOSE OF UPLOADING ON THEIR RESPECTIVE WEBSITES.

**A discount of ₹[●] per Equity Share on the Offer Price may be offered to Retail Individual Bidders ("Retail Discount") and a discount of ₹[●] per Equity Share on the Offer Price may be offered to Eligible Employees Bidding in the Employee Reservation Portion ("Employee Discount").*

In case of any revision in the Price Band, the Bid/ Offer Period shall be extended for at least three additional Working Days after such revision of the Price Band, subject to the total Bid/ Offer Period not exceeding 10 Working Days. Any revision in the Price Band, and the revised Bid/ Offer Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges by issuing a press release and also by indicating the change on the websites of the BRLMs and at the terminals of the Syndicate Members.

In terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended ("SCRR"), this is an Offer for at least 10% of the post-Offer paid-up Equity Share capital of our Company. In accordance with Regulation 26(1) read with Regulation 43 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended ("SEBI ICDR Regulations"), the Offer is being made through the Book Building Process wherein not more than 50% of the Net Offer shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("QIBs") ("QIB Portion"). 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5% of the QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining QIB Portion for proportionate allocation to QIBs. Further, not less than 15% of the Net Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Offer shall be available for allocation and Allotment to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. Further, 1,200,000 Equity Shares have been reserved for allocation to Eligible Employees, subject to valid bids being received at or above the Offer Price. All Bidders shall mandatorily participate in the Offer through the Application Supported by Blocked Amount ("ASBA") process by providing details of their respective bank account in which the Bid Amount will be blocked by the Self Certified Syndicate Banks ("SCSBs"). For details, see "Offer Procedure" on page 609.

RISKS IN RELATION TO THE FIRST OFFER

This being the first issue of the Issuer, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is ₹10 each and the Floor Price is [●] times of the face value and the Cap Price is [●] times of the face value. The Offer Price is [●] times of the face value. The Offer Price (as determined and justified by our Company and the Selling Shareholder in consultation with the BRLMs), as stated in the chapter titled "Basis for Offer Price" on page 93 of this Red Herring Prospectus should not be taken to be indicative of the market price of the Equity Shares after such Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of the Issuer and the Offer, including the risks involved. The Equity Shares offered in the Offer have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Red Herring Prospectus. Specific attention of the investors is invited to the section titled "Risk Factors" on page 18.

COMPANY'S AND SELLING SHAREHOLDER'S ABSOLUTE RESPONSIBILITY

Our Company and the Selling Shareholder, having made all reasonable inquiries, accepts responsibility for and confirms that this Red Herring Prospectus contains all information with regard to our Company, the Selling Shareholder and this Offer, which is material in the context of the Offer, that the information contained in this Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions, misleading, in any material respect.

LISTING

The Equity Shares offered through this Draft Red Herring Prospectus are proposed to be listed on BSE and NSE. Our Company has received in-principle approvals from the BSE and the NSE for listing of the Equity Shares pursuant to their letters each dated January 30, 2018. For the purposes of this Offer, NSE shall be the Designated Stock Exchange. A copy of this Red Herring Prospectus and the Prospectus shall be delivered for registration to the RoC in accordance with Section 26(4) of the Companies Act, 2013. For details of the material contracts and documents available for inspection from the date of the Red Herring Prospectus up to the Bid/Offer Closing Date, see the section titled "Material Contracts and Documents for Inspection" on page 672.

BOOK RUNNING LEAD MANAGERS

REGISTRAR TO THE OFFER

Elara Capital (India) Private Limited Address: Indiabulls Finance Centre, Tower 3, 21 st Floor, Senapati Bapat Marg, Elphinstone Road West, Mumbai - 400 013, India Telephone: +91 22 6164 8599 Facsimile: +91 22 6164 8589 Email: rites.ip@elaracapital.com Website: www.elaracapital.com Investor Grievance ID: mb.investorgrievances@elaracapital.com Contact Person: Mr. Kunal Safari SEBI Registration Number: INM000011104	IDBI Capital Markets & Securities Limited (Formerly known as IDBI Capital Market Services Limited) Address: 3 rd floor, Mafatal Centre, Nariman Point, Mumbai - 400 021, India Telephone: +91 22 4322 1212 Facsimile: +91 22 2285 0785 Email: ipo.rites@idbicapital.com Website: www.idbicapital.com Investor Grievance ID: redressal@idbicapital.com Contact Person: Mr. Sumit Singh SEBI Registration Number: INM000010866	IDFC Bank Limited Address: Naman Chambers, C-32, G-Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051, India Telephone: +91 22 7132 5500 Facsimile: +91 22 4222 2088 Email: rites.ip@idfcbank.com Website: www.idfcbank.com Investor Grievance ID: mb.ig@idfcbank.com Contact Person: Mr. Akshay Bhandari SEBI Registration Number: MB/INM000012250	SBI Capital Markets Limited Address: 202, Maker Tower 'E', Cuffe Parade, Mumbai - 400 005, India Telephone: +91 22 22178300 Facsimile: +91 22 22188332 Email: rites.ip@sbicaps.com Website: www.sbicaps.com Investor Grievance ID: investor.relations@sbicaps.com Contact Person: Mr. Karan Savardekar / Mr. Sambit Rath SEBI Registration Number: INM000003531	Link Intime India Private Limited Address: C-101, 1 st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai - 400 083, India Telephone: +91 22 4918 6200 Facsimile: +91 22 4918 6195 E-mail: rites.ip@linkintime.co.in Website: www.linkintime.co.in Investor Grievance ID: rites.ip@linkintime.co.in Contact Person: Ms. Shanti Gopalkrishnan SEBI Registration No.: INR000004058

BID/OFFER PROGRAMME

BID/OFFER OPENING DATE: JUNE 20, 2018

BID/OFFER CLOSING DATE*: JUNE 22, 2018

* Our Company and the Selling Shareholder may, in consultation with the BRLMs, consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date in accordance with SEBI ICDR Regulations

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

This Red Herring Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the meaning ascribed to such defined terms and abbreviations as provided below. References to any legislation, act, regulation, rule, guideline, policy, circular, notification or clarification shall be to such legislation, act, regulation, rule, guideline, policy, circular, notification or clarification as amended from time to time, including any statutory re-enactments thereto.

The words and expressions used in this Red Herring Prospectus but not defined herein shall have, to the extent applicable, the meanings ascribed to such terms under the Companies Act, the SEBI ICDR Regulations, the SCRA, the Depositories Act or the rules and regulations made thereunder.

Notwithstanding the foregoing, terms used in the sections entitled “Industry Overview”, “Statement of Tax Benefits”, “Financial Statements”, “Main Provisions of Articles of Association”, “Outstanding Litigation and Material Developments”, “Key Industry Regulations and Policies” and “Offer Procedure (Part B)” on pages 99,96, 199, 659, 567, 152 and 622, respectively, shall have the meaning ascribed to such terms in such sections.

Company Related Terms

Term	Description
“our Company”, “the Company” or “the Issuer”	RITES Limited, a company incorporated under the Companies Act, 1956, having its registered office at Scope Minar, Laxmi Nagar, Delhi – 110092, India
“we”, “us” or “our”	Unless the context otherwise requires or implies, RITES Limited and its Subsidiaries and Joint Ventures, on a consolidated basis
Articles of Association or Articles or AoA	The articles of association of our Company, as amended from time to time
Audit Committee	The audit committee of the Board of Directors, as described in “Our Management” on page 172
Auditor or Statutory Auditors	Statutory auditors of our Company, namely, Agiwal & Associates, Chartered Accountants
Board or Board of Directors	The board of directors of our Company as constituted from time to time, including a duly constituted committee thereof
Chief Financial Officer or CFO	The chief financial officer of our Company, Mr. Ajay Kumar Gaur, Director (Finance)
Compliance Officer	The compliance officer of our Company, Mr. Ashish Kumar Srivastava, Company Secretary
Corporate Office	The corporate office of our Company situated at RITES Bhawan, No. 1, Sector 29, Gurugram, Haryana, India-122 001
CPSE Capital Restructuring Guidelines	The guidelines on Capital Restructuring of Central Public Sector Enterprises issued by DIPAM vide Office Memorandum dated May 27, 2016 bearing reference F. No. 5/2/2016-Policy
CSR Committee	The Corporate Social Responsibility Committee of the Board of Directors, as described in “Our Management” on page 172
Director(s)	The director(s) on the Board of our Company, as appointed from time to time
DIPAM	Department of Investment and Public Asset Management, Ministry of Finance, GoI
Executive Director(s) or ED(s)	An executive Director(s) of our Company
Equity Shares	The equity shares of our Company of face value of ₹10 each
Government Nominee Director(s)	The Director(s) on our Board who are nominated by the MoR
Group Companies	The Companies which are covered under the applicable accounting standards and other companies as considered material by our Board, pursuant to a policy on materiality of group companies approved by our Board on November 20, 2017. For details, see the section entitled “Our Promoter, Promoter Group and Group Companies” on page 196
Independent Director(s)	The Independent Director(s) on our Board
IPO Committee	The committee constituted by our Board for the Offer, as described in “Our

Term	Description
	<i>Management</i> ” on page 172
Joint Venture Arrangements	The joint venture arrangement(s) of our Company namely, Geoconsult-RITES NRT – 1 (GC-RITES NRT-1), Geoconsult-RITES (GC-RITES), Geoconsult-RITES (JV), Geoconsult-RITES T10 JV and RICON - Beira Rail Corridor Concessions as on the date of this Red Herring Prospectus
Joint Venture(s)	The joint venture(s) of our Company namely, SAIL-RITES Bengal Wagon Industry Private Limited and BNV Gujarat Rail Private Limited, as on the date of this Red Herring Prospectus
Key Management Personnel or Key Managerial Personnel or KMP	The key management personnel of our Company in terms of Regulation 2(1)(s) of the SEBI ICDR Regulations and key managerial personnel of our Company in terms of section 2(51) of the Companies Act, 2013 and as disclosed in “ <i>Our Management</i> ” on page 172
Memorandum of Association or MoA	The memorandum of association of our Company, as amended from time to time
MoR	Ministry of Railways, Government of India
MoU	The memorandum of understanding entered into by our Company with the Ministry of Railways, Government of India every Financial Year
Promoter	The President of India acting through the MoR
Registrar of Companies or RoC	The Registrar of Companies, National Capital Territory of Delhi & Haryana (formerly known as the Registrar of Companies, Delhi and Registrar of Companies, Delhi & Haryana) situated at Delhi
Restated Consolidated Financial Information	The audited consolidated financial statements of our Company as at, and for the nine months ended December 31, 2017 and for the financial years ended March 31, 2017, 2016, 2015, 2014 and 2013, which comprises the audited consolidated statement of assets and liabilities, the audited consolidated statement of profit and loss and the audited consolidated cash flow statement and notes to the audited consolidated financial statements of assets and liabilities, profit and loss and cash flows, prepared in accordance with Ind AS and the Companies Act and restated in accordance with the SEBI ICDR Regulations and the Revised Guidance Note on Reports in Company Prospectuses (Revised) issued by the ICAI, together with the schedules, notes and annexures thereto
Restated Standalone Financial Information	The audited standalone financial statements of our Company as at, and for the nine months ended December 31, 2017 and for the financial years ended March 31, 2017, 2016, 2015, 2014 and 2013, which comprises the audited standalone statement of assets and liabilities, the audited standalone statement of profit and loss and the audited standalone cash flow statement and notes to the audited standalone financial statements of assets and liabilities, profit and loss and cash flows, prepared in accordance with Ind AS and the Companies Act and restated in accordance with the SEBI ICDR Regulations and the Revised Guidance Note on Reports in Company Prospectuses (Revised) issued by the ICAI, together with the schedules, notes and annexures thereto
Restated Financial Information	Restated Standalone Financial Information and Restated Consolidated Financial Information
Registered Office	The registered office of our Company located at Scope Minar, Laxmi Nagar, Delhi – 110 092, India
RMC	Risk Management Committee of our Board as described in “ <i>Our Management</i> ” on page 172
Senior Management	Executive Directors as designated of our Company are one level below the Board
Shareholders	The holders of the Equity Shares of our Company from time to time
SRBWIPL	SAIL-RITES Bengal Wagon Industry Private Limited
Stakeholders’ Relationship Committee	The stakeholders’ relationship committee of our Board as described in “ <i>Our Management</i> ” on page 172
Subsidiary or Subsidiaries	Subsidiaries of our Company as on the date of this RHP namely, Railway Energy Management Company Limited, RITES (AFRIKA) (Proprietary) Limited, and RITES Infrastructure Services Limited, as of the date of this Red Herring Prospectus, in accordance with the Companies Act, 2013 as described in “ <i>History and Certain Corporate Matters</i> ” on page 158

Offer related terms

Term	Description
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to a Bidder as proof of registration of the ASBA Form
Allot/ Allotment/ Allotted	Transfer of Equity Shares to Allottees pursuant to this Offer
Allottee	A successful Bidder to whom the Equity Shares are Allotted
Allotment Advice cum Refund Intimation or Allotment Advice	Note or advice or intimation of status of Allotment sent to the Bidders who have applied for the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange
Application Supported by Blocked Amount or ASBA	An application, whether physical or electronic, used by Bidders, to make a Bid authorising an SCSB to block the Bid Amount in the ASBA Account All Bidders shall mandatorily participate in the Offer through the ASBA process
ASBA Account	An account maintained with an SCSB and specified in the ASBA Form submitted by Bidders for blocking the Bid Amount mentioned in the ASBA Form
ASBA Form	An application form, whether physical or electronic, used by Bidders which will be considered as the application for Allotment in terms of this Red Herring Prospectus and the Prospectus
BSE	BSE Limited
Banker to the Offer	HDFC Bank Limited and State Bank of India
Basis of Allotment	The basis on which Equity Shares will be Allotted to successful Bidders under the Offer and which is described in the section “Offer Procedure” on page 609
Bid	An indication to make an offer during the Bid/ Offer Period by a prospective Bidder pursuant to submission of ASBA Form, to subscribe for or purchase the Equity Shares of our Company at a price within the Price Band, including all revisions and modifications thereto, to the extent permissible under the SEBI ICDR Regulations, in terms of the this Red Herring Prospectus and the ASBA Form The term “Bidding” shall be construed accordingly
Bid Amount	The highest value of optional Bids indicated in the ASBA Form and blocked in the ASBA Account upon submission of the Bid in the Offer
Bid/ Offer Closing Date	The date after which the Designated Intermediaries will not accept any Bids, which shall be notified in all editions of the English daily newspaper Financial Express and all editions of the Hindi daily newspaper Jansatta (Hindi also being the regional language of Delhi wherein the Registered Office of our Company is located), each with wide circulation Our Company and the Selling Shareholder may, in consultation with the BRLMs, consider closing the Bid/ Offer Period for QIBs one Working Day prior to the Bid/ Offer Closing Date in accordance with the SEBI ICDR Regulations
Bid/ Offer Opening Date	The date on which the Designated Intermediaries shall start accepting Bids, which shall be notified in all editions of the English daily newspaper Financial Express and all editions of the Hindi daily newspaper Jansatta (Hindi being the regional language of Delhi wherein the Registered Office of our Company is located), each with wide circulation
Bid/ Offer Period	The period between the Bid/ Offer Opening Date and the Bid/ Offer Closing Date, inclusive of both days, during which prospective Bidders can submit their Bids, including any revisions thereof
Bid Lot	[●] Equity Shares
Bidder	Any prospective investor who makes a Bid pursuant to the terms of this Red Herring Prospectus and the ASBA Form
Bidding Centres	Centres at which at the Designated Intermediaries shall accept the ASBA Forms, i.e. Designated Branch for SCSBs, Specified Locations for Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs
Book Building Process	Book building process, as provided in Schedule XI of the SEBI ICDR Regulations, in terms of which the Offer is being made

Term	Description
BRLMs or Book Running Lead Managers	The book running lead managers to the Offer namely Elara Capital (India) Private Limited, IDBI Capital Markets & Securities Limited (formerly known as IDBI Capital Market Services Limited), IDFC Bank Limited and SBI Capital Markets Limited
Broker Centres	The broker centres notified by the Stock Exchanges where Bidders can submit the ASBA Forms to a Registered Broker The details of such Broker Centres, along with the names and contact details of the Registered Broker are available on the respective website of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
Cap Price	The higher end of the Price Band, above which the Offer Price will not be finalised and above which no Bids will be accepted
CDP or Collecting Depository Participant	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, issued by SEBI, and a list of such locations is available on the website of the BSE and NSE at http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?expandable=6 and https://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm respectively
Client ID	Client identification number of the Bidder's beneficiary account
Cut-off Price	Offer Price, finalised by our Company and the Selling Shareholder in consultation with the BRLMs Only Retail Individual Bidders and Eligible Employees Bidding in the Employee Reservation Portion are entitled to Bid at the Cut-off Price. No other category of Bidders is entitled to Bid at the Cut-off Price
Demographic Details	Details of the Bidders including the Bidder's address, name of the Bidder's father/husband, investor status, occupation and bank account details
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Forms used by the Bidders, a list of which is available on the website of SEBI at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmid=35 and updated from time to time or at such other website as may be prescribed by SEBI from time to time
Designated Date	The date on which the amounts blocked by the SCSBs are transferred from the ASBA Accounts, to the Public Offer Account after filing of the Prospectus with the RoC, following which the Board of Directors may Allot Equity Shares to successful Bidders in the Offer
Designated CDP Locations	Such locations of the CDPs where Bidders can submit the ASBA Forms The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
Designated Intermediaries	Collectively, the members of the Syndicate, Sub-Syndicate/Agents, SCSBs, Registered Brokers, the CDPs and RTAs, who are authorised to collect ASBA Forms from the Bidders, in relation to the Offer
Designated Stock Exchange	National Stock Exchange of India Limited
Designated RTA Locations	Such locations of the RTAs where Bidders can submit the ASBA Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Forms, a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebi_data/commondocs/scsb_p.pdf Intermediaries or at such other website as may be prescribed by SEBI from time to time

Term	Description
Draft Red Herring Prospectus or DRHP	The Draft Red Herring Prospectus dated January 15, 2018, issued in accordance with the SEBI ICDR Regulations, which does not contain complete particulars, including of the price at which the Equity Shares will be Allotted and the size of the Offer, including any addendum or corrigendum thereto
Elara/ Elara Capital	Elara Capital (India) Private Limited
Eligible Employee	<p>A permanent and full-time employee of our Company (excluding such employees not eligible to invest in the Offer under applicable laws, rules, regulations and guidelines), as on the date of registration of this Red Herring Prospectus with the RoC, who are Indian nationals and are based, working and present in India and continue to be on the rolls of our Company as on the date of submission of their ASBA Form and Bidding in the Employee Reservation Portion. Directors, Key Management Personnel and any other employees of our Company involved in the Offer Price fixation process cannot participate in the Offer (as per Model Conduct, Discipline and Appeal Rules of CPSEs and Office memorandum of DPE dated June 16, 2009 and July 28, 2009) and will not constitute eligible employees for the purposes of this Offer</p> <p>An employee of our Company who is recruited against a regular vacancy but is on probation as on the date of submission of the ASBA Form will also be deemed a “permanent employee” of our Company</p>
Eligible FPI(s)	FPIs from such jurisdictions outside India where it is not unlawful to make an offer / invitation under the Offer and in relation to whom this Red Herring Prospectus constitutes an invitation to purchase the Equity Shares offered thereby
Eligible NRI(s)	NRI(s) from jurisdictions outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom this Red Herring Prospectus will constitute an invitation to subscribe for or purchase the Equity Shares
Employee Discount	Discount ₹[●] to the Offer Price to Eligible Employees bidding in the Employee Reservation Portion subject to the Bid Amount not exceeding ₹500,000
Employee Reservation Portion	<p>The portion of the Offer, being 1,200,000 Equity Shares reserved for allocation and Allotment to Eligible Employees on a proportionate basis.</p> <p>The maximum Bid Amount under the Employee Reservation Portion by an Eligible Employee shall not exceed ₹500,000 (net of Employee Discount). However, the initial Allotment to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹200,000 (net of Employee Discount). Only in the event of an under-subscription in the Employee Reservation Portion post the initial allotment, such unsubscribed portion may be Allotted on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion, for a value in excess of ₹200,000, subject to the total Allotment to an Eligible Employee not exceeding ₹500,000 (net of Employee Discount)</p>
Escrow Agent	Link Intime India Private Limited
First Bidder	Bidder whose name appears first in the ASBA Form and the Revision Form in case of joint Bids, whose name shall also appear as the first holder of the beneficiary account held in joint names
Floor Price	The lower end of the Price Band, subject to any revision thereto, at or above which the Offer Price will be finalised and below which no Bids will be accepted
General Information Document	The General Information Document prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI and updated pursuant to the circulars (CIR/CFD/POLICYCELL/III/2015) dated November 10, 2015 and (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016, suitably modified and included in “Offer Procedure” on page 609
IDBI Capital	IDBI Capital Markets & Securities Limited (Formerly known as IDBI Capital Market Services Limited)
IDFC Bank	IDFC Bank Limited
Maximum RII Allottees	Maximum number of Retail Individual Investors who can be Allotted the minimum Bid Lot and is computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot
Mutual Funds	Mutual funds registered with SEBI under the Securities and Exchange Board of India

Term	Description
	(Mutual Funds) Regulations, 1996
Mutual Fund Portion	5% of the QIB Portion which shall be available for allocation to Mutual Funds only on a proportionate basis, subject to valid Bids being received at or above the Offer Price
Net Offer	The Offer less Employee Reservation Portion
Net Proceeds	Offer Proceeds of the Offer less our Company's share of the Offer expenses (which shall be reimbursed) For further information about use of the Offer Proceeds and the Offer expenses, see the section titled " <i>Objects of the Offer</i> " on page 90
Non-Institutional Bidders	All Bidders including Category III Foreign Portfolio Investors that are not QIBs or Retail Individual Bidders and who have Bid for Equity Shares for an amount more than ₹200,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Portion	The portion of the Offer being not less than 15% of the Net Offer which shall be available for allocation on a proportionate basis to Non-Institutional Bidders, subject to valid Bids being received at or above the Offer Price
Non-Resident	A person resident outside India, as defined under FEMA and includes a non-resident Indian, FPIs and FVCIs
NSE	National Stock Exchange of India Limited
Offer/ Offer for Sale	The public issue of 25,200,000 Equity Shares of face value of ₹10 each for cash at a price of ₹[●] each, aggregating ₹[●] million through an Offer for Sale by the Selling Shareholder. The Company has reserved a portion of 1,200,000 Equity Shares for allocation and allotment to Eligible Employees (the " Employee Reservation Portion "). The Offer will comprise of a Net Offer of 24,000,000 Equity Shares and the Employee Reservation Portion of 1,200,000 Equity Shares.
Offer Agreement	The agreement dated January 12, 2018 between our Company, the Selling Shareholder, the BRLMs, pursuant to which certain arrangements are agreed to in relation to the Offer
Offer Price	The final price (less any Retail Discount and Employee Discount, as applicable) at which Equity Shares will be Allotted in terms of this Red Herring Prospectus. The Offer Price will be decided by our Company and the Selling Shareholder in consultation with the BRLMs on the Pricing Date
Offered Shares	25,200,000 Equity Shares offered by the Selling Shareholder through the Offer for Sale. The Offered Shares will comprise of 24,000,000 Equity Shares constituting the Net Offer and the Employee Reservation Portion of 1,200,000 Equity Shares.
Pre-Offer Advertisement	The pre-Offer advertisement to be published by our Company under regulation 47 of the SEBI ICDR Regulations and section 30 of the Companies Act, 2013 after registration of this Red Herring Prospectus with the RoC, in all editions of the English national newspaper Financial Express and all editions of the Hindi national newspaper Jansatta (Hindi being the regional language of Delhi, where our Registered Office is located), each with wide circulation
Price Band	Price band of a minimum price of ₹[●] per Equity Share (Floor Price) and the maximum price of ₹[●] per Equity Share (Cap Price) including revisions thereof, if any. The Price Band and the minimum Bid Lot size for the Offer will be decided by the our Company and the Selling Shareholder in consultation with the BRLMs and will be advertised, at least five Working Days prior to the Bid/ Offer Opening Date, in all editions of the English national newspaper Financial Express and all editions of the Hindi national newspaper Jansatta (Hindi also being the regional language of Delhi, where our Registered Office is located), each with wide circulation
Pricing Date	The date on which our Company and the Selling Shareholder, in consultation with the BRLMs, will finalise the Offer Price
Prospectus	The prospectus to be filed with the RoC after the Pricing Date in accordance with

Term	Description
	Section 26 of the Companies Act, 2013 and the SEBI ICDR Regulations, containing, <i>inter alia</i> , the Offer Price that is determined at the end of the Book Building Process, the size of the Offer and certain other information including any addenda or corrigenda thereto
Public Offer Account(s)	Account opened with the Bankers to the Offer in terms of Section 40(3) of the Companies Act, 2013 to receive monies from ASBA Accounts on the Designated Date
Public Offer Account Agreement	The agreement dated June 04, 2018 to be entered into amongst our Company, the Selling Shareholder, the Registrar to the Offer, the BRLMs, the Syndicate Members, the Banker to the Offer, and the Refund Banks for transfer of funds from ASBA Accounts into the Public Offer Account(s) and from Public Offer Account(s) and where applicable, refunds of the amounts collected, on the terms and conditions thereof
QIB Portion	The portion of the Offer being not more than 50% of the Net Offer which shall be allocated to QIBs
Qualified Institutional Buyers or QIBs	Qualified institutional buyers as defined under Regulation 2(1)(zd) of the SEBI ICDR Regulations
Red Herring Prospectus or RHP	This red herring prospectus to be issued in accordance with Section 32 of the Companies Act, 2013 and the provisions of the SEBI ICDR Regulations, which will not have complete particulars of the price at which the Equity Shares will be offered and the size of the Offer including any addenda or corrigenda thereto This Red Herring Prospectus will be registered with the RoC at least three days before the Bid/ Offer Opening Date and will become the Prospectus upon filing with the RoC after the Pricing Date
Refund Account(s)	The account opened with the Refund Bank(s), to which refunds, if any, of the whole or part of the Bid Amount, shall be transferred from the Public Offer Account(s)
Refund Bank(s)	HDFC Bank Limited and State Bank of India
Registered Brokers	Stock brokers registered with the stock exchanges having nationwide terminals, other than the members of the Syndicate and eligible to procure Bids in terms of the circular No. CIR/CFD/14/2012 dated October 4, 2012 issued by the SEBI
Registrar Agreement	The agreement dated January 12, 2018 between the President of India, our Company and the Registrar
Registrar and Share Transfer Agents or RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of circular no. IR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Registrar to the Offer or Registrar	Link Intime India Private Limited
Retail Individual Bidder(s)	Bidders who have Bid for the Equity Shares for an amount of not more than ₹200,000 in any of the bidding options in the Net Offer (including HUFs applying through their Karta and Eligible NRIs)
Retail Discount	Discount of ₹[●] to the Offer Price which may be given to Retail Individual Bidders bidding in the Retail Portion, by our Company and the Selling Shareholder in consultation with the BRLMs
Retail Portion	The portion of the Offer being not less than 35% of the Net Offer which shall be available for allocation to Retail Individual Bidder(s), in accordance with the SEBI ICDR Regulations
Revision Form	Form used by the Bidders, to modify the quantity of the Equity Shares or the Bid Amount in any of their ASBA Forms or any previous Revision Form(s) as applicable QIB Bidders and Non-Institutional Bidders are not allowed to lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage
SBICAP	SBI Capital Markets Limited
Self Certified Syndicate Bank(s) or SCSB(s)	The banks registered with SEBI, offering services in relation to ASBA, a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebi_data/commndocs/scsb_p.pdf and updated from time to time
Selling Shareholder	The President of India acting through the MoR

Term	Description
Share Escrow Agreement	The agreement dated June 04, 2018 to be entered into among the Selling Shareholder, our Company and the Escrow Agent in connection with the transfer of Equity Shares under the Offer for Sale by the Selling Shareholder and credit of such Equity Shares to the demat account of the Allottees
Specified Locations	Bidding centres where the Syndicate shall accept ASBA Forms from Bidders.
Sub Syndicate	The sub-syndicate members, if any, appointed by the BRLMs and the Syndicate Members, to collect ASBA Forms
Syndicate Agreement	The agreement dated June 04, 2018 to be entered into among the BRLMs, the Syndicate Members, our Company and the Selling Shareholder in relation to the collection of Bids in the Offer (other than Bids directly submitted to the SCSBs under the ASBA process and Bids submitted to Registered Brokers at the Broker Centres)
Syndicate Members	Intermediaries registered with SEBI who are permitted to carry out activities as an underwriter, namely, Elara Securities (India) Private Limited, Sharekhan Limited, IDFC Securities Limited and SBICAP Securities Limited
Underwriters	The BRLMs and the Syndicate Members
Underwriting Agreement	The agreement dated [●] to be entered into among our Company, the Selling Shareholder and the Underwriters, entered into on or after the Pricing Date but prior to the registration of the Prospectus with the RoC
Wilful Defaulter	A company or a person categorised as a wilful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI and includes any company whose director or promoter is categorised as such
Working Day	All days other than second and fourth Saturday of the month, Sunday or a public holiday, on which commercial banks in Mumbai are open for business; provided, however, with reference to (a) announcement of Price Band; and (b) Bid/ Offer Period, “ Working Day ” shall mean all days, excluding all Saturdays, Sundays or a public holiday, on which commercial banks in Mumbai are open for business; and with reference to the time period between the Bid/ Offer Closing Date and the listing of the Equity Shares on the Stock Exchanges, “ Working Day ” shall mean all trading days of Stock Exchanges, excluding Sundays and bank holidays, as per the SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016 as amended from time to time

Technical/Industry Related Terms/Abbreviations

Abbreviation	Full Form
AAA	Airports Authority Act
AAI	Airports Authority of India
ADP	Annual Development Program
AMRUT	Atal Mission for Rejuvenation and Urban Transformation
ARTIN	African Regional Transport Infrastructure Network
BG	Broad Gauge
BOOT	Build Own Operate Transfer
BOT	Build Operate and Transfer
BP	Bio-power
BRT	Bus rapid transit
CAGR	Compound Annual Growth Rate
CCEA	Cabinet Committee on Economic Affairs
CEA	Central Electricity Authority
CITPL	Chennai International Container Terminals Pvt. Ltd
CRF	Central Road Fund
DFC	Dedicated Freight Corridor
DFCCIL	Dedicated Freight Corridor Corporation of India
EDFC	Eastern Dedicated Freight Corridor

Abbreviation	Full Form
EIB	European Investment Bank
FICCI	Federation of Indian Chambers of Commerce and Industry
FY	Financial Year
GAD	General Arrangement Drawings
GDP	Gross Domestic Product
GMB	Governments Maritime Boards
GoI	Government of India
GW	Gigawatt
HSD	High Speed Diesel
HVDC	high-voltage, direct current
IBEF	India Brand Equity Foundation
IHHA	International Heavy Haul Association
IMF	International Monetary Fund
IMPSS	Ultra Mega Power Project
InvIT	Infrastructure Investment Trust
IRB	Indian Railway Board
IREDA	Indian Renewable Energy Development Agency
IRFC	Indian Rail Finance Corporation
ISC&EI	Inter State Connectivity and Economic Importance
JICA	Japan International Cooperation Agency
JnNURM	Jawaharlal Nehru National Urban Renewal Mission
JNPT	Jawaharlal Nehru Port
JVs	Joint Venture
LAPSET	Lamu Port Southern Sudan Ethiopia Transport Project
LIC	Life Insurance Corporation
LOC	Line of Credit
MENA	Middle East and North Africa Region
MG	Meter Gauge
MMT	million metric tonnes
MoPIT	Ministry of Physical Infrastructure and Transport
MoR	Ministry of Railways
MoRTH	Ministry of Road Transport and Highways
MoU	Memorandum of Understanding
MRTS	Mass Rapid Transit System
MTPA	Million Tonnes Per Annum
MW	Megawatt
NCEF	National Clean Energy Fund
NH	National Highway
NHAI	National Highway Authority of India
NHDP	National Highways Development Project
NIIF	National Investment and Infrastructure Fund
OECD	Organisation for Economic Co-operation and Development
PIDA	Program for Infrastructure Development in Africa
PMGSY	Pradhan Mantri Gram Sadak Yojana
PPP	Purchasing Power Parity
PSU	Public Sector Undertaking
RBI	Reserve Bank Of India
RDAI	Railway Development Authority of India
REC	Rural Electrification Corporation

Abbreviation	Full Form
REIT	Real Estate Investment Trust
RES	Renewable energy sources
RoB	Railway over Bridges
RPO	Renewable purchase Obligation
RuB	Railway under Bridges
SH	State Highway
SHP	small hydro power
SPV	Special Purpose Vehicle
UDAY	Ujwal DISCOM Assurance Yojana
VISL	Vizhinjam International Seaport Limited
VSC	Vehicle Stability Control
ZR	Zonal Railway

Business Related Terms/Abbreviations

Abbreviation	Full Form
ANAB	National Accreditation Board
ANSI-ASQ	American National Standards Institute -American National Standards Institute
CFM	Potos E Caminhos De Ferro De Mocambique, Mozambique
CO	Controlling
CSR	Corporate Social Responsibility
DGS&D	Director General of Supplies & Disposal
DMRC	Delhi Metro Rail Corporation Limited
DMU	Diesel Multiple Unit
ECC	Enterprise Core Component
EPC	Engineering, Procurement and Construction
ERP	Enterprise resource planning
FI	Financial Accounting
HR	Human Resources
IEC	International Electrotechnical Commission
INCAP	Infrastructure Corporation of Andhra Pradesh Ltd
IRCON	IRCON International Limited
IRSDC	Indian Railway Stations Development Corporation Limited
ISO	International Organization for Standardization
J&K	Jammu and Kashmir
KBUNL	Kanti Bijlee Utpadan Nigam Limited
KPMG	Klynveld Peat Marwick Goerdeler
L&T	Larsen & Toubro
MEGA	Metro Link Express for Gandhinagar and Ahmedabad
MM	Materials Management
NABCB	National Accreditation Board for Inspection Bodies
NABL	National Accreditation Board for Testing and Calibration Laboratories
NATRIP	National Automotive Testing and R&D Infrastructure Project
NGO	Non-Government Organisation
NTPC	National Thermal Power Corporation Limited
POH	Periodical Overhauling
PS	Project Systems
QCI	Quality Council of India
REMCL	Railway Energy Management Company Limited
SA	South Africa
SAP	Systems, Applications & Products
SD	Sales and Distribution
U.A.E.	United Arab Emirates
USBRL	Udhampur-Srinagar-Baramulla Rail Link

Conventional and General Terms or Abbreviations

Abbreviation	Full Form
₹/Rs./Rupees	Indian Rupees
A/c	Account
AD	Authorised Dealer Category – I Bank
AGM	Annual General Meeting
AIF	Alternative Investment Funds registered pursuant to SEBI (Alternative Investment Funds) Regulations, 2012, as amended from time to time
Air Act	The Air (Prevention and Control of Pollution) Act, 1981, as amended
AS or Accounting Standards	Accounting standards issued by the Institute of Chartered Accountants of India
AY	Assessment Year
Category III FPIs	FPIs registered as category III FPIs under the SEBI FPI Regulations, which shall include all other FPIs not eligible under category I and II foreign portfolio investors, such as endowments, charitable societies, charitable trusts, foundations, corporate bodies, trusts, individuals and family offices
CBI	Central Bureau of Investigation
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identity Number
Companies Act or Act	Companies Act, 2013 and the rules thereunder, to the extent notified, and/or the Companies Act, 1956 and the rules thereunder, to the extent not repealed, as the context may require
Companies Act, 1956	Companies Act, 1956 and the rules and clarifications thereunder, to the extent not repealed
Companies Act, 2013	Companies Act, 2013 and the rules and clarifications thereunder, to the extent notified
Competition Act	Competition Act, 2002, as amended
Consolidated FDI Policy	The consolidated FDI Policy, effective from August 28, 2017 issued by DIPP, and any modifications thereto or substitutions thereof, issued from time to time.
DC	Direct Current
DIN	Directors Identification Number
DP ID	Depository Participant's Identity
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortisation
ECS	Electronic Clearing System
EGM	Extraordinary General Meeting
EPS	Earnings per share, which is the profit after tax for a fiscal year divided by the weighted average of outstanding number of equity shares at the end of the fiscal year
EPF Act	Employees' Provident Fund and Miscellaneous Provisions Act, 1952, as amended
ESI Act	Employees State Insurance Corporation Act, 1948, as amended
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999, together with rules and regulations framed thereunder
FEMA Regulations	Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017, as amended.
Fiscal or Financial Year or FY	Period of twelve months ended March 31 of that particular year, unless otherwise stated
Finance Act	Finance Act, 2017, as amended
FPIs	A foreign portfolio investor who has been registered pursuant to the SEBI FPI Regulations, provided that any QFI or FII who holds a valid certificate of registration shall be deemed to be an FPI until the expiry of the block of three years for which fees have been paid as per the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995
Foreign Trade Act	Foreign Trade (Development and Regulation) Act, 1992, as amended
FVCI	Foreign Venture Capital Investor registered under the FVCI Regulations
FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000, as amended
GoI or Government of India	The Government of India
GST	Goods and Services Tax

Abbreviation	Full Form
HUF	Hindu Undivided Family
ICA	The Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards
Ind AS	Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015
Indian GAAP	Generally accepted accounting principles in India
IPO	Initial Public Offering
IRR Advisory	IRR Advisory Services Private Limited
IT	Information technology
IT Act/ Income Tax Act	Income Tax Act, 1961, as amended
IT Department	Income Tax Department, GoI
LIBOR	London Interbank Offered Rate
Ltd.	Limited
MRTS	Mass Rapid Transit System
MSMED Act	Micro, Small & Medium Enterprises Development Act, 2006
NAV	Net Asset Value
NCR	National Capital Region
NCT	National Capital Territory
NEFT	National Electronic Funds Transfer
No.	Number
NR or Non-Resident	A person resident outside India, as defined under the FEMA and includes a Non-Resident Indian
NRE Account	Non-Resident External Account
NRI	A person resident outside India who is a citizen of India or a person of Indian origin, as defined under the Foreign Exchange Management (Deposit) Regulations, 2016 or is an 'Overseas Citizen of India' cardholder within the meaning of Section 7(A) of the Citizenship Act, 1955
NRO Account	Non-Resident Ordinary Account
NSDL	National Securities Depository Limited
p.a.	Per annum
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number
PAT	Profit After Tax
PBT	Profit Before Tax
PMC	Project Management Contract
RRTS	Regional Rapid Transit System
RTGS	Real Time Gross Settlement
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	The Securities and Exchange Board of India Act, 1992
SEBI ICDR Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
SEBI Listing Regulations	The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015
Securities Act	U.S. Securities Act of 1933
SICA	Sick Industrial Companies (Special Provisions) Act, 1985
Sq. ft./ Sft/ sqft	Square foot
Sq. mt.	Square meter
STT	Securities Transaction Tax
Takeover Code	The Securities and Exchange Board of India (Substantial Acquisition of Shares

Abbreviation	Full Form
	and Takeovers) Regulations, 2011
TAN	Tax Deduction Account Number allotted under the Income Tax Act, 1961
TDS	Tax Deducted at Source
U.S. or US or U.S.A or United States	The United States of America, together with its territories and possessions
US\$	United States Dollar, the official currency of the United States of America
VCFs	Venture Capital Funds as defined and registered with SEBI under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996
Water Act	The Water (Prevention and Control of Pollution) Act, 1974
Y-O-Y	Year-on-Year

Notwithstanding the foregoing, terms specifically defined in this Red Herring Prospectus, shall have the meanings given to such terms in the sections where specifically defined.

CERTAIN CONVENTIONS, PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

Certain Conventions

All references in this Red Herring Prospectus to “India” are to the Republic of India and all references to the “U.S.”, “U.S.A” or “United States” are to the United States of America.

Unless stated otherwise, all references to page numbers in this Red Herring Prospectus are to the page numbers of this Red Herring Prospectus.

Financial Data

Unless stated otherwise, the financial information in this Red Herring Prospectus is derived from our Restated Financial Information. These financial statements have been prepared in accordance with Ind AS and the Companies Act and restated under the SEBI ICDR Regulations.

Our Company’s Financial Year commences on April 1 and ends on March 31 of the following year. Accordingly, all references to a particular financial year, unless stated otherwise, are to the 12 month period ended on March 31 of that year. Reference in this Red Herring Prospectus to the terms Fiscal or Fiscal Year or Financial Year is to the 12 months ended on March 31 of such year, unless otherwise specified.

Certain figures contained in this Red Herring Prospectus, including financial information, have been subject to rounding adjustments. All decimals have been rounded off to two or one decimal places. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row. However, where any figures that may have been sourced from third-party industry sources are rounded off to other than two decimal points in their respective sources, such figures appear in this Red Herring Prospectus as rounded-off to such number of decimal points as provided in such respective sources.

Ind AS differs from accounting principles with which prospective investors may be familiar in other countries, including IFRS and US GAAP, and the reconciliation of the financial information to other accounting principles has not been provided. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Red Herring Prospectus, and investors should consult their own advisors regarding such differences and their impact on our Company’s financial data. The degree to which the financial information included in this Red Herring Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting policies and practices, Ind AS, the Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with Ind AS, the Companies Act, the SEBI ICDR Regulations and practices on the financial disclosures presented in this Red Herring Prospectus should accordingly be limited.

Unless the context otherwise indicates, any percentage amounts, as set forth in “*Risk Factors*”, “*Our Business*”, “*Management’s Discussion and Analysis of Financial Conditions and Results of Operations*” on pages 18,134 and 524, respectively, and elsewhere in this Red Herring Prospectus, have been calculated on the basis of the Restated Financial Information, unless otherwise stated.

Currency and Units of Presentation

All references to:

- “Rupees” or “₹” or “INR” or “Rs.” or “Re.” are to India Rupee, the official currency of the Republic of India;
- “Euro” or “€” are to Euro, the official currency of the European Union; and
- “USD” or “US\$” or “\$” are to United States Dollar, the official currency of the United States.

Our Company has presented certain numerical information in this Red Herring Prospectus in “million” units.

One million represents 1,000,000 and one billion represents 1,000,000,000.

Exchange Rates

This Red Herring Prospectus contains conversion of certain other currency amounts into Rupees that have been presented solely to comply with the SEBI ICDR Regulations. These conversions should not be construed as a representation that these currency amounts could have been, or can be, converted into Indian Rupees at any particular rate.

The following table sets forth, for the periods indicated, information with respect to the exchange rate between the Rupee and other currencies:

(Amount in ₹)

Currency	As on March 31, 2013****	As on March 31, 2014***	As on March 31, 2015	As on March 31, 2016	As on March 31, 2017	As on December 31, 2017**	As on March 31, 2018*
1 USD	54.39	60.10	62.59	66.33	64.84	63.93	65.04
1 EURO	69.54	82.58	67.51	75.10	69.25	76.39	80.62

(Source: RBI reference rate from www.rbi.org.in;))

Note: In case March 31 of any of the respective years is a public holiday, the previous calendar day not being a public holiday has been considered*.

Industry and Market Data

Information has been included in this Red Herring Prospectus from the report titled “Report on Indian Infrastructure Sector” dated January 10, 2018 (“**IRR Report**”) issued by IRR Advisory which has been commissioned by us and includes the following disclaimer:

This report is prepared by IRR Advisory Services Pvt Ltd (IRR Advisory). IRR Advisory has taken utmost care to ensure accuracy and objectivity while developing this report. IRR Advisory is not responsible for any errors or omissions in analysis/inferences/views or for results obtained from the use of information contained in this report and especially states that IRR advisory has no financial liability whatsoever to the user of this report. This report is for the information of the intended recipients only and no part of this report may be published or reproduced in any form or manner without prior written permission of IRR Advisory.

Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Accordingly, no investment decision should be made on the basis of such information. Although we believe that the industry data used in this Red Herring Prospectus is reliable, it has not been independently verified by our Company, the Selling Shareholder, the BRLMs or any of their affiliates or advisors. The data used in these sources may have been reclassified by us for the purposes of presentation. Data from these sources may also not be comparable.

The extent to which the industry and market data presented in this Red Herring Prospectus is meaningful depends on the reader’s familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources.

Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those disclosed in “Risk Factors” on page 18 of this Red Herring Prospectus. Accordingly, investment decisions should not be based solely on such information.

FORWARD-LOOKING STATEMENTS

This Red Herring Prospectus contains certain “forward looking statements”. All statements regarding our expected financial condition and results of operations, business, plans and prospects are forward-looking statements. These forward-looking statements include statements with respect to our business strategy, our revenue and profitability, our projects and other matters discussed in this Red Herring Prospectus regarding matters that are not historical facts. These forward looking statements can generally be identified by words or phrases such as “will”, “aim”, “will likely result”, “believe”, “expect”, “will continue”, “anticipate”, “estimate”, “intend”, “plan”, “contemplate”, “seek to”, “future”, “objective”, “goal”, “project”, “should”, “will pursue” and similar expressions or variations of such expressions. Similarly, statements that describe our objectives, strategies, plans or goals are also forward looking statements. All forward looking statements are subject to risks, uncertainties and assumptions about us that could cause our actual results to differ materially from those contemplated by the relevant forward looking statement. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements.

Further, the actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties associated with our expectations with respect to, but not limited to, regulatory changes pertaining to the industries in India in which we have our businesses and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India and international markets which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes, changes in competition in our industry, and incidence of any natural calamities and/or acts of violence. Important factors that could cause actual results to differ materially from our expectations include, among others:

- dependence on the MoR, for a significant portion of our business;
- competitive pressures from the existing competitors and new entrants in both public and private sector;
- varying project related costs and revenue estimates due to long execution period of certain contracts;
- influence of GoI on our actions;
- quality of work performed by our agencies, suppliers, contractors and sub – contractors;
- dependence on the expertise of our Key Managerial Personnel, Senior Management and our skilled workforce;
- the refusal of suppliers, contractors and sub-contractors to maintain favourable payment conditions and / or performance defaults by suppliers, contractors, sub-contractors or consortium partners;
- any delay in the initiation of the projects and / or postponement/putting on hold of previously awarded contracts; and
- unanticipated technical problems with equipment or incompatibility of such equipment with existing infrastructure.

For a further discussion of factors that could cause our actual results to differ, refer to the chapters titled “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operation*” on pages 18, 134 and 524 respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated.

We cannot assure Bidders that the expectation reflected in these forward-looking statements will prove to be correct. Given these uncertainties, Bidders are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements as a guarantee of future performance.

Forward looking statements reflect the current views of our Company only as of the date of this Red Herring Prospectus and are not a guarantee of future performance. These statements are based on the management’s beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Neither our Company, our Directors, our Selling Shareholder, the BRLMs nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.

In accordance with SEBI requirements, our Company and the Selling Shareholder shall ensure that investors in India are informed of material developments from the date of this Red Herring Prospectus in relation to the statements and

undertakings made by them in this Red Herring Prospectus until the time of the grant of listing and trading permission by the Stock Exchanges for this Offer. Further, in accordance with Regulation 51A of the SEBI ICDR Regulations, our Company may be required to undertake an annual updation of the disclosures made in this Red Herring Prospectus and make it publicly available in the manner specified by SEBI.

SECTION II: RISK FACTORS

An investment in equity shares involves a high degree of risk. You should carefully consider all the information disclosed in this Red Herring Prospectus, including the risks and uncertainties described below, before making an investment decision in our Equity Shares. If anyone or a combination of the following risks actually occurs, our business, prospects, financial condition and results of operations could suffer and the trading price of our Equity Shares could decline and you may lose all or part of your investment. The risks described below are not the only ones relevant to us or our Equity Shares or the industry and regions in which we operate. Additional risks and uncertainties, not presently known to us or that we currently deem immaterial may arise or may become material in the future and may also impair our business, results of operations and financial condition. The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are risks where the effect is not quantifiable and hence have not been disclosed in the applicable risk factors.

Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in this Offer unless they can afford to take the risk of losing all or a part of their investment. Investors are advised to read the risk factors described below carefully before making an investment decision on this Offer.

To obtain a more detailed understanding of our Company, prospective investors should read this section in conjunction with sections titled “Our Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 134 and 524, respectively, contained in this Red Herring Prospectus. In making an investment decision, prospective investors must rely on their own examination of our Company and the terms of the Offer. You should consult your tax, financial and legal advisors about the particular consequences to you of an investment in this Offer.

This Red Herring Prospectus also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Red Herring Prospectus. See the section “Forward-Looking Statements” on page 16.

Unless otherwise stated, the financial information of our Company used in this section has been derived from the Restated Financial Information.

INTERNAL RISK FACTORS

Risk relating to Our Business and Our Industry

- 1. We depend on the Ministry of Railways, GoI (“MoR”), central/state governments and central/state PSUs for a significant portion of contracts on our order book which are awarded on a nomination basis. There is no assurance that future contracts will be awarded to us on nomination basis by these clients. This may result in an adverse effect on our business growth, financial condition and results of operations.***

As of March 31, 2018, our order book from MoR, central/state governments and central/state PSUs was ₹37,004.88 million or 76.79% of our total order book. Some of these contracts are awarded to us on nomination basis. There is no assurance that we will be selected by these clients for future contracts on nomination basis. In other sectors, our major clients for highways, airports, urban infrastructure, ports, institutional buildings etc. are central/state governments and their PSUs. In recent times we have also ventured into turnkey construction projects mainly from MoR.

The MoR has distributed the jurisdiction of work between our Company and IRCON International Limited (a peer group PSU under the MoR) (“IRCON”) in accordance with our respective core competencies. In the long term interest of both the PSUs, IRCON is not permitted to make any bid for export of rolling stock and components manufactured by the Indian Railways to countries other than Malaysia, Indonesia and Thailand. We are permitted to participate in EPC or Built Operate and Transfer contracts, other than railway contracts, where there is no conflict of interest with any other PSU under the MoR and to carry out all consultancy, operations and management, conduct survey, installation and commissioning of all types of rolling stock, feasibility studies, DPR, design, detailed engineering, tender evaluation, inspection and training. Furthermore, we are permitted to bid for railway rehabilitation projects in Malaysia, Indonesia and Thailand subject to a monetary

limit set by the Indian Railways. There can be no assurance that such division of territory by the MoR will not be withdrawn or altered. As per the Presidential directive dated May 26, 2008 wherein such division of jurisdiction was laid down by the MoR also states that, if for any reason, our Company or IRCON is not interested in participating in a particular bid/tender (wherein conflict of interest is involved), which falls in its domain, then the other PSU may participate in that bid /tender subject to the condition that the right of first refusal for each case will be with the PSU in whose domain that particular work falls.

There is no assurance that we will continue to be the nominated agency of Indian Railways or the central/state governments and their PSUs for execution of certain projects and that future contracts will be awarded to us on nomination basis by these clients. This may result in an adverse effect on our business growth, financial condition and results of operations.

- 2. We depend on the MoR for a significant portion of our business including equipment, technical staff etc. Any changes in the government policies or decisions by the MoR may result in an adverse effect on our business growth, financial condition and results of operations.***

We depend largely on the MoR for our transport infrastructure consultancy projects related to the railways sector. Our reliance on the MoR also encompasses the hiring of skilled professionals who are appointed on deputation basis from the MoR and some of whom are later absorbed into senior management positions. We also hire staff for aftersales service and service staff on long and short term deputation from MoR. As on March 31, 2018 our Company had 152 employees on deputation from Indian Railways. We also depend on the MoR inter alia for supply of materials, technical support staff and manufacturing facilities.

Our locomotives and rolling stock, and its components and sub-systems for both exports and domestic projects, are not manufactured by us. The locomotives and rolling stock are manufactured by Indian Railways production facilities, and a large number of components, sub systems are procured from their suppliers, contractors and sub-contractors.

We may therefore be unable to timely supply or service the procurement contracts awarded by our clients due to risks associated with our reliance on Indian Railways for manufacturing facilities, technical and support staff, and materials. This may result in an adverse effect on our business growth, financial condition and results of operations.

We have been approached by Indian Railway Stations Development Corporation Limited to contribute upto ₹2,500 million by buying out upto 25% of its equity share capital. The Board in its meeting dated March 21, 2018, has approved the proposal for in-principal approval of the equity investment in two instalments. In the event, the Company decides to go ahead with the investments and these investments do not yield the expected returns, it may result in an adverse effect on our business growth, financial condition and results of operations.

- 3. Our current order book may not necessarily translate into future income in its entirety or could be delayed. Some of our current orders may be modified, cancelled, delayed, put on hold or not fully paid for by our clients, which could adversely affect our business reputation, which could have a material adverse effect on our business, financial condition, results of operations and future prospects.***

As of March 31, 2018, our order book was ₹48,186.76 million. As majority of our projects are executed over a period of up to three years, at any given time we have an order book, which we define as the total contract value (in accordance with the terms of the contract) of all existing contracts as of such date, minus any revenue already recognised by us in relation to such existing contracts up to and including such date. We use the completion of contracted work to recognise revenue for long-term contracts, which constitute the substantial majority of our contracts and therefore our order book is dependent on the progress of the project. The growth of our order book is a cumulative indication of the revenues that we expect to recognise in future periods in relation to the contracts.

For some of the contracts in our order book, our clients are obliged to perform or take certain actions, such as securing required consents from the GoI, providing land and/or fixed assets, securing authorisations or permits from the MoR, making advance payments or opening of letters of credit or obtaining adequate financing on reasonable terms and approving suppliers, contractors and sub-contractors etc. If a client does not perform these and other actions in a timely manner or at all, our projects could be delayed, put on hold, modified or cancelled and as a result, the income anticipated in our order book may not be realised and our results of operations could be adversely affected.

Furthermore, the profitability of a contract in our order book and our cash flow may be affected by the following amongst others:

- withholding of payments by clients or mismatch between our internal cost milestones and the payment milestones under our contracts;
- the refusal of suppliers, contractors and sub-contractors to maintain favourable payment conditions and / or performance defaults by suppliers, contractors, sub-contractors or consortium partners;
- any delay in the initiation of the projects and / or postponement/putting on hold of previously awarded contracts;
- unanticipated technical problems with equipment or incompatibility of such equipment with existing infrastructure;
- difficulties in obtaining required governmental permits;
- unanticipated costs due to project modifications, unanticipated variations or adjustments in the scope and / or rescheduling of our obligations for reasons outside our control;
- performance defaults by suppliers, contractors, sub-contractors or consortium partners;
- client payment defaults, cancellation or termination, withholding of or non-payment by our clients and/or bankruptcy; and
- changes in law or taxation, changes in government policies and / or change in budget appropriations.

As any of the above occurrences may adversely impact and reduce the order book position, there can be no assurance that the income anticipated in our order book will be realised, or, if realised, will be realised on time or result in profits. In addition, our order book during a particular future period depends on continued growth of the infrastructure sector in India and our ability to remain competitive.

Depending on the size of the project, variations from estimated contract performance could significantly reduce our earnings, and could result in significant losses. We cannot assure you that in the future such contracts (entered/ to be entered into by us) will get completed in scheduled time and/ or cost overruns on our contracts will not have a material adverse effect on our business, financial condition and results of operations. Furthermore, there can be no assurance that our clients will not rescind their contracts with us if there is a delay in delivery beyond the time stipulated in the contract or that we may not need to renegotiate some of our contracts in future. It is possible that our clients refuse to renegotiate our contracts resulting in us having to bear the financial burden. This may also have an impact on, among other things, our business reputation, which could have a material adverse effect on our business, financial condition, results of operations and future prospects.

4. ***We face certain competitive pressures from the existing competitors and new entrants in both public and private sector. Increased competition and aggressive bidding by such competitors is expected to make our ability to procure business in future more uncertain which may adversely affect our business, financial condition and results of operations.***

Our business is highly competitive. We face competition from competitors in the domestic market as well as in international markets. With the liberalisation of the Indian economy, the Government has encouraged competitive bidding. The competitive bidding process entails managerial time to prepare bids and proposals for contracts and at times requires us to resort to aggressive pricing to be able to be awarded the contracts. We may not be in a position to aggressively price our services in the future which may result in loss of business and adversely affect our future prospects.

With increased competition, our ability to estimate costs to provide services required under the contracts and ability to deliver the project timely will determine our profitability and competitive position in the market. The possibility exists that our competitors might develop new technologies that might cause the existing technology and offerings used by us to become less competitive. Our ability to anticipate such developments and deploy improved and appropriate technologies through development/acquisitions will determine our competitive position in the market place.

We face competition from several domestic and international companies for our export and leasing business. We have been customizing locomotives and other rolling stock produced by Indian Railways. Our future competitive position will be determined by our ability to provide locomotives and customized rolling stock as per the requirements of the clients for which we are dependent on the production facilities of Indian Railways. Further, some of our competitors may have access to superior technological and more financial resources than

those available to us, as a result of which, they may be more successful than us in bidding for the projects. Any failure on our part to compete effectively in terms of pricing of our services or providing quality services could have a material adverse effect on our operations and financial condition.

There can be no assurance that we will be able to compete successfully against our competitors as well as new entrants in our industry in the future, or that the companies that are not directly in competition with us now will not compete with us in the future. Accordingly, our business, financial condition, results of operations and future prospects would be adversely and materially affected if we are unable to maintain our competitive advantage and compete successfully against our competitors and any new entrants to our industry in the future.

5. ***We are dependent on the line of credit provided by the GoI and other funding agencies provided to countries that we operate in. In the event there is any change in the policies of the GoI or the funding agencies or the countries' utilization of line of credit or the line of credit is withdrawn or reduced, our business and operations may be adversely affected.***

A large part of our export business is dependent on bilateral relations between India and other countries. For our operations, in the international markets, we export locomotives and rolling stock through line of credit given by the GoI. The export business largely depends on the continuation of assistance to such countries, the future availability of which cannot be assured. In the event there is any change in the policies of the GoI or the countries' utilization of line of credit or the line of credit is withdrawn or reduced, our business and operations may be adversely affected.

Further, in the event international funding agencies reduce or withdraw their fundings of projects from potential foreign clients, it may adversely affect our international business and operation.

6. ***Since our project management and turnkey construction contracts have long execution periods, such project related costs and revenue estimates may vary from the actual costs incurred and actual revenues generated which may adversely affect our business, financial condition, results of operations and future prospects. We also carry the risk of rectification/repair/replacement etc. during the defect liability period which may have additional implications.***

Our project management and turnkey construction contracts involve long execution periods of three to five years to deliver and complete. The time and costs required to complete such projects may increase on account of factors such as price escalation, funding constraints, shortage of materials, equipment, technical constraints, adverse weather conditions, natural disasters, labour disputes, disputes with contractors, accidents, changes in government priorities and policies, changes in market conditions, interest rates, delays in obtaining requisite approvals from the relevant authorities or other unforeseeable circumstances. Any of these factors may delay or prevent completion of such projects and may lead to unforeseen increases in costs.

7. ***The GoI has significant influence over our actions which may restrict our ability to manage our business. Any change in GoI policy could have a material adverse effect on our financial condition and results of operations. Further, announcements by the GoI relating to increased salary and allowances for government and public sector employees will increase our expenses and may adversely affect our financial condition in the years of implementation.***

As per our Articles of Association, the President of India may issue directives with respect to the conduct of our business or our affairs for as long as we remain a government owned company, as defined under the Companies Act. For instance, under Article 56 and Article 60 of our Articles of Association, our Directors are appointed by the President of India and their powers are subject to the approval of the President of India.

Further, under Article 88 of our Articles of Association, the President of India may from time to time issue directions as he may consider necessary in regard to the exercise and performance of the functions of our Company in matters involving national security or substantial public interest, and call for such returns, accounts and other information with respect to the property and activities of our Company as may be required from time to time. Such influence on our Company will continue to remain after the Offer.

Furthermore, upon the completion of this Offer, the GoI will hold approximately 174,800,000 Equity Shares, or approximately 87.40% of our post-Offer paid up equity share capital. Consequently, the President of India, acting through the MoR, will continue to control us and will have the power to elect and remove our directors and determine the outcome of most proposals for corporate action requiring approval of our Board or

shareholders, such as proposed five-year plans, revenue budgets, capital expenditure, dividend policy and transactions with other GoI controlled companies.

Under the Companies Act, we will continue to be a public sector undertaking which is owned and controlled by the President of India. This may affect the decision making process in certain business and strategic decisions taken by our Company going forward and as a result our management may take actions that are contrary to your financial interest.

The priorities of the GoI may be different from ours or that of our other shareholders. As a result, the GoI may take actions with respect to our business that may not be in our or our other Shareholders' interests. The GoI could, by exercising its powers of control, defer or initiate a change of control of our Company or a change in our capital structure, delay or defer a merger or consolidation even if it is against our or your interest for it to do so.

We have to adhere to rules and regulations of the GoI from time to time in respect of pay and allowances of executives of CPSEs, perks and benefits, reservation policy in recruitment and promotions. The Department of Public Enterprises ("DPE") has revised the salary of Central Government PSUs for employees with effect from January 01, 2017 for Industrial Dearness Allowance ("IDA") pay scales and with effect from January 01, 2016 for Central Dearness Allowance ("CDA") pay scales which has since been implemented by the Company. On account of the above, we may have to increase the cost of our services to offset the effect which may in turn have a material adverse effect on our competitive position which may adversely affect our financial position.

8. ***We are subject to inherent risks associated with external suppliers, contractors and sub- contractors being involved in our projects. We also rely upon certain agencies in order to meet our requirements of personnel and manpower with certain skills and competencies for executing certain projects. Despite our best efforts for supervision and quality assurance plans, we face the risk of unsatisfactory quality of work performed by our agencies, suppliers, contractors and sub – contractors, which could result in a negative impact on our business, reputation, financial condition and results of operations.***

Our contracts typically require us to enter into certain commercial and performance obligations with our clients, the performance of which in turn may be dependent on suppliers, contractors and sub-contractors engaged for execution of the projects. We may, in some cases, not be able to pass the cost of such obligations to these agencies, which may increase our expenditure in relation to such contracts, or which may result in our being unable to complete our contracts in time or to the satisfaction of our clients.

For instance, many of our projects depend on the availability of competent external suppliers, contractors and sub-contractors for construction, delivery and commissioning, as well as the supply and testing of equipment. While we believe we make necessary provisions in the contracts, inadequacy or delay in services of our suppliers, contractors and sub-contractors may result in incremental costs and time overruns which in turn may adversely affect our projects.

Despite our best efforts for supervision and quality assurance plans for project execution, the sub-contractors may use poor quality or defective materials or unskilled man – power, and as a result, deliver the project with a substandard quality. Furthermore, our subcontractors may not report safety concerns. This may lead to increased costs borne by us, which could adversely affect our business, reputation, financial condition, results of operations and prospects and our relationships with our clients. In addition, should our subcontractors default on their contractual obligations or be unable to complete their work according to specifications on schedule, our ability to deliver the projects to our clients in accordance with the quality or timing may be compromised, which may have a material adverse effect on our business, financial condition, results of operations and future prospects.

Instead of maintaining a large number of regular employees, we also rely upon certain agencies in order to meet our requirements of personnel and manpower with certain skills and competencies for executing certain projects. The quality of such agencies and their ability to supply personnel and man – power with adequate skills and competency in time, affects our ability to execute the project. Such engagement of man – power through such third party agencies are also subject to various labour legislation and regulations governing social security, welfare and benefits which become our responsibility as principal employer before the law enforcement agencies. We also employ a significant number of personnel on contractual basis which entails subjecting ourselves to various labour legislations and regulations governing welfare, benefits, social security etc. The attrition of such contract personnel and man – power is high as they shift to explore alternative career

opportunities for themselves. We face the risk around our ability to retain them or quickly arrange replacement against such attritions.

In the event any of the above risks occur, execution of our projects or contracts may be delayed and our returns on such projects or contracts may be affected, and it may harm our business reputation and goodwill. In the event a project or contract is not completed to the satisfaction of our clients, whether on account of the foregoing or otherwise, it may result in a material adverse effect on our business, financial condition, results of operations, and future prospects.

9. *We are dependent on the expertise of our Key Managerial Personnel, Senior Management and our skilled workforce and our inability to retain them may result in adverse effect on our business, financial condition and the results of operations.*

The successful completion of our projects and the running of our day-to-day operations and the planning and execution of our business strategy depends significantly on our skilled and efficient Senior Management team and other Key Managerial Personnel. We believe that our Chairman and Managing Director, our Director (Finance), Director (Technical) and Director (Projects) are highly qualified individuals who have been associated with the industry for a significant period and have vast experience in their respective fields.

Our key managerial personnel and senior management have significantly contributed to the growth and development of the Company. We are largely dependent on our senior management team for providing strategic direction, and managing our operations, which are crucial to our success. Our industry has a severe shortage of senior personnel capable of handling complex projects and hence such personnel are in demand amongst our competitors. Further, our functional directors and Chairman and Managing Director have pre-defined terms of appointment and are likely to be replaced on superannuation by suitable competent personnel. These key managerial personnel are responsible for the business strategies and any changes may lead to redefining our strategies which may negatively impact our business.

Further, our ability to execute projects depends on our ability to attract, train, motivate and retain highly skilled professionals, engineers and transportation professionals, particularly project managers and other mid-level positions. We face a continuous challenge to recruit and retain a sufficient number of suitably skilled personnel, particularly as we continue to grow. There is significant competition for engineering, management and other skilled personnel in India, and it may be a challenge to attract and retain the personnel we need in the future. Our attrition rate for regular manpower has been approximately 2.17% and 3.00% for Financial Year 2017 and Financial Year 2018, respectively. Continuous review of human resource policies is being done to retain the skilled manpower. To the extent we lose such skilled professionals through attrition, we will need to find ways to successfully manage the transfer of critical knowledge to their replacements. However, there can be no assurance that we may be able to find immediate replacements or suitable replacements if at all, which could have an impact on our ongoing projects.

Furthermore, a number of general consultancy and project management consultancy contracts awarded by clients are on man-month basis. Experts are deployed by our Company on the projects who have to carry out various duties including but not limited to proof checking, supervision, contract management, etc. Payment from our clients is received for the period of deployment on the project. However, our Company is responsible for the performance of the team and a performance guarantee in the form of a bank guarantee is submitted which is valid until the end of the applicable defect liability period for each project. In case these employees commit any wrong and/or quit employment during the project period or after the completion of work, our Company may suffer the consequences of such non-completion of work and a penalty on our Company may be imposed by our clients until completion of the defect liability period for any such wrong doings which may in turn materially adversely affect our business, operations, profitability and future prospects.

Accordingly, our inability to replace, or the loss of, any one or more members of our Key Managerial Personnel, Senior Management Personnel and / or skilled workforce may have a material adverse effect on our business, results of operations, financial condition and future prospects.

10. *Our business is dependent on the continued growth of infrastructure and energy sector including transport infrastructure and any slowdown in fresh investments in the infrastructure and energy sector or change in policies may impact our business and results of operations.*

Our revenue is primarily derived from railway sector in India and abroad. We also depend on Indian Railways for procurement of locomotives and rolling stock for exports and leasing within the domestic and international markets. The growth of railway sector has seen a significant improvement in the last few years in terms of policies and investments by the GoI. Investments by the GoI in the infrastructure development of ports, highways, ropeways, airports and urban transport sectors are key to our business growth and future prospects.

We have also ventured into the power procurement and renewable energy business through our subsidiary, REMCL, in order to assist the Indian Railways to meet its stipulated target for procurement of renewable energy. However, any slowdown in the growth of infrastructure and energy sectors including railways and any change in policy or inability of the GoI to allocate sufficient budgets may impact our business and results of operations in the future.

11. We enter into joint ventures and consortium arrangements for completion of our projects which may expose us to additional liabilities on account of our partners' failure or underperformance and any premature termination of which, may adversely affect our business, reputation, financial condition and results of operations.

We enter into joint ventures and consortium arrangements for various types of projects like design, manufacturing of wagons, project management consultancy, rail concessions, metro consultancy and others, wherein we have defined roles and responsibilities in respect of various project undertakings.

Our Joint Venture SRBWIPL's performance is subject to market risks, private competition, labour unrests, non-availability or reduction of orders from Indian Railways, price fixation from year to year and realisation from Indian Railways etc. In case this Joint Venture is not able to meet its capital requirements and/or service its debt obligations, the shareholders may be required to infuse further capital or restructure the financing arrangements.

In some instances we may not be able to pre-qualify for large projects on our own and may seek to align with other entities to be able to qualify for bids for large projects in the public and private sectors. There can be no assurance that we will be able to locate or form partnerships with competent or necessary third parties to enable us to pre-qualify for bids in the future. Any failure to identify and form alliances and failure by third parties to fulfill their obligations may adversely impact our ability to bid for and obtain projects in the future.

Some of these contracts have joint and several liabilities on the joint venture partners and consortium members. Investments through joint ventures may, under certain circumstances, involve risks as joint venture partners may fail to meet their financial, commercial or other obligations in respect of the joint venture. If our joint venture partners fail to perform their obligations satisfactorily, we may have to make additional investments and/or provide additional services to ensure the adequate performance and delivery of contracted services. Non-performance by any of the joint venture partners or consortium partners may expose us to significant financial and co-operational liabilities.

In addition, our joint venture partners may have business interests or goals that differ from our or our shareholders' business interests or goals. Any disputes that may arise between us and our joint venture partners may cause delays, suspension or abandonment of the project. In the event we are not satisfied with services being provided by our existing joint venture partners, we may be unable to identify suitable alternative partners. We are also subject to additional regulatory constraints for our subsidiary and joint ventures abroad. We cannot assure you that we will be able to successfully form such alliances and ventures or realize the anticipated benefits of such alliances and joint ventures. Further, under our existing joint venture arrangements, our partners have the right to terminate such joint ventures in the event of breach of any of our contractual obligations. Any such termination of the agreements may adversely affect our business, financial condition and results of operations. No assurance can be given as to the future actions of any joint venture partner.

While our joint venture arrangements are typically valid for the duration of the project contract, there can be instances in the future where the term of such joint venture arrangements expire prior to completion of the project or we may terminate the arrangement, prior to the completion of the project. In such instances, we cannot assure you that our joint venture partners will continue to fulfil their contractual obligations in relation to such projects and that we will be able to recover their share of costs and satisfactorily conclude such projects without their support. Further, in the event our existing joint venture partners are replaced by new partners, there can be no assurance that the new partners will fulfil the contractual obligations. In addition, we may be required to institute legal proceedings against our joint venture partners in such cases and may have to incur additional costs which may adversely affect our business and financial condition.

- 12. *We provide various services in relation to projects that may also involve advanced technologies. Our inability to adapt to such rapidly changing technologies and market conditions in a timely manner may adversely affect our business, operations, profitability and future prospects.***

Our future success depends in part on our ability to respond to technological advances and emerging designs and developments especially in locomotives and rolling stock, bridge, tunnels and electrification technologies. The service needs of our clients changes and evolves regularly, and we invest in a wide range of technologies and services. If our suppliers, contractors or sub-contractors cannot deliver on time or perform to our standards, we may not meet our clients' requirements, which could result in material additional costs, including penalties. Our ability to realize the anticipated benefits of our technological advancements depends on a variety of factors, including meeting development, production, certification and regulatory approval schedules, execution of internal and external performances plans, availability and performance of suppliers, contractors and sub-contractors, hiring and training of qualified personnel, achieving cost and production efficiencies, identification of emerging technological trends in our target end markets, validation of innovative technologies, level of client interest in new technologies and products, and client acceptance of products that incorporate technologies. As a result, the performance and market acceptance of these larger systems could affect the level of client interest and acceptance of our own services in the marketplace. As discussed above, there can be no assurance that, among other things, we will have access to qualified personnel.

We or our clients, suppliers, contractors or sub-contractors may encounter difficulties in acquiring new equipment, plant and machinery. We cannot assure you that we will be able to successfully obtain or implement new technologies effectively or adapt our systems to emerging industry standards or retain existing clients by matching their emerging demands. If we are unable to adapt in a timely manner to changing market conditions, client requirements or technological changes, our business, financial performance and future prospects may be adversely affected.

- 13. *We are in the process of winding up our subsidiaries, namely RISL, RITES (AFRIKA) and RMAC (Saudi Arabia). The winding up of these subsidiaries may lead to us incurring additional liabilities arising out of such winding up procedures and adversely impact our results of operations and financial conditions.***

Our wholly owned subsidiary, RITES (AFRIKA), registered in the Republic of Botswana, is currently executing a highway project. The Board has decided to wind up RITES (AFRIKA), *vide* their meeting dated July 04, 2017, as railway development works or any other transport infrastructure projects are not significant in the region and the objective of establishing RITES (AFRIKA) was not being met. The winding up process will commence upon completion of the ongoing project or transfer of project from subsidiary to the Company, whichever is earlier.

Another of our wholly owned subsidiary, RISL is currently under voluntary winding up due to change in the business strategy of the Company. The assets, liabilities and the net worth of RISL have been transferred to the Company and liquidator has been appointed.

We have also decided to wind up RMAC (Saudi Arabia) as it was formed for execution of a project which has been foreclosed mutually by Company and the relevant client. The equity contribution in relation to the same has already been received by us. However, the clearance certificate in respect of the same is awaited from the government authorities in Saudi Arabia. There may be certain additional liabilities till the receipt of final clearance.

The winding up of the abovementioned subsidiaries may lead to us incurring additional liabilities arising out of such winding up procedures and may adversely impact our results of operations and financial conditions.

- 14. *There are outstanding legal and tax proceedings involving the Company. Any adverse decision in such proceedings may expose us to liabilities or penalties and may adversely affect our business, financial condition, results of operations, cash flows and future prospects.***

As of the date of this Red Herring Prospectus, we are involved in certain civil and tax (direct and indirect) proceedings, which are pending at different levels of adjudication before various courts, tribunals, forums and appellate authorities. We cannot assure you that these legal proceedings will be decided in our favor. Decisions in proceedings adverse to our interest may have a significant adverse effect on our business, financial condition, results of operations, cash flows and future prospects. In relation to tax proceedings, in the event of any adverse

outcome, we may be required to pay the disputed amounts along with applicable interest and penalty and may also incur additional tax incidence going forward.

In project management consultancy contracts and certain other contracts, where contractors file claims before courts/arbitral tribunals, we defend the claims raised by the contractors on behalf of our clients. Ordinarily, our contracts provide for reimbursement of such litigation costs and awards. In the event the client fails to honor the final order/award, the risk of compliance of the order/award and the additional litigation costs may be to our account which may increase our financial liabilities.

A summary of pending tax proceedings and other material litigation involving our Company is provided below:

I. Litigation involving our Company on behalf of the Clients

(in ₹ million)

S.No.	Nature of Litigation	Number of cases	Approximate amount involved (to the extent quantifiable)
1.	Arbitration Proceeding		
a.	Initiated on behalf of client	Nil	Nil
b.	Defended on behalf of client	20	5,438.60
c.	Award Challenged on behalf of client	5	1,070.08
d.	Award defended on behalf of client	2	144.19
2.	Civil Proceeding	3	452.26
3.	Criminal Proceeding	1	-
4.	Consumer	Nil	Nil
5.	Miscellaneous	Nil	Nil

II. Litigation involving our Company directly

(in ₹ million)

S.No.	Nature of Litigation	Number of cases	Approximate amount involved (to the extent quantifiable)
1.	Arbitration Proceeding		
a.	Initiated by RITES	1	201.08
b.	Initiated against RITES	1	116.79
c.	Award challenged by RITES	Nil	Nil
d.	Award defended by RITES	Nil	Nil
2.	Criminal Proceeding initiated by company	Nil	Nil
3.	Civil Suit	1	35.40
4.	Consumer Proceeding	1	57.70
5.	Miscellaneous	2	72.43

III. Taxation matters

(in ₹ million)

Nature of proceeding	Number of proceeding	Amount involved
Indirect Tax		
Value added	1	7.14
Service Tax	3	23.65
Direct Tax		
Income Tax	16	224.32

The amounts claimed in these proceedings have been disclosed to the extent ascertainable. If any new developments arise, such as a change in Indian laws or rulings against us by appellate courts or tribunals, we may need to make provisions in our financial statements that could increase our expenses and current or long term liabilities. For further details, see “*Outstanding Litigation and Other Material Developments*” on page 567. Further, one of the skilled professional appointed on deputation basis from MoR has been detained on the allegation of bribe by the CBI. Since then the said professional has been repatriated by our Company to his

parent department in the MoR, however, we cannot assure that such instances will not adversely impact our goodwill and reputation.

15. *We have had negative cash flows from our investing operations and financing activities in the past and may continue to have negative cash flows in the future.*

We have had negative cash flow from our investing operations and financing activities as set out below:

(in ₹ million)

	For nine months ended December 31, 2017	For the Financial Year ended March 31				
		2017	2016	2015	2014	2013
Net cash generated from operating Activities	3,139.43	3,861.99	637.24	1,095.64	711.08	2,424.39
Net cash from investing operations	(2,201.14)	(294.07)	(1,257.00)	1,695.54	(1,592.03)	(773.86)
Net cash from financing activities	(1,216.62)	(2,145.60)	340.33	(532.56)	(652.97)	(441.64)
Net cash increase/(decrease)	(223.68)	1,440.27	(131.51)	2,391.19	(1,447.01)	1,360.93

Our inability to generate and sustain adequate cash flows in the future could adversely affect our results of operations and financial condition. We cannot assure you that our net cash flows will be positive in the future and there can be no assurance as to our future financial performance.

16. *Our Company may not be in compliance with certain provisions of the SEBI Listing Regulations and/or Companies Act, as may be applicable in relation to terms of reference of the Audit Committee and the Nomination and Remuneration Committee as we are controlled by the GoI.*

Pursuant to Regulation 18(3) read with Paragraph A (2) of Part C of Schedule II of SEBI Listing Regulations, provisions relating to recommendation for appointment, remuneration and terms of appointment of auditors of a listed entity, is required to be included in the terms of reference of audit committee. In accordance with Section 139(5) of the Companies Act, 2013, the Comptroller and Auditor General of India (“CAG”) is required to appoint our Statutory Auditors. Accordingly, provisions relating to appointment of our Statutory Auditors are not included in the terms of reference of our Audit Committee, as required under the SEBI Listing Regulations.

Pursuant to Regulation 19(4) read with Paragraph A of Part D of Schedule II of SEBI Listing Regulations, provisions relating to (i) identification of persons who are qualified to become directors, (ii) recommending appointment and removal of directors, (iii) recommending extension of the term of independent directors, (iv) formulation of criteria for evaluation of performance of the directors, (v) devising policy on diversity of the board of directors, (vi) formulation of the criteria for determining qualifications, positive attributes and independence of a director, are required to be included in the terms of reference of nomination and remuneration committee. In our case, the power to appoint Directors on our Board is vested with the President of India acting through the MoR and as a result, we do not have the power to appoint Directors on our Board.

In relation to the non-compliances, our Company had filed an exemption letter with SEBI on January 15, 2018 under Regulation 113(1)(c) of the SEBI ICDR Regulations seeking certain exemptions from the relevant provisions of the SEBI Listing Regulations and the SEBI ICDR Regulations. Accordingly, the aforementioned matters are not included in the terms of reference of our Audit Committee and Nomination and Remuneration Committee, respectively. We may be subject to penalties for non-compliance with any of the aforementioned provisions of the SEBI Listing Regulations and SEBI ICDR Regulations which could have an adverse effect on our reputation, business operations, financial conditions and results of our operations. To this extent, we are not compliant with the SEBI Listing Regulations. For details, see “Our Management – Corporate Governance” on page 185.

17. *Our business is expected to become more diversified and our historical results of operations may not be indicative of our future performance. Failure to successfully implement our new business model, execute our*

new business strategies or develop new business may materially and adversely affect our business, financial condition, results of operations and future prospects.

The Company proposes to execute new business strategies or develop new business such as expanding the business into renewable energy, power procurement, railway electrification and modernization works as well as turnkey projects in construction and railway lines and up-gradation of railway workshops.

The implementation of these strategies depends on a number of factors including, among other things, absence of adverse changes in the Indian and global markets, the availability of funds, less competition, government policies and our ability to retain and recruit competent employees. Some of the factors are beyond our control and by nature, are subject to uncertainty. There is no assurance that our strategies can be implemented successfully. Any failure or delay in the implementation of any or all of these strategies may have a material adverse effect on our business, profitability and future prospects. There can be no assurance that our revenues or profits will continue to increase or that our profit margin will not significantly decrease or that we will not experience losses from our new businesses. As a result, our historical results of operations may not be indicative of our future performance.

- 18. *We have in the past entered into related party transactions and may continue to do so in the future and there can be no assurance that we could not have achieved more favourable terms if such transactions had not been entered into with related parties.***

In the ordinary course of our business, we have entered into transactions with related parties. While we believe that all related party transactions that we have entered into are legitimate business transactions conducted on an arms' length basis, there can be no assurance that we could not have achieved more favourable terms if such transactions had not been entered into with related parties. Furthermore, it is likely that we will continue to enter into related party transactions in the future. There can be no assurance that these or any future related party transactions that we may enter into, individually or in the aggregate, will not have an adverse effect on our business, financial condition, results of operations and future prospects. Further, the transactions we have entered into and any future transactions with our related parties have involved or could potentially involve conflicts of interest which may be detrimental to our Company and against your interest. For further details regarding our related party transactions, see the section "*Related Party Transactions*" as disclosed on page 197.

- 19. *Our estimates and forward looking statements may prove to be inaccurate.***

The accounting for some of our most significant activities is based on judgments and estimates, which are subject to many variables. For example, changes in Indian or foreign tax laws, including possibly with retroactive effect, and audits by tax authorities could result in unanticipated increases in our tax expense and lower profitability and cash flows. Actual financial results could differ from our judgments and estimates. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Significant Accounting Policies*" on page 524, for a complete discussion of our significant accounting policies and use of estimates.

Our financial results in the future may differ materially from those suggested by the forward looking statements due to various risks and uncertainties. Given these uncertainties, you should not rely on forward-looking statements. The forward-looking statements contained in this RHP speak only as of the date set forth hereon. We expressly disclaim a duty to provide updates to forward-looking statements after the date of this RHP to reflect the occurrence of subsequent events, changed circumstances, changes in our expectations, or the estimates and assumptions associated with them.

- 20. *Delays in receipt of No Objection Certificates from state electricity board to the Indian Railways may impact the business, profitability and future prospects of our Subsidiary REMCL.***

The Indian Railways is paying significant amount by way of 'open access surcharge' to various state electricity boards. However, as per the Railways Act, 1989, the Indian Railways is allowed to distribute and supply electricity without payment of surcharge. A number of regulatory issues also arose in implementation of Indian Railways' status as deemed distribution licensee. The Indian Railways, thus, approached the Central Electricity Regulatory Commission ("**CERC**") with a plea to grant connectivity, long- and medium-term open access in inter-state transmission.

Our Subsidiary, REMCL took the lead in providing the required assistance to Indian Railways in respect of regulatory issues by filing the petition in CERC and an order was passed on November 05, 2015 in favour of the Indian Railways. The CERC *vide* order dated November 05, 2015 ruled that Indian Railways was a deemed licensee under the Electricity Act, 2003. An appeal was made to the Appellate Tribunal for Electricity by the West Bengal State Electricity Distribution Company Limited (“WBSSEDCL”) wherein the judgment of CERC was challenged by WBSSEDCL. An interim order was passed by the Appellate Tribunal for Electricity, New Delhi in favour of the Indian Railways granting open access through the Inter State Transmission Network of the Central Transmission Utility and the Transmission Network of the WBSSEDCL.

However, state electricity boards such as those in West Bengal and Odisha continue to levy a surcharge on the Indian Railways and are delaying giving it a no-objection certificate to allow it a waiver from this payment thereby impeding flow of power. Such delays have and may continue to impact the business, profitability and future prospects of our Subsidiary, REMCL.

21. Our insurance coverage may not be sufficient to cover all risks or losses and failure to recover any damages or indemnity due to us under our contracts, could have a negative impact on our business, financial condition and results of operations.

Our operations are subject to inherent risks, such as equipment defects, malfunctions and failures and natural disasters that can result in fires and explosions. However, we believe we have taken appropriate insurance coverage, for instance, policy for the benefit of employees, directors’ and officers’ professional liability policy, group term insurance policy, group personal accident policy, workmen compensation policy, burglary policy, amongst others. We also maintain a standard fire and special perils policy.

Our activities also involve the operation of heavy machinery and other operating hazards. These risks could expose us to substantial liability for personal injury, wrongful death, or property damage. We cannot assure you that our current insurance policies will insure us fully against all risks and losses that may arise in the future. In addition, even if such losses are insured the amount of the loss may exceed our coverage for the loss. Similarly, although we have obtained insurance for our employees as required by Indian laws and regulations, as well as for our properties, premises and assets, our insurance may not be adequate to cover all potential liabilities.

Further, our entry into offshore and international business could expose us to enhanced risks and liabilities. For instance, for the export or leasing and operation of locomotives, we maintain insurance against damage to our equipment in course of marine transit. However, we cannot assure that our insurance arrangements will be sufficient to cover any material losses that may arise in connection with our business. If our losses exceed our insurance coverage or if we face claims in relation to risks against which we are not currently insured, our result of operations may be adversely affected. In the absence of adequate insurance coverage by our clients or any delay in receipt of any damages or indemnity that may be due to us, we may incur liability and damages not covered by insurance. There is no assurance that such insurance will be generally available in the future or, if available, that premiums will be commercially viable. If we incur substantial liability and the damages are not covered by insurance or exceed policy limits, or we are unable to obtain liability insurance, our business, results of operations, financial condition and future viability as a going concern may be materially adversely affected.

22. We have contingent liabilities in our balance sheet, as stated, as on December 31, 2017. The materialization of our contingent liabilities may adversely impact our financial condition and future prospects.

The following are the contingent liabilities in our balance sheet, as restated as on December 31, 2017:

- (a) Claims (excluding interest) against the Company not acknowledged as debts as certified by the management are as follows:

(in ₹ million)

Particulars	Brief description of nature	Obligations as on December 31, 2017
Claims on behalf of the clients*	Claims are through arbitration/court cases	6,151.18
Other claims**		330.31
Total Claims		6,481.49

*The Management does not foresee any liability on the company as the same are contested by the Company for and on behalf of the clients.

** Counter claim against the executing agency in respect of other claims are as follow:

(in ₹ million)

Particulars	Period ended December 31, 2017
Counter claim in respect of other claims	630.00

(b) Other money for which the Group is contingently liable is as under:

(in ₹ million)

Particulars	Obligations as on December 31, 2017
Excise Bonds outstanding against export obligations with Central Excise Department	36.77
Bonds due for release by department	30.72
Demands on account of taxes viz. VAT, Service Tax & Income Tax	4.79
Wheeling & Transmission Charges with Rajasthan State Utilities	4.04

(c) Bank guarantees issued by Banks is as under:

(in ₹ million)

Particulars	Period ended December 31, 2017
Bank Guarantees issued by Banks	5,410.46

(d) Capital Commitments

Estimated amount of contracts remaining to be executed on capital account as certified by the management not provided for is as under:

(in ₹ million)

Particulars	Period ended December 31, 2017
Liability on account of capital commitments	1,493.37

The abovementioned contingent liabilities of our Company arise as our Company is party to certain tax and other litigations including litigations on behalf of clients which are reimbursable by them as per the contractual arrangements. Our Company has not made provision towards such contingent liabilities as may arise. If any of these liabilities arises in the future, they may adversely impact our profitability and may have a material adverse effect on our business, financial condition, results of operations and future prospects.

In addition to the above, bank guarantees issued in the ordinary course of business are arranged by our bankers and omnibus counter guarantees are given to the bankers against such guarantees. Any liabilities arising as a result of encashment of these bank guarantees may have an adverse effect on our business, financial condition and results of operations.

23. Our revenues and profits are difficult to predict and can vary significantly from quarter to quarter which could affect our cash flows and business operations.

Our operating results have varied in the past and may continue to vary significantly from quarter to quarter due to various reasons, including:

- (a) pressures on our client's budgets and the proportion of consultancy services requirements that they outsource;
- (b) unanticipated cancellations or deferrals of projects, or non-renewal or termination of contracts by our clients;
- (c) delays in payment by clients or level of bad debts;
- (d) changes in our pricing policies or those of our clients or those of our competitors;
- (e) variations in the duration, size and scope of our projects;
- (f) the respective proportions of business in India and abroad;
- (g) the proportion of services we perform on a fixed-price or time-and-material basis;
- (h) the effect of attrition, competition for skilled professionals and its effect on compensation costs, and the time required to train and productively utilize our new employees;
- (i) obtaining required government or legal approvals for commencement or continuation of projects;
- (j) unanticipated changes in regulatory policies in the jurisdictions in which we operate; and

- (k) synchronizing availability of material and equipment to be exported, with the shipping dates and availability of the ship by the nominated shipping lines to export our product within the stipulated time period.

Therefore, a periodic comparison of the results of our operations should not be relied upon as an indication of our future performance. Further, a significant portion of our expenses, particularly those related to personnel and facilities are fixed in advance of any particular quarter. As a result, unanticipated variations in the number and timing of our projects may cause significant variations in our operating results in any particular quarter. It is possible that in the future some of our quarterly results of operations may be below the expectations of market analysts and our investors, which could lead to a corresponding decline in the price of our Equity Shares. No assurance can be given as to the future price of our Equity Shares.

24. *We are subject to risks arising from currency exchange rate fluctuations, which could adversely affect our business, financial condition, results of operations and future prospects.*

For our international contracts, we are subject to risks related to changes in currency exchange rates. At the time of bidding for foreign projects, we are required to submit bids in the foreign currency. Due to long time period of finalization of bids and allotments of such contracts as well as the time taken to execute the contracts, there may be currency exchange rate fluctuations.

Favourable currency fluctuations may result in gain and adverse fluctuations may result in losses to the company. Therefore, in an adverse fluctuation scenario, we may incur losses to our business, financial conditions and the results of our operations.

25. *If we are unable to establish and maintain an effective system of internal controls and compliances, our business, reputation, results of operations and future prospects may be adversely affected. Furthermore, our business could be adversely affected by an adverse outcome of an audit by any auditors or any government agency.*

We manage regulatory compliance by monitoring and evaluating our internal controls, and ensuring that we are in compliance with all relevant statutory and regulatory requirements. However, there can be no assurance that deficiencies in our internal controls and compliances will not arise, or that we will be able to implement, and continue to maintain, adequate measures to rectify or mitigate any such deficiencies in our internal controls, in a timely manner or at all.

Our Company is also subject to various audits including audits by various parliamentary and regulatory bodies. Though we have not had any negative observations by such audits in the past, there can be no assurance as to the observations made in such audits, in the future. Any adverse observation may have a material adverse effect on our business, results of operations and future prospects.

26. *We are unable to trace a form filing made with the RoC for our bonus issue.*

Despite having conducted an extensive search of our records and a physical search in the records of the RoC, we have not been able to trace the form filed in relation to the bonus issue of 50,000 Equity Shares of face value ₹100 each in 1987. Accordingly, we have relied on other documents, including corresponding board, statutory registers of members, annual reports to ascertain the same. There can be no assurance that deficiencies in our compliance programs will not arise in future, or that we will be able to implement, and continue to maintain, adequate measures to rectify or mitigate any such deficiencies in a timely manner or at all.

27. *We have been assigned credit rating for our non-fund based facilities. Any downgrading to the same may significantly affect our result of operations and financial conditions.*

Our Company was assigned 'Ind A1+' (Fitch A1+(ind)), the highest short term rating, for its non-fund based working capital limit of ₹4,270 million by India Ratings and Research (erstwhile 'Fitch Ratings') in September, 2011. Since then, India Rating and Research has re-affirmed our Company's non-funds based working capital limit at 'Ind A1+' on the basis of its reviews conducted in June, 2012 (of ₹5,020 million), October, 2012 (of ₹5,050 million), February, 2014 (of ₹5,050 million), May, 2015 (of ₹5,100 million), August, 2016 (of ₹5,100 million) and September, 2017 (of ₹5,100 million). Any downgrading to the same may significantly affect our result of operations and financial conditions.

28. *Some of our business activities are subject to seasonal and other fluctuations that may affect our cash flows and business operations.*

Our business and operations are affected by seasonal factors, which may require suspension or curtailment of operations, in particular, the monsoon season in the second quarter of each fiscal. During periods of curtailed activity due to adverse weather conditions, we may continue to incur operating expenses, whilst our infrastructure project related activities such as laying down railway lines, track doubling etc. may be delayed or reduced.

Additionally, construction and infrastructure services witness a decrease during the monsoon. Such fluctuations may impact our completion of projects in due time, adversely affect our revenues, cash flows, results of operations and financial conditions.

29. *Our business, financial condition, results of operations, cash flows and prospects could be materially and adversely affected if we are unable to successfully execute some of our business activities (including those of our subsidiaries and joint ventures) and growth strategies and manage our growth effectively such as expanding our international operations, expanding our leasing operations, and increasing our presence in other emerging markets such as renewable energy and power procurement.*

Our ability to sustain and manage growth depends primarily upon our ability to manage key operational issues, such as recruiting and retaining skilled personnel, establishing additional regional project offices, developing and marketing profitable products and services to cater to the needs of our existing and potential clients in our current markets, improving our risk management systems to monitor our new businesses, maintaining and, in a timely manner, upgrading an effective technology platform, developing a knowledge base to face emerging challenges and ensuring a high standard of client service. During the fiscal years ended March 31, 2017, 2016 and 2015, we expanded our business with total income increasing from ₹11,591.07 million as of March 31, 2015 to ₹12,267.27 million as of March 31, 2016, and to ₹15,632.73 million as of March 31, 2017 as per our Restated Consolidated Financial Information.

Sustained growth puts pressure on our ability to effectively manage and control historical and emerging risks. The expansion of our business activities such as venturing into renewable energy procurement business through our Subsidiary REMCL, also exposes us to a number of risks and challenges, including limited or no experience in certain new business activities, recruiting and training personnel to handle new and existing business activities and enhancing and expanding our risk management and information technology systems to effectively manage the risks associated with these new business activities, products and services.

Our ability to sustain and manage growth is also affected by factors outside of our control, such as GDP growth, changes in regulatory policies, changes in clients' plan for new and existing projects and changes in interest rates. We may not be able to successfully maintain growth rates due to unfavorable changes in any one or more of the aforementioned factors. Our inability to effectively manage any of these operational issues or react to external factors may materially and adversely affect our business, prospects, financial condition, cash flows and results of operations, as well as the market price of our Equity Shares.

30. *We are subject to government regulations and laws of India and if we fail to obtain, maintain or renew our statutory and regulatory licenses, permits and approvals required for our business, our results of operations and cash flows may be adversely affected.*

Our operations are subject to government regulations and we are required to obtain and maintain a number of statutory and regulatory permits and approvals under central, state and local government rules in India, generally for carrying out our business. We are also required to obtain approvals, in certain instances, from the Reserve Bank of India for our overseas projects and export obligations. For details of applicable regulations and approvals relating to our business and operations, see “*Key Industry Regulations and Policies*” and “*Government and Other Approvals*” on pages 152 and 577, respectively.

A majority of these approvals are granted for a limited duration and require renewal. The approvals required by our Company are subject to numerous conditions and we cannot assure you that these would not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. If there is any failure by us to comply with the applicable regulations or if the regulations governing our business are amended, we may incur increased costs, be subject to penalties, have our approvals and permits revoked or suffer a disruption in our operations. Further, there is no assurance that we can

renew some approval in a timely manner or at all. Any of the foregoing may have a material adverse effect on our business, results of operations, and future prospects.

- 31. *Certain properties are not owned by us and we enjoy only a leasehold right over some of these properties. If we are unable to occupy and use these premises or fail to extend the lease period on lease expiry on reasonable terms, it may have a material adverse effect on the business, financial condition, results of operations and future prospects of our Company.***

We do not own the land on which some of our regional project offices are situated. For instance, our Nagpur office taken on leasehold basis from the South East Central Railways and the Vashi office are taken on leasehold basis from the City and Industrial Development Corporation of Maharashtra Limited and the Liluah office is leased from Eastern Railways. In the event that we are unable to obtain an extension, or the lease is terminated due to any reason, or the lease expires after the original period of lease, we will have to transfer the property along with all the assets developed in relation thereto. Further, we have certain residential/official properties in Mumbai, Delhi and Kolkata on lease. In case, the lease rights are not extended, we may have to vacate the premises or pay additional costs.

We have also been unable to trace some of the agreements related to our leasehold properties. We cannot assure you that such agreements are registered and valid as on the date of this RHP. Upon expiration of the lease agreement for our leased premises, we will be required to negotiate the terms and conditions on which the lease agreement may be renewed. Termination of our lease may occur for reasons beyond our control, such a breach of any terms of the lease agreement by the landlord of our premises. If we breach the terms of the lease agreement, we may have to shut down our operations at those premises which may, in turn, cause disruptions to our business and may materially and adversely affect our financial condition, results of operations and future prospects.

- 32. *This Red Herring Prospectus contains information from the IRR Report which has been commissioned by us. Investors should not rely solely on the information derived from the IRR Report.***

We have not independently verified data from the Report titled “*Report on Indian Infrastructure Sector*” dated January 10, 2018 prepared by IRR Advisory contained in this Red Herring Prospectus and although we believe the sources mentioned in the report to be reliable, we cannot assure you that they are complete or reliable. Neither we, nor any of the BRLMs, nor any other person connected with the Offer has verified the information in the IRR Report.

Such data may also be produced on a different basis from comparable information compiled with regards to other countries. Therefore, discussions of matters relating to India, its economy or the industries in which we operate that is included herein are subject to the caveat that the statistical and other data upon which such discussions are based have not been verified by us and may be incomplete, inaccurate or unreliable. Due to incorrect or ineffective data collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced elsewhere and should not be unduly relied upon. Further, we cannot assure you that they are stated or compiled on the same basis or with the same degree of accuracy, as the case may be, elsewhere.

- 33. *Our ability to pay dividends in the future will depend on a number of factors, including, our profit after tax for the fiscal year, utilisation of the profit after tax towards reserves, our future expansion plans and capital requirements, our financial condition, our cash flows and applicable taxes, including dividend distribution tax payable by our Company, and the payments shall be subject to the CPSE Capital Restructuring Guidelines.***

Our ability to pay dividends in the future will depend on a number of factors, including our profit after tax for the fiscal year, utilisation of the profit after tax towards reserves, our future expansion plans and capital requirements, our financial condition, our cash flows and applicable taxes, including dividend distribution tax payable by our Company. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board and subsequent approval of shareholders and will depend on factors that our Board and shareholders deem relevant. We may decide to retain all our earnings to finance the development and expansion of our business and, therefore, may not declare dividends on our Equity Shares. We cannot assure you that we will be able to pay, or will pay even if able, dividends in the future.

In accordance with the CPSE Capital Restructuring Guidelines, our Company is required to pay a minimal annual dividend of 30% of its PAT or 5% of its net worth, whichever is higher, unless an exemption is provided in accordance with this guideline. In the event the MoR issues a Presidential Directive for higher dividend in one or more years, we may have to implement the same. For further details, see “*Dividend Policy*” on page 198.

34. *Any future issuance of our Equity Shares may dilute your shareholdings and sales of our Equity Shares may adversely affect the trading price of our Equity Shares.*

Any future issuance of Equity Shares by us or sale of our Equity Shares by the GoI or by other significant shareholders, or any future issuance of convertible securities by us, or the perception in the market that such sale or issuance may occur, may significantly affect the trading price of our Equity Shares. Such issuances of Equity Shares and convertible securities, or the perception in the market that such issuance may occur, may dilute the positions of investors in the Equity Shares and could adversely affect the market price of our Equity Shares. We also cannot predict the effect, if any, that the sale of our Equity Shares will have on the market price of our Equity Shares.

35. *Our global operations expose us to numerous and sometimes conflicting legal and regulatory requirements and violations of these laws and regulations may harm our business.*

We are subject to contractual requirements to comply with or facilitate our clients’ compliance with, numerous, and sometimes conflicting, legal regimes on matters such as anticorruption, import/export controls, trade restrictions, taxation, immigration, internal and disclosure control obligations, securities regulation, anti-competition, data privacy and protection, wage-and-hour standards, and employment and labor relations. Our clients’ business operations are also subject to numerous regulations, and our clients may require that we perform our services in compliance with regulations applicable to them or in a manner that will enable them to comply with such regulations.

Compliance with diverse legal requirements is costly, time-consuming and requires significant resources. Violations of one or more of these regulations in the conduct of our business may result in significant fines, criminal sanctions against us and/or our employees, prohibitions on doing business, breach of contract damages and harm to our reputation. Due to the varying degrees of development of the legal systems of the countries in which we operate, local laws may not be well developed or provide sufficiently clear guidance and may be insufficient to protect our rights.

In particular, in many parts of the world, including countries in which we operate and/or seek to expand, common practices in the local business community might not conform to international business standards and could violate anticorruption laws or regulations. Our employees, subcontractors, agents, joint venture partners, the companies we acquire and their employees, subcontractors and agents, and other third parties with which we associate, may take actions that violate policies or procedures designed to promote legal and regulatory compliance or applicable anticorruption laws or regulations. Violations of these laws or regulations by us, our employees or any of these third parties could subject us to criminal or civil enforcement actions (whether or not we participated or knew about the actions leading to the violations), including fines or penalties, disgorgement of profits and suspension or disqualification from work, any of which could materially adversely affect our business, including our results of operations and our reputation.

36. *There may be significant independent press coverage about our Company and this Offer, and we strongly caution you not to place reliance on any information contained in press articles, including, in particular, any financial projections, valuations or other forward-looking information, and any statements that are inconsistent with the information contained in this RHP.*

There may be significant press coverage about our Company and this Offer that may include financial projections, valuations and other forward-looking information, as well as statements that are inconsistent or conflict with the information contained in this RHP. We do not accept any responsibility for, and there can be no assurance as to, the accuracy or completeness of such press articles, and we make no representation or warranty as to the appropriateness, accuracy, completeness or reliability of any of the projections, valuations, forward-looking information, or of any assumptions underlying such projections, valuations, forward-looking information or any statements that are inconsistent or conflict with the information contained in this RHP, included in or referred to by the media. You should not rely on any projection as to our future financial performance. You are advised to not rely on information from sources other than this Red Herring Prospectus.

EXTERNAL RISK FACTORS

37. *The Price Band is determined based on various factors and assumptions and there is no assurance that the Offer Price of the Equity Shares will reflect the market price of the Equity Shares after the Offer. Further, the current market prices of certain securities listed pursuant to certain previous issues managed by the BRLMs are below their respective issue prices.*

The Price Band is determined based on various factors and assumptions and will be determined by the Selling Shareholder and us, in consultation with the BRLMs. The Offer Price of the Equity Shares will also be determined by the Selling Shareholder and us, in consultation with the BRLMs through the Book Building Process. For further details, see “*Basis for Offer Price*” on page 93. The Price Band and Offer Price may not be reflective of the market price for the Equity Shares after the Offer.

In addition, the market prices of certain securities issued by companies that had their initial public offerings managed by the BRLMs, are currently below their respective issue prices. For further details, see “*Other Regulatory and Statutory Disclosures - Price information of past issues handled by the BRLMs*” on page 587. The factors that could affect the market price of Equity Shares include, among others things, market trends, financial performance and results of the Company after the listing, and factors beyond our control. There is no assurance that the Equity Shares will trade at a price that we may expect, that there will be an active market for the Equity Shares or that sustained trading will take place after the listing of the Equity Shares.

38. *Public companies in India, including us, are required to compute Income Tax under the Income Computation and Disclosure Standards (the “ICDS”). The transition to ICDS in India is relatively recent and we may be negatively affected by such transition.*

The Ministry of Finance has issued a notification dated March 31, 2015 notifying ICDS which creates a new framework for the computation of taxable income. Subsequently, the Ministry of Finance, through a press release dated July 6, 2016, deferred the applicability of ICDS from April 1, 2015 to April 1, 2016 and is applicable from Fiscal 2017 onwards and will have impact on computation of taxable income for Fiscal 2017 onwards. ICDS deviates in several respects from concepts that are followed under general accounting standards, including Indian GAAP and Ind AS. There can be no assurance that the adoption of ICDS will not adversely affect our business, results of operations, financial condition and future prospects.

39. *The GoI has implemented a new national tax regime by imposing GST. We are unable to quantify the impact of this development at this stage due to limited information available in the public domain. If we are taxed at a higher rate than the current tax rates, our financial conditions, results of operations and future prospects may be materially adversely affected.*

The GoI on July 01, 2017 introduced a comprehensive national Goods and Services Tax (“GST”) regime that combines taxes and levies by the central and state governments into one unified tax regime rate of interest. Given the limited availability of information regarding the GST we are unable to provide any assurance as to the effects of its implementation. Such implementation also remains subject to any rules modifications, which could create further uncertainty. Also, in respect of ongoing contracts as on March 31, 2018 the tax liability may be subject to different interpretations or may lead to disputes with our clients or our contractors. Any such future increases or amendments may affect the overall tax efficiency of companies operating in India including our Company and may result in significant additional taxes becoming applicable to our Company. If the tax costs associated with certain transaction are greater than anticipated as a result of a particular tax risk materializing, it could have a material adverse effect on our business, results of operation, financial condition and future prospects.

40. *We may be affected by competition law in India and any adverse application or interpretation of the Competition Act could in turn adversely affect our business.*

The Competition Act was enacted for the purpose of preventing practices that have or are likely to have an adverse effect on competition in India and has mandated the CCI to separate such practices. Any adverse application or interpretation of the Competition Act could adversely affect our business, financial condition, results of operations and prospects. Under the Competition Act, any arrangement, understanding or action, whether formal or informal, which causes or is likely to cause an appreciable adverse effect on competition is void and attracts substantial penalties and compensation to be paid to persons shown to have suffered losses.

Further, any agreement among competitors which, directly or indirectly, involves determination of purchase or sale prices, results in bid rigging or collusive bidding, limits or controls production, supply, markets, technical development, investment or provision of services, or shares the market or source of production or provision of services in any manner, including by way of allocation of geographical area or types of goods or services or number of subscribers in the relevant market is presumed to have an appreciable adverse effect in the relevant market in India and shall be void. The Competition Act also prohibits abuse of a dominant position by any enterprise, directly or indirectly, including by way of unfair or discriminatory pricing or conditions in sale of goods or services, limiting production of goods, provision of services, or technical or scientific developments relating to goods or services to the prejudice of consumers, using a dominant position in one relevant market to enter into, or protect, another relevant market, denial of market access, or making the conclusion of contracts subject to acceptance of unrelated supplementary obligations. Such practices are subject to substantial monetary penalties and may also be subject to compensation for losses and orders to divide the enterprise. Further, if it is proved that any contravention committed by a company took place with the consent or connivance or is attributable to any neglect on the part of, any director, manager, secretary or other officer of such company, that person shall be guilty of the contravention and may be punished. It is unclear as to how the Competition Act and the CCI will affect the business environment in India.

On March 04, 2011, the Central Government notified and brought into force the combination regulation (merger control) provisions under the Competition Act with effect from June 01, 2011. These provisions require acquisitions of shares, voting rights, assets or control or mergers or amalgamations that cross the prescribed asset and turnover based thresholds to be mandatorily notified to, and pre-approved by, the CCI. Additionally, on May 11, 2011, the CCI issued the Competition Commission of India (Procedure for Transaction of Business Relating to Combinations) Regulations, 2011, as amended, which sets out the mechanism for implementation of the merger control regime in India.

The Competition Act aims to, among other things, prohibit all agreements and transactions which may have an appreciable adverse effect in India. Consequently, all agreements entered into by us could be within the purview of the Competition Act. Further, the CCI has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside of India if such agreement, conduct or combination has an appreciable adverse effect in India. However, the impact of the provisions of the Competition Act on the agreements entered into by us cannot be predicted with certainty at this stage. We are not currently party to any outstanding proceedings, nor have we received notice in relation to non-compliance with the Competition Act or the agreements entered into by us. However, if we are affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act, or any enforcement proceedings initiated by the CCI, or any adverse publicity that may be generated due to scrutiny or prosecution by the CCI or if any prohibition or substantial penalties are levied under the Competition Act, it would adversely affect our business, financial condition, results of operations and prospects.

41. *Changing laws, rules and regulations and legal uncertainties, including adverse application of tax laws and regulations, may adversely affect our business, results of operations, future prospects and cash flows.*

Our business, results of operations and cash flows could be adversely affected by unfavorable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations applicable to our business and operations.

There can be no assurance that the GoI may not implement new regulations and policies which will require us to obtain approvals and licenses from the GoI or other regulatory bodies or will impose onerous requirements and conditions on our business and operations. Any such changes and the related uncertainties with respect to the implementation of the new regulations may have an adverse effect on our business, results of operations and cash flows. In addition, we may have to incur capital expenditures to comply with the requirements of any new regulations, which may also affect our results of operations and cash flows. For further details, see “*Key Industry Regulations and Policies*” on page 152 for details of the laws, rules and regulations currently applicable to us.

The regulatory and policy changes, including the instances mentioned below, may adversely affect our business, results of operations, financial condition and future prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy.

The GoI has also proposed certain reforms to the provisions relating to General Anti Avoidance Rules (“GAAR”). Proposed amendments to the relevant provisions have been introduced in the Finance Act, 2012 and will apply (pursuant to the Finance Act, 2015) in respect of any assessment year beginning on or after April 01, 2018. The GAAR provisions concern arrangements declared as “impermissible avoidance arrangements”, which include any arrangement, the main purpose or one of the main purposes of which is to obtain a tax benefit and which satisfies at least one of the following tests: (i) creates rights, or obligations, which are not ordinarily created between persons dealing at arm’s length; (ii) results, directly or indirectly, in misuse, or abuse, of the provisions of the Income Tax Act; (iii) lacks commercial substance or is deemed to lack commercial substance, in whole or in part; or (iv) is entered into, or carried out, by means, or in a manner, which are not ordinarily employed for bona fide purposes. If GAAR provisions are invoked, the tax authorities will have wide powers, including denial of tax benefit or a benefit under a tax treaty. As the taxation system is intended to undergo significant overhaul, its consequent effects on us cannot be determined at present and there can be no assurance that such effects would not adversely affect our business, results of operations, financial condition and prospects. We cannot predict whether any new tax laws or regulations impacting our business will be enacted or the nature and impact of such laws or regulations on our business, results of operations, and future prospects.

42. *Political, economic or other factors in India beyond our control may have an adverse impact on our business, results of operations and prospects.*

Our Company is incorporated in India, and almost all our assets and employees are located in India. As a result, we are highly dependent on the prevailing economic conditions in India and our results of operations are significantly affected by factors influencing the Indian economy. Factors that may adversely affect the Indian economy, and hence our results of operations, may include:

- any increase in interest rates or inflation;
- any exchange rate fluctuations;
- an increase in India’s trade deficit;
- a decline in India’s foreign exchange reserves;
- any scarcity of credit or other financing in India, resulting in an adverse impact on economic conditions in India and scarcity of financing of our developments and expansions;
- prevailing income conditions among Indian consumers and Indian corporations;
- volatility in, and actual or perceived trends in trading activity on, India’s principal stock exchanges;
- changes in India’s tax, trade, fiscal or monetary policies;
- political instability, terrorism or military conflict in India or in countries in the region or globally, including in India’s various neighboring countries;
- occurrence of natural or man-made disasters;
- prevailing regional or global economic conditions, including in India’s principal export markets;
- any downgrading of India’s debt rating by a domestic or international rating agency;
- instability in financial markets;
- any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy;
- any other significant regulatory or economic developments in or affecting India; and
- any natural calamities such as earthquakes, tsunamis, floods or other natural calamities, impacting the national or any regional economies.

43. *Global market turmoil may pose challenges to the Indian economy.*

Given the policy changes and unforeseen interruptions in global financial/commodities markets, India may face challenges on the import/export front. Therefore, domestic demand will remain the key driver of India’s GDP growth in FY19 with little support expected to come from the global economy.

A loss of investor confidence in the financial systems of other markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy. The overall impact of the legislative and regulatory efforts on the global financial markets is uncertain, and they may not have the intended stabilizing effects. In the event there is any significant financial disruption, such conditions could have an adverse effect on our business, prospects, future financial performance and the trading price of the Equity Shares.

44. *Holders of Equity Shares may be restricted in their ability to exercise pre-emptive rights under Indian law and thereby suffer future dilution of their ownership position. Further, foreign investors are subject to*

foreign investment restrictions under Indian law, which may adversely affect the market price of our Equity Shares.

Under Section 62 of the Companies Act, a company incorporated in India must offer its equity shareholders pre-emptive rights to subscribe and pay for a proportionate number of equity shares to maintain their existing ownership percentages prior to issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the equity shares voting on such resolution.

However, if the laws of the jurisdiction that you are in do not permit the exercise of such pre-emptive rights without our filing an offering document or a registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights. If we elect not to file an offering document or a registration statement, the new securities may be issued to a custodian, who may sell the securities for your benefit. The value such custodian receives on the sale of any such securities and the related transaction costs cannot be predicted. To the extent that you are unable to exercise pre-emptive rights available in respect of the equity shares, your proportional interests in our Company may be reduced by the new equity shares that are issued by our Company.

Furthermore, foreign ownership of Indian securities is subject to Government regulation. In accordance with foreign exchange regulations currently in effect in India, under certain circumstances the RBI must approve the sale of the Equity Shares from a non-resident of India to a resident of India or vice-versa if the sale does not meet certain requirements specified by the RBI. Additionally, any person who seeks to convert the Rupee proceeds from any such sale into foreign currency and repatriate that foreign currency from India is required to obtain a tax clearance certificate from the Indian income tax authorities or in the alternative, is required to get the tax liability, if any, in India, certified by a chartered accountant in order to have the amount remitted outside India. As provided in the foreign exchange controls currently in effect in India, the RBI has provided that the price at which the Equity Shares are transferred be calculated in accordance with internationally accepted pricing methodology for the valuation of shares at an arm's length basis, and a higher (or lower, as applicable) price per share may not be permitted. We cannot assure you that any required approval from the RBI or any other government agency can be obtained on terms favorable to a non-resident investor in a timely manner or at all. Because of possible delays in obtaining requisite approvals, investors in the Equity Shares may be prevented from realizing gains during periods of price increase or limiting losses during periods of price decline. For further details, see "*Restriction on Foreign Ownership of Indian Securities*" beginning on page 658.

45. *You will not be able to immediately sell any of our Equity Shares you purchase in the Offer on an Indian Stock Exchange.*

Our Equity Shares will be listed on the Stock Exchanges. Pursuant to Indian regulations, certain actions must be completed before the Equity Shares can be listed and trading may commence. Investors' book entry, or demat accounts, with depository participants in India are expected to be credited within two working days of the date on which Allotment is approved by the Designated Stock Exchange, which credit could take approximately four to five working days from the Bid Closing Date. Thereafter, upon receipt of final listing and trading approval from the Stock Exchanges, trading in the Equity Shares is expected to commence within six Working Days from the date of Bid/Offer closure.

There could be a failure or delay in listing of the Equity Shares on the Stock Exchanges. Any failure or delay in obtaining the approval or otherwise to commence trading in the Equity Shares would restrict investors' ability to dispose of their Equity Shares. We cannot assure you that the Equity Shares will be credited to investors' demat accounts, or that trading in the Equity Shares will commence, within the time periods specified above. The Selling Shareholder and our Company could also be required to pay interest at the applicable rates, if allotment is not made, refund orders are not dispatched, or demat credits are not made to investors within prescribed time periods.

46. *You may be subject to Indian taxes arising out of capital gains on the sale of our Equity Shares.*

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of our Equity Shares are generally taxable in India. Any gain realized on the sale of listed equity shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if Securities Transaction Tax ("**STT**") has been paid on the sale transaction as well as at the time of purchase or on which at the time of issuance, STT has been paid by the issuing company. STT will be levied on and collected by a domestic stock exchange on which the equity shares are sold. Any gain realized on the sale of equity shares held for more than 12 months, which are

sold other than on a recognised stock exchange and on which no STT has been paid, will be subject to long term capital gains tax in India.

Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less which are sold other than on recognised stock exchanges and on which STT has been paid, will be subject to short term capital gains tax in India. Capital gains arising from the sale of the equity shares will be exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of our Equity Shares.

Additionally, in terms of the Finance Bill, 2018, tabled before the Parliament, it has been proposed that the exemption on long term capital gains tax be withdrawn and such tax become payable in the hands of investors. The tax payable by an assessee on the capital gains arising from transfer of long term capital assets (to be introduced as section 112A of the Income-Tax Act, 1961) shall be calculated on such long-term capital gains at the rate of 10%, where the long term capital gains exceed ₹100,000, subject to certain exceptions in case of a resident individual and HUF. The Finance Bill, 2018 has recently been passed by the Lok Sabha. As such, there is no certainty on the impact the Finance Bill, 2018 may have on our business and operations or on the industry in which we operate.

47. *Natural disasters, acts of war, political unrest, epidemics, terrorist attacks or other events which are beyond our control, may cause damage, loss or disruption to our business and have an adverse impact on our business, financial condition, results of operations and growth prospects.*

We may face the risk of loss or damage to our properties due to natural disasters, such as earthquakes, typhoons and flooding. Acts of war, political unrest, epidemics and terrorist attacks may also cause damage or disruption to us, our employees, or facilities and our markets, any of which could materially and adversely affect our performance of services and thereby affecting our sales, costs, overall operating results and financial condition. Terrorist attacks and other acts of violence or war may negatively affect the Indian markets and also adversely affect the worldwide financial markets. These acts may also result in a loss of business confidence, and adversely affect our business. In addition, any deterioration in relations between India and its neighboring countries might result in investor concern about stability in the region, which may adversely affect the price of our Equity Shares. The potential for war or terrorist attacks may also cause uncertainty and cause our business to suffer in ways that we cannot predict.

In addition, certain Asian countries, including Hong Kong, China, Singapore and Thailand, have encountered epidemics such as severe acute respiratory syndrome and incidents of avian influenza, ebola or H5N1 bird flu etc. Past occurrences of epidemics have caused different degrees of damage to the national and local economies in India. A recurrence of an outbreak of SARS, avian influenza or any other similar epidemic could cause a slowdown in the levels of economic activity generally, which may adversely affect our business, financial condition and results of operations. In the event any loss exceeds our insurance coverage or is not covered by our insurance policies, we will bear the shortfall. In such an event, our business, financial condition and results of operations could be materially and adversely affected.

Some states in India have also witnessed civil unrest including communal disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic and political events in India may have a negative impact on us. Such incidents may also create a greater perception that investment in Indian companies involves a higher degree of risk and may have an adverse impact on our business and the price of our Equity Shares.

48. *Fluctuation in the exchange rate between the Indian Rupee and foreign currencies may have an adverse effect on the value of our Equity Shares, independent of our operating results.*

On listing, our Equity Shares will be quoted in Indian Rupees on the Stock Exchanges. Any dividends in respect of our Equity Shares will also be paid in Indian Rupees and subsequently converted into the relevant foreign currency for repatriation, if required. Any adverse movement in currency exchange rates during the time that it takes to undertake such conversion may reduce the net dividend to foreign investors. In addition, any adverse movement in currency exchange rates during a delay in repatriating outside India the proceeds from a sale of Equity Shares because of a delay in regulatory approvals that may be required for the sale of Equity Shares may reduce the proceeds received by Equity Shareholders. For instance, the exchange rate between the Rupee and

the U.S. dollar has fluctuated substantially in recent years and may continue to fluctuate substantially in the future, which may have an adverse effect on the trading price of our Equity Shares and returns on our Equity Shares, independent of our operating results.

49. *Investors may not be able to enforce a judgment of a foreign court against our Company.*

Our Company is incorporated under the laws of India. Our Company's Directors and Key Management Personnel are residents of India and all of our material assets are located in India. As a result, it may not be possible for investors to affect service of process upon our Company or such persons in jurisdictions outside India, or to enforce against them judgments obtained from courts outside India. India has reciprocal recognition and enforcement of judgments in civil and commercial matters with only a limited number of jurisdictions, which include the United Kingdom, Singapore and Hong Kong. The United States has not been declared as a reciprocating territory for the purposes of the Code of Civil Procedure, 1908 ("**Civil Code**") and thus a judgment of a court outside India may be enforced in India only by a suit and not by proceedings in execution. In order to be enforceable, a judgment from a jurisdiction with reciprocity must meet certain requirements of the Civil Code. The Civil Code only permits the enforcement of monetary decrees, not being in the nature of any amounts payable in respect of taxes, other charges, fines or penalties and does not include arbitration awards. Therefore, a final judgment for the payment of money rendered by any court in a non-reciprocating territory for civil liability, whether or not predicated solely upon the general laws of the non-reciprocating territory, would not be enforceable in India. Even if an investor obtained a judgment in such a jurisdiction against us, our officers or directors, it may be required to institute a new proceeding in India and obtain a decree from an Indian court. However, the party in whose favour such final judgment is rendered may bring a fresh suit in a competent court in India, based on a final judgment that has been obtained in a non-reciprocating territory, within three years of obtaining such final judgment. It is unlikely that an Indian court would award damages on the same basis, or to the same extent, as was awarded in a final judgment rendered by a court in another jurisdiction, if the Indian court believes that the amount of damages awarded was excessive or inconsistent with public policy in India. In addition, any person seeking to enforce a foreign judgment in India is required to obtain prior approval of the RBI, to repatriate any amount recovered pursuant to the execution of the judgment.

50. *We will not receive any proceeds from the Offer.*

The Offer is an offer for sale by the Selling Shareholder. Accordingly, we will not receive any of the Offer proceeds, which will be remitted to the Selling Shareholder. For further details, see "*Objects of the Offer*" beginning on page 90.

51. *Our Equity Shares have never been publicly traded and may experience price and volume fluctuations following the completion of the Offer. An active trading market for the Equity Shares may not develop, the price of our Equity Shares may be volatile and you may be unable to resell your Equity Shares at or above the Offer Price or at all. Furthermore, the exit by the UK from the European Union has and could further impact global financial markets which could in turn adversely affect the trading prices of our Equity Shares.*

Prior to the Offer, there has been no public market for our Equity Shares, and an active trading market may not develop or be sustained after the Offer. Listing and quotation does not guarantee that a market for our Equity Shares will develop or, if developed, the liquidity of such market for the Equity Shares. The Offer Price of the Equity Shares is proposed to be determined through a book building process and may not be indicative of the market price of the Equity Shares at the time of commencement of trading of the Equity Shares or at any time thereafter. There has been significant volatility in the Indian stock markets in the recent past, and the trading price of our Equity Shares after this Offer could fluctuate significantly as a result of market volatility or due to various internal or external risks, including but not limited to those described in this Red Herring Prospectus. The price at which the Equity Shares will trade at after the Offer will be determined by the marketplace and may be influenced by many factors, including:

- Our financial condition and results of operations;
- An assessment of our management, our past and present operations and the prospects for as well as timing of our future revenues and cost structures;
- The present state of our development; and
- The valuation of publicly traded companies that are engaged in business activities similar to ours.

A decrease in the market price of our Equity Shares could cause you to lose some or all of your investment.

As a result of the referendum held in the UK on June 23, 2016, which resulted in a vote in favour of the exit from the EU, the global financial markets have experienced significant volatility and may continue to experience volatility. In addition, the UK and member countries in the EU may face increased economic and financial volatility. Such economic and financial volatility, all of which is beyond our control, may further impact global financial markets, which may adversely affect the trading prices of our Equity Shares.

52. *Rights of shareholders under Indian law may be more limited than under the laws of other jurisdictions.*

Indian legal principles relating to corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights including in relation to class actions, under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as shareholder in an Indian company than as shareholder of a company in another jurisdiction.

53. *Our ability to raise foreign capital may be constrained by Indian law.*

As an Indian company, we are subject to exchange controls that regulate borrowing in foreign currencies. Such regulatory restrictions limit our financing sources for our projects and hence could constrain our ability to obtain financing on competitive terms and refinance existing indebtedness. In addition, we cannot assure you that any required regulatory approvals for borrowing in foreign currencies will be granted to us without onerous conditions, or at all. Limitations on foreign debt may have an adverse effect on our business growth, financial condition, cash flows and results of operations.

54. *QIBs and Non-Institutional Investors are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid.*

Pursuant to the SEBI Regulations, QIBs and Non-Institutional Investors are required to pay the Bid Amount on submission of the Bid, and are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid. Retail Individual Investors can revise their Bids during the Bid/Offer Period and withdraw their Bids until Bid/Offer Closing Date. Any adverse developments after the Bid/Issue Closing Date but prior to listing and commencement of trading of the Equity Shares could limit the investors' ability to sell the Equity Shares Allotted pursuant to the Offer or cause the trading price of the Equity Shares to decline on listing. While our Company is required to complete Allotment pursuant to the Offer within six Working Days from the Bid/Offer Closing Date, events affecting the Bidders' decision to invest in the Equity Shares, including material adverse changes in international or national monetary policy, financial, political or economic conditions, our business, results of operation or financial condition may arise between the date of submission of the Bid and Allotment. Our Company may complete the Allotment of the Equity Shares even if such events occur, and such events could limit the Bidders' ability to sell the Equity Shares Allotted pursuant to the Offer or cause the trading price of the Equity Shares to decline on listing.

55. *Any downgrading of India's debt rating by an international rating agency could have an adverse impact on our business.*

Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely impact our ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing may be available. This could have an adverse effect on our business and future financial performance, our ability to obtain financing for capital expenditure and the trading price of our Equity Shares.

Prominent Notes

- Initial public offering of 25,200,000 Equity Shares of our Company through an Offer for Sale by the President of India, acting through the Selling Shareholder, for cash at the Offer Price, aggregating to ₹[●] million. 1,200,000 Equity Shares have been reserved for Eligible Employees. The Employee Reservation Portion shall not exceed 5% of the post-Offer paid-up Equity Share capital of the Company. The Offer less Employee Reservation Portion is referred to as the Net Offer. The Offer will comprise of a Net Offer of 24,000,000 Equity Shares and the Employee Reservation Portion of 1,200,000 Equity Shares. The Offer and Net Offer shall constitute 12.60% and 12% of the post-Offer paid-up Equity Share capital of our Company respectively.

- The Offer is being made through the Book Building Process, wherein 50% of the Net Offer shall be available for allocation, on a proportionate basis to QIBs. 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIBs including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Not less than 15% of the Net Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Offer shall be available for allocation to Retail Individual Bidders, subject to valid Bids being received at or above the Offer Price.
- The net worth of our Company as at March 31, 2017 was ₹20,411.04 million. The net asset value per Equity Share of our Company as at March 31, 2017 was ₹102.055. For further details, see “*Financial Statements*” on page 199.
- The average cost of acquisition of Equity Shares by our Promoter is ₹0.005 per Equity Share. For further details, see “*Capital Structure*” on page 79.
- For details of the related party transactions during the last five Fiscal Years, pursuant to the requirements under Ind AS 24/Accounting Standard 18 “*Related Party Disclosures*”, issued by the Institute of Chartered Accountants of India, see “*Related Party Transactions*” on page 197.
- Our Company was incorporated as ‘*Rail India Technical and Economic Services Private Limited*’ on April 26, 1974 as a private limited company under the Companies Act, 1956 and was granted a certificate of incorporation by the then Registrar of Companies, Delhi & Haryana. The word ‘private’ was deleted from the name of our Company on February 17, 1976. Thereafter, the name of our Company was changed to its present name, ‘*RITES Limited*’ on March 28, 2000, pursuant to a letter of approval issued by the RoC. For further details, see “*History and Certain Corporate Matters*” on page 158.
- There has been no financing arrangement whereby the Directors of our Company and their relatives, have financed the purchase by any other person of securities of our Company other than in the normal course of business of the financing entity during the period of six months immediately preceding the date of filing of the Draft Red Herring Prospectus.
- Investors may contact any of the BRLMs who have submitted the due diligence certificate to SEBI for any complaints, information or clarification pertaining to the Offer. For details regarding grievances in relation to the Offer, see “*General Information*” on page 69.
- Our Company had filed a draft red herring prospectus dated April 01, 2008 with SEBI (“**Erstwhile DRHP**”), in relation to the public issue of equity shares of our Company. However, the Company did not proceed to consummate the transaction on account of unfavourable market conditions. Bidders are advised to not place any reliance on the Erstwhile DRHP and refer to this Red Herring Prospectus in relation to the Offer and details with respect to our Company.

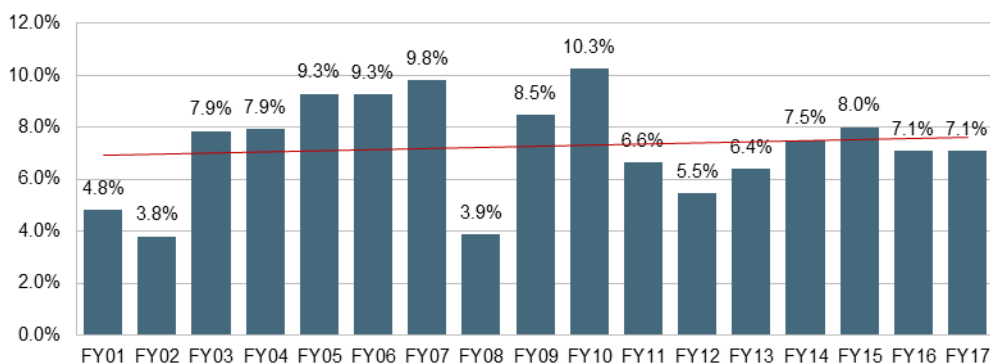
SECTION III: INTRODUCTION

SUMMARY OF INDUSTRY

Introduction

India, the world’s third largest economy in terms of its PPP (purchasing power parity) and population of over 1.2bn, has witnessed significant economic growth since the country was liberalized in early 1990s. Industrial deregulation, divestment of state-owned enterprises, and reduced Governmental controls on foreign trade and investment, served to accelerate the country's growth and India has posted an average of 7% GDP growth since beginning of this millennium. Chart depicting India’s GDP growth rate is provided below:

India's GDP Growth Rate (%)



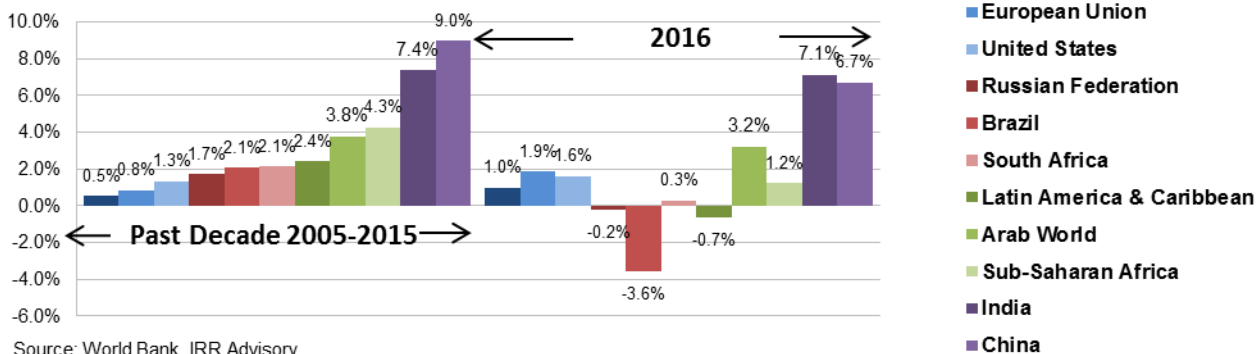
FY- Financial Year
Source: World Bank, IRR Advisory

Global Markets and Advantage India

Global growth increased from an estimated 3.1% in 2016 to 3.6% in 2017, and is expected to grow by 3.6% in 2018.

On the basis of the economic growth projection observed in 700 locations globally, a recent study estimated that the epicenter of global economy by FY25 will lie in India and China. This is also corroborated by the past decadal and last year’s growth rate in select regions as provided in the chart below:

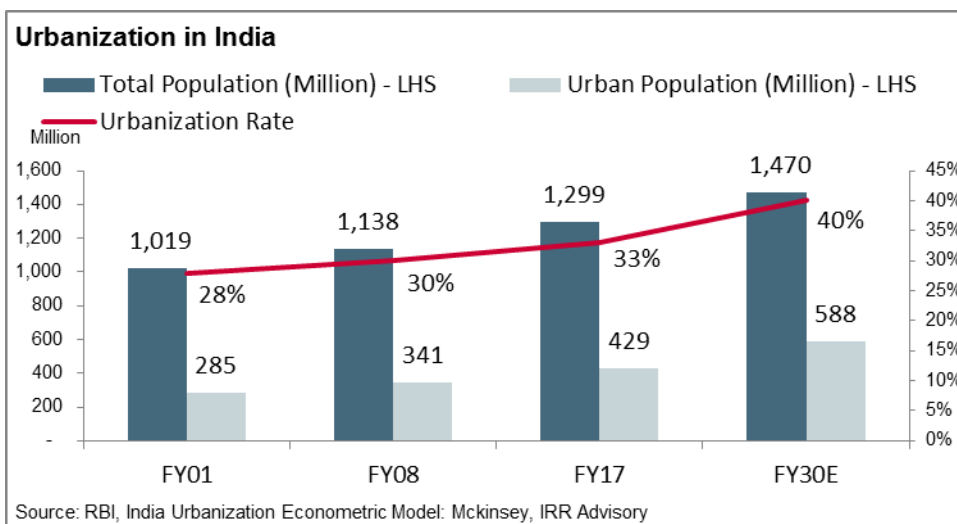
GDP Growth Rate of Select Countries/ Regions



Source: World Bank, IRR Advisory

Given the global scenario, independent third-party external forecasters such as IMF and OECD believe India will be the fastest growing major economy in the world over the next decade. The key factors supporting India’s growth include favorable age demographics, income dynamics and growing urbanization.

As the stride of migration from rural to urban areas continues, about 40% of India’s population will be living in urban areas by 2030. India’s continuing pattern of urbanization is expected to further increase the need of infrastructure development in the country. RBI has estimated fiscal 2018 projection for growth in gross value added (GVA) at 6.7%. The chart below provides increase in urbanization levels in India.



Overview of Indian Infrastructure Industry

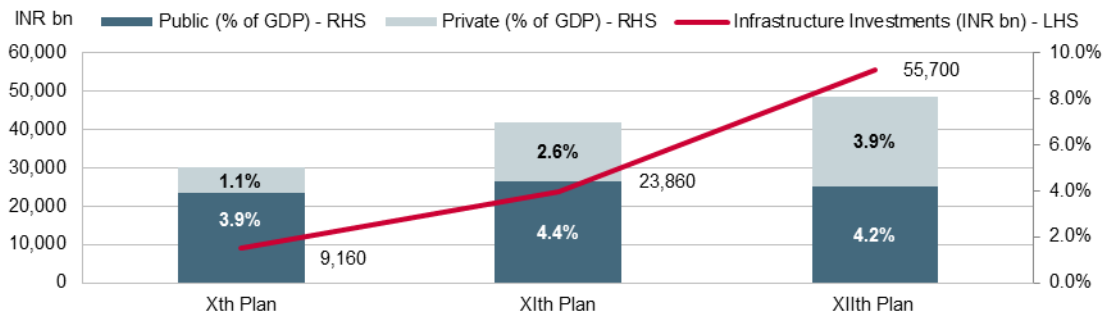
GoI has been very proactive and has brought in a variety of measures to step up public investments – which include substantial increase in budgetary outlays in high-impact sectors, push for private sector investments, building institutional capacity through establishment of new infrastructure PSUs, and intensive implementation follow-up for completion of projects. This is reflected in the strong growth of the infrastructure sector since 2002. The sectoral investments over the last 3 five year plans are shown in the table below:

Infrastructure Investments across Sectors (INRtn)			
Sector	X Plan	XI Plan	XII Plan
Electricity (incl. NCE)	3.4	8.2	13.2
Roads & bridges	1.3	4.5	8.0
Telecom	1.0	3.9	4.4
Railways (incl. MRTS)	1.0	2.4	4.9
Irrigation	1.1	2.4	4.0
Water supply & sanitation	0.6	1.2	1.9
Ports	0.2	0.4	0.7
Airports	0.1	0.4	0.3

Source: Planning Commission, FICCI, IRR Advisory

Since independence till liberalization, India invested around 3% of its GDP in infrastructure which resulted in significant infrastructure gap. Emergent markets with high economic growth have typically invested at 7~10% of GDP in infrastructure in their boom years; hence from the 10th Five Year Plan, GoI started focusing on infrastructure investments in a big manner. The average infrastructure spending during the 10th plan (2002 – 2007) was ~5% of India's GDP (total spending of INR 9 8.7tn during the 10th plan). This further increased to ~7% during the 11th five year plan (2007 - 2012) (total spending of INR 23.4tn in the 11th plan). The chart below compares the infrastructure spending across the last three five year plan periods. The infrastructure consulting market is assumed at 0.5% to 1% of the total infrastructure investments which is about INR550bn.

Trends in Infrastructure Investments



Source: Planning Commission, FICCI, IRR Advisory

Under the 12th five year plan, it was envisaged that projects would continue to be set up under the public private partnership (PPP) mode, with around 48% of the investment coming from the private sector. The infrastructure sector - consisting of electricity, airports, energy, shipping and ports, railways, roads and urban development - has been a key driver of the Indian economy since 2002 after the Government started reforming the sectors.

Also, New India 2022 – Specific goals/targets for 75th year of Independence have been set for a modern and efficient transportation system giving key emphasis to Railway sector in India. Specific goals set in New India 2022 include commissioning of complete operationalization of Eastern and Western dedicated freight corridors, capacity augmentation on the saturated trunk routes, gauge conversion, rail network in north eastern states, completion of Udhampur-Srinagar-Baramulla section of Jammu-Baramulla project and Bilaspur-Mandi-Manali-Leh all weather broad gauge railway track. Further, India has jumped up 30 notches into the top 100 rankings on the World Bank’s ‘ease of doing business’ index published on 31st October, 2017, due to major improvements in indicators such as resolving insolvency, paying taxes, protecting minority investors and getting credit which in turn augments well for investments in infrastructure sector and development of the same.

OVERVIEW OF THE INDIAN RAILWAYS SECTOR

Introduction

As per Indian Railways Statistical Publications 2016, the Indian Railways is one of the world’s largest rail networks with 66,687 route kms of route lengths. Indian Railways is a state-owned public utility of the Government of India under the Ministry of Railways. Indian Railways operates both long distance and suburban rail systems on a multi-gauge network of broad, metre and narrow gauges. Indian Railways carried 22.2mn passengers and 3.03 million tonnes of freight each day during 2015-16 as per the Indian Railways Statistical Publications 2016. It also owns locomotive and coach production facilities at several places in India.

The Ministry of Railways (MoR) oversees the Indian railway sector through the Railway Board, MoR (RB). The MoR (RB) is now organized as per commercial principles and the Chairman of the Board is empowered accordingly. The MoR (RB) exercises more central government policy powers and administers, supervises, and directs the entities that provide most of the rail services. The MoR (RB) also fulfills most industry regulatory roles, except for safety oversight and railway rates appeals. The railway infrastructure and services are delivered by 16 geographically-based Zonal Railways (ZRs). Each ZR has separate responsibilities and operates its own livery, although the MoR (RB) has the powers to lay down rules and regulations for the governance of the ZRs and to establish, merge, or abolish these ZRs.

The Indian Railways has an employee base of approximately 1.3 million employees.

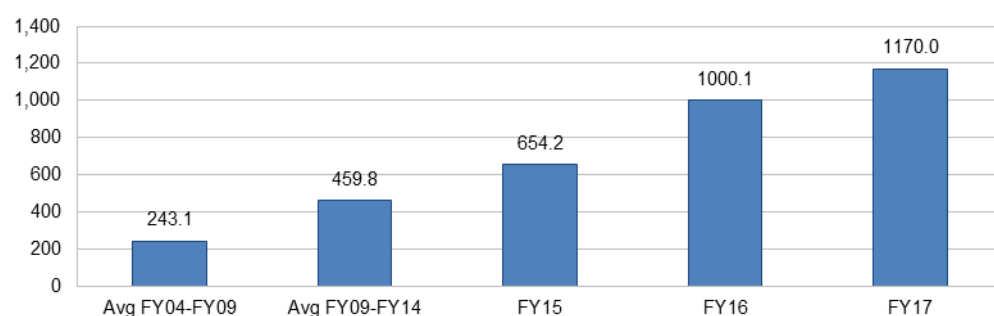
Strategic management initiatives introduced in the Indian Railways include ‘Near Plan Holiday approach’ (i.e., not taking up new projects), prioritizing and completing on-going projects, accounting reforms, transparency in procurements and creating a decision support system for project implementation. Indian Railways may now be on a fast trajectory to growth, manifested in an INR8.56tn investment plan over the period FY15 – FY19 and supported by other systematic changes including funding support from LIC and the States.

Investment Opportunity

In 2014, MoR prepared a white paper titled ‘Indian Railways – Lifeline of the nation’ on the state of railway infrastructure and operations in the country. Under-investment in railways has led to overstretched infrastructure with more than 60% routes being more than 100% utilized leading to huge unmet passenger demand and decreasing modal share in freight. Further, due to passenger fares being low, passenger trains utilized two-third of capacity and generated one-third of revenues, whereas high freight rates meant railway freight was getting out-priced in the market. Hence, GoI identified ramping up investments in Indian Railways as the top priority area. GoI realized that lack of adequate carrying capacity and the resulting congestion has accelerated Indian Railway’s loss of market share to other modal transports.

Hence, in the last 3 years, GoI has made commendable progress in initiating infrastructure creation. As seen in chart below, the amount of investments made during the last 3 years is almost 75% of the total investments made in the railways during the past decade (FY04 – FY14). Also, MoR has also been able to achieve over 90% of its planned investments over the last 3 years. Details of capital investments in Indian Railways are provided below:

Capital Investments budgeted in Indian Railways (in Rs. bn)



Source: Ministry of Railways, IRR Advisory

Details of the actual investments over the last 5 years are provided below:

Details of Investment break-up in Indian Railways

(in INR billion)	FY13	FY14	FY15	FY16	FY17
Construction of new lines	53.0	58.1	71.4	201.9	185.5
Gauge conversion	27.0	31.0	36.6	36.2	51.1
Line doubling	24.8	29.8	38.8	104.7	204.9
Yard remodelling	7.9	6.6	7.8	13.2	13.7
Rolling stock	183.7	175.0	164.9	193.8	259.9
Track renewals	54.3	49.9	53.7	43.7	49.7
Electrification projects	9.7	12.6	13.9	22.7	35.2
Other electrical works	1.5	1.2	1.1	1.1	6.6
Workshops	15.2	18.2	16.8	15.3	33.2
Passenger amenities	8.4	8.6	8.6	10.8	19.2
Investment in government commercial/public unde	6.0	6.3	5.4	8.6	26.0
Credits or recoveries	0.0	0.0	0.0	0.0	0.0
Investments in metropolitan transport projects	11.9	9.1	10.0	13.4	15.3
Total investments	503.8	539.9	587.2	935.2	1,210.0

Source: MoR, IRR Advisory

Please note only key heads provided; total will not add up.

The key rationale behind the investment plans post 2014 is driven by the investments targets proposed in the Railways Budget 2015 for the period FY15 to FY19. The details of the investment plan are provided in the table below:

Proposed Investment Plans by Ministry of Railways (FY15 – FY19)

Description	Amount (INR Bn)	% of Total
Network Decongestion (including DFC, Electrification, Doubling of electrification and traffic facilities)	1,993	23.3%
Network Expansion (including electrification)	1,930	22.5%
National Projects (North Eastern & Kashmir connectivity projects)	390	4.6%
Safety (Track renewal, bridge works, ROB, RUB and Signalling & Telecom)	1,270	14.8%
Information Technology/ Research	50	0.6%
Rolling Stock (Locomotives, coaches, wagons – production & maintenance)	1,020	11.9%
Passenger Amenities	125	1.5%
High Speed Rail & Elevated corridor	650	7.6%
Station redevelopment and logistic parks	1,000	11.7%
Others	132	1.5%
Total	8,560	100%

Source: MoR, IRR Advisory

The INR8.56tn capex plan over FY15-FY19 is almost double the cumulative capex done over the last 15 years (FY99 to FY14) and almost four times the capex done over the last 5 years (FY09 to FY14). Out of the total INR8.56tn investments envisaged from FY15 to FY19, INR2.73tn of investments has already been made from FY15 to FY17.

The current capex plan being followed during FY15 – FY19 differs from previous investment plans by focussing on the following:

- Improving freight carrying capacity via capacity augmentation to achieve network decongestion. This will be done by enhancing outlay for doubling/ 3rd /4th line projects and through investment in logistic parks. This is in sharp contrast to the earlier focus on network expansion through new line addition, which was primarily directed towards passenger services.
- Improving competitiveness of Indian Railways through cost optimisation via electrification.
- Improving customer experience so that hike in passenger tariffs become acceptable by increasing outlay for safety, station redevelopment and passenger amenities.

Thus, the largest proportion in the investment outlay are reserved for network decongestion (INR2tn), network expansion (INR1.93tn), safety (INR1.27tn), station redevelopment (INR1tn) and high-speed elevated corridors (INR0.65tn). Based on the actual investment for FY15 and FY16, revised estimates for FY17 and budget estimates for FY18, only 46% of the investments proposed during FY15 to FY19 have been achieved. Investments have been impacted by fund availability and GoI's commitment to keep the deficit financing within prescribed limits.

SUMMARY OF OUR BUSINESS

Overview

We are a wholly owned Government Company, a Miniratna (Category – I) Schedule ‘A’ Public Sector Enterprise and a leading player in the transport consultancy and engineering sector in India and the only company having diversified services and geographical reach in this field under one roof (*Source: IRR Report*). Based on Public Enterprise Survey 2015-2016, our Company is ranked no. 1 based on net profit and dividend declared in Industrial Development and Technical Consultancy Services sector (*Source: IRR Report*). We have an experience spanning 44 years and have undertaken projects in over 55 countries including Asia, Africa, Latin America, South America and Middle East regions. We are the only export arm of Indian Railways for providing rolling stock overseas (other than Thailand, Malaysia and Indonesia). We are a multidisciplinary engineering and consultancy organization providing diversified and comprehensive array of services from concept to commissioning in all facets of transport infrastructure and related technologies.

We have significant presence as a transport infrastructure consultancy organization in the railway sector. However, we also provide consultancy services across other infrastructure and energy market sectors including urban transport, roads and highways, ports, inland waterways, airports, institutional buildings, ropeways, power procurement and renewable energy. We have, over the years, served various public sector undertakings, government agencies and instrumentalities and large private sector corporations, both in India and abroad.

We were incorporated by the Ministry of Railways, Government of India (“**MoR**”) and have the benefit of being associated with the Indian Railways, which is the fourth longest rail network in the world (*Source: IRR Report*). Since our inception in 1974, we have evolved from our origins of providing transport infrastructure consultancy and quality assurance services and have developed expertise in:

- Design, engineering and consultancy services in transport infrastructure sector with focus on railways, urban transport, roads and highways, ports, inland waterways, airports and ropeways;
- Leasing, export, maintenance and rehabilitation of locomotives and rolling stock;
- Undertaking turnkey projects on engineering, procurement and construction basis for railway line, track doubling, 3rd line, railway electrification, up gradation works for railway transport systems and workshops, railway stations, and construction of institutional/ residential/ commercial buildings, both with or without equity participation; and
- Wagon manufacturing, renewable energy generation and power procurement for Indian Railways through our collaborations by way of joint venture arrangements, subsidiaries or consortium arrangements.

In India, our clients include various central and state government ministries, departments, instrumentalities as well as local government bodies and public sector undertakings. These include Indian Railways, NTPC, Dedicated Freight Corridor Corporation of India Limited, High Speed Rail Corporation of India Limited, Public Works Department, DMRC, Steel Authority of India Limited, Rashtriya Ispat Nigam Limited, Hindustan Petroleum Corporation Limited, Bharat Coking Coal Limited, Metro Link Express for Gandhinagar and Ahmedabad (MEGA) Company Limited, Indian Port Rail Corporation Limited, Airports Authority of India, among others. We also engage with various large private sector corporations including L&T Metro Rail (Hyderabad) Limited, Kanti Bijlee Utpadan Nigam Limited (KBUNL), Cimmco Limited, Titagrah Wagons Limited, Snowmex Engineers Limited, Unity Infraprojects Limited, Rajdeep Buildcon Private Limited, Mahalsa Constructions Private Limited, Marymatha Constructions Limited, AFCON Infrastructure Limited, INCAP, ARK Services, MNEC Consultants Private Limited, Indian Geotechnical Services Limited, Geokno India Private Limited and NATRIP Implementation Society among others.

We intend to increase our scale of operations in railway infrastructure sector by taking up turnkey projects and expansion of services for metro and airport projects etc. Also, through joint ventures and subsidiaries, we intend to increase share of business in renewable energy generation and power procurement for Indian Railways, manufacturing of wagons and joining upcoming opportunities like station development etc.

Our Company has established a consistent track record of strong financial performance and growth. Our revenue from operations on consolidated basis for the Financial Year 2015, Financial Year 2016 and Financial Year 2017 and the nine months ended December 31,2017 amounted to ₹10,126.88 million, ₹10,905.30 million, ₹13,533.56 million and ₹9,361.50 million, respectively. Our profit after tax was ₹3,122.12 million, ₹2,825.13 million, ₹3,616.60 million

and ₹2,525.37 million, respectively, for the same periods. Our revenue from operations has increased at a CAGR of 15.60% from ₹10,126.88 million in the Financial Year 2015 to ₹ 13,533.56 million in the Financial Year 2017, and our profit after tax has increased at a CAGR of 7.63% from ₹3,122.12 million in Financial Year 2015 to ₹3,616.60 million in the Financial Year 2017. On standalone basis, we have an order book of ₹48,186.76 million as on March 31, 2018 which includes 353 ongoing projects of value over ₹10 million each.

The following table shows the percentage contribution of each stream of revenue to our total income during the Financial Year 2015, Financial Year 2016, Financial Year 2017 and also for the nine months ended December 31, 2017, on a restated consolidated basis:

S. No	Segment	Financial year ended on March 31, 2015		Financial year ended on March 31, 2016		Financial year ended on March 31, 2017		For the period commencing on April 01, 2017 and ended on December 31, 2017	
		(in ₹ million)	(% - age)	(in ₹ million)	(% - age)	(in ₹ million)	(% - age)	(in ₹ million)	(% - age)
1. Sale of Services									
A.	Consultancy Services	7,031.18	69.43	7,689.44	70.51	8,344.68	61.66	6,283.37	67.12
B.	Leasing Services	693.03	6.84	901.66	8.27	932.76	6.89	699.36	7.47
2. Sale of Products									
A.	Export Sales	1,492.29	14.74	1,859.39	17.05	3,774.00	27.89	1,577.37	16.85
3.	Turnkey Construction Projects	910.38	8.99	385.60	3.54	312.69	2.31	638.33	6.82
4.	Sale of Power Generation	-	-	69.21	0.63	169.43	1.25	163.07	1.74
TOTAL (1+2+3+4)		10,126.88	100	10,905.30	100	13,533.56	100	9,361.50	100.00

We have been a debt free Company for more than a decade as per our Audited Standalone Financial Information. However, one of our subsidiaries, REMCL has borrowings of an amount of ₹772.72 million as per our Restated Consolidated Financial Information, as on December 31, 2017. For further details, see “*Financial Statements*” and “*Financial Indebtedness*” on pages 199 and 562 respectively.

We have regularly paid dividends to the Shareholders of the Company with a dividend pay – out of ₹3,740 million during the last five financial years ending on March 31, 2017, as per our Restated Financial Information. Our Company has paid final dividend of ₹780 million for the financial year 2016-2017 and interim dividend of ₹700 million during the financial year 2017-2018. For further details, see “*Dividend Policy*” and “*Risk Factors*” on pages 198 and 18 respectively.

In recognition of our consistent performance and achievement of stipulated targets as negotiated in terms of the Memorandum of Understanding entered into with the MoR on an annual basis, the Department of Public Enterprises, Ministry of Heavy Industries and Public Enterprises, Government of India has rated us ‘*Excellent*’ with a score of 90.09 for the financial year 2016-2017. We have also been rated consistently as “*Excellent*” in the previous five financial years (i.e. from FY 2012 to FY 2016). For further information on our history and corporate structure, see “*History and Certain Corporate Matters*” on page 158.

Our third party inspection management systems of our quality and assurance division have been certified as ISO/IEC 17020:2012 compliant by the National Accreditation Board for Inspection Bodies (NABCB) which is valid up to July 18, 2018. Our company has been certified as ISO 9001:2008 compliant by NVT Quality Certification under accreditation of ANSI-ASQ National Accreditation Board (ANAB) which is valid up to September 14, 2018. Our two laboratories at Kolkata and Mumbai are certified as ISO/IEC 17025 compliant by NABL which are valid up to February 22, 2019 and November 14, 2019 respectively.

OUR COMPETITIVE STRENGTHS

Comprehensive range of consultancy services and a diversified sector portfolio in the transport infrastructure space

We provide a comprehensive range of consultancy service offerings, primarily in the transport infrastructure space, in order to address the varied and expanding requirements of our clients across the market segments in which they operate. Our comprehensive range of services enables us to access additional business opportunities from our existing clients as well as to address the requirements of a larger base of potential new clients and also enables us to develop long-term relationships with our clients in India as well as abroad.

We have developed specialized expertise over the years in providing consultancy services across major market segments in the transport infrastructure sector including railways, urban transport, roads and highways, ports, inland waterways, airports and ropeways.

Our offerings in transport infrastructure consultancy and engineering services consist of conducting techno-economic feasibility studies and preparation of detailed project reports, design engineering activities, procurement assistance, project management activities, quality assurance, inspection, training, construction supervision, materials system management, transaction advisory and commissioning support including operation and maintenance.

Our diversified sector portfolio in consultancy services in the transport infrastructure sector enables us to access sectors with growth potential according to changing macroeconomic trends and also enables us to expand our operations in the sectors in which we already have significant presence.

Our ability to collaborate and work jointly through alliances, joint ventures, subsidiaries and consortium arrangements enables us to enhance the quality of our services and allows us to focus our attention on certain large – scale projects and to develop technical expertise and domain knowledge through our collaboration with our partners in comparatively newer market segments.

Large order book with strong and diversified clientele base across sectors

As of March 31, 2018, our order book stands at ₹48,186.76 million, which includes 353 ongoing projects of value over ₹10 million each.

We have a long – standing history of business relationships and collaboration with several central and state government ministries, departments, corporations, authorities and public sector undertakings. As a result, we are from time to time allocated projects on nomination/single tender basis. We are one of the agencies of the Indian Railways for exporting rolling stock, from India, customized for specific client requirements and components as manufactured by the Indian Railways (except exports to Malaysia, Indonesia and Thailand) and for inspections of materials and equipment as procured by the Indian Railways.

Our domestic as well as overseas clients typically are national governments, governmental instrumentalities and public sector enterprises. Such governments, governmental agencies and public sector undertakings are engaged in large scale infrastructure planning and development both in India and abroad. We also undertake and execute projects funded by multilateral funding agencies.

We regularly provide our services to some leading public sector entities, such as National Thermal Power Corporation Limited, Dedicated Freight Corridor Corporation of India Limited, High Speed Rail Corporation of India Limited, Indian Port Rail Corporation Limited, Steel Authority of India Limited, Delhi Metro Rail Corporation Limited, Metro – Link Express for Gandhinagar and Ahmedabad Company Limited, Airports Authority of India, the National Highways Authority of India, among others.

Technical expertise and business divisions with specialized domain knowledge

We have technical expertise housed in various business divisions within our Company with specialized domain knowledge across each of the market segments. In order to enable us to provide tailored solutions for our clients and customers, we have streamlined the divisions in our organization in order to meet the specific requirements of each such market segment. Over the years, we have evolved from primarily being a railway consultancy services provider to a diversified multi – disciplinary transport infrastructure consultancy and engineering organization undertaking a wide gamut of services.

We have enhanced our domain knowledge and technical expertise by participating in consortiums with several consulting partners including SYSTRA, EGIS Rail S.A, GEOCONSULT ZT GmbH amongst others from countries such as France, Japan, Austria, U.S.A, Germany and Denmark. We endeavour to consistently increase our domain knowledge and technical expertise through these collaborations to enable us to provide specialized services and solutions in order to meet the expectations of our clients and customers.

Experienced management personnel and technically qualified team

Our Company is led by an experienced and well – qualified management team. Our management team plays a significant role in formulating our business strategies, accounting procedures and internal control and policies, and has been instrumental in our growth of operations and consistent performance. For further details, see “*Our Management*” on page 172.

As of March 31, 2018, we have a total of 3,349 employees as follows:

Status	No. of employees
Regular	2,064
Deputation	152
Contract	842
Experts/ Consultants	291
Total	3,349

We have an in – house team of expert engineers specializing in civil, mechanical, metallurgy, chemical, electrical, signal and telecom engineering, and specialists in transport and economics, quality assurance, environment engineering, information technology, finance and general management. Our senior management has an average experience of about 33 years and we have a pool of 1,400 skilled engineers/ professionals of executive cadre on our permanent roll. We also source requisite manpower from the Indian Railways and other government ministries and departments, both on deputation and permanent basis, according to requirements.

Strong and consistent financial performance supported by robust internal control and risk management system

We have been consistently profitable over the last five years and have paid dividends regularly to the equity shareholders. Our financial position enables us to satisfy the minimum financial eligibility criteria for bidding in our projects which generally comprise of financial parameters such as net worth and profitability for various projects across all market segments.

As per our Restated Financial Information, our total income has grown at a CAGR of 9.61% from ₹10,830.52 million in the Financial Year 2013 to ₹15,632.73 million in the Financial Year 2017 and our profit after tax has grown at a CAGR of 11.61% from ₹2,330.57 million in the Financial Year 2013 to ₹3,616.60 million in the Financial Year 2017. As on December 31, 2017, the net worth of our Company was ₹21,719.94 million. Our earnings per share from continuing and discontinued operations have increased from ₹11.65 in the Financial Year 2013 to ₹17.63 in the Financial Year 2017.

We maintain internal control systems and audit systems for enhancement of efficiency in operations and to ensure compliance with applicable laws, rules and regulations. We have structured policies and guidelines in place for the optimal delegation of authority for facilitation of business including our ‘Detailed Finance & Accounts Manual’ and ‘Guidelines on Construction Project management’ which strengthens our internal checks and controls. Our internal audit is conducted by experienced professionals and external audit firms. The internal control and audit systems which are in place are also reviewed periodically. Corrective and preventive measures, whenever necessary are taken up from time to time for continuous improvement.

We also have a currency risk management policy covering various aspects of currency risk management, benchmarking, hedging, assessing risk appetite, identifying permissible instruments and risk management structures and reporting procedures in place specifically bearing in mind our ongoing international projects. We invest our surplus funds in deposits with banks, mutual funds and corporate bonds within the framework and guidelines as approved by our Board from time to time, in conformity with the guidelines of the Department of Public Enterprises, Ministry of Heavy Industries and Public Enterprises and the requirements of the Companies Act, 2013.

Preferred consultancy organization of the Government of India including the Indian Railways

We were incorporated by the MoR and have the benefit of being associated with the Indian Railways, which is the fourth longest rail network in the world. We have been involved in and have contributed to the development of transport infrastructure in India for the last 44 years. Given our proven track record of financial performance, service offerings and the market segments in which we operate, we believe that we occupy a key position in the growth plans of the Government of India with respect to the infrastructure and energy space. We are a nominated organization of the Indian Railways for the export of railway locomotives, coaches and other equipment which are manufactured by the Indian Railways (other than exports to Malaysia, Indonesia and Thailand). We are also a nominated organization for inspection of various materials and equipment purchased by the Indian Railways.

We are able to get several assignments on nomination/ single tender basis from various government ministries, organizations and departments including the Indian Railways because of our ownership by the MoR coupled with our ability to execute business in compliance with various policies and procedures of governmental departments. We believe our status as a public sector undertaking and our established relationships with governments, governmental instrumentalities and other public sector enterprises in India as well as across various countries where we have undertaken projects in the past, can be effectively leveraged to increase our presence and participation in new emerging infrastructure sectors and in developing new business relationships with governments and government instrumentalities as well as private sector corporations both in India as well as internationally. This, we believe should enable us to enhance synergies between the varied divisions in our Company and to strengthen our financial performance even further.

OUR STRATEGIES

Leverage our experience and continue to build on our core competencies in transport infrastructure sector

We intend to leverage our domain knowledge and technical expertise across the various sub-sectors of the transport infrastructure sector for the purposes of entering into business opportunities and other emerging sectors either directly or indirectly, by way of alliances, joint ventures, subsidiaries and consortium arrangements.

We are seeking to increase our operations in emerging sectors and are currently undertaking projects in these sectors, such as renewable energy generation, power procurement, railway electrification as well as turnkey projects in up gradation of railway workshops, due to increase in demand in such sectors, government plans and macroeconomic trends.

We also intend to continue to expand our operations and presence in the railway sector by strengthening our consultancy service offerings in the transport infrastructure sector comprising of conducting feasibility studies and preparation of detailed project reports, design engineering activities, procurement assistance, project management consultancy activities, quality assurance, construction supervision, commissioning support, training as well as leasing and export of railway locomotives, rolling stock, spare parts and other equipment. We are also expanding the scope of our design and project management consultancy services to focus on projects of the Government of India and other programmes for road development in domestic and international markets including offering services for road safety audits, bridge condition surveys, bridge maintenance management systems and rehabilitation, project co-ordinating consultancy services and proof consultancy services. We are desirous of expanding our operations in other urban transport and transport infrastructure sectors including metro rail projects and high speed corridor projects.

In Africa, South Asia, Middle East and other developing nations, we have seen an increase in demand for rehabilitation and up gradation of roads and railway systems, leasing of railway locomotives and other rolling stock by way of import of such goods and services from India due to similarities of technical standards and specifications.

We also lease railway locomotives for the use of captive rail systems in India, primarily in the sectors of power, steel, cement, coal and port. We have also expanded our operations in emerging sectors and are currently undertaking projects in renewable energy, power procurement, railway electrification and modernization works as well as turnkey projects in up gradation and modernization of railway workshops. We intend to pursue such business opportunities, directly or indirectly, through subsidiaries, joint ventures or consortiums, as special purpose vehicles, in India or abroad, in order to specialize in the leasing business on an exclusive basis and in order to facilitate financing of such operations.

We have been approached for equity participation in the Indian Railway Stations Development Corporation Limited by contributing upto 25% equity share capital. The Board in its meeting dated March 21, 2018, has approved the

proposal for in-principal approval of the equity investment in two instalments. We are evaluating the proposal and we may consider similar opportunities for future growth. For further details see, “*Risk Factors*” on page 18.

Strengthen our EPC/Turnkey business

We have been awarded projects on nomination basis from the MoR for construction of railway lines and electrification of existing/new railway lines and upgradation of railway workshops on a fixed fee basis. In these contracts we get fees as a certain percentage of the cost of the project executed. So far we have been awarded two projects for new railway lines and two projects for railway electrification. Considering the extent of new investments in electrification and railway infrastructure we intend to strengthen our organization for taking more such works.

Expand our international operations

We intend to continue expanding our international service offerings in order to acquire new clients. Over the years, we have expanded our service offerings to address new market opportunities and macroeconomic trends arising in the infrastructure sectors. We plan to expand our international operations by expanding our business of rehabilitation of locomotives and wagons overseas and the exporting of railway locomotives, rolling stock, railway equipment and other spares. We are also planning to expand our existing range of products for export to various international customers by developing different types of locomotives for export and leasing.

We recently have been appointed by the Government of Mauritius as a consultant for implementing light rail project in Mauritius and also to prepare a detailed project report on Trident port project. We are working in Nepal on two integrated check-posts at Birgunj and Biratnagar and are conducting construction supervision services of a road project in Botswana through our Subsidiary, RITES (AFRIKA). We are in the process of executing a major export order for Sri Lanka comprising of 10 diesel locomotives and 6 DMU train sets. We have successfully exported 18 meter gauge locomotives in Myanmar and 120 broad gauge passenger services coaches to Bangladesh and have also recently completed detailed project report for airport at Rwanda and ports project in Sri Lanka. We are also undertaking detailed project report preparation consultancy for East Bank-East Coast road linkage project in Guyana (South America).

We had leased out 16 cape gauge locomotives to Mozambique for use by CFM, Mozambique in 2007, which has recently been sold to them along with our obligation to maintain the same initially for a period of 6 months. We have completed three maintenance workshops for Sri Lankan railways. In the past, we have exported rolling stock to Benin, Senegal, Mali, Myanmar, Sudan and Vietnam and also operated railway systems in Tanzania, Iraq, Ghana, Mozambique, Zambia and various other countries.

We have in the past carried out feasibility studies for rail transport infrastructure in countries such as Ethiopia and U.A.E and road infrastructure in countries such as Afghanistan, Bangladesh, Ethiopia, Ghana, Malaysia, Mozambique, Myanmar, Nepal, Tanzania, Uganda, U.A.E. and Zambia.

Expand our operations in the power procurement and renewable energy sector through our subsidiary, Railway Energy Management Company Limited, which is the only entity mandated for procurement of power from third parties and for captive renewable energy generation, for the Indian Railways

The Ministry of New and Renewable Energy, Government of India seeks to achieve the target of renewable energy generation of 175 GW by 2022, with 100 GW being contributed by generation from solar power, 60 GW from wind, 10 GW from biomass and 5 GW from small hydro power (Source: www.mnre.gov.in). In this regard, the Ministry of New and Renewable Energy, Government of India has set specific targets for installation of generation capacity and procurement of renewable energy for all public sector undertakings and governmental instrumentalities which for the Indian Railways is set as 20% of the total consumption to be through renewable energy (Source: *IRR Report*). In order to assist the Indian Railways meet its stipulated target for procurement of renewable energy, the Indian Railways and we have set up a company, namely Railway Energy Management Company Limited (“**REMCL**”), with the objective of synergizing the technical resource base of our Company and for reducing the carbon footprint of the Indian Railways through utilization of green energy. We hold 51% of issued and paid – up equity share capital of REMCL. Currently REMCL is the agency mandated by the Indian Railways (in its role as deemed distribution licensee) to undertake power procurement and facilitate contracts between power producers and Indian Railways including renewable energy projects and energy efficiency projects. REMCL provides project management and other consultancy services for the Indian Railways with regard to setting up of wind energy projects, solar energy projects, power procurement and construction of transmission lines connected to the Inter – State Transmission System (ISTS).

REMCL has commissioned a wind power project of capacity 26 MW in Jaisalmer, Rajasthan and has also concluded power procurement contracts for approximately 1,175 MW across various states in India. Further, the National High Speed Rail Corporation Limited has mandated REMCL to undertake techno – economic viability studies and related surveys of power sourcing arrangements for their requirements. We intend to increase our operations and explore new business opportunities in green energy specifically in the sectors of wind and solar energy for the Indian Railways, facilitate cost efficiencies to ensure efficient energy management for the Indian Railways by way of power procurement, implement energy conservation projects for the Indian Railways on fee basis and coordinate with other regulatory authorities in this regard on behalf of the Indian Railways. REMCL will endeavour to be an asset light company and also explore the possibility of entering into long term contracts for procurement of power generated through renewable energy sources to be purchased by Indian Railways.

SUMMARY OF FINANCIAL INFORMATION

The following tables set forth the summary financial information derived from the Restated Financial Statements as of and for the nine months ended December 31, 2017 and for the years ended March 31, 2017, March 31, 2016, March 31, 2015 (Proforma), March 31, 2014 (Proforma) and March 31, 2013 (Proforma). The financial statements referred to above are presented under “*Financial Statements*” beginning on page 199. The summary financial information presented below should be read in conjunction with these financial statements, the notes thereto and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on page 524.

The Restated Summary Statement of Consolidated Assets and Liabilities, the Restated Summary Statement of Consolidated Profit and Loss and the Restated Summary Statement of Consolidated Cash Flows of the Company, as at December 31, 2017, March 31, 2017, March 31, 2016, March 31, 2015 (Proforma), March 31, 2014 (Proforma) and March 31, 2013 (Proforma) are under Ind AS.

The Restated Summary Statement of Standalone Assets and Liabilities, the Restated Summary Statement of Standalone Profit and Loss and the Restated Summary Statement of Standalone Cash Flows of the Company, as at December 31, 2017, March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013 are under Ind AS.

RESTATED SUMMARY STATEMENT OF CONSOLIDATED ASSETS AND LIABILITIES

(in ₹ million)

PARTICULARS	AS AT DECEMBER 31, 2017	AS AT MARCH 31, 2017	AS AT MARCH 31, 2016	AS AT MARCH 31, 2015 (PROFO RMA Ind AS)	AS AT MARCH 31, 2014 (PROFO RMA Ind AS)	AS AT MARCH 31, 2013 (PROFO RMA Ind AS)
ASSETS						
NON CURRENT ASSETS						
PROPERTY, PLANT AND EQUIPMENT	3,914.69	4,034.67	4,154.43	2,057.16	1,919.72	1,729.43
CAPITAL WORK IN PROGRESS	4.48	32.80	69.76	256.54	192.41	113.40
INVESTMENT PROPERTY	12.34	12.55	12.91	13.27	15.51	15.92
INTANGIBLE ASSETS	10.39	17.41	31.02	47.89	47.96	35.50
INTANGIBLE ASSETS UNDER DEVELOPMENT	15.79	15.79	15.79	7.48	4.88	2.27
INVESTMENT IN JOINT VENTURES APPLYING EQUITY METHOD	125.27	148.41	305.79	258.09	278.82	245.63
FINANCIAL ASSETS						
INVESTMENTS	1,200.46	1,200.46	1,700.46	2,000.44	2,000.44	1,750.41
LOANS	87.12	96.48	103.20	1,545.48	1,356.87	1,181.22
OTHER FINANCIAL ASSETS	1,721.81	2,446.77	1,966.91	1,947.89	2,715.43	2,127.64
DEFERRED TAX ASSETS (NET)	287.42	468.00	275.07	462.40	598.81	474.33
OTHER NON CURRENT ASSETS	1,233.47	1,203.99	905.69	1,210.24	784.98	798.75
	8,613.24	9,677.33	9,541.03	9,806.88	9,915.83	8,474.50
CURRENT ASSETS						
INVENTORIES	307.45	504.13	130.71	66.77	174.92	259.63
FINANCIAL ASSETS						

PARTICULARS	AS AT DECEMBER 31, 2017	AS AT MARCH 31, 2017	AS AT MARCH 31, 2016	AS AT MARCH 31, 2015 (PROFO RMA Ind AS)	AS AT MARCH 31, 2014 (PROFO RMA Ind AS)	AS AT MARCH 31, 2013 (PROFO RMA Ind AS)
INVESTMENTS	2,491.94	1,930.36	500.00	-	-	1,224.70
TRADE RECEIVABLES	5,481.09	4,644.97	5,354.69	3,807.61	3,257.55	2,944.09
CASH AND CASH EQUIVALENTS- OWNED FUND	1,454.09	2,647.23	2,619.92	2,569.70	363.22	584.20
CASH AND CASH EQUIVALENTS- CLIENTS FUND	4,718.18	3,333.70	1,903.52	1,993.58	2,586.53	2,193.51
OTHER BANK BALANCES-OWNED FUND	9,855.67	6,299.88	4,653.71	4,643.89	6,049.96	5,673.21
OTHER BANK BALANCES-CLIENTS FUND	13,914.25	16,590.94	16,368.06	11,390.85	12,180.98	9,343.39
LOANS	110.15	114.17	71.70	121.99	40.94	33.73
OTHER FINANCIAL ASSETS	1,592.78	1,677.12	1,734.60	1,350.88	1,318.18	1,216.64
CURRENT TAX ASSETS (NET)	63.36	103.54	386.63	16.19	16.19	63.33
OTHER CURRENT ASSETS	869.14	498.87	824.39	285.82	458.14	855.65
	40,858.10	38,344.91	34,547.93	26,247.28	26,446.61	24,392.08
TOTAL ASSETS	49,471.34	48,022.24	44,088.96	36,054.16	36,362.44	32,866.58
EQUITY AND LIABILITIES						
EQUITY						
EQUITY SHARE CAPITAL	2,000.00	2,000.00	1,000.00	1,000.00	1,000.00	1,000.00
OTHER EQUITY	19,719.94	18,411.04	17,635.15	15,761.56	13,251.30	11,358.05
EQUITY ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE COMPANY	21,719.94	20,411.04	18,635.15	16,761.56	14,251.30	12,358.05
NON-CONTROLLING INTERESTS	522.36	448.28	260.30	146.94	50.78	5.08
	22,242.30	20,859.32	18,895.45	16,908.50	14,302.08	12,363.13
LIABILITIES						
NON CURRENT LIABILITIES						
FINANCIAL LIABILITIES						
BORROWINGS	696.07	757.64	1,105.37	-	-	-
TRADE PAYABLES	-	-	6.64	26.75	31.87	37.26
OTHER FINANCIAL LIABILITIES	1,159.84	1,084.57	996.17	822.08	688.04	666.85
PROVISIONS	1,203.89	1,126.82	998.62	1,045.46	1,128.04	1,448.29
OTHER NON CURRENT LIABILITIES	1,995.05	72.75	20.68	64.13	134.72	50.89
	5,054.85	3,041.78	3,127.48	1,958.42	1,982.67	2,203.29
CURRENT LIABILITIES						
FINANCIAL LIABILITIES						
TRADE PAYABLES	704.36	849.59	899.34	863.08	1,075.25	1,426.20

PARTICULARS	AS AT DECEMBER 31, 2017	AS AT MARCH 31, 2017	AS AT MARCH 31, 2016	AS AT MARCH 31, 2015 (PROFO RMA Ind AS)	AS AT MARCH 31, 2014 (PROFO RMA Ind AS)	AS AT MARCH 31, 2013 (PROFO RMA Ind AS)
OTHER FINANCIAL LIABILITIES	18,313.91	19,262.70	18,960.23	15,044.35	17,005.45	14,720.06
PROVISIONS	997.07	1,505.45	1,046.51	767.15	1,083.65	312.60
CURRENT TAX LIABILITIES (NET)	0.32	0.08	10.09	0.08	0.25	0.24
OTHER CURRENT LIABILITIES	2,158.53	2,503.32	1,149.86	512.58	913.09	1,841.06
	22,174.19	24,121.14	22,066.03	17,187.24	20,077.69	18,300.16
TOTAL EQUITY AND LIABILITIES	49,471.34	48,022.24	44,088.96	36,054.16	36,362.44	32,866.58

RESTATED SUMMARY STATEMENT OF CONSOLIDATED PROFIT AND LOSS
(in ₹ million)

PARTICULARS	AS AT DECEMBER 31, 2017	AS AT MARCH 31, 2017	AS AT MARCH 31, 2016	AS AT MARCH 31, 2015 (PROFOR RMA Ind AS)	AS AT MARCH 31, 2014 (PROFOR RMA Ind AS)	AS AT MARCH 31, 2013 (PROFOR MA Ind AS)
CONTINUING OPERATIONS						
REVENUE						
REVENUE FROM OPERATIONS	9,361.50	13,533.56	10,905.30	10,126.88	10,964.88	9,556.34
OTHER INCOME	1,249.12	2,099.17	1,361.97	1,464.19	1,269.82	1,274.18
TOTAL REVENUE	10,610.62	15,632.73	12,267.27	11,591.07	12,234.70	10,830.52
EXPENDITURE						
EMPLOYEE BENEFIT EXPENSES	3,230.55	4,169.45	3,409.59	3,244.72	2,706.71	2,859.35
TRAVEL	274.92	394.77	355.43	324.66	345.95	309.69
SUPPLIES & SERVICES	697.05	1,063.54	971.26	784.50	746.40	796.84
COST OF EXPORT SALES	1,140.33	2,961.02	1,569.42	805.11	2,731.86	2,252.90
COST OF TURNKEY CONSTRUCTION PROJECTS	539.43	278.49	352.52	834.82	881.51	546.17
TRANSMISSION AND WHEELING CHARGES	35.71	37.33	21.66	-	-	-
FINANCE COSTS	52.74	113.27	47.14	-	-	-
DEPRECIATION & AMORTISATION EXPENSES	276.79	382.56	346.43	261.54	203.46	155.23
OTHER EXPENSES	446.98	1,046.18	661.66	663.56	741.91	614.67
TOTAL EXPENDITURE	6,694.50	10,446.61	7,735.11	6,918.91	8,357.80	7,534.85
PROFIT BEFORE SHARE OF PROFIT/(LOSS) OF JOINT VENTURES, EXCEPTIONAL ITEMS AND TAX FROM CONTINUING OPERATIONS	3,916.12	5,186.12	4,532.16	4,672.16	3,876.90	3,295.67
SHARE OF PROFIT/(LOSS) OF JOINT VENTURES	(23.14)	(114.72)	(26.00)	10.27	(26.81)	65.98
PROFIT BEFORE TAX	3,892.98	5,071.40	4,506.16	4,682.43	3,850.09	3,361.65
TAX EXPENSES						
- CURRENT TAX	(1,187.03)	(1,646.72)	(1,489.83)	(1,423.90)	(1,368.45)	(1,089.11)
- DEFERRED TAX (NET)	(180.58)	192.93	(187.06)	(136.41)	124.48	59.38
PROFIT AFTER TAX FROM CONTINUING OPERATIONS	2,525.37	3,617.61	2,829.27	3,122.12	2,606.12	2,331.92
DISCONTINUED OPERATIONS						
LOSS BEFORE TAX FROM DISCONTINUED OPERATIONS	-	(1.01)	(3.87)	-	(0.76)	(1.35)
TAX EXPENSES OF DISCONTINUED OPERATIONS	-	-	(0.27)	-	-	-

PARTICULARS	AS AT DECEMBER 31, 2017	AS AT MARCH 31, 2017	AS AT MARCH 31, 2016	AS AT MARCH 31, 2015 (PROFO RMA Ind AS)	AS AT MARCH 31, 2014 (PROFO RMA Ind AS)	AS AT MARCH 31, 2013 (PROFOR MA Ind AS)
LOSS FROM DISCONTINUED OPERATIONS	-	(1.01)	(4.14)	-	(0.76)	(1.35)
PROFIT/(LOSS) FOR THE YEAR	2,525.37	3,616.60	2,825.13	3,122.12	2,605.36	2,330.57
OTHER COMPREHENSIVE INCOME						
ITEMS THAT WILL BE RECLASSIFIED SUBSEQUENTLY TO PROFIT & LOSS						
- FOREIGN CURRENCY TRANSLATION RESERVE	0.09	0.04	(1.42)	(6.43)	(3.81)	20.68
- INCOME TAX EFFECT	-	-	-	-	-	-
	0.09	0.04	(1.42)	(6.43)	(3.81)	20.68
ITEMS THAT WILL NOT BE RECLASSIFIED SUBSEQUENTLY TO PROFIT & LOSS						
- REMEASUREMENTS OF THE DEFINED BENEFIT LIABILITY/ASSET	(61.36)	9.00	(13.20)	36.80	(25.40)	45.70
- INCOME TAX EFFECT	21.24	(3.10)	4.60	(12.70)	8.80	(15.80)
	(40.12)	5.90	(8.60)	24.10	(16.60)	29.90
TOTAL OTHER COMPREHENSIVE INCOME (NET OF TAX)	(40.03)	5.94	(10.02)	17.67	(20.41)	50.58
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	2,485.34	3,622.54	2,815.11	3,139.79	2,584.95	2,381.15
PROFIT FOR THE YEAR ATTRIBUTABLE TO:						
EQUITY SHAREHOLDERS OF THE COMPANY	2,429.59	3,526.62	2,809.77	3,121.04	2,606.69	2,330.89
NON-CONTROLLING INTERESTS	95.78	89.98	15.36	1.08	(1.33)	(0.32)
	2,525.37	3,616.60	2,825.13	3,122.12	2,605.36	2,330.57
TOTAL COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO:						
EQUITY SHAREHOLDERS OF THE COMPANY	2,389.56	3,532.56	2,799.75	3,140.15	2,588.25	2,381.48
NON-CONTROLLING INTERESTS	95.78	89.98	15.36	(0.36)	(3.30)	(0.33)
	2,485.34	3,622.54	2,815.11	3,139.79	2,584.95	2,381.15
EARNING PER SHARE (EQUITY SHARE OF ₹ 10/- EACH) FOR:						
CONTINUING OPERATIONS - BASIC & DILUTED (₹)	12.148	17.638	14.070	15.605	13.036	11.659
DISCONTINUED OPERATIONS - BASIC & DILUTED (₹)	-	(0.005)	(0.021)	-	(0.003)	(0.005)
CONTINUING & DISCONTINUED OPERATIONS - BASIC & DILUTED (₹)	12.148	17.633	14.049	15.605	13.033	11.654
WEIGHTED AVERAGE NUMBER OF EQUITY SHARES USED IN COMPUTING EARNING PER SHARE-BASIC & DILUTED (CONTINUING, DISCONTINUED & TOTAL)	200,000,000	200,000,000	200,000,000	200,000,000	200,000,000	200,000,000

RESTATED SUMMARY STATEMENT OF CONSOLIDATED CASH FLOWS
(in ₹ million)

PARTICULARS	AS AT DECEMBER 31, 2017	AS AT MARCH 31, 2017	AS AT MARCH 31, 2016	AS AT MARCH 31, 2015 (PROFORMA Ind AS)	AS AT MARCH 31, 2014 (PROFORMA Ind AS)	AS AT MARCH 31, 2013 (PROFORMA Ind AS)
CASH FLOW FROM OPERATING ACTIVITIES						
NET PROFIT BEFORE TAX	3,892.98	5,071.40	4,506.16	4,682.43	3,850.09	3,361.65
ADJUSTMENTS FOR:						
- OTHER COMPREHENSIVE INCOME BEFORE TAX	(61.27)	9.04	(14.62)	30.37	(29.21)	66.38
- LOSS BEFORE TAX FROM DISCONTINUED OPERATIONS	-	(1.01)	(3.87)	-	(0.76)	(1.35)
- DEPRECIATION AND AMORTIZATION	276.79	382.56	346.43	261.54	203.46	155.23
- LOSS/(PROFIT) ON SALE OF ASSETS (NET)	(0.40)	(0.19)	(0.98)	(0.86)	(0.18)	(0.74)
- SHARE OF (PROFIT)/LOSS OF JOINT VENTURES	23.14	114.72	26.00	(10.27)	26.81	(65.98)
- INTEREST FROM FDs/OTHERS	(743.79)	(979.44)	(1,080.00)	(1,068.42)	(973.30)	(857.92)
- INCOME FROM INVESTMENTS	(52.51)	(44.54)	(12.53)	(27.42)	(22.76)	(28.51)
- FINANCE COST	52.74	113.27	47.14	-	-	-
- INCOME FROM INVESTMENT PROPERTIES	(7.83)	(10.42)	(10.27)	(10.32)	(11.57)	(9.98)
- PROFIT FROM SALE OF INVESTMENT	-	(714.72)	-	-	-	-
- FIXED ASSETS WRITTEN OFF	0.02	0.20	0.30	0.03	0.03	0.05
- PROVISION AND IMPAIRMENT EXPENSES	(124.93)	499.88	192.14	(37.94)	229.80	70.14
EFFECT OF EXCHANGE DIFFERENCES ON TRANSLATION OF FOREIGN CURRENCY	(57.84)	(17.40)	(147.34)	(133.36)	(79.94)	(168.46)
OPERATING PROFIT BEFORE CHANGES IN ASSETS AND LIABILITIES	3,197.10	4,423.35	3,848.56	3,685.78	3,192.47	2,520.51
CHANGE IN ASSETS AND LIABILITIES:						
ADJUSTMENTS FOR (INCREASE)/DECREASE IN OPERATING ASSETS:						
- INVENTORIES	258.56	(373.42)	(63.94)	108.15	73.65	357.12
- TRADE RECEIVABLES	(856.10)	363.35	(1,647.83)	(518.39)	(414.15)	(333.33)
- LOANS, OTHER FINANCIAL ASSETS AND OTHER ASSETS	(94.77)	798.12	59.03	231.45	360.86	(182.30)
ADJUSTMENTS FOR INCREASE/(DECREASE) IN OPERATING LIABILITIES:						
- TRADE PAYABLES	(145.23)	(56.39)	16.15	(217.29)	(356.34)	271.01
- OTHER FINANCIAL LIABILITIES, OTHER LIABILITIES AND PROVISIONS (NET OF CLIENT FUNDS)	1,642.49	372.70	270.05	(800.08)	(875.81)	1,094.46
CASH GENERATED FROM						

PARTICULARS	AS AT DECEMBER 31, 2017	AS AT MARCH 31, 2017	AS AT MARCH 31, 2016	AS AT MARCH 31, 2015 (PROFOR MA Ind AS)	AS AT MARCH 31, 2014 (PROFORM A Ind AS)	AS AT MARCH 31, 2013 (PROFOR MA Ind AS)
OPERATIONS	4,002.05	5,527.71	2,482.02	2,489.62	1,980.68	3,727.47
- INCOME TAX PAID	(862.62)	(1,665.72)	(1,844.78)	(1,393.98)	(1,269.60)	(1,303.08)
NET CASH FROM OPERATING ACTIVITIES	3,139.43	3,861.99	637.24	1,095.64	711.08	2,424.39
CASH FLOWS FROM INVESTING ACTIVITIES						
- PURCHASE/CONSTRUCTION OF FIXED ASSETS	(423.63)	(211.52)	(1,940.85)	(1,000.64)	(488.34)	(263.00)
- PROCEEDS FROM SALE OF FIXED ASSETS	0.48	58.59	1.70	56.56	1.07	(8.23)
- INVESTMENTS/(REDEMPTION) IN JOINT VENTURES	-	(0.13)	-	60.00	(60.00)	(55.10)
- INVESTMENTS IN SHARES, BONDS ETC.	500.00	500.00	(200.52)	-	(250.03)	(500.04)
- LOANS TO RELATED PARTIES	-	(70.00)	(20.00)	(174.00)	-	44.40
- DEPOSITS AND INTEREST ACCRUED NOT CONSIDERED AS CASH AND CASH EQUIVALENTS	(3,082.12)	(1,605.41)	(109.21)	1,709.26	(1,742.96)	(837.40)
- INTEREST INCOME	743.79	979.44	989.08	1,006.62	913.90	807.02
- INCOME FROM INVESTMENTS	52.51	44.54	12.53	27.42	22.76	28.51
- INCOME FROM INVESTMENT PROPERTIES	7.83	10.42	10.27	10.32	11.57	9.98
NET CASH FROM INVESTING ACTIVITIES	(2,201.14)	(294.07)	(1,257.00)	1,695.54	(1,592.03)	(773.86)
CASH FLOW FROM FINANCING ACTIVITIES						
- INCREASE/(DECREASE) IN SECURED LOAN FROM BANK	(61.57)	(371.57)	1,205.86	-	-	-
- INTEREST PAID ON BORROWINGS	(55.88)	(114.81)	(36.78)	-	-	-
- DIVIDEND PAID	(780.00)	(1,460.00)	(770.00)	(530.00)	(600.00)	(380.00)
- DIVIDEND TAX PAID	(297.47)	(297.22)	(156.75)	(99.08)	(101.97)	(61.64)
- INCREASE/(DECREASE) IN NON- CONTROLLING INTEREST	(21.70)	98.00	98.00	96.52	49.00	-
NET CASH FROM FINANCING ACTIVITIES	(1,216.62)	(2,145.60)	340.33	(532.56)	(652.97)	(441.64)
EFFECT OF EXCHANGE DIFFERENCES ON TRANSLATION OF FOREIGN CURRENCY CASH & CASH EQUIVALENTS	54.65	17.95	147.92	132.57	86.91	152.04
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(223.68)	1,440.27	(131.51)	2,391.19	(1,447.01)	1,360.93
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	4,063.67	2,623.40	2,754.91	363.72	1,810.73	449.80
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	3,839.99	4,063.67	2,623.40	2,754.91	363.72	1,810.73

RESTATED SUMMARY STATEMENT OF STANDALONE ASSETS AND LIABILITIES
(in ₹ million)

PARTICULARS	AS AT DECEMBER 31, 2017	AS AT MARCH 31, 2017	AS AT MARCH 31, 2016	AS AT MARCH 31, 2015 (PROFOR MA Ind AS)	AS AT MARCH 31, 2014 (PROFOR MA Ind AS)	AS AT MARCH 31, 2013 (PROFOR MA Ind AS)
ASSETS						
NON CURRENT ASSETS						
PROPERTY, PLANT AND EQUIPMENT	2,517.19	2,591.13	2,592.16	2,012.58	1,919.60	1,729.37
CAPITAL WORK IN PROGRESS	4.48	32.80	67.38	94.40	129.49	68.69
INVESTMENT PROPERTY	12.34	12.55	12.91	13.27	15.51	15.92
INTANGIBLE ASSETS	10.30	17.30	31.02	47.89	47.96	35.50
INTANGIBLE ASSETS UNDER DEVELOPMENT	15.79	15.79	15.79	7.48	4.88	2.27
FINANCIAL ASSETS						
INVESTMENTS	1,797.71	1,797.71	2,178.28	2,363.15	2,296.85	1,935.82
LOANS	87.12	96.48	103.20	1,545.48	1,356.87	1,181.22
OTHER FINANCIAL ASSETS	1,713.93	2,395.69	1,959.74	1,792.20	2,672.33	2,127.64
DEFERRED TAX ASSETS (NET)	508.95	585.99	289.95	461.30	597.01	474.33
OTHER NON CURRENT ASSETS	1,071.34	1,115.50	892.18	1,206.02	784.21	798.70
	7,739.15	8,660.94	8,142.61	9,543.77	9,824.71	8,369.46
CURRENT ASSETS						
INVENTORIES	307.45	504.13	130.71	66.77	174.92	259.63
FINANCIAL ASSETS						
INVESTMENTS	2,491.94	1,930.36	560.09	-	-	1,224.70
TRADE RECEIVABLES	5,336.77	4,568.47	5,312.41	3,801.88	3,249.51	2,940.80
CASH AND CASH EQUIVALENTS-OWNED FUND	1,440.75	2,510.34	2,401.41	2,512.71	329.59	559.22
CASH AND CASH EQUIVALENTS-CLIENTS FUND	4,718.18	3,333.70	1,903.51	1,993.57	2,586.51	2,193.51
OTHER BANK BALANCES-OWNED FUND	9,406.21	6,094.24	4,576.14	4,526.93	5,949.59	5,672.78
OTHER BANK BALANCES-CLIENTS FUND	13,914.25	16,590.94	16,279.79	11,390.85	12,180.98	9,343.39
LOANS	110.15	114.17	71.70	121.99	40.94	33.73
OTHER FINANCIAL ASSETS	1,637.47	1,717.24	1,849.12	1,418.61	1,383.65	1,263.95
CURRENT TAX ASSETS (NET)	63.36	103.54	386.63	16.19	16.19	63.33
OTHER CURRENT ASSETS	865.25	498.05	823.06	285.42	457.93	855.30
	40,291.78	37,965.18	34,294.57	26,134.92	26,369.81	24,410.34
TOTAL ASSETS	48,030.93	46,626.12	42,437.18	35,678.69	36,194.52	32,779.80
EQUITY AND LIABILITIES						
EQUITY						
EQUITY SHARE CAPITAL	2,000.00	2,000.00	1,000.00	1,000.00	1,000.00	1,000.00
OTHER EQUITY	19,630.81	18,377.54	17,580.52	15,695.58	13,192.97	11,280.72
	21,630.81	20,377.54	18,580.52	16,695.58	14,192.97	12,280.72

PARTICULARS	AS AT DECEMBER 31, 2017	AS AT MARCH 31, 2017	AS AT MARCH 31, 2016	AS AT MARCH 31, 2015 (PROFOR MA Ind AS)	AS AT MARCH 31, 2014 (PROFOR MA Ind AS)	AS AT MARCH 31, 2013 (PROFOR MA Ind AS)
LIABILITIES						
NON CURRENT LIABILITIES						
FINANCIAL LIABILITIES						
TRADE PAYABLES	-	-	6.64	26.75	31.87	37.26
OTHER FINANCIAL LIABILITIES	1,159.84	1,084.57	996.17	822.08	688.04	666.85
PROVISIONS	1,203.89	1,126.82	998.62	1,045.46	1,128.04	1,448.29
OTHER NON CURRENT LIABILITIES	1,995.05	72.75	20.68	64.13	134.72	50.89
	4,358.78	2,284.14	2,022.11	1,958.42	1,982.67	2,203.29
CURRENT LIABILITIES						
FINANCIAL LIABILITIES						
TRADE PAYABLES	704.14	848.59	889.40	854.41	1,066.05	1,425.07
OTHER FINANCIAL LIABILITIES	18,220.56	19,155.33	18,846.83	15,043.47	17,003.91	14,717.55
PROVISIONS	996.73	1,505.02	1,046.14	766.80	1,083.24	312.18
OTHER CURRENT LIABILITIES	2,119.91	2,455.50	1,052.18	360.01	865.68	1,840.99
	22,041.34	23,964.44	21,834.55	17,024.69	20,018.88	18,295.79
TOTAL EQUITY AND LIABILITIES	48,030.93	46,626.12	42,437.18	35,678.69	36,194.52	32,779.80

RESTATED SUMMARY STATEMENT OF STANDALONE PROFIT AND LOSS
(in ₹ million)

PARTICULARS	AS AT DECEMBER 31, 2017	AS AT MARCH 31, 2017	AS AT MARCH 31, 2016	AS AT MARCH 31, 2015 (PROFOR MA Ind AS)	AS AT MARCH 31, 2014 (PROFO RMA Ind AS)	AS AT MARCH 31, 2013 (PROFO RMA Ind AS)
REVENUE						
REVENUE FROM OPERATIONS	8,902.37	13,012.50	10,746.63	10,111.50	10,934.50	9,538.92
OTHER INCOME	1,243.93	2,070.99	1,349.93	1,448.32	1,262.29	1,273.36
TOTAL REVENUE	10,146.30	15,083.49	12,096.56	11,559.82	12,196.79	10,812.28
EXPENDITURE						
EMPLOYEE BENEFIT EXPENSES	3,212.99	4,161.90	3,402.50	3,240.53	2,701.88	2,851.47
TRAVEL	270.16	391.10	353.70	324.59	342.96	307.46
SUPPLIES & SERVICES	681.87	1,048.14	964.48	769.06	725.74	782.91
COST OF EXPORT SALES	1,140.33	2,961.02	1,569.42	805.11	2,731.86	2,252.90
COST OF TURNKEY CONSTRUCTION PROJECTS	539.43	278.49	352.52	834.82	881.51	546.17
DEPRECIATION & AMORTISATION EXPENSES	230.40	321.07	318.16	261.22	203.41	155.21
OTHER EXPENSES	436.54	1,022.87	655.30	658.17	732.84	606.62
TOTAL EXPENDITURE	6,511.72	10,184.59	7,616.08	6,893.50	8,320.20	7,502.74
PROFIT BEFORE TAX	3,634.58	4,898.90	4,480.48	4,666.32	3,876.59	3,309.54
TAX EXPENSES						
- CURRENT TAX	(1,186.68)	(1,646.60)	(1,488.84)	(1,423.02)	(1,368.45)	(1,089.11)
- DEFERRED TAX (NET)	(77.04)	296.04	(171.35)	(135.71)	122.68	59.38
PROFIT AFTER TAX	2,370.86	3,548.34	2,820.29	3,107.59	2,630.82	2,279.81
OTHER COMPREHENSIVE INCOME						
ITEMS THAT WILL NOT BE RECLASSIFIED SUBSEQUENTLY TO PROFIT & LOSS						
- REMEASUREMENTS OF THE DEFINED BENEFIT LIABILITY/ASSET	(61.36)	9.00	(13.20)	36.80	(25.40)	45.70
- INCOME TAX	21.24	(3.10)	4.60	(12.70)	8.80	(15.80)
TOTAL OTHER COMPREHENSIVE INCOME (NET OF TAX)	(40.12)	5.90	(8.60)	24.10	(16.60)	29.90
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	2,330.74	3,554.24	2,811.69	3,131.69	2,614.22	2,309.71
EARNING PER SHARE (EQUITY SHARE OF ₹10/- EACH) - BASIC & DILUTED (₹)	11.854	17.742	14.101	15.538	13.154	11.399
WEIGHTED AVERAGE NUMBER OF EQUITY SHARES USED IN COMPUTING EARNING PER SHARE	200,000,000	200,000,000	200,000,000	200,000,000	200,000,000	200,000,000

RESTATED SUMMARY STATEMENT OF STANDALONE CASH FLOWS

(in ₹ million)

PARTICULARS	AS AT DECEMBER 31, 2017	AS AT MARCH 31, 2017	AS AT MARCH 31, 2016	AS AT MARCH 31, 2015 (PROFORMA Ind AS)	AS AT MARCH 31, 2014 (PROFORMA Ind AS)	AS AT MARCH 31, 2013 (PROFORMA Ind AS)
CASH FLOW FROM OPERATING ACTIVITIES						
NET PROFIT BEFORE TAX	3,634.58	4,898.90	4,480.48	4,666.32	3,876.59	3,309.54
OTHER COMPREHENSIVE INCOME BEFORE TAX	(61.36)	9.00	(13.20)	36.80	(25.40)	45.70
ADJUSTMENTS FOR:						
- DEPRECIATION AND AMORTIZATION	230.40	321.07	318.16	261.22	203.41	155.21
- LOSS/(PROFIT) ON SALE OF ASSETS (NET)	(0.40)	(0.19)	(0.98)	(0.75)	(0.18)	(0.74)
- INTEREST FROM FDs/OTHERS	(726.68)	(952.87)	(1,074.66)	(1,053.30)	(969.04)	(857.33)
- INCOME FROM INVESTMENTS	(71.58)	(44.54)	(12.82)	(27.42)	(22.76)	(28.65)
- INCOME FROM INVESTMENT PROPERTIES	(7.39)	(9.85)	(9.85)	(9.85)	(11.21)	(9.61)
- PROFIT FROM SALE OF INVESTMENT	-	(714.72)	-	-	-	-
- FIXED ASSETS WRITTEN OFF	0.02	0.20	0.30	0.03	0.03	0.05
- PROVISION AND IMPAIRMENT EXPENSES	(124.93)	499.88	192.14	(37.94)	229.80	70.14
EFFECT OF EXCHANGE DIFFERENCES ON TRANSLATION OF FOREIGN CURRENCY	(54.65)	(18.84)	(145.64)	(132.55)	(87.03)	(152.04)
OPERATING PROFIT BEFORE CHANGES IN ASSETS AND LIABILITIES	2,818.01	3,988.04	3,733.93	3,702.56	3,194.21	2,532.27
CHANGE IN ASSETS AND LIABILITIES:						
ADJUSTMENTS FOR (INCREASE)/DECREASE IN OPERATING ASSETS:						
- INVENTORIES	258.56	(373.42)	(63.94)	108.15	73.65	357.12
- TRADE RECEIVABLES	(788.28)	397.57	(1,611.28)	(520.70)	(409.40)	(357.95)
- LOANS, OTHER FINANCIAL ASSETS AND OTHER ASSETS	(32.42)	931.46	22.56	229.97	339.13	(200.57)
ADJUSTMENTS FOR INCREASE/(DECREASE) IN OPERATING LIABILITIES:						
- TRADE PAYABLES	(144.45)	(47.45)	14.88	(216.76)	(364.41)	285.53
- OTHER FINANCIAL LIABILITIES, OTHER LIABILITIES AND PROVISIONS (NET OF CLIENT FUNDS)	1,645.86	331.67	255.83	(791.94)	(879.05)	1,094.43
CASH GENERATED FROM OPERATIONS	3,757.28	5,227.87	2,351.98	2,511.28	1,954.13	3,710.83
- INCOME TAX PAID	(852.69)	(1,641.84)	(1,854.18)	(1,389.48)	(1,268.89)	(1,301.47)
NET CASH FROM OPERATING ACTIVITIES	2,904.59	3,586.03	497.80	1,121.80	685.24	2,409.36
CASH FLOWS FROM INVESTING ACTIVITIES						
- PURCHASE/CONSTRUCTION OF FIXED ASSETS	(423.30)	(213.44)	(554.63)	(856.62)	(470.02)	(246.52)
- PROCEEDS FROM SALE OF FIXED ASSETS	0.48	1.00	1.67	56.45	1.07	(8.23)

PARTICULARS	AS AT DECEMBER 31, 2017	AS AT MARCH 31, 2017	AS AT MARCH 31, 2016	AS AT MARCH 31, 2015 (PROFO RMA Ind AS)	AS AT MARCH 31, 2014 (PROFO RMA Ind AS)	AS AT MARCH 31, 2013 (PROFOR MA Ind AS)
- INVESTMENTS IN SHARES,BONDS ETC.	500.00	397.87	(302.02)	(37.30)	(361.03)	(555.14)
- LOANS TO RELATED PARTIES	-	(70.00)	(20.00)	(174.00)	-	44.40
- DEPOSITS AND INTEREST ACCRUED NOT CONSIDERED AS CASH AND CASH EQUIVALENTS	(2,881.53)	(1,431.65)	(141.15)	1,725.2 6	(1,639.59)	(840.94)
- INTEREST INCOME	726.68	952.87	983.74	991.50	909.64	806.43
- INCOME FROM INVESTMENTS	71.58	44.54	12.82	27.42	22.76	28.65
- INCOME FROM INVESTMENT PROPERTIES	7.39	9.85	9.85	9.85	11.21	9.61
NET CASH FROM INVESTING ACTIVITIES	(1,998.70)	(308.96)	(9.72)	1,742.5 6	(1,525.96)	(761.74)
CASH FLOW FROM FINANCING ACTIVITIES						
- DIVIDEND PAID	(780.00)	(1,460.00)	(770.00)	(530.00)	(600.00)	(380.00)
- DIVIDEND TAX PAID	(297.47)	(297.22)	(156.75)	(99.08)	(101.97)	(61.64)
NET CASH FROM FINANCING ACTIVITIES	(1,077.47)	(1,757.22)	(926.75)	(629.08)	(701.97)	(441.64)
EFFECT OF EXCHANGE DIFFERENCES ON TRANSLATION OF FOREIGN CURRENCY CASH & CASH EQUIVALENTS	54.65	18.84	145.64	132.55	87.03	152.04
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(116.93)	1,538.69	(293.03)	2,367.8 3	(1,455.66)	1,358.02
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	3,943.58	2,404.89	2,697.92	330.09	1,785.75	427.73
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	3,826.65	3,943.58	2,404.89	2,697.9 2	330.09	1,785.75

THE OFFER

The following table summarizes the Offer details:

Offer of Equity Shares ⁽¹⁾⁽⁴⁾	25,200,000 Equity Shares aggregating to ₹[●] million
<i>Of which:</i>	
Employee Reservation Portion ⁽²⁾⁽³⁾⁽⁴⁾	1,200,000 Equity Shares aggregating to ₹[●] million
Net Offer	24,000,000 Equity Shares aggregating to ₹[●] million
<i>Of which:</i>	
A) QIB Portion ⁽²⁾	12,000,000 Equity Shares
<i>of which:</i>	
Mutual Fund Portion	600,000 Equity Shares
Balance for all QIBs including Mutual Funds	11,400,000 Equity Shares
B) Non-Institutional Portion ⁽²⁾	Not less than 3,600,000 Equity Shares
C) Retail Portion ⁽²⁾⁽³⁾	Not less than 8,400,000 Equity Shares
Pre and post Offer Equity Shares	
Equity Shares outstanding prior to the Offer	200,000,000 Equity Shares
Equity Shares outstanding after the Offer	200,000,000 Equity Shares
Utilisation of Net Proceeds	Our Company will not receive any proceeds from the Offer for Sale since the Offer is being made through an offer for sale by the Selling Shareholder. For details, see “ <i>Objects of the Offer</i> ” on page 90.

Allocation to Bidders in all categories (except the Employee Reservation portion and the Retail Portion) shall be made on a proportionate basis. For further details, see “*Offer Procedure – Part B – General Information Document for investing in Public Issues - Allotment Procedure and Basis of Allotment*” on page 647.

⁽¹⁾ The Offer has been authorised by our Board pursuant to a resolution passed at its meeting held on January 12, 2018. The Selling Shareholder, through its letter dated January 12, 2018, has conveyed the consent for inclusion of 24,000,000 Equity Shares of our Company held by the Selling Shareholder as part of the Offer for Sale.

⁽²⁾ Eligible Employees Bidding in the Employee Reservation Portion can Bid up to a Bid Amount of ₹500,000 (net of Employee Discount). However, a Bid by an Eligible Employee in the Employee Reservation Portion will be considered for allocation, in the first instance, for a Bid Amount of up to ₹200,000 (net of Employee Discount). In the event of under-subscription in the Employee Reservation Portion, the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹200,000 (net of Employee Discount), subject to the maximum value of Allotment made to an Eligible Employee not exceeding ₹500,000 (net of Employee Discount). The unsubscribed portion, if any, in the Employee Reservation Portion (after allocation over ₹200,000), shall be added to the Net Offer. Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in the Non-Institutional Portion or the Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of the Selling Shareholder and our Company, in consultation with the BRLMs and the Designated Stock Exchange, on a proportionate basis. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories. For further details, see “*Offer Structure*” on page 605.

⁽³⁾ The Selling Shareholder and our Company, in consultation with the BRLMs, may offer a discount of ₹[●] per equity share and a discount of ₹[●] per equity share on the Offer Price to the Retail Individual Bidders and the Eligible Employees Bidding under the Employee Reservation Portion, respectively. The amount of Retail Discount and Employee Discount, as applicable, will be advertised in all newspapers wherein the Pre-Offer Advertisement will be published. For further details, see “*Offer Procedure*” on page 609.

⁽⁴⁾ 1,200,000 Equity Shares have been reserved for allocation and Allotment to Eligible Employees Bidding in the Employee Reservation Portion. The Employee Reservation Portion shall not exceed 5% of the post-Offer capital of our Company. The allocation and Allotment of Equity Shares under various portions mentioned in the table above

(i.e. under the QIB Portion, Non-Institutional Portion and the Retail Portion) are in respect of the Net Offer of 24,000,000 Equity Shares.

GENERAL INFORMATION

Our Company was incorporated on April 26, 1974 under the Companies Act, 1956 as a private limited company under the name of 'Rail India Technical and Economic Services Private Limited' with its main object being to provide engineering, technical and consultancy services for development of railways and allied sectors. The word 'private' was deleted from the name of our Company pursuant to section 43A of the Companies Act, 1956 on February 17, 1976. Thereafter, in accordance with section 21 of the Companies Act, 1956, the name of our Company was changed to our present name, RITES Limited, consequent to which the RoC, National Capital Territory of Delhi and Haryana, issued a fresh certificate of incorporation dated March 28, 2000. Subsequently, our Company was converted into a public limited company pursuant to a fresh certificate of incorporation dated February 5, 2008 issued by the RoC, National Capital Territory of Delhi and Haryana.

Registration Number: 007227

Corporate Identity Number: U74899DL1974GOI007227

Registered Office

RITES Limited
SCOPE Minar
Laxmi Nagar, Delhi 110 092, India
Tel: +91 11 2202 4610
Fax: +91 11 2202 4660
Website: www.ritesltd.com

Corporate Office

RITES Bhawan,
No. 1, Sector 29,
Gurugram, Haryana, India-122 001

For details of changes in the name and registered office of our Company, see "*History and Certain Corporate Matters – Changes in Registered Office*" on page 158.

Address of the Registrar of Companies

Our Company is registered with the RoC, National Capital Territory of Delhi & Haryana situated at the following address:

Registrar of Companies
4th Floor,
IFCI Tower, 61,
Nehru Place, New Delhi 110 019, India
Tel: +91 11 2623 5707 / 2623 5708
Fax: +91 11 2623 5702

Board of Directors

The table below sets forth the details of the constitution of our Board.

Name	Designation	DIN	Address
Mr. Rajeev Mehrotra	Chairman & Managing Director	01583143	House No. 3133, Sector – 23, Gurugram – 122017, Haryana, India
Mr. Arbind Kumar	Director (Projects)	05343323	902, Prithvi Apartments, Sector – 52, Wazirabad, Gurugram – 122003, Haryana, India
Mr. Ajay Kumar Gaur	Director (Finance)	05333257	192, Vishwas Apartments, Plot No. 6A, Sector – 23, Dwarka – 110075, New Delhi, India

Name	Designation	DIN	Address
Mr. Mukesh Rathore	Director (Technical)	07669150	Flat No. 104, Tulip Tower, Sushant Estate, Sector 52, Gurugram – 122002, Haryana, India
Mr. A. P. Dwivedi	Government Nominee Director	07122333	Quarter No.701, Type – 6A, Block – F, Floor – 7, Deen Dayal Upadhyay Marg, New Delhi – 110002, India
Mr. Bhupendra Kumar Agarwal	Government Nominee Director	07956187	B-7, Extension/17, 1 st Floor, Safdarjung Enclave, New Delhi – 110029, India
Dr. Vidya Rajiv Yeravdekar	Independent Director	02183179	Rajlakshmi Apartments, 39 Laxmi Park Colony, Navi Peth, Pune – 411030, Maharashtra, India
Mr. Satish Sareen	Independent Director	01874068	S – 14, Shopping Centre, Tilak Nagar, Jaipur – 302004, Rajasthan, India
Mr. Anil Kumar Goel	Independent Director	00672755	B – 38, Ashoka Niketan, Delhi – 110092, India
Dr. Pramod Kumar Anand	Independent Director	00298962	B – 2392, Pocket 2&3, Sector B, Vasant Kunj, New Delhi – 110070, India
Dr. Rajendra N. Goyal	Independent Director	08087148	A-3, Hill View Apartment, I.I.T Roorkee, Roorkee, Haridwar, Uttarakhand – 247667, India
Ms. Geethakumary	Independent Director	08087165	158, Thachayath House, Malayattoor, Ernakulam, Kerala – 683587, India

For further details of our Board of Directors, see “*Our Management*” on page 172.

Selling Shareholder

The Selling Shareholder is our Promoter, i.e., the President of India acting through the MoR.

Chief Financial Officer

Mr. Ajay Kumar Gaur, Director (Finance) is the Chief Financial Officer of our Company. His contact details are as follows:

Mr. Ajay Kumar Gaur

RITES Bhawan
No. 1, Sector 29
Gurugram, Haryana, India-122 001
Tel: +91 124 257 1603
Fax: +91 124 257 1188
Email: df@rites.com

Company Secretary and Compliance Officer

Mr. Ashish Kumar Srivastava is the Company Secretary and Compliance Officer of our Company. His contact details are as follows:

Mr. Ashish Kumar Srivastava

RITES Bhawan,
No. 1, Sector 29,
Gurugram, Haryana, India-122 001
Tel: +91 124 257 1665
Fax: +91 124 257 1187
Email: cs@rites.com

Offer related grievances

Investors can contact the Company Secretary and Compliance Officer, the BRLMs or the Registrar to the Offer in the case of any pre-Offer or post-Offer related problems, such as non-receipt of Allotment Advice, non-credit of Allotted Equity Shares in the respective beneficiary account or refund orders and non-receipt of funds by electronic mode.

All grievances in relation to the Bidding process may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary with whom the ASBA Form was submitted. The Bidder should give full details such as name of the first or sole Bidder, ASBA Form number, Bidder DP ID, Client ID, PAN, date of submission of the ASBA Form, address of the Bidder, number of Offered Shares applied for and the name and address of the Designated Intermediary where the ASBA Form was submitted by the Bidder.

All grievances relating to Bids submitted with Registered Brokers may be addressed to them with copy to the Stock Exchanges and to the Registrar to the Issue.

Further, the Bidders shall also enclose the Acknowledgement Slip duly received from the Designated Intermediaries in addition to the documents/information mentioned hereinabove.

Book Running Lead Managers

Elara Capital (India) Private Limited

Indiabulls Finance Centre,
Tower 3, 21st Floor,
Senapati Bapat Marg, Elphinstone Road West,
Mumbai – 400 013, India
Telephone: +91 22 6164 8599
Fax: +91 22 6164 8589
E-mail: rites.ipo@elaracapital.com
Investor grievance e-mail: mb.investorgrievances@elaracapital.com
Contact Person: Mr. Kunal Safari
Website: www.elaracapital.com
SEBI Registration No.: INM000011104

IDBI Capital Markets & Securities Limited (Formerly known as IDBI Capital Market Services Limited)

3rd floor, Mafatlal Centre,
Nariman Point, Mumbai 400 021, India
Telephone: +91 22 4322 1212
Fax: +91 22 2285 0785
E-mail: ipo.rites@idbicapital.com
Investor grievance e-mail: redressal@idbicapital.com
Contact Person: Mr. Sumit Singh
Website: www.idbicapital.com
SEBI Registration No.: INM000010866

IDFC Bank Limited

Naman Chambers, C-32
G-Block, Bandra Kurla Complex
Bandra (E), Mumbai - 400 051, India
Telephone: +91 22 7132 5500
Fax: +91 22 4222 2088
E-mail: rites.ipo@idfcbank.com
Investor grievance e-mail: mb.ig@idfcbank.com
Contact Person: Mr. Akshay Bhandari
Website: www.idfcbank.com
SEBI Registration No.: MB/INM000012250

SBI Capital Markets Limited

202, Maker Tower 'E',

Cuffe Parade,
Mumbai - 400 005, India
Telephone: +91 22 2217 8300
Fax: +91 22 2217 8332
E-mail: rites.ipo@sbicaps.com
Investor grievance e-mail: investor.relations@sbicaps.com
Contact Person: Mr. Karan Savardekar/Mr. Sambit Rath
Website: www.sbicaps.com
SEBI Registration No.: INM000003531

Statement of the *inter-se* allocation of responsibilities among the BRLMs

The responsibilities and co-ordination by the BRLMs for various activities in this Offer are as follows:

Sr. No.	Activity	Responsibility	Co-ordination
1	Capital structuring, positioning strategy and due diligence of the Company including its operations/ management/ business plans/ legal. Drafting and design of the Draft Red Herring Prospectus, Red Herring Prospectus and Prospectus, including memorandum containing salient features of the Prospectus. Ensuring compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, RoC, and SEBI including finalisation of Prospectus and registering with the RoC	BRLMs	Elara Capital
2	Drafting and approval of all statutory advertisement	BRLMs	Elara Capital
3	Co-ordination of auditor deliverables	BRLMs	Elara Capital
4	Drafting and approval of all publicity material other than statutory advertisement as mentioned above including corporate advertising, brochure, etc. Co-ordination for the filing of media compliance report with SEBI	BRLMs	IDFC Bank
5	Appointment of intermediaries, viz., Registrar to the Offer, advertising agency, printers, Bankers to the Offer and monitoring agency (including coordinating all agreements to be entered with such parties)	BRLMs	IDBI Capital
6	Non-institutional and retail marketing of the Offer, which will cover, among others <ul style="list-style-type: none"> • Finalising media, marketing, and public relations strategy • Finalising centers for holding conferences for brokers, etc. • Follow-up on the distribution of publicity and Offer material including forms, Prospectus and deciding on the quantum of the offer material • Finalising Syndicate ASBA collection centers 	BRLMs	IDBI Capital
7	Domestic institutional marketing of the Offer, which will cover, among others: <ul style="list-style-type: none"> • Institutional marketing strategy • Finalising the list and division of domestic investors for one-to-one meetings • Finalising domestic roadshows and investor meeting schedule 	BRLMs	SBICAP
8	International Institutional marketing of the Offer, which will cover, among others <ul style="list-style-type: none"> • Institutional marketing strategy • Finalising the list and division of international investors for one-to-one meetings • Finalising international roadshows and investors meeting schedule • Preparation of the roadshows presentation, pricing presentation, roadshows script, and FAQs 	BRLMs	IDFC Bank
9	Co-ordination with Stock Exchanges for book building software, bidding terminals, mock trading and payment of 1% security deposit	BRLMs	IDBI Capital
10	Managing the book and finalisation of Offer Price in consultation with the Selling Shareholder and the Company	BRLMs	IDFC Bank

Sr. No.	Activity	Responsibility	Co-ordination
11	Post Offer activities, which shall involve: <ul style="list-style-type: none"> Essential follow-up steps, advising the Company about the closure of the Offer based on the Bid file, finalisation of the Basis of Allotment or weeding out of multiple applications, listing of Equity Shares, demat credit etc., including co-ordination with various agencies connected with the intermediaries such as Registrar to the Offer Coordinating with Stock Exchanges and SEBI for release of 1% security deposit post-closure of the Offer 	BRLMs	SBICAP
12	Payment of applicable securities transaction tax on the sale of unlisted Equity Shares by the Selling Shareholder under the Offer for Sale included in the Offer to the GoI and filing of the securities transaction tax return by the prescribed due date as per Chapter VII of the Finance (no. 2) Act, 2004	BRLMs	SBICAP

Registrar to the Offer

Link Intime India Private Limited

C 101, 247 Park,
Lal Bahadur Shastri Marg, Vikhroli (West),
Mumbai 400 083, India
Telephone: +91 22 4918 6200
Fax: +91 22 4918 6195
E-mail: rites.ipo@linkintime.co.in
Investor Grievance E-mail: rites.ipo@linkintime.co.in
Website: www.linkintime.co.in
Contact Person: Ms. Shanti Gopalakrishnan
SEBI Registration No.: INR000004058

Legal Counsel to our Company and the Selling Shareholder as to Indian Law

DSK Legal

1203, One Indiabulls Centre, Tower 2, Floor 12 B, 841, Senapati Bapat Marg, Elphinstone Road, Mumbai 400 013, India Telephone: +91 22 6658 8000 Fax: +91 22 6658 8001	4, Aradhana Enclave R. K. Puram Sector – 13 New Delhi 110066 India Telephone: +91 11 6661 6666 Fax: +91 11 6661 6600
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Legal Counsel to the Book Running Lead Managers as to Indian Law

J. Sagar Associates

Sandstone Crest (Opposite Park Plaza Hotel), Sushant Lok – I, Gurugram 122 009, India Telephone: +91 124 4390600 Fax: +91 124 4390617	Vakils House, 18 Sprott Road Ballard Estate, Mumbai 400 001, India Telephone: +91 22 4341 8600 Fax: +91 22 4341 8617
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International Legal Counsel to our Company and the Selling Shareholder

Riker Danzig Scherer Hyland & Perretti LLP

500 Fifth Avenue, 49th Floor,
New York, NY 10110, U.S.A
Telephone: +1 (212) 302-6574
Fax: +1 (973) 451-3709

Statutory Auditor to our Company

M/s Agiwal & Associates

Lal Kothi, 2nd Floor,
3830, Pataudi House Road,
Above Bank of Baroda,
Daryaganj,
New Delhi 110 002,
India
Telephone: +91 11 2326 7461, +91 11 2328 3162
Fax: N.A
E-mail: office@agiwalassociates.in
ICAI Firm Registration Number: 000181N
Peer Review Number: 009576

Bankers to our Company

Axis Bank Limited

Ground Floor, GL-005,006,007,008
Cross Point, DLF Phase IV,
Gurugram – 122 009
Tel: +91 124 470 9400
Fax: +91 124 405 0593
E-mail: R.Chandrasekar@axisbank.com
Website: www.axisbank.com
Contact Person: Mr. R. Chandrasekar

State Bank of India

Overseas Branch,
Jawahar Vyapar Bhawan, Tolstoy Marg,
New Delhi - 100 001
Tel: +91 11 2337 4850
Fax: +91 11 2371 1579
E-mail: sbi.04803@sbi.co.in
Website: www.sbi.co.in
Contact Person: Mr. Abhay Kumar Jha (Chief Manager
(A&A))

Syndicate Members

Elara Capital (India) Private Limited

Indiabulls Finance Centre, Tower 3
21st Floor, Senapati Bapat Marg
Elphinstone Road (West)
Mumbai 400 013
Tel: +91 22 6164 8500
Fax: +91 22 6164 8569
E-mail: sujit.samantaray@elaracapital.com
Investor Grievance Email: eq.ops@elaracapital.com
Website: www.elaracapital.com
Contact Person: Mr. Sujit Kumar Samantaray
SEBI Registration No.:
INB011289833/INB231289837/INF231289837

IDFC Securities Limited

6th Floor, One IndiaBulls Centre,
Tower 1C, 841, Jupiter Mills Compound,
Senapati Bapat Marg, Elphinstone,
Mumbai – 400013.
Tel: +91 22 4202 2585
Fax No: +91 22 4202 2504
Email ID: idfcsec.ie@idfc.com
Investor Grievance Email: investorgrievance@idfc.com
Website: http://www.idfc.com/capital/index.htm
Contact Person: Mr. Amit Gangnaik
SEBI Registration No.: INB231291437/INB011291433

SBICAP Securities Limited

Marathon Futurex, A&B Wing, 12th Floor,
N. M. Joshi Marg, Lower Parel,
Mumbai – 400 013
Tel: +91 22 4227 3300/+91 93246 34624
Fax: +91 22 4227 3390
E-mail: archana.dedhia@sbicapsec.com
Investor Grievance Email: complaints@sbicapsec.com
Website: www.sbismart.com
Contact Person: Ms. Archana Dedhia
SEBI Registration No.: NSE INB231052938/BSE
INB011053031

Sharekhan Limited

Lodha, I Think Techno Campus, 10th Floor, Beta Building,
Off. JVLR.
Opp. Kanjurmarg Station, Kanjurmarg (East),
Mumbai - 400 042
Tel: +91 22 6115 0000
Fax: +91 22 6748 1899
E-mail: ipo@sharekhan.com
Investor Grievance Email: myaccount@sharekhan.com
Website: www.sharekhan.com
Contact Person: Mr. PravinDarji/ Mr. Mehul Koradia
SEBI Registration No.: INB011073351/INB231073330

Banker(s) to the Offer/ Public Offer Account Bank

HDFC Bank Limited

FIG –OPS Department- Lodha, I Think Techno Campus O3 Level, Next to Kanjurmarg Railway Station, Kanjurmarg (East), Mumbai – 400 042
Tel: +91 22 3075 2927/28/2914
Fax: +91 22 2579 9801
E-mail: vincent.dsouza@hdfcbank.com/
siddharth.jadhav@hdfcbank.com/
prasanna.uchil@hdfcbank.com
Website: www.hdfcbank.com
Contact Person: Mr. Vinncent Dsouza, Mr. Siddharth Jadhav,
Mr Prasanna Uchil

State Bank of India

Capital Market Branch,
Mumbai Main Branch Premises, 3rd Floor, Mumbai
Samachar Marg, Mumbai - 400 001
Tel: +91 22 2271 9102
Fax: +91 22 2271 9126
E-mail: nib.11777@sbi.co.in/sbi.11777@sbi.co.in
Website: www.sbi.co.in
Contact Person: Mr. Indra kant Chaurasia

Designated Intermediaries

Self Certified Syndicate Banks

The list of SCSBs for the ASBA process is provided on the website of SEBI at https://www.sebi.gov.in/sebi_data/commndocs/scsb_p.pdf or such other websites as updated from time to time. For details of the Designated Branches which shall collect ASBA Forms from the Bidders and Designated Intermediaries, please refer to the abovementioned link.

Registered Brokers

Bidders can submit ASBA Forms in the Offer using the stock broker network of the Stock Exchanges, *i.e.*, through the Registered Brokers at the Broker Centres. The list of the Registered Brokers, including details such as postal address, telephone numbers, and e-mail address, is provided on the websites of the BSE and the NSE at http://www.bseindia.com/Markets/PublicIssues/brokercentres_new.aspx?expandable=3 and http://www.nseindia.com/products/content/equities/ipos/ipo_mem_terminal.htm, respectively, or such other websites as updated from time to time.

Registrar and Share Transfer Agents

The list of the RTAs eligible to accept ASBA Forms at the Designated RTA Locations, including details such as address, telephone numbers, and e-mail address, are provided on the websites of the BSE and NSE at <http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?expandable=6> and https://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, respectively, or such other websites as updated from time to time.

Collecting Depository Participants

The list of the CDPs eligible to accept ASBA Forms at the Designated CDP Locations, including details such as name and contact details, are provided on the websites of the BSE and NSE at <http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?expandable=6> and https://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, respectively, or such other websites as updated from time to time.

Expert

Except as stated below, our Company has not obtained any expert opinions:

As required under Section 26(1)(a)(v) of the Companies Act, 2013, our Company has received written consent from our Statutory Auditor, namely M/s Agiwal & Associates, to include its name as an “expert” as defined under Section 2(38) of the Companies Act, 2013 in respect of their (a) reports dated March 21, 2018 on the Restated Standalone Financial Information and the Restated Consolidated Financial Information and (b) report dated January 12, 2018 on the statement of possible tax benefits available for our Company and the Shareholders.

Such consent has not been withdrawn as on the date of this Red Herring Prospectus.

The term “Expert” and consent thereof, does not represent an expert or consent within the meaning under the U.S. Securities Act.

Credit Rating

As this is an offer of Equity Shares, there is no credit rating for the Offer.

Grading of the Offer

No agency registered with SEBI has been appointed in respect of obtaining grading for the Offer.

Trustees

As this is an offer of Equity Shares, there are no trustees appointed for the Offer.

Monitoring Agency

As the Offer is an offer for sale of Equity Shares, our Company will not receive any proceeds from the Offer. Accordingly, no monitoring agency is appointed for the Offer.

Appraising Entity

As the Offer is an offer for sale of Equity Shares, our Company will not receive any proceeds from the Offer. Accordingly, no appraising entity is required to be appointed.

Book Building Process

Book building, in the context of the Offer, refers to the process of collection of Bids from Bidders on the basis of this Red Herring Prospectus, the ASBA Forms, and the Revision Forms within the Price Band. The Price Band, Bid Lot, rupee amount of the Retail Discount and Employee Discount, as applicable shall be decided by our Company and the Selling Shareholder in consultation with the BRLMs, and advertised in all newspapers wherein the Pre-Offer advertisement will be published, at least five Working Days prior to the Bid/ Offer Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading on their website. The Offer Price shall be determined by the Selling Shareholder and our Company in consultation with the BRLMs, after the Bid/ Offer Closing Date. The principal parties involved in the Book Building Process are:

- (1) Our Company;
- (2) the Selling Shareholder;
- (3) the BRLMs;
- (4) the Syndicate Member(s);
- (5) the Registrar to the Offer;
- (6) the Escrow Collection Banks;
- (7) the SCSBs;
- (8) the Collecting Depository Participants;
- (9) the RTAs; and
- (10) the Registered Brokers.

All potential Bidders shall participate in the Offer mandatorily through the ASBA process by providing the details of their respective bank accounts in which the corresponding Bid Amount will be blocked by the SCSBs.

In accordance with the SEBI ICDR Regulations, QIB Bidders, and Non-Institutional Bidders are not allowed to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders and Eligible Employees Bidding in the Employee Reservation Portion can revise their Bids during the Bid/ Offer Period and withdraw their Bids until the Bid/ Offer Closing Date. Further, allocation in the QIB Portion and Non-Institutional Portion will be on a proportionate basis.

For further details, see “Offer Structure” and “Offer Procedure” on pages 605 and 609, respectively.

Our Company and the Selling Shareholder will comply with the SEBI ICDR Regulations and any other directions issued by SEBI in relation to this Offer. In this regard, the Selling Shareholder has appointed the BRLMs to manage this Offer and procure Bids for this Offer.

The Book Building Process under the SEBI ICDR Regulations is subject to change from time to time and the investors are advised to make their own judgment about investment through this process prior to submitting a Bid in the Offer.

Notwithstanding the foregoing, the Offer is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment; and (ii) the final approval of the RoC after the Prospectus is registered with the RoC.

Steps to be taken by the Bidders for Bidding:

For details, see “Offer Procedure” on page 609.

Illustration of Book Building Process and the Price Discovery Process

For an illustration of the Book Building Process and the price discovery process, see “Offer Procedure – Part B – Basis of Allocation” on page 646.

Underwriting Agreement

After the determination of the Offer Price and allocation of Offered Shares, but prior to the registration of the Prospectus with the RoC, the Selling Shareholder, and our Company intend to enter into the Underwriting Agreement with the Underwriters for the Offered Shares. It is proposed that pursuant to the terms of the Underwriting Agreement, each of the BRLMs shall be severally responsible for bringing in the amount devolved in the event the respective Syndicate Members do not fulfill their underwriting obligations. The underwriting shall be to the extent of the Bids uploaded, subject to Regulation 13 of the SEBI ICDR Regulations. The obligations of each of the Underwriters are several and shall be subject to certain conditions specified in the Underwriting Agreement.

The Underwriting Agreement is dated [●]. The Underwriters have indicated their intention to underwrite the following number of Offered Shares:

(This portion has been intentionally left blank and will be completed before the registration of the Prospectus with the RoC.)

(in ₹ million, except share data)

Name, address, telephone number, fax number and email address of the Underwriters	Indicative Number of Offered Shares to be underwritten	Amount underwritten
[●]	[●]	[●]
[●]	[●]	[●]
Total	[●]	[●]

The abovementioned table will be finalised after determination of the Offer Price and finalisation of the Basis of Allotment and subject to the provisions of the SEBI ICDR Regulations.

In the opinion of our Board (based on representations given by the Underwriters), the resources of the Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchange(s). The Board of Directors/IPO Committee, at its meeting, held on [●], has accepted and entered into the Underwriting Agreement mentioned above on behalf of our Company.

Allocation among the Underwriters may not necessarily be in the proportion of their underwriting commitments set forth in the table above. Notwithstanding the above table, each of the Underwriters shall be severally responsible for ensuring payment with respect to the Offered Shares allocated to Bidders procured by them, in accordance with the Underwriting Agreement.

In the event of any default in payment, the respective Underwriter, in addition to other obligations defined in the Underwriting Agreement, will also be required to procure subscribers for or subscribe to the Offered Shares to the extent of the defaulted amount in accordance with the Underwriting Agreement.

CAPITAL STRUCTURE

The share capital of our Company, as on the date of this Red Herring Prospectus, is set forth below.

(in ₹, except share data)

	Particulars	Aggregate nominal value	Aggregate value at Offer Price
A.	AUTHORISED SHARE CAPITAL*		
	300,000,000 Equity Shares	3,000,000,000	-
B.	ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE OFFER		
	200,000,000 Equity Shares	2,000,000,000	-
C.	PRESENT OFFER IN TERMS OF THIS RED HERRING PROSPECTUS		
	Offer for sale of 25,200,000 Equity Shares by the Selling Shareholder ^{(a)(b)}	252,000,000	[●]
	<i>Which includes:</i>		
	Employee Reservation Portion of 1,200,000 Equity Shares ^{(c)(b)}	12,000,000	[●]
	<i>The Net Offer of 24,000,000 Equity Shares consists of:</i>	240,000,000	[●]
	A. QIB Portion of not more than 12,000,000 Equity Shares	120,000,000	[●]
	<i>Of which:</i>		
	<i>Mutual Fund Portion of 600,000 Equity Shares</i>	6,000,000	[●]
	<i>Balance 11,400,000 Equity Shares for all QIBs including Mutual Funds</i>	114,000,000	[●]
	B. Non-Institutional Portion of not less than 3,600,000 Equity Shares	36,000,000	[●]
	C. Retail Portion of not less than 8,400,000 Equity Shares ^(c)	84,000,000	[●]
D.	ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE OFFER		
	200,000,000 Equity Shares	2,000,000,000	[●]
E.	SHARE PREMIUM ACCOUNT**		
	Before and After the Offer	Nil	Nil

* For details in relation to the alteration to the authorised share capital of our Company, see “History and Certain Corporate Matters – Amendments to our Memorandum of Association” on page 160.

**Since the Offer is by way of an Offer for Sale, the entire proceeds would go to MoR. Hence, the Share Premium Account of the Company after the Offer would remain Nil.

(a) The Offer has been authorised by resolution of our Board dated January 12, 2018 and by the Selling Shareholder through its consent letter dated January 12, 2018.

(b) 1,200,000 Equity Shares have been reserved for allocation and Allotment to Eligible Employees Bidding in the Employee Reservation Portion. The Employee Reservation Portion shall not exceed 5% of the post-Offer capital of our Company. The allocation and Allotment of Equity Shares under various portions mentioned in the table above (i.e. under the QIB Portion, Non-Institutional Portion and the Retail Portion) are in respect of the Net Offer of 24,000,000 Equity Shares.

(c) The Selling Shareholder and our Company, in consultation with the BRLMs, may offer a discount of ₹[●] per Equity Shares and a discount of ₹[●] per equity share on the Offer Price to the Retail Individual Bidders and the Eligible Employees Bidding under the Employee Reservation Portion, respectively. The amount of Retail Discount and Employee Discount, as applicable, will be advertised in all newspapers wherein the Pre-Offer Advertisement will be published. For further details, see “Offer Procedure” on page 609.

NOTES TO THE CAPITAL STRUCTURE

1. Share Capital History:

(i) History of equity share capital of our Company

The following table sets out the history of the equity share capital of our Company:

Date of board resolution for allotment	No. of Equity Shares allotted	Face Value (₹)	Issue price per Equity Share (₹)	Nature of consideration	Nature of transaction ***	Cumulative No. of Equity Shares	Cumulative paid up Equity Share Capital (₹)
August 16, 1975*	1,002	100	100	Cash	Initial subscription to the memorandum*	1,002	100,200
November 17, 1975	8,998	100	100	Cash	Further issue to the President of India, represented by the Chairman, Railway Board	10,000	1,000,000
June 1, 1984	40,000	100	-	Other than cash	Bonus issue (ratio of 4 Equity Shares for every 1 Equity Share held)	50,000	5,000,000
July 22, 1987 ¹	50,000	100	-	Other than cash	Bonus issue (ratio of 1 Equity Share for every 1 Equity Share held)	100,000	10,000,000
August 19, 1997 ²	100,000	100	-	Other than cash	Bonus issue (ratio of 1 Equity Share for every 1 Equity Share held)	200,000	20,000,000
June 10, 2003 ³	200,000	100	-	Other than cash	Bonus issue (ratio of 1 Equity Share for every 1 Equity Share held)	400,000	40,000,000
November 30, 2007**	Split of 400,000 Equity Shares of ₹100 each already issued into 4,000,000 Equity Shares of ₹10 each						
February 20, 2008 ⁴	36,000,000	10	-	Other than cash	Bonus issue (ratio of 9 Equity Shares for every 1 fully	40,000,000	400,000,000

Date of board resolution for allotment	No. of Equity Shares allotted	Face Value (₹)	Issue price per Equity Share (₹)	Nature of consideration	Nature of transaction ***	Cumulative No. of Equity Shares	Cumulative paid up Equity Share Capital (₹)
					paid-up Equity Share held)		
October 25, 2012 ⁵	60,000,000	10	-	Other than cash	Bonus issue (ratio of 6 bonus Equity Shares for every 4 fully paid up Equity Share held)	100,000,000	1,000,000,000
November 25, 2016 ⁶	50,000,000	10	-	Other than cash	Bonus issue (ratio of 1 Equity Share for every 2 fully paid up Equity Shares held)	150,000,000	1,500,000,000
March 24, 2017 ⁷	50,000,000	10	-	Other than cash	Bonus issue (ratio of 1 Equity Share for every 3 fully paid up Equity Shares held)	200,000,000	2,000,000,000

*Includes initial subscription by two shareholders, Mr. M. N. Bery, Chairman, Railway Board and ex-officio Principal Secretary to Government of India in the Ministry of Railways and K.S. Bhandari, Financial Commissioner, Railway Board and ex-officio secretary to Government of India in the Ministry of Railways, being nominees of the Promoter.

**Pursuant to a resolution of our Shareholders dated January 8, 2008, each equity share of face value ₹100 was sub-divided into equity shares of face value of ₹10 each, and accordingly 400,000 equity shares of ₹100 each already issued were sub-divided into 4,000,000 Equity Shares of ₹10 each.

***All allotments were made to the President of India, acting through the MoR, and his nominees. Accordingly, 100% of the pre-Offer share capital is held by our Promoter, and post-Offer our Promoter shall hold around 87.40% of our Equity Share capital.

¹Our Company is unable to trace any records of form filed with the RoC for allotment of the bonus issuance in the year 1987. Accordingly, our Company has relied on the board resolutions and certain other corporate records. In this regard, see "Risk Factor – We are unable to trace a form filling made with the ROC for our bonus issue on page 31.

² 99,980 shares were issued to the President of India, 10 shares each were issued to Mr. M. Ravindra, Chairman, Railway Board, Ministry of Railways and Mr. P.V. Vasudevan, Financial Commissioner (Railways), Railway Board, Ministry of Railways.

³199,960 shares were issued to the President of India and 20 shares each were issued to Mr. R. K. Singh, Chairman, Railway Board, Ministry of Railways and Ms. Vijayalakshmi Viswanathan, Financial Commissioner, Ministry of Railways.

⁴ Allotment of 35,992,800 shares to the President of India, 3,240 shares each to Mr. KC Jena, Chairman, Railway Board, Ministry of Railways and Ms. Sudha Chobe, Financial Commissioner (Railways), Ministry of Railways and

180 shares each to Mr. R.K. Rao, Member Mechanical, Railway Board, Mr. Satish Kumar Vij, Member Engineering, Railway Board, Ministry of Railways, Mr. R.K. Goel, Additional Member (Planning), Railway Board, Ministry of Railways and Mr. V.K.Singh, Director (PSU), Railway Board, Ministry of Railways.

⁵ Allotment of 59,988,000 shares to the President of India through the MoR, 5,400 shares each to Mr. Vinay Mittal, Chairman, Railway Board, Ministry of Railways and Ms. Vijaya Kanth, Financial Commissioner, Railway Board, Ministry of Railways and 300 shares each to Mr. Keshav Chandra, Member, Mechanical, Railway Board, Ministry of Railways, Mr. A. P. Mishra, Member Engineering, Railway Board, Ministry of Railways, Mr. D.K.Sharaf, Additional Member (Planning), Railway Board, Ministry of Railways and Mr. Pramod Sharma, Executive Director (PSU), Railway Board, Ministry of Railways.

⁶ Allotment of 49,990,000 shares to the President of India, 4,500 shares each to Sh. A. K. Mital, Chairman, Railway Board Ministry of Railways and Sh. Shahzad Shah, Financial Commissioner, Railway Board, Ministry of Railways and 250 shares each to Sh. Hemant Kumar, Member, Rolling Stock, Railway Board, Ministry of Railways, Sh. A. K. Mittal, Member Engineering, Railway Board, Ministry of Railways, Sh. H. K. Kala, Additional Member (Planning), Railway Board, Ministry of Railways and Sh. A. P. Dwivedi, Executive Director (PSU), Railway Board, Ministry of Railways.

⁷Allotment of 49,990,000 shares to the President of India, 4,500 shares each to Sh. A. K. Mital, Chairman, Railway Board and Sh. B. B. Verma, Financial Commissioner, Railway Board, Ministry of Railways and 250 shares each to Sh. Ravindra Gupta, Member, Rolling Stock, Railway Board, Ministry of Railways, Sh. A. K. Mittal, Member Engineering, Railway Board, Ministry of Railways, Sh. B. B. Verma, Additional Member (Planning), Railway Board, Ministry of Railways and Sh. A. P. Dwivedi, Executive Director (PSU), Railway Board, Ministry of Railways.

(ii) **Allotments for consideration other than cash or through bonus issues**

Details of Equity Shares issued for consideration other than cash or through bonus issues are as follows:

Date of board resolution for allotment	No. of Equity Shares allotted	Face Value (₹)	Issue price per Equity Share (₹)	Nature of consideration	Nature of transaction*
June 1, 1984	40,000	100	-	Other than cash	Bonus issue (ratio of 4 Equity Shares for every 1 Equity Share held)
July 22, 1987 [#]	50,000	100	-	Other than cash	Bonus issue (ratio of 1 Equity Share for every 1 Equity Share held)
August 19, 1997	100,000	100	-	Other than cash	Bonus issue (ratio of 1 Equity Share for every 1 Equity Share held)
June 10, 2003	200,000	100	-	Other than cash	Bonus issue (ratio of 1 Equity Share for every 1 Equity Share held)
November 30, 2007	Split of 400,000 equity shares of ₹100 each already issued into 4,000,000 Equity Shares of ₹10 each				
February 20, 2008	36,000,000	10	-	Other than cash	Bonus issue (ratio of 9 Equity Share for every 1 Equity Share held)
October 25, 2012	60,000,000	10	-	Other than cash	Bonus issue (ratio of 6 bonus Equity Shares for every 4 fully paid up Equity Share held)
November 25, 2016	50,000,000	10	-	Other than cash	Bonus issue (ratio of 1 Equity Share for every 2 fully paid up Equity Share held)
March 24, 2017	50,000,000	10	-	Other than cash	Bonus issue (ratio of 1 Equity Share for every 3

Date of board resolution for allotment	No. of Equity Shares allotted	Face Value (₹)	Issue price per Equity Share (₹)	Nature of consideration	Nature of transaction*
					fully paid up Equity Share held)

*All allotments were made to the President of India, acting through the MoR and his nominees. Accordingly, 100% of the pre-Offer share capital is held by our Promoter.

#Our Company is unable to trace any records of form filed with the RoC for allotment of the bonus issuance in the year 1987. Accordingly, our Company has relied on the board resolutions and certain other corporate records. In this regard, see "Risk Factor" on page 18.

(iii) Issue of Equity Shares in the last two preceding years

Except as set forth below, our Company has not issued Equity Shares in last two years immediately preceding the date of this Red Herring Prospectus:

Date of Board Resolution	No. of Equity Shares	Face Value (₹)	Issue price (₹)	Nature of consideration	Reasons for allotment
November 25, 2016	50,000,000	10	-	Bonus issue (ratio of 1 Equity Share for every 2 fully paid up Equity Share held)	Issue of bonus shares
March 24, 2017	50,000,000	10	-	Bonus issue (ratio of 1 Equity Share for every 3 fully paid up Equity Share held)	Issue of bonus shares

2. History of build-up, Promoter's Contribution and Lock-in of Promoter's Shareholding

a) Build-up of Promoter shareholding in our Company:

As on the date of this Red Herring Prospectus, our Promoter and his nominees hold, in aggregate, 200,000,000 Equity Shares, which constitutes 100% of the issued, subscribed and paid-up Equity Share capital of our Company. Of such Equity Shares, our Promoter is offering to sell an aggregate of 24,000,000 Equity Shares as part of the Offer for Sale, which constitutes 12% of our paid-up Equity Share Capital, and additional 0.60% post-Offer paid-up Equity Shares capital for Employee Reservation Portion. For details of allotments made to the Promoter, refer to "Capital Structure - History of equity share capital of our Company", on page 80 above. Other than the transfer of shares between the nominees, our Promoter has not undertaken any sale of equity shares of our Company since incorporation.

All the Equity Shares held by our Promoter were fully paid-up as at the dates they were acquired.

None of the Equity Shares held by our Promoter are pledged. Our Company, along with Link Intime India Private Limited has entered into tripartite agreements dated February 27, 2018 and March 6, 2018 with the NSDL and CDSL, respectively, for dematerialisation of the Equity Shares and all our Equity Shares have been dematerialised as on the date of this RHP.

b) Details of Promoter's Contribution locked in for three years:

Pursuant to Regulations 32 and 36(a) of the SEBI ICDR Regulations, an aggregate of 20% of the post Offer paid up Equity Share capital of our Company held by our Promoter shall be considered as minimum Promoter's contribution and locked-in for a period of three years from the date of Allotment ("Promoter's Contribution").

The President of India, acting through the MoR has consented *vide* letter dated January 12, 2018, to include 40,000,000 Equity Shares held by it, constituting 20% of the fully diluted post-Offer Equity Share capital of our

Company as Promoter's Contribution, and has agreed not to dispose, sell, transfer, charge, pledge or otherwise encumber in any manner the Promoter's Contribution from the date of the Draft Red Herring Prospectus, until the commencement of the lock-in period specified above, or for such other time as required under SEBI ICDR Regulations.

The MoR has confirmed to our Company and the BRLMs that the acquisition of Equity Shares constituting the Promoter's Contribution has been financed from the Consolidated Fund of India and no loans or financial assistance from any bank or financial institution has been availed for such purpose.

Details of the Promoter's shareholding that is eligible for Promoter's contribution is as below:

	No. of Equity Shares	Date of allotment /transfer	Face value (₹)	Issue/ Acquisition price per Equity Share (₹)	Nature of consideration / transaction	Number of Equity Shares pledged	% of pre-Offer share capital
<i>Equity Shares eligible for Promoter's Contribution</i>							
President of India and its nominees	40,000,000	NA	10	-	Cash and bonus shares	-	20
TOTAL	40,000,000						20

The Promoter's Contribution has been brought in to the extent of not less than the specified minimum lot, as required under the SEBI ICDR Regulations.

The Equity Shares that are being locked-in as per Regulation 36(a) of the SEBI ICDR Regulations for computation of Promoter's Contribution are not, and will not be, ineligible under Regulation 33 of the SEBI ICDR Regulations as:

- (i) the Equity Shares offered as part of the Promoter's Contribution do not comprise Equity Shares acquired during the preceding three years for consideration other than cash and where revaluation of assets or capitalisation of intangible assets was involved or bonus issue out of revaluations reserves or unrealised profits or against Equity Shares that are otherwise ineligible for computation of Promoter's Contribution;
- (ii) Our Promoter's contribution does not include any Equity Shares acquired during the preceding one year at a price lower than the price at which Equity Shares are being offered to the public in the Offer;
- (iii) Our Company has not been formed by the conversion of a partnership firm into a company and hence no Equity Shares have been issued in the one year immediately preceding the date of this Red Herring Prospectus pursuant to conversion of a partnership firm; and
- (iv) The Promoter's Contribution are not subject to any pledge.

3. Sales or purchases of Equity Shares or other specified securities of our Company by our Promoter, or our Directors, or their immediate relatives during the six months immediately preceding the date of the Draft Red Herring Prospectus:

Our Promoter, our Directors, or their immediate relatives have not sold or purchased any Equity Shares or other specified securities of our Company during the six months immediately preceding the date of the Draft Red Herring Prospectus.

4. Details of Equity Shares locked in for one year:

The President of India acting through the MoR, has, pursuant to letter dated January 12, 2018, granted approval for the lock-in of the entire post-Offer shareholding held by it (less the Promoter's Contribution of 40,000,000 Equity Shares) for a period of one year from the date of Allotment or for such other time as may be required under the SEBI ICDR Regulations. Any Offered Shares remaining unsold in the Offer shall be locked-in for a period of one year.

In terms of Regulation 40 of the SEBI ICDR Regulations, Equity Shares held by the Promoter may be transferred to a new promoter or persons in control of our Company, subject to continuation of the lock-in

with the transferee for the remaining period and compliance with provisions of the Takeover Regulations as applicable and such transferee shall not be eligible to transfer them till the lock-in period stipulated in the SEBI ICDR Regulations has expired.

The Equity Shares held by our Promoter, which are locked-in for a period of one year from the date of Allotment may be pledged only with scheduled commercial banks or public financial institutions as collateral security for loans granted by such banks or public financial institutions, provided that such pledge of the Equity Shares is one of the terms of the sanction of the loan.

5. Our Shareholding Pattern

The table below represents the equity shareholding pattern of our Company as on the date of this Red Herring Prospectus:

Category (I)	Category of the Shareholder (II)	No. of Shareholders (III)	No. of fully paid up equity shares held (IV)	No. of partly paid up equity shares (V)	No. of shares underlying Depository Receipts (VI)	Total No. shares held (VII) = (IV) + (V) + (VI)	Shareholding as a % of total shares (calculated as per SCR, 1957) (VIII) As a % of (A+B+C2) (VIII)	No. of Voting Rights held in each class of securities (IX)			No. of shares underlying Outstanding convertible securities (including warrants) (X)	Shareholding as a % assuming full conversion of convertible securities (as a % of diluted share capital) (XI)=(VII)+(X) as a % of (A+B+C2)	Number of Locked in shares (XII)		Number of shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
								No. of Voting Rights	Total as a % of Voting Rights	as a % of Total Voting Rights			N	As a % of total shares	N	As a % of total shares	
(A)	Promoter & Promoter Group	7	200,000	--	--	200,000	100	200,000	--	200,000	100	--	--	--	--	--	200,000
(B)	Public	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
(C)	Non Promoter-Non Public	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
(1)	Shares underlying Custodian/Depository Receipts	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
(2)	Shares held by Employee Trusts	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Category (I)	Category of the Shareholder (II)	No. of Shareholders (III)	No. of fully paid up shares held (IV)	No. of partly paid up shares (V)	No. of shares under Deposit Receipts (VI)	Total No. of shares held (VII) = (IV) + (V) + (VI)	Shareholding as a % of total shares (calculated as per SCR, 1957) (VIII) As a % of (A+B+C2) (VIII)	No. of Voting Rights held in each class of securities (IX)		No. of shares underlying Outstanding (X)	Shareholding as a % assuming full conversion of convertible securities (as a % of diluted share capital) (XI) = (X) as a % of (A+B+C2)	Number of Locked in shares (XII)		Number of shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
								No. of Voting Rights	Total			No.	As a % of total shares	No.	As a % of total shares	
								Class seg: X	Class seg: Y							
Total (A)+(B)+(C)		7	200,000,000 [#]	--	--	200,000,000	100	200,000,000	--	200,000,000	100	--	--	--	--	200,000,000

* The President of India holds 100% of the Equity Shares of our Company out of which 199,960,000 Equity Shares are held by the President of India, 18,000 Equity Shares are held by Mr. Ashwani Lohani, Chairman Railway Board, 18,000 Equity Shares are held by Mr. A. K. Prasad, Financial Commissioner, Railway Board, 1,000 Equity Shares each are held by Mr. Mahesh Kumar Gupta, Member Engineering, Railway Board, Mr. Ravindra Gupta, Member Rolling Stock, Railway Board Member, Mr. Ved Pal, Additional Member Planning, Railway Board and Mr. A.P.Dwivedi, Executive Director (PSU), Railway Board, as nominees of the President of India.

6. Shareholding of our Directors and Key Managerial Personnel in our Company

Set forth below is the shareholding of our Directors and Key Managerial Personnel in our Company, as on the date of this Red Herring Prospectus.

Name	No. of Equity Shares	% of Equity Share Capital
Mr. A. P. Dwivedi, ED (PSU), Railway Board*	1,000	Negligible

*held as a nominee of the President of India.

7. Details of the largest shareholders of our Company:

a) Our Company has 7 (seven) shareholders as on the date of this Red Herring Prospectus and ten days prior to the date of this Red Herring Prospectus, and the number of Equity Shares held by them are as set forth below:

S. No.	Name of shareholder	Number of Equity Shares held	% of Equity Share Capital
1.	The President of India	199,960,000	99.98
2.	Sh. Ashwani Lohani* Chairman, Railway Board	18,000	0.01
3.	Sh. A. K. Prasad* Financial Commissioner, Railway Board	18,000	0.01

S. No.	Name of shareholder	Number of Equity Shares held	% of Equity Share Capital
4.	Sh. Mahesh Kumar Gupta* Member Engineering, Railway Board	1,000	Negligible
5.	Sh. Ravindra Gupta* Member Rolling Stock, Railway Board	1,000	Negligible
6.	Sh. Ved Pal* Additional Member Planning, Railway Board	1,000	Negligible
7.	Sh. A.P. Dwivedi* Executive Director (PSU) Railway Board	1,000	Negligible

*held as the nominee of the President of India, acting through the MoR.

- b) Our Company had 7 (seven) equity shareholders two years prior to the date of this Red Herring Prospectus, and the number of Equity Shares held by them are as set forth below:

S. No.	Name of shareholder	Number of Equity Shares held	% of Equity Share Capital
1.	The President of India	99,980,000	99.98
2.	Sh. A. K. Mital* Chairman, Railway Board	9,000	0.01
3.	Sh. S Mookerjee* Financial Commissioner, Railway Board	9,000	0.01
4.	Sh. V. K. Gupta* Member Engineering, Railway Board	500	Negligible
5.	Sh. Hemant Kumar* Member Mechanical, Railway Board	500	Negligible
6.	Sh. H. K. Kala* Additional Member Planning, Railway Board	500	Negligible
7.	Sh. A. P. Dwivedi* ED (PSU& HS), Railway Board	500	Negligible

*held as the nominee of the President of India, acting through the MoR.

8. Our Company has not issued any Equity Shares in the one year preceding the date of filing of this Red Herring Prospectus at a price lower than the Offer Price.
9. Our Company, our Directors, and the BRLMs have not entered into any buy-back and/or standby arrangements for the purchase of Equity Shares or other specified securities of our Company.
10. Neither the BRLMs and nor their associates (determined as per the definition of “associate company” under the Companies Act, 2013 and as per the definition of the term “associate” in the SEBI (Merchant Bankers) Regulations, 1992) hold any Equity Shares as on the date of filing of this Red Herring Prospectus. The BRLMs and their affiliates may engage in transactions with and perform services for our Company or our Promoter in the ordinary course of business or may in the future engage in commercial banking and investment banking transactions with our Company or our Promoter for which they may receive customary compensation.
11. No person connected with the Offer, including, but not limited to, the BRLMs, the Syndicate Members, our Company, the Selling Shareholder, the Directors, the Promoter, shall offer in any manner whatsoever any incentive, whether direct or indirect, in cash, in kind or in services or otherwise to any Bidder for making a Bid.
12. Our Company has not issued any Equity Shares out of its revaluation reserves.
13. The Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of filing this Red Herring Prospectus.
14. There are no outstanding convertible securities or any other right which would entitle any person any option to receive Equity Shares as on the date of this Red Herring Prospectus.

15. Our Company has not made any public issue of its Equity Shares or rights issue of any kind or class of securities since its incorporation.
16. Our Company has not allotted any shares pursuant to any scheme approved under Chapter XV of the Companies Act, 2013 or pursuant to any scheme approved under Sections 391 to 394 of the Companies Act, 1956 or sections 230-234 of the Companies Act, 2013.
17. Our Company presently does not intend or propose or is under negotiation or consideration to alter its capital structure for a period of six months from the Bid/ Offer Opening Date, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares whether on a preferential basis or issue of bonus or rights or further public issue of Equity Shares or qualified institutions placement. However, if our Company enters into acquisitions, joint ventures or other arrangements, our Company may, subject to necessary approvals, consider raising additional capital to fund such activity or use of Equity Shares as consideration for acquisitions or participations in such joint ventures.
18. There will be no further issue of Equity Shares whether by way of issue of bonus shares, preferential allotment, and rights issue or in any other manner during the period commencing from the filing of the Draft Red Herring Prospectus with SEBI until the Equity Shares have been listed on the Stock Exchanges.
19. There have been no financing arrangements whereby our Promoter, our directors and their relatives have financed the purchase by any other person of securities of our Company, other than in the normal course of business of the financing entity during a period of six months preceding the date of filing of the Draft Red Herring Prospectus with SEBI and during the period between the date of filing of the Draft Red Herring Prospectus with SEBI and the date of filing of this Red Herring Prospectus with SEBI.
20. Our Promoter will not submit Bids or otherwise participate in this Offer, except to the extent of offering the Offered Shares in the Offer for Sale.
21. In accordance with Regulation 26(4) of the SEBI ICDR Regulations, our Company shall ensure that the number of prospective Allottees to whom the Equity shares will be allotted under the Offer shall not be less than 1,000 failing which the entire application money will be refunded.
22. This Offer is being made under Rule 19(2)(b) of the SCRR read with Regulation 41 of the SEBI ICDR Regulations, wherein at least 10% of the post-Offer paid-up Equity Share capital our Company will be offered to the public. Our Company is eligible for the Offer in accordance with Regulation 26(1) of the SEBI ICDR Regulations.
23. The Offer is being made through the Book Building Process, wherein not more than 50% of the Net Offer shall be allocated to QIBs on a proportionate basis. 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received from them at or above the Offer Price. Further, not less than 15% of the Net Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Offer Price. Further, 1,200,000 Equity Shares may be offered for allocation and Allotment to the Eligible Employees Bidding in the Employee Reservation Portion, conditional upon valid Bids being received from them at or above the Offer Price.
24. Eligible Employees Bidding in the Employee Reservation Portion can Bid upto a Bid Amount of ₹500,000 (*net of Employee Discount*). However, a Bid by an Eligible Employee in the Employee Reservation Portion will be considered for allocation, in the first instance, for a Bid Amount of upto ₹200,000 (*net of Employee Discount*). In the event of under-subscription in the Employee Reservation Portion, the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹200,000 (*net of Employee Discount*), subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹500,000 (*net of Employee Discount*). The unsubscribed portion, if any, in the Employee Reservation Portion (after allocation over ₹200,000), shall be added to the Net Offer. In the event of under-subscription in the Net Offer, spill over to the extent of under-subscription shall be allowed from the Employee Reservation Portion to the Net Offer. Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in the Non-Institutional Portion or the Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of

the Selling Shareholder and our Company, in consultation with the BRLMs and the Designated Stock Exchange, on a proportionate basis. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories. All Bidders shall participate in the Offer mandatorily through the ASBA process, providing the details of their respective bank accounts, which will be blocked by SCSBs.

25. There shall be only one denomination of the Equity Shares unless otherwise permitted by law.
26. As on the date of this Red Herring Prospectus, our Company does not have an employee stock option plan.
27. Our Company shall ensure that transactions in the Equity Shares by the Promoter, if any, during the period between the date of registering this Red Herring Prospectus with the RoC and the Bid/ Offer Closing Date shall be reported to the Stock Exchanges within 24 hours of the transactions.
28. The Selling Shareholder confirms that except as set forth below, the Offered Shares have been held by it for a period of at least one year prior to the date of filing of the Draft Red Herring Prospectus, in accordance with Regulation 26(6) of the SEBI ICDR Regulations.

Date of Board Resolution	No. of Equity Shares	Face Value (₹)	Issue price (₹)	Nature of consideration	Reasons for allotment
March 24, 2017	50,000,000	10	-	Bonus issue (ratio of 1 Equity Share for every 3 fully paid up Equity Share held)	Issue of bonus shares

29. An oversubscription to the extent of 10% of the Net Offer can be retained for the purposes of rounding off to the nearer multiple of minimum allotment lot.
30. No payment, direct or indirect in the nature of discount (except Retail Discount and Employee Discount), commission and allowance or otherwise shall be made either by us or our Promoter to the persons who are Allotted Equity Shares.

SECTION IV: PARTICULARS OF THE OFFER

OBJECTS OF THE OFFER

The objects of the Offer are (i) to carry out the disinvestment of 24,000,000 Equity Shares held by the Selling Shareholder in the Company, equivalent to 12% of the issued, subscribed and paid up Equity Share capital of the Company as part of the Net Offer, and 1,200,000 Equity Shares that will be reserved for Employee Reservation Portion, and (ii) to achieve the benefits of listing the Equity Shares on the Stock Exchanges. Further, our Company expects that listing of the Equity Shares will enhance our visibility and brand image and provide liquidity to our shareholders. Listing will also provide a public market for the Equity Shares in India. Our Company will not receive any proceeds from the Offer and all the proceeds will go to the Selling Shareholder. For further details, see the section titled “*The Offer*” on page 67.

Offer Related Expenses

The total expenses of the Offer are estimated to be approximately ₹[●]. The expenses of the Offer include, among others, underwriting and management fees to the BRMs, Registrar to the Offer, Public Offer Account Bank(s), Refund Banks including processing fee to the SCSBs for processing ASBA Forms procured by the Members of the Syndicate and submitted to SCSBs, brokerage and selling commission payable to Registered Brokers, RTAs and CDPs, printing and distribution expenses, legal expenses, advertisement and marketing expenses, Registrar and depository fees, listing fees and all other incidental expenses for listing the Equity Shares on the Stock Exchanges.

All Offer related expenses shall be borne by the Selling Shareholder through the DIPAM. However, expenses in relation to: (i) the filing fees to SEBI; (ii) NSE/BSE charges for use of software for the book building; (iii) payments required to be made to Depository or the Depository Participants for transfer of shares to the beneficiaries account; and (iv) Payment required to be made to the Stock Exchanges for initial processing, filling and listing of shares would be paid by BRLMs and would be reimbursed by the Company or the GoI as per actuals against an invoice. The cost of printing and distribution of stationary would be borne by the BRLMs.

Payments, if any, made by our Company in relation to the Offer shall be on behalf of the Selling Shareholder and such payments will be reimbursed to our Company.

The break-up of the estimated Offer Expenses are as under:

Sr. No.	Activity	Estimated amount (in ₹ million)*	As a % of the total estimated Offer expenses*	As a % of Offer Size*
1.	BRLMs’ fees and commission (including underwriting commission, brokerage and selling commission, printing, stationery and distribution expenses) and brokerage and selling commission for Registered Brokers, RTAs and CDPs**	[●]	[●]	[●]
2.	Commission / Processing fees to the SCSBs**	[●]	[●]	[●]
3.	Registrar fee and other related fees (postage of refunds, etc.)	[●]	[●]	[●]
4.	Others	[●]	[●]	[●]
	Listing fees, SEBI filing fees, book building software fees	[●]	[●]	[●]
	Advertising and marketing expenses	[●]	[●]	[●]
	Miscellaneous	[●]	[●]	[●]
	Total estimated Offer expenses	[●]	[●]	[●]

*Will be incorporated at the time of filing of the Prospectus and on determination of Offer Price and other details.

**Brokerage, bidding charges and selling commission for Syndicate Member, Registered Brokers, RTAs and CDPs.

- i. ***Selling commission on the Retail Portion, Non-Institutional Portion and the Employee Reservation Portion which are procured by Members of the Syndicate (including their Sub-Syndicate Members) would be as follows:***

<i>Retail Portion</i>	<i>0.35% of the amount Allotted* (plus applicable GST)</i>
<i>Non-Institutional Portion</i>	<i>0.15% of the amount Allotted* (plus applicable GST)</i>
<i>Employee Reservation Portion</i>	<i>0.25% of the amount Allotted* (plus applicable GST)</i>

** Amount Allotted is the product of the number of Equity Shares Allotted and the Offer Price.*

ii. SCSBs

Selling commission payable to the SCSBs on the Retail Portion, Non-Institutional Portion and Employee Reservation Portion which are directly procured by them would be as follows:

<i>Retail Portion</i>	<i>0.35% of the amount Allotted* (plus applicable GST)</i>
<i>Non-Institutional Portion</i>	<i>0.15% of the amount Allotted* (plus applicable GST)</i>
<i>Employee Reservation Portion</i>	<i>0.25% of the amount Allotted* (plus applicable GST)</i>

** Amount Allotted is the product of the number of Equity Shares Allotted and the Offer Price.*

No additional bidding charges shall be payable by the Company and the Selling Shareholder to the SCSBs on the applications directly procured by them.

iii. Registered Brokers

Selling commission payable to the Registered Brokers on the Retail Portion, Non-Institutional Portion and Employee Reservation Portion, which are directly procured by the Registered Brokers and submitted to SCSBs for processing, would be as follows:

<i>Retail Portion</i>	<i>Rs 10 per valid application* (plus applicable GST)</i>
<i>Non-Institutional Portion</i>	<i>Rs 10 per valid application* (plus applicable GST)</i>
<i>Employee Reservation Portion</i>	<i>Rs 10 per valid application* (plus applicable GST)</i>

**Based on valid applications*

The total selling commission payable to Registered Brokers will be subject to a maximum cap of Rs 0.10 million (plus applicable GST). In case the total selling commission payable to Registered Brokers exceeds Rs 0.10 million, then the amount payable to Registered Brokers would be proportionately distributed based on the number of valid applications such that the total selling commission payable does not exceed Rs 0.10 million.

iv. RTAs and CDPs

Selling commission payable to the RTAs and CDPs on the Retail Portion, Non-Institutional Portion and Employee Reservation Portion which are directly procured by the RTAs or CDPs and submitted to SCSBs for processing, would be as follows:

<i>Retail Portion</i>	<i>0.35% of the amount Allotted* (plus applicable GST)</i>
<i>Non-Institutional Portion</i>	<i>0.15% of the amount Allotted* (plus applicable GST)</i>
<i>Employee Reservation Portion</i>	<i>0.25% of the amount Allotted* (plus applicable GST)</i>

** Amount Allotted is the product of the number of Equity Shares Allotted and the Offer Price.*

v. ASBA processing fees to SCSBs

Processing fees payable to the SCSBs on the Retail Portion, Non-Institutional Portion and Employee Reservation Portion which are procured by the Members of the Syndicate/ Sub-Syndicate Members / Registered Brokers/ RTAs/ CDPs and submitted to SCSBs for blocking, would be as follows:

<i>Retail Portion</i>	<i>Rs 10.00 per valid ASBA Form* (plus applicable GST)</i>
<i>Non-Institutional Portion</i>	<i>Rs 10.00 per valid ASBA Form* (plus applicable GST)</i>
<i>Employee Reservation Portion</i>	<i>Rs 10.00 per valid ASBA Form* (plus applicable GST)</i>

**For each valid application.*

SCSBs will be entitled to a processing fee of Rs 10 (plus applicable GST), per valid ASBA Form, subject to total ASBA processing fees being maximum of Rs 1.0 million (plus applicable GST), for processing ASBA Forms

procured by Members of the Syndicate, Sub-Syndicate Members, Registered Brokers, RTAs or CDPs from Retail Individual Bidders and Non-Institutional Bidders and submitted to the SCSBs. In case the total ASBA processing charges payable to SCSBs exceeds Rs 1.0 million, the amount payable to SCSBs would be proportionately distributed based on the number of valid applications such that the total ASBA processing charges payable does not exceed Rs 1.0 million.

Important Note:

(a) The brokerage / selling commission payable to the Syndicate / Sub-Syndicate Members will be determined on the basis of the ASBA Form number / series, provided that the application has been bid by the respective Syndicate / Sub-Syndicate Member. For clarification, if a Syndicate ASBA application on the application form number / series of a Syndicate / Sub-Syndicate Member, has been bid by an SCSB, the brokerage / selling commission will be payable to the SCSB and not to the Syndicate / Sub-Syndicate Member.

(b) The brokerage / selling commission payable to the SCSBs, RTAs and CDPs will be determined on the basis of the bidding terminal ID as captured in the Bid book of BSE or NSE.

(c) No additional bidding charges shall be payable by the Company and the Selling Shareholder to the Syndicate / Sub-Syndicate Members, Registered Brokers, RTAs, CDPs or SCSBs on the applications directly procured by them.

(d) Payment of brokerage / selling commission payable to the sub-brokers / agents of the Sub-Syndicate Members shall be handled directly by the Sub-Syndicate Members, and the necessary records for the same shall be maintained by the respective Sub-Syndicate Member.

Monitoring of Utilization of Funds

As the Offer is an offer for sale and our Company will not receive any proceeds from the Offer, our Company is not required to appoint a monitoring agency for the Offer.

BASIS FOR OFFER PRICE

The Offer Price will be determined by the Selling Shareholder and our Company in consultation with the BRLMs on the basis of an assessment of market demand for the Equity Shares through the Book Building Process and on the basis of the following qualitative and quantitative factors. The face value of the Equity Shares of our Company is ₹10 each and the Offer Price is [●] times of the face value at the lower end of the Price Band and [●] times the face value at the higher end of the Price Band.

Qualitative Factors

Some of the qualitative factors which form the basis for the Offer Price are:

- Comprehensive range of consultancy services and a diversified sector portfolio in the transport infrastructure space;
- Large order book with strong and diversified clientele base across sectors;
- Technical expertise and business divisions with specialized domain knowledge;
- Experienced management personnel and technically qualified team;
- Strong and consistent financial performance supported by robust internal control and risk management system; and
- Preferred consultancy organization agency of the Government of India including the Indian Railways.

For further details, see “*Our Business*” and “*Risk Factors*” on pages 134 and 18, respectively.

Quantitative Factors

The information presented below relating to our Company is based on the Restated Consolidated Financial Information and Restated Standalone Financial Information prepared in accordance with Ind AS, the Companies Act, 1956 and the Companies Act, 2013 and restated in accordance with the SEBI Regulations.

For details, see section “*Financial Statements*” on page 199.

1. Basic and Diluted Earnings/Loss per Share (“EPS”), as adjusted for changes in capital

As per our Restated Standalone Financial Information:

Year/Period ended	Basic EPS (₹)	Diluted EPS (₹)	Weight
March 31, 2015	15.54	15.54	1
March 31, 2016	14.10	14.10	2
March 31, 2017	17.74	17.74	3
Weighted Average	16.16	16.16	
Nine months ended December 31, 2017 [#]	11.85	11.85	

[#] Not annualised

As per our Restated Consolidated Financial Information*:

Year/Period ended	Basic EPS (₹)	Diluted EPS (₹)	Weight
March 31, 2015	15.61	15.61	1
March 31, 2016	14.07	14.07	2
March 31, 2017	17.64	17.64	3
Weighted Average	16.11	16.11	
Nine months ended December 31, 2017 [#]	12.15	12.15	

[#] Not annualised

Note: Pertaining to continuing and discontinuing Operations

Note:

1. Basic and Diluted earnings per share (EPS) calculations are in accordance with Accounting Standard 20 and Ind AS 33 notified under the Companies Act, 2013 read together with the Companies (Accounting Standards) Rules.

2. The ratios have been computed as below:

- a. *Basic earnings per share = Restated profit after tax attributable to equity shareholders for the year / weighted average number of shares outstanding during the year;*
b. *Diluted earnings per share = Restated profit after tax attributable to equity shareholders / weighted average number of diluted shares outstanding during the year*

2. Price Earning Ratio (P/E) in relation to the Offer Price of ₹[●] per Equity Share of the face value of ₹10 each

Particulars	Based on Standalone Restated Financials	Based on Consolidated Restated Financials
P/E ratio based on Basic EPS for the financial year ended March 31, 2015 at the Floor Price	[●]	[●]
P/E ratio based on Diluted EPS for the financial year ended March 31, 2015 at the Floor Price	[●]	[●]
P/E ratio based on Basic EPS for the financial year ended March 31, 2016 at the Cap Price	[●]	[●]
P/E ratio based on Diluted EPS for the financial year ended March 31, 2016 at the Cap Price	[●]	[●]
P/E ratio based on Basic EPS for the financial year ended March 31, 2017 at Offer Price	[●]	[●]
P/E ratio based on Basic EPS for the financial year ended March 31, 2017 at Offer Price	[●]	[●]

Industry P/E ratio

There are no comparable listed companies in India engaged in the same line of business as the Company, hence comparison with industry peers are not applicable.

3. Return on Net Worth (RoNW)

RoNW as per Restated Standalone Financial Information:

Period/Year ended	RoNW (%)	Weight
March 31, 2015	18.61	1
March 31, 2016	15.18	2
March 31, 2017	17.41	3
Weighted Average	16.87	
Nine months ended December 31, 2017	10.96*	

*Not Annualised

RoNW as per Restated Consolidated Financial Information:

Period/Year ended	RoNW (%)	Weight
March 31, 2015	18.62	1
March 31, 2016	15.08	2
March 31, 2017	17.28	3
Weighted Average	16.77	
Nine months ended December 31, 2017	11.19*	

* Not Annualised

Note: Return on Net Worth has been computed as Net Profit after tax (as restated) divided by Net Worth for the period.

4. Minimum Return on Total Net Worth after the Offer needed to maintain pre-Offer EPS for the financial year ended March 31, 2017

There will be no change in Net Worth post the Offer being Offer for Sale by the Selling Shareholder.

5. Net Asset Value (“NAV”) per Equity Share

NAV	Standalone (₹)	Consolidated (₹)
As on March 31, 2017	101.89	102.06
As on December 31, 2017	108.15	108.60

*There will be no change in NAV post the Offer as the Offer is by way of Offer for Sale by the Selling Shareholder
Offer Price: ₹[•] per Equity Share*

Notes:

1. Offer Price per Equity Share will be determined on conclusion of the Book Building Process.
2. Net Asset Value per Equity Share represents Net worth at the end of the year/period / Number of equity shares outstanding at the end of year.

6. Comparison with listed industry peers

There are no comparable listed companies in India engaged in the same line of business as the Company, hence comparison with industry peers are not applicable.

7. The Offer Price of ₹[•] has been determined by the Selling Shareholder and our Company in consultation with the BRLMs on the basis of assessment of the market demand from investors for the Equity Shares by way of book-building and is justified in view of the above qualitative and quantitative parameters. The Offer Price is [•] times of the face value of the Equity Shares.

Investors should read the above mentioned information along with “Risk Factors”, “Our Business”, “Financial Statements” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 18 134, 199 and 524, respectively, to have a more informed view. The trading price of the Equity Shares of our Company could decline due to the factors mentioned in “Risk Factors” and you may lose all or part of your investments.

STATEMENT OF TAX BENEFITS

To

Board of Directors
RITES Limited
SCOPE Minar
Laxmi Nagar
Delhi – 1100 092

(hereinafter referred to as the “Company”)

Re: Proposed initial public offering of equity shares of ₹10 each (“Equity Shares” and such offer, the “Offer”) of RITES Limited (herein referred to as the “Company”).

Dear Sirs,

We, Agiwal & Associates, the statutory auditors of the Company, hereby report the possible special tax benefits available to the Company and the shareholders of the Company, under the Income Tax Act, 1961, as amended (the “**IT Act**”), presently in force in India, in the enclosed statement at **Annexure – Tax Benefits**.

Several of these stated tax benefits/consequences are dependent on the Company or its shareholders fulfilling the conditions prescribed under the IT Act.

The benefits discussed in the enclosed annexure are not exhaustive. **Annexure – Tax Benefits** is for your information and for inclusion in the Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus (“**Offer Documents**”), as amended or supplemented thereto or any other written material in connection with the proposed Offer and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Offer. Neither are we suggesting nor advising the investor to invest money based on this statement.

We do not express any opinion or provide any assurance as to whether:

- i) the Company or its shareholders will continue to obtain these benefits in future; or
- ii) the conditions prescribed for availing the benefits have been/would be met with.

The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

This certificate has been issued at the request of the Company for use in connection with the Offer and may accordingly be furnished as required to the stock exchanges or any other regulatory authorities as required.

We confirm that any changes to the above that are brought to our attention by the management of the Company will immediately be intimated to the book running lead managers to the Offer up to filing of Prospectus and in the absence of any communication from us, you may assume that there is no change in respect of the matters covered in this certificate.

We hereby consent to extracts of, or reference to, this certificate being used in the Draft Red Herring Prospectus, Red Herring Prospectus and the prospectus and other offering materials, as required, in connection with the Offer.

Yours faithfully,

For Agiwal & Associates
Chartered Accountants
Statutory Auditors
Firm Registration No: 000181N

R. K. Agarwal
Partner
(Membership No. 080475)
Place: New Delhi
Date: January 12, 2018

Encl: Statement of Special Tax Benefits

Annexure to the Statement of Tax Benefits

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS

This statement is only intended to provide the Special tax benefits available to the Company and its Equity Shareholders under the Income Tax Act, 1961 in a general and summarized manner and does not purport to be exhaustive or comprehensive and is not intended to be a substitute for professional advice. In view of the individual nature of tax consequence and the changing tax laws, each investor is advised to consult their own tax advisor with respect to specific tax implications arising out of their participation in the issue.

I. UNDER THE INCOME TAX ACT, 1961 (THE “ACT”)

A. SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY

There are no special tax benefits available to the Company.

B. SPECIAL TAX BENEFITS AVAILABLE TO THE SHAREHOLDERS OF THE COMPANY

The shareholders of the Company are not entitled to any special tax benefits under the Act.

Notes:

- a. The above statement of Direct Tax Benefits sets out the possible tax benefits available to the Company and its shareholders under the current tax laws presently in force in India.
- b. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.
- c. We have not commented on the taxation aspect under any law for the time being in force, as applicable, of any country other than India. Each investor is advised to consult its own tax consultant for taxation in any country other than India.
- d. Our views expressed in this statement are based on the facts and assumptions as indicated in the statement. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes.

SECTION V: ABOUT THE COMPANY

INDUSTRY OVERVIEW

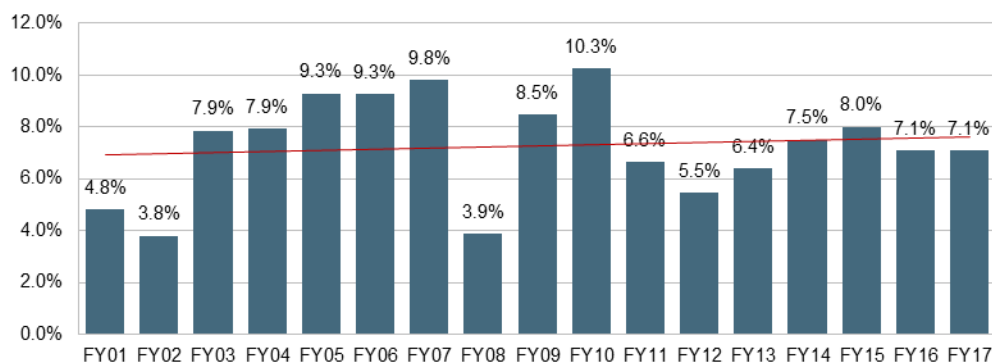
Unless noted otherwise, the information in this section has been extracted or obtained or derived from the “Report on Indian Infrastructure Sector” published on January 10, 2018, by IRR Advisory (the “**IRR Report**”). All information contained in the IRR Report has been obtained by IRR Advisory from sources believed by it to be accurate and reliable. Although reasonable care has been taken by IRR Advisory to ensure that the information in the IRR Report is true, such information is provided ‘as is’ without any warranty of any kind, and IRR Advisory in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. All information and estimates contained herein must be construed solely as statements of opinion, and IRR Advisory shall not be liable for any losses incurred by users from any use of this publication or its contents. Neither our Company, nor the BRLMs or any other person connected with the Offer has independently verified this information. Industry sources and publications generally state that the information contained therein has been obtained from sources believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, investors should not place undue reliance on, or base their investment decision on this information.

MACROECONOMIC OVERVIEW

Introduction

India, the world’s third largest economy in terms of its PPP (purchasing power parity) and population of over 1.2bn, has witnessed significant economic growth since the country was liberalized in early 1990s. Industrial deregulation, divestment of state-owned enterprises, and reduced Governmental controls on foreign trade and investment, served to accelerate the country’s growth and India has posted an average of 7% GDP growth since beginning of this millennium. Chart depicting India’s GDP growth rate is provided below:

India's GDP Growth Rate (%)



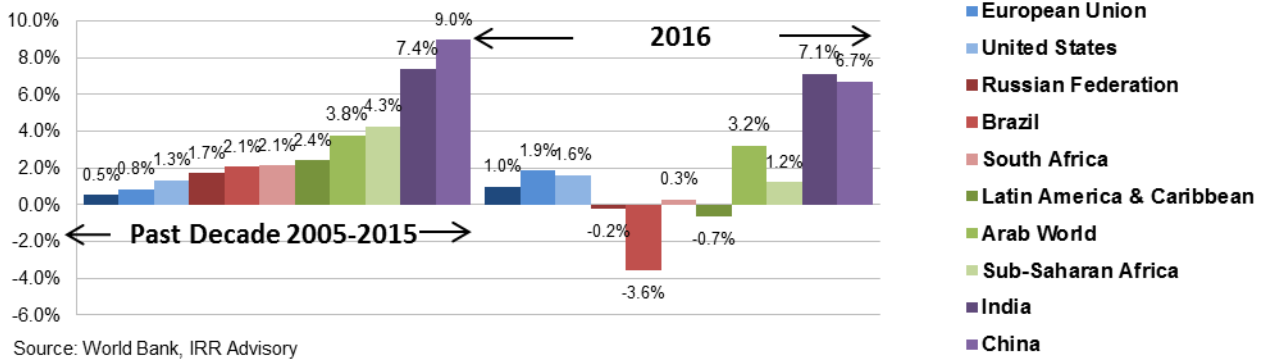
FY- Financial Year
Source: World Bank, IRR Advisory

Global Markets and Advantage India

Global growth increased from an estimated 3.1% in 2016 to 3.6% in 2017, and is expected to grow by 3.6% in 2018.

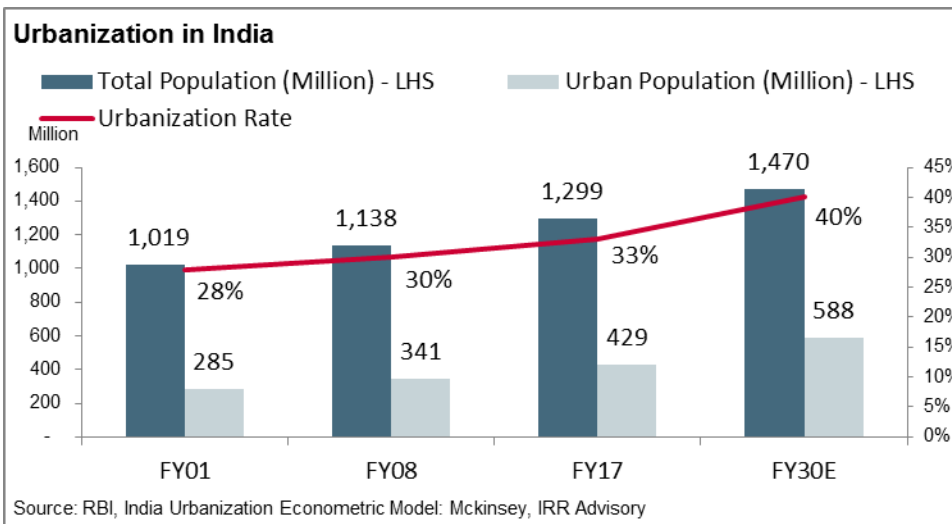
On the basis of the economic growth projection observed in 700 locations globally, a recent study estimated that the epicenter of global economy by FY25 will lie in India and China. This is also corroborated by the past decadal and last year’s growth rate in select regions as provided in the chart below:

GDP Growth Rate of Select Countries/ Regions



Given the global scenario, independent third-party external forecasters such as IMF and OECD believe India will be the fastest growing major economy in the world over the next decade. The key factors supporting India’s growth include favorable age demographics, income dynamics and growing urbanization.

As the stride of migration from rural to urban areas continues, about 40% of India’s population will be living in urban areas by 2030. India’s continuing pattern of urbanization is expected to further increase the need of infrastructure development in the country. RBI has estimated fiscal 2018 projection for growth in gross value added (GVA) at 6.7%. The chart below provides increase in urbanization levels in India.



Overview of Indian Infrastructure Industry

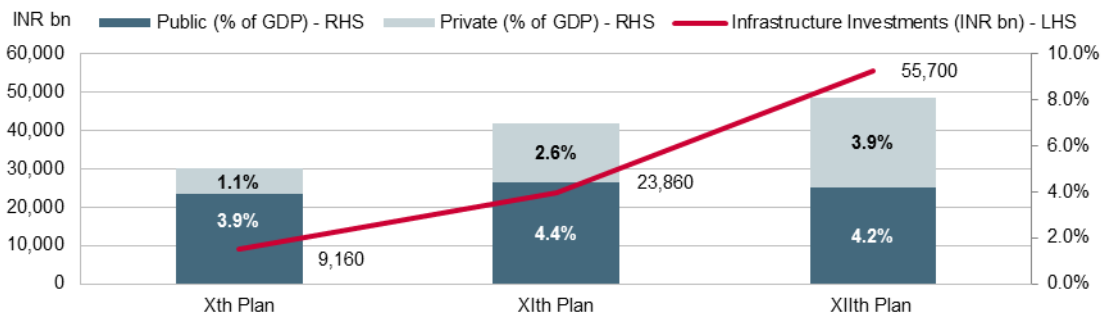
GoI has been very proactive and has brought in a variety of measures to step up public investments – which include substantial increase in budgetary outlays in high-impact sectors, push for private sector investments, building institutional capacity through establishment of new infrastructure PSUs, and intensive implementation follow-up for completion of projects. This is reflected in the strong growth of the infrastructure sector since 2002. The sectoral investments over the last 3 five year plans are shown in the table below:

Infrastructure Investments across Sectors (INRtn)			
Sector	X Plan	XI Plan	XII Plan
Electricity (incl. NCE)	3.4	8.2	13.2
Roads & bridges	1.3	4.5	8.0
Telecom	1.0	3.9	4.4
Railways (incl. MRTS)	1.0	2.4	4.9
Irrigation	1.1	2.4	4.0
Water supply & sanitation	0.6	1.2	1.9
Ports	0.2	0.4	0.7
Airports	0.1	0.4	0.3

Source: Planning Commission, FICCI, IRR Advisory

Since independence till liberalization, India invested around 3% of its GDP in infrastructure which resulted in significant infrastructure gap. Emergent markets with high economic growth have typically invested at 7~10% of GDP in infrastructure in their boom years; hence from the 10th Five Year Plan, GoI started focusing on infrastructure investments in a big manner. The average infrastructure spending during the 10th plan (2002 – 2007) was ~5% of India's GDP (total spending of INR9 8.7tn during the 10th plan). This further increased to ~7% during the 11th five year plan (2007 - 2012) (total spending of INR 23.4tn in the 11th plan). The chart below compares the infrastructure spending across the last three five year plan periods. The infrastructure consulting market is assumed at 0.5% to 1% of the total infrastructure investments which is about INR550bn.

Trends in Infrastructure Investments



Source: Planning Commission, FICCI, IRR Advisory

Under the 12th five year plan, it was envisaged that projects would continue to be set up under the public private partnership (PPP) mode, with around 48% of the investment coming from the private sector. The infrastructure sector - consisting of electricity, airports, energy, shipping and ports, railways, roads and urban development - has been a key driver of the Indian economy since 2002 after the Government started reforming the sectors.

Also, New India 2022 – Specific goals/targets for 75th year of Independence have been set for a modern and efficient transportation system giving key emphasis to Railway sector in India. Specific goals set in New India 2022 include commissioning of complete operationalization of Eastern and Western dedicated freight corridors, capacity augmentation on the saturated trunk routes, gauge conversion, rail network in north eastern states, completion of Udhampur-Srinagar-Baramula section of Jammu-Baramula project and Bilaspur-Mandi-Manali-Leh all weather broad gauge railway track. Further, India has jumped up 30 notches into the top 100 rankings on the World Bank's 'ease of doing business' index published on 31st October, 2017, due to major improvements in indicators such as resolving insolvency, paying taxes, protecting minority investors and getting credit which in turn augments well for investments in infrastructure sector and development of the same.

OVERVIEW OF THE INDIAN RAILWAYS SECTOR

Introduction

As per Indian Railways Statistical Publications 2016, the Indian Railways is one of the world's largest rail networks with 66,687 route kms of route lengths. Indian Railways is a state-owned public utility of the Government of India

under the Ministry of Railways. Indian Railways operates both long distance and suburban rail systems on a multi-gauge network of broad, metre and narrow gauges. Indian Railways carried 22.2mn passengers and 3.03 million tonnes of freight each day during 2015-16 as per the Indian Railways Statistical Publications 2016. It also owns locomotive and coach production facilities at several places in India.

The Ministry of Railways (MoR) oversees the Indian railway sector through the Railway Board, MoR (RB). The MoR (RB) is now organized as per commercial principles and the Chairman of the Board is empowered accordingly. The MoR (RB) exercises more central government policy powers and administers, supervises, and directs the entities that provide most of the rail services. The MOR (RB) also fulfills most industry regulatory roles, except for safety oversight and railway rates appeals. The railway infrastructure and services are delivered by 16 geographically-based Zonal Railways (ZRs). Each ZR has separate responsibilities and operates its own livery, although the MOR (RB) has the powers to lay down rules and regulations for the governance of the ZRs and to establish, merge, or abolish these ZRs.

The Indian Railways has an employee base of approximately 1.3 million employees.

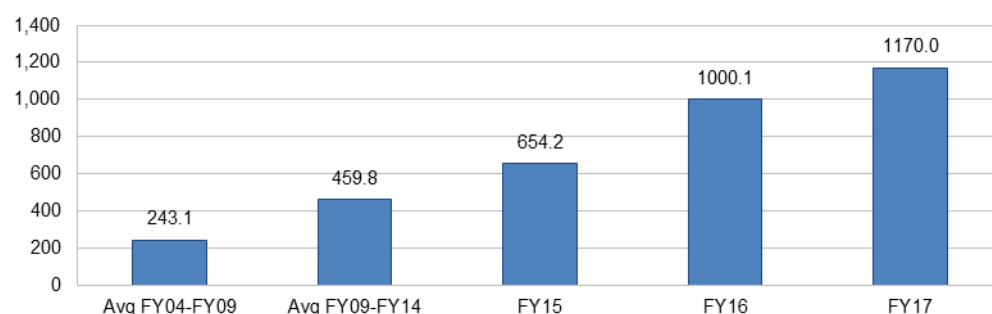
Strategic management initiatives introduced in the Indian Railways include ‘Near Plan Holiday approach’ (i.e., not taking up new projects), prioritizing and completing on-going projects, accounting reforms, transparency in procurements and creating a decision support system for project implementation. Indian Railways may now be on a fast trajectory to growth, manifested in an INR8.56tn investment plan over the period FY15 – FY19 and supported by other systematic changes including funding support from LIC and the States.

Investment Opportunity

In 2014, MoR prepared a white paper titled ‘Indian Railways – Lifeline of the nation’ on the state of railway infrastructure and operations in the country. Under-investment in railways has led to overstretched infrastructure with more than 60% routes being more than 100% utilized leading to huge unmet passenger demand and decreasing modal share in freight. Further, due to passenger fares being low, passenger trains utilized two-third of capacity and generated one-third of revenues, whereas high freight rates meant railway freight was getting out-priced in the market. Hence, GoI identified ramping up investments in Indian Railways as the top priority area. GoI realized that lack of adequate carrying capacity and the resulting congestion has accelerated Indian Railway’s loss of market share to other modal transports.

Hence, in the last 3 years, GoI has made commendable progress in initiating infrastructure creation. As seen in chart below, the amount of investments made during the last 3 years is almost 75% of the total investments made in the railways during the past decade (FY04 – FY14). Also, MoR has also been able to achieve over 90% of its planned investments over the last 3 years. Details of capital investments in Indian Railways are provided below:

Capital Investments budgeted in Indian Railways (in Rs. bn)



Source: Ministry of Railways, IRR Advisory

Details of the actual investments over the last 5 years are provided below:

Details of Investment break-up in Indian Railways					
(in INR billion)	FY13	FY14	FY15	FY16	FY17
Construction of new lines	53.0	58.1	71.4	201.9	185.5
Gauge conversion	27.0	31.0	36.6	36.2	51.1
Line doubling	24.8	29.8	38.8	104.7	204.9
Yard remodelling	7.9	6.6	7.8	13.2	13.7
Rolling stock	183.7	175.0	164.9	193.8	259.9
Track renewals	54.3	49.9	53.7	43.7	49.7
Electrification projects	9.7	12.6	13.9	22.7	35.2
Other electrical works	1.5	1.2	1.1	1.1	6.6
Workshops	15.2	18.2	16.8	15.3	33.2
Passenger amenities	8.4	8.6	8.6	10.8	19.2
Investment in government commercial/public unde	6.0	6.3	5.4	8.6	26.0
Credits or recoveries	0.0	0.0	0.0	0.0	0.0
Investments in metropolitan transport projects	11.9	9.1	10.0	13.4	15.3
Total investments	503.8	539.9	587.2	935.2	1,210.0

Source: MoR, IRR Advisory

Please note only key heads provided; total will not add up.

The key rationale behind the investment plans post 2014 is driven by the investments targets proposed in the Railways Budget 2015 for the period FY15 to FY19. The details of the investment plan are provided in the table below:

Proposed Investment Plans by Ministry of Railways (FY15 – FY19)

Description	Amount (INR Bn)	% of Total
Network Decongestion (including DFC, Electrification, Doubling of electrification and traffic facilities)	1,993	23.3%
Network Expansion (including electrification)	1,930	22.5%
National Projects (North Eastern & Kashmir connectivity projects)	390	4.6%
Safety (Track renewal, bridge works, ROB, RUB and Signalling & Telecom)	1,270	14.8%
Information Technology/ Research	50	0.6%
Rolling Stock (Locomotives, coaches, wagons – production & maintenance)	1,020	11.9%
Passenger Amenities	125	1.5%
High Speed Rail & Elevated corridor	650	7.6%
Station redevelopment and logistic parks	1,000	11.7%
Others	132	1.5%
Total	8,560	100%

Source: MoR, IRR Advisory

The INR8.56tn capex plan over FY15-FY19 is almost double the cumulative capex done over the last 15 years (FY99 to FY14) and almost four times the capex done over the last 5 years (FY09 to FY14). Out of the total INR8.56tn investments envisaged from FY15 to FY19, INR2.73tn of investments has already been made from FY15 to FY17.

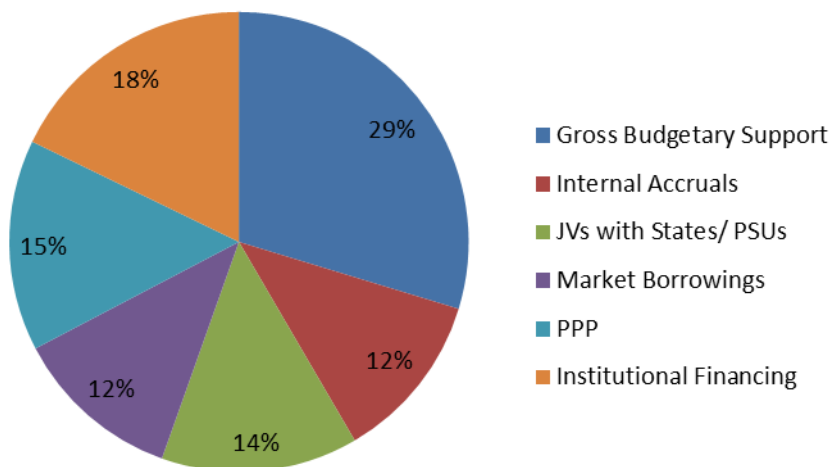
The current capex plan being followed during FY15 – FY19 differs from previous investment plans by focussing on the following:

- Improving freight carrying capacity via capacity augmentation to achieve network decongestion. This will be done by enhancing outlay for doubling/ 3rd /4th line projects and through investment in logistic parks. This is in sharp contrast to the earlier focus on network expansion through new line addition, which was primarily directed towards passenger services.
- Improving competitiveness of Indian Railways through cost optimisation via electrification.
- Improving customer experience so that hike in passenger tariffs become acceptable by increasing outlay for safety, station redevelopment and passenger amenities.

Thus, the largest proportion in the investment outlay are reserved for network decongestion (INR2tn), network expansion (INR1.93tn), safety (INR1.27tn), station redevelopment (INR1tn) and high-speed elevated corridors (INR0.65tn). Based on the actual investment for FY15 and FY16, revised estimates for FY17 and budget estimates

for FY18, only 46% of the investments proposed during FY15 to FY19 have been achieved. Investments have been impacted by fund availability and GoI's commitment to keep the deficit financing within prescribed limits.

Funding Break-up of INR8.56tn Capex Plan



Source: Ministry of Railways, IRR Advisory

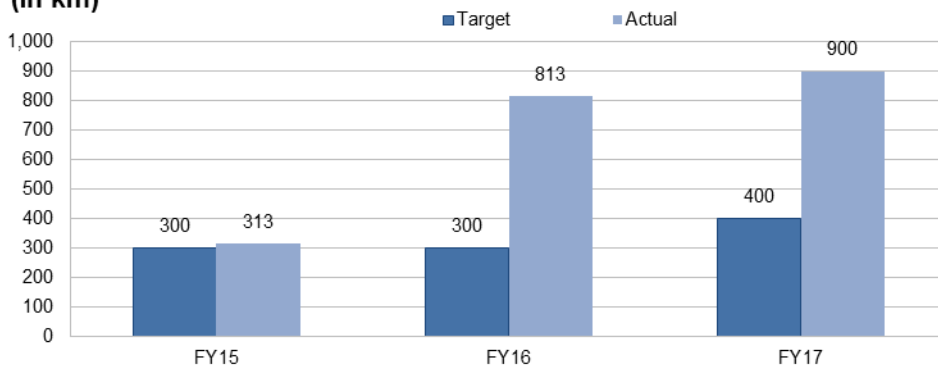
Historically, capex was constrained by inadequate fund availability with financing being dependent solely on internal accruals and budgetary support. Market borrowings were restricted for financing rolling stocks through Indian Rail Finance Corporation (IRFC). Given the ambitious capex targets, limited budgetary support and stressed internal accruals, Indian Railways needed innovative approaches to target funding. For example, unlike in the past, Indian Railways is now trying to engage the private sector via the PPP route and accessing long-term institutional funding. For example, Indian Railways has secured long-term financing to the tune of INR1.5tn from Life Insurance Corporation of India (LIC). Further, Indian Railways is entering into JVs with various state governments to undertake projects worth INR1.2tn.

Meanwhile, the JVs with State Governments are for specific projects. Seventeen states have agreed to form such companies and Chhattisgarh, Gujarat, Kerala, Odisha and Haryana have already signed MoUs with MoR. The MoUs envisage a JV company with 51% and 49% stake by the state government and MoR respectively. The JV will identify projects and possible financing avenues in addition to central and state government. Separate SPVs can be formed with other stakeholders for individual projects. MoR will sign a concession agreement of 30 years with the project SPV for safe and sound operation, revenue sharing and providing technical & marketing logistics to the SPV. Unlike in the past, the land ownership will also vest with the SPVs so that commercial potential of land can be exploited to improve financial flexibility and project viability. Indian Railways has already identified 70 projects worth ~INR700bn for development through state JVs. MoR is also in the process of forming an independent regulatory authority – the Rail Development Authority of India (RDAI) – to attract PPP projects and to ensure that such projects have redressal mechanism.

Key Sectors driving Investments

The chart below provides an overview in terms of actual achievements vis-a-vis budget for the last three years in New Lines Addition.

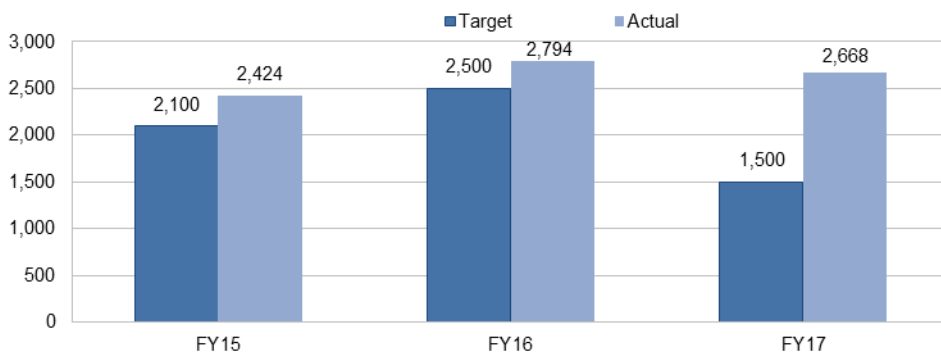
Target versus Actual Investments in New Line Additions (in km)



Source: Ministry of Railways, IRR Advisory

The chart below provides an overview in terms of actual achievements vis-a-vis budget for the last three years in Track Renewal.

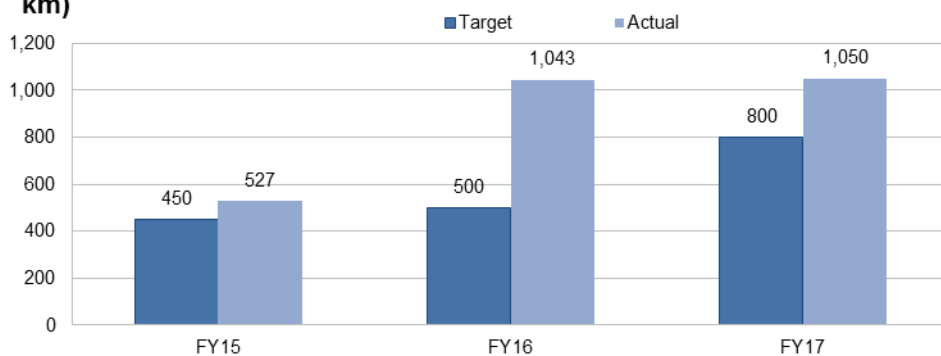
Target versus Actual Investments in Track Renewal (in km)



Source: Ministry of Railways, IRR Advisory

The chart below provides an overview in terms of actual achievements vis-a-vis budget for the last three years in Gauge Conversion:

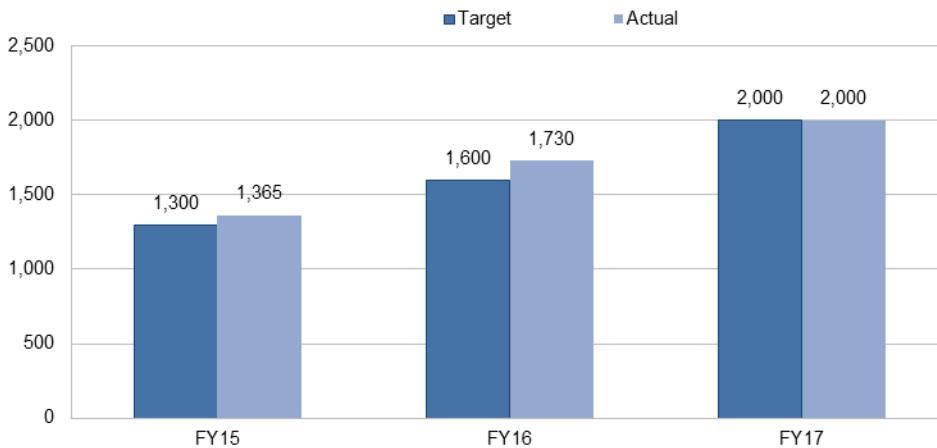
Target versus Actual Investments in Gauge Conversion (in km)



Source: Ministry of Railways, IRR Advisory

The chart below provides an overview in terms of actual achievements vis-a-vis budget for the last three years in Electrification.

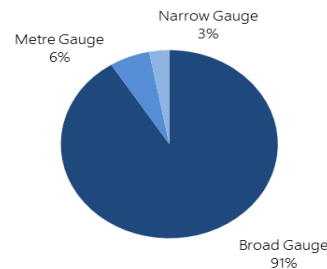
Target versus Actual Investments in Electrification (in km)



Source: Ministry of Railways, IRR Advisory

Broad gauge currently forms ~91% of overall route length of Indian Railways, as shown in the chart alongside. Over the past two-and-a-half decades, Indian Railways has made a concerted effort to replace the metre and narrow gauges with broad gauge. Broad gauge lines have higher carrying capacity vis-à-vis metre gauge, but more importantly, conversion to broad gauge eliminates need of different forms of engines and coaches and helps in rationalisation of rolling stocks. However, in FY16, only ~6,000km remained for conversion to broad gauge. Broad gauge line commissioning is expected to increase to 19km per day by FY19, and could even rise to 25km per day with state governments' partnership.

Gauge-wise composition of Indian Rail Network



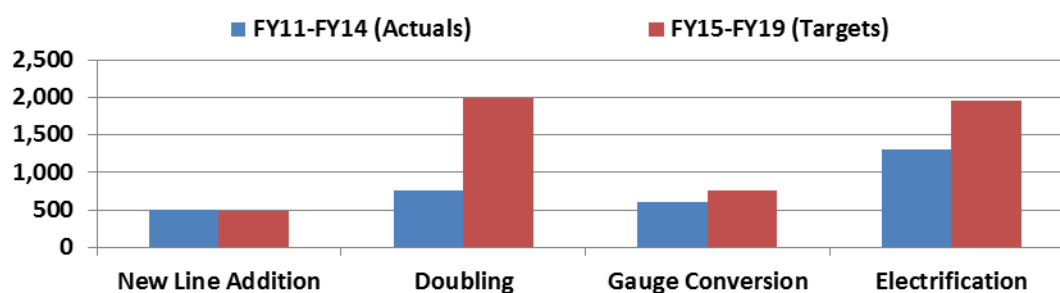
Source: Ministry of Railways, IRR Advisory

Focus of Indian Railways is to boost capacity in high density networks by doubling/ tripling/ quadrupling existing lines. Less than one-third of the total railway network is double/ multiple lines. Hence, MoR is now attempting to doubling existing routes in order to cater to increasing demand in passenger and freight traffics. The same is reflected by the fact that the envisaged target for doubling in FY19 is ~4x that achieved in FY15. GoI has sanctioned plans for doubling and tripling of 16,500km of rail tracks in the next few years.

Another key focus is electrification. Studies reveal that every 100km of electrification results in lowering annual consumption of diesel by over 4mn litres which translates to INR25bn savings. Electric traction is much cheaper and efficient than diesel traction. Currently, ~67% of freight traffic and ~50% of passenger traffic is hauled on electric traction. Indian Railways has thus increased its focus on electrification and plans to increase pace of electrification to 4,000km per year. Further, the deemed licensee status conferred on Indian Railways by Ministry of Power in FY15 now allows Indian Railways to buy power directly from suppliers. Indian Railways has now signed long-term power purchase agreements to procure power at cheaper rates. Also, RITES Ltd. through its subsidiary Railway Energy Management Company Ltd. is a major player for the said power procurement process which will augur well for Indian Railways and lead to huge savings.

As a result of these initiatives, there has been a paradigm shift in the investment targets of Indian Railways, as shown in the chart below. On an annual basis, while the target for new line addition over FY15-19 is 15% lower than the previous 4 years, those for doubling, gauge conversion and electrification are higher by 182%, 34% and 50%, respectively.

Physical Targets for Railways (in kms)



Source: Ministry of Railways, IRR Advisory

Other Opportunities

Other opportunities in the Railway Sector are provided below:

- **Dedicated Freight Corridor:** Dedicated Freight Corridor Corporation of India (DFCCIL), a wholly-owned SPV of Indian Railways is currently constructing the 3,350km long freight corridor project including 1,800km as its Eastern arm between Ludhiana and Dankuni in West Bengal. The Eastern DFC (EDFC) comprises three phases -- Ludhiana to Mughalsarai, Mughalsarai to Sonnagar and Sonnagar to Dankuni. The Western DFC is coming up between Dadri in Uttar Pradesh to Jawaharlal Nehru Port (JNPT) in Mumbai. The projects, when commissioned, would take up more than 70% of the Indian Railways freight traffic on to its faster, longer and heavier trains. The total investments for the two freight corridors are envisaged at INR814.6bn.

The work is targeted for completion in phases between 2018 to 2020. Commissioning of dedicated freight corridors will create capacity of running of 120 freight trains each way on each of the corridors. This would greatly decongest the highly saturated routes between Delhi-Mumbai and Delhi-Kolkata. Dedicated freight corridors have been designed for a high level of cost-efficiency in operations, which will facilitate large-scale shift of traffic from road to rail. At the same time, on the decongested parallel IR corridors, there would be significant scope for augmentation and improvement in passenger services.

- **Capacity augmentation on the saturated trunk routes:** The high density routes of the Indian Railways are highly saturated. Many of the sections are utilized beyond 100% of capacity. Doubling/3rd line/quadrupling have been sanctioned on around 18,000km of such routes at a cost of INR1.6 lakh crore by 2022, more than 50% i.e. 9,000km will be achieved which would create adequate capacity on some of the most saturated routes.
- **Gauge Conversion:** Route network of Indian Railways (about 65,000km) comprises 5,734km of Meter gauge and Narrow gauge. The ongoing program of unigauge will be completed by 2022 except for about 775km of hill and heritage lines and dead-end branch lines which shall remain on MG/NG, the entire network of Indian Railways will be on Broad gauge.
- **North Eastern states:** The entire rail network of the North-Eastern states has been brought on the Broad Gauge system during the last three years. As on date, only three state capitals of Assam, Tripura and Arunachal Pradesh are connected by rail. By 2022, the state capitals of all the 8 states will also get connected by rail. The works have been sanctioned and adequate funding is provided.
- **Completion of Udhampur-Srinagar-Baramula section of Jammu-Baramula project:** The project connects Kashmir valley and the rest of the country by Broad Gauge network. 66% of the project length has already been commissioned from Udhampur to Katra and Banihal to Baramullah. Only the middle portion between Katra and Banihal (111km) remains. The work will be completed by March, 2021. Providing end to end connectivity from Kashmir to Kanyakumari by rail.
- **High Speed Rail:** High speed rail corridor (508km) between Mumbai-Ahmedabad has been sanctioned at a cost of INR 1080bn with financial and technical assistance of Japan. The project is funded to the tune of 81% by Japanese soft loan. The project is challenging and was originally scheduled to be completed in August, 2023. This Ministry has set itself a target of completing the work and commencing services by

August, 2022. When completed the train services will run at a speed of 320kmph and it will be possible to cover Mumbai to Ahmedabad within two hours. The project will transform Mumbai-Ahmedabad stretch into a single integrated economic corridor.

- **Semi High Speed:** Project for raising speed on the existing rail network between Delhi-Mumbai and Delhi-Kolkata at a cost of INR180bn has been appraised and recommended by Expanded Board of Railways and awaiting sanction of CCEA. After completion, the project has the potential of enhancing speed of express train services to 160-200kmph and thereby greatly reducing the travel time between these cities and bring these cities within overnight journey time.
- **Electrification:** 50% of the BG route is electrified. The Railways has prepared INR300bn plan to electrify the complete rail network by FY22. Rural Electrification Corporation (REC) is likely to lend the railways the entire project cost spanning over the next 4 years at an annual interest rate of 9% for a lending period of 8-10 years. By going fully electric, the national transporter will save INR105bn every year on account of fuel. The railways currently have an energy bill of INR265bn.

Thus, GoI has focused on investing on railway infrastructure by making investor-friendly policies. It has moved quickly to enable Foreign Direct Investment (FDI) in railways to improve infrastructure for freight and high-speed trains. At present, several domestic and foreign companies are also looking to invest in Indian rail projects. Also, Indian Railway network is growing at a healthy rate and in the next five years is expected to become the third largest in the world.

OVERVIEW OF THE INDIAN ROAD SECTOR

Introduction

India has one of the largest road networks in the world aggregating to about 5.5 million kms of roads at present and the same is depicted in the chart below. National Highways (NH) comprise only 1.9% of the total length of roads, but carries over 40% of the total traffic across the length and breadth of the country. The development and maintenance of NHs are the responsibility of the central government, whereas the respective state governments are responsible for development and maintenance of roads other than NH and expressways. State highways (SH) account for 3.0% of the total length of roads and carries an estimated 25~30% of the country's road traffic. Rural roads link rural communities with the highway network, providing access to higher agricultural incomes, employment opportunities and social services. Other State roads and rural roads account for over 95.1% of the total road infrastructure, but carries only 30~35% of the road traffic.

Overview of Road Infrastructure in India as of FY17

Type of Road	Length (km)	% of Network
National Highways/ Expressways	103,933	1.9%
State Highways	161,487	3.0%
Other State Roads	2,556,467	46.7%
Rural Roads	2,650,577	48.4%
Total Roads	5,472,464	100.0%

Source: Annual Report FY17 MoRTH, IRR Advisory

Sustained economic growth post liberalization has brought about a remarkable development expansion in infrastructure of the road sector. India's road network today transports ~65% of all goods in the country and ~80% of India's total passenger traffic. Road transportation has gradually increased over the years with the improvement in connectivity between cities, towns and villages in the country. Thus, while the share of transport sector in India's GDP has increased from 6.0% in FY'01 to 6.5% now, the contribution of the road transport sector (as % of GDP) has increased from 3.9% to 4.8% in the corresponding period.

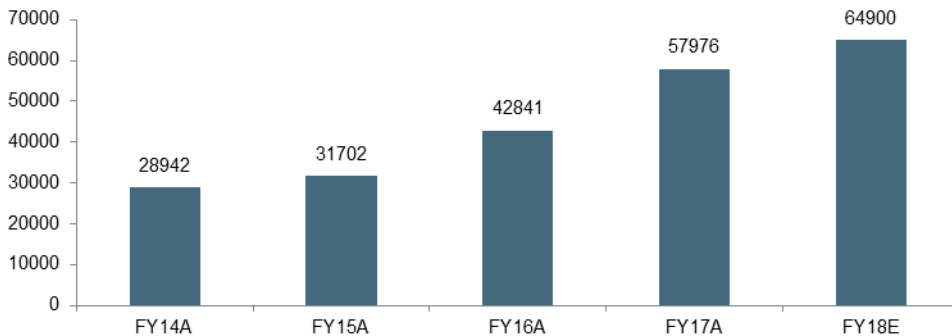
The roads and highway sector today dominates the government's planned expenditure amongst other key infrastructure segments which is indicative of its importance to the Indian economy. The transport infrastructure sector in India is expected to grow at 6.1% in real terms in 2017 and grow at a CAGR of 5.9% through the year 2021, thereby becoming the fastest-expanding component of the country's infrastructure sector. While historically, investments in the transport sector have been made by GoI, GoI is now encouraging private sector participation and has laid down comprehensive policy guidelines for private sector participation in the development of National

Highways. Road investments also benefit the weaker section of the society – a study by the International Food Policy Research Institute on linkages between government expenditure and poverty in rural India revealed that an investment increase of INR1bn in roads lifted 16,5000 poor persons above the poverty line.

Road Sector Overview

GoI has focused on the roads sector, alongside railways and ports, as a key vehicle for catalyzing public investments. This is represented in more than doubling of the road budget over the last three years, as shown in the chart below:

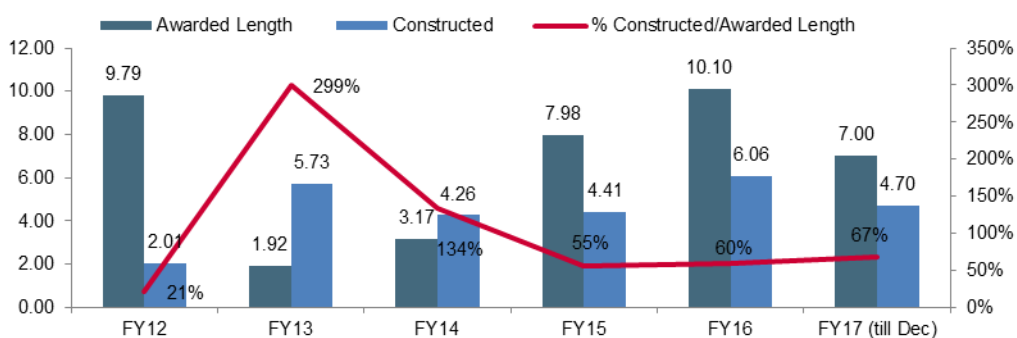
Budgetary Outlay for Roads (in INR bn)



Source: Union Budget, IRR Advisory

The increased outlay in the road budget is also manifested in higher physical targets for road construction. The total length of road construction awarded and the actual road construction for the previous years is provided in the chart below:

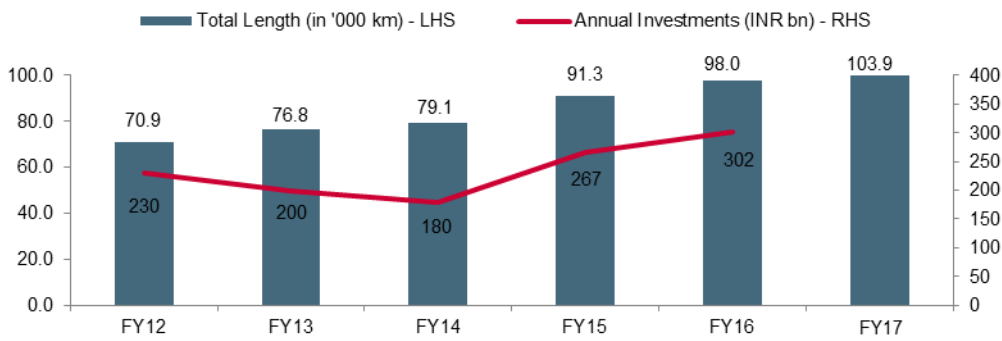
Actual Physical Progress in Roads (in '000 km)



Source: MoRTH, IRR Advisory

A brief overview of the road infrastructure and the annual investments over the past 5 years in NH is provided in the chart below.

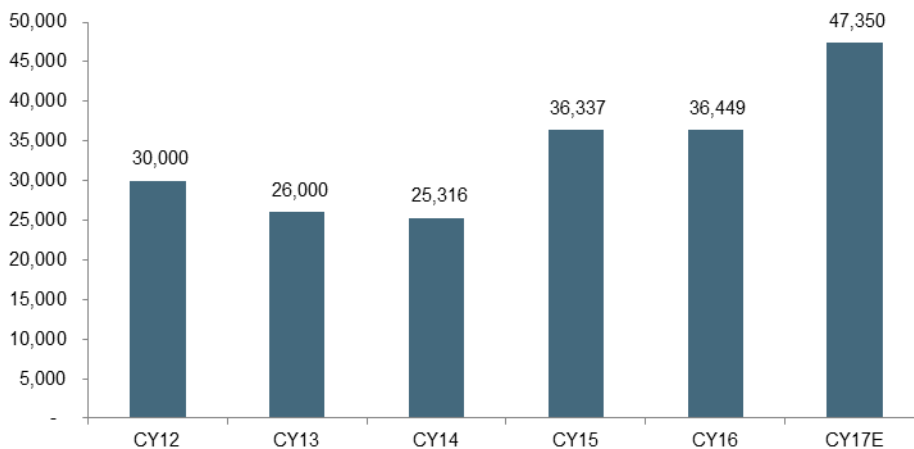
Overview of National Highways



Source: MoRTH, IRR Advisory

The Government of India funds construction of NHs through the road transport and highways budget under the Central Road Fund (CRF) scheme. The CRF is funded from a two-rupee cess on each litre of high-speed diesel (HSD) and motor spirit (petrol) sold in the country. Out of the estimated INR1.2tn invested in the NH over the last 5 years, 44% was through public funding while 56% was private sector investments. While the majority of the CRF scheme is used for construction of NH, there is also allocation for construction of state roads. Additional central funding for state roads are available under the schemes Inter State Connectivity and Economic Importance (ISC&EI), apart from state budget. Rural roads are constructed under the Pradhan Mantri Gram Sadak Yojana (PMGSY) scheme. The PMGSY is under the authority of the Ministry of Rural Development and while it was earlier fully funded by the centre, it is now funded by both the central government (60%) and states (40%), after a recommendation by state finance officials. The construction of highways reached 8,142km during FY17, with an all-time high average pace of 22.3km per day. In the first two months of FY18, 1,627km of highway was constructed at an average of 26.3km per day. Details of road constructed under PMGSY are provided in the chart below:

Roads constructed under PMGSY (in Kms)



Source: PMGSY Citizen Portal, Press Information Bureau - Gol, IRR Advisory

India's road network compares favorably internationally (please refer below table) in terms of coverage, as measured by the overall route length and road density. However, Indian roads have scope for improvement on quality aspects such as design standards, quality of the road network, safety and operation & maintenance which will drive investments in the sector.

Competitive Analysis of India's Road Network

Country	Highways (km)	Secondary Roads (km)	Others (km)	Total Roads (km)	KM/100,000 Popn	KM/1000 KM ² Land	KM/\$1bn GDP
Brazil	93,071	276,776	1,382,021	1,751,868	899	207	839
China	124,697	300,686	3,435,620	3,861,003	288	403	651
India	66,754	1,017,763	3,025,275	4,109,792	336	1,382	2,379
Japan	62,432	129,377	1,016,058	1,207,867	948	3,314	221
UK	52,706	122,543	244,416	419,665	674	1,734	185
USA	95,500	1,930,104	4,520,235	6,545,839	2,116	714	449

Source: International Road Federation, World Road Statistics (2011), IRR Advisory

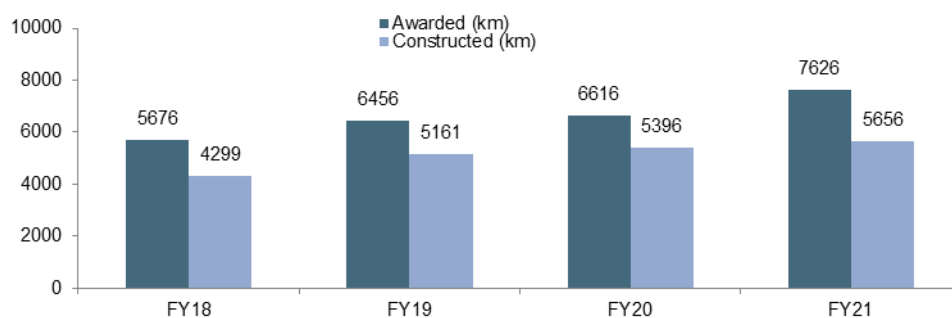
Road Sector Outlook

In the Union Budget 2017-18, GoI has allotted INR640bn to NHAI for roads and highways and INR270bn to PMGSY for rural roads.

The National Highways Development Project (NHDP) is a project to upgrade, rehabilitate and widen major highways in India to a higher standard. This project is managed by NHAI under MoRTH. The NHDP represents 49,260km of roads and highways work and construction in order to boost economic development of the country.

The proposed expansion of National Highways through NHAI is as follows:

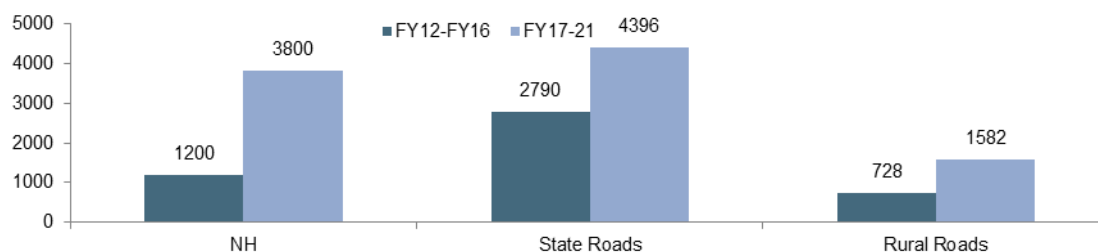
NHAI Plans



Source: MoRTH, IRR Advisory

The chart below provides the expected investments under various road categories for the next 5 years. 49% of the proposed investments for NH are expected from the private sector.

Investment Plans (INR bn)



Source: MoRTH, Union Budget, IRR Advisory

Bharat Mala Scheme

MoRTH, GoI has envisioned upgradation/construction of roads along India’s borders, coastal areas, ports, backward areas, religious places and tourist places as well as over 100 district headquarters under Bharat Mala scheme. The Bharat Mala scheme has been envisaged across different states vis-à-vis Gujarat, Rajasthan, Punjab, Jammu and Kashmir, Himachal, Uttarakhand, Uttar Pradesh, Bihar, West Bengal, Sikkim, Assam, Arunachal Pradesh, Manipur, Mizoram, Odisha, Tamil Nadu and Puducherry. Bharat Mala Scheme, an umbrella scheme under which many other schemes, projects and programs are integrated, is biggest ever road and highways development program taken by Government of India. It is estimated that the impact of Bharat Mala project after achieving its targets will be phenomenal on Indian economy. In October 2017, Union Cabinet gave approval for road building projects worth INR7,000bn including Bharat Mala program. The investment will target constructing 83,677km of roads in next 5 years. These road building projects, include Bharat Mala project of around 34,000km with an investment of INR5,350bn.

The Bharat Mala scheme has 2 components: (i) Strategic component - to build reliable road network across international border and (ii) Economic component - to provide accessibility to the border areas and improve trade in the border region.

Objectives of Bharat Mala scheme are provided:

- **Development of State roads along coastal area, border area, and special focus on connectivity of non-major ports:** 7,000km of roads is to be constructed under this component of Bharat Mala project. The estimated cost of this component of Bharat Mala project is INR802.5bn.
- **Backward areas, religious and tourist places connectivity program (BRT under Bharat Mala):** As the name suggests its objective is to connect backward areas, religious and tourists places. This component is also aimed at building 7,000km or new roads with an estimated cost of INR852.5bn.
- **Setubharatam Pariyojana:** It is another major component if Bharat Mala scheme. Setubharatam is aimed at elimination of Railway crossing in India by constructing 1500 major bridges and 200 Railway over Bridges (RoBs) or Railway under Bridges (RuBs).
- **District Headquarters Connectivity Scheme:** In the 4th component of Bharat Mala scheme, 9,000km of road will be constructed and declared as National Highway. The object is to provide better connectivity between district headquarters. The cost of this construction is estimated to be INR600bn. By declaring these district roads as National Highway, Government is trying to ensure its proper maintenance.
- **Development of Roads:** On 24th October, 2017 GoI announced development of 34,000km of roads at an investment of INR 5350bn crore under the Bharatmala project.

Thus, the GOI aims to boost public and private investment in roads sector through various schemes such as NHDP, PMGSY, Bharat Mala scheme, etc. along with introducing business-friendly strategies that will balance profitability with effective project execution.

OVERVIEW OF THE POWER SECTOR

India is the 3rd largest producer and 4th largest consumer of power in the world. With installed capacity of 331.1GW as of October 2017, India also has the 5th largest installed capacity in the world.

Review of Power Infrastructure in India during the past 5 years

Total Power Generation Capacity in India

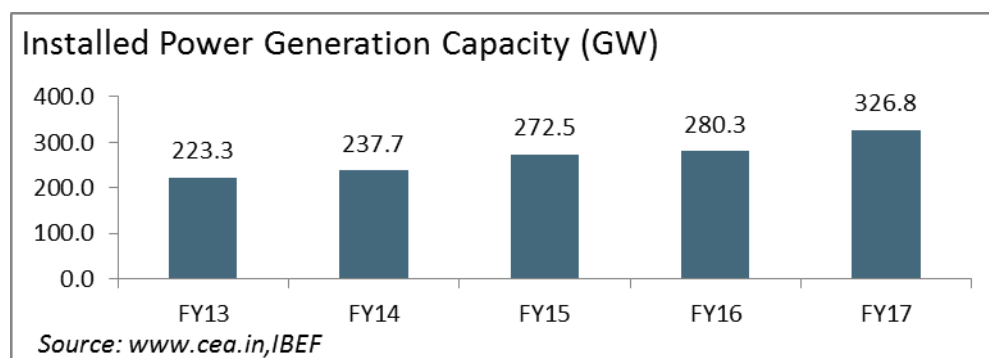
Total power generation capacity in India stands at about 331.1GW as of October 2017. Segment/mode-wise power generation capacity in India as of July 2017 is provided in table below:

Segment/Mode wise installed power generation capacity as of October 2017 in MW								
Sector	Thermal			Total	Nuclear	Hydro	RES*	Grand Total
	Coal	Gas	Diesel					
State	63,780.5	7,079.0	363.9	71,223.4	0.0	29,798.0	1,976.9	102,998.3
Central	55,150.0	7,490.8	0.0	62,640.8	6,780.0	11,681.4	58,180.8	81,102.3
Private	74,496.0	10,580.6	473.7	85,550.3	0.0	3,286.0	0.0	147,017.1
Total	193,426.5	25,150.4	837.6	219,414.5	6,780.0	44,765.4	60,157.7	331,117.6

RES: Renewable Energy Sources

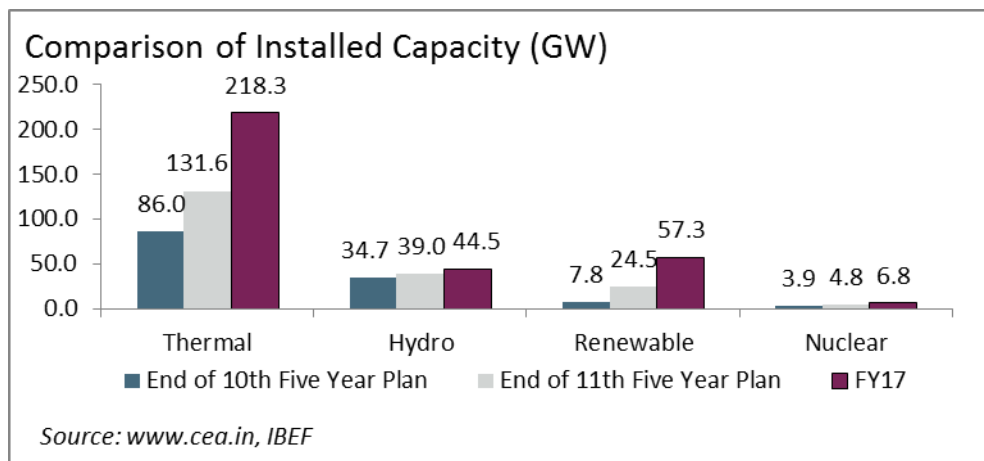
Source: www.cea.nic.in

Installed power generation capacity in India has grown at a CAGR of about 10% from FY13 to FY17. Chart depicting the installed power generation capacity in India is provided below:



Renewable energy in India

Among the different sources of power in India, the CAGR in installed capacity over FY07-FY17 is about 10.5% for thermal power, 22.1% for renewable energy, 2.5% for hydro power, and 5.7% for nuclear power. Thus, renewable energy growth is the fastest among all sources of power. Chart depicting the different sources of power is provided below:

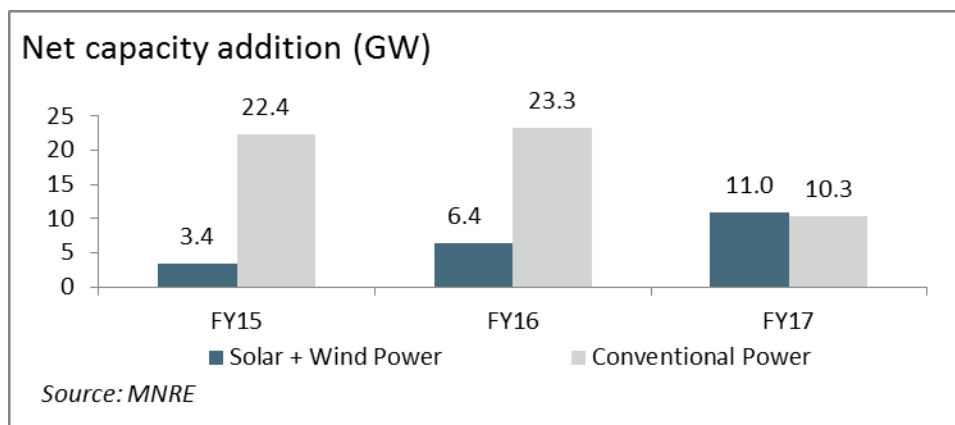


Renewable energy sources (RES) of power include small hydro power (SHP), bio-power (BP), solar power and wind power and here for comparison big hydro projects are not included in RES. Break-up of installed capacity of RES in India as of October 2017 is provided in table below:

Installed power generation capacity of RES as of October 2017 in MW					
SHP	Wind Power	Bio Power		Solar Power	Total Capacity
		BM Power/Cogen.	Waste to Energy		
4,389.6	32,700.6	8,181.7	114.1	14,771.7	60,157.7

Source: www.cea.nic.in

Wind power is the largest source of renewable energy in India after Hydropower, it accounts for 55.8% of total RES installed power generation capacity as of July 2017. India has the 4th largest wind power generation capacity in the world at 32.5GW as of July, 2017. India witnessed highest ever wind power generation capacity addition of 5.5GW in FY17. Solar power is the 2nd largest source of renewable energy in India, it accounts for 22.5% of total RES installed power generation capacity as of July 2017. The country's solar capacity is expected to reach 18.7GW by December 2017, which is about 5% of global solar capacity. In May 2017, India's solar power tariffs fell to a new low INR2.44 per unit during the auction of a 500MW capacity at Bhadla Solar Park in Rajasthan. In FY17, for the first time ever, net capacity increase of renewable power exceeded that of conventional power. The chart below highlights the net capacity addition in renewable energy vis-a-vis conventional energy.



New Initiatives: the Government has taken up the following new projects/schemes during FY17:

- **Green Energy Corridor:** INR380bn Green Energy Corridor is being set up to ensure evacuation of Renewable Energy. Few Green Energy Corridor projects include HVDC Bipole link between Western Region (Raigarh, Chhattisgarh) and Southern Region (Pugalur, Tamil Nadu) - North Trichur (Kerala)- Scheme 1: Raigarh-Pugalur 6000 MW HVDC System, HVDC Bipole link between Western Region (Raigarh, Chhattisgarh) and Southern Region (Pugalur, Tamil Nadu) - North Trichur (Kerala)- Scheme 3: Pugalur- Trichur 2000 MW VSC based HVDC System, etc.
- **Wind Power:** Comprehensive Guidelines for Development of On-shore Wind Power Projects in the country have been formulated and issued.
- **Solar Rooftops:** All major sectors i.e. Railways, Airports, Hospitals, Educational Institutions; Government Buildings of Central/State/PSUs are being targeted besides, the private sector.
- **Raising of Bonds:** GoI approved raising INR40bn bonds for renewable energy sector by IREDA during FY17.

Investments in the Power Sector

Power Generation

Details of new projects announced in the Power Generation segment and breakup of investments by central, state and private sectors in the last 5 years are provided in table below:

Power Generation Sector - New Projects Announced										
Financial Year	Total All owners		Total Government		Central Government		State Government		Private Sector	
	Cost (INRbn)	Count (Nos.)	Cost (INRbn)	Count (Nos.)	Cost (INRbn)	Count (Nos.)	Cost (INRbn)	Count (Nos.)	Cost (INRbn)	Count (Nos.)
FY13	953.9	110.0	418.8	42.0	163.7	8.0	254.5	33.0	535.1	68.0
FY14	1,497.2	105.0	1,229.2	51.0	1,112.2	10.0	116.7	39.0	268.0	54.0
FY15	2,537.7	169.0	1,297.2	88.0	730.2	28.0	513.3	57.0	1,240.6	81.0
FY16	1,746.3	121.0	700.8	43.0	298.7	20.0	401.8	22.0	1,045.5	78.0
FY17	940.6	88.0	157.1	26.0	143.1	16.0	13.8	9.0	783.5	62.0

Disclaimer: Count refers to the number of projects for which cost details are available.

Source: CMIE – Industry Outlook

Details of projects completed in the Power Generation segment and breakup of investments by central, state and private sectors in the last 5 years are provided in table below:

Power Generation Sector - Projects Completed										
Financial Year	Total All owners		Total Government		Central Government		State Government		Private Sector	
	Cost (INRbn)	Count (Nos.)	Cost (INRbn)	Count (Nos.)	Cost (INRbn)	Count (Nos.)	Cost (INRbn)	Count (Nos.)	Cost (INRbn)	Count (Nos.)
FY13	1,326.1	120.0	531.3	25.0	359.5	12.0	171.6	12.0	794.8	95.0
FY14	885.3	76.0	318.2	21.0	189.4	12.0	128.8	9.0	567.1	55.0
FY15	1,535.1	104.0	554.9	36.0	202.8	20.0	352.1	16.0	980.3	68.0
FY16	1,991.7	199.0	671.9	38.0	370.1	20.0	301.8	18.0	1,319.8	161.0
FY17	1,793.6	218.0	872.2	44.0	554.6	21.0	317.4	21.0	921.3	174.0

Disclaimer: Count refers to the number of projects for which cost details are available.

Source: CMIE – Industry Outlook

Power Transmission and Distribution

Details of new projects announced in the Power Transmission and Distribution segment and breakup of investments by central, state and private sectors in the last 5 years are provided in table below:

Power Transmission and Distribution Sector - New Projects Announced										
Financial Year	Total All owners		Total Government		Central Government		State Government		Private Sector	
	Cost (INRbn)	Count (Nos.)	Cost (INRbn)	Count (Nos.)	Cost (INRbn)	Count (Nos.)	Cost (INRbn)	Count (Nos.)	Cost (INRbn)	Count (Nos.)
FY13	53.5	18.0	37.8	11.0	15.1	3.0	22.7	8.0	15.8	7.0
FY14	161.6	27.0	152.6	22.0	148.8	18.0	3.8	4.0	9.0	5.0
FY15	245.7	32.0	225.9	28.0	189.0	15.0	36.9	13.0	19.9	4.0
FY16	29.8	18.0	29.7	14.0	3.2	3.0	26.5	11.0	0.1	4.0
FY17	76.1	28.0	74.4	22.0	68.4	20.0	6.0	2.0	1.7	6.0

Disclaimer: Count refers to the number of projects for which cost details are available.

Source: CMIE – Industry Outlook

Details of projects completed in the Power Transmission and Distribution segment and breakup of investments by central, state and private sectors in the last 5 years are provided in table below:

Power Transmission and Distribution Sector - Projects Completed										
Financial Year	Total All owners		Total Government		Central Government		State Government		Private Sector	
	Cost (INRbn)	Count (Nos.)	Cost (INRbn)	Count (Nos.)	Cost (INRbn)	Count (Nos.)	Cost (INRbn)	Count (Nos.)	Cost (INRbn)	Count (Nos.)
FY13	31.9	27.0	25.7	26.0	12.0	6.0	13.6	19.0	6.2	1.0
FY14	112.1	29.0	97.5	26.0	91.3	6.0	6.2	20.0	14.6	3.0
FY15	177.2	35.0	158.5	31.0	136.5	12.0	22.0	19.0	18.7	4.0
FY16	299.2	55.0	259.6	47.0	250.5	21.0	9.0	24.0	39.6	8.0
FY17	115.4	33.0	112.7	30.0	100.9	13.0	11.8	17.0	2.6	3.0

Disclaimer: Count refers to the number of projects for which cost details are available.

Source: CMIE – Industry Outlook

Outlook for Investments in the Power Sector

Details of investments expected and capacity addition in Power Generation segment from FY18 to FY20 are provided in table below:

Investments Planned in Power Generation Industry					
Financial Year	Value of projects to be commissioned (INRbn)	Capacity addition			Capacity addition Nuclear (MW)
		Total (MW)	Thermal (MW)	Hydel (MW)	
FY18E	1,176.2	15,035.7	12,983.2	1,552.5	500.0
FY19E	2,214.0	25,434.0	21,571.5	1,842.5	700.0
FY20E	1,453.2	22,895.3	17,938.0	3,777.8	0.0

Disclaimer: The value of investment commissioned may not necessarily match with the capacity addition

Source: CMIE – Industry Outlook

Details of investments expected and capacity addition in Power Distribution segment from FY18 to FY20 are provided in table below:

Investments Planned in Power Transmission and Distribution Industry	
Financial Year	Value of projects to be commissioned (INRbn)
FY18E	623.3
FY19E	538.8
FY20E	463.5

Disclaimer: The value of investment commissioned may not necessarily match with the capacity addition
Source: CMIE – Industry Outlook

Growth Drivers for Investments in Power Sector

Growth Drivers for Investments in Power sector include growing demand of power and policy support which will lead to increase in FDI inflows in the sector, more number of M&A activity and ultimately large investments in equipment manufacturing and power generation.

- **Growth in demand:** Industrial expansion and growing per capita income is expected to increase the power demand in the coming years. Share of power consumption in industrial sector has been in the range of 42% - 45% in the last 5 years from FY13 to FY17. India's power demand is expected to rise up to 1,894.7TWh (Terawatt Hours) by FY22 from 1,174.1TWh in FY15, clocking a CAGR of 7.1% from FY15 to FY22.
- **Policy Support:** Chart indicates key policies launched by Government in order to aide growth in Power Sector are provided below:

Policy Support	
Policy/Initiative	Details
Electricity Act, 2003	Elimination of licensing for electricity generation projects Increased competition through international competitive bidding Demarcation of transmission as a separate activity
National Tariff Policy, 2006	Adequate return on investment to companies engaged in power generation, transmission & distribution Uniform guidelines to SERCs for fixing tariffs Assured electricity to consumers at reasonable and competitive rates
Ultra Mega Power Projects (UMPPs)	Launch of the UMPP scheme through tariff-based competitive bidding Ease of land possession, provision of fuel, water & necessary clearances for enhancing investor confidence According to Union Budget 2015-16, 5 new UMPPs, each of 4000MW, have been proposed to setup in the plug and play mode
R-APDRP	R-APDRP was launched by Ministry of Power with the purpose of reducing AT&T losses up to 15 per cent by upgradation of transmission and distribution network Linking disbursement of central government funds (to states), with actual reduction in transmission and distribution losses. Sanctioned projects of more than USD5.8 billion
National Electricity Policy	Provide electricity to all areas Prepared in consultation with state governments, CEA, and other stakeholders Supply of reliable and quality power in an efficient manner and reasonable rates This Scheme used for promoting generation of electricity from renewable energy sources
Feed-in Tariff	Allows Power Producers to sell renewable energy generated electricity to an off – taker at a pre – determined tariff for a given period of time The National Tariff Policy for Electricity was amended by the Union Government on 20 January, 2016
National Tariff Policy (2016)	The policy aims to achieve the objectives of UDAY scheme Special focus on renewable energy has been laid. In order to promote use of renewable energy, solar Renewable Purchase Obligation (RPO) is proposed to increase to 8 per cent by 2022
Generation based Incentives	Government to reintroduce 'generation-based incentives' for wind power projects to boost capacity addition in the sector; Cutting of excise duties by 2 per cent on capital goods import USD147.3 million would be allocated to the Ministry of New & Renewable Energy
Public Private Partnerships	To reduce dependency on imported coal, a Public Private Partnership (PPP) policy framework would be devised with Coal India Ltd. to increase coal production.
Liberalised FDI Policy	During FY13, the Government liberalised FDI policy for Power Trading Exchanges. Foreign Investment in power exchanges registered under the CERC Regulations, 2010, allowed up to 49% (FDI-26% and FII-23%)
Low-interest funds	Low-interest-bearing funds to be provided from National Clean Energy Fund (NCEF) to Indian Renewable Energy Development Agency Ltd (IREDA) for on-lending to viable renewable energy projects Funding of USD746.82 million from NCEF and USD775.63mn from IEBR (internal and External Budgetary Sources) has been planned for year 2016-17 to develop & use renewable energy resources in an eco-friendly and sustainable manner
Growing Investments	In the Union Budget 2017-18, the government has set a target for full electrification of 18,452 villages by March 1, 2018. An amount of USD716.04mn will be spent for this purpose.
Ujwal Discoms	In February 2017, India Ratings & Research (Ind-Ra) assigned UP Power Corporation
National Tariff Policy (2016)	The National Tariff Policy for Electricity was amended by the Union Government on 20 January, 2016, and aims to achieve the objectives of UDAY scheme Special focus on renewable energy has been laid. In order to promote use of renewable energy, solar Renewable Purchase Obligation (RPO) is proposed to increase to 8 per cent by 2022.

Source: Ministry of Power, IBEF

Also, National Wind-Solar hybrid policy has been drafted for promotion of large grid connected wind-solar PV (photo-voltaic) system, better grid stability and optimal utilization of transmission infrastructure. Table indicating the power supply position in India is provided in table below:

Power Supply Position in India								
Year	Requirement	Availability	Surplus(+)/Deficits(-)		Peak Demand	Peak Met	Surplus(+)/ Deficits(-)	
	(MU)	(MU)	(MU)	(%)	(MW)	(MW)	(MW)	(%)
FY10	8,30,594	7,46,644	-83,950.0	-10.1	1,19,166	1,04,009	-15,157.0	-12.7
FY11	8,61,591	7,88,355	-73,236.0	-8.5	1,22,287	1,10,256	-12,031.0	-9.8
FY12	9,37,199	8,57,886	-79,313.0	-8.5	1,30,006	1,16,191	-13,815.0	-10.6
FY13	9,95,557	9,08,652	-86,905.0	-8.7	1,35,453	1,23,294	-12,159.0	-9.0
FY14	10,02,257	9,59,829	-42,428.0	-4.2	1,35,918	1,29,815	-6,103.0	-4.5
FY15	10,68,923	10,30,785	-38,138.0	-3.6	1,48,166	1,41,160	-7,006.0	-4.7
FY16	11,14,408	10,90,850	-23,558.0	-2.1	1,53,366	1,48,463	-4,903.0	-3.2
FY17	11,42,929	11,35,334	-7,595.0	-0.7	1,59,542	1,56,934	-2,608.0	-1.6
FY18E	3,09,680	3,07,755	-1,925.0	-0.6	1,59,816	1,58,393	-1,423.0	-0.9

E – Estimated

Source: CEA, www.powermin.nic.in

Power is one of the most critical components of infrastructure crucial for the economic growth and welfare of nations. The existence and development of adequate infrastructure is essential for sustained growth of the Indian economy. With the level of investments envisaged in the next 3 years, GoI immediate goal is to provide 24x7 electricity for residential, industrial, commercial and agriculture use. The Government of India is taking a number of steps and initiatives like 10-year tax exemption for solar energy projects, etc., in order to achieve India's ambitious renewable energy targets of adding 175GW of renewable energy, which includes 100GW from solar, 60GW from wind, 10GW from bio-power and 5GW from small hydro-power.

OVERVIEW OF URBAN TRANSPORTATION

Review of urban transportation in India during the last 5 years

India is experiencing an unprecedented transition from rural to urban living. Its urban population increased from 222mn in 1990, to 410mn in 2014 and 440mn in 2017. It is forecasted to increase to 814mn by 2050, according to a United Nations report. The pace of urbanization has been so rapid that Delhi and Mumbai are now the 2nd and 6th most populous cities in the world. Clearly this rapid increase in the country's urban population has put significant pressure on its existing urban infrastructure, particularly with transportation. Indian cities face severe traffic congestion. Growing traffic and limited road space have reduced peak-hour speeds to 5 to 10 km per hour in the central areas of many major Indian cities.

Investments in Urban Transportation

GoI has realized that the emphasis on rural development has led to the neglect of urban areas. One of the major initiatives that triggered increased attention to sustainable transport in the cities was the formulation and adoption, of a National Urban Transport Policy in the year 2006 and Jawaharlal Nehru National Urban Renewal Mission (JnNURM). Under severe pressure for “doing something” about the deteriorating transport situation in the largest cities of the country, the then Ministry of Urban Development decided to formulate a National Urban Transport Policy and, in April, 2003, set up a committee to prepare a draft. One of the major issues was whether a National Policy was really required since urban transport was essentially a State subject.

Investments in Metro Rail

Table below provides list of metro projects undertaken in the last 5 years:

List of metro projects undertaken in last 5 years			
Name of the Metro	City	Kilometer	Project Cost (INR mn)
Delhi Metro Phase 1	New Delhi	65.0	105,710.0
Delhi Metro Phase 2	New Delhi	124.9	187,830.0
Delhi Metro Phase 3	New Delhi	159.5	410,790.0
Bangalore Metro Phase 1	Bangalore	42.3	138,450.0
Chennai Metro Phase 1	Chennai	45.0	146,000.0
Kochi Metro Rail Project	Cochin	25.6	51,820.0
Navi Mumbai Metro	Navi Mumbai	23.4	41,630.0
Noida Metro	Noida	29.7	50,640.0
Lucknow Metro Phase 1A	Lucknow	22.9	69,280.0
Hyderabad Metro	Hyderabad	66.5	141,320.0
Mumbai Metro Line 1	Mumbai	11.4	23,560.0
Mumbai Mono Rail	Mumbai	19.1	24,600.0
Mumbai Metro Line 7	Mumbai	16.5	62,080.0
Jaipur Metro Phase 1	Jaipur	12.0	31,490.0
Kolkatta East-West Metro	Kolkatta	16.6	89,960.0
Total		680.4	1,575,160.0

Source: MOUD

Key growth drivers for investments in Urban transportation

- Increasing Urbanization:
- Improve quality of life in the Urban in a city environment
- Competitive advantage
- Make in India

Outlook for Urban infrastructure in India over the next 3-5 years

Smart Cities: As per the latest update available on the Government website on the smart city mission program, the present government has ambitious plans to develop 100 smart cities in the next 5 years. Out of the 731 smart city projects worth INR463,660mn sanctioned so far, implementation has started in only 49 smart city projects and 24 smart city projects have been completed as of January 2017 as per the urban development ministry website.

Atal Mission for Rejuvenation and Urban Transformation (AMRUT): The focus of this mission is on capacity building, reform implementation, water supply, sewerage and septage management, storm water drainage, urban transport and development of green spaces and parks. An investment of INR 500,000mn will be done by the central government over a period of five years, FY 2015-16 to FY 2019-20. One of its important components is improving urban transport. The Government of India plans to invest INR 114,210mn to improve basic urban infrastructure in 61 cities and towns of Uttar Pradesh, having population exceeding 100,000 each by 2019-20, under AMRUT scheme. The government has also approved investments in Tamil Nadu (INR 112,370mn), Maharashtra (INR 67,590mn), Haryana (INR 25,440mn), Chattisgarh (INR 21,920mn), Manipur (INR 1,800mn) and Sikkim (INR 390mn) by 2019-20, under the same scheme.

The Government of India plans to build 8,000km of pavements and lay more cycle tracks in 106 cities in the next 5 years with an investment of INR 800,000mn in order to reduce carbon footprint in urban areas and promote activities like walking and cycling.

Metro Rail System: The Working Group on Urban Transport of the Planning Commission of India has recommended that cities with population exceeding 2mn should initiate rail transit projects and cities exceeding 3mn people should construct metro rail systems. Several plans to develop numerous metro rail systems in major Indian cities have been put in place by the Ministry of Urban Development in collaboration with State governments. 40 plus such projects are under various stages of development or are already operational. This has led to the Indian metro

sector being ranked as among the world’s biggest ongoing infrastructure programs and is emerging as one of the best solutions for urban transportation.

Key metro projects with a total length of 595km in 13 cities including 10 new cities which are at various stages of planning and appraisal include Delhi Metro Phase IV- 103.93 km, Delhi & NCR-21.10km, Vijayawada-26.03 km, Visakhapatnam-42.55 km, Bhopal-27.87km, Indore-31.55km, Kochi Metro Phase II-11.20 km, Patna-27.88km, Guwahati-61 km, Varanasi-29.24km, Thiruvananthapuram & Kozhikode (Light Rail Transport)-35.12 km and Chennai Phase II-107.50km. Many of the State Governments are looking at public-private partnership (PPP) since urban transportation is a state subject. Metro rail projects are capital intensive and are generally undertaken through financial support of both the central and state governments in the form of equity and grants. The remaining funds are raised through multilateral agencies like Japan International Cooperation Agency (JICA) and European Investment Bank (EIB). The central government had recently simplified rules whereby the state public sector agencies can directly tap bilateral agencies for resources for infrastructure development in their states. We can outlook metro projects worth INR2tn can come up for bidding in the coming years. The table below provides the list of metro projects which are expected to get completed till 2022:

List of Metro Projects expected to be completed by FY22			
Name of the Metro	City	Kilometer	Project Cost(INR mn)
Bangalore Metro Phase 2	Bangalore	72.1	264,050.0
Extension of Chennai Metro Phase 1	Chennai	9.1	37,700.0
Nagpur Metro Rail Project	Nagpur	38.2	86,800.0
Ahmedabad Metro Rail Project Phase 1	Ahmedabad	36.0	107,730.0
Pune Metro Rail Project Phase 1	Pune	31.3	114,200.0
Mumbai Metro Line 2A	Mumbai	18.6	64,100.0
Mumbai Metro Line 2B	Mumbai	23.6	109,860.0
Mumbai Metro Line 3	Mumbai	32.5	231,360.0
Mumbai Metro Line 4	Mumbai	32.3	145,490.0
Thane Bhiwandi Kalyan Mono Rail	Thane	23.8	31,690.0
Jaipur Metro Phase 2	Jaipur	23.1	65,830.0
Kanpur Metro	Kanpur	25.0	132,210.0
Ludhiana Metro	Ludhiana	28.8	66,000.0
Chandigarh Metro	Chandigarh	37.6	136,000.0
Total		431.8	1,593,020.0

Source: MOUD

Recently, GoI has approved a new metro rail policy which will enable the realization of growing metro rail aspirations of a large number of cities in a responsible manner. The new policy is expected to make PPP component mandatory for availing central assistance to new metro projects. Private investment and other innovative forms of financing metro projects have been made compulsory to meet the huge resource demand for capital intensive high capacity projects. The new metro rail policy provides for a rigorous assessment of new metro proposals and proposes independent third party assessment by an agency identified by the Government. The new policy stipulated a shift from the present ‘Financial Internal Rate of Return of 8%’ to ‘Economic Internal Rate of Return of 14%’ for approving metro projects, in line with global practices. Some of the benefits of new policy are as given below:

2. The new policy empowers states to make rules and regulations and set up permanent Fare Fixation Authority for timely revision of fares. States can take up metro projects exercising any of the three options for availing central assistance.
3. These include; PPP with central assistance under the Viability Gap Funding scheme of the Ministry of Finance, Grant by Government of India under which 10% of the project cost will be given as lump sum central

assistance and 50:50 Equity sharing model between central and state governments. Under all these options, private participation, however, is mandatory.

4. To capitalize on private resources, expertise and entrepreneurship, the policy says that private participation either for a complete provision of metro rail or for some unbundled components (like Automatic Fare Collection, Operation & Maintenance of services, etc.) will form an essential requirement for all metro rail projects seeking central financial assistance.

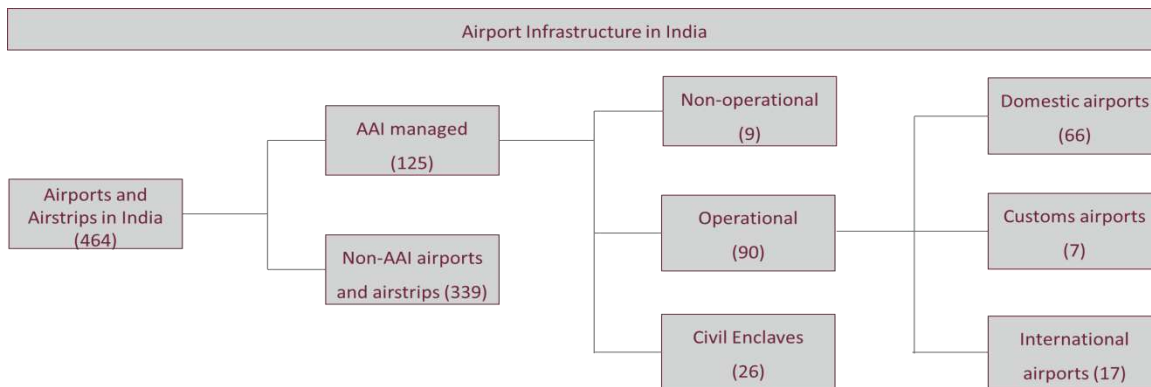
To ensure financial viability of metro projects, the new metro rail policy requires the states to clearly indicate in the project report the measures to be taken for commercial/property development at stations and on other urban land and for other means of maximum non-fare revenue generation through advertisements, lease of space etc., backed by statutory support. States are also required to commit to accord all required permissions and approvals.

OVERVIEW OF INDIAN AIRPORTS

India has 464 airports and airstrips, of which 125 airports are owned by Airports Authority of India (AAI). AAI was established in 1994 under the Airports Authority Act (AAA) and is responsible for developing, financing, operating and maintaining all Government Airports. The Aircraft Act (1934) governs remaining airports. Currently, India is the 7th largest civil aviation market in the world and is expected to become the world's 3rd largest by FY20 after USA and China and the world's largest by FY30.

Review of Airport Infrastructure in India during the past 5 years

Overview of airport infrastructure in India is provided below in the chart below:



Source: Airports Authority of India, IBEF

Investments in Airport Infrastructure

In the Union Budget for FY17, Government of India, for the purpose of equity infusion had earmarked USD255.86mn for Air India Limited. Also, a budget of about USD14.98mn has been allocated to AAI, of which USD4.29mn has been allocated towards Pakyong, Sikkim project. The Government has planned to allocate a sum of USD11.80mn to DGCA to implement various scheme. The Government has also supported the Bureau of Civil Aviation Security with USD9.71mn to meet their expenditure.

As per CMIE-Industry Outlook database, details of investments in Airport Transport and Allied Services industry is provided in table below:

Investment Trends in Air Transport and Allied Services					
Financial Year and Quarter	New investment projects announced		Investment projects completed		
	Cost (INRmn)	Count (Nos.)	Cost (INRmn)	Count (Nos.)	
FY13	Jun-2012	9,510.0	1.0	17,928.0	4.0
	Sep-2012	0.0	0.0	18,714.5	4.0
	Dec-2012	100.0	1.0	6,292.0	4.0
	Mar-2013	4,710.0	4.0	59,301.2	6.0
Total FY13	14,320.0	6.0	102,235.7	18.0	
FY14	Jun-2013	2,600.0	1.0	16,064.0	2.0
	Sep-2013	7,400.0	2.0	15,964.0	1.0
	Dec-2013	1,500.0	1.0	11,462.4	4.0
	Mar-2014	440,000.0	2.0	149,270.0	3.0
Total FY14	451,500.0	6.0	192,760.4	10.0	
FY15	Jun-2014	4,000.0	2.0	0.0	0.0
	Sep-2014	0.0	0.0	0.0	0.0
	Dec-2014	1,500,000.0	1.0	78,429.0	2.0
	Mar-2015	2,315.0	3.0	250.0	1.0
Total FY15	1,506,315.0	6.0	78,679.0	3.0	
FY16	Jun-2015	9,760.0	1.0	11,545.2	3.0
	Sep-2015	32,379.0	4.0	0.0	0.0
	Dec-2015	85.0	2.0	16,290.0	3.0
	Mar-2016	55,923.2	5.0	1,565.1	2.0
Total FY16	98,147.2	12.0	29,400.3	8.0	
FY17	Jun-2016	8,270.3	4.0	0.0	0.0
	Sep-2016	557,849.6	9.0	1,315.1	2.0
	Dec-2016	34,450.5	11.0	2,152.5	4.0
	Mar-2017	817,067.5	5.0	16,048.4	6.0
Total FY17	1,417,637.9	29.0	19,516.0	12.0	

Disclaimer: Count refers to the number of projects for which cost details are available.

Source: CMIE – Industry Outlook Database

Outlook of Airport Infrastructure in India

As per CMIE database, detailed breakup of estimated passenger traffic and cargo traffic in India in FY18 and FY19 is provided below:

Estimated Cargo Traffic and Passenger Traffic in FY18 and FY19						
Financial Year and Quarter	Cargo Traffic			Passenger traffic		
	Total ('000 tonnes)	Domestic ('000 tonnes)	International ('000 tonnes)	Total ('000 nos.)	Domestic ('000 nos.)	International ('000 nos.)
Jun-2017	821.9	286.7	535.3	71,186.8	55,696.6	15,490.2
Sep-2017	814.9	305.0	509.9	72,723.9	57,100.1	15,623.8
Dec-2017	811.6	306.8	504.8	76,428.6	60,300.7	16,127.9
Mar-2018	828.0	297.0	530.9	77,211.2	60,420.20	16,791.10
Total FY18	3,276.4	1,195.5	2,080.9	297,550.5	233,517.6	64,033.0
Jun-2018	875.8	302.4	573.4	80,392.8	63,507.7	16,885.1
Sep-2018	889.7	327.7	562.0	79,516.6	62,866.2	16,650.4
Dec-2018	887.1	333.9	553.1	85,300.0	67,813.8	17,486.2
Mar-2019	899.0	322.5	576.5	86,386.7	68,512.3	17,874.4
Total FY19	3,551.6	1,286.5	2,265.0	331,596.1	262,700.0	68,896.1

Source: CMIE – Industry Outlook Database

Outlook for Investments in Airport Infrastructure

As per Economic times report of May 2016 which was based on Ministry of Civil Aviation(MCA) source, USD2.23bn (INR149bn) of investments were approved by AAI for upgrading of Indian Airports over a period of 4 years. Also, the Government of India has granted "in principle" approval for setting up of the 18 Greenfield airports in the country. The list of these airports along with the estimated cost are provided below:

Greenfield Airport Investments Proposed		
Sr. No.	Location	Estimated Cost (INRmn)
1	Mopa, Goa	31,000.0
2	Navi Mumbai, Maharashtra	167,040.0
3	Shirdi, Maharashtra	3,205.4
4	Sindhudurg, Maharashtra	5,200.0
5	Bijapur, Karnataka	1,500.0
6	Gulbarga, Karnataka	137.8
7	Hassan, Karnataka	5,920.0
8	Shimoga, Karnataka	389.1
9	Kannur, Kerala	18,920.0
10	Durgapur, West Bengal	6,700.0
11	Dabra, Madhya Pradesh	2,000.0
12	Pakyong, Sikkim	5,535.3
13	Karaikal, Puducherry	1,700.0
14	Kushinagar, Uttar Pradesh	4,480.0
15	Dholera, Gujarat	17,120.0
16	Dagadarthi Mandal, Andhra Pradesh	2,930.0
17	Bhogapuram, Andhra Pradesh	22,600.0
18	Oravakallu, Andhra Pradesh	2,000.0
Total		298,377.6

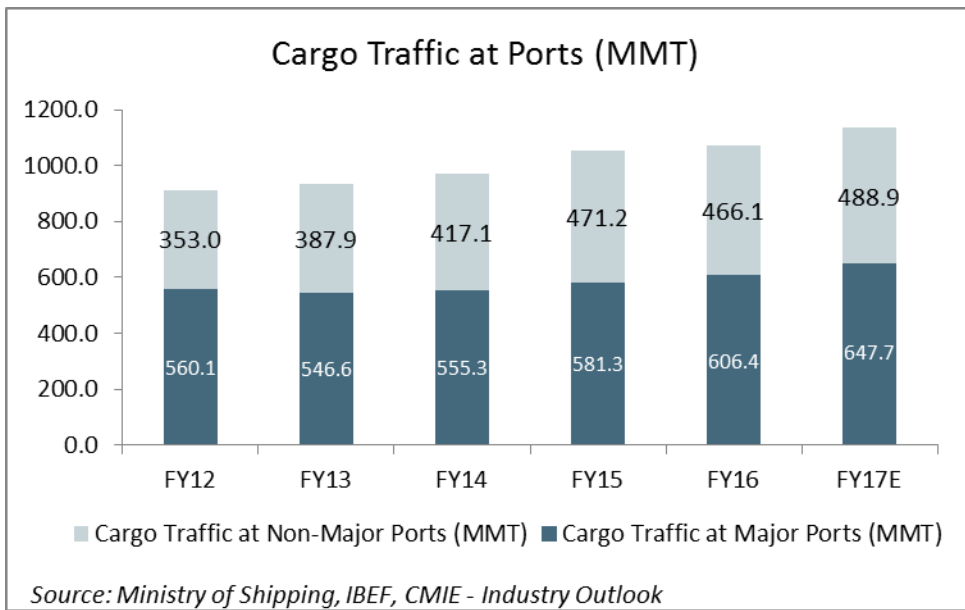
Source: *Business Standard*, March 2017

OVERVIEW OF INDIAN PORTS

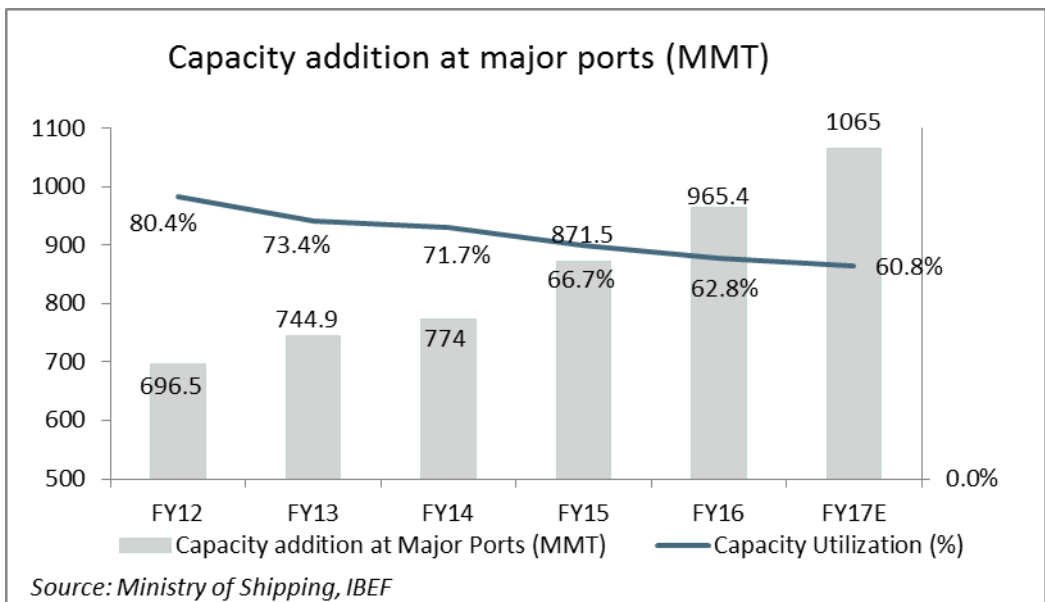
In India, there are more than about 200 ports including 12 major ports, 6 on the Eastern coast and 6 on the Western coast. Major ports include Kandla, Mumbai, Jawaharlal Nehru Port Trust, Mormugao, New Mangalore, Cochin on the western coast of India and Haldia, Paradip, Visakhapatnam, Chennai, Ennore and Tuticorin on the eastern coast of India. Major ports are under the jurisdiction of the GoI and are governed by the Major Port Trusts Act 1963, except Ennore Port, which is administered under the Companies Act, 1956. There are about 200 non-major ports of which one-third are operational. Non-major ports come under the jurisdiction of the respective State Governments Maritime Boards (GMB).

Review of Ports in India during the past 5 years

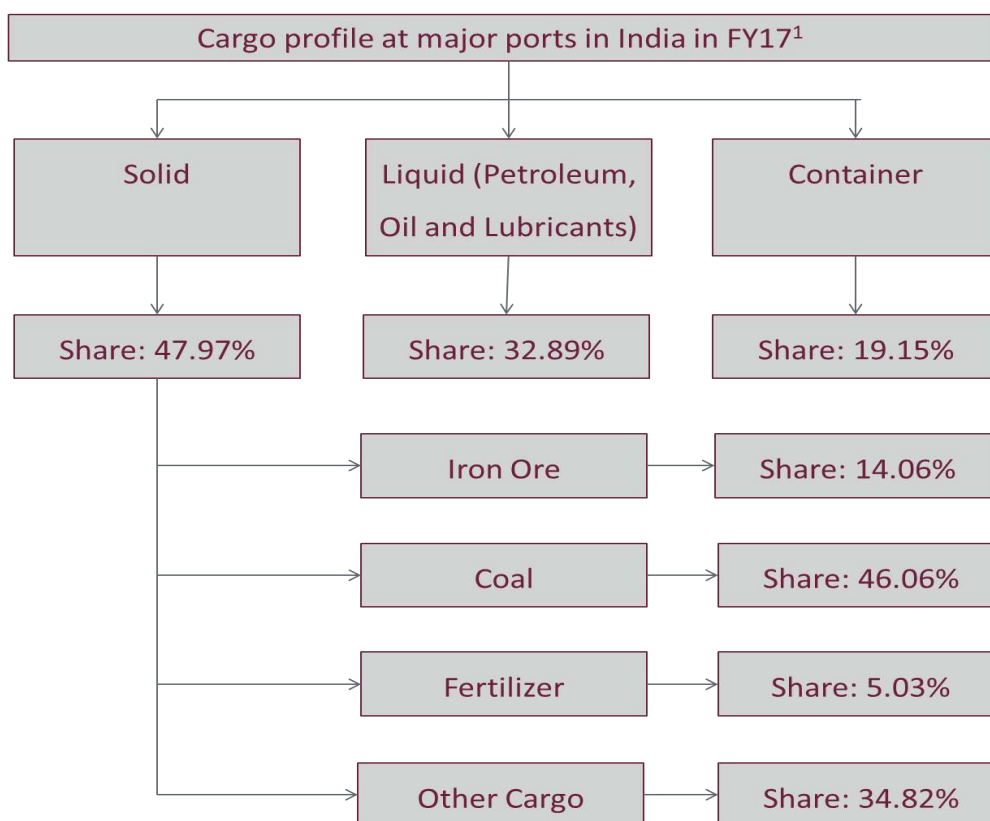
The chart below depicts the cargo traffic at major and non-major ports.



The chart below depicts the capacity addition and utilization at major ports.



Cargo profile at major ports in India: Cargo profile at major ports in India in FY17 is provided below:



Note: Other cargo includes Fertilizer Raw Material (dry) and food-grains.

¹Data from April to December 2017

Source: Ministry of Shipping, IBEF

Outlook of Port Infrastructure in India

The National Maritime Agenda 2010-2020 envisages creating a port capacity of about 3,200MMT to handle expected traffic of about 2,500MMT by FY20. Proposed investments in major ports by FY20 are expected to total USD18.6bn, while those in non-major ports would be USD28.5bn. The Government is also working to float a specialised Maritime Finance Corporation with the equity of ports and financial institutions to fund the Port projects.

Details of cargo traffic at major and minor ports from FY18 to FY22 are provided in table below:

Financial Year	Total	Cargo Traffic at Major and Minor Ports (mn Tonnes)															All minor ports
		Total	POL	Coal	Sugar	Cement	Iron ore	Edible oil	Foodgrain	Other ores	Other goods	Iron and steel	Other liquid	Fertilisers	Fertiliser raw material	Container	
FY18E	1,178.0	666.0	219.8	114.0	1.3	3.0	50.9	11.7	4.4	6.3	87.0	8.8	16.0	7.5	7.2	128.1	512.0
FY19E	1,220.0	685.0	228.6	110.8	0.5	3.1	53.5	12.2	4.8	6.6	91.6	9.2	16.7	7.9	7.4	132.1	535.0
FY20E	1,261.1	703.0	235.7	108.2	0.5	3.2	55.3	12.6	5.0	6.9	97.1	9.5	17.5	8.4	7.7	135.5	558.1
FY21E	1,306.6	725.4	245.5	104.9	0.6	3.4	57.6	13.1	5.2	7.2	104.1	9.8	18.2	9.0	8.0	138.9	581.1
FY22E	1,353.1	748.9	258.6	102.4	0.6	3.5	59.7	13.6	5.3	7.5	109.0	10.2	18.9	9.6	8.3	141.8	604.2

Source: CMIE-Industry Outlook

Outlook for Investments in Port Infrastructure

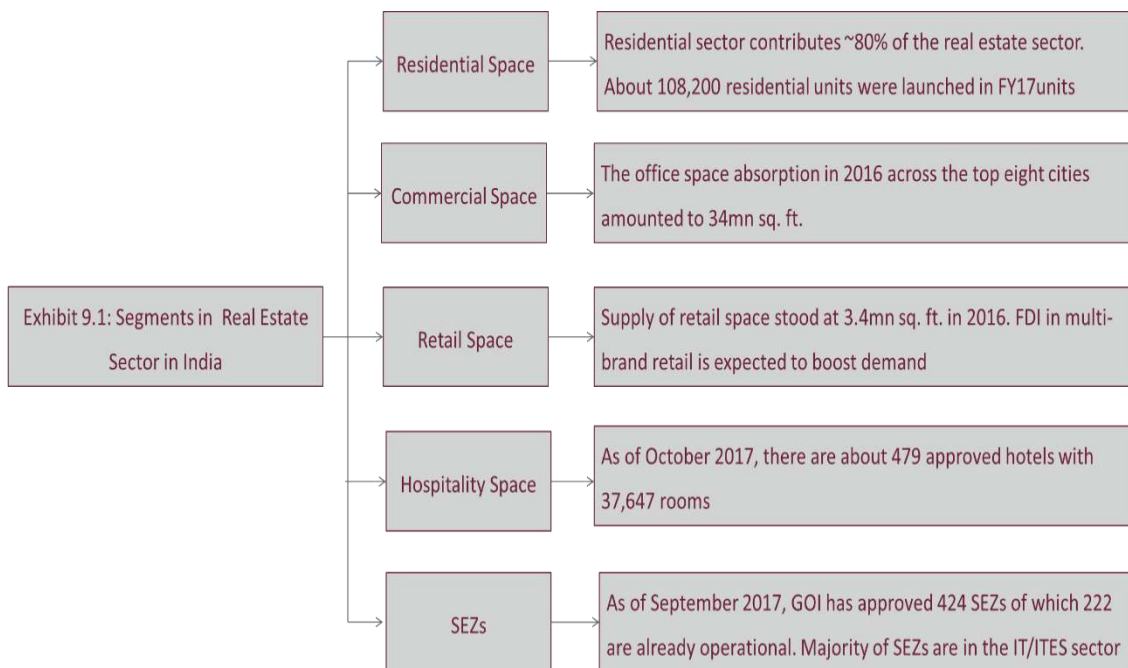
As per IBEF July 2017 report, details of investments in Port Infrastructure in Greenfields projects and private terminals are provided below:

- 39 Public Private Partnership (PPP) projects are operational at a cost of around USD 2,219.4mn and capacity of 240.72 Million Tonnes Per Annum (MTPA). 32 PPP projects at an estimated cost of around USD 3,917.6mn and capacity 264.77MTPA awarded and are under implementation.
- 15 PPP projects with an estimated cost of about USD 1,210.6mn and capacity 69.47MTPA have been awarded/approved and 13 projects at an estimated cost of about USD 1,466.2mn and capacity 108.35 MTPA are likely to be awarded/approved by FY15.

- As of September 2016, the National Green Tribunal has given nod for construction of multi-crore ‘Vizhinjam International Seaport Ltd (VISL)’. The port is being developed by Adani Group in collaboration with Kerala Government.
- 2 mega port projects in Colachel in Tamil Nadu and Dahanu in Maharashtra with an initial investment of USD2.3bn have been introduced and are being awaited for approval under PPP model in FY16.
- The Central Government is planning to setup logistic hubs near seaports with the help of private sector players, to augment exports from the country.
- In January 2017, a new container service operated by K Line India Pvt. Ltd., commenced operations between CITPL (Chennai International Container Terminals Pvt. Ltd.) at Chennai port and the Far East.
- In May 2017, DP World has agreed to develop Indian port projects and plans to sign a MoU with the National Investment and Infrastructure Fund (NIIF), the Indian wealth fund. The projects worth USD1.3bn include the development of Sagarmala and Bharatmala projects.

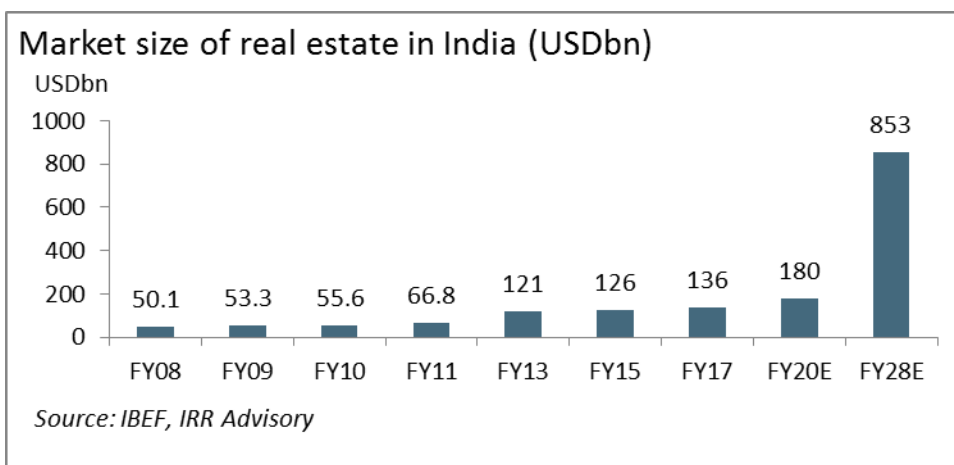
REAL ESTATE AND CONSTRUCTION SECTOR

Details of key segments in real estate sector are provided in the chart below:



Source: www.sezindia.com, Ministry of Tourism, IBEF

Market size of real estate market in India is provided in chart below:



Government Initiatives

The Government of India along with the governments of the respective states has taken several initiatives to encourage the development in the sector. The Smart City Project, where there is a plan to build 100 smart cities, is a prime opportunity for the real estate companies. Below are some of the other major Government Initiatives:

- A new public private partnerships (PPP) policy with eight PPP options has been unveiled by the Ministry of Housing and Urban Affairs, Government of India, to push for investments in the affordable housing segment.
- The Delhi Government has declared 89 out of 95 villages in Delhi as urban areas which will ease the operationalising of the land pooling policy, thereby giving a boost to affordable housing in Delhi.
- The Reserve Bank of India (RBI) has proposed to allow banks to invest in real estate investment trusts (REITs) and infrastructure investment trusts (InvITs) which is expected to benefit both real estate and banking sector in diversifying investor base and investment avenues respectively.
- The Ministry of Housing and Urban Poverty Alleviation has sanctioned the construction of 84,460 more affordable houses for urban poor in five states, namely West Bengal, Jharkhand, Punjab, Kerala and Manipur under the Pradhan Mantri Awas Yojana (Urban) scheme with a total investment of USD460mn.

Outlook

The Securities and Exchange Board of India (SEBI) has given its approval for the Real Estate Investment Trust (REIT) platform which will help in allowing all kinds of investors to invest in the Indian real estate market. It would create an opportunity worth INR 1.25 trillion in the Indian market over the years. Responding to an increasingly well-informed consumer base and, bearing in mind the aspect of globalisation, Indian real estate developers have shifted gears and accepted fresh challenges. The most marked change has been the shift from family owned businesses to that of professionally managed ones. Real estate developers, in meeting the growing need for managing multiple projects across cities, are also investing in centralised processes to source material and organise manpower and hiring qualified professionals in areas like project management, architecture and engineering.

Thus, the recent policy reforms such as the Real Estate Act, GST, REITs, steps to reduce approval delays etc. are only going to strengthen the real estate and construction sector. The sector players now more than ever need to develop a global mind-set towards quality, project delivery, work culture and governance. Strong steps are required to provide faster approvals, serviceable and clear title of land, long term finance and skilled workforce.

EXPORT OF RAILWAY ROLLING STOCK AND ENGINEERING CONSULTANCY SERVICES

Indian Railways is conscious of the need to keep abreast with the latest technological developments and best international practices to capture the growth opportunities in freight and passenger business and provide the desired level of services to the customers. It is working in close cooperation with International Union of Railways (UIC), International Heavy Haul Association (IHHA), research Institutes and similar bodies to gain latest technical know-how to constantly upgrade its infrastructure and operations to World Standards.

MoR has signed Memorandums of Understanding (MoUs) for technical cooperation in the rail sector with various foreign Governments and National Railways. The identified areas of cooperation inter alia include high speed corridors, speed rising of existing routes, development of world class stations, heavy haul operations and modernization of rail infrastructure, etc. The cooperation is achieved through exchange of information on developments in areas of railway technology & operations, knowledge sharing, technical visits, training and seminars and workshops in areas of mutual interest.

During FY16, Ministry of Railways have signed MoUs/Protocol/Joint Declaration of intent for technical co-operation in the rail sector with France, Canada, Kazakhstan, Slovak Republic, United Kingdom, Japan, Russia, Sweden, and Germany.

Expertise of India in the railways sector for providing services to other countries

RITES Ltd. and Ircon International Ltd. (IRCON) mini ratna and Schedule 'A' enterprises were setup to share the expertise of India with other developing countries and help them improve their transport infrastructure and transport services apart from taking up railway and other infrastructure projects in India.

While RITES Ltd. provides consultancy services, key expertise of IRCON includes construction and development of Railway networks in India and abroad. RITES Ltd. is a leading player in the transport infrastructure consultancy space and the only company having diversified services and geographical reach in this field under one roof. Based on

Public Enterprise Survey 2015-2016, RITES Ltd. is ranked no. 1 based on net profit and dividend declared in Industrial Development and Technical Consultancy Services sector. It has a multidisciplinary organization of consultants, engineers and project managers in transport and infrastructure sectors, offers comprehensive services from concept to commissioning in railways, urban transport, highways, bridges, tunnels, ports, inland waterways, airports, ropeways, institutional buildings, renewable energy and export packages of rolling stock and railway related equipment. It has operational experience in over 55 countries of ASEAN, Africa, Latin America and Middle East region. Also, it is the only export arm of Indian railways for providing rolling stock.

Key projects completed / in progress - RITES Ltd.	
Country	Project Details
Bangladesh	26 Broad Gauge (BG) Locomotives (3300HP)
	120 new stainless steel BG LHB passenger coaches
	Project Management consultancy for ICO at Dawk, Meghalaya (Indo-Bangladesh border)
Srilanka	Supply of 10 locomotives and 6 DMUs
Mauritius	Technical consultancy for LRT project
	DPR for Trident port project
Mozambique	Leasing of 16 locomotives
Senegal	Supply of 6 Meter Gauge (MG) 1350HP
Botswana	Consultancy services for pre-contract services and construction supervision of Tshesebe to Masunga Road
Nepal	PMC for ICP at Biratnager

Key projects secured - RITES Ltd.	
Country	Project Details
Srilanka	Supply of 10 BG diesel electric locomotives
	Supply of 6 BG diesel multiple unit train sets having 13 coaches each
Myanmar	Supply of 18 MG 1350 diesel electric locomotives
Mauritius	MOU signed for providing construction supervision services for implementation of light rail transit system project and DPR for development of Trident Port

Prospects and Opportunities in key markets

Key prospects and opportunities in the railway sector in select countries are provided below:

- **Africa:** The African Union Commission, in partnership with the United Nations Economic Commission for Africa, African Development Bank and the NEPAD Planning and Coordinating Agency, recently completed formulating the Program for Infrastructure Development in Africa (PIDA). PIDA assumes that the average economic growth rate for African countries will be 6% a year between 2010 and 2040, driven by a surging population, increasing levels of education and technology absorption. This growth implies that, over the 30 years to 2040, the GDP of African countries will multiply six fold, and the average per capita income will rise above USD 10,000 for all countries.

PIDA assumes Transport volumes will increase 6–8 times, with a particularly strong increase of up to 14 times for some landlocked countries. Port throughput will rise from 265mn tons in 2009, to more than 2bn tons in 2040. Accordingly it envisions to work towards an integrated continent where the transport infrastructure and services enable the free movement of goods and passengers by:

- Improving the connectedness of African capitals and major centers with modern paved roads and modern rail systems

- Satisfying demand on the African Regional Transport Infrastructure Network (ARTIN) routes at the least economic cost, with priority for landlocked countries, while minimizing the environmental impact of transport infrastructure and services
- Developing modern ARTIN corridors, including gateway ports and air transport services, to bring the performance of ARTIN components up to best world practice in efficiency, cost, reliability and safety.

The capital cost of PIDA's long-term implementation through 2040 (currently estimated at more than USD360bn), the overall capital cost of delivering the PAP from 2012 through 2020 is expected to be nearly USD68bn, or about USD7.5bn annually. Energy and transport projects and programs represent around 95% of the total cost. Projects and programs under the PAP represent the first batch of agreed priorities resulting from the analysis, criteria review and consultations on the REC master plans. It represents the priority pipeline required to meet the PIDA outcomes. Projects that are ongoing or that have reached financial close are not included. The PAP is not static and will be updated regularly to reflect progress and make way for new priorities as Africa's needs continue to evolve. This reflects the need to ensure coherence with REC master plans and consistency with the PIDA strategic framework. Therefore, the PAP should be viewed not as a single list cast in stone, but as the first (and necessary) step in a dynamic process for delivering the PIDA program over the next three decades.

- **Middle East and North Africa Region (MENA):** For most countries in the MENA region, the transport sector is central to their main objectives of accelerating economic development through export led growth, creating jobs, and reducing vulnerability and exclusion. It is also key to regional integration and vital to improving the quality of life.

Most countries in the region need to increase the efficiency of their expenditure in transport, and probably also the sheer volume of expenditure in order to cope with demand growth and modernization. Five areas warrant special attention. One is maintenance, particularly road maintenance, which has generally been underfunded and is suffering from the financial crisis and its fiscal consequences. Increased maintenance funding is essential to stop the deterioration of road networks. At the same time, it could be a significant source of employment. The second is urban transport for which there is a major capacity problem in almost all large cities as evidenced by the massive congestion they experience. Public transport should be given priority, including the expansion of mass transit systems in large cities, which are a necessity given the volume and density of passenger transport demand. Because of their much lower investment needs, however, bus systems, including Bus Rapid Transit systems, should generally (but not exclusively) be the preferred technological choice. Third, the capacity and efficiency of transport infrastructure for international and, in particular, regional cross-border trade should be developed. Fourth, transport expenditure plans should include greater consideration for social development, including improved safety characteristics of the road networks, and targeted micro level improvements. Fifth, in general, throughout the sector, investment alternatives need better assessment and selectivity; the focus should be on well justified, economically sound, alternatives.

With almost 60% of its population living in cities, the MENA region is far more urbanized than East Asia or South Asia. Already, eight of the region's cities have more than three million citizens; Cairo and Tehran have more than ten million. With the transformation of the economy and deep seated social changes currently taking place, most cities have experienced rapid growth in urban transport demand and in motorization. Yet, the development of urban transport systems, and particularly public transport, has lagged, and this has fostered excessive reliance on private automobiles. As a result, many of the region's large urban areas, where the bulk of GDP is produced, face increasingly difficult transport problems with a high degree of traffic congestion, reduced mobility, and deteriorating air quality.

- **Kenya:** Kenya envisages a massive upgrading and extension of the country's infrastructure. In this regard, the country has highlighted a number of infrastructure projects that present significant opportunities for investors in the coming years. Some of the opportunities include development of a commuter railway system around Nairobi, building of a standard gauge line to replace the current Kenya-Uganda railway, development of a new corridor from Lamu to South Sudan and Ethiopia (LAPSET). Investments into these projects can either be through direct investments or through public private partnerships.
- **Rwanda:** Rwanda has for the last decade transformed its economy and investment climate making it one of the most competitive economies on the African continent and on the globe. The Government of Rwanda has established Rwanda Development Board as the key Investment Promotion Agency of the country, and had identified key sectors for promoting foreign investment. Rwanda wants to develop two major regional lines -

The Dar-es-Salaam- Isaka Kigali railway project-estimated to be USD5bn. The project is composed of the line rehabilitation in Tanzania and of the construction of the new Isaka-Kigali line of 494km in length (355km in Tanzania, 139km in Rwanda). The Mombasa–Nairobi-Kampala-Kigali is the other railway route to unlock Rwanda and provide direct connection to the Indian Ocean. The project cost is estimated at USD13bn.

- **Tanzania:** The Government has set various specific goals towards achieving the Vision 2025 and the Five Year Development Plan. The railway system requires investments to upgrade the network and improve operations in order to meet demand and to compete against road transportation, develop inland container depots and inter-modal container operations, specialized railway maintenance and construction, expand railway network through various schemes including Build Operate and Transfer (BOT), Build Own Operate Transfer (BOOT) etc., possible areas of expansion include Isaka Kigali, Arusha – Musoma, Uvinza – Kasulu – Magamo (Burundi), and Mbamba Bay – Mtwara. The major area for investment includes, the construction of a railway line to link TAZARA railway and the mining sites of Mchuchuma coal and Liganga iron fields so as to export mines via Dar-es-Salaam port or Mtwara port. This project is under the Mtwara Development Corridor.
- **Sri Lanka:** Sri Lanka have embarked up on upgradation of its railway infrastructure which includes construction of new double track railway lines, strengthening of 3rd line, electrification of sub urban railways, replacement of bridges, upgradation/ re-establishment of workshop and procurement of new rolling stock and repair/ rehabilitation of its existing French built M9 locomotives, procurement of new plant and machinery and upgradation of railway signaling systems at an estimates investment of ₹2,88,600.8mn (Srilanka rupees) over a period of 5 years FY15-FY20.

In April 2017, RITES Ltd. secured its largest export order from Sri Lanka Railways for supply of 10 broad gauge diesel locomotives and six DMU (diesel multiple units) train sets. The contract will be funded under the Line of Credit to Sri Lanka announced in 2011, and supplies will be made over the next 2 years. In March 2015, India's Prime Minister Mr. Narendra Modi flagged of Talaimannar Rail Service, 63km railway track between Madhu Road and Talaimannar Pier - which is the closest point to India, is the last segment of the 265km long, prestigious Northern Railway Line Reconstruction Project which was being executed by IRCON International Ltd., a Government of India owned company.

- **Bangladesh:** As per the 7th 5 year plan of Bangladesh Investment program, Bangladesh needs about USD9bn (more than 5% of current GDP) in additional investment in major infrastructure projects per year to sustain growth at a higher level. Although Government currently spends about 5% of GDP on Annual Development Program (ADP), one third of which is allocated for communications and power. This means current major infrastructure investment amounts to about USD3-3.5bn. Certainly, it would not be possible for the government to undertake such a major investment plan in infrastructure based entirely on budgetary resources. However, government resources need not cover the whole possible investment plan for today's fiscal strategy. The government would need to start its PPP initiative in full force to leverage public resources with private investment. With proper blending, public sector resource use could be limited to about 6% to 7% of GDP and still contribute to significantly improving the quality of infrastructure of Bangladesh. Government of Bangladesh has planned a huge investment of about 7300bn takas spread over 5 years FY16-FY20 out of which 25% investment of about 1800bn takas for improving the infrastructure in transport and communication sector alone.
- **Myanmar:** Myanmar's National Transport Master Plan has set a growth target of an average of 7.2% per year, taking into consideration the intentions of the Myanmar government. Traffic volume survey and other data showed there was a shortage of transport capacity in multiple corridors in the country.

If an annual average economic growth of 7.2% continues, the economy will be 5.4 times its current size by FY35. To achieve this growth, between FY14 and FY30, preliminary calculations show, some 2.67tn yen in investment is needed in basic transport infrastructure (which excludes urban and regional transportation) in all the fields of aviation, roads, rail, harbors and inland water transportation. The plan is to designate FY14 to FY20 as the emphasis period for improving basic transport infrastructure and to invest some 1.16tn yen over six years.

YUTRA projects that the current Yangon metropolitan area population of 5.7mn will be 9.7mn by FY35. The percentage of households owning automobiles is projected to rise from 12% to 32% and transportation

demand is projected to be 1.8 times current levels. Traffic congestion already occurs frequently in places because of the deregulation of automobile imports in recent years.

The vision promulgated in the master plan is "to build a safe, comfortable and impartial transport system and a sustainable and efficient public transportation system in order to guarantee the mobility and accessibility of urban services needed by the people and society." The plan also establishes three pillars: strengthening road maintenance and improvement, strengthening public transport development and strengthening traffic management. It is divided into the short-term (FY18), the medium term (FY18-FY25) and the long term (FY25-FY35).

- **Nepal:** The Government of Nepal has envisioned mobilizing ₹816bn (Nepalese) for road infrastructure, rail connectivity and transport sector management in the next five years. Unveiling the five-year strategic plan, which was recently endorsed by the Cabinet, the Ministry of Physical Infrastructure and Transport (MoPIT), has said that the entire population will not only benefit from road access in the next five years but also from a secured, reliable and affordable transport system. The plan will be implemented from fiscal 2016-17.

The strategic plan has also talked about establishing adequate road networks in the country, which will address the requirement of road infrastructure in the federal system, which the country is going to implement in the near future. In the first stage, upgradation and maintenance of roads and bridges damaged by tremors, and proper maintenance and widening of strategic trade routes with neighbouring India and China have been prioritized.

According to MoPIT, altogether 400km of roads and 87 bridges were affected by the earthquakes. Through the strategic plan, MoPIT has aimed to reconstruct 135km of roads damaged by the earthquake in three years. This covers Dolakha-Singati; Panchkhal-Melamchi and Dhading-Aarughat-Gorkha sections. Besides, damaged sections of Araniko Highway, BP Highway and Gorkha-Barpak road will be rebuilt.

Similarly, district headquarters of Dolpa and Humla, which still lack road connectivity, will be linked by road networks within 2 years. Simikot of Humla will be linked via China within 2 years and from Kalikot in another five years. Motorable roads in Bhojpur, Khotang, Mustang and Bajura district headquarters will be fully black-topped within the deadline of the strategic plan.

The strategic plan unveiled in April, 2016 has also prioritized upgradation of national highways which are important in terms of trade and mobility of people. About 588km of the East-West Highway from Kakarvitta to Butwal will be developed as four-lane expressway in the next five years. Most importantly, the 1,079km long two-lane Mid-hill Highway will be black-topped within the deadline of strategic plan and 105 bridges will be built along this highway. On the other hand, Dharan-Chatara-Gaighat- Katari-Sindhuli-Hetauda road section (318km) and Tulsipur-Purandhara-Bhotechaur section (86km) will be black-topped within the next three years, as per MoPIT. Similarly, the ministry aims to black-top 607km of the 1,792km long two-lane postal highway in the next two years and detailed project report (DPR) of the remaining 1,185km will be developed in two years and road construction will be concluded by fiscal 2020-21. Similarly, it aims to complete expansion of Butwal-Gaddachauki road section of far-western Nepal in five years.

The strategic plan also aims to develop north-south trade routes namely, Koshi corridor and Kaligandaki corridor. These corridors were also in the priority of National Transport Policy introduced in fiscal 2001-02. Apart from these corridors, road connectivity from Jomsom to Korala Pass (Chinese border), which is 100 km long will be developed within three years. Two trade routes, namely the 188km long Thori-Bhandara- Malekhu-Galchhi-Trishuli-Syafribesi-Rasuwadhi and the 310km long Bhattamod-Dhalkebar-Sindhuli-Manthali-Dolakha-Singati-Lamabagar-Lapcha sections, will be upgraded into 2 lane highway to link India to China within two and three years, respectively.

MoPIT has also prioritized better road networks in Kathmandu Valley and its outskirts as well as upgradation of Birgunj-Narayangadh-Mugling route to boost trade. Apart from this, it also plans to upgrade roads in bordering towns with India namely, Biratnagar-Itahari; Jatahi-Janakpur-Dhalkebar; Birgunj-Pathlaiya; Belahiya-Butwal and Mohana Bridge-Attariya-Godavari to four-lane highways.

The strategic plan has also prioritized development of rail transport in the country. In this regard, the 69km long Jayanagar-Janakpur-Bardibas rail route will be developed by FY19. Also, the track bed and bridges for the Mechi-Mahakali railway project will be developed by fiscal 2019-20. The Government also aims to develop the potential of water transport in big rivers, like Koshi, Gandaki and Karnali. It also aims to develop viable ropeways for transportation of goods.

OVERVIEW OF LINES OF CREDIT

Government of India has been extending lines of credit to the Governments of friendly developing foreign countries for a number of years. These lines of credit (LOC) are meant for only the Governments of foreign countries and not the private organizations of a particular country, from the Government of India. The main objective behind the extension of these lines of credit is twofold; firstly, to promote the export of major goods of Indian manufacture to these countries, and secondly, to achieve the political objective i.e. goodwill of beneficiary countries.

The Export Import Bank of India (EXIM Bank) is the agency used by Government of India to extend LOC to friendly developing foreign countries in Africa, Asia & Latin America. EXIM Bank has till date extended 209 LOCs covering 59 countries with credit commitments of over USD15.69bn. During the financial year 2017, 15 LOCs amounting to USD2.27bn were extended. LOC extended in FY17 were to Ghana, Guyana, Kenya Malawi, Mauritius, Mongolia, Nepal, Nicaragua, Niger, Senegal, Sierra Leone and Tanzania. Tables below provide the total line of credit extended to different countries over last 5 years.

Country	Total Line of Credit Extended					Total amount of credit (USDmn)
	LOC for last 5 years in USDmn					
	FY13	FY14	FY15	FY16	FY17	
Benin	15.0	42.6	0.0	0.0	0.0	57.6
Burundi	4.4	0.0	0.0	0.0	0.0	4.4
Burkina Faso	0.0	0.0	184.0	0.0	0.0	184.0
Cote d'Ivoire	0.0	0.0	24.0	0.0	71.4	95.4
D.R. Congo	0.0	82.0	144.4	0.0	0.0	226.4
Djibouti	0.0	15.1	0.0	0.0	0.0	15.1
Ethiopia	0.0	300.0	0.0	0.0	0.0	300.0
Gambia	0.0	0.0	45.0	92.0	0.0	137.0
Ghana	0.0	0.0	204.5	0.0	0.0	204.5
Guinea	0.0	35.0	0.0	0.0	0.0	35.0
Kenya	0.0	0.0	0.0	145.0	0.0	145.0
Malawi	0.0	0.0	0.0	23.5	0.0	23.5
Madagascar	0.0	0.0	0.0	0.0	2.5	2.5
Mauritius	0.0	64.0	0.0	52.3	500.0	616.3
Mauritania	0.0	0.0	65.7	0.0	0.0	65.7
Mozambique	169.4	47.0	0.0	0.0	0.0	216.4
Niger	0.0	59.5	0.0	0.0	0.0	59.5
R. Congo	0.0	89.9	55.0	0.0	0.0	144.9

Total Line of Credit Extended						
Country	LOC for last 5 years in USDmn					Total amount of credit(USDmn)
	FY13	FY14	FY15	FY16	FY17	
Rwanda	0.0	120.1	0.0	0.0	0.0	120.1
Senegal	42.0	0.0	89.0	0.0	0.0	130.9
Seychelles	0.0	0.0	10.0	0.0	0.0	10.0
Sierra Leone	0.0	45.0	0.0	78.0	0.0	123.0
Sudan	125.0	45.2	0.0	0.0	19.6	189.8
Tanzania	0.0	0.0	268.4	92.2	500.0	860.5
Togo	0.0	82.0	0.0	0.0	0.0	82.0
Zimbabwe	28.6	0.0	0.0	87.0	0.0	115.6
Zambia	0.0	0.0	0.0	40.0	0.0	40.0
Bangladesh	0.0	0.0	0.0	2,000.0	5,000.0	7,000.0
Cambodia	0.0	36.9	0.0	0.0	0.0	36.9
Lao PDR	0.0	30.9	0.0	0.0	72.4	103.3
Myanmar	199.0	86.3	146.2	0.0	0.0	431.5
Mongolia	0.0	0.0	0.0	0.0	1,000.0	1,000.0
Nepal	0.0	0.0	550.0	750.0	0.0	1,300.0
Sri Lanka	0.0	0.0	318.0	0.0	45.3	363.3
Vietnam	0.0	0.0	100.0	0.0	500.0	600.0
Cuba	2.7	5.1	0.0	0.0	160.3	168.1
Fiji Islands	5.4	0.0	70.0	0.0	0.0	75.4
Guyana	0.0	0.0	50.0	0.0	14.0	64.0
Honduras	0.0	26.5	0.0	0.0	0.0	26.5
Nicaragua	10.0	0.0	57.5	0.0	0.0	67.5
Papua New Guinea	0.0	0.0	0.0	0.0	100.0	100.0
Total	601.4	1,213.1	2,381.7	3,359.9	7,985.5	15,541.7

Source: EXIM Bank

From the above table we can see that Government of India has more than doubled the LOC in the financial year FY17 vis-a-vis FY16. Bangladesh and Nepal has been the largest beneficiary of LOC due to our strategic relationship. In the African continent, Tanzania and Mauritius is the largest beneficiary of LOC due to a large presence of Indian diaspora in those countries.

Sectors covered and disbursement made in those sectors

The table below depicts list of key sectors where the LOC has been extended in the last 5 years:

List of sectors in which LOC extended in last 5 years									
Years	FY13			FY14			FY15		
	Amount of LOC (in USD mn)	Value of Contracts (in USD mn)	Disbursements (in USD mn)	Amount of LOC (in USD mn)	Value of Contracts (in USD mn)	Disbursements (in USD mn)	Amount of LOC (in USD mn)	Value of Contracts (in USD mn)	Disbursements (in USD mn)
Agriculture	4.2	0.0	0.0	146.6	33.5	13.2	237.5	62.4	9.8
Irrigation	227.6	48.5	18.9	60.9	10.5	2.7	0.0	0.0	0.0
Water Supply	19.7	19.7	19.3	119.5	27.4	19.7	320.9	20.2	2.2
Power	10.0	10.0	6.5	198.5	110.6	4.7	1118.2	26.0	3.3
Railways	0.0	0.0	0.0	386.3	32.8	3.6	318.0	0.0	0.0
Transport	0.0	0.0	0.0	135.9	109.7	43.6	26.0	0.0	0.0
Defence Equipments	0.0	0.0	0.0	18.0	18.0	18.0	0.0	0.0	0.0
Ports	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Roads	149.7	3.9	1.7	0.0	0.0	0.0	190.0	0.0	0.0
Total	411.2	82.1	46.3	1065.8	342.5	105.4	2210.5	108.6	15.2

Source: EXIM Bank Annual Report FY17

List of sectors in which LOC extended in last 5 years									
Years	FY16			FY17			Total		
Sectors	Amount of LOC (in USD mn)	Value of Contracts (in USD mn)	Disbursements (in USD mn)	Amount of LOC (in USD mn)	Value of Contracts (in USD mn)	Disbursements (in USD mn)	Amount of LOC (in USD mn)	Value of Contracts (in USD mn)	Disbursements (in USD mn)
Agriculture	140.0	0.0	0.0	72.4	0.0	0.0	600.7	95.9	23.0
Irrigation	0.0	0.0	0.0	0.0	0.0	0.0	288.5	58.9	21.7
Water Supply	115.7	0.0	0.0	500.0	0.0	0.0	1075.8	67.3	41.1
Power	165.0	0.0	0.0	160.3	0.0	0.0	1652.0	146.6	14.4
Railways	0.0	0.0	0.0	1000.0	0.0	0.0	1704.3	32.8	3.6
Transport	0.0	0.0	0.0	10.0	0.0	0.0	171.9	109.7	43.6
Defence Equipments	0.0	0.0	0.0	500.0	0.0	0.0	518.0	18.0	18.0
Ports	92.0	0.0	0.0	45.3	0.0	0.0	137.3	0.0	0.0
Roads	2000.0	0.0	0.0	100.0	0.0	0.0	2439.7	3.9	1.7
Total	2512.7	0.0	0.0	2388.0	0.0	0.0	8588.1	533.1	166.9

Source: EXIM Bank Annual Report FY17

The disbursement has been very low in comparison to the LOC amount. The reason is that in majority of cases, the LOC is not signed by the recipient country with EXIM bank.

OUR BUSINESS

You should carefully consider all the information in this Red Herring Prospectus, including this section, “Risk Factors”, “Financial Statements” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 18,199 and 524, respectively, before making an investment in the Offered Shares.

In this section, references to “our Company” refer to RITES Limited, unless otherwise stated.

The following discussion contains forward-looking statements that reflect our plans, estimates and beliefs. Our actual results could differ materially from those discussed in the forward-looking statements. See “Forward Looking Statements” and “Risk Factors” on pages 16 and 18, respectively, for factors that could cause or contribute to these differences.

All financial information included herein is, unless otherwise stated, based on the Restated Consolidated Financial Information included in the chapter titled “Financial Statements” as provided on page 199.

OVERVIEW

We are a wholly owned Government Company, a Miniratna (Category – I) Schedule ‘A’ Public Sector Enterprise and a leading player in the transport consultancy and engineering sector in India and the only company having diversified services and geographical reach in this field under one roof (*Source: IRR Report*). Based on Public Enterprise Survey 2015-2016, our Company is ranked no. 1 based on net profit and dividend declared in Industrial Development and Technical Consultancy Services sector (*Source: IRR Report*). We have an experience spanning 44 years and have undertaken projects in over 55 countries including Asia, Africa, Latin America, South America and Middle East regions. We are the only export arm of Indian Railways for providing rolling stock overseas (other than Thailand, Malaysia and Indonesia). We are a multidisciplinary engineering and consultancy organization providing diversified and comprehensive array of services from concept to commissioning in all facets of transport infrastructure and related technologies.

We have significant presence as a transport infrastructure consultancy organization in the railway sector. However, we also provide consultancy services across other infrastructure and energy market sectors including urban transport, roads and highways, ports, inland waterways, airports, institutional buildings, ropeways, power procurement and renewable energy. We have, over the years, served various public sector undertakings, government agencies and instrumentalities and large private sector corporations, both in India and abroad.

We were incorporated by the Ministry of Railways, Government of India (“**MoR**”) and have the benefit of being associated with the Indian Railways, which is the fourth longest rail network in the world (*Source: IRR Report*). Since our inception in 1974, we have evolved from our origins of providing transport infrastructure consultancy and quality assurance services and have developed expertise in:

- Design, engineering and consultancy services in transport infrastructure sector with focus on railways, urban transport, roads and highways, ports, inland waterways, airports and ropeways;
- Leasing, export, maintenance and rehabilitation of locomotives and rolling stock;
- Undertaking turnkey projects on engineering, procurement and construction basis for railway line, track doubling, 3rd line, railway electrification, upgradation works for railway transport systems and workshops, railway stations, and construction of institutional/ residential/ commercial buildings, both with or without equity participation; and
- Wagon manufacturing, renewable energy generation and power procurement for Indian Railways through our collaborations by way of joint venture arrangements, subsidiaries or consortium arrangements.

In India, our clients include various central and state government ministries, departments, instrumentalities as well as local government bodies and public sector undertakings. These include Indian Railways, NTPC, Dedicated Freight Corridor Corporation of India Limited, High Speed Rail Corporation of India Limited, Public Works Department, DMRC, Steel Authority of India Limited, Rashtriya Ispat Nigam Limited, Hindustan Petroleum Corporation Limited, Bharat Coking Coal Limited, Metro Link Express for Gandhinagar and Ahmedabad (MEGA) Company Limited, Indian Port Rail Corporation Limited, Airports Authority of India, among others. We also engage with various large private sector corporations including L&T Metro Rail (Hyderabad) Limited, Kanti Bijlee Utpadan Nigam Limited

(KBUNL), Cimco Limited, Titagrah Wagons Limited, Snowmex Engineers Limited, Unity Infraprojects Limited, Rajdeep Buildcon Private Limited, Mahalsa Constructions Private Limited, Marymatha Constructions Limited, AFCON Infrastructure Limited, INCAP, ARK Services, MNEC Consultants Private Limited, Indian Geotechnical Services Limited, Geokno India Private Limited and NATRIP Implementation Society among others.

We intend to increase our scale of operations in railway infrastructure sector by taking up turnkey projects and expansion of services for metro and airport projects etc. Also, through joint ventures and subsidiaries, we intend to increase share of business in renewable energy generation and power procurement for Indian Railways, manufacturing of wagons and joining upcoming opportunities like station development etc.

Our Company has established a consistent track record of strong financial performance and growth. Our revenue from operations on consolidated basis for the Financial Year 2015, Financial Year 2016 and Financial Year 2017 and the nine months ended December 31, 2017 amounted to ₹10,126.88 million, ₹10,905.30 million, ₹13,533.56 million and ₹9,361.50 million, respectively. Our profit after tax was ₹3,122.12 million, ₹2,825.13 million, ₹3,616.60 million and ₹2,525.37 million, respectively, for the same periods. Our revenue from operations has increased at a CAGR of 15.60% from ₹10,126.88 million in the Financial Year 2015 to ₹13,533.56 million in the Financial Year 2017, and our profit after tax has increased at a CAGR of 7.63% from ₹3,122.12 million in Financial Year 2015 to ₹3,616.60 million in the Financial Year 2017. On standalone basis, we have an order book of ₹48,186.76 million as on March 31, 2018 which includes 353 ongoing projects of value over ₹10 million each.

The following table shows the percentage contribution of each stream of revenue to our total income during the Financial Year 2015, Financial Year 2016, Financial Year 2017 and also for the nine months ended December 31, 2017, on a restated consolidated basis:

S. No.	Segment	Financial year ended on March 31, 2015		Financial year ended on March 31, 2016		Financial year ended on March 31, 2017		For the period commencing on April 01, 2017 and ended on December 31, 2017	
		(in ₹ million)	(% - age)	(in ₹ million)	(% - age)	(in ₹ million)	(% - age)	(in ₹ million)	(% - age)
1. Sale of Services									
A.	Consultancy Services	7,031.18	69.43	7,689.44	70.51	8,344.68	61.66	6,283.37	67.12
B.	Leasing Services	693.03	6.84	901.66	8.27	932.76	6.89	699.36	7.47
2. Sale of Products									
A.	Export Sales	1,492.29	14.74	1,859.39	17.05	3,774.00	27.89	1,577.37	16.85
3.	Turnkey Construction Projects	910.38	8.99	385.60	3.54	312.69	2.31	638.33	6.82
4.	Sale of Power Generation	-	-	69.21	0.63	169.43	1.25	163.07	1.74
TOTAL (1+2+3+4)		10,126.88	100	10,905.30	100	13,533.56	100	9,361.50	100

We have been a debt free Company for more than a decade as per our Audited Standalone Financial Information. However, one of our subsidiaries, REMCL has borrowings of an amount of ₹772.72 million as per our Restated Consolidated Financial Information, as on December 31, 2017. For further details, see “*Financial Statements*” and “*Financial Indebtedness*” on pages 199 and 562 respectively.

We have regularly paid dividends to the Shareholders of the Company with a dividend pay – out of ₹3,740 million during the last five financial years ending on March 31, 2017, as per our Restated Financial Information. Our Company has paid final dividend of ₹780 million for the financial year 2016-2017 and interim dividend of ₹700 million during the financial year 2017-2018. For further details, see “*Dividend Policy*” and “*Risk Factors*” on pages 198 and 18 respectively.

In recognition of our consistent performance and achievement of stipulated targets as negotiated in terms of the Memorandum of Understanding entered into with the MoR on an annual basis, the Department of Public Enterprises, Ministry of Heavy Industries and Public Enterprises, Government of India has rated us 'Excellent' with a score of 90.09 for the financial year 2016-2017. We have also been rated consistently as "Excellent" in the previous five financial years (i.e. from FY 2012 to FY 2016). For further information on our history and corporate structure, see "History and Certain Corporate Matters" on page 158.

Our third party inspection management systems of our quality and assurance division have been certified as ISO/IEC 17020:2012 compliant by the National Accreditation Board for Inspection Bodies (NABCB) which is valid up to July 18, 2018. Our company has been certified as ISO 9001:2008 compliant by NVT Quality Certification under accreditation of ANSI-ASQ National Accreditation Board (ANAB) which is valid up to September 14, 2018. Our two laboratories at Kolkata and Mumbai are certified as ISO/IEC 17025 compliant by NABL which are valid up to February 22, 2019 and November 14, 2019 respectively.

OUR COMPETITIVE STRENGTHS

Comprehensive range of consultancy services and a diversified sector portfolio in the transport infrastructure space

We provide a comprehensive range of consultancy service offerings, primarily in the transport infrastructure space, in order to address the varied and expanding requirements of our clients across the market segments in which they operate. Our comprehensive range of services enables us to access additional business opportunities from our existing clients as well as to address the requirements of a larger base of potential new clients and also enables us to develop long-term relationships with our clients in India as well as abroad.

We have developed specialized expertise over the years in providing consultancy services across major market segments in the transport infrastructure sector including railways, urban transport, roads and highways, ports, inland waterways, airports and ropeways.

Our offerings in transport infrastructure consultancy and engineering services consist of conducting techno-economic feasibility studies and preparation of detailed project reports, design engineering activities, procurement assistance, project management activities, quality assurance, inspection, training, construction supervision, materials system management, transaction advisory and commissioning support including operation and maintenance.

Our diversified sector portfolio in consultancy services in the transport infrastructure sector enables us to access sectors with growth potential according to changing macroeconomic trends and also enables us to expand our operations in the sectors in which we already have significant presence.

Our ability to collaborate and work jointly through alliances, joint ventures, subsidiaries and consortium arrangements enables us to enhance the quality of our services and allows us to focus our attention on certain large – scale projects and to develop technical expertise and domain knowledge through our collaboration with our partners in comparatively newer market segments.

Large order book with strong and diversified clientele base across sectors

As of March 31, 2018, our order book stands at ₹48,186.76 million, which includes 353 ongoing projects of value over ₹10 million each.

We have a long – standing history of business relationships and collaboration with several central and state government ministries, departments, corporations, authorities and public sector undertakings. As a result, we are from time to time allocated projects on nomination/single tender basis. We are one of the agencies of the Indian Railways for exporting rolling stock, from India, customized for specific client requirements and components as manufactured by the Indian Railways (except exports to Malaysia, Indonesia and Thailand) and for inspections of materials and equipment as procured by the Indian Railways.

Our domestic as well as overseas clients typically are national governments, governmental instrumentalities and public sector enterprises. Such governments, governmental agencies and public sector undertakings are engaged in large scale infrastructure planning and development both in India and abroad. We also undertake and execute projects funded by multilateral funding agencies.

We regularly provide our services to some leading public sector entities, such as National Thermal Power Corporation Limited, Dedicated Freight Corridor Corporation of India Limited, High Speed Rail Corporation of India Limited, Indian Port Rail Corporation Limited, Steel Authority of India Limited, Delhi Metro Rail Corporation Limited, Metro – Link Express for Gandhinagar and Ahmedabad Company Limited, Airports Authority of India, the National Highways Authority of India, among others.

Technical expertise and business divisions with specialized domain knowledge

We have technical expertise housed in various business divisions within our Company with specialized domain knowledge across each of the market segments. In order to enable us to provide tailored solutions for our clients and customers, we have streamlined the divisions in our organization in order to meet the specific requirements of each such market segment. Over the years, we have evolved from primarily being a railway consultancy services provider to a diversified multi – disciplinary transport infrastructure consultancy and engineering organization undertaking a wide gamut of services.

We have enhanced our domain knowledge and technical expertise by participating in consortiums with several consulting partners including SYSTRA, EGIS Rail S.A, GEOCONSULT ZT GmbH amongst others from countries such as France, Japan, Austria, U.S.A, Germany and Denmark. We endeavour to consistently increase our domain knowledge and technical expertise through these collaborations to enable us to provide specialized services and solutions in order to meet the expectations of our clients and customers.

Experienced management personnel and technically qualified team

Our Company is led by an experienced and well – qualified management team. Our management team plays a significant role in formulating our business strategies, accounting procedures and internal control and policies, and has been instrumental in our growth of operations and consistent performance. For further details, see “*Our Management*” on page 172.

As of March 31, 2018, we have a total of 3,349 employees as follows:

Status	No. of employees
Regular	2,064
Deputation	152
Contract	842
Experts/ Consultants	291
Total	3,349

We have an in – house team of expert engineers specializing in civil, mechanical, metallurgy, chemical, electrical, signal and telecom engineering, and specialists in transport and economics, quality assurance, environment engineering, information technology, finance and general management. Our senior management has an average experience of about 33 years and we have a pool of 1,400 skilled engineers/ professionals of executive cadre on our permanent roll. We also source requisite manpower from the Indian Railways and other government ministries and departments, both on deputation and permanent basis, according to requirements.

Strong and consistent financial performance supported by robust internal control and risk management system

We have been consistently profitable over the last five years and have paid dividends regularly to the equity shareholders. Our financial position enables us to satisfy the minimum financial eligibility criteria for bidding in our projects which generally comprise of financial parameters such as net worth and profitability for various projects across all market segments.

As per our Restated Financial Information, our total income has grown at a CAGR of 9.61% from ₹10,830.52 million in the Financial Year 2013 to ₹15,632.73 million in the Financial Year 2017 and our profit after tax has grown at a CAGR of 11.61% from ₹2,330.57 million in the Financial Year 2013 to ₹3,616.60 million in the Financial Year 2017. As on December 31, 2017, the net worth of our Company was ₹21,719.94 million. Our earnings per share from continuing and discontinued operations have increased from ₹11.65 in the Financial Year 2013 to ₹17.63 in the Financial Year 2017.

We maintain internal control systems and audit systems for enhancement of efficiency in operations and to ensure compliance with applicable laws, rules and regulations. We have structured policies and guidelines in place for the

optimal delegation of authority for facilitation of business including our 'Detailed Finance & Accounts Manual' and 'Guidelines on Construction Project management' which strengthens our internal checks and controls. Our internal audit is conducted by experienced professionals and external audit firms. The internal control and audit systems which are in place are also reviewed periodically. Corrective and preventive measures, whenever necessary are taken up from time to time for continuous improvement.

We also have a currency risk management policy covering various aspects of currency risk management, benchmarking, hedging, assessing risk appetite, identifying permissible instruments and risk management structures and reporting procedures in place specifically bearing in mind our ongoing international projects. We invest our surplus funds in deposits with banks, mutual funds and corporate bonds within the framework and guidelines as approved by our Board from time to time, in conformity with the guidelines of the Department of Public Enterprises, Ministry of Heavy Industries and Public Enterprises and the requirements of the Companies Act, 2013.

Preferred consultancy organization of the Government of India including the Indian Railways

We were incorporated by the MoR and have the benefit of being associated with the Indian Railways, which is the fourth longest rail network in the world. We have been involved in and have contributed to the development of transport infrastructure in India for the last 44 years. Given our proven track record of financial performance, service offerings and the market segments in which we operate, we believe that we occupy a key position in the growth plans of the Government of India with respect to the infrastructure and energy space. We are a nominated organization of the Indian Railways for the export of railway locomotives, coaches and other equipment which are manufactured by the Indian Railways (other than exports to Malaysia, Indonesia and Thailand). We are also a nominated organization for inspection of various materials and equipment purchased by the Indian Railways.

We are able to get several assignments on nomination/ single tender basis from various government ministries, organizations and departments including the Indian Railways because of our ownership by the MoR coupled with our ability to execute business in compliance with various policies and procedures of governmental departments. We believe our status as a public sector undertaking and our established relationships with governments, governmental instrumentalities and other public sector enterprises in India as well as across various countries where we have undertaken projects in the past, can be effectively leveraged to increase our presence and participation in new emerging infrastructure sectors and in developing new business relationships with governments and government instrumentalities as well as private sector corporations both in India as well as internationally. This, we believe should enable us to enhance synergies between the varied divisions in our Company and to strengthen our financial performance even further.

OUR STRATEGIES

Leverage our experience and continue to build on our core competencies in transport infrastructure sector

We intend to leverage our domain knowledge and technical expertise across the various sub-sectors of the transport infrastructure sector for the purposes of entering into business opportunities and other emerging sectors either directly or indirectly, by way of alliances, joint ventures, subsidiaries and consortium arrangements.

We are seeking to increase our operations in emerging sectors and are currently undertaking projects in these sectors, such as renewable energy generation, power procurement, railway electrification as well as turnkey projects in up gradation of railway workshops, due to increase in demand in such sectors, government plans and macroeconomic trends.

We also intend to continue to expand our operations and presence in the railway sector by strengthening our consultancy service offerings in the transport infrastructure sector comprising of conducting feasibility studies and preparation of detailed project reports, design engineering activities, procurement assistance, project management consultancy activities, quality assurance, construction supervision, commissioning support, training as well as leasing and export of railway locomotives, rolling stock, spare parts and other equipment. We are also expanding the scope of our design and project management consultancy services to focus on projects of the Government of India and other programmes for road development in domestic and international markets including offering services for road safety audits, bridge condition surveys, bridge maintenance management systems and rehabilitation, project co-ordinating consultancy services and proof consultancy services. We are desirous of expanding our operations in other urban transport and transport infrastructure sectors including metro rail projects and high speed corridor projects.

In Africa, South Asia, Middle East and other developing nations, we have seen an increase in demand for rehabilitation and up gradation of roads and railway systems, leasing of railway locomotives and other rolling stock by way of import of such goods and services from India due to similarities of technical standards and specifications.

We also lease railway locomotives for the use of captive rail systems in India, primarily in the sectors of power, steel, cement, coal and port. We have also expanded our operations in emerging sectors and are currently undertaking projects in renewable energy, power procurement, railway electrification and modernization works as well as turnkey projects in up gradation and modernization of railway workshops. We intend to pursue such business opportunities, directly or indirectly, through subsidiaries, joint ventures or consortiums, as special purpose vehicles, in India or abroad, in order to specialize in the leasing business on an exclusive basis and in order to facilitate financing of such operations.

We have been approached for equity participation in the Indian Railway Stations Development Corporation Limited by contributing upto 25% equity share capital. The Board in its meeting dated March 21, 2018, has approved the proposal for in-principal approval of the equity investment in two instalments. We are evaluating the proposal and we may consider similar opportunities for future growth. For further details see, “*Risk Factors*” on page 18.

Strengthen our EPC/Turnkey business

We have been awarded projects on nomination basis from the MoR for construction of railway lines and electrification of existing/new railway lines and upgradation of railway workshops on a fixed fee basis. In these contracts we get fees as a certain percentage of the cost of the project executed. So far we have been awarded two projects for new railway lines and two projects for railway electrification. Considering the extent of new investments in electrification and railway infrastructure we intend to strengthen our organization for taking more such works.

Expand our international operations

We intend to continue expanding our international service offerings in order to acquire new clients. Over the years, we have expanded our service offerings to address new market opportunities and macroeconomic trends arising in the infrastructure sectors. We plan to expand our international operations by expanding our business of rehabilitation of locomotives and wagons overseas and the exporting of railway locomotives, rolling stock, railway equipment and other spares. We are also planning to expand our existing range of products for export to various international customers by developing different types of locomotives for export and leasing.

We recently have been appointed by the Government of Mauritius as a consultant for implementing light rail project in Mauritius and also to prepare a detailed project report on Trident port project. We are working in Nepal on two integrated check-posts at Birgunj and Biratnagar and are conducting construction supervision services of a road project in Botswana through our Subsidiary, RITES (AFRIKA). We are in the process of executing a major export order for Sri Lanka comprising of 10 diesel locomotives and 6 DMU train sets. We have recently successfully exported 18 meter gauge locomotives in Myanmar and 120 broad gauge passenger services coaches to Bangladesh and have also recently completed detailed project report for airport at Rwanda and ports project in Sri Lanka. We are also undertaking detailed project report preparation consultancy for East Bank-East Coast road linkage project in Guyana (South America).

We had leased out 16 cape gauge locomotives to Mozambique for use by CFM, Mozambique in 2007, which has recently been sold to them along with our obligation to maintain the same initially for a period of 6 months. We have completed three maintenance workshops for Sri Lankan railways. In the past, we have exported rolling stock to Benin, Senegal, Mali, Myanmar, Sudan and Vietnam and also operated railway systems in Tanzania, Iraq, Ghana, Mozambique, Zambia and various other countries.

We have in the past carried out feasibility studies for rail transport infrastructure in countries such as Ethiopia and U.A.E and road infrastructure in countries such as Afghanistan, Bangladesh, Ethiopia, Ghana, Malaysia, Mozambique, Myanmar, Nepal, Tanzania, Uganda, U.A.E. and Zambia.

Expand our operations in the power procurement and renewable energy sector through our subsidiary, Railway Energy Management Company Limited, which is the only entity mandated for procurement of power from third parties and for captive renewable energy generation, for the Indian Railways

The Ministry of New and Renewable Energy, Government of India seeks to achieve the target of renewable energy generation of 175 GW by 2022, with 100 GW being contributed by generation from solar power, 60 GW from wind,

10 GW from biomass and 5 GW from small hydro power (Source: www.mnre.gov.in). In this regard, the Ministry of New and Renewable Energy, Government of India has set specific targets for installation of generation capacity and procurement of renewable energy for all public sector undertakings and governmental instrumentalities which for the Indian Railways is set as 20% of the total consumption to be through renewable energy (Source: *IRR Report*). In order to assist the Indian Railways meet its stipulated target for procurement of renewable energy, the Indian Railways and we have set up a company, namely Railway Energy Management Company Limited (“**REMCL**”), with the objective of synergizing the technical resource base of our Company and for reducing the carbon footprint of the Indian Railways through utilization of green energy. We hold 51% of issued and paid – up equity share capital of REMCL. Currently REMCL is the agency mandated by the Indian Railways (in its role as deemed distribution licensee) to undertake power procurement and facilitate contracts between power producers and Indian Railways including renewable energy projects and energy efficiency projects. REMCL provides project management and other consultancy services for the Indian Railways with regard to setting up of wind energy projects, solar energy projects, power procurement and construction of transmission lines connected to the Inter – State Transmission System (ISTS).

REMCL has commissioned a wind power project of capacity 26 MW in Jaisalmer, Rajasthan and has also concluded power procurement contracts for approximately 1,175 MW across various states in India. Further, the National High Speed Rail Corporation Limited has mandated REMCL to undertake techno – economic viability studies and related surveys of power sourcing arrangements for their requirements. We intend to increase our operations and explore new business opportunities in green energy specifically in the sectors of wind and solar energy for the Indian Railways, facilitate cost efficiencies to ensure efficient energy management for the Indian Railways by way of power procurement, implement energy conservation projects for the Indian Railways on fee basis and coordinate with other regulatory authorities in this regard on behalf of the Indian Railways. REMCL will endeavour to be an asset light company and also explore the possibility of entering into long term contracts for procurement of power generated through renewable energy sources to be purchased by Indian Railways.

DESCRIPTION OF OUR BUSINESS

We are currently undertaking assignments in consultancy and engineering services in transport infrastructure sector comprising of conducting techno-economic feasibility studies and preparation of detailed project reports, design engineering activities, procurement assistance, project management consultancy activities, quality assurance, construction supervision, materials system management and commissioning support, training, leasing and export of railway locomotives, rolling stock, spare parts and other equipment as well as turnkey projects on engineering, procurement and construction basis for railway electrification, railway line up gradation works for railway transport systems and modernization of railway workshops.

Current order book

Our order book comprises of anticipated revenues from the unexecuted portions of existing contracts (including signed contracts for which all pre – conditions for entry into force have been met and letters of award issued by various clients prior to execution of the final contract) as of a particular date. As of March 31, 2018, we have 22 ongoing projects in various international markets. Our standalone order book as of March 31, 2018 for segments is as follows:

(₹ in million)		
S. No.	Segment	Order book value
A.	Consultancy services	25,720.92
B.	Leasing services	1,406.51
C.	Export sales	6,977.38
D.	Turnkey construction projects	14,081.95
Total (A+B+C+D)		48,186.76

Domestic Projects

The following table shows some of our ongoing major domestic projects:

Sr. No.	Name of the project
1.	Doubling of railway line from Gooty to Dharmavaram for the South Central Railway in India on EPC basis.

Sr. No.	Name of the project
2.	Third line between Pendra Road and Anuppur for the South East Central Railways in India on EPC basis.
3.	Railway electrification works for the Ringas – Jaipur – Sawaimadhopur section for the North Western Railways in India.
4.	Railway electrification works for the Vijaypur – Maksi section for the West Central Railways in India.
5.	Conduct of Final Location Survey and Geo – Technical investigation for the Mumbai – Ahmedabad High Speed Rail Corridor Project between Mumbai and Ahmedabad in India.
6.	Conduct of Final Location Survey and Geo – Technical investigation for the feasibility studies of the new broad – gauge railway link for the Bhanupalli – Bilaspur – Manali – Leh Railway Project in India.
7.	General engineering and design consultancy services for the Nagpur Metro Project, the Delhi Metro Project, the Pune Metro Project and the Ahmedabad Metro Project.
8.	Conduct of feasibility studies and preparation of the detailed project report for the Mass Rapid Transit System / Regional Rapid Transit System between Ahmedabad and Dholera in Gujarat, India.
9.	Conduct of feasibility studies and preparation of the detailed project report for the Metro Projects in Varanasi, Thane, Kochi, Kanpur, Agra, Meerut, Allahabad and Chennai in India.
10.	Conduct of design of the Rail – cum – Road Bogibeel Bridge a fully welded and composite structure each span 125 metres, length approximately 4,940 meters near Dibrugarh, Assam, India.
11.	Conduct of the preliminary engineering – cum – traffic survey for the Dedicated Freight Corridor Projects between Kolkata – Mumbai, Delhi – Chennai, Kharagpur – Vijaywada and Chennai – Goa for the Dedicated Freight Corridor Corporation of India.
12.	Conduct of the project management services for the Western Dedicated Freight Corridor Project for the Dedicated Freight Corridor Corporation of India.
13.	Feasibility Studies and preparation of detailed project reports for selected roads for up-gradation of 1,132 kilometres of national highways under Bharatmala Project in four states India.
14.	Preparation of detailed project report for 241 kilometres of State Highways in hilly terrain of Himachal Pradesh, India.
15.	Safety audit for sections of National Highways of aggregate length approximating 1,238 kilometres in eight states in India.
16.	Setting up of POH facilities for BCN and BLC wagons at Bikaner workshop, N. W. Railway
17.	Setting up of facilities for augmenting overhauling capacity at Kurduwadi workshop
18.	Setting up of wagon POH workshop at Dalmia Nagar
19.	Wet leasing of 5 nos. of WDS-6 Locomotives for Dhamra Port Company Limited
20.	Maintenance of Locos & Wagons for Talcher Super Thermal Power stations, Talcher
21.	Consultancy Services for development of Rail Connectivity to inland waterways multimodal terminals of Inland Waterways Authority of India at Haldia and Sahibganj

International Projects

The following table shows some of our ongoing major international projects:

Sr. No.	Name of the project
1.	Construction supervision consultancy for the Metro Express Project in Mauritius
2.	Supply of 18 metre gauge diesel electric locomotives of 1,350 horse – power along with spares to the Government of Myanmar.
3.	Conduct of feasibility studies and preparation of the detailed project report for the new standard gauge railway line in Gabon.
4.	Conduct of procurement assistance and bid management services for the Integrated Check Posts at Biratnagar, Nepal through the Ministry of External Affairs, Government of India.
5.	Conduct of design consultancy services for construction of cargo complex, parallel taxi way and modification of old terminals in Paro International Airport, Bhutan.
6.	Conduct of consultancy services for the construction supervision of Tseshabe – Masunga Road, Botswana.
7.	Preparation of detailed project report for Trident Port, Mauritius
8.	Supply of 6 sets broad gauge diesel electric multiple units to Sri Lanka Railways.
9.	Supply of 10 broad gauge diesel electric locomotives to the Sri Lanka Railways.
10.	Project Management Consultancy for East Bank - East Coast road linkage project in Guyana (South America)

OUR SERVICES AND PRODUCT OFFERINGS

Our services and product offerings fall into the following broad categories: consultancy services, locomotive leasing services, exports of locomotives, rolling stock, equipment and spares and turnkey construction services. We offer these services independently as well as on a fully integrated basis. Our projects are executed by the concerned divisions of our Company depending upon the nature of the project.

A. *Consultancy Services*

Our consultancy services include conducting techno-economic and feasibility studies and preparation of detailed project reports, design engineering services, procurement assistance services, project management consultancy services, quality assurance services and inspection, training services, construction supervision, materials system management services, commissioning support and general transaction advisory services including operation and maintenance.

Techno – economic viability studies, feasibility studies and detailed project reports

We undertake for our clients, preparation of pre-feasibility studies, techno-economic feasibility studies and detailed project reports to determine the feasibility of a project before actual implementation. As part of the preparation of feasibility reports, we analyse the technological and economic viability of a project as well as provide social and environment planning services. This involves amongst others, surveys, analysis and design, and drawings of project structures, technical specifications for construction and procurement, detailed estimation of the project cost, potential revenue streams and the modes of financing.

Design engineering services

Under design engineering services, we undertake the design of projects in engineering disciplines such as architectural engineering, civil, mechanical, structural and rolling stock design equipment. We also provide consultancy services to align the function, scope, cost and schedule of each project with the objective of the optimisation of cost for client in order to maximize project success.

Project management consultancy services

Project management consultancy involves the primary responsibility of managing all aspects of delivering projects on schedule and within the available budget from concept stage to commissioning stage including framing the contract conditions, preparation of contract documents, inviting and evaluation of bids up to award of contract to vendor/contractor, contract administration, preparation of project execution plans, detailed schedules, cost forecasts, progress tracking and reporting as well as supervision of deliverables of suppliers, contractors and sub-contractors on behalf of the client. We also assist our clients in prescribing the technical standards and specifications as well as assisting in procurement of input materials, supervision of deliverables, recommending monitoring procedures and certifying the quantity and quality of final deliverables as per the requirements of the client. We also undertake safety audits for highways and road projects during and post construction stages.

Quality assurance and inspection services

We provide third party inspection and vendor capability/capacity assessment services in India and abroad covering over 12 countries. The Quality Assurance division of our Company is experienced in providing management system consultancy. We also provide the material testing facilities through our laboratories located in Kolkata, Mumbai and Delhi. Our inspection system has been accredited to ISO/IEC 17020 by NABCB under QCI and our Kolkata and Mumbai laboratories are accredited to ISO /IEC 17025 by NABL. The Division currently carries out over 90,000 inspections per annum through its five regional offices located in Delhi, Kolkata, Mumbai, Chennai and Bhilai and 36 sub-regional offices. The important areas of inspection include ‘in process’ and final inspection of rails, coaches, wagons, steel rolled products, ductile iron pipes, and engine blocks for railway locomotives and rolling stock / track components.

Training services

We organize structured training and development programmes for our clients, drawing on resources including institutional tie – ups with various reputed institutions in India, experienced professionals as well as our access to training establishments of the Indian Railways. Our services include manpower planning, skills classification and

assessment of training needs, curriculum development assistance, training infrastructure development assistance, logistics support and training program monitoring and evaluation among others.

Construction supervision

We provide comprehensive construction supervision services at site including actual construction monitoring, progress monitoring, scheduling and ensuring that the quality standards and specifications as per the requirements of the client are being complied with by contractors and third parties during the construction process.

Materials system management

We undertake consultancy and advisory services for procurement of goods, works and services for various multilateral and bilateral international funding agencies as well as those funded by the Government of India. We also assist in preparation of applicable standards and specifications, preparation of tender documents and processing of purchase orders so as to ensure compliance with applicable terms and conditions as specified by the funding agency.

Commissioning support and general transaction advisory services

Our commissioning services include pre – commissioning and commissioning assistance and supervision of projects on behalf of our clients. These services include delivery of project readiness, installation, start – up and commissioning, as well as conducting performance guarantee tests.

B. Locomotives Leasing Services

We lease locomotives to domestic and foreign clients. We operate and maintain railway systems of domestic clients. Locomotives leasing services were started by our Company in the year 2009 through leasing WDS6 locomotive to non-railway clients for their in-plant shunting operations in sectors such as power, steel, ports and cement. We also provide maintenance services of locomotives to our clients. Our domestic locomotive leasing business has grown from a single loco in 2009 to 45 locomotives as on date.

C. Export of locomotives, rolling stock, equipment and spares

We export railway locomotives, passenger coaches, wagons equipment and spare parts. Our export offerings consist of integrated project export packages for railway locomotives and rolling stock along with providing technical support for operation and maintenance of a wide variety of rolling stock of varied specifications for various railway systems abroad. We also provide various after – sales services for rolling stock including the supply of spare parts and training of maintenance personnel. We undertake research and development activities in order to develop new products to meet client requirements and reduce costs.

D. Turnkey construction services

We undertake construction projects such as railway line enhancement works for railway systems, modernization of railway workshops and building works at cost plus basis. We undertake such turnkey construction projects on engineering, procurement and construction basis, with or without equity participation in such projects. As part of such turnkey projects, we are responsible for completing such construction works by way of achievement of stipulated milestones, adhering to the project completion schedule and complying with the standards and specifications as per the requirements of the client.

OUR DIVISIONS

We have separate specialized divisions for rail infrastructure, buildings and airports, highways and ports, urban infrastructure, export, quality assurance, technical services, privatization and concessions and financial services. Each of these divisions has their own segregated strategic business units, regional offices and project site offices so as to enable specialization across the diversified market segments of our Company.

A. Rail Infrastructure Division

The Railway Infrastructure division provides consultancy services in railway transportation and economics, electrical engineering, signal and telecommunications, dedicated freight corridors, track and survey, geo – technology and civil

engineering design through conceptualization and project management consultancy in respect of rail based transportation systems.

The Rail Infrastructure division operates through the following strategic business units and regional project offices:

Transport and Economics Unit

The Transport and Economics unit has expertise in transportation system design, planning of rail infrastructure and transport economics.

Track and Survey Unit

The Track and Survey unit specializes in conducting studies and surveys for various stages of railway infrastructure development comprising of pre – feasibility studies, feasibility studies, preliminary engineering studies, final location surveys, detailed project reports and detailed design engineering.

Geo-Technology Unit

The Geo – Technology unit provides consultancy services in engineering geology, soil and rock mechanics, foundation engineering, geophysical survey, diamond core drilling of exploratory bore – holes, survey of ground water reserves and *in-situ* /laboratory testing of soil and rock structures.

Dedicated Freight Corridor Unit

The Dedicated Freight Corridor unit provides project management consultancy services for the construction of double line electrified railway tracks and other related infrastructure for the Dedicated Freight Corridor Project for DFCCIL.

Civil Engineering Design Unit

The Civil Engineering Design unit provides engineering services involving planning, design support and preparation of bidding documents and tender documents for the construction and development of rail bridges, rail – cum – road bridges, road over / under bridge, approach structures and rail / road viaducts amongst others.

Electrical Engineering Unit

The Electrical Engineering unit provides project management consultancy services, turnkey services, quality services and surveillance inspections in the field of railway electrification and electric substations.

Signalling and Telecommunications Unit

The Signalling and Telecommunications unit provides consultancy and construction management services in respect of the development of signalling and telecommunications infrastructure related to rail connectivity projects for the railways, power, steel, refineries, ports and coal sectors among others.

Regional Project Offices

The Regional Project Offices are situated in Lucknow, Delhi, Nagpur, Secunderabad, Bhubaneswar, Kolkata and Raigarh and provide consultancy services *inter alia* for detailed engineering services and project management consultancy services including the planning and design of projects relating to railway infrastructure, construction of railway sidings, construction of flyovers, roads, railway sidings, inland containers depots and buildings. The Regional Project Offices provide a comprehensive spectrum of services from the concept stage to the commissioning of projects including the preparation of detailed project reports, feasibility studies, estimation studies, bidding process assistance, execution of projects, budgetary management support and quality assurance.

B. Buildings and Airports Division

The Buildings and Airports division provides consultancy services for construction of institutional, commercial and residential buildings and development of greenfield and brownfield airports, construction of cargo complex, construction of taxiways, airport terminals, inland container depots, integrated check posts including the preparation

of detailed project reports, feasibility studies, project management consultancy services, bidding process assistance, execution of projects, budgetary management support and quality assurance of such projects.

The Buildings and Airports division operates through the following strategic business units:

Construction Project Management Unit

The Construction Project Management unit has expertise in providing project management consultancy services in construction of institutional, commercial, residential buildings and inland container depots along with third party inspection of such infrastructure projects.

Airports Unit

The Airports unit provides consultancy services for planning and construction management of greenfield and brownfield airports, cargo complexes, taxi ways, airport terminals and integrated check posts.

C. *Highways and Ports Division*

The Highways and Ports division provides various consultancy services for ports and harbours, water resources engineering, inland water transport, roads and highways including the preparation of feasibility studies, detailed project reports, project management consultancy services, bidding process assistance, design support services and quality assurance of such projects including safety audits.

The Highway and Ports division operates through the following strategic business units:

Ports and Water Resources Unit

The Ports and Water Resources unit provides various consultancy services for ports and harbours, water resources engineering and inland water transport. This unit has provided consultancy services in the past to clients in international markets such as Sri Lanka, Myanmar, Nepal and currently providing services in Mauritius.

Highways Unit

The Highways unit provides various consultancy services for all aspects of roads and highways including expressways, national highways, state highways and rural roads including bridges *via* ducts and tunnels. The services cover conceptual and detailed design, construction supervision, operation and maintenance, planning and management of highway networks, improvement and up gradation works and safety audits. The Highways unit has also provided consultancy services in the past to clients in international markets such as Afghanistan, Bangladesh, Botswana, Bhutan, Ethiopia, Ghana, Malaysia, Mozambique, Myanmar, Nepal, Tanzania, Uganda, U.A.E and Zambia and currently is providing services in Botswana and Guyana (South America).

D. *Urban Infrastructure Division*

The Urban Infrastructure division provides consultancy services for various urban and regional transport infrastructure including conducting urban and regional transport studies and developing transport sector master plans including traffic engineering and management surveys, transport demand modelling, traffic and transportation plans, project management consultancy services, environmental impact assessment, environmental management plan, social impact assessment, design of water supply, sewerage and drainage systems, solid waste management, bus system planning and operation and planning, detailed design and project management consultancy services for construction of metro rail networks, as well as design of rail – based mass rapid transit systems.

The Urban Infrastructure division operates through the following strategic business units:

Urban Transport Unit

The Urban Transport unit provides comprehensive consultancy services for various urban and regional transport infrastructure including conducting urban and regional transport studies and developing transport sector master plans including traffic engineering and management, transport demand modelling, comprehensive mobility plans, traffic and transportation plans, bus system planning and detailed project reports for rail – based mass rapid transit systems.

Urban Transport (General Consultancy) Unit

The Urban Transport (General Consultancy) unit provides consultancy services for construction of metro railways including detailed design of stations and depots and quality assurance of such projects.

Urban Engineering Unit

The Urban Engineering unit provides consultancy services in the fields of environmental impact assessment, environmental management plan, social impact assessment, design of water supply, sewerage and drainage system, solid waste management, ecology and biodiversity.

E. *Expotech Division*

The Expotech division provides integrated export packages for railway locomotives and rolling stock including, rehabilitation, maintenance and spare part support. It also provides technical consultancy services for workshop modernization, facility planning for rolling stock maintenance, training of maintenance personnel and related technology transfer. Export services also include leasing of locomotives, consultancy in operation and maintenance of rolling stock and after sale services.

F. *Quality Assurance Division*

The Quality Assurance division provides third party inspection and vendor assessment to various clients including government ministries, departments, instrumentalities, local government bodies, public sector undertakings and private sector entities in India and abroad. The Quality Assurance division also provides laboratory testing services in India. It has regional offices in Delhi, Chennai, Kolkata, Bhilai and Mumbai and has 36 sub – regional offices across various locations in India. It provides third party inspection services and vendor assessment for the Indian Railways. It caters to the third party inspection requirements of clients such as power utilities, metro rail corporations and infrastructure projects in various states across India. Our Company has been awarded the ISO/IEC 17020:2012 certification of the International Standards Organization by the National Accreditation Board for Certification Bodies for fabricated metal products, transport equipment, pulp and paper products in recognition of our quality standards of services to our clients. The Quality Assurance division also provides third party inspection services for Dedicated Freight Corridor Corporation of India Limited, Steel Authority of India Limited, Jindal Steel and Power Limited and various state power utilities.

G. *Technical Services Division*

The technical services division provides consultancy services for design and development of rolling stock, procurement and logistics management consultancy services in compliance with the requirements of various international funding organisations and the Government of India as well as carrying out feasibility studies, preparation of detailed project reports and project management consultancy services for aerial ropeway systems including various support services from the concept stage to the commissioning of such projects, incentive studies for railway workshops and feasibility study, detailed project report and turnkey execution of railway workshops.

The technical services division operates through the following strategic business units:

Rolling Stock Design Unit

The Rolling Stock Design unit provides research and development services and carries out design and development of rolling stock using advanced technologies and specialized design software for modelling, strength analysis, crash analysis and other simulation methodologies. It also markets such rolling stock designs and offers technical support for manufacturers of rolling stock.

Materials System Management Unit

The Materials System Management unit provides consultancy services for comprehensive procurement and logistics management in compliance with the guidelines, regulations, norms and procedures of international funding organizations, the Government of India, the Indian Railways and the Director General of Supplies & Disposal (DGS&D).

Workshop Unit (erstwhile Ropeways and Industrial Engineering Unit)

The Workshop unit (erstwhile Ropeways and Industrial Engineering unit) provides consultancy services including feasibility studies, preparation of detailed project reports and project management consultancy services for passenger and material aerial ropeways and funicular railway projects.

Railway Equipment Services Unit

The Railway Equipment Services Unit provides operation and maintenance services of railway sidings for various clients in the power, steel, mining, cement and port sector. It provides locomotive leasing services, operation of railway systems and maintenance of rolling stock for clients.

H. ***Others***

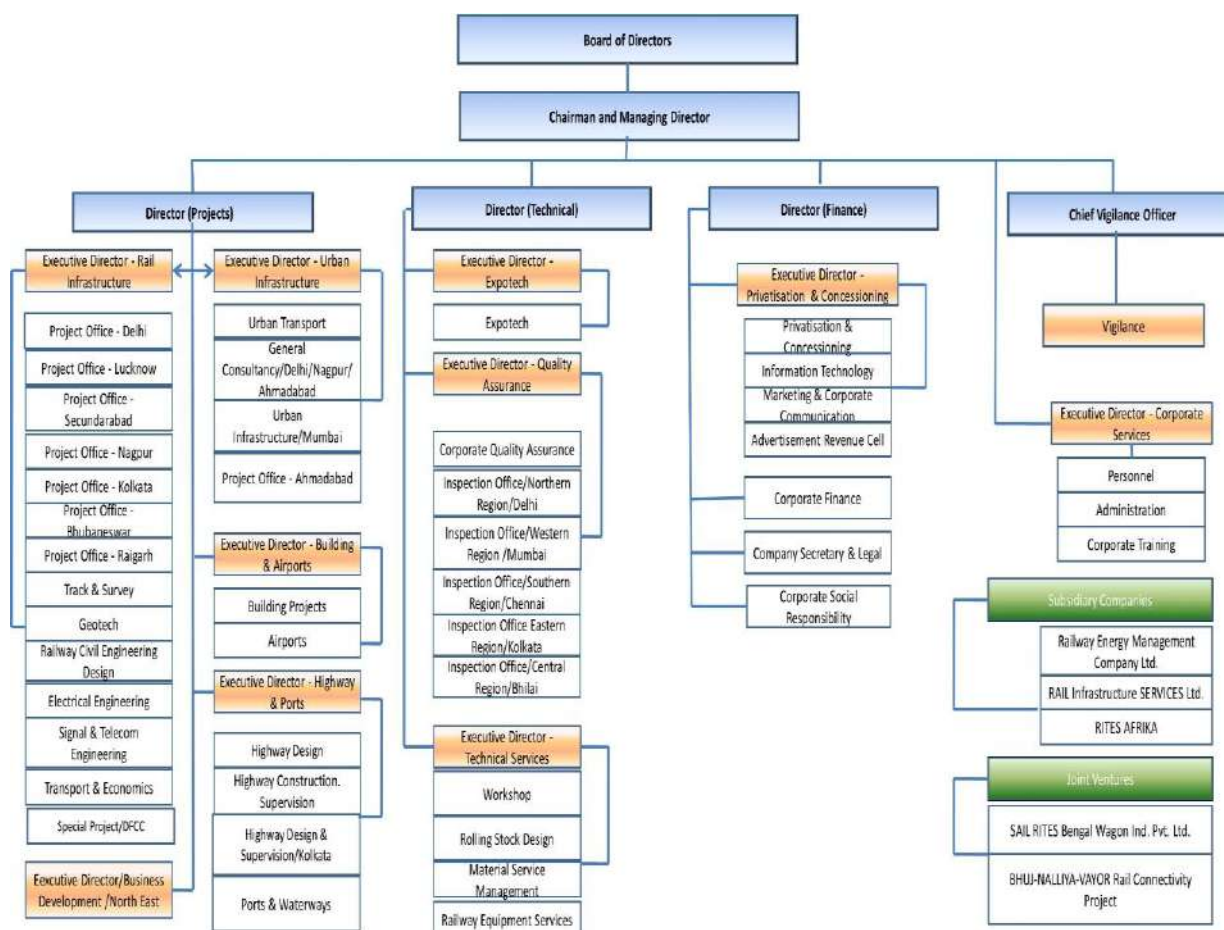
a) Privatisation and Concession Division

The Privatisation and Concession division provides transaction advisory services for various public private partnership projects in the infrastructure sector, project appraisal services and facilitating legal advisory services for procurement contracts. It also provides consultancy services in the field of information technologies including conducting feasibility studies, system analysis, system design, software development, implementation support and user training programmes. The Privatisation and Concession division also provides value assessment services for revenue enhancement of the assets of the Indian Railways through advertising. It also provides support for business development, coordination at corporate level, representation at industry forums. The privatisation and concession division operates through Information Technology, Advertisement Revenue Cell, Privatisation and Concessions and Marketing and Client Communication strategic business units.

b) Corporate Services Division

Corporate Services division mainly looks after human resource, administration and employees' training functions. We have a large pool of technical and professionally qualified diversified workforce on our rolls, comprising of experienced employees and fresh graduates hired from premiere institutes of the country.

ORGANIZATIONAL STRUCTURE



OUR COLLABORATIONS

We also have entered into consortium arrangements for execution of the following projects:

Sl. No.	Name of Project	Name of the Collaborators
1.	Sub-Consultancy Contract Agreement consulting services for the construction of Cargo Complex, parallel taxiway and modification of Old Terminal in Paro International Airport.	<ul style="list-style-type: none"> Progressive Research & Consultancy services; and RITES Limited
2.	Consultancy services for selection of PMC for river morphological analysis and design for river training and bank protection works in Uttarakhand	<ul style="list-style-type: none"> DHI (India) Water and Environment Private Limited; and RITES Limited
3.	Contract for feasibility studies of Diamond Quadrilateral Network of high speed rail corridors Package 2 (Mumbai- Chennai)	<ul style="list-style-type: none"> SYSTRA, France; RITES Limited; and ERNST and YOUNG LLP
4.	Development of Six lane suspension cable Greenfield Bridge over the river Ganga from Kacchi Dargah on NH-30 to Bidupur id District Vaishali on NH-103	<ul style="list-style-type: none"> Infrastructure Development Corporation (Karnataka) Limited; and RITES Limited
5.	Selection of consultant for site finalization and development of Taj International Airport, Uttar Pradesh	<ul style="list-style-type: none"> RITES Limited; and KPMG Advisory Services Private Limited
6.	Detailed design consultancy services Power Supply & distribution system, 750 V DC Third Rail traction electrification and SCADA System of Ahmedabad Metro Rail Project for Metro-Link Express for Gandhinagar & Ahmedabad (MEGA) Company Limited	<ul style="list-style-type: none"> RITES Limited; and TUV SUD South Asia Private Limited

Sl. No.	Name of Project	Name of the Collaborators
7.	General Engineering Consultancy services for Ahmedabad Metro Rail Project Phase 1	<ul style="list-style-type: none"> • Consortium of SYSTRA SA, France, RITES Limited, Oriental Consultants Global Company Limited and AECOM Asia Company Limited
8.	[General Consultancy services for Pune Metro Rail Project]	<ul style="list-style-type: none"> • Consortium of SYSTRA SA, France, RITES Limited, AECOM Asia Company Limited, and EGIS Rail SA, France
9.	Sub Consultancy services for design of 4 bridges in Katra – Laole section of Udampur Srinagar Baramulla Rail Link Project	<ul style="list-style-type: none"> • Ramboll, Denmark; and • RITES Limited
10.	Consultant for Engineering Consultancy for Nagpur Metro Rail Project	<ul style="list-style-type: none"> • Consortium of SYSTRA SA, France, RITES Limited, AECOM Asia Company Limited, and EGIS Rail SA, France
11.	Consultancy Services for Delhi Mass Rapid Transport System Project Phase III	<ul style="list-style-type: none"> • Consortium of Oriental Consultant Company Limited, Parsons Brinckerhoff International, INC, Tonichi Engineering's Consultant INC. and RITES Limited
12.	Design and Association for Bogibill Bridge Project	<ul style="list-style-type: none"> • Ramboll, Denmark; and • RITES Limited
13.	Detailed design & construction supervision of tunnel No. 10 in Ziribam - Tupul section, Assam	<ul style="list-style-type: none"> • Geo Consult ZTGMBH - RITES JV
14.	Instrumentation, monitoring & design of Remedial measures as per requirement for vulnerable location for two monsoon in LMG - Lumdig Silchar BG rail line	<ul style="list-style-type: none"> • Geo Consult Indian - RITES JV

Competition

We face competition from competitors outside India as well as in the domestic market. Additionally, the competition depends on various factors, such as the type of project, total contract value, potential margins and location of the project. For instance, the MoR has distributed the jurisdiction of work between our Company and IRCON International Limited (a peer group PSU under the MoR) in accordance with our respective core competencies. We are permitted to participate in EPC or BOT contracts, other than railway contracts, in the event there is no conflict of interest with any other public sector undertaking under the MoR. Further, IRCON is not permitted to make any fresh bids for export of rolling stock and components manufactured by the Indian Railways to countries other than Malaysia, Indonesia and Thailand.

Risk Management

We have formulated and implemented a policy on risk management, as approved by our Board, so as to develop an approach to identify, assess and manage the various risks associated with our business activities in a systematic manner. The policy lays down guiding principles on proactive planning for identifying, analyzing and mitigating material risks, both external and internal, and covering operational, financial and strategic risks. After risks have been identified, risk mitigation solutions are determined to bring risk exposure levels in line with risk appetite. Our risk management policies and systems are reviewed regularly to reflect changes in our business activities.

Employee Training

Our in-house training programs are aimed at improving the functional and technical skills across levels of employees. Professional programs, workshops and seminars conducted by reputed and prestigious agencies are carefully identified in line with business needs of the Company and suitable officers are nominated for such programs. Behavioural and personality development training programs are conducted focusing on developing soft skills. Employees are sensitized on labour law compliances through appropriate programs/ workshops to comply with statutory obligations in labour deployment. Employee physical and financial wellness programs covering stress

management, lifestyle diseases and financial planning are other trainings organized. Our trainees and other employees are given structured induction training from time to time for easy assimilation into the organization.

Property

Our Company's Registered Office is located at Scope Minar, Laxmi Nagar, Delhi- 110 092, India. We have 28 properties on freehold basis in India as on March 31, 2018. In addition to our Registered and Corporate Office we have our regional project offices located in various states including Maharashtra, West Bengal, Odisha, and Gujarat. Some of our offices across India are located at premises leased or licensed to us. For further details, see "*Risk Factors*" on page 18.

Insurance

We believe that we maintain all material insurance policies that are customary for companies operating in our line of business. These include amongst others, compact insurance policy for fire, earthquake, burglary and electric and mechanical break downs, electronic equipment insurance policy, fire and special perils policy, fidelity – floater policy. In addition, our Directors and officers are insured under a directors' and officers' liability insurance policy. Our operating systems and technological products are covered against first party and third party cyber-attacks through an all risk policy.

We also maintain group personal accident policy, group term life insurance, employees' compensation insurance and group mediclaim policy which covers employees and family members. We also have a group personal accident insurance policy which provides cover to employees against accidental death or permanent disablement.

We also maintain professional liability insurance for our operations in the field of services towards our clients.

Information Technology

We have invested substantially in building a strong information technology infrastructure in our organization. We have implemented SAP ERP to support our business operations and enhance our core capabilities to gain competitive advantage in the market. We have also implemented Enterprise Core Component (ECC 6) of SAP with modules such as Financial Accounting (FI), Controlling (CO), Materials Management (MM), Sales and Distribution (SD), Project Systems (PS), Human Resources (HR), Business Intelligence, Document Management System, etc. We have also made provisions for e-procurement portals for our various bids and tenders online which caters to works, services and goods tenders and can accommodate single/double packet tenders. The system supports preparation of tenders including price bids, publishing of tenders, release of corrigendum, tender opening, tender evaluation, award etc.

Health, Safety and Environment

We aim to comply with applicable health and safety regulations and other requirements in our operations and have adopted safety, health and environment policies and procedures that are aimed at complying with legislative requirements, requirements of our licenses, approvals, various certifications and ensuring the safety of our employees and the people working at our facilities or under our management. For further details, see "*Key Industry Regulations and Policies*" and "*Government and Other Approvals*" on pages 152 and 577, respectively.

Awards and Accolades

Over the years, we have received several awards and accolades including India Pride Award in the National PSU Category for the Year 2016 - 17 from Dainik Bhaskar and DNA for excellent contribution in nation building, ICC Corporate Governance and Sustainability Vision Awards, Golden Peacock National Quality Awards and ICC Corporate Governance and Sustainability Vision Award 2017 by Indian Chamber of Commerce. For further details, see "*History and Certain Corporate Matters*" on page 158.

Certifications

Our third party inspection management services of quality and assurance division have been certified to ISO/IEC 17020:2012. We have also received NABL Certificates for Laboratory under the Accreditation Standard ISO/IEC 17025:2005 and ISO 9001:2008 as well as NVT Quality Management Certificate for 'Multidisciplinary Services in Consultancy, Design & Engineering, Project Management, Construction Management, Procurement, Quality Assurance Export, Leasing, Operations and Maintenance Activities in the fields of Transportation Infrastructure

(Railway, Highway, Airport, etc.) and Related Technologies including Institutional and other Buildings'. For details, see "Government and Other Approvals" on page 577.

Intellectual Property

We currently do not own any intellectual property except the trademark registration for our name and logo with the Trademark Registry, which is set out below:



For details, see "Government and Other Approvals" on page 577.

Corporate Social Responsibility ("CSR")

Our primary focus is on creation of needed infrastructure and creation of avenues for employment and income generation for empowering the people and inclusion in economic mainstream, facilitating sustainable development of marginalized and under privileged sections of the society in and around areas of company's operations and in backward regions. These infrastructure assets then can be taken over by local community/ NGOs for day to day operations and maintenance. We spent ₹92.00 million, ₹82.80 million and ₹78.96 million in Financial Year 2017, 2016 and 2015 respectively towards CSR activities. Some of the key CSR initiatives undertaken by us include:

1. Installing interactive SPV power plant at Jodhpur Railway Station, Rajasthan.
2. Organisation of computer courses for disadvantaged girls in Gurugram, Haryana through Kundan Welfare Society and providing school buses to Mewat Model Schools Society, Nuh, Mewat, Haryana.
3. Installing solar street lighting system in villages of Ghazipur, Bhadohi and Phoolpur district of Uttar Pradesh and Palamu district of Jharkhand.
4. Providing financial support for tribal children in Bhubaneswar, Odisha through Kalinga Institute of Social Science, Bhubaneswar.
5. Recruitment and retention of voluntary blood donation for safe blood transfusion through education in the backward district of West Bengal.
6. Providing healthcare and medical equipments to persons with disabilities.

KEY INDUSTRY REGULATIONS AND POLICIES

The following description is a summary of the relevant regulations and policies as prescribed by the Government of India and other regulatory bodies that are applicable to our Company for running our business. The information detailed below has been obtained from various legislations, including rules and regulations promulgated by regulatory bodies, and the bye laws of the respective local authorities that are available in the public domain. The regulations set out below may not be exhaustive and are merely intended to provide general information to the investors and neither designed nor intended to substitute for professional legal advice. For details of government approvals obtained by us, see “Government and Other Approvals” on page 577.

Except as otherwise specified in this Prospectus, the Companies Act, 2013, as may be applicable, taxation statutes such as the Income Tax Act, 1961 and other miscellaneous laws apply to the Company as they do generally to any other Indian company, and accordingly, have not been covered under this chapter. The statements below are based on the current provisions of Indian laws, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.

LABOUR LAWS

The following is an indicative list of labour laws applicable to the business and operations of the Company:

1. The Employees' Provident Funds and Miscellaneous Provisions Act, 1952
2. The Payment of Bonus Act, 1965 and the Payment of Bonus (Amendment) Act, 2015
3. The Payment of Gratuity Act, 1972
4. The Employees State Insurance Act, 1948
5. The Minimum Wages Act, 1948
6. The Payment of Wages Act, 1936
7. Maternity Benefit Act, 1961
8. The Equal Remuneration Act, 1976
9. The Child Labour (Prohibition & Regulation) Act, 1986
10. The Industrial Disputes Act, 1947
11. The Trade Union Act, 1926
12. Inter-State Migrant workmen's Regulation of Employment & Conditions of Service) Act, 1979
13. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
14. The Contract Labour (Regulation and Abolition) Act, 1970

ENVIRONMENTAL LEGISLATIONS

The major statutes in India which seek to regulate and protect the environment against pollution related activities in India are the Water (Prevention and Control of Pollution) Act, 1974, the Air (Prevention and Control of Pollution) Act, 1981 and the Environment Protection Act, 1986 and the rules and regulations thereunder and the Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016. Pollution Control Boards (“PCBs”), which are vested with diverse powers to deal with water and air pollution, have been set up in each state to control and prevent pollution. The PCBs are responsible for setting the standards for the maintenance of clean air and water, directing the installation of pollution control devices in industries and undertaking investigations to ensure that industries are functioning in compliance with the standards prescribed. All industries and factories are required to obtain consent orders from the PCBs, and these orders are required to be renewed annually.

FOREIGN INVESTMENT LAWS

Foreign investment in India is governed by the provisions of Foreign Exchange Management Act, 1999 (“**FEMA**”) along with the rules, regulations and notifications made by the Reserve Bank of India thereunder, and the Consolidated FDI Policy (“**FDI Policy**”) issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (“**DIPP**”) from time to time. The FDI Policy issued by the DIPP consolidates the policy framework on Foreign Direct Investment and includes all the press notes, press releases, and clarifications on FDI issued by DIPP.

REGULATORY FRAMEWORK GOVERNING OUR COMPANY’S INVESTMENTS ABROAD

Direct investments by residents in joint venture and wholly owned subsidiaries (“**WOS**”) abroad are allowed. Indian parties are prohibited from making investment in a foreign entity engaged in real estate or banking business. General permission is granted to residents for purchase/ acquisition of securities in the following manner:

- (a) out of funds held in RFC account;
- (b) as bonus shares on existing holding of foreign currency shares; or
- (c) when not permanently resident in India, out of their foreign currency resources outside India.

General permission is also available to sell the shares so purchased or acquired.

Indian corporates are permitted to invest in overseas joint ventures and WOS, not exceeding 400% of net worth of such Indian corporates as on the date of the last audited balance sheet subject to such financial commitments not exceeding USD 1(one) billion (or its equivalent) in a financial year. This ceiling is not applicable where investment is made out of balances held in the EEFC account of the Indian corporate or out of funds raised through American or global depository shares. This ceiling includes contribution to capital of the overseas joint venture/ WOS, loan granted to the joint ventures/ WOS, and 100% of guarantees issued to or on behalf of the joint ventures/ WOS. However, under the applicable laws and regulations, such investments are subject to certain conditions.

Guarantees issued by banks in India in favour of joint ventures/ WOSs outside India, are outside this ceiling and are subject to prudential norms issued by the RBI from time to time.

Foreign Exchange Management (Export of Goods and Services) Regulations, 2015

The Reserve Bank of India made ‘Foreign Exchange (Export of Goods & Services) Regulations, 2015 (“**Export Regulations**”) by virtue of the powers conferred by Section 7(3)(1)(a) and Section 47(2) of the Foreign Exchange Management Act, 1999 , which came into effect from January 12, 2016. The Export Regulations deal with the exports, the declaration to be filed, the realization of export value, taking or sending out of goods by land, sea or air, on consignment or by way of sale, lease, hire purchase or under any other arrangement and in the case of software, also includes transmission through any electronic media.

Overseas Direct Investment Policy

The Reserve Bank of India (“**RBI**”) has vide Notification No. FEMA 120/RB-2004 dated July 7, 2004, as amended from time to time (“**ODI Circular**”), provided for an regulated investments, either under the automatic route or the approval route, by way of contribution to the capital or subscription to the memorandum of a foreign entity or by way of purchase of existing shares of a foreign entity either by market purchase or private placement or through stock exchange, signifying a long-term interest in the foreign entity. Subsequently, the RBI has issued a master direction (FED Master Direction No. 15/2015-16) on January 1, 2016 by way of a circular bearing number RBI/FED/2016-16/10 titled ‘Master Direction on Direct Investment by Residents in Joint Venture (JV) / Wholly Owned Subsidiary (WOS) Abroad’ which consolidate the directions and instructions on rules and regulations framed by RBI in relation to direct investments by Indian entities overseas, including the subject matter of the ODI Circular.

Project Exports and service Exports

Export of engineering goods on deferred payment terms and execution of turnkey projects and civil construction projects abroad are collectively referred to as ‘Project Exports’. Indian exporters offering deferred payment terms to overseas buyers and those participating in global tenders for undertaking turnkey or civil construction contracts

abroad are required to obtain approval of the AD Category-I banks/Exim Bank at post-award stage before undertaking execution of such contracts. Regulation relating to project export and service export are laid down in the revised memorandum of instructions on project and service exports.

Advance Payments against Exports

Where an exporter receives advance payment with or without interest, from a buyer outside India, the exporter is required to ensure that documents covering the shipment are routed through the AD through whom advance payment is received, and that rate of interest, if any, payable on the advance payment does not exceed LIBOR plus 100 basis points and that the documents covering the shipment are routed through AD category-I bank through whom the advance payment is received. Where the export agreement provides for shipment of goods extending beyond one year from the date of receipt of advance payment, the exporter requires the prior approval of the RBI. The AD may allow the purchase of foreign exchange from the market for refunding advance payment credited to Exchange Earners Foreign Currency (“**EEFC**”) account only after utilizing the entire balance of the exporters EEFC accounts made at different branches/ banks.

Guarantee Remittance Approval for Exhibitions/ Trade Fairs Abroad

Companies participating in trade fairs /exhibitions abroad can take export goods for exhibition and sale outside India without the RBI’s prior approval. Unsold exhibit items may be sold outside the exhibition/ trade fair in the same or a third country. Such sales are also permissible at discounted value. It is also permissible to gift unsold goods up to the value of US\$ 5,000 per exporter, per exhibition/ trade fair. The proceeds of items so sold are required to be repatriated to India in accordance with the Foreign Exchange Management (Realisation, Repatriation and Surrender of Foreign Exchange) Regulations, 2000.

Opening of EEFC account

A person resident in India may open with an AD Category-I bank in India, an account in foreign currency called the EEFC account in terms of Regulation 4 of the Foreign Exchange Management (Foreign Currency Account by a Person Resident in India) Regulations, 2000 notified under Notification No. FEMA 10/2000-RB dated May 3, 2000 as amended from time to time. This account has to be maintained only in the form of non-interest bearing current account. No credit facilities, either fund based or non-fund based, is permitted against the security of balances held in EEFC accounts by the AD Category-I banks.

REGULATORY FRAMEWORK FOR THE ROAD SECTOR

National Highways Act, 1956

In accordance with the National Highway Act, 1956, the Government of India is vested with the power to declare a highway as a national highway and also to acquire land for this purpose. The Government of India may, by notification, declare its intention to acquire any land when it is satisfied that, for a public purpose, such land is required for the building, maintenance, management or operation of a national highway, as the case may be. The Act prescribes the procedure for such land acquisition. Such procedure relates to declaration of an intention to acquire, entering and inspecting such land, hearing of objections, declaration required to be made for the acquisition and the mode of taking possession. The National Highway Act, 1956 also provides for payment of compensation to owners who enjoy easement over such lands.

The Government of India is responsible for the development and maintenance of national highways. However, it may direct that such functions may also be exercised by state governments in which the highway is located or by any officer or authority subordinate to the Government of India or to the state government. Further, the Government of India has the power to enter into an agreement with any person for the development and maintenance of a part or whole of the highway. Such person would have the right to collect and retain fees at such rates as may be notified by the Government of India and will also have the powers to regulate and control the traffic, for proper management of the highway, in accordance with the provisions of the Motor Vehicles Act, 1988.

National Highways Fee (Determination of Rates and Collection) Rules, 2008

The National Highways Fee (Determination of Rates and Collection) Rules, 2008 (the “**NH Fee Rules**”), regulate the collection of toll for the use of national highways. In accordance with the NH Fee Rules, the GoI may, by a notification, levy fee for use of any section of a national highway, permanent bridge, bypass or tunnel forming part of

a national highway, as the case may be. However, the GoI may, by notification, exempt any section of a national highway, permanent bridge, bypass or tunnel constructed through a public funded project from levy of such fee.

The collection of fee in case of a public funded project shall commence within 45 days from the date of completion of the project. In case of a private investment project, the collection of such fee shall be made in accordance with the terms of the agreement entered into by the concessionaire. The NH Fee Rules further provide for the base rate of fees applicable for the use of a section of the national highway for different categories of vehicles.

National Highways Authority of India Act, 1988 (“NHAI Act”)

National Highways Authority of India (“**NHAI**”) is responsible for the development, maintenance and management of national highways. NHAI was constituted by the NHAI Act and became operational in 1995. In accordance with the NHAI Act, the Government of India carries out development and maintenance of the national highway system through National Highway Authority of India. National Highway Authority of India has the power to enter into and perform any contract necessary for the discharge of its functions under the NHAI Act. The NHAI has the power to acquire any land, and such acquired land will be deemed to be land needed for a public purpose. The NHAI Act prescribes a limit in relation to the value of the contracts that may be entered into by NHAI. However, the NHAI may enter into contracts exceeding the value so specified, on obtaining prior approval of the GoI. NHAI Act provides that the contracts for acquisition, sale or lease of immovable property on behalf of the NHAI cannot exceed a term of 30 years unless previously approved by the GoI. The National Highways Authority of India (Amendment) Act, 2013, received the assent of the President on September 10, 2013. It aims at increasing institutional capacity of NHAI to help execute the powers delegated to it.

NHAI’s primary mandate is the time and cost bound implementation of the NHDP through a host of funding options, which include fund assistance from external multilateral agencies like the World Bank and the Asian Development Bank. NHAI also strives to provide road connectivity to major ports. NHAI’s role encompasses involving the private sector in financing construction, maintenance and operation of the national highways and wayside amenities. The NHAI is also involved in the improvement, maintenance and augmentation of the existing national highways network and implementation of road safety measures and environment management measures.

Indian Tolls Act, 1851

In accordance with the Indian Tolls Act, 1851 (the “**Tolls Act**”), the state governments have been vested with the power to levy tolls at such rates as they deem fit, to be levied upon any road or bridge, made or repaired at the expense of the Central or any state government. The tolls levied under the Tolls Act, are deemed to be ‘public revenue’ and the collection of tolls can be placed under any person the state governments deem fit. Such persons are enjoined with the same responsibilities as if they were employed in the collection of land revenue. Further, all police officers are bound to assist the toll collectors in the implementation of the Tolls Act. The Tolls Act further gives power for recovery of toll and exempts certain category of people from payment of toll.

Control of National Highways (Land and Traffic) Act, 2002

The Control of National Highways (Land and Traffic) Act, 2002 (the “**Control of NH Act**”) provides for control of land within national highways, right of way and traffic moving on national highways and also for removal of unauthorised occupation thereon. In accordance with the provisions of the Control of NH Act, the Central Government has established Highway Administrations. Under the Control of NH Act, all land that forms part of a highway which vests in the Central Government or that which does not already vest in the Central Government but has been acquired for the purpose of highways shall be deemed to be the property of the Central Government. The Control of NH Act prohibits any person from occupying any highway land or discharging any material through on such land without the permission of the Highway Administration. The Control of NH Act permits the grant of lease and license for use of highway land for temporary use.

REGULATORY FRAMEWORK FOR THE AIRPORT

The Airports Authority of India Act, 1994:

The Airports Authority of India Act, 1994, as may be amended from time to time (“**AAI Act**”) is a statute creating and establishing the Airports Authority of India (“**AAI**”) formed by the merger of International Airports Authority of India and National Airports Authority through the Airports Authority Act, which came into existence on 1st April 1995 with a view to accelerate the integrated development, expansion and modernization of the operational, terminal

and cargo facilities at the airports in the country conforming to international standards, the AAI is entrusted with the task of regulating airports all over India and airports, and civil enclaves where air transport services are operated or are intended to be operated.

REGULATORY FRAMEWORK FOR PORTS AND WATER RESOURCES

The Indian Ports Act, 1908

The Indian Ports Act, 1908 (the “**Ports Act**”) consolidates the enactments relating to ports and port charges. State Governments have been given power to make rules with respect to regulating the time, hours, speed, manner and conditions in which vessels may enter, leave or move in the port; berths, stations and anchorages to be occupied by vessels in a port; the anchoring, fastening, mooring and un-mooring of vessels in any such port; regulating the moving and warping of all vessels; removal or proper hanging or placing of anchors, spars and other things being in or attached to vessels etc. The Government of India can make rules for the prevention of danger arising to the public health by the spread of any infectious or contagious disease from vessels arriving at or sailing from any such port. The State Governments can alter the limits of a port. The Ports Act also lays down the rules for the safety of shipping and the conservation of ports. It also provides for port dues, fees and other charges. State Governments in consultation with the relevant authority can exempt and extend/ cancel the exemption to any vessel(s) from payment of port related dues. The state government can also vary the rates at which port dues are to be fixed. However, the rates should not exceed the amount authorized to be levied under the Ports Act. State governments are entitled to charge fees for pilotage, hauling, mooring, re-mooring, hooking and other services rendered to vessels.

REGULATORY FRAMEWORK FOR LAND AND CONSTRUCTION

Shops and commercial establishment’s legislations

A number of states and union territories of India have passed laws for regulating shops and commercial establishments. Such laws require registrations to be obtained, and also the regulation of working hours, payment of wages, leave, holidays, terms of service and other conditions of work of persons employed in shops and commercial establishments. Contraventions of provisions of such laws may entail punishment such as imprisonment along with monetary penalty.

Transfer of Property Act, 1882 (“T.P. Act”)

The T.P. Act deals with the various methods in which transfer of property including transfer of immovable property or any interest in relation to that property, between individuals, firms and companies takes place. This mode of transfer between individuals is governed by the provisions of the T.P. Act, as opposed to the transfer of property or interest by the operation of law. The transfer of property as provided under the T.P. Act, can be through the mode of sale, gift and exchange while an interest in the property can be transferred by way of a lease or mortgage. The T.P. Act stipulates the general principles relating to the transfer of property including among other things identifying the categories of property that are capable of being transferred, the persons competent to transfer property, the validity of restrictions and conditions imposed on the transfer and the creation of contingent and vested interest in the property.

Registration Act, 1908 (“Registration Act”)

The Registration Act has been enacted with the object of providing public notice of the execution of documents affecting a transfer of any interest in an immoveable property. The purpose of the Registration Act is the conservation of evidence, assurances, title, publication of documents and prevention of fraud. It lays down in detail, the formalities for registering an instrument. Section 17 of the Registration Act identifies documents for which registration is compulsory and includes among other things, any non-testamentary instrument which purports or operates to create, declare, assign, limit or extinguish, whether in present or in future, any right, title or interest, whether vested or contingent, in immovable property of the value of one hundred rupees or more, and a lease of immovable property for any term exceeding eleven months or reserving a yearly rent. An unregistered document will not adversely affect the property comprised in it, nor be treated as evidence of any transaction affecting such property (except as evidence of a contract in a suit for specific performance or as evidence of part performance under the T.P. Act or as collateral), unless it has been registered. However, the amount of the fees under the Registration Act for the purpose of registration, vary from State to State.

REGULATIONS APPLICABLE TO THE CENTRAL PUBLIC SECTOR ENTERPRISES

As a Central Public Sector Enterprise (“**CPSE**”), we are required to comply with certain laws and regulations such as guidelines on corporate social responsibility and sustainability for central public sector enterprises, Prevention of Corruption Act, 1988, the Central Vigilance Commission Act, 2003, and Right to Information Act, 2005 amongst others.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief history of our Company

Our Company was incorporated as 'Rail India Technical and Economic Services Private Limited' on April 26, 1974 as a private limited company under the Companies Act, 1956 and was granted a certificate of incorporation by the then Registrar of Companies, Delhi & Haryana. The word 'private' was deleted from the name of our Company* on February 17, 1976. Thereafter, the name of our Company was changed to its present name, 'RITES Limited' on March 28, 2000, pursuant to a fresh certificate of incorporation issued by the RoC, National Capital Territory of Delhi and Haryana. Subsequently, our Company was converted into a public limited company# pursuant to a fresh certificate of incorporation dated February 5, 2008 issued by the RoC, National Capital Territory of Delhi and Haryana.

*pursuant to section 43A of the Companies Act, 1956

#section 43A of the Companies Act, 1956 was deleted by the Companies (Amendment) Act, 2000. However, the name of our Company was not changed, since as per Section 13(1) (a) of the Companies Act, 1956 and Notification No. G.S.R.1234 dated December 30, 1958, government companies were exempt from writing the word 'private' before the word 'limited' in their name.

The MoR vide letter bearing reference no. 2004/PL/43/12 dated March 23, 2006, conveyed the approval of the Department of Public Enterprises granting our Company the status of 'Category I Miniratna Company'. As a Miniratna Company, our Company is eligible to some enhanced delegation of powers to the Board, including having greater autonomy to incur capital expenditure for our projects without the GoI approval. Further, our Company has been conferred the status of 'Schedule A - Public Sector Enterprise' by the MoR vide letter bearing reference no. 98/PL/68/31 dated July 11, 2007 and avails the benefits under the same.

Business and management

For a description of our activities, services, technology, market segments, capacity built up, the growth of our Company, exports and profits due to foreign operations, the standing of our Company with reference to prominent competitors in connection with our services, management, major suppliers and customers, environmental issues, regional geographical segment etc., see "Our Business", "Industry Overview" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 134, 99 and 524, respectively.

For details of the management of our Company and its managerial competence, see "Our Management" on page 172.

Changes in Registered Office

The table below sets forth the changes in the Registered Office of our Company:

Date of change	Change in address of the Registered Office	Reasons for the change
August 18, 1975	Our registered office was shifted from Room No. 11, Ground Floor, Rail Bhawan, Raisina Road, New Delhi to First Floor, New Delhi House, 27, Barakhamba Road, New Delhi - 110 001, India	Hiring of accommodation at the New Delhi House office for the Company.
October 1, 2007	Our registered office was shifted from First Floor, New Delhi House, 27, Barakhamba Road, New Delhi 110 001 to SCOPE Minar, Laxmi Nagar, Delhi - 110 092, India	The new location is owned premise as compared to the previous premise which was rented.

Our Main Objects

The objects to be pursued by our Company on its incorporation are:

“

1. To design, establish, provide, operate, maintain and perform Engineering, Technical and Consultancy Services for development of projects/systems of all types and descriptions pertaining to railways and other sectors/industries in India and outside including but not limited to surveys of all types, feasibility reports,

detailed project reports, techno-economic Investigations, site selection, supply of basic engineering and detailed designs and working drawings for construction of projects of all kinds pertaining to Railways and other sectors/industries/industrial plants and factories various fields, equipment selection therein and manufacture of rolling stock and equipments of all kinds and descriptions, material handling, preparing specifications and tender documents, tender evaluation and purchase assistance of all materials and goods pertaining to such projects, expediting, inspecting and testing, construction supervision, project management, commissioning and maintenance, training of all personnel and any such other services.

2. *To provide engineering technical, financial and management services, for types of projects/systems as referred to hereinbefore in India and outside India including but not limited to engineering, commercial, financial and operational management of all types of systems pertaining to Railways and other sectors/industries, market research and personnel management, accounting and costing systems, organizational structure, improvement in system of administration, traffic forecasts, transport planning, Investment planning and modernization of existing projects/systems of all kinds pertaining to Railways and other sectors/industries, modernization of motive power, rolling stock, track and track fittings and other railway equipments, improvement in operational and maintenance practices towards utilizations of assets, inter-model relationships of various forms of transport and engage in research of all types of problems relating to the working of such projects/systems, to collect, prepare and distribute information and statistics relating to any of the items pertaining to the working of such projects/systems in India and outside India and to promote or propose such methods, studies and measures as may be considered desirable by or beneficial to the interest of the Company.*
3. *To render consultancy and engineering services and other connected services to development of projects/systems pertaining to railways and other sectors/industries, to any person, firm or body corporate whether in India or outside India, in public or private sector including but not limited to supplying technical information, know-how, engineering, manufacturing and operating data, plans, layouts and blueprints required for design, erection, construction, commissioning and operating of such projects/systems referred to herein before.*
4. *To provide technical know-how and management services to parties in India and outside India for manufacture of goods or materials required for various projects/systems pertaining to railways and other sectors/industries of all kinds and description or for installation or erection of machinery or plants for such manufacture or for developing allied sectors/industries.*
5. *To loan on suitable terms, the Company's Technicians, experts and others to parties in India or outside India for development of projects of all types and descriptions pertaining to railways and other sectors/industries and to send to foreign countries, Company's technicians, experts and others, plans and drawings, plant, machinery and tools etc. in connection with development of such projects/systems pertaining to railways and other sectors/industries and employ foreign technicians or experts or advisers on contract basis for furtherance of Company's objectives as aforesaid.*
6. *To carry on, in India or outside India, the business of:*
 - i. *Leasing of locomotives, rolling stock and other equipments including but not limited to leasing of Industrial machinery and equipments and for this purpose to acquire and hold either in the name of the Company or that of its nominees moveable and immovable property of any kind and description and any right and interest therein.*
 - ii. *To buy, lease or otherwise hold and develop and/or sell out or lease out or otherwise deal in moveable and immovable properties of all kinds which the Company may consider necessary or which may be calculated to be directly or indirectly beneficial to the interest of the Company or enhance the value of or render profitable any of the Company's property or right.*
7. *To carry on business relating to railway and other sectors of transportation and to enter into contracts in India or abroad, on EPC basis or otherwise, either individually or jointly with other undertakings and companies or persons abroad or in India.*
8. *To carry on the business/activity/scheme like Build- Operate-Transfer (BOT), Build-Own-Operate-Transfer (BOOT), Build-Lease-Transfer (BLT) or any other scheme or project found suitable in relation to the fields of business of the Company.*

9. *To incorporate subsidiary companies under Section 8 of the Companies Act, 2013 for the purpose of undertaking research and development activities, provide academic courses or set up and operate training centres or offer different courses or set up and operate training institutes, universities or other entities either through incorporation of wholly owned subsidiaries or setting up of joint ventures Company with Ministry of Railways or any other form of organisation either solely or in collaboration with domestic or foreign universities, institutes or other organisations as allowed under the laws of India, for the purpose of training and academic courses to various candidates and people at large in the fields, including but not limited to railway development, railway engineering, railway technology, Information Technology, Telecommunication, infrastructure development etc.”*

The objects to be pursued by our Company on its incorporation and matters which are necessary for furtherance of the objects as contained in the Memorandum of Association enable our Company to undertake its existing activities.

Amendments to our Memorandum of Association

Since the incorporation of our Company the following changes have been made to our Memorandum of Association:

Date of Shareholder Resolution	Details
October 10, 1975	The authorized share capital of our Company was increased from ₹1 million comprising 10,000 equity shares of ₹100 each to ₹10 million comprising 0.10 million equity shares of ₹100 each.
September 22, 1989	The authorized share capital of our Company was increased from ₹10 million comprising 0.10 million equity shares of ₹100 each to ₹20 million comprising 0.20 million equity shares of ₹100 each.
July 24, 1996	<p>Amendment to the Objects clause by deletion of the existing clause 3A, sub-clauses 3.1 to 3.5 and substitution by the new clause 3A sub-clause 3.1 to 3.6 pursuant to section 17 of the Companies Act.</p> <p><i>“3.1. To design, establish, provide, operate, maintain and perform engineering, technical and consultancy services for development of projects/systems of all types and descriptions pertaining to railways and other sectors/industries in India and outside India including but not limited to surveys of all types, feasibility reports, detailed project reports, techno-economic Investigations, site selection, supply of basic engineering and detailed designs and working drawings for construction of projects of all kinds pertaining to Railways and other sectors/industries/industrial plants and factories various fields, equipment selection therein and manufacture of rolling stock and equipments of all kinds and descriptions, material handling, preparing specifications and tender documents, tender evaluation and purchase assistance of all materials and goods pertaining to such projects, expediting, inspecting and testing, construction supervision, project management, commissioning and maintenance, training of all personnel and any such other services.</i></p> <p><i>3.2. To provide engineering, technical, financial and management services, for all types of projects/systems as referred to hereinbefore in India and outside India including but not limited to engineering, commercial, financial and operational management of all types of systems, pertaining to Railways and other sectors/industries, market research and personnel management, accounting and costing systems, organizational structure, improvement in system of administration, traffic forecasts, transport planning, Investment planning and modernization of existing projects/systems of all kinds pertaining to Railways and other sectors/ industries, modernization of motive power, rolling stock, track and track fittings and other railway equipments, improvement in operational and maintenance practices towards optimum utilizations of assets, inter-model relationships of various forms of transport and engage in research of all types of problems relating to the working of such projects/systems, to collect, prepare and distribute information and statistics relating to any of the items pertaining to the working of such projects/systems in India and outside India and to promote or propose such methods, studies and measures as may be considered desirable by or beneficial to the interest of the</i></p>

Date of Shareholder Resolution	Details
	<p><i>Company.</i></p> <p>3.3. <i>To render consultancy and engineering services and other connected services relating to development of projects/systems pertaining to railways and other sectors/industries, to any person, firm or body corporate whether in India or outside India, in public or private sector including but not limited to supplying technical information, know-how, engineering, manufacturing and operating data, plans, layouts and blueprints required for design, erection, construction, commissioning and operating of such projects/systems referred to herein before.</i></p> <p>3.4 <i>To provide technical know-how and management services to parties in India and outside India for manufacture of goods or materials required for various projects/systems pertaining to railways and other sectors/industries of all kinds and description or for installation or erection of machinery or plants for such manufacture or for developing allied sectors/industries.</i></p> <p>3.5. <i>To loan on suitable terms, the Companies Technicians, experts and others to parties in India or outside India for development of projects of all types and descriptions pertaining to railways and other sectors/industries and to send to foreign countries, Company's technicians, experts and others, plans and drawings, plant, machinery and tools etc. in connection with development of such projects/systems pertaining to railways and other sectors/industries and employ foreign technicians or experts or advisers on contract basis for furtherance of Company's objectives as aforesaid.</i></p> <p>3.6. <i>To carry on, in India or outside India, the business of:</i></p> <p>i) <i>Leasing of locomotives, rolling stock and other equipments including but not limited to leasing of Industrial machinery and equipments and for this purpose to acquire and hold either in the name of the Company or that of its nominees moveable and immovable property of any kind and description and any right and interest therein.</i></p> <p>ii) <i>To buy, lease or otherwise hold and develop and/or sell out or lease out or otherwise deal in moveable and immovable properties of all kinds which the Company may consider necessary or which may be calculated to be directly or indirectly beneficial to the interest of the Company or enhance the value of or render profitable any of the Company's property or rights."</i></p>
September 26, 1997	The authorized share capital of our Company was increased from ₹20 million comprising 0.20 million equity shares of ₹100 each to ₹30 million comprising 0.30 million equity shares of ₹100 each.
August 25, 2003	The authorized share capital of our Company was increased from ₹30 million comprising 0.30 million equity shares of ₹100 each to ₹50 million comprising 0.50 million equity shares of ₹100 each.
September 21, 2007	<p>Amendment by insertion of new sub-clauses 3.6.1 and 3.6.2 after the existing sub-clause 3.6 in Clause 3(A).</p> <p>3.6.1. <i>to carry on business relating to railway and other sectors of transportation and to enter into contracts in India or abroad, on EPC basis or otherwise, either individually or jointly with other undertakings and companies or persons abroad or in India.</i></p> <p>3.6.2. <i>to carry on the business/activity/scheme like Build-Operate-Transfer ("BOT"), Build-Own-Operate-Transfer ("BOOT"), Build-Lease-Transfer ("BLT") or any other scheme or project found suitable in relation to the fields of business of the Company.</i></p>

Date of Shareholder Resolution	Details
January 8, 2008	<p>The authorized capital of the Company of ₹50 million comprising of 0.50 million equity shares of ₹100 each was sub-divided into 5 million equity shares of ₹10 each.</p> <p>The authorized share capital of our Company increased from ₹50 million comprising 5 million equity shares of ₹10 each to ₹1,000 million comprising 100 million equity shares of ₹10 each.</p> <p>Clause I (Name), Clause II (Registered Office), Clause III (Object Clause), i.e., Clause III(A), (B) and (C), Clause IV (Liability) and Clause V (Capital Clause) were amended and renumbered.</p>
September 12, 2012	The authorized share capital of our Company was increased from ₹1,000 million comprising 100 million equity shares of ₹10 each to ₹1,500 million comprising 150 million equity shares of ₹10 each.
September 16, 2016	The authorized share capital of our Company was increased from ₹1,500 million comprising 150 million equity shares of ₹10 each to ₹3,000 million comprising 300 million equity shares of ₹10 each.
November 09, 2017	Clause 9 was inserted after Clause no. 8 in Clause Part III(A) (Main objects of the Company).

Major Events

Year	Event
1975-76	Entered into a consultancy agreement for conducting techno-economic study for Syrian Railways
1985-86	Development of geotechnical centre for field and laboratory investigations
1994-95	<ul style="list-style-type: none"> Entered into an export contract for supply of diesel locomotives to Nepal Railways Entered into a consultancy project agreement for providing services in relation to the Mass Rapid Transit System for Delhi Government
1998-99	<ul style="list-style-type: none"> Entered into a contract with Delhi Metro – Phase I project for providing construction management and consultancy services to Delhi Metro Rail Corporation Limited
2004-05	<ul style="list-style-type: none"> Detail design consultancy services for the 12.5 km long railway tunnel in India, the Pir- Panjal railway tunnel
2005-06	<ul style="list-style-type: none"> Granted Mini Ratna category-I status The Company executed its first overseas contract agreement for the lease of Locomotives in Mozambique Proposal for providing design, construction supervision and post construction services for Francistown-Ramakgwebana Road project, Botswana was accepted
2007-08	<ul style="list-style-type: none"> Upgraded to Schedule ‘A’ Public Sector Enterprise
2009-10	<ul style="list-style-type: none"> Formed a Joint Venture Company (“JVC”) with SAIL for manufacturing of wagons, including high end specialized wagons for Indian Railways and other domestic and overseas customers
2012-13	<ul style="list-style-type: none"> Set-up a subsidiary in collaboration with Indian Railways for generation and procurement of power including through renewable energy
2016-17	<ul style="list-style-type: none"> Entered into an agreement with Metro Express Limited for providing construction management services for the Metro Express Project in Mauritius Entered into off-shore construction management project of metro in Mauritius Entered into railway concessioning agreement on PPP model by forming an SPV for Bhuj-Naliya corridor Secured highest value export order of about ₹6,800 million from Sri Lankan Railways for supply of locomotives and DMUs

Year	Event
	<ul style="list-style-type: none"> Recorded highest ever revenue of over ₹15,000 million in the history of the Company

Awards and Recognitions

Year	Award/ Recognition
2012-13	<ul style="list-style-type: none"> Received the EEPC Gold Trophy for Top Exporter in 2012-13, from EEPC India Received the India Pride Award 2012 in “Transport” category Received “Gold Plate Award 2011-12” from HelpAge India for contribution towards cause and care of the underprivileged and elderly Featured in Dun & Bradstreet’s “India’s top PSUs 2012” Received “JGBS Top Rankers Excellence - Financial Pride Award” from Jindal Global Business School
2013-14	<ul style="list-style-type: none"> Received “Special Commendation for the Golden Peacock Award for Corporate Social Responsibility, 2013” at the Golden Peacock Awards Received “Bronze Plate Award 2012-2013” from HelpAge India for commendable contribution towards the cause and care of the under-privileged elderly persons Received “Silver Trophy” (Top Exporter in 2013-14) from EEPC India Received “National Award for Excellence in Cost Management-2013 (Second Award in Public Service Sector (Large)) from the Institute of Cost Accountants of India
2014-15	<ul style="list-style-type: none"> “BT-STAR PSU Excellence Award 2014” for outstanding performance in the non-Maharatna/ Navratna category Special trophy in the category of Engineering Process Outsourcing Services by EEPC India at 44th Regional Awards (Northern) for Export Excellence Received “Legend PSU of The Year” Award in the category of Transport Infrastructure Services by the News Ink National Awards
2015-16	<ul style="list-style-type: none"> Received “Niryat Shree - Gold Trophy” in the category of Engineering and Electronics sector (non-MSME) from Federation of Indian Export Organisations Received “National Award for Excellence in Cost Management-2015 (Second Position - Public Service Sector Medium)” from the Institute of Cost Accountants of India Received “PSU Awards 2015” for value growth (Miniratna - I) from Governance Now
2016-17	<ul style="list-style-type: none"> Received “India Pride Awards 2016-17” for excellence in transport from Dainik Bhaskar Received the “Corporate Governance & Sustainability Vision Award - 2017” by Indian Chamber of Commerce Received “Silver Award” at QCI-DL Shah Quality Awards-2016 for the case study “IT based Inspection And Billing Systems (IBS)” Received the Golden Peacock National Quality Awards (GPNQA) category for the year 2017

Year	Award/ Recognition
2017-2018	<ul style="list-style-type: none"> Received “India Pride Awards 2017-18” for excellence in Miniratna -1 category from Dainik Bhaskar Received the 47th Export Awards, Northern Region for export excellence from EEPC India, Northern Region

Changes in activities of our Company during the last five years

There have been no changes in the activities of our Company during the last five years from the date of this RHP, which may have had a material effect on our profits or loss, including discontinuance of our lines of business, loss of agencies or markets and similar factors.

Capital raising (Equity/ Debt)

Our equity issuances in the past have been provided in “*Capital Structure*” on page 79. Further, our Company has not undertaken any public offering of debt instruments since its incorporation.

Strike and lock – outs

We have not experienced any strike, lock – outs or labour unrest since incorporation.

Time/cost overrun

There have been no time/cost overruns pertaining to our business operations since incorporation, except in the ordinary course of our business on account of factors such as price escalation, funding constraints, shortage of materials, equipment, technical constraints amongst others. For further details, see “*Risk Factors*” on page 18.

Defaults or rescheduling of borrowings with financial institutions/banks, conversion of loans into equity by the Company.

There have been no defaults or rescheduling of borrowings with financial institutions, banks or conversion of loans into equity in relation to our Company.

Injunctions or restraining orders against our Company

There are no injunctions or restraining orders against our Company.

Guarantees provided by our Promoter

Our Promoter has not given any guarantees to third parties on behalf of our Company as of the date of this Red Herring Prospectus.

Details regarding acquisition of business/undertakings, mergers, amalgamation, revaluation of assets, etc.

Our Company has not acquired any business or undertaking, or entered into any scheme of merger or amalgamation, or revalued its assets since incorporation.

Total number of shareholders of our Company

As on the date of this RHP, our Company has seven shareholders, namely the President of India and six nominees of the President of India. For details, see “*Capital Structure*” on page 79.

Holding Company

As of the date of this RHP, our Company does not have a holding company.

Details of Subsidiaries of the Company

As of the date of this RHP, we have three Subsidiaries, the details of which are as given below:

1. Railway Energy Management Company Limited (“REMCL”)

Corporate Information

REMCL was incorporated on August 16, 2013 as a public company under the provisions of Companies Act, 1956 and registered with Registrar of Companies, Delhi. REMCL received its certificate of commencement of business on October 01, 2013. The corporate identity number of REMCL is U93000DL2013GOI256661. The registered office is situated at Core 1, 12th floor, SCOPE Minar, Laxmi Nagar, Delhi-110092.

Nature of Business

REMCL was formed to carry out business relating to creation, planning, promoting, constructing, executing, organizing, arranging and augmenting capacity in all activities relating to energy efficiency and power generation; and to undertake any kind of projects for power generation in the field of renewable energy resources.

Shareholding Pattern

The shareholding pattern of REMCL as on the date of this RHP is as follows:

Shareholder	Number of equity shares at ₹10 each	Percentage Holding (%)
RITES Limited *	3,570,0000	51.00
MoR**	34,300,000	49.00
Total	70,000,000	100.00

*Mr. Arbind Kumar, Mr. Anil Ghai and Mr. A. K. Mahtha hold 7 shares each on behalf of our Company.

**Ms. Anju Ranjan and Mr. T. N. Kakaji hold 7 shares each on behalf of MoR.

Capital Structure

The authorized share capital of REMCL is ₹1,500,000,000 divided into 150,000,000 equity shares of ₹10 each and paid up share capital is ₹700,000,000 divided into 70,000,000 equity shares of ₹10 each.

Accumulated Profits or Losses

As of the date of this RHP, there are no accumulated profits or losses of REMCL that are not accounted for by our Company in the Restated Consolidated Financial Information.

2. RITES (AFRIKA) (Proprietary) Limited (“RITES (AFRIKA)”)

Corporate Information

RITES (AFRIKA) was incorporated on January 16, 1991 as a private company registered under the laws of the Republic of Botswana. The registered office of RITES (AFRIKA) is situated at Plot No. 1245, Haile Selassie Road, Gaborone, Botswana.

Nature of business

The objects of RITES (AFRIKA) include acting as an advisor on problems relating to the administration and organisation of industry and business in Botswana. Our Board has decided to wind up RITES (AFRIKA), vide their meeting dated July 04, 2017, as Botswana has decided not to take up any railway development works or any other transport infrastructure projects and the objective of establishing RITES (AFRIKA) was not being met.

Shareholding Pattern

The shareholding pattern of RITES (AFRIKA) as on the date of this RHP is as follows:

Shareholder	Number of equity shares at Pula 1 each	Percentage Holding (%)
RITES Limited	9,999	99.99
Rajesh Kumar*	1	Negligible
Total	10,000	100.00

*nominee of the Company

Capital Structure

The authorised and paid-up share capital of RITES (AFRIKA) comprises of 10,000 equity shares of Pula 1 each. The equity shares of RITES (AFRIKA) are not listed on any stock exchange.

Accumulated Profits or Losses

As of the date of this RHP, there are no accumulated profits or losses of RITES (AFRIKA) that are not accounted for by our Company in the Restated Consolidated Financial Information.

RITES Infrastructure Services Limited (“RISL”)

Corporate Information

RISL was incorporated on April 27, 2010 as a public company under the provisions of Companies Act, 1956 and registered with Registrar of Companies, Delhi. The corporate identity number of RISL is U45200DL2010GOI202067. The registered office is situated at SCOPE Minar, Laxmi Nagar, Delhi-110092.

RISL is presently under voluntary winding-up and the liquidator, M/s Akhil Rohatgi & Co., has been appointed on November 28, 2016.

Nature of Business

Prior to the commencement of the liquidation process, RISL was engaged in the business of development, operation and maintenance of Multi-Functional Complexes (MFC's) at/in the vicinity of identified or prescribed station, premises of railway stations and on sites assigned by the MoR and creation, construction, improvement, modification and development of all kind of infrastructure facilities, assets and projects.

Shareholding Pattern

RISL is presently under voluntary winding-up and the liquidator, M/s Akhil Rohatgi & Co. has been appointed on November 28, 2016. As on March 31, 2016 our Company held 100% of paid-up equity shares of RISL.

Capital Structure

The authorized share capital of RISL is ₹50,000,000 divided into 5,000,000 Equity Shares of ₹10 each and the paid up share capital is ₹500,000 divided into 50,000 Equity Shares of ₹10 each.

Accumulated Profits or Losses

As of the date of this DRHP, there are no accumulated profits or losses of RISL that are not accounted for by our Company in the Restated Consolidated Financial Information.

Note: One of our subsidiaries RITES Mohawarean Arabia Company Limited (RMAC) with 76% stake, in Saudi Arabia is under liquidation & investment in equity of ₹4.70 million made by our holding Company has been returned by RMAC during the financial year 2014-2015. RMAC is not a subsidiary of our Company as

on date as there are no transactions in the same after financial year 2014-2015.

Nature and extent of interest of our Subsidiaries

a) Interest in our Company

Our Subsidiaries do not hold Equity Shares in our Company and have no interest in the promotion of our Company. Further, they do not have any business interest or any other interests in our Company other than as stated in “*Our Business*” and “*Related Party Transactions*” on pages 134 and 197 of this RHP, respectively.

b) Interest in the properties acquired or proposed to be acquired by our Company

Our Subsidiaries do not have interest in any property acquired by our Company in the two years preceding the filing of this RHP or proposed to be acquired by the Company as of the date of this Red Herring Prospectus.

c) Interest in transactions for acquisition of land, construction of building and supply of machinery

Except as stated in “*Related Party Transactions*” on page 197 of this RHP, our Subsidiaries have no interest in the transactions for acquisition of land, construction of building and supply of machinery or any other contracts, agreements or arrangements entered into by our Company and no payments have been made or are proposed to be made in respect of these contracts, agreements or arrangements by our Company to its Subsidiaries.

Common pursuits

One of our Subsidiaries, RITES (AFRIKA) was incorporated for the purpose of expanding our existing business in Botswana. Accordingly, while our Subsidiary is engaged in a business similar to ours, they are not competing for any business with us.

Other confirmations

As of the date of this RHP, none of our Subsidiaries:

(i) is listed or has been refused listing on any stock exchange in India or abroad; or

(ii) has made any public or rights issue of equity shares in the last three years; or

(iii) has become a sick company as specified under SICA; or

(iv) has become defunct; or

(v) has made an application to the RoC, in the five years preceding from the date of filing this Red Herring Prospectus with SEBI, for striking off its name; or

(vi) has received any significant notes on the financial statements from the auditors.

Except for RISL and RMAC (Saudi Arabia), none of our Subsidiaries are under winding up proceedings. Further, the Board has decided to wind up RITES (AFRIKA), vide their meeting dated July 04, 2017, as Botswana has decided to not take up any railway development works or any other transport infrastructure projects and the objective of establishing RITES (AFRIKA) was not being met.

Sales or purchases

Our Subsidiaries are not involved in any sales or purchases with our Company where such sales or purchases exceed, in the aggregate, 10% of the total sales or purchases of our Company.

Joint Ventures of our Company

Apart from the Subsidiaries as mentioned above, our Company has entered into the following joint venture arrangements, the details of which are set forth below:

1. SAIL-RITES Bengal Wagon Industry Private Limited (“SAIL RITES”)

Corporate Information

SAIL RITES was incorporated on December 30, 2010 and registered with the Registrar of Companies, NCT of Delhi & Haryana with the objective of setting up of a wagon manufacturing facility in the premises of SAIL Growth Works, Kulti, West Bengal. The corporate identity number of SAIL RITES is U35200DL2010PTC211955. Its registered office is situated at SCOPE Minar, Laxmi Nagar, Delhi-110092.

Nature of business

SAIL RITES is involved in the business of trading, selling, import, export, manufacturing of railway wagons including high end specialized wagons, wagon prototypes, fabricated components/parts of railway vehicles and its ancillary units including to repair, manufacturing items of locomotives, machineries, equipments and other related components.

Capital Structure and shareholding pattern

The authorized share capital of SAIL RITES is ₹500,000,000 divided into 50,000,000 equity shares of ₹10 each and the paid up share capital is ₹480,000,000 consisting of 48,000,000 equity shares of ₹10 each.

Shareholder	Number of equity shares at ₹10 each	Percentage holding (%)
Steel Authority of India	24,000,000	50.00
RITES Limited	24,000,000	50.00
Total	48,000,000	100.00

2. BNV Gujarat Rail Private Limited (“BNV”)

Corporate Information

BNV was incorporated on December 19, 2016 and registered with the Registrar of Companies, Ahmedabad with the objective of implementation and performance of the Bhuj-Naliya Vayor Rail Connectivity Project in Kutch district of the State of Gujarat on concession basis. The corporate identity number of BNV is U60300GJ2016PTC094761. Its registered office is situated at Venus Amadeus, 301-305, 3rd Floor, Jodhpur Cross Road, Satellite, Ahmedabad-380015, Gujarat.

Nature of business

BNV is engaged in the business of executing all kinds of works which includes construction, improvement and administration of roads, railways, docks, etc.; and undertaking infrastructure projects on Build- Operate -Transfer (BOT), Build-Own-Operate-Transfer (BOOT) and Build-Lease-Transfer (BLT) basis.

Capital Structure and Shareholding

The authorized share capital of BNV is ₹50,000,000 divided into 5,000,000 equity shares of ₹10 each and the paid up share capital is ₹500,000 consisting of 50,000 equity shares of ₹10 each.

The respective participating interests of our Company, Shapoorji Pallonji Road Private Limited and PCM Cement Concrete Private Limited in BNV as on the date of this RHP is set forth below.

Shareholder	Number of equity shares at ₹10 each	Percentage holding (%)
RITES Limited	13,000	26.00
Shapoorji Pallonji Road Private Limited	33,750	67.50
PCM Cement Concrete Private Limited	3,250	6.50
Total	50,000	100.00

Shareholder agreements

There are no shareholders agreements with respect to our Company.

Joint venture agreements

1. *Joint Venture agreement dated September 14, 2010 entered between Our Company and Steel Authority of India (“SAIL”)*

The agreement was entered into for the purpose of incorporating a joint venture company (“JVC”) for setting up a wagon manufacturing factory in the premises of SAIL Growth Works, Kulti, West Bengal (“Project”).

Participating interest

RITES Limited	50.00%
SAIL	50.00%
Total	100.00%

Certain other terms

- a) Our Company shall not sell, transfer, give away, assign, pledge, mortgage, create charge, donate or otherwise encumber its shareholding/voting rights in the JVC for an initial period of five years from the date of acquisition of shares.
- b) Our Company shall not sell or otherwise transfer to any third party all or any part of the shares owned by it in the JVC unless the said shares have been first offered to SAIL at the fair value determined by an independent and reputed valuation agency as mutually agreed between our Company and SAIL.
- c) Two nominee directors shall be initially appointed by each party and subsequently there shall be three nominee directors from each party.

2. *Joint Venture agreement dated October 20, 2016 entered between RITES Limited, Shapoorji Pallonji Road Private Limited (“Shapoorji”) and PCM Cement Concrete Private Limited (“PCM”)*

Our Company was nominated by the MoR to set up, own, operate, finance and maintain Bhuj-Naliya-Vayor rail connectivity project (“Project”) in the State of Gujarat on concession basis. The agreement was entered into with Shapoorji and PCM for the purpose of incorporating a joint venture company (“JVC”) for implementation and performance of the Project. The Railway Board of the MoR has approved the implementation of the Project vide its letter to our Company dated August 5, 2016.

Participating interest

RITES Limited	26.00%
Shapoorji Pallonji Road Private Limited	67.50%
PCM Cement Concrete Private Limited	6.50%
Total	100%

Certain other terms

- a) Our Company shall not be entitled to transfer any equity shares or other security held by it in the JVC until the end of concession period under the concession agreement i.e., 30 years and shall at all times until the end of concession period continue to hold 26% shareholding in the JVC.
- b) Three nominee directors shall be appointed by Shapoorji and one each from our Company and MoR respectively on the board of the JVC.
- c) If any party desires to transfer or dispose off any of its shares to any person other than its affiliate, it shall be required to first offer the securities to the other two parties to the agreement, and they have right to purchase such securities offered in proportion to their shareholding in the JVC and under the terms of the agreement.

Joint operations

Our Company has entered into the following joint venture associations:

1. Geoconsult-RITES NRT – 1 (GC-RITES NRT - 1)

Geoconsult ZT GmbH and our Company have entered into a joint venture agreement dated December 18, 2007 for establishing a joint venture unincorporated association under the name of Geoconsult-RITES NRT – 1 (GC-RITES NRT - 1). The association has been formed for the purpose of collaborating for all work associated with the detailed design consultancy and construction supervision of Tunnel No. 1 (3.10 km long) on Udhampur- Katra section in USBRL Project in State of Jammu & Kashmir.

The agreement provides that the agreement will forthwith terminate in the event the proposal is not accepted by the client. However, if the proposal has been accepted by the client, the agreement will continue to have full force when the services agreement is entered into with the client, until confirmation has been received from the client that services have been completed, or the service agreement has been terminated, and all accounts relating to the services between the joint venture, the client, third parties and between the members are acknowledged and settled.

2. Geoconsult-RITES (GC-RITES)

Geoconsult ZT GmbH and our Company have entered into a joint venture agreement dated April 2, 2004 for establishing a joint venture unincorporated association under the name of Geoconsult-RITES (GC-RITES). The association has been formed for the purpose of collaborating for all work associated with the detailed design consultancy and construction supervision of railway tunnel (11 km long) across Pirpanjal Range Tunnel in Lahole Quazikund section in USBRL Project in State of Jammu & Kashmir.

The agreement provides that the agreement will forthwith terminate in the event the proposal is not accepted by the client. However, if the proposal has been accepted by the client, the agreement will continue to have full force till such times that the services under the service agreement entered into with the client is ongoing or the service agreement entered into the client is not terminated.

3. Geoconsult-RITES (JV)

Geoconsult India Private Limited and our Company have entered into a joint venture agreement dated June 14, 2016 for establishing a joint venture unincorporated association under the name of Geoconsult-RITES (JV). The association has been formed for the purpose of collaborating for all work associated with the instrumentation, monitoring and design of remedial works as per the requirement for vulnerable locations for two monsoon season in Lumding-Silchar BG Rail Line.

The agreement provides that the agreement will forthwith terminate in the event the proposal is not accepted by the client. However, if the proposal has been accepted by the client, the agreement will continue to have full force when the services agreement is entered into with the client, until confirmation has been received from the client that services have been completed, or the service agreement has been terminated, and all accounts relating to the services between the joint venture, the client, third parties and between the members are acknowledged and settled.

4. Geoconsult-RITES T10 JV

Geoconsult ZT GmbH and our Company have entered into a joint venture agreement dated May 22, 2014 for establishing a joint venture unincorporated association under the name of Geoconsult-RITES T10 JV. The association has been formed for the purpose of collaborating for all work associated with the detailed design consultancy and construction of supervision of Tunnel No 10 (approximately 3.30 km) in connection with Jiribam – Tupul New Railway Line Project, Manipur.

The agreement provides that the agreement will forthwith terminate in the event the proposal is not accepted by the client. However, if the proposal has been accepted by the client, the agreement will continue to have full force when the services agreement is entered into with the client, until confirmation has been received from the client that services have been completed, or the service agreement has been terminated, and all accounts relating to the services between the joint venture, the client, third parties and between the members are acknowledged and settled.

5. RICON - Beira Rail Corridor Concessioning

Our Company has entered into an agreement with IRCON with an interest of 51% and 49% interest respectively in the agreed ratio for the purpose of incorporating a joint venture company (“**RICON**”) and has been awarded work of COMPANHIA Dos CAMINHOS De FERRO De BEIRA SARL, Beira, Mozambique for rendering management support services, consultancy works, project management, construction supervision, supply of materials, rolling stock and equipment, works contracts, leasing of equipment’s/ rolling stock etc.

Other agreements

Our Company has not, entered into any material contract other than in the ordinary course of business carried on or intended to be carried on by our Company,(in the two years preceding this RHP).

Strategic and financial partnerships

As on the date of this RHP, our Company does not have any strategic or financial partners.

OUR MANAGEMENT

Under the requirements of the Companies Act and our Articles of Association, our Company is currently authorized to have not less than three and not more than fifteen directors. As of the date of this Red Herring Prospectus, our Company's Board is chaired by an executive Director, and consists of twelve Directors, of which four are Functional (Executive) Directors, two are Government Nominee Directors and six are Independent Directors. Subject to the provisions of the Companies Act, the President of India, in terms of our AoA, is entitled to appoint all Directors.

Our Board

The following table sets forth details regarding our Board as on the date of this Red Herring Prospectus:

Name, Designation, Address, Occupation, Nationality, Term and DIN	Age (in years)	Other Directorships
<p>Mr. Rajeev Mehrotra</p> <p><i>Designation:</i> Chairman & Managing Director</p> <p><i>Address:</i> House No. 3133, Sector – 23, Gurugram – 122017, Haryana, India</p> <p><i>Occupation:</i> Service</p> <p><i>Nationality:</i> Indian</p> <p><i>Term:</i> Five years with effect from October 11, 2012 or till date of superannuation or till further orders, whichever event occurs earlier. Further extended upto June 30, 2021 vide order no. 2008/E(O)II/40/1 9 Vol.II of the Railway Board, MoR dated November 15, 2017</p> <p><i>DIN:</i>01583143</p>	56	Railway Energy Management Company Limited
<p>Mr. Arbind Kumar</p> <p><i>Designation:</i> Director (Projects)</p> <p><i>Address:</i> 902, Prithvi Apartments, Sector – 52, Wazirabad, Gurugram – 122003, Haryana, India</p> <p><i>Occupation:</i> Service</p> <p><i>Nationality:</i> Indian</p> <p><i>Term:</i> Five years with effect from June 01, 2012 or till date of superannuation or till further orders, whichever event occurs earlier. Further extended upto August 31, 2018 vide order no. 2008/E(O)II/40/23 of the Railway Board, MoR dated December 08, 2016.</p> <p><i>DIN:</i> 05343323</p>	59	Railway Energy Management Company Limited
<p>Mr. Ajay Kumar Gaur</p> <p><i>Designation:</i> Director (Finance)</p> <p><i>Address:</i> 192, Vishwas Apartments, Plot No. 6A, Sector – 23, Dwarka – 110 075, New Delhi, India</p> <p><i>Occupation:</i> Service</p>	58	<i>Nil</i>

Name, Designation, Address, Occupation, Nationality, Term and DIN	Age (in years)	Other Directorships
<p><i>Nationality:</i> Indian</p> <p><i>Term:</i> Five years with effect from September 2, 2013 or till date of superannuation or till further orders, whichever event occurs earlier.</p> <p><i>DIN:</i> 05333257</p>		
<p>Mr. Mukesh Rathore</p> <p><i>Designation:</i> Director (Technical)</p> <p><i>Address:</i> Flat No. 104, Tulip Tower, Sushant Estate, Sector 52, Gurugram – 122002, Haryana, India</p> <p><i>Occupation:</i> Service</p> <p><i>Nationality:</i> Indian</p> <p><i>Term:</i> Five years with effect from December 1, 2016 or till date of superannuation or till further orders, whichever event occurs earlier.</p> <p><i>DIN:</i> 07669150</p>	58	Nil
<p>Mr. A. P. Dwivedi</p> <p><i>Designation:</i> Government Nominee Director</p> <p><i>Address:</i> Quarter No.701, Type – 6A, Block – F, Floor – 7, Deen Dayal Upadhaya Marg, New Delhi – 110002, India</p> <p><i>Occupation:</i> Service</p> <p><i>Nationality:</i> Indian</p> <p><i>Term:</i> Till he holds the post of Executive Director (PSU), Railway Board or till further orders from the MoR, whichever event occurs earlier.</p> <p><i>DIN:</i> 07122333</p>	53	Rail Vikas Nigam Limited
<p>Mr. Bhupendra Kumar Agarwal</p> <p><i>Designation:</i> Government Nominee Director</p> <p><i>Address:</i> B-7, Extension/17, 1st Floor, Safdarjung Enclave, New Delhi – 110029, India</p> <p><i>Occupation:</i> Service</p> <p><i>Nationality:</i> Indian</p> <p><i>Term:</i> Till he holds the post of Additional Member (Production Unit), Railway Board or till further orders from the MoR, whichever event occurs earlier.</p> <p><i>DIN:</i> 07956187</p>	58	Nil
<p>Dr. Vidya Rajiv Yeravdekar</p>	53	1. Symbiosis Centre for Entrepreneurship and

Name, Designation, Address, Occupation, Nationality, Term and DIN	Age (in years)	Other Directorships
<p><i>Designation:</i> Independent Director</p> <p><i>Address:</i> Rajlakshmi Apartments, 39 Laxmi Park Colony, Navi Peth, Pune – 411030, Maharashtra, India</p> <p><i>Occupation:</i> Service</p> <p><i>Nationality:</i> Indian</p> <p><i>Term:</i> Three years with effect from April 1, 2016 or till further orders from the MoR, whichever event occurs earlier.</p> <p><i>DIN:</i> 02183179</p>		<p>Innovation;</p> <p>2. Apical Hospitality Services Private Limited; and</p> <p>3. Apical Infrastructure and Communication Private Limited</p>
<p>Mr. Satish Sareen</p> <p><i>Designation:</i> Independent Director</p> <p><i>Address:</i> S – 14, Shopping Centre, Tilak Nagar, Jaipur – 302 004, Rajasthan, India</p> <p><i>Occupation:</i> Service</p> <p><i>Nationality:</i> Indian</p> <p><i>Term:</i> Three years with effect from April 1, 2016 or till further orders from the MoR, whichever event occurs earlier.</p> <p><i>DIN:</i> 01874068</p>	51	<p>1. Hindustan Salts Limited; and</p> <p>2. Professionals Express Private Limited</p>
<p>Mr. Anil Kumar Goel</p> <p><i>Designation:</i> Independent Director</p> <p><i>Address:</i> B – 38, Ashoka Niketan, Delhi – 110092, India</p> <p><i>Occupation:</i> Service</p> <p><i>Nationality:</i> Indian</p> <p><i>Term:</i> 3 years with effect from April 01, 2016 or till further orders from the MoR, whichever event occurs earlier.</p> <p><i>DIN:</i> 00672755</p>	55	<p>1. Sree Radha Merchinvest Private Limited; and</p> <p>2. Sreejee In-Fac (India) Private Limited</p>

Name, Designation, Address, Occupation, Nationality, Term and DIN	Age (in years)	Other Directorships
<p>Dr. Pramod Kumar Anand</p> <p><i>Designation:</i> Independent Director</p> <p><i>Address:</i> B – 2392, Pocket 2&3, Sector B, Vasant Kunj, New Delhi – 110070, India</p> <p><i>Occupation:</i> Retired IAS</p> <p><i>Nationality:</i> Indian</p> <p><i>Term:</i> 3 years with effect from September 19, 2017 or till further orders from the MoR, whichever event occurs earlier.</p> <p><i>DIN:</i> 00298962</p>	63	<i>Nil</i>
<p>Dr. Rajendra N. Goyal</p> <p><i>Designation:</i> Independent Director</p> <p><i>Address:</i> A-3, Hill View Apartment, I.I.T Roorkee, Roorkee, Haridwar, Uttarakhand – 247667, India</p> <p><i>Occupation:</i> Professional</p> <p><i>Nationality:</i> Indian</p> <p><i>Term:</i> 3 years with effect from March 15, 2018 or till further orders from the MoR, whichever event occurs earlier.</p> <p><i>DIN:</i> 08087148</p>	66	<i>Nil</i>
<p>Ms. Geethakumary</p> <p><i>Designation:</i> Independent Director</p> <p><i>Address:</i> 158, Thachayath House, Malayattoor, Ernakulam, Kerala – 683587, India</p> <p><i>Occupation:</i> Professional</p> <p><i>Nationality:</i> Indian</p> <p><i>Term:</i> 3 years with effect from March 15, 2018 or till further orders from the MoR, whichever event occurs earlier.</p> <p><i>DIN:</i> 08087165</p>	52	<i>Nil</i>

Relationship between Directors

None of our Directors are related to each other in terms of the definition of ‘relative’ under Section 2 (77) of the Companies Act 2013.

Arrangement or understanding with major shareholders, customers, suppliers or others

As per our Articles of Association, the Chairman of the Board and the Government representatives on the Board shall be appointed by the President of India. Other members of the Board shall be appointed or reappointed by the

President of India in consultation with the Chairman of the Board. The Directors shall be paid such remuneration as the President of India may, from time to time, determine. The Directors appointed shall be entitled to hold office for such period as the President of India may determine. Except as stated above, none of our Directors or Key Management Personnel have been appointed pursuant to any arrangement or understanding with major shareholders, customers, suppliers or others.

Brief profiles of our Directors

Mr. Rajeev Mehrotra, aged 56 years, is the Chairman and Managing Director of our Company since October 11, 2012. He holds a Bachelor's Honors degree in Accountancy and Business Statistics from Rajasthan University and is qualified as a Fellow Member of the Institute of Cost Accountants of India. He has received a certificate of participation for the course titled '*Financial Management Training Program for Electric Utilities*' held from April 18, 1994 to May 20, 1994 as offered by the Southern Electric International and Global Utilities Institute, Samford University, USA. He has been associated with our Company since October 12, 2007. He has over 34 years of experience, out of which he has over 10 years of experience at the Board level in our Company. He has also worked with the National Hydroelectric Power Corporation Limited, Faridabad and Power Finance Corporation Limited, New Delhi in various capacities.

Mr. Arbind Kumar, aged 59 years, is the Director (Projects) of our Company since June 01, 2012. He holds a Bachelor's degree in Civil Engineering from Muzaffarpur Institute of Technology, a Diploma in Management from the Indira Gandhi National Open University, and is qualified as a Life Fellow of the Institution of Permanent Way Engineers (India). He has been associated with our Company since January, 2001. He has over 35 years of experience. He has also worked with the Indian Railways in various capacities, a private company in Malaysia through RITES, and for the Sultanate of Oman.

Mr. Ajay Kumar Gaur, aged 58 years, is the Director (Finance) of our Company since September 02, 2013. He holds a Bachelor's degree in Commerce (Honours). He is qualified as a fellow Member of the Institute of Chartered Accountants of India. He has been associated with our Company since January 21, 1985. He has over 33 years of experience. He has also worked with the Container Corporation of India Limited.

Mr. Mukesh Rathore, aged 58 years, is the Director (Technical) of our Company since December 01, 2016. He holds a Bachelor's degree in Mechanical Engineering from the University of Jabalpur and is qualified as a Fellow Member of the Institution of Engineers (India). He has been associated with our Company since April, 2000. He has over 36 years of experience.

Mr. A. P. Dwivedi, aged 53 years, is the Government Nominee Director on the Board of our Company since March 13, 2015. He holds a Bachelor's degree in civil engineering from Indian Institute of Technology, Delhi and is presently working as ED (PSU), Railway Board. He has over 30 years of experience.

Mr. Bhupendra Kumar Agarwal, aged 58 years, is the Government Nominee Director on the Board of our Company since September 26, 2017. He holds a certificate in metallurgical and electrical engineering from The Institution of Engineers (India) and is presently working as Additional Member (Production Unit), Railway Board. He has over 36 years of experience.

Dr. Vidya Rajiv Yeravdekar, aged 53 years, is an Independent Director of our Company since April 1, 2016. She holds a doctorate degree in medicine from University of Poona, a Bachelor's degree in Law from University of Pune and Ph.D. in 'Internationalization of Higher Education in India' from Symbiosis International University. She has over ten years of experience in the education sector, and is presently the Principal Director of Symbiosis Society, which encompasses the Symbiosis schools and institutions under the Symbiosis International University.

Mr. Satish Sareen, aged 51 years, is an Independent Director of our Company since April 1, 2016. He is a practising chartered accountant registered with the Institute of Chartered Accountants of India, having more than 24 years of experience.

Mr. Anil Kumar Goel, aged 55 years, is an Independent Director of our Company since April 1, 2016. He is a practicing chartered accountant registered with the Institute of Chartered Accountants of India, having more than 27 years of experience. He is a qualified "Arbitrator & Mediator" from ICAI, Qualified Information Systems Auditor (DISA) and Qualified Banks Concurrent Auditor. He is an empanelled reviewer of the Peer Review Board of ICAI and has passed the examination for 'Master of Social Work' from Kalinga University.

Dr. Pramod Kumar Anand, aged 63 years, is an Independent Director of our Company. He is a retired IAS officer of the Rajasthan cadre and holds a doctorate degree in Social Science from University of Rajasthan. He has in the past held positions as Joint Secretary, Ministry of Rural Development and as Senior Adviser, Planning Commission. He has been associated with our Company since September 19, 2017 and has over 30 years of experience.

Dr. Rajendra N. Goyal, aged 66 years, is an Independent Director of our Company. He is an Emeritus Professor at I.I.T Roorkee and holds a doctorate of science degree from Agra University and a doctorate of philosophy from Roorkee University. He has in the past held positions as faculty member, head of department in chemistry department and Dean research at I.I.T Roorkee. He has been associated with our Company since March 15, 2018 and has over 42 years of experience.

Ms. Geethakumary, aged 52 years, is an Independent Director of our Company. She is a practicing lawyer registered with the Bar Council of Kerala and holds a bachelors' degree in law from Mahatma Gandhi University, Kottayam. She has been the government pleader for Kerala State Insurance Department in Motor Accidents Claim Tribunal, Ernakulam. She has been associated with our Company since March 15, 2018 and has over 20 years of experience.

Borrowing powers of the Board

Pursuant to our Articles of Association, and in accordance with Sections 73-76, 179 and 180(1)(c) of the Companies Act, 2013 and rules made thereunder, our Board has been authorised to borrow sums of money upon such terms and conditions and for such purposes as it may deem fit.

Details of appointment and term of Directors

Sr. No.	Name of the Director	Letter of Appointment	Date of Appointment	Term
1.	Mr. Rajeev Mehrotra	MoR, Government of India letter bearing reference No. 2008/E(O)II/40/19 dated October 11 2012	October 11, 2012 (Entrusted duties of MD in addition to his duties as Director (Finance) from September 01, 2011 till October 10, 2012)	Five years with effect from October 11, 2012 or till date of superannuation or till further orders, whichever event occurs earlier. Further extended upto June 30, 2021 vide order no. 2008/E(O)II/40/19 Vol.II of the Railway Board, MoR dated November 15, 2017
2.	Mr. Arbind Kumar	MoR, Government of India letter bearing reference No. 2009/E(O)II/40/23 dated March 21, 2013	June 1, 2012	Five years with effect from June 1, 2012 or till date of superannuation or till further orders, whichever event occurs earlier. Further extended upto August 31, 2018 vide order no. 2008/E(O)II/40/23 of the Railway Board, MoR dated December 08, 2016
3.	Mr. Ajay Kumar Gaur	MoR, Government of India letter bearing reference No. 2012/E(O)II/40/32 dated August 23, 2014	September 2, 2013	Five years with effect from September 2, 2013 or till date of superannuation or till further orders, whichever event occurs earlier
4.	Mr. Mukesh Rathore	MoR, Government of India letter bearing reference No. 2015/E(O)II/40/19 dated November 30, 2016	December 1, 2016	5 years with effect from December 1, 2016 or till date of superannuation or till further orders,

Sr. No.	Name of the Director	Letter of Appointment	Date of Appointment	Term
				whichever event occurs earlier
5.	Mr. A P Dwivedi	MoR, Government of India Order bearing reference No. 2004/PL/45/9(pt.1) dated February 10, 2015	March 13, 2015	Till he holds the post of Executive Director (PSU), Railway Board or till further orders from the MoR, whichever event occurs earlier
6.	Mr. Bhupendra Kumar Agarwal	MoR, Government of India Order bearing reference No. 2004/PL/49/9(pt.II) dated September 26, 2017	September 26, 2017	Till he holds the post of Additional Member (Production Unit), Railway Board or till further orders from the MoR, whichever event occurs earlier
7.	Dr. Vidya Rajiv Yeravdekar	MoR, Government of India Order bearing reference No. 2005/PL/45/1 dated April 1, 2016	April 1, 2016	Three years with effect from April 1, 2016 or till further orders from the MoR, whichever event occurs earlier
8.	Mr. Satish Sareen	MoR, Government of India Order bearing reference No. 2005/PL/45/1 dated April 1, 2016	April 1, 2016	Three years with effect from April 1, 2016 or till further orders from the MoR, whichever event occurs earlier
9.	Mr. Anil Kumar Goel	MoR, Government of India Order bearing reference No. 2005/PL/45/1 dated April 1, 2016	April 1, 2016	Three years with effect from April 1, 2016 or till further orders from the MoR, whichever event occurs earlier
10.	Dr. Pramod Kumar Anand	MoR, Government of India Order bearing reference No. 2010/PL/45/14 dated September 19, 2017	September 19, 2017	Three years with effect from September 19, 2017 or till further orders from the MoR, whichever event occurs earlier
11.	Dr. Rajendra N Goyal	MoR, Government of India Order bearing reference No. 2010/PL/45/14 dated March 08, 2018	March 15, 2018	Three years with effect from March 15, 2018 or till further orders from the MoR, whichever event occurs earlier
12.	Ms. Geethakumary	MoR, Government of India Order bearing reference No. 2010/PL/45/14 dated March 08, 2018	March 15, 2018	Three years with effect from March 15, 2018 or till further orders from the MoR, whichever event occurs earlier

Terms of appointment of Directors

Terms of appointment of our executive and whole – time Directors

For the financial year ending March 31, 2017, our executive and whole time directors Mr. Rajeev Mehrotra, Mr. Arbind Kumar, Mr. Ajay Kumar Gaur and Mr. Mukesh Rathore received a remuneration of ₹7,438,221.80*, ₹5,948,462.50*, ₹5,797,473.46*, and ₹884,626.00** respectively.

* Includes performance related pay for FY 2014 (20%), FY 2015 (100%) and FY 2016 (75%).

**Mr. Mukesh Rathore was appointed as Director (Technical) on December 1, 2016. Therefore, his salary has been considered from December 1, 2016 to March 31, 2017.

Below are the details of their terms of appointment:

1. **Mr. Rajeev Mehrotra**

Term	<p>For a period of five years with effect from October 11, 2012 or till date of superannuation or till further orders, whichever event occurs earlier and in accordance with the requirements of the Companies Act, 2013.</p> <p>Further extended upto June 30, 2021 vide order no. 2008/E(O)II/40/1 9 Vol.II of the Railway Board, MoR dated November 15, 2017.</p> <p>The appointment may, however, be terminated even during this period by either side on three months' notice or on payment of three months' salary in lieu thereof.</p> <p>After the expiry of the first year, his performance will be reviewed to enable government to take the view regarding continuance or otherwise of the balanced period of tenure.</p>																		
Pay	Pay scale of ₹200,000 – ₹370,000.																		
Headquarters	His headquarters will be at Gurugram where the registered office/ headquarters of our Company is located. He will be liable to serve in any part of India at the discretion of our Company.																		
Dearness allowance	Dearness allowance would be paid in accordance with the new IDA scheme spelt out in the DPE's O.M. dated August 03, 2017 as amended and in force from time to time.																		
House rent allowance	House rent allowance shall be payable by our Company as per the requirements of the DPE's O.M. dated August 04, 2017 as amended and in force from time to time.																		
Annual increment	He will be eligible to draw his annual increment at three percent of basic pay on the anniversary date of his appointment in the scale and further increments to the same date in subsequent years until the maximum of pay scale is reached. After reaching the maximum of pay scale, one stagnation increment equal to the rate of last increment drawn will be granted after completion of every two-year period from the date he reaches the maximum of his pay scale provided he gets a performance rating of "Good" or above. He will be granted a maximum of three such stagnation increments.																		
Conveyance	<p>He will be entitled to the facility of staff car for private use as indicated below:</p> <table border="1"> <thead> <tr> <th>Name of the city</th> <th>Ceiling on non – duty journeys</th> </tr> </thead> <tbody> <tr> <td>Delhi, Mumbai, Kolkata, Chennai, Bengaluru, Hyderabad</td> <td>1,000 km. per month.</td> </tr> <tr> <td>All the other cities</td> <td>750 km. per month</td> </tr> </tbody> </table> <p>Monthly rate of recovery for non – duty journeys would be as follows:</p> <table border="1"> <thead> <tr> <th>Non – air conditioned cars</th> <th>Rupees per month</th> </tr> </thead> <tbody> <tr> <td>Below 16 horse power</td> <td>325</td> </tr> <tr> <td>Above 16 horse power</td> <td>490</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th>Air conditioned cars</th> <th>Rupees per month</th> </tr> </thead> <tbody> <tr> <td>Below 16 horse power</td> <td>520</td> </tr> <tr> <td>Above 16 horse power</td> <td>780</td> </tr> </tbody> </table>	Name of the city	Ceiling on non – duty journeys	Delhi, Mumbai, Kolkata, Chennai, Bengaluru, Hyderabad	1,000 km. per month.	All the other cities	750 km. per month	Non – air conditioned cars	Rupees per month	Below 16 horse power	325	Above 16 horse power	490	Air conditioned cars	Rupees per month	Below 16 horse power	520	Above 16 horse power	780
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Performance related payment	He shall be eligible for approved performance related payments as per the requirements of DPE's O.M.s dated November 26, 2008, February 9, 2009, April 2, 2009 and August 03, 2017 as amended and in force from time to time.																		
Other benefits and perquisites / superannuation	<p>The Board of Directors will decide on the allowances and perks subject to a maximum ceiling of 35% of his basic pay as indicated in DPE's O.M. dated August 03, 2017 as amended and in force from time to time.</p> <p>He shall be eligible for superannuation benefit based on approved schemes as per DPE's O.M.s dated August 03, 2017 as amended and in force from time to time.</p>																		

Leave	He will remain subject to the leave rules of our Company.
Restriction on joining private commercial undertakings after retirement / resignation	He shall not accept any appointment or post, whether, advisory or administrative, in any firm or company whether Indian or foreign, with which our Company has or had business relations, within one year from the date of his retirement/ resignation, without prior approval of the Government.
Conduct, discipline and appeal rules	<p>The Conduct, Discipline and Appeal Rules framed by our Company would also mutatis mutandis apply to him with the modification that the Disciplinary Authority in his case would be the President of India.</p> <p>The Government also reserves the right not to accept his resignation, if the circumstances so warrant i.e. the disciplinary proceedings are pending or a decision has been taken by the competent authority to issue a charge sheet.</p>

2. **Mr. Arbind Kumar**

Term	<p>For a period of five years with effect from June 01, 2012 in the first instance or till the date of his superannuation or until further orders whichever occurs earlier and in accordance with the requirements of the Companies Act, 2013.</p> <p>Further, extended upto August 31, 2018 vide order no. 2008/E(O)II/40/23 of the Railway Board, MoR dated December 08, 2016.</p> <p>The appointment may, however, be terminated even during this period by either side on three months' notice or on payment of three months' salary in lieu thereof.</p> <p>After the expiry of the first year, his performance will be reviewed to enable government to take the view regarding continuance or otherwise of the balanced period of tenure.</p>																
Pay	Pay scale of ₹180,000 – ₹340,000.																
Headquarters	His headquarters will be at Gurugram where the registered office/ headquarters of our Company is located. He will be liable to serve in any part of India at the discretion of our Company.																
Dearness allowance	Dearness allowance would be paid in accordance with the new IDA scheme spelt out in the DPE's O.M. dated August 03, 2017 as amended and in force from time to time.																
House rent allowance	House rent allowance shall be payable by our Company as per the requirements of the DPE's O.M. dated August 04, 2017 as amended and in force from time to time.																
Annual increment	He will be eligible to draw his annual increment at three percent of basic pay on the anniversary date of his appointment in the scale and further increments to the same date in subsequent years until the maximum of pay scale is reached. After reaching the maximum of pay scale, one stagnation increment equal to the rate of last increment drawn will be granted after completion of every two-year period from the date he reaches the maximum of his pay scale provided he gets a performance rating of "Good" or above. He will be granted a maximum of three such stagnation increments.																
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Performance related payment	He shall be eligible for approved performance related payments as per the requirements of DPE's O.M.s dated November 26, 2008, February 9, 2009, April 02, 2009 and August 03, 2017 as amended and in force from time to time.	
Other benefits and perquisites / superannuation	The Board of Directors will decide on the allowances and perks subject to a maximum ceiling of 35% of his basic pay as indicated in DPE's O.M. dated August 03, 2017 as amended and in force from time to time. He shall be eligible for superannuation benefit based on approved schemes as per DPE's O.M.s dated August 03, 2017 as amended and in force from time to time.	
Leave	He will remain subject to the leave rules of our Company.	
Restriction on joining private commercial undertakings after retirement / resignation	He shall not accept any appointment or post, whether, advisory or administrative, in any firm or company whether Indian or foreign, with which our Company has or had business relations, within one year from the date of his retirement/ resignation, without prior approval of the Government.	
Conduct, discipline and appeal rules	The Conduct, Discipline and Appeal Rules framed by our Company would also mutatis mutandis apply to him with the modification that the Disciplinary Authority in his case would be the President of India. The Government also reserves the right not to accept his resignation, if the circumstances so warrant i.e. the disciplinary proceedings are pending or a decision has been taken by the competent authority to issue a charge sheet.	

3. Mr. Ajay Kumar Gaur

Term	For a period of five years with effect from September 02, 2013 or till date of superannuation or till further orders, whichever event occurs earlier and in accordance with the requirements of the Companies Act, 2013. The appointment may, however, be terminated even during this period by either side on three months' notice or on payment of three months' salary in lieu thereof. After the expiry of the first year, his performance will be reviewed to enable government to take the view regarding continuance or otherwise of the balanced period of tenure.							
Pay	Pay scale of ₹180,000 – ₹340,000.							
Headquarters	His headquarters will be at New Delhi where the registered office/ headquarters of our Company is located. He will be liable to serve in any part of India at the discretion of our Company.							
Dearness allowance	Dearness allowance would be paid in accordance with the new IDA scheme spelt out in the DPE's O.M. dated August 03, 2017 as amended and in force from time to time.							
House rent allowance	House rent allowance shall be payable by our Company as per the requirements of the DPE's O.M. dated August 04, 2017 as amended and in force from time to time.							
Annual increment	He will be eligible to draw his annual increment at three percent of basic pay on the anniversary date of his appointment in the scale and further increments to the same date in subsequent years until the maximum of pay scale is reached. After reaching the maximum of pay scale, one stagnation increment equal to the rate of last increment drawn will be granted after completion of every two-year period from the date he reaches the maximum of his pay scale provided he gets a performance rating of "Good" or above. He will be granted a maximum of three such stagnation increments.							
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Other benefits and perquisites / superannuation	<p>The Board of Directors will decide on the allowances and perks subject to a maximum ceiling of 35% of his basic pay as indicated in DPE's O.M. dated August 03, 2017 as amended and in force from time to time.</p> <p>He shall be eligible for superannuation benefit based on approved schemes as per DPE's O.M.s dated August 03, 2017 as amended and in force from time to time.</p>												
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Restriction on joining private commercial undertakings after retirement / resignation	He shall not accept any appointment or post, whether, advisory or administrative, in any firm or company whether Indian or foreign, with which our Company has or had business relations, within one year from the date of his retirement/ resignation, without prior approval of the Government.												
Conduct, discipline and appeal rules	<p>The Conduct, Discipline and Appeal Rules framed by our Company would also mutatis mutandis apply to him with the modification that the Disciplinary Authority in his case would be the President of India.</p> <p>The Government also reserves the right not to accept his resignation, if the circumstances so warrant i.e. the disciplinary proceedings are pending or a decision has been taken by the competent authority to issue a charge sheet.</p>												

4. Mr. Mukesh Rathore

Term	<p>For a period of five years with effect from December 01, 2016 or till date of superannuation or till further orders, whichever event occurs earlier and in accordance with the requirements of the Companies Act, 1956, as amended.</p> <p>The appointment may, however, be terminated even during this period by either side on three months' notice or on payment of three months' salary in lieu thereof.</p> <p>After the expiry of the first year, his performance will be reviewed to enable government to take the view regarding continuance or otherwise of the balanced period of tenure.</p>		
Pay	Pay scale of ₹180,000 – ₹340,000.		
Headquarters	His headquarters will be at New Delhi where the registered office/ headquarters of our Company is located. He will be liable to serve in any part of India at the discretion of our Company.		
Dearness allowance	Dearness allowance would be paid in accordance with the new IDA scheme spelt out in the DPE's O.M. dated August 03, 2017 as amended and in force from time to time.		
House rent allowance	House rent allowance shall be payable by our Company as per the requirements of the DPE's O.M. dated August 04, 2017 as amended and in force from time to time.		
Annual increment	He will be eligible to draw his annual increment at three percent of basic pay on the anniversary date of his appointment in the scale and further increments to the same date in subsequent years until the maximum of pay scale is reached. After reaching the maximum of pay scale, one stagnation increment equal to the rate of last increment drawn will be granted after completion of every two-year period from the date he reaches the maximum of his pay scale provided he gets a performance rating of "Good" or above. He will be granted a maximum of three such stagnation increments.		
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	Delhi, Mumbai, Kolkata, Chennai, Bengaluru, Hyderabad All the other cities	1,000 km. per month. 750 km. per month
	The recovery amount (AC/Non-AC) for private use/non-duty runs would be ₹2,000 per month in terms of DPE's OM No. 2(23)11-DPE(WC)-GL-V/13 dated January 21, 2013.	
Performance related payment	He shall be eligible for approved performance related payments as per the requirements of DPE's O.M.s dated November 26, 2008, February 9, 2009, April 02, 2009 and August 03, 2017 as amended and in force from time to time.	
Other benefits and perquisites / superannuation	The Board of Directors will decide on the allowances and perks subject to a maximum ceiling of 35% of his basic pay as indicated in DPE's O.M. dated August 03, 2017 as amended and in force from time to time. He shall be eligible for superannuation benefit based on approved schemes as per DPE's O.M.s dated August 03, 2017 as amended and in force from time to time.	
Leave	He will remain subject to the leave rules of our Company.	
Restriction on joining private commercial undertakings after retirement / resignation	He shall not accept any appointment or post, whether, advisory or administrative, in any firm or company whether Indian or foreign, with which our Company has or had business relations, within one year from the date of his retirement/ resignation, without prior approval of the Government.	
Conduct, discipline and appeal rules	The Conduct, Discipline and Appeal Rules framed by our Company would also mutatis mutandis apply to him with the modification that the Disciplinary Authority in his case would be the President of India. The Government also reserves the right not to accept his resignation, if the circumstances so warrant i.e. the disciplinary proceedings are pending or a decision has been taken by the competent authority to issue a charge sheet.	

Remuneration payable to our non – executive and Independent Directors

Pursuant to a resolution of our Board dated November 25, 2016, our Independent Directors are entitled to receive sitting fees of ₹30,000 and ₹20,000 for attending each meeting of our Board and committees thereof, respectively.

Our Government Nominee Director(s) are not entitled to any remuneration or sitting fees from our Company.

Details of the sitting fees paid to our Independent Directors during the Fiscal Year 2017 are set forth below:

Sr. No	Name of the Director	Sitting fees paid (in ₹)
1)	Dr. Vidya Rajiv Yeravdekar	355,000
2)	Mr. Satish Sareen	410,000
3)	Mr. Anil Kumar Goel	410,000
4)	Dr. Pramod Kumar Anand	Nil
5)	Dr. Rajendra N. Goyal	Nil
6)	Ms. Geethakumary	Nil

Note: Dr. Pramod Kumar Anand, Dr. Rajendra N. Goyal and Ms. Geethakumary our Independent Directors, were appointed in Fiscal Year 2018 and consequently did not receive any compensation from the Company for Fiscal Year 2017.

Remuneration paid or payable from our Subsidiaries

No remuneration was paid or is payable to our Directors by any of our Subsidiaries in the last two years.

Loans to Directors

As on the date of this Red Herring Prospectus, there are no outstanding loans availed by our Directors from our Company.

Further, as on the date of this Red Herring Prospectus, none of our Directors are related to the beneficiaries of loans, advances and sundry debtors of our Company.

Bonus or profit sharing plan for the Directors

Except for the performance related pay as disclosed in “*Our Management- Terms of Appointment of Directors*”, none of our Directors is a party to any bonus or profit sharing plan of our Company.

Shareholding of our Directors

Our Articles of Association do not require the Directors to hold any qualification shares.

Shareholding of Directors in Subsidiaries

Except for Mr. Arbind Kumar, who holds 7 shares in REMCL as a nominee shareholder, and Mr. Ajay Kumar Gaur, who holds 1 share in RISL as a nominee shareholder, none of our Directors hold any equity shares in our Subsidiaries as on the date of this Red Herring Prospectus.

Details of service contracts entered into by the directors with the Company

Our Company has not entered into any service contracts, pursuant to which its Directors are entitled to benefits upon termination of employment. Further, except for superannuation benefits as set forth in the appointment orders / letters, our Directors are not entitled to any benefit upon termination of employment.

Interest of Directors

Our executive and Independent Directors (except the Government Nominee Directors) may be deemed to be interested in the extent of fees if any, payable to them for attending meetings of the Board or a committee thereof and to the extent of other remuneration and reimbursement of expenses, if any, payable to them.

One of our Government Nominee Directors, Mr. A. P. Dwivedi may be deemed to be interested to the extent of his shareholding in our Company as a nominee of the President of India.

Our Directors may also be interested to the extent of Equity Shares, if any (together with dividends and other distributions in respect of such Equity Shares), held by them or held by the entities in which they are associated as promoters, directors, partners, proprietors or trustees or held by their relatives or that may be subscribed by or allotted to the companies, firms, ventures, trusts in which they are interested as promoters, directors, partners, proprietors, members or trustees, pursuant to the Offer.

Interest in promotion or formation of our Company

Our Directors have no interest in the promotion or formation of our Company. However, Mr. A. P. Dwivedi, one of our Government Nominee Directors, holds 1,000 Equity Shares, constituting 0.0005% of the Equity Share capital, in his capacity as nominee of our Promoter, the President of India.

Interest in property

Our Directors have no interest in any property acquired by our Company within the two years preceding the date of the Draft Red Herring Prospectus and till date, or presently intended to be acquired by our Company or in any transaction for acquisition of land, construction of buildings and supply of machinery.

Payment of benefits (non-salary related)

Our Company has not in the last two years preceding the date of the Draft Red Herring Prospectus, paid and does not intend to pay, any non-salary related amount or benefits to our Directors, otherwise than in ordinary course of employment.

Our executive Directors are however entitled to receive certain benefits and perquisites as approved by the Board of Directors of our Company at their meeting held on November 26, 2012, which comprises of the following:

A. Reimbursement of expenditure incurred for engaging staff at their residences and their offices at actuals; and

B. Reimbursement of expenditure for furnished accommodation including furniture, fixtures, carpets, air conditioned cooling, inverters, electronic gadgets and other furnishings up to an upper limit of ₹500,000.

Further, the Board of Directors of our Company at their meeting held on March 31, 2009, has approved a policy for sale of such furniture, fixtures, carpets, air conditioned cooling, inverters, electronic gadgets and other furnishings to our executive Directors upon the cessation of their employment, subject to recovery of nominal percentage of original cost incurred by our Company on the same.

Appointment of relatives to a place of profit

None of the relatives of any of the Directors have been appointed to an office or place of profit with our Company.

Business interest

Except as stated in the “*Financial Statements*” on page 199 , our Directors do not have any other interest in our business or our Company.

Confirmations

None of our Directors have been identified as a wilful defaulter (as defined in the SEBI ICDR Regulations).

None of our Directors are currently directors on, or have been directors on, the board of listed companies that are, or have been delisted from any stock exchange(s).

Our Directors are currently not, and have not been, during the five years preceding the date of the Draft Red Herring Prospectus, on the board of any listed company whose shares have been or were suspended from being traded on the BSE or the NSE.

Corporate Governance

In addition to the applicable provisions of the Companies Act, 2013 and DPE Guidelines on Corporate Governance for Central Public Sector Enterprises with respect to corporate governance, the provisions of the SEBI Listing Regulations will also be applicable to our Company immediately upon the listing of the Equity Shares on the Stock Exchanges.

Regulation 17(1)(b) of the SEBI Listing Regulations requires a listed company having an executive chairperson to have at least half of its board comprise of independent directors. As of the date of this Red Herring Prospectus, our Company’s Board is chaired by a functional (executive) director, and consists of 12 Directors, of whom six are Independent Directors including two woman director on our Board. Accordingly, our Board is in compliance with Regulation 17 of the SEBI Listing Regulations.

Pursuant to a MCA notification dated June 5, 2015, the Central Government has exempted/ modified the applicability of certain provisions of the Companies Act, 2013 in respect of Government Companies. In accordance with this notification, the DPE Guidelines on Corporate Governance for Central Public Sector Enterprises and pursuant to our Articles, matters pertaining to, among others, appointment, remuneration and performance evaluation of our Directors are determined by the President of India. Further, our Statutory Auditor is appointed by the Comptroller and Auditor General of India. Accordingly, in so far as the aforesaid matters are concerned, the terms of reference of our Nomination and Remuneration Committee and Audit Committee only allow these committees to take on record the actions of the President of India or the Comptroller and Auditor General of India, as the case may be.

Other than as described above, our Company is in compliance with corporate governance norms prescribed under SEBI Listing Regulations, including in relation to the composition of its committees, such as the Audit Committee and the Stakeholders’ Relationship Committee.

Board-Level committees

In terms of the provisions of the Companies Act, 2013 and the SEBI Listing Regulations, our Company has constituted the following Board-level committees:

- (a) Audit committee;
- (b) Nomination and Remuneration committee;
- (c) Corporate Social Responsibility committee;
- (d) Risk Management committee; and
- (e) Stakeholders' Relationship Committee
- (f) IPO Committee.

The details of the committees required to be constituted by our Company under the Companies Act, 2013 and the SEBI Listing Regulations are as follows:

Audit Committee

Our Audit Committee was re-constituted by a resolution of our Board dated March 21, 2018. The Audit Committee consists of:

Name	Position in the Committee	Designation
Mr. Anil Kumar Goel	Chairman	Independent Director
Mr. Satish Sareen	Member	Independent Director
Dr. Vidya Rajiv Yeravdekar	Member	Independent Director
Mr. Arbind Kumar	Member	Director (Projects)
Dr. Pramod Kumar Anand	Member	Independent Director
Dr. Rajendra N. Goyal	Member	Independent Director
Ms. Geethakumary	Member	Independent Director

The Company Secretary acts as a Secretary to the Audit Committee.

The terms of reference of the Audit Committee is in accordance with Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI LODR Regulations (except to the extent that the statutory auditors of our Company are appointed by CAG as our Company is a government company) and consists of the following:

A. The role of the Audit Committee shall include the following:

- (a) oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- (b) recommendation to the Board for fixation of remuneration to the auditors;
- (c) approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- (d) reviewing, with the management, the annual financial statements and auditors' report thereon before submission to the Board for approval, with particular reference to:
 - (i) matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - (ii) changes, if any, in accounting policies and practices and reasons for the same;
 - (iii) major accounting entries involving estimates based on the exercise of judgement by management;
 - (iv) significant adjustments made in the financial statements arising out of audit findings;
 - (v) compliance with listing and other legal requirements relating to financial statements;
 - (vi) disclosure of any related party transactions;
 - (vii) modified opinion(s) in the draft audit report.
- (e) reviewing, with the management, the quarterly/half yearly financial statements before submission to the Board for approval;

- (f) reviewing with the management, the statement of uses/application of funds raised through an issue (i.e. public issue, rights issue, preferential issue etc.) the statement of funds utilised for purposes other than those stated in the offer document/prospectus, notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in these matters;
- (g) reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- (h) approval or any subsequently modification of transactions of the Company with related parties;
- (i) scrutiny of inter-corporate loans and investments;
- (j) valuation of undertakings or assets of the Company wherever it is necessary;
- (k) evaluation of internal financial controls and risk management systems;
- (l) reviewing with the management, performance of Internal Auditors, adequacy of the internal control systems;
- (m) reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- (n) discussion with internal auditors of any significant findings and follow up there on;
- (o) review the findings of any internal investigations by the internal auditors into matters where there is a suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- (p) review observations of statutory, internal and government auditors and provide recommendations based on the same;
- (q) to review the follow up action on the audit observations of the C&AG audit;
- (r) discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- (s) to look into the reasons for substantial defaults in the payment of the depositors, debenture holders, shareholders (in case of non-payment of declared dividend and creditors);
- (t) to review the functioning of the whistle blower mechanism;
- (u) approval of appointment of chief financial officer after assessing the qualifications, experience and background etc. of the candidate;
- (v) review and monitor the auditor's independence and performance and effectiveness of audit process;
- (w) examination of the financial statements and auditor's report thereon;
- (x) Carrying out any other function or matter that may be referred to the Audit Committee by the Board from time to time.

B. The Audit Committee shall mandatorily review the following information:

- (a) management discussion and analysis of financial condition and results of operations;
- (b) statement of significant related party transactions (as defined by the Audit Committee) submitted by management;
- (c) management letters/letters of internal control weaknesses issued by the statutory auditors;

- (d) internal audit reports relating to internal control weakness;
- (e) the appointment, removal and terms of remuneration of the Chief Internal Auditor, shall be subject to review of the Audit Committee;
- (f) statement of deviations as and when required, in terms of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended:
 - a. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to the stock exchange(s) in terms of regulation 32(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
 - b. annual statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice in terms of regulation 32(7) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
- (g) Carrying out any other function or matter that may be referred to the Audit Committee by the Board from time to time.

Nomination and Remuneration Committee

Our Nomination and Remuneration Committee was re-constituted by a resolution of our Board dated March 21, 2018.

The Nomination and Remuneration Committee consists of:

Name	Position in the Committee	Designation
Mr. Satish Sareen	Chairman	Independent Director
Dr. Vidya Rajiv Yeravdekar	Member	Independent Director
Mr. Anil Kumar Goel	Member	Independent Director
Dr. Rajendra N. Goyal	Member	Independent Director

The scope and function of the Nomination and Remuneration Committee is in accordance with Section 178 of the Companies Act, 2013 and the Regulation 19 of the SEBI LODR Regulations (except for the fact the Nomination and Remuneration Committee of our Company does not have the power to appoint the directors and decide their terms of appointment, given that our Company is a government company and the directors of our Company are appointed by the Government). The terms of reference of the Nomination and Remuneration Committee consists of the following:

1. To identify persons who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal;
2. To recommend to the Board a policy, relating to the remuneration for the key managerial personnel and other employees;
3. Decide on the annual bonus/ performance pay/variable pay pool and policy for its distribution across the executives;
4. Formulation and modification of schemes for providing perks and allowances for executives;
5. Any new scheme of compensation to executives and non-executives as the case may be;
6. Perform such other activities as may be delegated by the Board and/or are statutorily prescribed under any law to be attended to by the Nomination and Remuneration committee; and
7. Framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:
 - (i) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as and when the same come into force; or

- (ii) The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003.

Corporate Social Responsibility Committee

Our Corporate Social Responsibility Committee was re-constituted by a resolution of our Board dated March 21, 2018, in compliance with Section 135 of the Companies Act, 2013. The Corporate Social Responsibility Committee consists of:

Name	Position in the Committee	Designation
Mr. Satish Sareen	Chairman	Independent Director
Mr. Anil Kumar Goel	Member	Independent Director
Dr. Vidya Rajiv Yeravdekar	Member	Independent Director
Mr. A. P. Dwivedi	Member	Government Nominee Director
Mr. Ajay Kumar Gaur	Member	Director (Finance)
Ms. Geethakumary	Member	Independent Director

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

Risk Management Committee

Our Risk Management Committee was re-constituted by a resolution of our Board dated November 20, 2017 in compliance with Regulation 21 of the SEBI Listing Regulations. The Risk Management Committee consists of:

Name	Position in the Committee	Designation
Mr. Anil Kumar Goel	Chairman	Independent Director
Mr. Satish Sareen	Member	Independent Director
Mr. Ajay Kumar Gaur	Member	Director (Finance)
Dr. Pramod Kumar Anand	Member	Independent Director
Mr. A.P. Dwivedi	Member	Government Nominee Director

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

Stakeholders' Relationship Committee

Our Stakeholders' Relationship Committee was constituted by a resolution of our Board dated November 20, 2017. The scope and function of the Stakeholders' Relationship Committee is in accordance with section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI Listing Regulations.

The Stakeholders' Relationship Committee consists of:

Sr. No	Directors	Position in the Committee	Designation
1.	Dr. Pramod Kumar Anand	Chairman	Independent Director
2.	Mr. Satish Sareen	Member	Independent Director
3.	Mr. Anil Kumar Goel	Member	Independent Director
4.	Mr. A. P. Dwivedi	Member	Government Nominee Director
5.	Mr. Ajay Kumar Gaur	Member	Director (Finance)

Terms of reference of the Stakeholders' Relationship Committee are:

- a) Redressal of shareholders'/investors' grievances related to:

- (i) Allotment or transfer of shares, approval of transfer or transmission of shares, debentures or any other securities including non-receipt of share certificates and review of cases for refusal of transfer/transmission of shares and debentures and assisting with quarterly reporting of such complaints;
 - (ii) Non-receipt of declared dividends, annual reports balance sheets of the Company, etc. of the Company or any other documents or information to be sent by the Company to its shareholders.
- b) Carrying out any other function as prescribed under applicable law.

IPO Committee

The IPO Committee was re-constituted by a resolution of our Board dated November 20, 2017. The IPO Committee currently consists of:

Name	Position in the Committee	Designation
Mr. Arbind Kumar	Member	Director (Projects)
Mr. Ajay Kumar Gaur	Member	Director (Finance)
Mr. Mukesh Rathore	Member	Director (Technical)

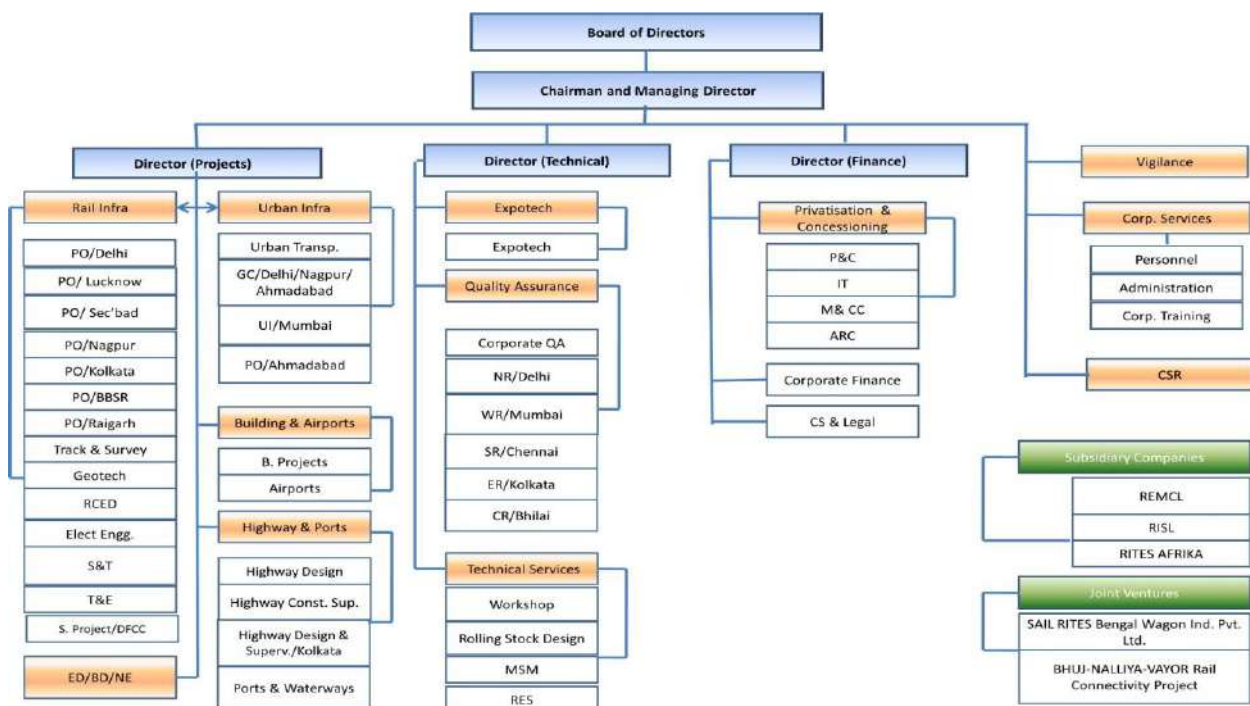
The terms of reference of the IPO Committee consists of the following:

- (a) to enter into agreements such as offer agreement, registrar agreement, ad agency agreement, share escrow agreement, public offer account agreement, syndicate agreement and underwriting agreement or any other agreements and any amendment thereto with book running lead managers, registrars, bankers to the issue, monitoring agency(ies), syndicate member(s), escrow collection bank(s), underwriter(s), publicity agency(ies), stock broker(s), Self – Certified Syndicate Banks and any other intermediaries and advisors as may be necessary for the Offer;
- (b) to take necessary actions and steps for obtaining relevant approvals, consents from DIPP, SEBI, Stock Exchanges, RBI and such other authorities as may be necessary in relation to the Offer;
- (c) to finalise and/or carry out such alterations, additions, omissions, variations, amendments or corrections in the Draft Red Herring Prospectus, Red Herring Prospectus, Prospectus Bid – cum – Application Form, ASBA Form, Abridged Prospectus and other application forms and/or documents and to file the same with SEBI, the Stock Exchanges and other concerned authorities and issue the same to the investors as may be necessary or required by the company or by any regulatory authority / DIPAM or any other agency in this regard and other matters incidental to Offer work and recommend all the above items for acceptance/approval of CMD;
- (d) to approve all notices, including any advertisement(s) required to be issued, as allowed by SEBI and such other applicable authorities and to decide on other terms and conditions of the Offer;
- (e) to decide with the Selling Shareholder, the eligible employees for the purpose of employee reservation portion in the Offer, the employee reservation portion, the allocation of portion for qualified institutional buyers, retail individual investors, non – institutional investors, the basis of allotment, the Offer price, the minimum bid lot, the price band including without limitation the price cap for the sale of the Equity Shares or the total number of Equity Shares to be issued / offered in the Offer;
- (f) to decide with the Selling Shareholder in consultation with the book running lead managers, the Offer price and premium of the Equity Shares to be offered through Offer;
- (g) to obtain necessary approvals and listing for Equity Shares issued in the Offer from the Stock Exchanges and / or other statutory, governmental and regulatory authorities in accordance with all applicable laws;
- (h) to open separate bank accounts with any nationalized Bank / private bank / foreign bank for the purpose of the Offer;
- (i) to decide on the marketing strategy of the Offer and the costs involved;
- (j) to decide along with the Selling Shareholder, the date of opening and closing of the Offer (including the Offer closing date for qualified institutional buyers) and to extend, vary or alter the same as it may deem fit at its

absolute discretion or as may be suggested or stipulated by SEBI, Stock Exchanges or other authorities from time to time;

- (k) to do all such necessary acts, deeds including execution of agreements, applications undertaking and any other documents for listing of Equity Shares issued in the Offer on the Stock Exchanges;
- (l) to offer and allot Equity Shares in consultation with the Selling Shareholder and the BRLM's, Registrar, the Designated Stock Exchange and to do all necessary acts, things, execution of documents, undertaking, etc. with National Securities Depository Limited (NSDL)/Central Depository Services (India) Limited (CDSL) in connection with admitting of Equity Shares issued in the Offer;
- (m) to co-ordinate with the Registrar to the Offer for Sale with respect to investor grievances received if any post allotment of equity shares;
- (n) to enter the names of the allottees in the Register of Members of the Company;
- (o) to decide the mode and manner of allotment of Equity Shares if any not subscribed and left / remaining after allotment of Equity Shares;
- (p) to take all such actions and give all such directions as may be necessary or desirable and also to settle any question or difficulty or doubts that may arise in regard to the creation, offer, issue and allotment of the Equity Shares and to do all acts, deeds, matters and things which they may in their discretion deem necessary or desirable for the purpose of the Offer;
- (q) to file necessary returns, make declarations / announcements, furnish information, etc. to the concerned authorities in connection with the Offer;
- (r) to sign and execute any other document, agreement, undertaking in connection with the Offer; and
- (s) to take all such other steps as may be necessary in connection with the Offer.

Management Organization Structure



Policies

In accordance with the applicable provisions of the SEBI Listing Regulations and other applicable law, we have formulated policies, including the following copies of which are available on our website:

- Policy for Determining 'Material' Subsidiary;
- Policy on Materiality of Related Party Transactions and on Dealing with Related Party Transactions;
- Policy for Determination of Materiality for Disclosure of Events or Information;
- Code of Conduct for Members of Board of Directors and Senior Management;
- Whistle Blower Policy; and
- Policy relating to Remuneration of the Directors, Key Managerial Personnel and Other Employees.

Key Management Personnel and Senior Management

The following persons are the Key Management Personnel of our Company:

1. Mr. Rajeev Mehrotra, Chairman and Managing Director;
2. Mr. Arbind Kumar, Whole – time Director;
3. Mr. Ajay Kumar Gaur, Chief Finance Officer;
4. Mr. Mukesh Rathore, Whole – time Director; and
5. Mr. Ashish Kumar Srivastava, Company Secretary and Compliance Officer.

The following persons are the Senior Management of our Company:

1. Mr. Alok Garg, Executive Director;
2. Mr. Puneet Kumar, Executive Director;
3. Mr. Pankaj Agrawal, Executive Director;
4. Mr. Rakesh Chopra, Executive Director;
5. Mr. Pawan Kumar Gupta, Executive Director;
6. Mr. Rajiv Kumar Tyagi, Executive Director; and
7. Mr. Sanjib Kumar Biswas, Executive Director.

All Key Management Personnel and Senior Management personnels are permanent employees of our Company.

Brief Profiles of our Key Management Personnel

For details of Mr. Rajeev Mehrotra, Mr. Arbind Kumar, Mr. Ajay Kumar Gaur and Mr. Mukesh Rathore, see "*Brief profiles of our Directors*" on page 176.

Mr. Ashish Kumar Srivastava, aged 40 years, is the Company Secretary and Compliance Officer of our Company. He was appointed as our Company's Compliance Officer with effect from April 01, 2018, for the purposes of the Offer, pursuant to a resolution of the Board dated March 21, 2018. He holds a bachelors' degree in commerce from Maharshi Dayanand University, Rohtak and bachelors of law degree from Ch. Charan Singh University, Meerut. He is a fellow of the Institute of Company Secretaries of India. He has in the past been associated with organizations such as Competent Automobiles Company Limited, NIIT Technologies Limited, Sun Life India Service Centre Private Limited and Max Ventures Private Limited. He has been associated with our Company since February 01, 2018 as Deputy General Manager (Company Secretary) and has over 15 years of experience in secretarial compliance.

Brief Profiles of our Senior Management

Mr. Alok Garg, aged 57 years, is the Executive Director (Highway and Ports) of our Company. He holds a Bachelor's degree in Civil Engineering from Aligarh Muslim University and a Master's degree in Management and Systems from the Indian Institute of Technology, Delhi. He is also a director on the board of directors of our Company's subsidiary, RITES Infrastructure Services Limited. He has been associated with our Company since October 17, 1983. He has over 35 years of experience and was previously associated with Jaiprakash Associates Private Limited. He received a gross remuneration of ₹3,860,866.00 in the Financial Year 2017.

Mr. Puneet Kumar, aged 59 years, is the Executive Director (Expotech) of our Company. He holds a Bachelor's

degree in Mechanical Engineering from the Govind Ballabh Pant Krishi Evam Praudyogik Vishwavidyalaya, a Master's degree in Production Engineering from the Indian Institute of Technology, Delhi and a Post Graduate Diploma in Industrial Engineering from the National Institute of Industrial Engineering. He is an officer of the Indian Railways Service of Mechanical Engineers and a Fellow Member of the Institution of Engineers (India). He has been associated with our Company from April 20, 2004. He has over 33 years of experience and was previously associated with the Indian Railways. He received a gross remuneration of ₹4,111,485.53 in the Financial Year 2017.

Mr. Pankaj Agrawal, aged 59 years, is the Executive Director (Quality Assurance) of our Company. He holds a Bachelor's degree in Mechanical Engineering from Maulana Azad College of Technology, Bhopal. He is an officer of the Indian Railways Service of Mechanical Engineers. He has been associated with our Company from February 11, 2005. He has over 33 years of experience and was previously associated with the Indian Railways. He received a gross remuneration of ₹3,332,009.80 in the Financial Year 2017.

Mr. Rakesh Chopra, aged 59 years, is the Executive Director (Privatisation & Concession) of our Company. He holds a Bachelor's degree in Electrical Engineering from the Institution of Engineers (India). He is a qualified lead assessor in Quality, Environment and OSHAS Management Systems and is also a qualified energy auditor. He has been associated with our Company from June 12, 1998. He has over 36 years of experience and was previously associated with the Bureau of Indian Standards. He received a gross remuneration of ₹4,078,257.60 in the Financial Year 2017.

Mr. Pawan Kumar Gupta, aged 54 years, is the Executive Director (Urban Infrastructure) of our Company. He holds a Bachelor's degree in Civil Engineering from the Kurukshetra University and a Master's degree in Water Resources Engineering from the Indian Institute of Technology, Delhi. He is a Member of the Indian Railways Service of Engineers. He has been associated with our Company from June 27, 2006. He has over 31 years of experience and was previously associated with the Indian Railways. He received a gross remuneration of ₹3,257,822 in the Financial Year 2017.

Mr. Rajiv Kumar Tyagi, aged 59 years, is the Executive Directors (Business Development – North East) of our Company. He holds a Bachelor's degree in Civil Engineering from Benaras Hindu University and a Master's degree in Structural Engineering from Indian Institute of Technology, Delhi. He has been associated with our Company from October 24, 2002. He has over 34 years of experience and was previously associated with the Indian Railways. He received a gross remuneration of ₹2,528,426.92 in the Financial Year 2017.

Mr. Sanjib Kumar Biswas, aged 59 years, is the Executive Director (Railway Infrastructure) of our Company. He holds a Bachelor's degree in Civil Engineering from the Indian Institute of Technology, Kharagpur and a Post Graduate Diploma in Business Administration from Annamalai University. He is an officer of the Indian Railways Service of Engineers. He has been associated with our Company from September 13, 2002. He has over 35 years of experience and was previously associated with the Indian Railways. He received a gross remuneration of ₹3,848,307.60 in the Financial Year 2017.

Relationship among Key Management Personnel

None of our Key Management Personnel as disclosed above are related to each other or to the Directors of the Company.

Bonus or profit sharing plan for the Key Management Personnel

Other than the performance-related pay scheme for our employees, through which bonus incentive payments are made to our employees (including our Key Management Personnel), our Company does not have a bonus or profit sharing plan.

Shareholding of Key Management Personnel

None of our Key Management Personnel holds any Equity Shares as on the date of this Red Herring Prospectus.

Our Key Managerial Personnel do not hold equity shares in our subsidiaries except Mr. Arbind Kumar, Director (Project) who holds seven shares in REMCL as nominee of the Company and Mr. Ajay Kumar Gaur Director (Finance) who holds one share in RISL as a nominee of the Company as on the date of this Red Herring Prospectus.

Service Contracts with Key Management Personnel

Our Company has not entered into any service contracts, pursuant to which, its Key Management Personnel are entitled to benefits upon termination of employment. Except for statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company, including Key Management Personnel, is entitled to any benefit upon termination of employment or superannuation.

Interest of Key Management Personnel

Except as disclosed above in relation to our Executive Directors, none of our Key Management Personnel have any interest in our Company other than to the extent of remuneration from our Company, benefits, and reimbursement of expenses incurred by them in the ordinary course of business.

No loans have been availed from our Company by our Key Management Personnel.

Contingent and deferred compensation payable to Key Management Personnel

No contingent or deferred compensation is payable to our Key Management Personnel which does not form part of their remuneration.

Changes in our Board and Key Management Personnel during the last three years

The changes in our Board during the three years immediately preceding the date of this Red Herring Prospectus is as follows:

Name of Director	Date of change	Reasons
Ms. Geethakumary	March 15, 2018	Appointment
Dr. Rajendra N. Goyal	March 15, 2018	Appointment
Mr. Bhupendra Kumar Agarwal	September 26, 2017	Appointment
Dr. Pramod Kumar Anand	September 19, 2017	Appointment
Mr. Ravindra Nath Misra	September 01, 2017	Cessation
Mr. Mukesh Rathore	December 01, 2016	Appointment
Mr. S.B. Malik	November 30, 2016	Cessation
Mr. Ravindra Nath Misra	October 31, 2016	Appointment
Mr. R. S. Kochak	July 31, 2016	Cessation
Dr. Vidya Rajiv Yeravdekar	April 01, 2016	Appointment
Mr. Anil Kumar Goel	April 01, 2016	Appointment
Mr. Satish Sareen	April 01, 2016	Appointment
Mr. R. S. Kochak	September 07, 2015	Appointment

Changes in our other Key Management Personnel and Senior Management during the three years immediately preceding the date of this Red Herring Prospectus are set forth below:

Name	Designation	Date of change	Reasons
Mr. Pradeep Gupta	Executive Director (Technical Services)	June 29, 2015	Appointment
Mr. Mukesh Rathore	Executive Director (Quality Assurance)	June 30, 2015	Appointment
Mr. R. L. Prasad	Executive Director (Quality Assurance)	June 30, 2015	Cessation
Mr. A. K. Arora	Executive Director (Urban Infrastructure)	July 31, 2015	Cessation
Mr. S. S. Gavane	Executive Director (Railway Equipment Service)	December 31, 2015	Cessation
Mr. V. K. Jain	Executive Director (Expotech)	January 31, 2016	Cessation
Mr. Alok Garg	Executive Director (Highways and Ports)	March 18, 2016	Appointment
Mr. Pankaj Agrawal	Executive Director (Railway Equipment Service)	June 14, 2016	Appointment
Mr. A. K. M. Sharma	Executive Director (Privatisation & Concession)	June 14, 2016	Appointment
Mr. Puneet Kumar	Executive Director (Expotech)	June 14, 2016	Appointment
Mr. Mukesh Rathore	Executive Director (Quality Assurance)	December 1, 2016	Appointed as Director

Name	Designation	Date of change	Reasons
			(Technical)
Mr. H. K. Bali	Executive Director (Finance)	November 30, 2016	Cessation
Mr. K. K. Gupta	Executive Director (Rail Infrastructure Service Limited)	November 30, 2016	Cessation
Mr. Pankaj Agrawal	Executive Director (Quality Assurance)	December 01, 2016	Appointment
Mr. A. K. M. Sharma	Executive Director (Privatisation & Concession)	December 31, 2016	Cessation
Mr. P. K. Gupta	Executive Director (Urban Infrastructure)	January 09, 2017	Appointment
Mr. Rakesh Chopra	Executive Director (Privatisation & Concession)	January 09, 2017	Appointment
Mr. Sanjib Kumar Biswas	Executive Director (Railway Infrastructure)	January 09, 2017	Appointment
Mr. Rajiv Milind	Executive Director (Corporate Services)	December 31, 2017	Cessation
Mr. Param Tej Mittal	Company Secretary, GM (legal) and compliance officer	March 31, 2018	Cessation
Mr. Ashish Kumar Srivastava	Company Secretary and Compliance Officer	April 01, 2018	Appointment
Mr. Pradeep Gupta	Executive Director (Technical Services)	April 30, 2018	Cessation

Employee stock option and stock purchase schemes

Our Company does not have any employee stock option and stock purchase schemes.

Payment of non – salary related benefits to officers of our Company

No amount or benefit has been paid or given to any officer of our Company within the two years preceding the date of filing of this Red Herring Prospectus or is intended to be paid, other than in the ordinary course of their employment.

OUR PROMOTER, PROMOTER GROUP AND GROUP COMPANIES

Our Promoter is the President of India acting through the MoR. Our Promoter currently holds, directly and indirectly (through his nominees), 100% of the pre-Offer paid-up Equity Share capital of our Company. After this Offer, our Promoter shall hold 87.40% of the post Offer paid-up equity share capital of our Company. As our Promoter is the President of India, acting through the MoR disclosures on the Promoter Group (defined in regulation 2(1)(zb) of the SEBI ICDR Regulations) as specified in Schedule VIII of the SEBI ICDR Regulations have not been provided.

Group Companies

Further, pursuant to a resolution of our Board dated November 20, 2017, our Board has noted that in accordance with the SEBI ICDR Regulations, Group Companies shall include companies covered under applicable accounting standards and such other companies as considered material by our Board. Pursuant to the aforesaid resolution, other than companies which constitute part of the related parties of our Company in accordance with the applicable accounting standards (AS 21 and/or Ind AS 24) as per the Restated Consolidated Financial Information of our Company, there are no material group companies of our Company. Hence, as on date of this Red Herring Prospectus, we do not have any 'Group Companies'.

For avoidance of doubt, it is hereby clarified that our Subsidiaries and Joint Ventures, have not been considered as Group Companies for the purpose of disclosure in this Red Herring Prospectus.

RELATED PARTY TRANSACTIONS

For details of the related party transactions during the last five Financial Years, as per the requirements under Ind AS 24 “*Related Party Disclosures*”, see “*Financial Statements – Annexure VI (Note to 2.46 – Related Party Transactions)*” of the consolidated Restated Financial Information and “*Financial Statements – Annexure VI (Note to 2.41 – Related Party Transactions)*” of the Restated Consolidated Financial Information and Restated Standalone Financial Information beginning on pages 200 and 370 respectively.

DIVIDEND POLICY

The DIPAM (F. No. 5/2/2016-Policy), by an Office Memorandum dated May 27, 2016, issued “Guidelines on Capital Restructuring of Central Public Sector Enterprises” (“**CPSE Capital Restructuring Guidelines**”). As per CPSE Capital Restructuring Guidelines, all central public sector enterprises are required to pay a minimum annual dividend of 30% of profit after tax or 5% of the net-worth, whichever is higher, subject to the maximum dividend permitted under the extant legal provisions.

However, the declaration and payment of dividends on our Equity Shares will be recommended by our Board and approved by our shareholders, at their discretion, in accordance with the provisions of the Articles and the Companies Act. Further, the dividends, if any, will depend on a number of factors, including but not limited to our earnings, guidelines issued by the Department of Public Enterprise (“**DPE**”), capital requirements and overall financial position of our Company. In addition, our ability to pay dividends may be impacted by a number of factors, including the results of operations, financial condition, contractual restrictions, and restrictive covenants under the loan or financing arrangements we may enter into. For further details, refer to “*Financial Statements*” and “*Financial Indebtedness*” on pages 199 and 562 respectively. Our Company may also, from time to time, pay interim dividends.

The dividend and dividend tax paid by our Company during the last five fiscals and the current financial year till the date of this RHP is presented below:

Particulars	Interim Dividend for Fiscal Year 2018	Final Dividend for Fiscal Year 2016-17 paid in September, 2017	Fiscal Year				
			2017	2016	2015	2014	2013
Face value per share (in ₹)	10	10	10	10	10	10	10
Dividend (in ₹million)*	700	780	1,460	770	530	600	380
Dividend per share (in ₹)	3.5	3.9	7.3	7.7	5.3	6.0	3.8
Rate of dividend (%)**	35%	39%	73%	77%	53%	60%	38%
Dividend Tax (in ₹ million)	138.69	158.79	297.22	156.75	99.08	101.97	61.64

*Dividend paid during the financial year i.e. interim dividend for that particular financial year and final dividend for previous year.

**Dividend paid as % of Share Capital.

The amounts distributed as dividends in the past are not necessarily indicative of our dividend amounts, if any, or our dividend policy, in the future. For further details, refer to “*Risk Factors*” on page 18. There is no guarantee that any dividends will be declared or paid or that the amount thereof will not decrease in the future. Future dividends will depend on guidelines issued by DPE, our profits, revenues, capital requirements, contractual restrictions and overall financial position of our Company.

SECTION VI: FINANCIAL INFORMATION

FINANCIAL STATEMENTS

Particulars	Page Numbers
Restated Consolidated Financial Information	200 to 369
Restated Standalone Financial Information	370 to 523

To,
The Board of Directors
Rites Limited,
SCOPE Minar, Core-I,
Laxmi Nagar,
Delhi - 110092

Examination Report on the Restated Consolidated Financial Information in connection with the Initial Public Offering of RITES Limited

Dear Sirs,

- 1) We have examined the accompanying Restated Consolidated Financial Information of RITES LIMITED (“the Holding Company”) and its subsidiaries and associates (hereinafter together referred to as the “Group”) which comprises the Restated Consolidated Statement of Assets and Liabilities as at December 31, 2017, March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013, the Restated Consolidated Statement of Profit and Loss (including other comprehensive income), the Restated Consolidated Statement of Cash Flows and the Restated Consolidated Statement of Changes in Equity for nine months period ended December 31, 2017 and for each of the years ended March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014, March 31, 2013 and the Significant Accounting Policies as approved by the Board of Directors of the Company prepared in terms of the requirement of Section 26 of Part I of Chapter III of the Companies Act, 2013 ("the Act") read with Rules 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014 (“the Rules”); and item (IX) of Part A of Schedule VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended to date issued by SEBI on August 26, 2009 in connection with the Proposed Initial Public Offering of Equity Shares of the Company (the Issue) and has been approved by the Board of Directors and initialed by us for identification purpose only.
- 2) The preparation of the Restated Consolidated Financial Information, which is to be included in Red Hearing Prospectus (RHP), is the responsibility of the Management of the Company and has been approved by the Board of Directors, at its meeting held on March 21st 2018 for the purpose set out in paragraph 9 below. The Management’s responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Consolidated Financial Information. The Management is also responsible for identifying and ensuring that the Company complies with the Rules and ICDR Regulations.
- 3) We have examined such Restated Consolidated Financial Information taking into consideration the terms of reference and terms of engagement agreed upon with you in accordance with our engagement letter dated September 8, 2017 in connection with the proposed issue of equity shares of the Company: and the guidance note on reports in company prospectuses (revised 2016) issued by ICAI (“The Guidance Report”).
- 4) The Restated Consolidated Financial Information have been compiled by the Management for the period ended December 31, 2017 and year ended March 31, 2017 from the Audited Consolidated Financial Statements of the Company prepared under IND AS and for the year ended March 31, 2016, 2015 & 2014 have been compiled based on the audited consolidated financial statements prepared under previous generally accepted accounting principles (Indian GAAP) adjusted in conformity with Ind AS, which have been approved by the Board of Directors at their meetings held on March 21st 2018, July 4 2017, July 26 2016, July 24 2015, June 24 2014, and June 21 2013 respectively. However, in the absence of audited consolidated financial statement for the year ended March 31, 2013, restated financial information has been compiled on the basis of audited standalone financial statements of holding company and its subsidiaries & joint ventures, and the restated Consolidated financial information:
 - a) have been made after incorporating adjustments for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per changed accounting policy for all the reporting periods;

- b) have been made after incorporating adjustments for the material amounts in the respective financial years to which they relate; and
 - c) do not contain any extra-ordinary items that need to be disclosed separately.
- 5) In accordance with the requirements of Section 26 of Part I of Chapter III of the Act read with, Rules 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014, the ICDR Regulations and the Guidance Note, we report that:
- a) The Restated Consolidated Statement of Assets and Liabilities of the Company, as at December 31, 2017, March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014 examined by us, as set out in Annexure I to this report, have been arrived at after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in Annexure VI.
 - b) The Restated Consolidated Statement of Profit and Loss of the Company, for nine months period ended December 31, 2017 and for each of the years ended March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014, examined by us, as set out in Annexure II to this report, have been arrived at after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in Annexure VI.
 - c) The Restated Consolidated Statement of Changes in Equity of the Company, for nine months period ended December 31, 2017 and for each of the years ended March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014, examined by us, as set out in Annexures III to this report, have been arrived at after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in Annexure VI.
 - d) The Restated Consolidated Statement of Cash Flows of the Company for nine months period ended December 31, 2017 and for each of the years ended March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014, examined by us, as set out in Annexures IV to this report, have been arrived at after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in Annexure VI.
 - e) Based on the above, and according to the information and explanations given to us, we further report that the Restated Consolidated Financial Information:
 - i. have been made after incorporating adjustments for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per changed accounting policy for all the reporting periods;
 - ii. have been made after incorporating adjustments for the material amounts in the respective financial years to which they relate; and
 - iii. do not contain any extra-ordinary items that need to be disclosed separately.
- 6) We have also examined the restated Consolidated financial information of the Company set out in the following Annexures prepared by the management and approved by the Board of Directors on March 21, 2018 for nine months period ended December 31, 2017 and for each of the years ended March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014, March 31, 2013:
- a) Annexure VI – Restated Related Party Disclosure (Note No.: 2.46)
 - b) Annexure VII - Statement of adjustments to audited Consolidated financial statements
 - c) Annexure VIII–Restated Statement of Capitalisation
 - d) Annexure IX –Restated Statement of Accounting Ratios
 - e) Annexure X –Restated Statement of Other Income
 - f) Annexure XI– Restated Statement of Tax Shelter

According to the information and explanations given to us, in our opinion, the Restated Consolidated Financial Information contained in Annexures VII to XI accompanying this report, read with Significant Accounting Policies disclosed in Annexure V, are prepared after making adjustments and regroupings as considered appropriate and have been prepared in accordance with Section 26 of Part I of Chapter III of

the Companies Act, 2013 read with Rules 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014, ICDR Regulations and the Guidance Note.

- 7) This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.
- 8) We have no responsibility to update our report for events and circumstances occurring after the date of the report.

Restriction on Use

- 9) Our report is intended solely for use of the management for inclusion in the offer document to be filed with Securities and Exchange Board of India, Registrar of Companies, Mumbai and concern stock exchange in connection with the proposed issue of equity shares of the Company. Our report should not be used, referred to or distributed for any other purpose except with our prior consent in writing.

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

(R. K. Agrawal)
Partner
Membership No.: 017020

Place: New Delhi
Dated: 21st March, 2018

ANNEXURE I: RESTATED CONSOLIDATED STATEMENT OF ASSETS & LIABILITIES							
							(₹ in Million)
PARTICULARS	NOTE NO.	AS AT 31.12.2017 (Ind AS)	AS AT 31.03.2017 (Ind AS)	AS AT 31.03.2016 (Ind AS)	AS AT 31.03.2015 (Proforma Ind AS)	AS AT 31.03.2014 (Proforma Ind AS)	AS AT 31.03.2013 (Proforma Ind AS)
ASSETS							
NON CURRENT ASSETS							
PROPERTY, PLANT AND EQUIPMENT	2.3	3,914.69	4,034.67	4,154.43	2,057.16	1,919.72	1,729.43
CAPITAL WORK IN PROGRESS	2.4	4.48	32.80	69.76	256.54	192.41	113.40
INVESTMENT PROPERTY	2.5	12.34	12.55	12.91	13.27	15.51	15.92
INTANGIBLE ASSETS	2.6	10.39	17.41	31.02	47.89	47.96	35.50
INTANGIBLE ASSETS UNDER DEVELOPMENT	2.7	15.79	15.79	15.79	7.48	4.88	2.27
INVESTMENT IN JOINT VENTURES APPLYING EQUITY METHOD	2.8	125.27	148.41	305.79	258.09	278.82	245.63
FINANCIAL ASSETS							
INVESTMENTS	2.9.1	1,200.46	1,200.46	1,700.46	2,000.44	2,000.44	1,750.41
LOANS	2.10	87.12	96.48	103.20	1,545.48	1,356.87	1,181.22
OTHER FINANCIAL ASSETS	2.11	1,721.81	2,446.77	1,966.91	1,947.89	2,715.43	2,127.64
DEFERRED TAX ASSETS (NET)	2.12	287.42	468.00	275.07	462.40	598.81	474.33
OTHER NON CURRENT ASSETS	2.13	1,233.47	1,203.99	905.69	1,210.24	784.98	798.75
		8,613.24	9,677.33	9,541.03	9,806.88	9,915.83	8,474.50
CURRENT ASSETS							
INVENTORIES	2.14	307.45	504.13	130.71	66.77	174.92	259.63

FINANCIAL ASSETS							
INVESTMENTS	2.9.2	2,491.94	1,930.36	500.00	-	-	1,224.70
TRADE RECEIVABLES	2.15	5,481.09	4,644.97	5,354.69	3,807.61	3,257.55	2,944.09
CASH AND CASH EQUIVALENTS-OWNED FUND	2.16.1	1,454.09	2,647.23	2,619.92	2,569.70	363.22	584.20
CASH AND CASH EQUIVALENTS-CLIENTS FUND	2.17.1	4,718.18	3,333.70	1,903.52	1,993.58	2,586.53	2,193.51
OTHER BANK BALANCES- OWNED FUND	2.16.2	9,855.67	6,299.88	4,653.71	4,643.89	6,049.96	5,673.21
OTHER BANK BALANCES- CLIENTS FUND	2.17.2	13,914.25	16,590.94	16,368.06	11,390.85	12,180.98	9,343.39
LOANS	2.18	110.15	114.17	71.70	121.99	40.94	33.73
OTHER FINANCIAL ASSETS	2.19	1,592.78	1,677.12	1,734.60	1,350.88	1,318.18	1,216.64
CURRENT TAX ASSETS (NET)	2.20	63.36	103.54	386.63	16.19	16.19	63.33
OTHER CURRENT ASSETS	2.21	869.14	498.87	824.39	285.82	458.14	855.65
		40,858.10	38,344.91	34,547.93	26,247.28	26,446.61	24,392.08
TOTAL ASSETS		49,471.34	48,022.24	44,088.96	36,054.16	36,362.44	32,866.58
EQUITY AND LIABILITIES							
EQUITY							
EQUITY SHARE CAPITAL	2.22	2,000.00	2,000.00	1,000.00	1,000.00	1,000.00	1,000.00
OTHER EQUITY	2.23.1	19,719.94	18,411.04	17,635.15	15,761.56	13,251.30	11,358.05
EQUITY ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE COMPANY		21,719.94	20,411.04	18,635.15	16,761.56	14,251.30	12,358.05
NON-CONTROLLING INTERESTS	2.23.2	522.36	448.28	260.30	146.94	50.78	5.08

		22,242.30	20,859.32	18,895.45	16,908.50	14,302.08	12,363.13
LIABILITIES							
NON CURRENT LIABILITIES							
FINANCIAL LIABILITIES							
BORROWINGS	2.24	696.07	757.64	1,105.37	-	-	-
TRADE PAYABLES	2.25	-	-	6.64	26.75	31.87	37.26
OTHER FINANCIAL LIABILITIES	2.26	1,159.84	1,084.57	996.17	822.08	688.04	666.85
PROVISIONS	2.27	1,203.89	1,126.82	998.62	1,045.46	1,128.04	1,448.29
OTHER NON CURRENT LIABILITIES	2.28	1,995.05	72.75	20.68	64.13	134.72	50.89
		5,054.85	3,041.78	3,127.48	1,958.42	1,982.67	2,203.29
CURRENT LIABILITIES							
FINANCIAL LIABILITIES							
TRADE PAYABLES	2.29	704.36	849.59	899.34	863.08	1,075.25	1,426.20
OTHER FINANCIAL LIABILITIES	2.30	18,313.91	19,262.70	18,960.23	15,044.35	17,005.45	14,720.06
PROVISIONS	2.31	997.07	1,505.45	1,046.51	767.15	1,083.65	312.60
CURRENT TAX LIABILITIES (NET)	2.32	0.32	0.08	10.09	0.08	0.25	0.24
OTHER CURRENT LIABILITIES	2.33	2,158.53	2,503.32	1,149.86	512.58	913.09	1,841.06
		22,174.19	24,121.14	22,066.03	17,187.24	20,077.69	18,300.16
TOTAL EQUITY AND LIABILITIES		49,471.34	48,022.24	44,088.96	36,054.16	36,362.44	32,866.58

THE ABOVE STATEMENT SHOULD BE READ WITH THE BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES APPEARING IN ANNEXURE V, NOTES TO RESTATED CONSOLIDATED FINANCIAL INFORMATION APPEARING IN ANNEXURE VI AND STATEMENT OF ADJUSTMENTS TO CONSOLIDATED FINANCIAL STATEMENTS APPEARING IN ANNEXURE VII, RESTATED CONSOLIDATED STATEMENT OF CAPITALISATION APPEARING IN ANNEXURE VIII, RESTATED CONSOLIDATED STATEMENT OF ACCOUNTING RATIOS APPEARING IN ANNEXURE IX, RESTATED CONSOLIDATED STATEMENT OF OTHER INCOME WITH ITS NATURE APPEARING IN ANNEXURE X AND RESTATED CONSOLIDATED STATEMENT OF TAX SHELTER APPEARING IN ANNEXURE XI.

For and on behalf of the Board

Ajay Kumar Gaur
Director Finance
and
Chief Finance Officer
DIN:05333257

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

P.T. Mittal
Company Secretary
and
General Manager (Legal)
M.No. : FCS 2529

As per our report of even date attached

For AGIWAL & ASSOCIATES
Chartered Accountants
Firm Registration No. 000181N
(R. K. Agrawal)
Partner
Membership No.: 017020

Place: Delhi
Dated:

ANNEXURE II: RESTATED CONSOLIDATED STATEMENT OF PROFIT AND LOSS							
							(₹ in Million)
PARTICULARS	NOTE NO.	PERIOD ENDED 31.12.2017 (Ind AS)	YEAR ENDED 31.03.2017 (Ind AS)	YEAR ENDED 31.03.2016 (Ind AS)	YEAR ENDED 31.03.2015 (Proforma Ind AS)	YEAR ENDED 31.03.2014 (Proforma Ind AS)	YEAR ENDED 31.03.2013 (Proforma Ind AS)
CONTINUING OPERATIONS							
REVENUE							
REVENUE FROM OPERATIONS	2.34	9,361.50	13,533.56	10,905.30	10,126.88	10,964.88	9,556.34
OTHER INCOME	2.35	1,249.12	2,099.17	1,361.97	1,464.19	1,269.82	1,274.18
TOTAL REVENUE		10,610.62	15,632.73	12,267.27	11,591.07	12,234.70	10,830.52
EXPENDITURE							
EMPLOYEE BENEFIT EXPENSES	2.36	3,230.55	4,169.45	3,409.59	3,244.72	2,706.71	2,859.35
TRAVEL		274.92	394.77	355.43	324.66	345.95	309.69
SUPPLIES & SERVICES		697.05	1,063.54	971.26	784.50	746.40	796.84
COST OF EXPORT SALES	2.37	1,140.33	2,961.02	1,569.42	805.11	2,731.86	2,252.90
COST OF TURNKEY CONSTRUCTION PROJECTS	2.38	539.43	278.49	352.52	834.82	881.51	546.17
TRANSMISSION AND WHELLING CHARGES		35.71	37.33	21.66	-	-	-
FINANCE COSTS		52.74	113.27	47.14	-	-	-
DEPRECIATION & AMORTISATION EXPENSES	2.3-2.7	276.79	382.56	346.43	261.54	203.46	155.23
OTHER EXPENSES	2.39	446.98	1,046.18	661.66	663.56	741.91	614.67
TOTAL EXPENDITURE		6,694.50	10,446.61	7,735.11	6,918.91	8,357.80	7,534.85

PROFIT BEFORE SHARE OF PROFIT/(LOSS) OF JOINT VENTURES, EXCEPTIONAL ITEMS AND TAX FROM CONTINUING OPERATIONS		3,916.12	5,186.12	4,532.16	4,672.16	3,876.90	3,295.67
SHARE OF PROFIT/(LOSS) OF JOINT VENTURES	2.40	(23.14)	(114.72)	(26.00)	10.27	(26.81)	65.98
PROFIT BEFORE TAX		3,892.98	5,071.40	4,506.16	4,682.43	3,850.09	3,361.65
TAX EXPENSES							
- CURRENT TAX	2.70	(1,187.03)	(1,646.72)	(1,489.83)	(1,423.90)	(1,368.45)	(1,089.11)
- DEFERRED TAX (NET)	2.41	(180.58)	192.93	(187.06)	(136.41)	124.48	59.38
PROFIT AFTER TAX FROM CONTINUING OPERATIONS		2,525.37	3,617.61	2,829.27	3,122.12	2,606.12	2,331.92
DISCONTINUED OPERATIONS							
LOSS BEFORE TAX FROM DISCONTINUED OPERATIONS		-	(1.01)	(3.87)	-	(0.76)	(1.35)
TAX EXPENSES OF DISCONTINUED OPERATIONS	2.41	-	-	(0.27)	-	-	-
LOSS FROM DISCONTINUED OPERATIONS		-	(1.01)	(4.14)	-	(0.76)	(1.35)
PROFIT/(LOSS) FOR THE YEAR		2,525.37	3,616.60	2,825.13	3,122.12	2,605.36	2,330.57
OTHER COMPREHENSIVE INCOME							
ITEMS THAT WILL BE RECLASSIFIED SUBSEQUENTLY TO PROFIT & LOSS							
- FOREIGN CURRENCY TRANSLATION RESERVE		0.09	0.04	(1.42)	(6.43)	(3.81)	20.68
- INCOME TAX EFFECT		-	-	-	-	-	-
		0.09	0.04	(1.42)	(6.43)	(3.81)	20.68

ITEMS THAT WILL NOT BE RECLASSIFIED SUBSEQUENTLY TO PROFIT & LOSS							
- REMEASUREMENTS OF THE DEFINED BENEFIT LIABILITY/ASSET		(61.36)	9.00	(13.20)	36.80	(25.40)	45.70
- INCOME TAX EFFECT		21.24	(3.10)	4.60	(12.70)	8.80	(15.80)
		(40.12)	5.90	(8.60)	24.10	(16.60)	29.90
TOTAL OTHER COMPREHENSIVE INCOME (NET OF TAX)		(40.03)	5.94	(10.02)	17.67	(20.41)	50.58
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		2,485.34	3,622.54	2,815.11	3,139.79	2,584.95	2,381.15
PROFIT FOR THE YEAR ATTRIBUTABLE TO:							
EQUITY SHAREHOLDERS OF THE COMPANY		2,429.59	3,526.62	2,809.77	3,121.04	2,606.69	2,330.89
NON-CONTROLLING INTERESTS		95.78	89.98	15.36	1.08	(1.33)	(0.32)
		2,525.37	3,616.60	2,825.13	3,122.12	2,605.36	2,330.57
TOTAL COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO:							
EQUITY SHAREHOLDERS OF THE COMPANY		2,389.56	3,532.56	2,799.75	3,140.15	2,588.25	2,381.48
NON-CONTROLLING INTERESTS		95.78	89.98	15.36	(0.36)	(3.30)	(0.33)
		2,485.34	3,622.54	2,815.11	3,139.79	2,584.95	2,381.15
EARNING PER SHARE (EQUITY SHARE OF ₹10/- EACH) FOR:	2.48						
CONTINUING OPERATIONS - BASIC & DILUTED (₹)		12.148	17.638	14.070	15.605	13.036	11.659
DISCONTINUED OPERATIONS - BASIC & DILUTED (₹)		-	(0.005)	(0.021)	-	(0.003)	(0.005)
CONTINUING & DISCONTINUED OPERATIONS - BASIC & DILUTED (₹)		12.148	17.633	14.049	15.605	13.033	11.654
WEIGHTED AVERAGE NUMBER OF EQUITY SHARES USED IN COMPUTING EARNING PER SHARE-BASIC & DILUTED (CONTINUING, DISCONTINUED & TOTAL)		200,000,000	200,000,000	200,000,000	200,000,000	200,000,000	200,000,000

THE ABOVE STATEMENT SHOULD BE READ WITH THE BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES APPEARING IN ANNEXURE V, NOTES TO RESTATED CONSOLIDATED FINANCIAL INFORMATION APPEARING IN ANNEXURE VI AND STATEMENT OF ADJUSTMENTS TO CONSOLIDATED FINANCIAL STATEMENTS APPEARING IN ANNEXURE VII, RESTATED CONSOLIDATED STATEMENT OF CAPITALISATION APPEARING IN ANNEXURE VIII, RESTATED CONSOLIDATED STATEMENT OF ACCOUNTING RATIOS APPEARING IN ANNEXURE IX, RESTATED CONSOLIDATED STATEMENT OF OTHER INCOME WITH ITS NATURE APPEARING IN ANNEXURE X AND RESTATED CONSOLIDATED STATEMENT OF TAX SHELTER APPEARING IN ANNEXURE XI.

For and on behalf of the Board

Ajay Kumar Gaur
Director Finance
and
Chief Finance Officer
DIN:05333257

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

P.T. Mittal
Company Secretary
and
General Manager (Legal)
M.No. : FCS 2529

As per our report of even date attached

For AGIWAL & ASSOCIATES
Chartered Accountants
Firm Registration No. 000181N
(R. K. Agrawal)
Partner
Membership No.: 017020

Place: Delhi
Dated:

ANNEXURE III: RESTATED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY		
A. EQUITY SHARE CAPITAL		
(₹ in Million)		
BALANCE AS AT 01.04.2017	CHANGES IN EQUITY SHARE CAPITAL DURING THE PERIOD	BALANCE AS AT 31.12.2017
2,000.00	0.00	2,000.00
(₹ in Million)		
BALANCE AS AT 01.04.2016	CHANGES IN EQUITY SHARE CAPITAL DURING THE YEAR*	BALANCE AS AT 31.03.2017
1,000.00	1,000.00	2,000.00
(₹ in Million)		
BALANCE AS AT 01.04.2015	CHANGES IN EQUITY SHARE CAPITAL DURING THE YEAR	BALANCE AS AT 31.03.2016
1,000.00	0.00	1,000.00
(₹ in Million)		
BALANCE AS AT 01.04.2014	CHANGES IN EQUITY SHARE CAPITAL DURING THE YEAR	BALANCE AS AT 31.03.2015
1,000.00	0.00	1,000.00
(₹ in Million)		
BALANCE AS AT 01.04.2013	CHANGES IN EQUITY SHARE CAPITAL DURING THE YEAR	BALANCE AS AT 31.03.2014
1,000.00	0.00	1,000.00
(₹ in Million)		
BALANCE AS AT 01.04.2012	CHANGES IN EQUITY SHARE CAPITAL DURING THE YEAR*	BALANCE AS AT 31.03.2013
400.00	600.00	1,000.00
*CHANGE IN EQUITY IS ON ACCOUNT OF ISSUANCE OF BONUS SHARES ONLY.		

B. OTHER EQUITY								
(₹ in Million)								
PARTICULARS	OTHER EQUITY ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE COMPANY						NON-CONTROLLING INTERESTS****	TOTAL
	RESERVE AND SURPLUS		OTHER COMPREHENSIVE INCOME		DISCONTINUED OPERATIONS***	TOTAL		
	GENERAL RESERVE**	RETAINED EARNINGS	REMEASUREMENT OF DEFINED BENEFITS	FOREIGN CURRENCY TRANSLATION RESERVE				
BALANCE AS AT 01.04.2017	18,421.91	-	(3.50)	(0.11)	(7.26)	18,411.04	448.28	18,859.32
PROFIT FOR THE PERIOD		2,429.59				2,429.59	95.78	2,525.37
OTHER COMPREHENSIVE INCOME			(40.12)	0.09		(40.03)	-	(40.03)
TRANSLATION OF FOREIGN GENERAL RESERVE	(3.19)					(3.19)	-	(3.19)
FINAL DIVIDEND (2016-17)	-	(780.00)	-	-	-	(780.00)	(18.03)	(798.03)
CORPORATE DIVIDEND TAX	-	(297.47)	-	-	-	(229.47)	(3.67)	(301.14)
TRANSFER TO GENERAL RESERVE FROM RETAINED EARNINGS	1,352.12	(1,352.12)				-	-	-
BALANCE AS AT 31.12.2017	19,770.84	-	(43.62)	(0.02)	(7.26)	19,719.94	522.36	20,242.30
FINAL DIVIDEND PER SHARE FOR 2016-17 (₹)	3.90	NUMBER OF SHARES USED IN COMPUTING DIVIDEND PER SHARE						200,000,000

(₹ in Million)								
PARTICULARS	OTHER EQUITY ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE COMPANY						NON-CONTROLLING INTERESTS**	TOTAL
	RESERVE AND SURPLUS		OTHER COMPREHENSIVE INCOME		DISCONTINUED OPERATIONS***	TOTAL		
	GENERAL RESERVE**	RETAINED EARNINGS	REMEASUREMENT OF DEFINED BENEFITS	FOREIGN CURRENCY TRANSLATION RESERVE				
BALANCE AS AT 01.04.2016	17,650.95	-	(9.40)	(0.15)	(6.25)	17,635.15	260.30	17,895.45
ADDITION DURING THE YEAR IN SHARE CAPITAL BY NON-CONTROLLING INTERESTS						-	98.00	98.00
CAPITALISATION OF GENERAL RESERVE (ISSUE OF BONUS SHARES)	(1,000.00)					(1,000.00)	-	(1,000.00)
PROFIT FOR THE PERIOD		3,526.62				3,526.62	89.98	3,616.60
OTHER COMPREHENSIVE INCOME			5.90	0.04		5.94	-	5.94
TRANSLATION OF FOREIGN GENERAL RESERVE	0.55					0.55	-	0.55
LOSS FROM DISCONTINUED OPERATIONS		1.01			(1.01)	-	-	-
INTERIM DIVIDEND (2016-17)		(550.00)				(550.00)	-	(550.00)
FINAL DIVIDEND (2015-16)		(910.00)				(910.00)	-	(910.00)
CORPORATE DIVIDEND TAX		(297.22)				(297.22)	-	(297.22)
TRANSFER TO GENERAL RESERVE FROM RETAINED EARNINGS	1,770.41	(1,770.41)				-	-	-
BALANCE AS AT 31.03.2017	18,421.91	-	(3.50)	(0.11)	(7.26)	18,411.04	448.28	18,859.32
INTERIM DIVIDEND PER SHARE FOR 2016-17 (₹)	3.67	NUMBER OF SHARES USED IN COMPUTING DIVIDEND PER SHARE						150,000,000
FINAL DIVIDEND PER SHARE FOR 2015-16 (₹)	9.10	NUMBER OF SHARES USED IN COMPUTING DIVIDEND PER SHARE						100,000,000

(₹ in Million)								
PARTICULARS	OTHER EQUITY ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE COMPANY						NON-CONTROLLING INTERESTS**	TOTAL
	RESERVE AND SURPLUS		OTHER COMPREHENSIVE INCOME		DISCONTINUED OPERATIONS***	TOTAL		
	GENERAL RESERVE**	RETAINED EARNINGS	RE-MEASUREMENT OF DEFINED BENEFITS	FOREIGN CURRENCY TRANSLATION RESERVE				
BALANCE AS AT 01.04.2015	15,763.20	-	(0.80)	1.27	(2.11)	15,761.56	146.94	15,908.50
ADDITION DURING THE YEAR IN SHARE CAPITAL BY NON-CONTROLLING INTERESTS						-	98.00	98.00
PROFIT FOR THE PERIOD		2,809.77				2,809.77	15.36	2,825.13
OTHER COMPREHENSIVE INCOME			(8.60)	(1.42)		(10.02)	-	(10.02)
TRANSLATION OF FOREIGN GENERAL RESERVE	0.59					0.59	-	0.59
LOSS FROM DISCONTINUED OPERATIONS		4.14			(4.14)	-	-	-
INTERIM DIVIDEND (2015-16)		(450.00)				(450.00)	-	(450.00)
FINAL DIVIDEND (2014-15)		(320.00)				(320.00)	-	(320.00)
CORPORATE DIVIDEND TAX		(156.75)				(156.75)	-	(156.75)
TRANSFER TO GENERAL RESERVE FROM RETAINED EARNINGS	1,887.16	(1,887.16)				-	-	-
BALANCE AS AT 31.03.2016	17,650.95	-	(9.40)	(0.15)	(6.25)	17,635.15	260.30	17,895.45
INTERIM DIVIDEND PER SHARE FOR 2015-16 (₹)	4.50	NUMBER OF SHARES USED IN COMPUTING DIVIDEND PER SHARE						100,000,000
FINAL DIVIDEND PER SHARE FOR 2014-15 (₹)	3.20	NUMBER OF SHARES USED IN COMPUTING DIVIDEND PER SHARE						100,000,000

(₹ in Million)								
PARTICULARS	OTHER EQUITY ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE COMPANY						NON-CONTROLLING INTERESTS* ***	TOTAL
	RESERVE AND SURPLUS		OTHER COMPREHENSIVE INCOME		DISCONTINUED OPERATIONS***	TOTAL		
	GENERAL RESERVE**	RETAINED EARNINGS	RE-MEASUREMENT OF DEFINED BENEFITS	FOREIGN CURRENCY TRANSLATION RESERVE				
BALANCE AS AT 01.04.2014	13,272.05	-	(24.90)	6.26	(2.11)	13,251.30	50.78	13,302.08
ADDITION DURING THE YEAR IN SHARE CAPITAL BY NON-CONTROLLING INTERESTS						-	98.00	98.00
DELETION DURING THE YEAR IN SHARE CAPITAL						-	(1.48)	(1.48)
LOSS OF CONTROL						-	-	-
PROFIT FOR THE PERIOD		3,121.04				3,121.04	1.08	3,122.12
OTHER COMPREHENSIVE INCOME			24.10	(4.99)		19.11	(1.44)	17.67
TRANSLATION OF FOREIGN GENERAL RESERVE	(0.81)					(0.81)	-	(0.81)
INTERIM DIVIDEND (2014-15)		(300.00)				(300.00)	-	(300.00)
FINAL DIVIDEND (2013-14)		(230.00)				(230.00)	-	(230.00)
CORPORATE DIVIDEND TAX		(99.08)				(99.08)	-	(99.08)
TRANSFER TO GENERAL RESERVE FROM RETAINED EARNINGS	2,491.96	(2,491.96)				-	-	-
BALANCE AS AT 31.03.2015	15,763.20	-	(0.80)	1.27	(2.11)	15,761.56	146.94	15,908.50
INTERIM DIVIDEND PER SHARE FOR 2014-15 (₹)	3.00	NUMBER OF SHARES USED IN COMPUTING DIVIDEND PER SHARE						100,000,000
FINAL DIVIDEND PER SHARE FOR 2013-14 (₹)	2.30	NUMBER OF SHARES USED IN COMPUTING DIVIDEND PER SHARE						100,000,000

(₹ in Million)								
PARTICULARS	OTHER EQUITY ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE COMPANY						NON-CONTROLLING INTERESTS* ***	TOTAL
	RESERVE AND SURPLUS		OTHER COMPREHENSIVE INCOME		DISCONTINUED OPERATIONS***	TOTAL		
	GENERAL RESERVE**	RETAINED EARNINGS	RE-MEASUREMENT OF DEFINED BENEFITS	FOREIGN CURRENCY TRANSLATION RESERVE				
BALANCE AS AT 01.04.2013	11,359.60	-	(8.30)	8.10	(1.35)	11,358.05	5.08	11,363.13
ADDITION DURING THE YEAR IN SHARE CAPITAL BY NON-CONTROLLING INTERESTS						-	49.00	49.00
ADDITIONAL CAPITAL						-	-	-
PROFIT FOR THE PERIOD		2,606.69				2,606.69	(1.33)	2,605.36
OTHER COMPREHENSIVE INCOME			(16.60)	(1.84)		(18.44)	(1.97)	(20.41)
TRANSLATION OF FOREIGN GENERAL RESERVE	6.97					6.97	-	6.97
LOSS FROM DISCONTINUED OPERATIONS		0.76			(0.76)	-	-	-
INTERIM DIVIDEND (2013-14)		(300.00)				(300.00)	-	(300.00)
FINAL DIVIDEND (2012-13)		(300.00)				(300.00)	-	(300.00)
CORPORATE DIVIDEND TAX		(101.97)				(101.97)	-	(101.97)
TRANSFER TO GENERAL RESERVE FROM RETAINED EARNINGS	1,905.48	(1,905.48)				-	-	-
BALANCE AS AT 31.03.2014	13,272.05	-	(24.90)	6.26	(2.11)	13,251.30	50.78	13,302.08
INTERIM DIVIDEND PER SHARE FOR 2013-14 (₹)	3.00	NUMBER OF SHARES USED IN COMPUTING DIVIDEND PER SHARE						100,000,000
FINAL DIVIDEND PER SHARE FOR 2012-13 (₹)	3.00	NUMBER OF SHARES USED IN COMPUTING DIVIDEND PER SHARE						100,000,000

(₹ in Million)								
PARTICULARS	OTHER EQUITY ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE COMPANY						NON-CONTROLLING INTERESTS* ***	TOTAL
	RESERVE AND SURPLUS		OTHER COMPREHENSIVE INCOME		DISCONTINUED OPERATION S***	TOTAL		
	GENERAL RESERVE**	RETAINED EARNINGS	RE-MEASUREMENT OF DEFINED BENEFITS	FOREIGN CURRENCY TRANSLATION RESERVE				
RESTATED BALANCE AS AT 01.04.2012	10,085.42	-	(38.20)	(12.59)	-	10,034.63	5.41	10,040.04
ADDITION DURING THE YEAR IN SHARE CAPITAL BY NON-CONTROLLING INTERESTS						-	-	-
CAPITALISATION OF GENERAL RESERVE (ISSUE OF BONUS SHARES)	(600.00)					(600.00)	-	(600.00)
ADDITIONAL CAPITAL						-	-	-
PROFIT FOR THE PERIOD		2,330.89				2,330.89	(0.32)	2,330.57
OTHER COMPREHENSIVE INCOME			29.90	20.69		50.59	(0.01)	50.58
TRANSLATION OF FOREIGN GENERAL RESERVE	(16.42)					(16.42)	-	(16.42)
LOSS FROM DISCONTINUED OPERATIONS		1.35			(1.35)	-	-	-
INTERIM DIVIDEND (2012-13)		(200.00)				(200.00)	-	(200.00)
FINAL DIVIDEND (2011-12)		(180.00)				(180.00)	-	(180.00)
CORPORATE DIVIDEND TAX		(61.64)				(61.64)	-	(61.64)
TRANSFER TO GENERAL RESERVE FROM RETAINED EARNINGS	1,890.60	(1,890.60)				-	-	-
BALANCE AS AT 31.03.2013	11,359.60	-	(8.30)	8.10	(1.35)	11,358.05	5.08	11,363.13
INTERIM DIVIDEND PER SHARE FOR 2012-13 (₹)	2.00	NUMBER OF SHARES USED IN COMPUTING DIVIDEND PER SHARE						100,000,000

FINAL DIVIDEND PER SHARE FOR 2011-12 (₹)	4.50	NUMBER OF SHARES USED IN COMPUTING DIVIDEND PER SHARE	40,000,000
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**GENERAL RESERVES ARE FREE RESERVE AND CAN BE UTILISED AS PER THE PROVISIONS OF COMPANIES ACT, 2013 & ITS RELEVANT RULES.
 ***DISCONTINUED OPERATIONS PERTAINS TO RISL & RMAC.
 ****NON-CONTROLLING INTERESTS PERTAINS TO REMCL.

THE ABOVE STATEMENT SHOULD BE READ WITH THE BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES APPEARING IN ANNEXURE V, NOTES TO RESTATED CONSOLIDATED FINANCIAL INFORMATION APPEARING IN ANNEXURE VI AND STATEMENT OF ADJUSTMENTS TO CONSOLIDATED FINANCIAL STATEMENTS APPEARING IN ANNEXURE VII, RESTATED CONSOLIDATED STATEMENT OF CAPITALISATION APPEARING IN ANNEXURE VIII, RESTATED CONSOLIDATED STATEMENT OF ACCOUNTING RATIOS APPAERING IN ANNEXURE IX, RESTATED CONSOLIDATED STATEMENT OF OTHER INCOME WITH ITS NATURE APPEARING IN ANNEXURE X AND RESTATED CONSOLIDATED STATEMENT OF TAX SHELTER APPERAING IN ANNEXURE XI.

For and on behalf of the Board

Ajay Kumar Gaur
Director Finance
 and
Chief Finance Officer
 DIN:05333257

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

P.T. Mittal
Company Secretary
 and
General Manager (Legal)
 M.No. : FCS 2529

As per our report of even date attached

For AGIWAL & ASSOCIATES
Chartered Accountants
Firm Registration No. 000181N
(R. K. Agrawal)
Partner
Membership No.: 017020

Place: Delhi
 Dated:

ANNEXURE IV: RESTATED CONSOLIDATED STATEMENT OF CASH FLOWS							
							(₹ in Million)
PARTICULARS	NOTE NO.	PERIOD ENDED 31.12.2017 (Ind AS)	YEAR ENDED 31.03.2017 (Ind AS)	YEAR ENDED 31.03.2016 (Ind AS)	YEAR ENDED 31.03.2015 (Proforma Ind AS)	YEAR ENDED 31.03.2014 (Proforma Ind AS)	YEAR ENDED 31.03.2013 (Proforma Ind AS)
CASH FLOW FROM OPERATING ACTIVITIES							
NET PROFIT BEFORE TAX		3,892.98	5,071.40	4,506.16	4,682.43	3,850.09	3,361.65
ADJUSTMENTS FOR:							
- OTHER COMPREHENSIVE INCOME BEFORE TAX		(61.27)	9.04	(14.62)	30.37	(29.21)	66.38
- LOSS BEFORE TAX FROM DISCONTINUED OPERATIONS		-	(1.01)	(3.87)	-	(0.76)	(1.35)
- DEPRECIATION AND AMORTIZATION		276.79	382.56	346.43	261.54	203.46	155.23
- LOSS/(PROFIT) ON SALE OF ASSETS (NET)		(0.40)	(0.19)	(0.98)	(0.86)	(0.18)	(0.74)
- SHARE OF (PROFIT)/LOSS OF JOINT VENTURES		23.14	114.72	26.00	(10.27)	26.81	(65.98)
- INTEREST FROM FDs/OTHERS		(743.79)	(979.44)	(1,080.00)	(1,068.42)	(973.30)	(857.92)
- INCOME FROM INVESTMENTS		(52.51)	(44.54)	(12.53)	(27.42)	(22.76)	(28.51)
- FINANCE COST		52.74	113.27	47.14	-	-	-
- INCOME FROM INVESTMENT PROPERTIES		(7.83)	(10.42)	(10.27)	(10.32)	(11.57)	(9.98)
- PROFIT FROM SALE OF INVESTMENT		-	(714.72)	-	-	-	-
- FIXED ASSETS WRITTEN OFF		0.02	0.20	0.30	0.03	0.03	0.05
- PROVISION AND IMPAIRMENT EXPENSES		(124.93)	499.88	192.14	(37.94)	229.80	70.14

EFFECT OF EXCHANGE DIFFERENCES ON TRANSLATION OF FOREIGN CURRENCY		(57.84)	(17.40)	(147.34)	(133.36)	(79.94)	(168.46)
OPERATING PROFIT BEFORE CHANGES IN ASSETS AND LIABILITIES		3,197.10	4,423.35	3,848.56	3,685.78	3,192.47	2,520.51
CHANGE IN ASSETS AND LIABILITIES:							
ADJUSTMENTS FOR (INCREASE)/DECREASE IN OPERATING ASSETS:							
- INVENTORIES		258.56	(373.42)	(63.94)	108.15	73.65	357.12
- TRADE RECEIVABLES		(856.10)	363.35	(1,647.83)	(518.39)	(414.15)	(333.33)
- LOANS, OTHER FINANCIAL ASSETS AND OTHER ASSETS		(94.77)	798.12	59.03	231.45	360.86	(182.30)
ADJUSTMENTS FOR INCREASE/(DECREASE) IN OPERATING LIABILITIES:							
- TRADE PAYABLES		(145.23)	(56.39)	16.15	(217.29)	(356.34)	271.01
- OTHER FINANCIAL LIABILITIES, OTHER LIABILITIES AND PROVISIONS (NET OF CLIENT FUNDS)		1,642.49	372.70	270.05	(800.08)	(875.81)	1,094.46
CASH GENERATED FROM OPERATIONS		4,002.05	5,527.71	2,482.02	2,489.62	1,980.68	3,727.47
- INCOME TAX PAID		(862.62)	(1,665.72)	(1,844.78)	(1,393.98)	(1,269.60)	(1,303.08)
NET CASH FROM OPERATING ACTIVITIES		3,139.43	3,861.99	637.24	1,095.64	711.08	2,424.39
CASH FLOWS FROM INVESTING ACTIVITIES							
- PURCHASE/CONSTRUCTION OF FIXED ASSETS		(423.63)	(211.52)	(1,940.85)	(1,000.64)	(488.34)	(263.00)
- PROCEEDS FROM SALE OF FIXED ASSETS		0.48	58.59	1.70	56.56	1.07	(8.23)
- INVESTMENTS/(REDEMPTION) IN JOINT VENTURES		-	(0.13)	-	60.00	(60.00)	(55.10)
- INVESTMENTS IN SHARES, BONDS ETC.		500.00	500.00	(200.52)	-	(250.03)	(500.04)
- LOANS TO RELATED PARTIES		-	(70.00)	(20.00)	(174.00)	-	44.40

- DEPOSITS AND INTEREST ACCRUED NOT CONSIDERED AS CASH AND CASH EQUIVALENTS		(3,082.12)	(1,605.41)	(109.21)	1,709.26	(1,742.96)	(837.40)
- INTEREST INCOME		743.79	979.44	989.08	1,006.62	913.90	807.02
- INCOME FROM INVESTMENTS		52.51	44.54	12.53	27.42	22.76	28.51
- INCOME FROM INVESTMENT PROPERTIES		7.83	10.42	10.27	10.32	11.57	9.98
NET CASH FROM INVESTING ACTIVITIES		(2,201.14)	(294.07)	(1,257.00)	1,695.54	(1,592.03)	(773.86)
CASH FLOW FROM FINANCING ACTIVITIES							
- INCREASE/(DECREASE) IN SECURED LOAN FROM BANK		(61.57)	(371.57)	1,205.86	-	-	-
- INTEREST PAID ON BORROWINGS		(55.88)	(114.81)	(36.78)	-	-	-
- DIVIDEND PAID		(780.00)	(1,460.00)	(770.00)	(530.00)	(600.00)	(380.00)
- DIVIDEND TAX PAID		(297.47)	(297.22)	(156.75)	(99.08)	(101.97)	(61.64)
- INCREASE/(DECREASE) IN NON-CONTROLLING INTEREST		(21.70)	98.00	98.00	96.52	49.00	-
NET CASH FROM FINANCING ACTIVITIES		(1,216.62)	(2,145.60)	340.33	(532.56)	(652.97)	(441.64)
EFFECT OF EXCHANGE DIFFERENCES ON TRANSLATION OF FOREIGN CURRENCY CASH & CASH EQUIVALENTS		54.65	17.95	147.92	132.57	86.91	152.04
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(223.68)	1,440.27	(131.51)	2,391.19	(1,447.01)	1,360.93
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		4,063.67	2,623.40	2,754.91	363.72	1,810.73	449.80
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		3,839.99	4,063.67	2,623.40	2,754.91	363.72	1,810.73

(₹ in Million)

RECONCILIATION OF CASH AND CASH EQUIVALENTS

PARTICULARS	NOTE NO.	PERIOD ENDED 31.12.2017	YEAR ENDED 31.03.2017	YEAR ENDED 31.03.2016	YEAR ENDED 31.03.2015	YEAR ENDED 31.03.2014	YEAR ENDED 31.03.2013
CASH & CASH EQUIVALENTS-OWNED FUND	2.16.1	1,454.09	2,647.23	2,619.92	2,569.70	363.22	584.20
ADD : INTEREST ACCRUED ON BANK DEPOSITS HAVING MATURITY WITHIN 3 MONTHS FROM ACQUISITIONS' DATE	2.19	2.15	2.92	3.48	185.21	0.93	2.14
ADD: INVESTMENT IN LIQUID FUND PLAN	2.9.2	2,491.94	1,430.36	-	-	-	1,224.70
LESS : BANK BOOK OVERDRAFT-OWNED FUND	2.30	(108.19)	(16.84)	-	-	(0.43)	(0.31)
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		3,839.99	4,063.67	2,623.40	2,754.91	363.72	1,810.73

SUPPLEMENTARY INFORMATION:

RESTRICTED CASH BALANCE		38.67	42.36	64.91	72.86	59.53	208.69
COMPONENTS OF CASH AND CASH EQUIVALENTS (REFER NOTE NO. 2.16.1 & 2.17.1)		1,454.09	2,647.23	2,619.92	2,569.70	363.22	584.20

(₹ in Million)

RECONCILIATION OF FINANCIAL LIABILITIES

PARTICULARS		PERIOD ENDED 31.12.2017	YEAR ENDED 31.03.2017	YEAR ENDED 31.03.2016	YEAR ENDED 31.03.2015	YEAR ENDED 31.03.2014	YEAR ENDED 31.03.2013
LONG TERM BORROWING AT THE BEGINNING OF THE PERIOD		834.29	1,205.86	-	-	-	-
- CASH FLOWS (REPAYMENT)		(61.57)	(371.57)	1,205.86	-	-	-
- NON CASH CHANGES		-	-	-	-	-	-
LONG TERM BORROWING AT THE END OF THE PERIOD		772.72	834.29	1,205.86	-	-	-

NON CASH TRANSACTIONS - INVESTING ACTIVITIES

(₹ in Million)

PARTICULARS		PERIOD ENDED	YEAR ENDED	YEAR ENDED	YEAR ENDED	YEAR ENDED	YEAR ENDED

	31.12.2017	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
AMOUNT RECOVERABLE AGAINST SALE OF INVESTMENT IN JOINT VENTURE	-	714.72	-	-	-	-
INTEREST INCOME ON LOAN TO CCFB MOZAMBIQUE	-	-	90.92	61.80	59.40	50.90
CONVERSION OF LOAN TO INVESTMENT IN EQUITY OF JOINT VENTURE	-	17.30	73.70	29.00	-	14.90
CONVERSION OF LOAN & INTEREST THEREON INTO AMOUNT RECOVERABLE	-	-	1,536.67	-	-	-

NOTES:

1. CASH AND CASH EQUIVALENTS CONSIST OF CASH AND BANK BALANCES INCLUDING FDs & INTEREST ACCRUED HAVING MATURITY WITHIN 3 MONTHS FROM THE DATE OF ACQUISITION AND LIQUID INVESTMENTS
2. THE ABOVE STATEMENT OF CASH FLOWS HAS BEEN PREPARED UNDER THE INDIRECT METHOD AS SET OUT IN IND AS 7 STATEMENT OF CASH FLOWS NOTIFIED U/S 133 OF COMPANIES ACT, 2013 ("ACT") READ WITH RULE 4 OF THE COMPANIES (INDIAN ACCOUNTING STANDARDS) RULES 2015 AND THE RELEVANT PROVISION OF THE ACT.
3. FIGURES IN BRACKET INDICATE CASH OUTFLOW.
4. THE ABOVE RESTATED STATEMENT OF CASH FLOWS HAS BEEN PREPARED ON THE BASIS OF GROUP OWNED FUNDS ONLY. FUNDS ON THE BEHALF OF THE CLIENT AND ITS CORRESPONDING LIABILITIES HAVE NOT BEEN CONSIDERED.

THE ABOVE STATEMENT SHOULD BE READ WITH THE BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES APPEARING IN ANNEXURE V, NOTES TO RESTATED CONSOLIDATED FINANCIAL INFORMATION APPEARING IN ANNEXURE VI AND STATEMENT OF ADJUSTMENTS TO CONSOLIDATED FINANCIAL STATEMENTS APPEARING IN ANNEXURE VII, RESTATED CONSOLIDATED STATEMENT OF CAPITALISATION APPEARING IN ANNEXURE VIII, RESTATED CONSOLIDATED STATEMENT OF ACCOUNTING RATIOS APPEARING IN ANNEXURE IX, RESTATED CONSOLIDATED STATEMENT OF OTHER INCOME WITH ITS NATURE APPEARING IN ANNEXURE X AND RESTATED CONSOLIDATED STATEMENT OF TAX SHELTER APPEARING IN ANNEXURE XI.

<p>Ajay Kumar Gaur Director Finance and Chief Finance Officer DIN:05333257</p>	<p>For and on behalf of the Board</p> <p>Rajeev Mehrotra Chairman & Managing Director and Chief Executive Officer DIN: 01583143</p> <p>As per our report of even date attached For AGIWAL & ASSOCIATES Chartered Accountants Firm Registration No. 000181N (R. K. Agrawal) Partner</p>	<p>P.T. Mittal Company Secretary and General Manager (Legal) M.No. : FCS 2529</p>
<p>Place: Delhi Dated:</p>		

ANNEXURE -V - SIGNIFICANT ACCOUNTING POLICIES

COMPANY OVERVIEW

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

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

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, manufacturing and rehabilitation of wagons and carrying out civil construction work.

The financial statements of the Group, comprises of RITES Limited, the holding company, RITES (Afrika) (Pty) Ltd. (RAPL), Botswana, RITES Infrastructure Services Ltd. (RISL), India are wholly owned subsidiaries, Railway Energy Management Company Ltd. (REMCL), India, a subsidiary with 51% stake and joint venture entities viz. SAIL-RITES Bengal Wagon Industry Pvt. Ltd. (SRBWIPL) (50%) & BNV Gujarat Rail Private Limited (26%) (joint venture entities in India).

RITES Mohawarean Arabia Company Ltd. (RMAC), a subsidiary company with 76% stake, in Saudi Arabia is under liquidation & investment in equity of ₹4.70 million made by the holding company has been returned by RMAC during the financial year 2014-15 and there is no transaction afterwards. Hence its financial statements are consolidated till 2014-15.

After the approval of shareholders, operations of RISL, a wholly owned subsidiary, have been discontinued and proceedings for liquidation have been initiated during the financial year 2016-17 and liquidation process is still going on.

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 GENERAL

(a) Statement of Compliance

The Restated Consolidated Statement of Assets and Liabilities of RITES Ltd. as at Dec 31, 2017 & March 31, 2017, 2016, 2015, 2014, and 2013, the Restated Consolidated Statement of Profit and Loss, the Restated Consolidated Statement of Changes in Equity and the Restated Consolidated Statement of Cash flows for the period ended Dec 31, 2017 & years ended March 31, 2017, 2016, 2015, 2014, and 2013 and Restated Other Consolidated Financial Information (together referred as ‘Restated Consolidated Financial Information’) has been prepared under Indian Accounting Standards (‘Ind AS’) notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013 to the extent applicable and as per relevant SEBI guidelines. The Restated Consolidated Financial Information have been compiled by the Company for the period ended Dec 31, 2017 and year ended March 31, 2017 from the Audited Consolidated Financial Statements of the Company prepared under IND AS and for the year ended March 31, 2016, 2015 & 2014 have been compiled based on the audited consolidated financial statements prepared under previous generally accepted accounting principles (Indian GAAP) adjusted in conformity with Ind AS. However, in the absence of audited consolidated financial statement for the year ended March 31, 2013, restated

financial information has been compiled on the basis of audited standalone financial statements of holding company and its subsidiaries & joint ventures.

In accordance with Ind AS 101 First-time Adoption of Indian Accounting Standard, the Company has presented reconciliations between Restated Consolidated Financial Information with audited financial statements prepared under previous GAAP for the year ended March 31, 2016, 2015 & 2014 only.

The Restated Consolidated Financial Information have been prepared by the management in connection with the proposed listing of equity shares of the Company by way of an offer for sale by the selling shareholders, to be filed by the Company with the Securities and Exchange Board of India, Registrar of Companies, Mumbai and the concerned Stock Exchange in accordance with the requirements of:

- Section 26 read with applicable provisions within Rules 4 to 6 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 to the Companies Act, 2013; and
- The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 issued by the Securities and Exchange Board of India ("SEBI") on August 26, 2009, as amended to date in pursuance of provisions of Securities and Exchange Board of India Act, 1992 read along with SEBI circular No. SEBI/HO/CFD/DIL/CIR/P/2016/47 dated March 31, 2016 (together referred to as the "SEBI regulations").
- Guidance note on reports in Company prospectuses issued by the Institute of Chartered Accountants of India.

These Restated Consolidated Financial Information have been compiled by the Company from the Audited Consolidated Financial Statements and:

- there were no audit qualifications on these Restated Consolidated financial statements.
- exchange variation has been recognized in restated financial information in respect of dues from CCFB, Mozambique as reported by statutory auditors in their report for the year ended March 31, 2015, 2014 & 2013.
- after settlement with Government of Mozambique (GoM), income from CCFB, Mozambique regarding interest income, exchange variation, consultancy fee & lease charges have been recognised in the financial year 2015-16 in the previous GAAP. However, in restated financial information, income pertaining to previous financial years has been recognised along with tax impact in the respective financial years.
- Ind AS based uniform accounting policies have been used for these financial statements.
- material amounts relating to adjustments for previous years in arriving at profit/loss of the years to which they relate, have been appropriately adjusted,
- adjustments for reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the groupings as per the audited Consolidated financial statements of the Company as at and for the quarter ended December 31, 2017 prepared under Ind AS and the requirements of the SEBI Regulations, and
- the resultant tax impact on above adjustments has been appropriately adjusted in deferred taxes in the respective years to which they relate.

(b) Basis of Preparation

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

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

The reporting and functional currency of the company is Indian Rupees (INR). Figures in financial statements are presented in ₹ million, by rounding off upto two decimal except for per share data and as otherwise stated. Certain figures that are required to be disclosed but do not appear due to rounding off are detailed in note 2.52. Previous periods figures have been regrouped/recasted/rearranged, wherever necessary.

The Restated Consolidated Financial Information were approved by the company's Board of Directors in their meeting held on March 21st, 2018.

(c) Use of Estimates and Judgements

The preparation of the Restated Consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities and contingent assets as at the date of the financial statements and reported amounts of revenues and expenses for the reporting period. 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.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

Judgement, estimates and assumptions are required in particular for:

(i) Determination of the estimated useful lives of tangible assets

Useful lives of tangible assets are based on the life prescribed in Schedule II of the Companies Act, 2013. In cases, where the useful lives are different from that prescribed in Schedule II, they are based on technical assessment. As per company's technical assessment, Fixtures, Mobile Hand Set, Coolers & Air Conditioners and In-Service Locomotives & Coaches (refurbished) have lower useful lives than prescribed in part C of schedule II of the Companies Act, 2013. Therefore depreciation is charged at higher rate than prescribed under the Companies Act, 2013.

(ii) Recognition and measurement of defined benefit obligations

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, employee turnover rate and mortality rate. The discount rate is determined on the basis yield to maturity available on government bonds having similar term to decrement adjusted estimated term of liabilities at the end of the reporting period. Due to complexities involved in the valuation and its long term nature, defined benefit obligation is sensitive to changes in these assumptions. All assumptions are reviewed at each reporting period.

(iii) Recognition of deferred tax assets

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

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

(iv) Recognition and measurement of other provisions

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the balance sheet date. The actual outflow of resources at a future date may therefore, vary from the amount included in other provisions.

(v) **Discounting of long-term financial assets/liabilities**

All financial assets / liabilities are required to be measured at fair value on initial recognition. In case of financial liabilities/assets which are required to subsequently be measured at amortised cost, interest is accrued using the effective interest method.

(d) **Basis of Consolidation**

- i) The consolidated financial statements comprise the financial statements of the Company and its controlled entities i.e. subsidiaries at the reporting date. Control is achieved when the Group is exposed, or has rights to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee, if and only if, the Group has:
- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee),
 - Exposure or rights to variable returns from its involvement with the investee, and
 - The ability to use its power over the investee to affect its returns.
- ii) Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:
- The contractual arrangement with the other vote holders of the investee.
 - Rights arising from other contractual arrangements.
 - The Group's voting rights and potential voting rights.
 - The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.
- iii) The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed off during the period are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.
- iv) Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.
- v) The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purpose, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.
- vi) **Consolidation procedure for:**
- A) Subsidiaries**
- (a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries.

- (b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.
- (c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group. Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.
- (d) Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:
 - Derecognises the assets (including goodwill) and liabilities of the subsidiary.
 - Derecognises the carrying amount of any non-controlling interests.
 - Derecognises the cumulative translation differences recorded in equity.
 - Recognises the fair value of the consideration received.
 - Recognises the fair value of any investment retained.
 - Recognises any surplus or deficit in profit or loss.
 - Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed off the related assets or liabilities.

B) Joint Ventures

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement and have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining whether joint control exist are similar to those necessary to determine control over the subsidiaries.

The Group's investments in its joint venture are accounted for using the equity method. Under the equity method, the investment in a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the joint venture since the acquisition date.

1.2 REVENUE RECOGNITION

1.2.1 REVENUE FROM OPEARTIONS

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

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

General Parameters

- (a) Revenue is recognized on satisfaction of following conditions:-
 - (i) outcome of the transaction can be estimated or measured reliably.

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

1.2.1 **Consultancy Fee**

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

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

Reimbursable and supplies are accounted for on accrual basis.

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

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

1.2.1.2 **Inspection Fee**

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

1.2.1.3 **Lease Services**

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

1.2.1.4 **Export Sales**

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

1.2.1.5 **Construction Projects**

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

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

Any expected loss is recognized as an expense immediately.

1.2.1.6 **Wind Mill Projects**

Revenue from sale of power through wind mill projects is recognized on the basis of certificate from concerned State Electricity Authority for energy fed in kwh (units) in authority's system and as per terms and conditions of the Agreement with the beneficiary.

1.2.1.7 **Consultancy - Advisory services for Power Procurement**

Income from consultancy is recognized as per the terms and conditions of the agreement with the beneficiary.

1.2.2 **Other Income**

1.2.2.1 **Interest Income**

Interest income is recognized using effective interest method.

1.2.2.2 **Dividend**

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

1.2.2.3 **Export Incentives**

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

1.2.2.4 **Others**

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

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

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

- (a) Incidental expenditure during construction period including interest charges incurred upto the date of completion, net of interest recovered on mobilisation advance, are capitalized.
- (b) Spare valuing more than ₹10,00,000 which can be used only in connection with an item of property, plant and equipment and whose use is expected to be irregular are capitalised and depreciated over the useful life of the spares or principal item of the relevant assets, whichever is lower. Other spares are charged off to the Statement of Profit and Loss during the period of purchase.
- (c) Expenditure incurred subsequently relating to property, plant & equipment is capitalised only when it is probable that future economic benefits associated with these will flow to the company and the cost of the item can be measured reliably.
- (d) The initial estimate of the cost of dismantling, removing the item and restoring the site on which PPE is located, the obligation for which is incurred when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during the period, is capitalized as a component of PPE.

1.3.1 **Depreciation**

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

Assets	Useful Life (Years) considered Straight Line Method (SLM)					
	Dec.17	2016-17	2015-16	2014-15	2013-14	2012-13
i) Furniture	10	10	10	10	10	10
ii) Fixture	5	5	5	5	5	5
iii) Office Equipment	5	5	5	5	5-7	5-7
iv) Mobile Hand Set	3	3	3	3	3	3
v) Coolers & Air Conditioners	7	7	7	7	7	7
vi) Air Conditioning Plant	15	15	15	15	15-20	15-20
vii) Computer Hardware	3-4	3-4	3-7	3-4	3-4	3-4
viii) Server & Networks	6	6	6	6	6	6
ix) Survey and Equipments	10	10	10	10	10	10
x) Vehicles	4-8	4-8	4-8	4-8	4-8	4-8
xi) Buildings on Freehold Land	60	60	60	60	50-60	50-60
xii) Locomotives-New	15	15	15	15	15	15
xiii) Locomotives-In-Service	10	10	10	10	10	10
xiv) Coaches-New	15	15	15	15	15	15
xv) Coaches-In-Service	10	10	10	10	10	10
xvi) Windmill Plant	25	25	25	25	25	-

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

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

- (d) In respect of BOT assets, depreciation is charged over the period of project or the life stated above whichever is lower.
- (e) In respect of buildings on lease hold land, depreciation is charged over the period of lease of land or the useful life stated above for buildings on freehold land, whichever is lower.
- (f) In case of RITES Ltd., as per company's assessment, Fixtures, Mobile Hand Set, Coolers & Air Conditioners and In-Service Locomotives & Coaches (refurbished) have lower useful lives than prescribed in part C of schedule II of the Companies Act, 2013. Therefore depreciation is charged at higher rate than prescribed under the Companies Act, 2013. In case of REMCL, Windmill plants have higher useful life of 25 years than prescribed in part C of schedule II of the Companies Act, 2013 or 22 years. Therefore, depreciation is charged at lower rate than prescribed under the Companies Act, 2013.
- (g) In case of holding & its subsidiary companies in India, Individual low cost assets of value less than ₹5,000/- and software of value less than ₹100,000/- are entirely depreciated/amortized during the period of acquisition.

- (h) In case of holding company & its subsidiary companies in India, a nominal value of ₹1/- is assigned to the fully depreciated assets except for the assets which are fully charged off to the income statement during the period of purchase being low value assets.

1.3.2 **Capital Work in Progress**

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

1.3.3 **Capital Advances**

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

1.4 **INTANGIBLE ASSETS**

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

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

- (a) Software of value less than ₹100,000/- is fully amortized during the period of acquisition.
(b) A nominal value of ₹1/- is assigned to the fully amortised assets other than assets specified at (a) above.

1.4.1 **Amortization**

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

1.5 **INVESTMENT PROPERTY**

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

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

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

1.6 **INVESTMENTS**

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

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

1.7 **JOINT ARRANGEMENTS**

1.7.1 **Joint Ventures**

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.

The Group's investments in its joint venture are accounted for using the equity method. Under the equity method, the investment in a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the joint venture since the acquisition date.

1.7.2 Joint Operations

- (a) In case of participating joint operations with joint control, company recognizes in relation to its interest in a joint operation as under :-
- (i) its assets, including its share of any assets held jointly;
 - (ii) its liabilities, including its share of any liabilities incurred jointly;
 - (iii) its revenue from the sale of its share of the output arising from the joint operation;
 - (iv) its share of the revenue from the sale of the output by the joint operation; and
 - (v) Its expenses, including its share of any expenses incurred jointly.

In case of participating joint operations without having joint control, interest in such arrangements is to be recognized as per aforesaid accounting policy if the company has right to the assets and obligations for the liabilities relating to joint operations otherwise interest in the joint operation is recognized in accordance with applicable Ind ASs.

1.8 INVENTORIES

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

1.9 EMPLOYEE BENEFITS

1.9.1 Defined Contribution Plans

Pension Scheme/Post Retiral Medical Schemes

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

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

1.9.2 **DEFINED BENEFIT PLAN**

1.9.2.1 **Gratuity**

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

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

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

- (b) In case of contractual employees:
 - i) The company recognizes obligation of a defined benefit plan in its balance sheet as a liability.
 - ii) Actuarial gain or loss of defined benefit liability is recognized in Other Comprehensive Income.
 - iii) Service cost and interest on the defined benefit liability are recognized in Statement of Profit and Loss.

1.9.2.2 **Provident Fund**

The Company makes contribution to the recognized provident fund - "RITES Contributory Provident Fund" for its employees, which is a defined benefit plan to the extent that the Company has an obligation to make good the shortfall, if any, between the returns from the investments of the trust and the notified interest rate. The Company's obligation in this regard is determined by an independent actuary and provided for if the circumstances indicate that the Trust may not be able to generate adequate returns to cover the interest rates notified by the Government.

1.9.3 **Other Long Term Benefits**

Benefits provided by company to employees –Leave Travel Concession for CDA employees, Leave Encashment, Medical Leave (LHAP) and Long Service Award, are accounted for on actuarial valuation made at the end of reporting period. The actuarial gains/losses are recognized in the Statement of Profit & Loss for the reporting period.

1.9.4 **Other Benefits**

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

1.9.4.2 **Terminal Benefits to Contract Employees**

Leave Encashment is a defined benefit obligation. The cost of providing benefits under the defined benefit plan is determined on the basis of actuarial valuation.

1.10 **RESEARCH & DEVELOPMENT**

Revenue expenditure incurred/paid during the reporting period on research is charged to the Statement of Profit & Loss.

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

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

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

1.11 INCOME TAXES

1.11.1 Current Income Tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. In case of domestic entities, the tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted in India, at the reporting date. Tax expense relating to foreign operations is determined in accordance with tax laws applicable in countries where such operations are domiciled.

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

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

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

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

Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognized as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realized.

1.11.2 Deferred Tax

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

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

- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it

is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

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

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

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

Deferred income taxes are not provided on the undistributed earnings of the subsidiaries where it is expected that the earning of the subsidiaries will not be distributed in foreseeable future.

1.12 **RATES & TAXES**

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

1.13 **PREPAYMENTS**

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

Prepaid Expenses and Prior Period Adjustments

Prepaid expenses and prior period adjustments up to ₹100,000/- in each case are treated as expenditure/income of the reporting period and accounted for to the natural head of accounts.

1.14 **TRANSLATION AND TRANSACTIONS OF FOREIGN CURRENCIES**

1.14.1 **Functional Currency**

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

1.14.2 **Foreign Currencies**

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

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

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

1.14.5 Assets and liabilities for each balance sheet presented including comparatives are translated at the exchange rate prevailing on the reporting date.

Income and expenses for each statement of profit and loss is presented including comparatives are translated at exchange rate prevailing on the date of transaction.

All resulting exchange differences are recognised in other comprehensive income.

1.14.6 On the disposal off foreign operation, the cumulative amount of exchange differences relating to that foreign operation, recognised in other comprehensive income (OCI) and accumulated in separate component of equity is re-classified from equity to Statement of Profit & Loss.

1.15 CASH AND CASH EQUIVALENTS

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short term deposits with an original maturity of three months or less from the date of acquisitions which are readily convertible into known amounts of cash and be subject to an insignificant risk of change in value. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

1.16 STATEMENT OF CASH FLOWS

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

1.17 EARNINGS PER SHARE

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

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

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

1.18 IMPAIRMENT OF ASSETS

1.18.1 Financial Assets (Other than at Fair Value)

The Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on following financial assets – loans, deposits and trade receivables.

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

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

1.18.2 **Non Financial Assets**
(Tangible and Intangible Assets)

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use). Impairment loss is charged to the Statement of Profit & Loss during the period 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 to the extent of previously recognized or balanced impairment loss.

1.19 **WRITE OFF**

1.19.1 **Financial Assets**

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

1.19.2 **Non Financial Assets**

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

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

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

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

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

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

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

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

- (e) Contingent Assets, Contingent Liabilities and Provisions needed against Contingent Liabilities are reviewed at each balance sheet date.

1.23 BORROWING COST

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalized as part of cost of such assets which necessarily takes substantial period of time to get ready for their intended use. All other borrowing costs are recognized as expenses in the Statement of Profit & Loss.

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

1.24 LEASES ASSETS

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.

1.24.1 LEASE EXPENSES

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

1.25 NON-CURRENT ASSETS HELD FOR SALE

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

1.26 DIVIDENDS

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

1.27 FINANCIAL INSTRUMENTS

1.27.1 Initial Recognition

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

1.27.2 Subsequent Measurement

- (a) Financial assets are subsequently measured at amortised cost if these are held within a business model whose objective is to hold the assets in order to collect contractual cash flows and the contractual terms of the financial assets give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding using the Effective Interest Rate (EIR) method. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss.
- (b) Financial assets at fair value through profit or loss
The financial assets are measured at fair value through profit or loss unless it is classified at amortised cost.
- (c) Financial liabilities
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

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

1.27.3 De-recognition of Financial Instruments

A financial asset is derecognised when:

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

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

1.27.4 Forward Contracts

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

Annexure – VI - Notes to restated consolidated financial information

2. Transition to Ind AS

2.1 Upon first-time adoption of Ind AS,

- a) The Group has elected to measure its investments in subsidiaries, joint ventures and associates at the Previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS i.e., April 1, 2015.
- b) There is no change in functional currency of the Group on the date of transition to Ind AS, hence Company has elected to continue with the carrying value for all of its property, plant and equipment (PPE), intangible assets and investment property recognized under Indian GAAP as deemed cost at transition date (i.e. 01.04.2015) in the financial statements.

The Group has followed the same accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS 101) as initially adopted on transition date i.e. April 1, 2015 while preparing Performa Restated Standalone Financial Information for the years ended March 31, 2015, 2014 and Accordingly, suitable restatement adjustments in the accounting heads are made to the financial statements as of and for the years ended March 31, 2015, 2014, 2013 and April 1, 2012.

2.2 RECONCILIATIONS									
THE FOLLOWING RECONCILIATIONS PROVIDES THE EFFECT OF TRANSITION TO RESTATED IND AS:									
2.2.1 RECONCILIATION OF CONSOLIDATED STATEMENT OF ASSETS & LIABILITIES UNDER INDIAN GAAP TO RESTATED IND AS									
(₹ in million)									
PARTICULARS	NOTE NO.	AS AT 31.03.2016				AS AT 31.03.2015			
		IGAAP*	Ind AS Adjustments	Restatement Adjustments	Restated Ind AS	IGAAP*	Ind AS Adjustments	Restatement Adjustments	Restated Ind AS
ASSETS									
NON CURRENT ASSETS									
PROPERTY, PLANT AND EQUIPMENT	A	4,718.64	(564.21)	-	4,154.43	2,166.98	(109.82)	-	2,057.16
CAPITAL WORK IN PROGRESS	B	328.56	(258.80)	-	69.76	1,139.57	(883.03)	-	256.54
INVESTMENT PROPERTY		12.91	-	-	12.91	13.27	-	-	13.27
INTANGIBLE ASSETS		31.32	(0.30)	-	31.02	47.89	-	-	47.89
INTANGIBLE ASSETS UNDER DEVELOPMENT		15.79	-	-	15.79	7.48	-	-	7.48
INVESTMENT IN JOINT VENTURES APPLYING EQUITY METHOD		-	305.79	-	305.79	-	258.09	-	258.09
FINANCIAL ASSETS									
INVESTMENTS	C	2,200.46	(500.00)	-	1,700.46	2,000.44	-	-	2,000.44
LOANS	D	135.44	(32.24)	-	103.20	794.52	212.23	538.73	1,545.48
OTHER FINANCIAL ASSETS	E	1,983.88	(16.97)	-	1,966.91	1,923.93	(1.08)	25.04	1,947.89
DEFERRED TAX ASSETS (NET)	F	275.05	0.02	-	275.07	462.40	-	-	462.40
OTHER NON CURRENT ASSETS	G	710.10	195.59	-	905.69	808.35	641.10	(239.21)	1,210.24
		10,412.15	(871.12)	-	9,541.03	9,364.83	117.49	324.56	9,806.88

CURRENT ASSETS									
INVENTORIES		119.43	11.28	-	130.71	66.64	0.13	-	66.77
FINANCIAL ASSETS									
INVESTMENTS	C	-	500.00	-	500.00	-	-	-	-
TRADE RECEIVABLES	H	5,368.93	(14.24)	-	5,354.69	3,672.02	8.04	127.55	3,807.61
CASH AND CASH EQUIVALENTS-OWNED FUND	I	2,601.80	18.12	-	2,619.92	2,576.00	(6.30)	-	2,569.70
CASH AND CASH EQUIVALENTS-CLIENTS FUND		1,903.52	-	-	1,903.52	1,993.58	-	-	1,993.58
OTHER BANK BALANCES- OWNED FUND	I	4,660.47	(6.76)	-	4,653.71	4,661.57	(17.68)	-	4,643.89
OTHER BANK BALANCES- CLIENTS FUND		16,368.06	-	-	16,368.06	11,390.85	-	-	11,390.85
LOANS		63.05	8.65	-	71.70	86.49	35.50	-	121.99
OTHER FINANCIAL ASSETS	J	2,423.53	(688.93)	-	1,734.60	3,029.12	(1,678.24)	-	1,350.88
CURRENT TAX ASSETS (NET)		377.82	8.81	-	386.63	16.19	-	-	16.19
OTHER CURRENT ASSETS	K	814.38	10.01	-	824.39	287.88	(2.06)	-	285.82
		34,700.99	(153.06)	-	34,547.93	27,780.34	(1,660.61)	127.55	26,247.28
TOTAL ASSETS		45,113.14	(1,024.18)	-	44,088.96	37,145.17	(1,543.12)	452.11	36,054.16
EQUITY AND LIABILITIES									
EQUITY									
EQUITY SHARE CAPITAL		1,000.00	-	-	1,000.00	1,000.00	-	-	1,000.00
OTHER EQUITY	L	7,066.58	568.57	-	17,635.15	15,294.66	14.79	452.11	15,761.56
EQUITY ATTRIBUTABLE TO EQUITY SHAREHOLDERS		18,066.58	568.57	-	18,635.15	16,294.66	14.79	452.11	16,761.56

NON-CONTROLLING INTERESTS		260.30	-	-	260.30	146.94	-	-	146.94
		18,326.88	568.57	-	18,895.45	16,441.60	14.79	452.11	16,908.50
LIABILITIES									
NON CURRENT LIABILITIES									
FINANCIAL LIABILITIES									
BORROWINGS		1,350.94	(245.57)	-	1,105.37	223.49	(223.49)	-	-
TRADE PAYABLES		6.64	-	-	6.64	26.75	-	-	26.75
OTHER FINANCIAL LIABILITIES		997.44	(1.27)	-	996.17	822.08	-	-	822.08
PROVISIONS	M	1,008.37	(9.75)	-	998.62	1,046.97	(1.51)	-	1,045.46
OTHER NON CURRENT LIABILITIES		20.68	-	-	20.68	64.13	-	-	64.13
		3,384.07	(256.59)	-	3,127.48	2,183.42	(225.00)	-	1,958.42
CURRENT LIABILITIES									
FINANCIAL LIABILITIES									
TRADE PAYABLES	N	868.50	30.84	-	899.34	1,074.43	(211.35)	-	863.08
OTHER FINANCIAL LIABILITIES	O	19,242.20	(281.97)	-	18,960.23	15,764.00	(719.65)	-	15,044.35
PROVISIONS	P	2,142.07	(1,095.56)	-	1,046.51	1,152.29	(385.14)	-	767.15
CURRENT TAX LIABILITIES (NET)		-	10.09	-	10.09	-	0.08	-	0.08
OTHER CURRENT LIABILITIES	Q	1,149.42	0.44	-	1,149.86	529.43	(16.85)	-	512.58
		23,402.19	(1,336.16)	-	22,066.03	18,520.15	(1,332.91)	-	17,187.24
TOTAL EQUITY AND LIABILITIES		45,113.14	(1,024.18)	-	44,088.96	37,145.17	(1,543.12)	452.11	36,054.16

(₹ in million)					
PARTICULARS	NOTE NO.	AS AT 31.03.2014			
		IGAAP*	Ind AS Adjustments	Restatement Adjustments	Restated Ind AS
ASSETS					
NON CURRENT ASSETS					
PROPERTY, PLANT AND EQUIPMENT	A	2,040.29	(120.57)	-	1,919.72
CAPITAL WORK IN PROGRESS	B	462.72	(270.31)	-	192.41
INVESTMENT PROPERTY		15.51	-	-	15.51
INTANGIBLE ASSETS		47.96	-	-	47.96
INTANGIBLE ASSETS UNDER DEVELOPMENT		4.88	-	-	4.88
INVESTMENT IN JOINT VENTURES APPLYING EQUITY METHOD		-	278.82	-	278.82
FINANCIAL ASSETS					
INVESTMENTS	C	2,000.44	-	-	2,000.44
LOANS	D	740.34	191.62	424.91	1,356.87
OTHER FINANCIAL ASSETS	E	2,694.33	0.01	21.09	2,715.43
DEFERRED TAX ASSETS (NET)	F	598.81	-	-	598.81
OTHER NON CURRENT ASSETS	G	770.81	209.43	(195.26)	784.98
		9,376.09	289.00	250.74	9,915.83

CURRENT ASSETS					
INVENTORIES		174.92	-	-	174.92
FINANCIAL ASSETS					
INVESTMENTS	C	-	-	-	-
TRADE RECEIVABLES	H	3,110.09	31.48	115.98	3,257.55
CASH AND CASH EQUIVALENTS-OWNED FUND	I	365.43	(2.21)	-	363.22
CASH AND CASH EQUIVALENTS-CLIENTS FUND		2,586.51	0.02	-	2,586.53
OTHER BANK BALANCES-OWNED FUND	I	6,078.84	(28.88)	-	6,049.96
OTHER BANK BALANCES-CLIENTS FUND		12,180.98	-	-	12,180.98
LOANS		40.94	-	-	40.94
OTHER FINANCIAL ASSETS	J	2,980.52	(1,662.34)	-	1,318.18
CURRENT TAX ASSETS (NET)		16.19	-	-	16.19
OTHER CURRENT ASSETS	K	460.76	(2.62)	-	458.14
		27,995.18	(1,664.55)	115.98	26,446.61
TOTAL ASSETS		37,371.27	(1,375.55)	366.72	36,362.44
EQUITY AND LIABILITIES					
EQUITY					
EQUITY SHARE CAPITAL		1,000.00	-	-	1,000.00
OTHER EQUITY	L	13,017.46	(132.88)	366.72	13,251.30
EQUITY ATTRIBUTABLE TO EQUITY SHAREHOLDERS		14,017.46	(132.88)	366.72	14,251.30

NON-CONTROLLING INTERESTS		47.90	2.88	-	50.78
		14,065.36	(130.00)	366.72	14,302.08
LIABILITIES					
NON CURRENT LIABILITIES					
FINANCIAL LIABILITIES					
BORROWINGS		159.86	(159.86)	-	-
TRADE PAYABLES		31.87	-	-	31.87
OTHER FINANCIAL LIABILITIES		688.04	-	-	688.04
PROVISIONS	M	1,128.04	-	-	1,128.04
OTHER NON CURRENT LIABILITIES		134.72	-	-	134.72
		2,142.53	(159.86)	-	1,982.67
CURRENT LIABILITIES					
FINANCIAL LIABILITIES					
TRADE PAYABLES	N	1,264.16	(188.91)	-	1,075.25
OTHER FINANCIAL LIABILITIES	O	17,623.03	(617.58)	-	17,005.45
PROVISIONS	P	1,357.54	(273.89)	-	1,083.65
CURRENT TAX LIABILITIES (NET)		-	0.25	-	0.25
OTHER CURRENT LIABILITIES	Q	918.65	(5.56)	-	913.09
		21,163.38	(1,085.69)	-	20,077.69
TOTAL EQUITY AND LIABILITIES		37,371.27	(1,375.55)	366.72	36,362.44
EXPLANATIONS FOR RECONCILIATION OF BALANCE SHEET AS PREVIOUS YEAR REPORTED UNDER IGAAP TO RESTATED IND AS					

***IGAAP NUMBERS HAVE BEEN RECLASSIFIED TO CONFORM TO IND AS PRESENTATION REQUIREMENTS FOR THE PURPOSE OF THIS NOTE.**

1. IND AS ADJUSTMENTS:

(A) PROPERTY, PLANT AND EQUIPMENT

- (a) Adjustments on account of prior period errors/omissions.
- (b) Reclassification/Restatement of Leasehold assets from tangible assets to pre payments under current/non-current assets.

(B) CAPITAL WORK IN PROGRESS

- (a) Adjustments on account of prior period errors/omissions.
- (b) Reclassification/Restatement of Capital work in progress to Capital advance under non-current assets.

(C) INVESTMENTS

Reclassified from Non current to Current at year ended 31.03.2016.

(D) LOANS

(a) As per IND AS, staff loan and interest accrued thereon are presented/restated at present value applying effective interest rate method and balance is shown separately under other non-current/current assets as deferred cost towards staff loan.

(E) OTHER NON-CURRENT FINANCIAL ASSETS

(a) As per IND AS, amount recoverable from Govt of Mozambique (GOM) is presented/restated at present value applying effective interest rate method and balance is shown separately under other non-current/current assets as deferred cost.

(F) DEFERRED TAX ASSETS (NET)

Tax impact on adjustments of Work-in-Progress(WIP) is made as per IND AS.

(G) OTHER NON CURRENT ASSETS

- (a) Adjustments on account of prior period errors/omissions.
- (b) Reclassification/Restatement of Leasehold assets from tangible assets to pre payments under current/non-current assets.
- (c) Reclassification/Restatement of Capital work in progress to Capital advance under non-current assets.
- (d) As per IND AS, staff loan and amount recoverable from Govt of Mozambique (GOM) and interest accrued thereon are presented/restated at present value applying effective interest rate method and balance is shown separately under other non-current/current assets as deferred cost.
- (e) Restatement towards Joint Operations.

(H) TRADE RECEIVABLES

- (a) Adjustments on account of prior period errors/omissions.
- (b) Restatement towards Joint Operations.

- (I) CASH AND BANK BALANCE**
Restatement towards Joint Operations.
- (J) OTHER CURRENT FINANCIAL ASSETS**
(a) Adjustments on account of prior period errors/omissions.
(b) Adjustments on account of Work-in-Progress(WIP) are made as per IND AS.
(c) Restatement towards Joint Operations.
- (K) OTHER CURRENT ASSETS**
(a) Adjustments on account of prior period errors/omissions.
(b) Reclassification/Restatement of Leasehold assets from tangible assets to pre payments under current/non-current assets.
(c) Adjustments on account of change in accounting policy on prepaid expenses.
(d) As per IND AS, staff loan and amount recoverable from Govt of Mozambique (GOM) and interest accrued thereon are presented/restated at present value applying effective interest rate method and balance is shown separately under other non-current/current assets as deferred cost.
- (L) OTHER EQUITY**
Adjustments on account of proposed dividend, dividend tax, work-in-progress, tax impact on work-in-progress, change in accounting policy on pre-paid, prior period errors/omissions etc. have been made as per IND AS.
- (M) NON CURRENT- PROVISIONS**
Impact on account of discounting of Provision for warranties.
- (N) TRADE PAYABLES**
(a) Adjustments on account of prior period errors/omissions.
(b) Restatement towards Joint Operations.
- (O) OTHER FINANCIAL LIABILITIES**
Adjustments on account of prior period errors/omissions.
- (P) CURRENT PROVISIONS**
Adjustments reflect dividend (including corporate dividend tax) declared and approved post reporting date.
- (Q) OTHER CURRENT LIABILITIES**
(a) Adjustments on account of prior period errors/omissions.
(b) Restatement towards Joint Operations.

2. OTHER ADJUSTMENTS:

AFTER SETTLEMENT WITH GOVERNMENT OF MOZAMBIQUE(GoM), INCOME FROM CCFB, MOZAMBIQUE REGARDING INTEREST INCOME, EXCHANGE VARIATION, CONSULTANCY FEE & LEASE CHARGES HAVE BEEN RECOGNISED IN THE FINANCIAL YEAR 2015-16 IN THE PREVIOUS GAAP. HOWEVER, IN RESTATED FINANCIAL STATEMENT, INCOME PERTAINING TO PREVIOUS FINANCIAL YEARS HAS BEEN RECOGNISED ALONG WITH TAX IMPACT IN THE RESPECTIVE FINANCIAL YEARS.

2.2.2 RECONCILIATION OF CONSOLIDATED TOTAL COMPREHENSIVE INCOME UNDER INDIAN GAAP TO RESTATED IND AS									
(₹ in million)									
PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2016				YEAR ENDED 31.03.2015			
		IGAAP	Ind AS Adjustments	Restatement Adjustments	Restated Ind AS	IGAAP	Ind AS Adjustments	Restatement Adjustments	Restated Ind AS
CONTINUING OPERATIONS									
REVENUE									
REVENUE FROM OPERATIONS	R	11,025.28	(6.89)	(113.09)	10,905.30	10,167.08	(43.24)	3.04	10,126.88
OTHER INCOME	S	2,106.93	(166.73)	(578.23)	1,361.97	1,541.41	(203.52)	126.30	1,464.19
TOTAL REVENUE		13,132.21	(173.62)	(691.32)	12,267.27	11,708.49	(246.76)	129.34	11,591.07
EXPENDITURE									
EMPLOYEE BENEFIT EXPENSES	T	3,417.66	(8.07)	-	3,409.59	3,300.12	(55.40)	-	3,244.72
TRAVEL	U	359.16	(3.73)	-	355.43	325.62	(0.96)	-	324.66
SUPPLIES & SERVICES	V	967.13	4.13	-	971.26	781.01	3.49	-	784.50
COST OF EXPORT SALES	W	1,596.31	(26.89)	-	1,569.42	902.21	(97.10)	-	805.11
COST OF TURNKEY CONSTRUCTION PROJECTS	X	353.50	(0.98)	-	352.52	836.66	(1.84)	-	834.82

(INCREASE)/DECREASE IN WORK IN PROGRESS-CONSULTANCY PROJECTS	Y	8.77	(8.77)	-	-	21.41	(21.41)	-	-
TRANSMISSION AND WHEELING CHARGES		21.66	-	-	21.66	-	-	-	-
FINANCE COSTS	YA	63.21	(16.07)	-	47.14	-	-	-	-
DEPRECIATION & AMORTISATION EXPENSES	Z	369.89	(23.46)	-	346.43	265.02	(3.48)	-	261.54
OTHER EXPENSES	AA	777.50	(115.84)	-	661.66	701.76	(38.20)	-	663.56
PRIOR PERIOD ADJUSTMENTS (NET)	AB	22.26	(22.26)	-	-	42.27	(42.27)	-	-
TOTAL EXPENDITURE		7,957.05	(221.94)	-	7,735.11	7,176.08	(257.17)	-	6,918.91
PROFIT BEFORE SHARE OF PROFIT/(LOSS) OF JOINT VENTURES AND TAX FROM CONTINUING OPERATIONS		5,175.16	48.32	(691.32)	4,532.16	4,532.41	10.41	129.34	4,672.16
SHARE OF PROFIT/(LOSS) OF JOINT VENTURES		-	(26.00)	-	(26.00)	-	10.27	-	10.27
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS		5,175.16	22.32	(691.32)	4,506.16	4,532.41	20.68	129.34	4,682.43
TAX EXPENSES									
- CURRENT YEAR	AC	(1,586.07)	(142.97)	239.21	(1,489.83)	(1,364.26)	(15.69)	(43.95)	(1,423.90)
DEFERRED TAX (NET)		(187.33)	0.27	-	(187.06)	(137.21)	0.80	-	(136.41)
PROFIT AFTER TAX FROM CONTINUING OPERATIONS		3,401.76	(120.38)	(452.11)	2,829.27	3,030.94	5.79	85.39	3,122.12
DISCONTINUED OPERATIONS									
LOSS BEFORE TAX FROM DISCONTINUED OPERATIONS		-	(3.87)	-	(3.87)	-	-	-	-
TAX EXPENSES OF DISCONTINUED OPERATIONS		-	(0.27)	-	(0.27)	-	-	-	-
LOSS FROM DISCONTINUED OPERATIONS		-	(4.14)	-	(4.14)	-	-	-	-

PROFIT/(LOSS) FOR THE YEAR		3,401.76	(124.52)	(452.11)	2,825.13	3,030.94	5.79	85.39	3,122.12
OTHER COMPREHENSIVE INCOME									
ITEMS THAT WILL BE RECLASSIFIED SUBSEQUENTLY TO PROFIT & LOSS									
FOREIGN CURRENCY TRANSLATION RESERVE	AD	-	(1.42)	-	(1.42)	-	(6.43)	-	(6.43)
INCOME TAX EFFECT		-	-	-	-	-	-	-	-
		-	(1.42)	-	(1.42)	-	(6.43)	-	(6.43)
ITEMS THAT WILL NOT BE RECLASSIFIED SUBSEQUENTLY TO PROFIT & LOSS									
REMEASUREMENTS OF THE DEFINED BENEFIT LIABILITY/ASSET	AD	-	(13.20)	-	(13.20)	-	36.80	-	36.80
INCOME TAX EFFECT	AC	-	4.60	-	4.60	-	(12.70)	-	(12.70)
		-	(8.60)	-	(8.60)	-	24.10	-	24.10
TOTAL COMPREHENSIVE INCOME (NET OF TAX)	OTHER INCOME	-	(10.02)	-	(10.02)	-	17.67	-	17.67
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		3,401.76	(134.54)	(452.11)	2,815.11	3,030.94	23.46	85.39	3,139.79

PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2014			
		(₹ in million)			
		IGAAP	Ind AS Adjustments	Restatement Adjustments	Restated Ind AS
CONTINUING OPERATIONS					
REVENUE					
REVENUE FROM OPERATIONS	R	10,965.54	(2.73)	2.07	10,964.88
OTHER INCOME	S	1,537.38	(445.68)	178.12	1,269.82
TOTAL REVENUE		12,502.92	(448.41)	180.19	12,234.70

EXPENDITURE					
EMPLOYEE BENEFIT EXPENSES	T	3,104.97	(398.26)	-	2,706.71
TRAVEL	U	347.61	(1.66)	-	345.95
SUPPLIES & SERVICES	V	740.50	5.90	-	746.40
COST OF EXPORT SALES	W	2,732.46	(0.60)	-	2,731.86
COST OF TURNKEY CONSTRUCTION PROJECTS	X	888.86	(7.35)	-	881.51
(INCREASE)/DECREASE IN WORK IN PROGRESS-CONSULTACNY PROJECTS	Y	(82.76)	82.76	-	-
TRANSMISSION AND WHEELING CHARGES		-	-	-	-
FINANCE COSTS	YA	-	-	-	-
DEPRECIATION & AMORTISATION EXPENSES	Z	200.07	3.39	-	203.46
OTHER EXPENSES	AA	813.27	(71.36)	-	741.91
PRIOR PERIOD ADJUSTMENTS (NET)	AB	(64.57)	64.57	-	-
TOTAL EXPENDITURE		8,680.41	(322.61)	-	8,357.80
PROFIT BEFORE SHARE OF PROFIT/(LOSS) OF JOINT VENTURES AND TAX FROM CONTINUING OPERATIONS		3,822.51	(125.80)	180.19	3,876.90
SHARE OF PROFIT/(LOSS) OF JOINT VENTURES		-	(26.81)	-	(26.81)
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS		3,822.51	(152.61)	180.19	3,850.09
TAX EXPENSES					
- CURRENT YEAR	AC	(1,347.66)	40.46	(61.25)	(1,368.45)
DEFERRED TAX (NET)		124.47	0.01	-	124.48
PROFIT AFTER TAX FROM CONTINUING OPERATIONS		2,599.32	(112.14)	118.94	2,606.12
DISCONTINUED OPERATIONS					
LOSS BEFORE TAX FROM DISCONTINUED OPERATIONS		-	(0.76)	-	(0.76)
TAX EXPENSES OF DISCONTINUED OPERATIONS		-	-	-	-
LOSS FROM DISCONTINUED OPERATIONS		-	(0.76)	-	(0.76)

PROFIT/(LOSS) FOR THE YEAR		2,599.32	(112.90)	118.94	2,605.36
OTHER COMPREHENSIVE INCOME					
ITEMS THAT WILL BE RECLASSIFIED SUBSEQUENTLY TO PROFIT & LOSS					
FOREIGN CURRENCY TRANSLATION RESERVE	AD	-	(3.81)	-	(3.81)
INCOME TAX EFFECT		-	-	-	-
		-	(3.81)	-	(3.81)
ITEMS THAT WILL NOT BE RECLASSIFIED SUBSEQUENTLY TO PROFIT & LOSS					
REMEASUREMENTS OF THE DEFINED BENEFIT LIABILITY/ASSET	AD	-	(25.40)	-	(25.40)
INCOME TAX EFFECT	AC	-	8.80	-	8.80
		-	(16.60)	-	(16.60)
TOTAL OTHER COMPREHENSIVE INCOME (NET OF TAX)		-	(20.41)	-	(20.41)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		2,599.32	(133.31)	118.94	2,584.95

EXPLANATIONS FOR RECONCILIATION OF STATEMENT OF PROFIT & LOSS AS PREVIOUS YEAR REPORTED UNDER IGAAP TO RESTATED IND AS	
1. IND AS ADJUSTMENTS:	
(R) REVENUE FROM OPERATIONS	Adjustments on account of prior period errors/omissions.
(S) OTHER INCOME	(a) Adjustments on account of prior period errors/omissions. (b) Recognition of deferred income on recoverables from GOM (Govt of Mozambique) and interest on staff loans at effective interest rate have been made as per IND AS. (c) Reclassification/restatement of other income.
(T) EMPLOYEE BENEFIT EXPENSES	(a) As per Ind AS, Interest on staff loans is recognised at effective interest rate method and actuarial gain and loss are recognised in Other Comprehensive Income (OCI) & not reclassified to Profit & Loss in subsequent period.

(b) Reclassification/restatement of employee benefit expenses.

(U) TRAVEL

Reclassification/restatement of employee benefit expenses.

(V) SUPPLIES & SERVICES

Adjustments on account of prior period errors/omissions.

(W) COST OF EXPORT SALES

(a) Adjustments on account of prior period errors/omissions.

(b) Impact on account of discounting of warranty provisions.

(c) Reclassification/restatement of cost of export sales.

(X) COST OF TURNKEY CONSTRUCTION PROJECTS

(a) Adjustments on account of prior period errors/omissions.

(b) As per Ind AS, adjustments on account of work-in-progress have been made.

(Y) (INCREASE)/DECREASE IN WORK IN PROGRESS-CONSULTANCY PROJECTS

As per Ind AS, adjustments on account of work-in-progress have been made.

(YA) FINANCE COSTS

As per Ind AS, adjustment has been made in Finance costs of joint ventures due to applications of equity method.

(Z) DEPRECIATION

(a) Adjustments on account of prior period errors/omissions.

(b) Reclassification/restatement of depreciation due to reclassification of tangible assets to pre-payments towards leasehold assets.

(AA) OTHER EXPENSES

(a) Adjustments on account of prior period errors/omissions.

(b) Adjustments on account of change in accounting policy on prepaid expenses.

(c) Reclassification/restatement of other expenses.

(AB) PRIOR PERIOD ADJUSTMENTS (NET)

Adjustments of prior period errors/omissions have been made as per IND AS.

(AC) INCOME TAX

Adjustments of tax on remeasurement of defined benefits have been made as per IND AS.

(AD) REMEASUREMENTS OF THE DEFINED BENEFITS PLANS

Re-measurement of defined benefit plan and foreign currency translation reserve have been considered in Other Comprehensive Income (OCI) as per IND AS

2. OTHER ADJUSTMENTS:

AFTER SETTLEMENT WITH GOVERNMENT OF MOZAMBIQUE (GoM), INCOME FROM CCFB, MOZAMBIQUE REGARDING INTEREST INCOME, EXCHANGE VARIATION, CONSULTANCY FEE & LEASE CHARGES HAVE BEEN RECOGNISED IN THE FINANCIAL YEAR 2015-16 IN THE PREVIOUS GAAP. HOWEVER, IN RESTATED FINANCIAL STATEMENT, INCOME PERTAINING TO PREVIOUS FINANCIAL YEARS HAS BEEN RECOGNISED ALONG WITH TAX IMPACT IN THE RESPECTIVE FINANCIAL YEARS.

2.2.3 RECONCILIATION OF CONSOLIDATED STATEMENT OF EQUITY UNDER INDIAN GAAP AND RESTATED IND AS

(₹ in million)				
PARTICULARS	AS AT 31.03.2016	AS AT 31.03.2015	AS AT 31.03.2014	AS AT 01.04.2013
A. TOTAL EQUITY AS PER PREVIOUS INDIAN GAAP	18,326.88	16,441.60	14,065.36	12,024.60
B. IND AS ADJUSTMENTS				
PROPOSED DIVIDEND	910.00	320.00	230.00	300.00
CORPORATE TAX ON PROPOSED DIVIDEND	185.30	65.14	39.09	50.99
WORK IN PROGRESS	(371.99)	(382.14)	(410.69)	(339.38)
PRIOR PERIOD ADJUSTMENT	(90.96)	(84.07)	(68.70)	37.74
PREPAID ADJUSTMENTS	(0.92)	(0.92)	(1.53)	(2.20)
UNWINDING WARRANTIES & DISCOUNTING OF WARRANTIES EXPENSES	9.93	1.43	4.77	12.97
EMPLOYEE BENEFITS	-	-	(2.50)	-
PROPERTY, PLANT & EQUIPMENTS	(2.20)	(3.28)	(3.18)	(1.09)

LOSS FROM DISCONTINUED OPERATIONS	(2.11)	(2.11)	(2.11)	(1.35)
FOREIGN CURRENCY TRANSLATION RESERVE	(38.52)	(16.68)	(21.96)	(16.42)
EXCHANGE DIFFERENCES	62.43	71.71	33.51	25.46
TAX EFFECT OF ADJUSTMENTS	(102.53)	35.57	63.16	13.89
TOTAL OF IND AS ADJUSTMENTS	558.43	4.65	(140.14)	80.61
C. TOTAL EQUITY AS PER RESTATED IND AS (A+B)	18,885.31	16,446.25	13,925.22	12,105.21
D. OTHER ADJUSTMENTS*:				
AUDIT QUALIFICATION	-	-	-	-
CONSULTANCY FEE & LEASE INCOME FROM CCFB MOZAMBIQUE	(33.48)	79.61	76.57	74.50
INTEREST INCOME FROM CCFB MOZAMBIQUE	0.03	213.63	151.83	92.43
EXCHANGE VARIATION ON CCFB DUES	33.45	398.08	333.58	214.86
TAX EFFECT ON OTHER ADJUSTMENTS	10.14	(229.07)	(185.12)	(123.87)
TOTAL IMPACT OF OTHER ADJUSTMENTS	10.14	462.25	376.86	257.92
RESTATED TOTAL EQUITY (C+D)	18,895.45	16,908.50	14,302.08	12,363.13
<p>*NOTE ON OTHER ADJUSTMENTS: AFTER SETTLEMENT WITH GOVERNMENT OF MOZAMBIQUE(GoM), INCOME FROM CCFB, MOZAMBIQUE REGARDING INTEREST INCOME, EXCHANGE VARIATION, CONSULTANCY FEE & LEASE CHARGES HAVE BEEN RECOGNISED IN THE FINANCIAL YEAR 2015-16 IN THE PREVIOUS GAAP. HOWEVER, IN RESTATED FINANCIAL STATEMENT, INCOME PERTAINING TO PREVIOUS FINANCIAL YEARS HAS BEEN RECOGNISED ALONG WITH TAX IMPACT IN THE RESPECTIVE FINANCIAL YEARS.</p>				

2.2.4 RECONCILIATION OF CONSOLIDATED STATEMENT OF PROFIT & LOSS AS PREVIOUS REPORTED UNDER INDIAN GAAP AND RESTATED IND AS			
	(₹ in million)		
PARTICULARS	YEAR ENDED	YEAR ENDED	YEAR ENDED
	31.03.2016	31.03.2015	31.03.2014
A. TOTAL COMPREHENSIVE INCOME UNDER PREVIOUS GAAP	3,401.76	3,030.94	2,599.32
B. IND AS ADJUSTMENTS			
PRIOR PERIOD ADJUSTMENTS	(6.89)	(15.37)	(106.44)
PREPAID ADJUSTMENTS	-	0.61	0.67
WORK IN PROGRESS	10.15	28.55	(71.31)
EMPLOYEE BENEFITS	-	2.50	(2.50)
PROPERTY, PLANT & EQUIPMENTS	1.08	(0.10)	(2.09)
UNWINDING WARRANTIES & DISCOUNTING OF WARRANTIES EXPENSES	8.50	(3.34)	(8.20)
LOSS FROM DISCONTINUED OPERATIONS	-	-	(0.76)
EXCHANGE DIFFERENCES	(9.28)	38.20	8.05
TAX EFFECT OF ADJUSTMENTS	(138.10)	(27.59)	49.27
TOTAL OF IND AS ADJUSTMENTS	(134.54)	23.46	(133.31)
C. TOTAL COMPREHENSIVE INCOME AS PER RESTATED IND AS (A+B)	3,267.22	3,054.40	2,466.01
D. OTHER ADJUSTMENTS**:			
AUDIT QUALIFICATION	-	-	-
CONSULTANCY FEE & LEASE INCOME FROM CCFB MOZAMBIQUE	(113.09)	3.04	2.07

INTEREST INCOME FROM CCFB MOZAMBIQUE	(213.60)	61.80	59.40
EXCHANGE VARIATION ON CCFB DUES	(364.63)	64.50	118.72
TAX EFFECT ON OTHER ADJUSTMENTS	239.21	(43.95)	(61.25)
TOTAL IMPACT OF OTHER ADJUSTMENTS	(452.11)	85.39	118.94
RESTATED TOTAL COMPREHENSIVE INCOME (C+D)	2,815.11	3,139.79	2,584.95

****NOTE ON OTHER ADJUSTMENTS:**

AFTER SETTLEMENT WITH GOVERNMENT OF MOZAMBIQUE (GoM), INCOME FROM CCFB, MOZAMBIQUE REGARDING INTEREST INCOME, EXCHANGE VARIATION, CONSULTANCY FEE & LEASE CHARGES HAVE BEEN RECOGNISED IN THE FINANCIAL YEAR 2015-16 IN THE PREVIOUS GAAP. HOWEVER, IN RESTATED FINANCIAL STATEMENT, INCOME PERTAINING TO PREVIOUS FINANCIAL YEARS HAS BEEN RECOGNISED ALONG WITH TAX IMPACT IN THE RESPECTIVE FINANCIAL YEARS.

2.2.5 RECONCILIATION OF CASH FLOWS UNDER INDIAN GAAP TO RESTATED IND AS:

(₹ in million)						
PARTICULARS	YEAR ENDED 31.03.2016			YEAR ENDED 31.03.2015		
	IGAAP	Adjustments	Restated Ind AS	IGAAP	Adjustments	Restated Ind AS
NET CASH FLOW FROM OPERATING ACTIVITIES	997.80	(360.56)	637.24	1,104.40	(8.76)	1,095.64
NET CASH FLOW FROM INVESTING ACTIVITIES	(1,694.80)	437.80	(1,257.00)	1,615.50	80.04	1,695.54
NET CASH FLOW FROM FINANCING ACTIVITIES	(2.64)	342.97	340.33	(378.39)	(154.17)	(532.56)
EFFECT OF EXCHANGE DIFFERENCES ON TRANSLATION OF FOREIGN CURRENCY	543.63	(395.71)	147.92	53.91	78.66	132.57
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(156.01)	24.50	(131.51)	2,395.42	(4.23)	2,391.19
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	2,761.32	(6.41)	2,754.91	365.90	(2.18)	363.72
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	2,605.31	18.09	2,623.40	2,761.32	(6.41)	2,754.91

(₹ in million)			
PARTICULARS	YEAR ENDED 31.03.2014		
	IGAAP	Adjustments	Restated Ind AS
NET CASH FLOW FROM OPERATING ACTIVITIES	647.40	63.68	711.08
NET CASH FLOW FROM INVESTING ACTIVITIES	(1,688.70)	96.67	(1,592.03)
NET CASH FLOW FROM FINANCING ACTIVITIES	(421.52)	(231.45)	(652.97)
EFFECT OF EXCHANGE DIFFERENCES ON TRANSLATION OF FOREIGN CURRENCY	(25.38)	112.29	86.91
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(1,488.20)	41.19	(1,447.01)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	1,854.10	(43.37)	1,810.73
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	365.90	(2.18)	363.72
NOTE: IGAAP FIGURES HAVE BEEN RECLASSIFIED AND RESTATED BY ADJUSTING CLIENT FUNDS & ITS CORRESPONDING LIABILITIES AND NON CASH ITEMS TO CONFORM TO IND AS PRESENTATION.			

2.3 PROPERTY, PLANT AND EQUIPMENT														
FOLLOWING ARE THE CHANGES IN THE CARRYING VALUE OF PROPERTY, PLANT AND EQUIPMENT FOR THE PERIOD ENDED 31.12.2017														
(₹ in Million)														
DESCRIPTION	GROSS BLOCK						DEPRECIATION/AMORTISATION							NET BLOCK
	AS AT 01/04/2017	ADDITIONS DURING THE PERIOD	ADJ DURING THE PERIOD	ADJ OF EXCHANGE RATE	DELETIONS DURING THE PERIOD	TOTAL	AS AT 01/04/2017	FOR THE PERIOD	ADJ DURING THE PERIOD	ADJ THROUGH RETAINED EARNING	ADJ OF EXCHANGE RATE	DELETIONS DURING THE PERIOD	TOTAL	AS AT 31/12/2017
LEASEHOLD														
LAND	10.53	-	-	-	-	10.53	0.61	0.32	-	-	-	-	0.93	9.60
BUILDING	106.83	-	-	-	-	106.83	14.48	1.44	-	-	-	-	15.92	90.91

RESIDENTIAL QUARTERS	41.02	-	-	-	-	41.02	41.02	-	-	-	-	-	41.02	-
MULTIFUNCT IONAL COMPLEX	57.64	-	-	-	-	57.64	0.84	1.30	-	-	-	-	2.14	55.50
SUB TOTAL	216.02	-	-	-	-	216.02	56.95	3.06	-	-	-	-	60.01	156.01
OTHERS														
LAND	303.44	0.58	(42.20)	-	-	261.82	-	-	-	-	-	-	-	261.82
BUILDING	418.08	-	-	-	-	418.08	86.65	5.14	-	-	-	-	91.79	326.29
RESIDENTIAL QUARTERS	26.23	-	-	-	-	26.23	16.81	0.15	-	-	-	-	16.96	9.27
SURVEY AND OTHER INSTRUMENTS	151.64	1.52	-	-	0.03	153.13	116.85	4.97	-	-	-	0.02	121.80	31.33
COMPUTER AND EQUIPMENTS	192.49	10.17	-	0.02	2.74	199.94	162.75	14.61	-	-	0.02	2.73	174.65	25.29
SERVER & NETWORK	85.68	4.11	-	-	-	89.79	62.37	7.82	-	-	-	-	70.19	19.60
OFFICE AND OTHER EQUIPMENTS	120.20	3.18	-	-	1.35	122.03	102.61	5.69	-	-	0.01	1.33	106.98	15.05
AIR- CONDITIONER AND EQUIPMENTS	20.61	0.51	-	-	0.13	20.99	12.67	1.54	-	-	-	0.13	14.08	6.91
AIR CONDITIONER PLANT	136.34	-	-	-	-	136.34	95.58	10.30	-	-	-	-	105.88	30.46
FURNITURES	72.14	2.05	-	0.02	0.50	73.71	47.69	4.20	-	-	0.01	0.44	51.46	22.25
FIXTURES	75.38	0.93	-	-	0.09	76.22	70.66	1.68	-	-	-	0.09	72.25	3.97

VEHICLES	38.35	0.85	-	-	0.95	38.25	28.05	2.13	-	-	-	0.95	29.23	9.02
VEHICLES ABROAD	1.46	-	-	0.01	1.00	0.47	1.37	0.07	-	-	0.01	1.00	0.45	0.02
LOCOMOTIVES NEW	603.00	227.36	-	-	-	830.36	68.76	33.78	-	-	-	-	102.54	727.82
LOCOMOTIVES IN SERVICE	1,837.82	-	(280.40)	-	-	1,557.42	767.85	126.04	(218.52)	-	-	-	675.37	882.05
COACHES*	75.18	-	-	-	-	75.18	75.18	-	-	-	-	-	75.18	-
PLANT & MACHINERY^	1,522.25	-	-	-	-	1,522.25	88.84	45.88	-	-	-	-	134.72	1,387.53
SUB TOTAL	5,680.29	251.26	(322.60)	0.05	6.79	5,602.21	1,804.69	264.00	(218.52)	-	0.05	6.69	1,843.53	3,758.68
TOTAL	5,896.31	251.26	(322.60)	0.05	6.79	5,818.23	1,861.64	267.06	(218.52)	-	0.05	6.69	1,903.54	3,914.69

FOLLOWING ARE THE CHANGES IN THE CARRYING VALUE OF PROPERTY, PLANT AND EQUIPMENT FOR THE YEAR ENDED 31.03.2017														
(₹ in Million)														
DESCRIPTION	GROSS BLOCK						DEPRECIATION/AMORTISATION						NET BLOCK	
	AS AT 01/04/2016	ADDITIONS DURING THE YEAR	ADJ DURING THE YEAR	ADJ OF EXCHANGE RATE	DELETIONS DURING THE YEAR	TOTAL	AS AT 01/04/2016	FOR THE YEAR	ADJ DURING THE YEAR	ADJ THROUGH RETAINED EARNING	ADJ OF EXCHANGE RATE	DELETIONS DURING THE YEAR	TOTAL	AS AT 31/03/2017
LEASEHOLD														
LAND	10.53	-	-	-	-	10.53	0.19	0.42	-	-	-	-	0.61	9.92
BUILDING	50.43	56.40	-	-	-	106.83	12.78	1.70	-	-	-	-	14.48	92.35

RESIDENTIAL QUARTERS	41.02	-	-	-	-	41.02	41.02	-	-	-	-	-	41.02	-
MULTIFUNCT IONAL COMPLEX	59.02	58.72	-	-	60.10	57.64	1.61	0.84	0.89	-	-	2.50	0.84	56.80
SUB TOTAL	161.00	115.12	-	-	60.10	216.02	55.60	2.96	0.89	-	-	2.50	56.95	159.07
OTHERS														
LAND	295.57	7.87	-	-	-	303.44	-	-	-	-	-	-	-	303.44
BUILDING	418.08	-	-	-	-	418.08	79.83	6.82	-	-	-	-	86.65	331.43
RESIDENTIAL QUARTERS	26.23	-	-	-	-	26.23	16.60	0.21	-	-	-	-	16.81	9.42
SURVEY AND OTHER INSTRUMENT S	143.61	10.61	-	-	2.58	151.64	112.36	7.07	-	-	-	2.58	116.85	34.79
COMPUTER AND EQUIPMENTS	183.87	20.47	-	0.01	11.86	192.49	152.24	22.23	-	-	-	11.72	162.75	29.74
SERVER & NETWORK	85.24	0.45	-	-	0.01	85.68	52.41	9.97	-	-	-	0.01	62.37	23.31
OFFICE AND OTHER EQUIPMENTS	117.91	9.31	-	0.02	7.04	120.20	99.93	9.37	-	-	0.03	6.72	102.61	17.59
AIR- CONDITONE R AND EQUIPMENTS	18.60	2.68	-	-	0.67	20.61	11.34	1.96	-	-	-	0.63	12.67	7.94
AIR CONDITONE R PLANT	136.33	0.46	-	-	0.45	136.34	82.38	13.65	-	-	-	0.45	95.58	40.76
FURNITURES									-	-				

	69.44	4.64	-	0.01	1.95	72.14	44.22	5.20			0.02	1.75	47.69	24.45
FIXTURES	75.38	0.46	-	-	0.46	75.38	66.28	4.69	-	-	-	0.31	70.66	4.72
VEHICLES	40.10	-	-	-	1.75	38.35	26.76	3.04	-	-	-	1.75	28.05	10.30
VEHICLES ABROAD	1.45	-	-	0.01	-	1.46	1.28	0.09	-	-	-	-	1.37	0.09
LOCOMOTIVES NEW	603.00	-	-	-	-	603.00	28.55	40.21	-	-	-	-	68.76	534.24
LOCOMOTIVES IN SERVICE	1,704.33	133.49	-	-	-	1,837.82	590.23	177.62	-	-	-	-	767.85	1,069.97
COACHES*	75.18	-	-	-	-	75.18	75.18	-	-	-	-	-	75.18	-
PLANT & MACHINERY^	1,522.25	-	-	-	-	1,522.25	27.95	60.89	-	-	-	-	88.84	1,433.41
SUB TOTAL	5,516.57	190.44	-	0.05	26.77	5,680.29	1,467.54	363.02	-	-	0.05	25.92	1,804.69	3,875.60
TOTAL	5,677.57	305.56	-	0.05	86.87	5,896.31	1,523.14	365.98	0.89	-	0.05	28.42	1,861.64	4,034.67

FOLLOWING ARE THE CHANGES IN THE CARRYING VALUE OF PROPERTY, PLANT AND EQUIPMENT FOR THE YEAR ENDED 31.03.2016															
(₹ in Million)															
DESCRIPTION	GROSS BLOCK						DEPRECIATION/AMORTISATION						NET BLOCK		
	AS AT 01/04/2015	ADDITIONS DURING THE YEAR	ADJ DURING THE YEAR	ADJ OF EXCHANGE RATE	DELETIONS DURING THE YEAR	TOTAL	AS AT 01/04/2015	FOR THE YEAR	ADJ DURING THE YEAR	ADJ THROUGH RETAINED EARNING	ADJ OF EXCHANGE RATE	DELETIONS DURING THE YEAR	TOTAL	AS AT 31/03/2016	AS AT 31/03/2015
LEASEHOLD															

LAND	-	10.53	-	-	-	10.53	-	0.19	-	-	-	-	0.19	10.34	-
BUILDING	50.43	-	-	-	-	50.43	11.12	1.66	-	-	-	-	12.78	37.65	39.31
RESIDENTIAL QUARTERS	41.02	-	-	-	-	41.02	41.02	-	-	-	-	-	41.02	-	-
MULTI- FUNCTION AL COMPLEX	44.43	14.59	-	-	-	59.02	0.18	-	1.43	-	-	-	1.61	57.41	44.25
SUB TOTAL	135.88	25.12	-	-	-	161.00	52.32	1.85	1.43	-	-	-	55.60	105.40	83.56
OTHERS															
LAND	295.57	-	-	-	-	295.57	-	-	-	-	-	-	-	295.57	295.57
BUILDING	404.93	13.15	-	-	-	418.08	73.03	6.80	-	-	-	-	79.83	338.25	331.90
RESIDENTIAL QUARTERS	26.23	-	-	-	-	26.23	16.39	0.21	-	-	-	-	16.60	9.63	9.84
SURVEY & OTHER INSTRUMENTS	146.17	1.24	-	-	3.80	143.61	109.35	6.80	-	-	-	3.79	112.36	31.25	36.82
COMPUTER AND EQUIPMENTS	170.99	24.56	-	(0.01)	11.67	183.87	142.56	21.18	-	-	(0.01)	11.49	152.24	31.63	28.43
SERVER & NETWORK	83.03	2.30	-	-	0.09	85.24	42.78	9.72	-	-	-	0.09	52.41	32.83	40.25
OFFICE & OTHER EQUIPMENTS	113.00	10.24	-	(0.01)	5.32	117.91	91.77	13.17	-	-	(0.03)	4.98	99.93	17.98	21.23

AIR- CONDITION ER AND EQUIPMEN TS	17.96	3.05	-	-	2.41	18.60	11.97	1.76	-	-	-	2.39	11.34	7.26	5.99
AIR CONDITION ER PLANT	128.00	8.33	-	-	-	136.33	68.77	13.61	-	-	-	-	82.38	53.95	59.23
FURNITURE S	62.23	9.61	-	(0.02)	2.38	69.44	40.89	5.37	-	-	(0.01)	2.03	44.22	25.22	21.34
FIXTURES	73.05	2.40	-	-	0.07	75.38	59.07	7.28	-	-	-	0.07	66.28	9.10	13.98
VEHICLES	42.88	-	-	-	2.78	40.10	26.39	3.06	-	-	-	2.69	26.76	13.34	16.49
VEHICLES ABROAD	2.17	0.11	-	(0.01)	0.82	1.45	1.91	0.20	-	-	(0.01)	0.82	1.28	0.17	0.26
LOCOMOTI VES NEW	-	603.00	-	-	-	603.00	-	28.55	-	-	-	-	28.55	574.45	-
LOCOMOTI VES IN SERVICE	1,504.23	200.10	-	-	-	1,704.33	411.96	178.27	-	-	-	-	590.23	1,114.10	1,092.27
COACHES*	75.18	-	-	-	-	75.18	75.18	-	-	-	-	-	75.18	-	-
PLANT & MACHINER Y^	-	1,522.25	-	-	-	1,522.25	-	27.95	-	-	-	-	27.95	1,494.30	-
SUB TOTAL	3,145.62	2,400.34	-	(0.05)	29.34	5,516.57	1,172.02	323.93	-	-	(0.06)	28.35	1,467.54	4,049.03	1,973.60
TOTAL	3,281.50	2,425.46	-	(0.05)	29.34	5,677.57	1,224.34	325.78	1.43	-	(0.06)	28.35	1,523.14	4,154.43	2,057.16

FOLLOWING ARE THE CHANGES IN THE CARRYING VALUE OF PROPERTY, PLANT AND EQUIPMENT FOR THE YEAR ENDED 31.03.2015															
(₹ in Million)															
DESCRIPTI ON	GROSS BLOCK						DEPRECIATION/AMORTISATION						NET BLOCK		
	AS AT 01/04/2 014	ADDIT IONS DURIN G THE YEAR	ADJ DURI NG THE YEAR	ADJ OF EXCH ANGE RATE	DELET IONS DURIN G THE YEAR	TOTAL	AS AT 01/04/20 14	FOR THE YEA R	ADJ DURI NG THE YEAR	ADJ THRO UGH RETAI NED EARNI NG	ADJ OF EXCH ANGE RATE	DELE TIONS DURI NG THE YEAR	TOTAL	AS AT 31/03/20 15	AS AT 31/03/2 014
LEASEHOLD															
LAND	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
BUILDING	47.81	0.40	2.22	-	-	50.43	9.16	1.62	0.34	-	-	-	11.12	39.31	38.65
RESIDENTI AL QUARTERS	41.02	-	-	-	-	41.02	39.46	1.56	-	-	-	-	41.02	-	1.56
MULTIFUN CTIONAL COMPLEX	-	44.43	-	-	-	44.43	-	0.18	-	-	-	-	0.18	44.25	-
SUB TOTAL	88.83	44.83	2.22	-	-	135.88	48.62	3.36	0.34	-	-	-	52.32	83.56	40.21
OTHERS															
LAND	295.09	0.48	-	-	-	295.57	-	-	-	-	-	-	-	295.57	295.09
BUILDING	404.93	-	-	-	-	404.93	66.48	6.55	-	-	-	-	73.03	331.90	338.45
RESIDENTI AL QUARTERS	26.23	-	-	-	-	26.23	16.16	0.23	-	-	-	-	16.39	9.84	10.07
SURVEY										-					

AND OTHER INSTRUMENTS	159.35	0.60	-	-	13.78	146.17	116.31	6.81	-	-	13.77	109.35	36.82	43.04	
COMPUTER AND EQUIPMENTS	175.06	18.58	-	(0.03)	22.62	170.99	142.92	22.26	-	-	(0.03)	22.59	142.56	28.43	32.14
SERVER & NETWORK	83.12	0.56	-	-	0.65	83.03	33.75	9.68	-	-	-	0.65	42.78	40.25	49.37
OFFICE AND OTHER EQUIPMENTS	111.47	5.27	-	(0.04)	3.70	113.00	81.34	13.99	-	-	(0.04)	3.52	91.77	21.23	30.13
AIR-CONDITIONER AND EQUIPMENTS	16.21	2.05	-	-	0.30	17.96	10.83	1.44	-	-	-	0.30	11.97	5.99	5.38
AIR CONDITIONER PLANT	127.30	0.70	-	-	-	128.00	55.76	13.01	-	-	-	-	68.77	59.23	71.54
FURNITURES	59.19	3.74	-	(0.03)	0.67	62.23	37.05	4.44	-	-	(0.03)	0.57	40.89	21.34	22.14
FIXTURES	71.11	2.03	-	-	0.09	73.05	52.03	7.13	-	-	-	0.09	59.07	13.98	19.08
VEHICLES	43.83	3.17	-	-	4.12	42.88	27.52	2.99	-	-	-	4.12	26.39	16.49	16.31
VEHICLES ABROAD	7.98	0.37	-	(0.03)	6.15	2.17	7.98	0.09	-	-	(0.01)	6.15	1.91	0.26	-
LOCOMOTIVES NEW	84.26	-	-	-	84.26	-	26.56	2.29	-	-	-	28.85	-	-	57.70
LOCOMOTI	1,153.42	350.81	-	-	-	1,504.23	264.35	147.61	-	-	-	-	411.96	1,092.27	889.07

VES IN SERVICE															
COACHES*	75.18	-	-	-	-	75.18	75.18	-	-	-	-	-	75.18	-	-
PLANT & MACHINERY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SUB TOTAL	2,893.73	388.36	-	(0.13)	136.34	3,145.62	1,014.22	238.52	-	-	(0.11)	80.61	1,172.02	1,973.60	1,879.51
TOTAL	2,982.56	433.19	2.22	(0.13)	136.34	3,281.50	1,062.84	241.88	0.34	-	(0.11)	80.61	1,224.34	2,057.16	1,919.72

FOLLOWING ARE THE CHANGES IN THE CARRYING VALUE OF PROPERTY, PLANT AND EQUIPMENT FOR THE YEAR ENDED 31.03.2014															
(₹ in Million)															
DESCRIPTION	GROSS BLOCK						DEPRECIATION/AMORTISATION						NET BLOCK		
	AS AT 01/04/2013	ADDITIONS DURING THE YEAR	ADJ DURING THE YEAR	ADJ OF EXCHANGE RATE	DELETIONS DURING THE YEAR	TOTAL	AS AT 01/04/2013	FOR THE YEAR	ADJ DURING THE YEAR	ADJ THROUGH RETAINED EARNING	ADJ OF EXCHANGE RATE	DELETIONS DURING THE YEAR	TOTAL	AS AT 31/03/2014	AS AT 31/03/2013
LEASEHOLD															
LAND	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
BUILDING	47.81	-	-	-	-	47.81	7.62	1.54	-	-	-	-	9.16	38.65	40.19
RESIDENTIAL QUARTERS	41.02	-	-	-	-	41.02	37.90	1.56	-	-	-	-	39.46	1.56	3.12
MULTIFUNCTIONAL COMPLEX	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

SUB TOTAL	88.83	-	-	-	-	88.83	45.52	3.10	-	-	-	-	48.62	40.21	43.31
OTHERS															
LAND	295.09	-	-	-	-	295.09	-	-	-	-	-	-	-	295.09	295.09
BUILDING	404.93	-	-	-	-	404.93	58.34	8.14	-	-	-	-	66.48	338.45	346.59
RESIDENTIAL QUARTERS	26.23	-	-	-	-	26.23	15.89	0.27	-	-	-	-	16.16	10.07	10.34
SURVEY AND OTHER INSTRUMENTS	143.41	16.03	-	-	0.09	159.35	109.72	6.68	-	-	-	0.09	116.31	43.04	33.69
COMPUTER AND EQUIPMENTS	159.77	17.08	-	-	1.79	175.06	127.62	16.98	-	-	(0.01)	1.67	142.92	32.14	32.15
SERVER & NETWORK	25.94	57.18	-	-	-	83.12	22.20	11.55	-	-	-	-	33.75	49.37	3.74
OFFICE AND OTHER EQUIPMENTS	106.14	8.98	-	0.02	3.67	111.47	74.04	10.34	-	-	0.02	3.06	81.34	30.13	32.10
AIR-CONDITIONER AND EQUIPMENTS	15.38	0.92	-	-	0.09	16.21	9.53	1.33	-	-	-	0.03	10.83	5.38	5.85
AIR CONDITIONER PLANT	124.66	2.64	-	-	-	127.30	49.39	6.37	-	-	-	-	55.76	71.54	75.27

FURNITURE S	51.79	7.68	-	0.01	0.29	59.19	33.35	3.88	-	-	0.02	0.20	37.05	22.14	18.44
FIXTURES	66.10	5.07	-	-	0.06	71.11	45.78	6.30	-	-	-	0.05	52.03	19.08	20.32
VEHICLES	35.01	9.81	-	-	0.99	43.83	24.58	3.93	-	-	-	0.99	27.52	16.31	10.43
VEHICLES ABROAD	7.97	-	-	0.01	-	7.98	7.83	0.14	-	-	0.01	-	7.98	-	0.14
LOCOMOTIVES NEW	84.26	-	-	-	-	84.26	20.88	5.68	-	-	-	-	26.56	57.70	63.38
LOCOMOTIVES IN SERVICE	898.13	255.29	-	-	-	1,153.42	167.36	96.99	-	-	-	-	264.35	889.07	730.77
COACHES*	75.18	-	-	-	-	75.18	67.36	7.82	-	-	-	-	75.18	-	7.82
PLANT & MACHINERY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SUB TOTAL	2,519.99	380.68	-	0.04	6.98	2,893.73	833.87	186.40	-	-	0.04	6.09	1,014.22	1,879.51	1,686.12
TOTAL	2,608.82	380.68	-	0.04	6.98	2,982.56	879.39	189.50	-	-	0.04	6.09	1,062.84	1,919.72	1,729.43

FOLLOWING ARE THE CHANGES IN THE CARRYING VALUE OF PROPERTY, PLANT AND EQUIPMENT FOR THE YEAR ENDED 31.03.2013

(₹ in Million)

DESCRIPTION	GROSS BLOCK						DEPRECIATION/AMORTISATION						NET BLOCK		
	AS AT 01/04/2012	ADDITIONS DURING THE YEAR	ADJ DURING THE YEAR	ADJ OF EXCHANGE RATE	DELETIONS DURING THE YEAR	TOTAL	AS AT 01/04/2012	FOR THE YEAR	ADJ DURING THE YEAR	ADJ THROUGH RETAINED EARNING	ADJ OF EXCHANGE RATE	DELETIONS DURING THE YEAR	TOTAL	AS AT 31/03/2013	AS AT 01/04/2012
LEASEHOLD															
LAND	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
BUILDING	47.77	0.04	-	-	-	47.81	6.60	1.02	-	-	-	-	7.62	40.19	41.17
RESIDENTIAL QUARTERS	41.02	-	-	-	-	41.02	36.34	1.56	-	-	-	-	37.90	3.12	4.68
MULTIFUNCTIONAL COMPLEX	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SUB TOTAL	88.79	0.04	-	-	-	88.83	42.94	2.58	-	-	-	-	45.52	43.31	45.85
OTHERS															
LAND	295.09	-	-	-	-	295.09	-	-	-	-	-	-	-	295.09	295.09
BUILDING	400.61	-	4.32	-	-	404.93	50.13	8.21	-	-	-	-	58.34	346.59	350.48
RESIDENTIAL QUARTERS	26.23	-	-	-	-	26.23	15.57	0.32	-	-	-	-	15.89	10.34	10.66
SURVEY															

AND OTHER INSTRUMENTS	140.12	9.18	-	-	5.89	143.41	110.20	5.41	-	-	-	5.89	109.72	33.69	29.92
COMPUTER AND EQUIPMENTS	211.82	16.74	-	(0.01)	68.78	159.77	180.85	15.49	-	-	(0.01)	68.71	127.62	32.15	30.97
SERVER & NETWORK	23.64	2.30	-	-	-	25.94	21.12	1.08	-	-	-	-	22.20	3.74	2.52
OFFICE AND OTHER EQUIPMENTS	103.24	9.96	-	(0.04)	7.02	106.14	72.51	8.36	-	-	(0.04)	6.79	74.04	32.10	30.73
AIR-CONDITIONER AND EQUIPMENTS	14.67	2.65	-	-	1.94	15.38	10.29	1.15	-	-	-	1.91	9.53	5.85	4.38
AIR CONDITIONER PLANT	124.66	-	-	-	-	124.66	43.13	6.26	-	-	-	-	49.39	75.27	81.53
FURNITURES	58.90	4.40	-	(0.03)	11.48	51.79	40.32	4.38	-	-	(0.03)	11.32	33.35	18.44	18.58
FIXTURES	64.64	1.47	-	-	0.01	66.10	39.59	6.20	-	-	-	0.01	45.78	20.32	25.05
VEHICLES	33.84	3.65	-	-	2.48	35.01	24.31	2.75	-	-	-	2.48	24.58	10.43	9.53
VEHICLES ABROAD	7.99	-	-	(0.02)	-	7.97	7.46	0.39	-	-	(0.02)	-	7.83	0.14	0.53
LOCOMOTIVES NEW	84.26	-	-	-	-	84.26	15.21	5.67	-	-	-	-	20.88	63.38	69.05
LOCOMOTIVES IN SERVICE	600.32	314.66	(16.85)	-	-	898.13	114.35	62.42	(9.41)	-	-	-	167.36	730.77	485.97
COACHES*	75.18	-	-	-	-	75.18	52.32	15.04	-	-	-	-	67.36	7.82	22.86
PLANT & MACHINERY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SUB TOTAL	2,265.21	365.01	(12.53)	(0.10)	97.60	2,519.99	797.36	143.13	(9.41)	-	(0.10)	97.11	833.87	1,686.12	1,467.85

TOTAL	2,354.00	365.05	(12.53)	(0.10)	97.60	2,608.82	840.30	145.71	(9.41)	-	(0.10)	97.11	879.39	1,729.43	1,513.70
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NOTES:

- AGREEGATE DEPRECIATION AND AMORTISATION HAS BEEN INCLUDED UNDER DEPRECIATION AND AMORTISATION EXPENSES IN THE STATEMENT OF PROFIT AND LOSS.
- FOR THE YEAR 2015-16, DEPRECIATION OF ₹0.9 MILLION (PREVIOUS YEAR ₹1.4 MILLION) ON ASSETS PERTAINS TO DISCONTINUED OPERATIONS ARE CONSIDERED IN DISCOUNITUED OPERATIONS INSTEAD OF DEPRECIATION EXPENSES.
- DEPRECIATION ON FREEHOLD FLATS IS CHARGED ON THE TOTAL COST OF FLATS IN THE ABSENCE OF BREAK-UP OF LAND COMPONENTS IN THE FLATS VALUE.
- IN RESPECT OF LEASE AGREEMENTS PENDING EXEUTION (REFER NOTE NO. 2.65)
- ^ LAND OF ₹10.52 MILLION AND PLANT & MACHINERY OF ₹1522.25 MILLION ARE MORTGATED/HYPOTHECATED AGAINST BORROWINGS (REFER NOTE NO. 2.24).
- * KEPT FOR DISPOSAL

2.4 CAPITAL WORK IN PROGRESS														
														(₹ in Million)
DESCRIPTION	GROSS BLOCK						DEPRECIATION/AMORTISATION							NET BLOCK
	OPENING	ADDITIONS DURING THE YEAR	ADJ DURING THE YEAR	ADJ OF EXCHANGE RATE	DELETIONS DURING THE YEAR	TOTAL	OPENING	FOR THE YEAR	ADJ DURING THE YEAR	ADJ THROUGH RETAINED EARNING	ADJ OF EXCHANGE RATE	DELETIONS DURING THE YEAR	TOTAL	
AS AT 31.12.17	32.80	-	(28.32)	-	-	4.48	-	-	-	-	-	-	-	4.48
AS AT 31.03.17	69.76	34.60	(69.18)	-	2.38	32.80	-	-	-	-	-	-	-	32.80
AS AT 31.03.16	256.54	1,484.04	(1,670.82)	-	-	69.76	-	-	-	-	-	-	-	69.76
AS AT 31.03.15	192.41	278.80	(214.67)	-	-	256.54	-	-	-	-	-	-	-	256.54
AS AT 31.03.14	113.40	179.43	(100.42)	-	-	192.41	-	-	-	-	-	-	-	192.41
AS AT 31.03.13	176.34	97.95	(160.89)	-	-	113.40	-	-	-	-	-	-	-	113.40

2.5 INVESTMENT PROPERTY

(₹ in Million)

DESCRIP TION	GROSS BLOCK						DEPRECIATION/AMORTISATION							NET BLO CK
	OPENING	ADDITIONS DURING THE YEAR	ADJ DURING THE YEAR	ADJ OF EXCHAN GE RATE	DELETI ONS DURING THE YEAR	TOTAL	OPENIN G	FOR THE YEAR	ADJ DURING THE YEAR	ADJ THROUG H RETAIN ED EARNIN G	ADJ OF EXCH ANGE RATE	DEL ETI ONS DUR ING THE YEA R	TOT AL	
LEASEHOLD BUILDING														
AS AT 31.12.2017	16.07	-	-	-	-	16.07	3.52	0.21	-	-	-	-	3.73	12.34
AS AT 31.03.2017	16.07	-	-	-	-	16.07	3.16	0.36	-	-	-	-	3.52	12.55
AS AT 31.03.2016	16.07	-	-	-	-	16.07	2.80	0.36	-	-	-	-	3.16	12.91
AS AT 31.03.2015	18.29	-	(2.22)	-	-	16.07	2.78	0.36	(0.34)	-	-	-	2.80	13.27
AS AT 31.03.2014	18.29	-	-	-	-	18.29	2.37	0.41	-	-	-	-	2.78	15.51
AS AT 31.03.2013	18.29	-	-	-	-	18.29	2.19	0.18	-	-	-	-	2.37	15.92
REFER NOTE NO. 2.53														

2.6 INTANGIBLE ASSETS														
														(₹ in Million)
DESCRIPTION	GROSS BLOCK						DEPRECIATION/AMORTISATION							NET BLOCK
	OPENING	ADDITIONS DURING THE YEAR	ADJ DURING THE YEAR	ADJ OF EXCHANGE RATE	DELETIONS DURING THE YEAR	TOTAL	OPENING	FOR THE YEAR	ADJ DURING THE YEAR	ADJ THROUGH RETAINED EARNING	ADJ OF EXCHANGE RATE	DELETIONS DURING THE YEAR	TOTAL	
SOFTWARES (ACQUIRED)														
AS AT 31.12.2017	129.39	2.50	-	-	-	131.89	111.98	9.52	-	-	-	-	121.50	10.39
AS AT 31.03.2017	129.67	2.77	-	-	3.05	129.39	98.65	16.22	-	-	-	2.89	111.98	17.41
AS AT 31.03.2016	126.52	3.42	-	-	0.27	129.67	78.63	20.29	-	-	-	0.27	98.65	31.02
AS AT 31.03.2015	107.29	19.23	-	-	-	126.52	59.33	19.30	-	-	-	-	78.63	47.89
AS AT 31.03.2014	81.28	26.04	-	-	0.03	107.29	45.78	13.55	-	-	-	-	59.33	47.96
AS AT 31.03.2013	65.16	19.39	-	-	3.27	81.28	39.71	9.34	-	-	-	3.27	45.78	35.50

2.7 INTANGIBLE ASSETS UNDER DEVELOPMENT														
														(₹ in Million)
DESCRIPTION	GROSS BLOCK						DEPRECIATION/AMORTISATION							NET BLOCK
	OPENING	ADDITIONS DURING THE YEAR	ADJ DURING THE YEAR	ADJ OF EXCHANGE RATE	DELETIONS DURING THE YEAR	TOTAL	OPENING	FOR THE YEAR	ADJ DURING THE YEAR	ADJ THROUGH RETAINED EARNING	ADJ OF EXCHANGE RATE	DELETIONS DURING THE YEAR	TOTAL	
SOFTWARES (ACQUIRED)														
AS AT	15.79		-	-	-	15.79		-	-	-	-	-	-	15.79

31.12.2017		-					-							
AS AT 31.03.2017	15.79	-	-	-	-	15.79	-	-	-	-	-	-	-	15.79
AS AT 31.03.2016	7.48	8.31	-	-	-	15.79	-	-	-	-	-	-	-	15.79
AS AT 31.03.2015	4.88	2.60	-	-	-	7.48	-	-	-	-	-	-	-	7.48
AS AT 31.03.2014	2.27	2.61	-	-	-	4.88	-	-	-	-	-	-	-	4.88
AS AT 31.03.2013	-	2.27	-	-	-	2.27	-	-	-	-	-	-	-	2.27

NOTES:

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

2.8 INVESTMENT IN JOINT VENTURES APPLYING EQUITY METHOD					(₹ in million)	
PARTICULARS	AS AT 31.12.2017	AS AT 31.03.2017	AS AT 31.03.2016	AS AT 31.03.2015	AS AT 31.03.2014	AS AT 31.03.2013
COMPANHIA DOS CAMINHOS DE FERRO DA BEIRA, SA (CCFB),MOZAMBIQUE*	-	-	109.94	108.52	98.94	126.09
SAIL-RITES BENGAL WAGON INDUSTRY PRIVATE LIMITED	125.17	148.29	195.85	149.57	179.88	119.54
BNV GUJARAT RAIL PRIVATE LIMITED	0.10	0.12	-	-	-	-
TOTAL	125.27	148.41	305.79	258.09	278.82	245.63

* DISPUTE OF CCFB, MOZAMBIQUE HAS BEEN AMICABLY SETTLED WITH GOVERNMENT OF MOZAMBIQUE (GOM) IN 2015-16.(REFER NOTE NO. 2.62)
REFER NOTE NO. 2.49.3.3

2.9 INVESTMENTS								(₹ in Million)
PARTICULARS	NOTE NO.	AS AT 31.12.2017	AS AT 31.03.2017	AS AT 31.03.2016	AS AT 31.03.2015	AS AT 31.03.2014	AS AT 31.03.2013	
2.9.1 NON CURRENT INVESTMENTS								
A) INVESTMENT IN UNQUOTED EQUITY INSTRUMENTS OF (INVESTMENT CARRIED AT COST):								
COOPERATIVE SOCIETIES								
(i) Moru Mahal Co-operative Society Limited	2.72	-	-	-	-	-	-	
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	2.72	-	-	-	-	-	-	
10 (previous year 10) Equity Shares of face value of ₹50/- each acquired for purchase of laboratory.								
OTHERS								
Global Procurement Consultants Limited***		0.37	0.37	0.37	0.37	0.37	0.37	
32,279 (previous years 32,279) equity shares of face value of ₹10/- each, fully paid-up								
(includes 2,279 equity shares of face value of ₹10/- each at a price of ₹30/- each).								
AGGREGATE OF UNQUOTED INVESTMENTS (NON CURRENT)		0.37	0.37	0.37	0.37	0.37	0.37	
B) INVESTMENT IN QUOTED TAX FREE BONDS OF (INVESTMENT CARRIED AT AMORTISED COST):								
(i) INDIAN RAILWAY FINANCE CORPORATION* (7 YEAR SECURED REDEEMABLE 6.30% TAX FREE BONDS 08MAR.2017)								
5,000 Bonds of face value of ₹100,000/- each , fully paid		-	-	-	500.00	500.00	500.00	
(ii) INDIAN RAILWAY FINANCE CORPORATION (7 YEAR SECURED REDEEMABLE 6.32% TAX FREE BONDS 20DEC.2017)								

		5,000 Bonds of face value of ₹100,000/- each , fully paid		-	-	500.00	500.00	500.00	500.00
		(iii) INDIAN RAILWAY FINANCE CORPORATION (10 YEAR SECURED REDEEMABLE 7.55% TAX FREE BONDS 08NOV.2021)							
		2,500 Bonds of face value of ₹100,000/- each , fully paid		250.00	250.00	250.00	250.00	250.00	250.00
		(iv) INDIAN RAILWAY FINANCE CORPORATION (10 YEAR SECURED REDEEMABLE 7.21% TAX FREE BONDS 26NOV.2022)							
		300 Bonds of face value of ₹1,000,000/- each at premium of ₹100/- each, fully paid		300.03	300.03	300.03	300.03	300.03	300.03
		(v) INDIAN RAILWAY FINANCE CORPORATION (10 YEAR SECURED REDEEMABLE 7.22% TAX FREE BONDS 30NOV.2022)							
		100 Bonds of face value of ₹1,000,000/- each at premium of ₹100/- each, fully paid		100.01	100.01	100.01	100.01	100.01	100.01
		(vi) INDIAN RAILWAY FINANCE CORPORATION (10 YEAR SECURED REDEEMABLE 7.18% TAX FREE BONDS 19FEB.2023)							
		100,000 Bonds of face value of ₹1,000/- each, fully paid		100.00	100.00	100.00	100.00	100.00	100.00
		(vii) INDIAN RAILWAY FINANCE CORPORATION (10 YEAR SECURED REDEEMABLE 8.35% TAX FREE BONDS 21NOV.2023)							
		250 Bonds of face value of ₹1,000,000/- each at premium of ₹100/-each, fully paid		250.03	250.03	250.03	250.03	250.03	-
		(viii) INDIAN RAILWAY FINANCE CORPORATION (10 YEAR SECURED REDEEMABLE 7.19% TAX FREE BONDS 31JUL.2025)							
		200 Bonds of face value of ₹1,000,000/- each at premium of ₹100/-each, fully paid		200.02	200.02	200.02	-	-	-
		AGGREGATE OF QUOTED INVESTMENTS (NON CURRENT)		1,200.09	1,200.09	1,700.09	2,000.07	2,000.07	1,750.04
		TOTAL (NON CURRENT)		1,200.46	1,200.46	1,700.46	2,000.44	2,000.44	1,750.41

2.9.2 CURRENT INVESTMENTS

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

PARTICULARS		NOTE NO.	AS AT 31.12.2017	AS AT 31.03.2017	AS AT 31.03.2016	AS AT 31.03.2015	AS AT 31.03.2014	AS AT 31.03.2013
	UTI LIQUID CASH PLAN							
	1216622.651 (PREVIOUS YEAR 31.03.2017: 699229.967 & 31.03.2013 : 242262.506) UNITS OF ₹1019.4457 PER UNIT.		1,240.28	712.83	-	-	-	246.97
	CANARA ROBECO LIQUID FUND							
	239434.912 (PREVIOUS YEAR 31.03.2017: 713603.548 & 31.03.2013: 743022.459) UNITS OF ₹1005.5000 PER UNIT.		240.75	717.53	-	-	-	747.11
	SBI MUTUAL FUND							
	1007639.335 (PREVIOUS YEAR 31.03.2013: 229868.971) UNITS OF ₹1003.25 PER UNIT.		1,010.91	2,491.94	-	1,430.36	-	230.62
	AGGREGATE OF UNQUOTED INVESTMENT (CURRENT)		2,491.94	1,430.36	-	-	-	1,224.70
B) INVESTMENT IN QUOTED TAX FREE BONDS OF (INVESTMENT CARRIED AT AMORTISED COST):								
	(i) INDIAN RAILWAY FINANCE CORPORATION* (7 YEAR SECURED REDEEMABLE 6.30% TAX FREE BONDS 08MAR.2017)							
	5,000 Bonds of face value of ₹100,000/- each , fully paid			-	-	500.00	-	-
	(ii) INDIAN RAILWAY FINANCE CORPORATION (7 YEAR SECURED REDEEMABLE 6.32% TAX FREE BONDS 20DEC.2017)							
	5,000 Bonds of face value of ₹100,000/- each , fully paid			-	500.00	-	-	-
	AGGREGATE OF QUOTED INVESTMENTS (CURRENT)		-	500.00	500.00	-	-	-

		TOTAL (CURRENT)			2,491.94		1,930.36		500.00		-		-		1,224.70
		GRAND TOTAL			3,692.40		3,130.82		2,200.46		2,000.44		2,000.44		2,975.11
	A	AGGREGATE AMOUNT OF QUOTED INVESTMENTS			1,200.09		1,700.09		2,200.09		2,000.07		2,000.07		1,750.04
	B	MARKET VALUE OF QUOTED INVESTMENTS (INCLUDING INTEREST ACCRUED)**			1,255.32		1,785.59		2,296.70		2,096.70		2,060.21		1,812.81
	C	AGGREGATE AMOUNT OF UNQUOTED INVESTMENTS			2,492.31		1,430.73		0.37		0.37		0.37		1,225.07
	D	AGGREGATE AMOUNT OF IMPAIRMENT IN VALUE OF INVESTMENTS			0.50		0.50		0.50		-		-		-

* RECLASSIFIED FROM NON CURRENT TO CURRENT AT THE YEAR ENDED ON 31.03.2016.

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

*** EQUITY SHARES OF GLOBAL PROCUREMENT CONSULTANTS LIMITED ARE NOT TRADABLE AND AMOUNT OF INVESTMENT IN THE ENTITY IS NOT MATERIAL, HENCE INVESTMENT IS RECOGNISED AT COST.

REFER NOTE NO. 2.54

2.10 NON CURRENT LOANS							(₹ in Million)	
PARTICULARS	NOTE NO.	AS AT 31.12.2017	AS AT 31.03.2017	AS AT 31.03.2016	AS AT 31.03.2015	AS AT 31.03.2014	AS AT 31.03.2013	
(SECURED, CONSIDERED GOOD)								
LOANS TO EMPLOYEES		87.12	96.08	89.63	56.45	54.75	66.67	
(UNSECURED, CONSIDERED GOOD)								
LOANS TO EMPLOYEES		-	0.40	13.57	41.83	42.73	10.56	
LOANS TO CCFB, MOZAMBIQUE (RELATED PARTY)*	2.62	-	-	-	1,447.20	1,259.39	1,103.99	
TOTAL		87.12	96.48	103.20	1,545.48	1,356.87	1,181.22	
*loans in lieu of equity, capial expenditure and to meet arbitration expenses.								

2.11 OTHER NON CURRENT FINANCIAL ASSETS							(₹ in Million)	
PARTICULARS	NOTE NO.	AS AT 31.12.2017	AS AT 31.03.2017	AS AT 31.03.2016	AS AT 31.03.2015	AS AT 31.03.2014	AS AT 31.03.2013	
GOVT. OF TANZANIA RECEIVABLES		-	-	-	-	-	164.85	
SECURITY DEPOSITS		32.19	26.34	15.43	11.11	9.56	4.51	
INTEREST ACCRUED (INCLUDING ACCRUED BUT NOT DUE) ON:								
-BANK DEPOSITS		41.18	24.97	12.15	29.22	5.51	0.05	
-LOANS TO CCFB, MOZAMBIQUE (RELATED PARTY)	2.62	-	-	-	89.47	85.57	78.07	
-OTHER LOANS AND ADVANCES		-	-	-	-	2.05	4.10	
RETENTION MONEY		153.84	152.33	110.26	72.68	66.71	108.41	
AMOUNT RECOVERABLES		3.94	-	-	-	-	-	
GOVT. OF MOZAMBIQUE RECEIVABLES	2.62	335.05	684.92	459.65	-	-	-	
BANK DEPOSITS HAVING MATURITY OVER 12 MONTHS FROM REPORTING DATE:								
-OWNED FUND	2.16.3	676.90	1,058.82	1,082.84	1,040.25	1,337.00	3.81	
-CLIENTS FUND	2.17.3	478.71	499.39	286.58	705.16	1,209.03	1,763.84	
TOTAL		1,721.81	2,446.77	1,966.91	1,947.89	2,715.43	2,127.64	

2.12 DEFERRED TAX ASSETS/ (LIABILITY) (NET)							(₹ in Million)	
PARTICULARS	NOTE NO.	AS AT 31.12.2017	AS AT 31.03.2017	AS AT 31.03.2016	AS AT 31.03.2015	AS AT 31.03.2014	AS AT 31.03.2013	
DEFERRED INCOME TAX ASSETS:								
LEAVE ENCHASHMENT AND OTHER PROVISIONS		360.02	399.06	202.41	355.07	473.98	364.53	
PROVISION FOR DOUBTFUL DEBTS, SECURITY DEPOSITS/ EMD, ADVANCES ETC.		280.18	278.74	205.29	207.51	219.44	176.30	
CARRY FORWARD LOSSES/BUSINESS LOSS (AS PER IT ACT, 1961)		-	0.20	0.20	0.40	0.90	-	
UNABSORBED DEPRECIATION		221.80	324.90	226.30	-	-	-	
PRELIMINARY EXPENSES		-	0.20	0.50	0.60	0.90	-	

TOTAL DEFERRED INCOME TAX ASSETS - I		862.00	1,003.10	634.70	563.58	695.22	540.83
DEFERRED INCOME TAX LIABILITIES:							
PROPERTY, PLANT & EQUIPMENT		574.58	535.10	359.63	101.18	96.41	66.50
TOTAL DEFERRED INCOME TAX LIABILITIES - II		574.58	535.10	359.63	101.18	96.41	66.50
DEFERRED INCOME TAX ASSETS (NET)	2.70	287.42	468.00	275.07	462.40	598.81	474.33

2.13 OTHER NON CURRENT ASSETS								(₹ in Million)
PARTICULARS	NOTE NO.	AS AT 31.12.2017	AS AT 31.03.2017	AS AT 31.03.2016	AS AT 31.03.2015	AS AT 31.03.2014	AS AT 31.03.2013	
ADVANCE INCOME TAX (NET OF PROVISION)	2.70	630.50	893.25	604.27	605.15	647.94	690.84	
PREPAID EXPENSES		4.82	10.73	12.09	8.77	5.55	12.23	
PRE-PAYMENT TOWARDS LEASEHOLD ASSETS		72.81	76.21	80.62	85.03	89.39	62.78	
DEFERRED COST TOWARDS STAFF LOAN		18.34	20.76	22.30	29.80	42.10	32.90	
CAPITAL ADVANCE		354.77	114.38	173.33	481.49	-	-	
DEFERRED COST TOWARDS GOVT OF MOZAMBIQUE RECEIVABLES		17.51	17.76	3.41	-	-	-	
MAT CREDIT		134.72	70.90	9.67	-	-	-	
TOTAL		1,233.47	1,203.99	905.69	1,210.24	784.98	798.75	

2.14 INVENTORIES												(₹ in Million)
(AT THE LOWER OF COST AND NET REALISABLE VALUE)												
PARTICULARS		AS AT 31.12.2017		AS AT 31.03.2017		AS AT 31.03.2016		AS AT 31.03.2015		AS AT 31.03.2014		AS AT 31.03.2013
(AS CERTIFIED BY MANAGEMENT)												
STORES & SPARES		15.84		25.81		21.10		2.43		-		18.53
STOCK IN TRADE *		291.61		478.32		109.61		64.34		174.92		241.10

TOTAL		307.45		504.13		130.71		66.77		174.92		259.63
*Includes inventory of ₹266.46 million (previous year ended 31.03.2017 ₹388.30 million, 31.03.2016 ₹57.40 million & 31.03.2015 ₹45.00 million) lying with third parties.												
*Includes goods in transit of Nil (previous year ended 31.03.2017 ₹38.27 million, 31.03.2016 ₹16.60 million & 31.03.2015 ₹0.13 million).												

2.15 CURRENT TRADE RECEIVABLES												(₹ in Million)
PARTICULARS	NOTE NO.	AS AT 31.12.2017		AS AT 31.03.2017		AS AT 31.03.2016		AS AT 31.03.2015		AS AT 31.03.2014		AS AT 31.03.2013
UNSECURED												
CONSIDERED GOOD	2.46	5,481.09		4,644.97		5,354.69		3,807.61		3,257.55		2,944.09
CONSIDERED DOUBTFUL		640.49		635.28		417.44		456.04		487.58		387.01
		6,121.58		5,280.25		5,772.13		4,263.65		3,745.13		3,331.10
LESS: ALLOWANCES FOR EXPECTED CREDIT LOSSES		(640.49)		(635.28)		(417.44)		(456.04)		(487.58)		(387.01)
TOTAL		5,481.09		4,644.97		5,354.69		3,807.61		3,257.55		2,944.09

2.16 CASH AND BANK BALANCES-OWNED FUND												(₹ in Million)
PARTICULARS		AS AT 31.12.2017		AS AT 31.03.2017		AS AT 31.03.2016		AS AT 31.03.2015		AS AT 31.03.2014		AS AT 31.03.2013
2.16.1 CASH AND CASH EQUIVALENTS												
CASH IN HAND		0.27		0.30		0.29		0.21		0.25		0.15
CHEQUES IN HAND		-		3.38		1.86		2.15		3.87		46.15
BANK BALANCES IN :												
CURRENT ACCOUNTS	189.23		484.32		1,309.51		132.54		150.31		86.29	

DEPOSITS #	1,264.59	1,453.82	2,159.23	2,643.55	1,308.26	2,617.77	2,434.80	2,567.34	208.79	359.10	451.61	537.90
TOTAL		1,454.09		2,647.23		2,619.92		2,569.70		363.22		584.20
2.16.2 OTHER BANK BALANCES												
DEPOSITS ##		9,855.67		6,299.88		4,653.71		4,643.89		6,049.96		5,673.21
TOTAL		9,855.67		6,299.88		4,653.71		4,643.89		6,049.96		5,673.21
2.16.3 BANK BALANCE MORE THAN 12 MONTHS MATURITY-OWNED FUND (NOTE NO. 2.11)												
DEPOSITS ###		676.90		1,058.82		1,082.84		1,040.25		1,337.00		3.81
TOTAL		676.90		1,058.82		1,082.84		1,040.25		1,337.00		3.81
2.16.4 BOOK OVERDRAFT#### (NOTE NO. 2.30)		(108.19)		(16.84)		-		-		(0.43)		(0.31)
TOTAL CASH & BANK BALANCE-OWNED FUND*		11,878.47		9,989.09		8,356.47		8,253.84		7,749.75		6,260.91
# Having maturity within 3 months from the date of acquisition. ## Having maturity over 3 months from the date of acquisition and upto 12 months from reporting date. ### Having maturity over 12 months from reporting date. #### Book overdraft due to issuance of cheques, which will be cleared against term deposits available in banks. * Includes restricted cash and bank balances of ₹38.67 million (previous year 31.03.2017: ₹42.36 million, 31.03.2016: ₹64.91 million , 31.03.2015: ₹72.86 million, 31.03.2014: ₹59.53 million & 31.03.2013: ₹208.69 million) on account of bank balance held as margin money deposits against guarantees issued by banks.												

2.17 CASH AND BANK BALANCES-CLIENTS FUND								(₹ in Million)
PARTICULARS		AS AT 31.12.2017	AS AT 31.03.2017	AS AT 31.03.2016	AS AT 31.03.2015	AS AT 31.03.2014	AS AT 31.03.2013	
2.17.1 CASH AND CASH EQUIVALENTS								
BANK BALANCES IN :								
CURRENT ACCOUNTS		2,089.58	580.91	64.66	336.59	96.28	384.30	
DEPOSITS #		2,628.60	2,752.79	1,838.86	1,656.99	2,490.25	1,809.21	
TOTAL		4,718.18	3,333.70	1,903.52	1,993.58	2,586.53	2,193.51	

2.17.2 OTHER BANK BALANCES							
DEPOSITS ##		13,914.25	16,590.94	16,368.06	11,390.85	12,180.98	9,343.39
TOTAL		13,914.25	16,590.94	16,368.06	11,390.85	12,180.98	9,343.39
2.17.3 BANK BALANCE MORE THAN 12 MONTHS MATURITY-CLIENTS FUND (NOTE NO. 2.11)							
DEPOSITS ###		478.71	499.39	286.58	705.16	1,209.03	1,763.84
TOTAL		478.71	499.39	286.58	705.16	1,209.03	1,763.84
2.17.4 BOOK OVERDRAFT#### (NOTE NO. 2.30)		(115.34)	(265.86)	(35.84)	(253.44)	(96.77)	(107.11)
TOTAL CASH & BANK BALANCE-CLIENTS FUND		18,995.80	20,158.17	18,522.32	13,836.15	15,879.77	13,193.63
<p># Having maturity within 3 months from the date of acquisition. ## Having maturity over 3 months from the date of acquisition and upto 12 months from reporting date. ### Having maturity over 12 months from reporting date. #### Book overdraft due to issuance of cheques, which will be cleared against term deposits available in banks.</p>							

2.18 CURRENT LOANS												(₹ in Million)	
PARTICULARS	NOTE NO.		AS AT 31.12.2017		AS AT 31.03.2017		AS AT 31.03.2016		AS AT 31.03.2015		AS AT 31.03.2014		AS AT 31.03.2013
(SECURED, CONSIDERED GOOD)													
LOANS TO EMPLOYEES			36.24		39.39		39.00		25.31		19.56		26.24
(UNSECURED, CONSIDERED GOOD)													
LOANS TO JV (RELATED PARTY) FOR WORKING CAPITAL REQUIREMENTS	2.46		70.00		70.00		17.30		71.00		-		-
LOANS TO EMPLOYEES			3.91		4.78		15.40		25.68		21.38		7.49
TOTAL			110.15		114.17		71.70		121.99		40.94		33.73

2.19 OTHER CURRENT FINANCIAL ASSETS												(₹ in Million)	
PARTICULARS	NOTE NO.		AS AT 31.12.2017		AS AT 31.03.2017		AS AT 31.03.2016		AS AT 31.03.2015		AS AT 31.03.2014		AS AT 31.03.2013
GOVT. OF TANZANIA RECEIVABLES	2.63		579.35		587.25		600.94		566.49		541.50		329.70
AMOUNT RECOVERABLES		325.73		278.43		295.55		278.79		281.80		286.35	
LESS: ALLOWANCES FOR EXPECTED CREDIT LOSSES		(159.07)	166.66	(159.44)	118.99	(164.33)	131.22	(139.57)	139.22	(135.49)	146.31	(106.40)	179.95
INTEREST ACCRUED (INCLUDING ACCRUED BUT NOT DUE) ON:													
-BANK DEPOSITS HAVING MATURITY:													
WITHIN 3 MONTHS FROM THE DATE OF ACQUISITION		2.15		2.92		3.48		185.21		0.93		2.14	
OVER 3 MONTHS FROM THE DATE OF ACQUISITION AND UPTO 12 MONTHS FROM		322.20		396.90		415.85		256.11		311.78		305.13	

REPORTING DATE													
-BONDS		36.70		74.66		83.59		82.30		61.43		48.02	
-LOANS TO SRBWIPL (RELATED PARTY)		6.08		1.38		3.06		0.75		-		-	
-OTHER LOANS AND ADVANCES		-	367.13	-	475.86	-	505.98	2.05	526.42	2.05	376.19	2.05	357.34
RETENTION MONEY			91.58		72.11		75.34		82.09		225.50		314.68
GOVT. OF MOZAMBIQUE RECEIVABLES			357.15		362.02		369.89		-		-		-
ADVANCES TO RELATED PARTIES	2.46		-		0.72		10.35		10.50		13.57		6.69
SECURITY DEPOSITS		34.61		41.50		45.54		33.11		25.38		34.45	
LESS: ALLOWANCES FOR EXPECTED CREDIT LOSSES		(6.16)	28.45	(6.83)	34.67	(7.56)	37.98	(6.95)	26.16	(10.27)	15.11	(6.17)	28.28
UNBILLED REVENUE			2.46		25.50		2.90		-		-		-
OTHER ADVANCES			-		-		-		-		-		-
TOTAL			1,592.78		1,677.12		1,734.60		1,350.88		1,318.18		1,216.64

2.20 CURRENT TAX ASSETS (NET)													(₹ in Million)
PARTICULARS	NOTE NO.		AS AT 31.12.2017		AS AT 31.03.2017		AS AT 31.03.2016		AS AT 31.03.2015		AS AT 31.03.2014		AS AT 31.03.2013
INCOME TAX RECEIVABLES	2.70		63.36		103.54		386.63		16.19		16.19		63.33
TOTAL			63.36		103.54		386.63		16.19		16.19		63.33

2.21 OTHER CURRENT ASSETS													(₹ in Million)
PARTICULARS			AS AT 31.12.2017		AS AT 31.03.2017		AS AT 31.03.2016		AS AT 31.03.2015		AS AT 31.03.2014		AS AT 31.03.2013
PREPAID EXPENSES			63.37		49.36		33.93		19.22		18.66		13.70
OTHER ADVANCES		791.83		420.26		768.90		255.21		438.85		877.63	
LESS: ALLOWANCES FOR EXPECTED CREDIT LOSSES		(3.87)	787.96	(3.87)	416.39	(3.87)	765.03	(3.87)	251.34	(3.94)	434.91	(39.70)	837.93
PRE-PAYMENT TOWARDS LEASEHOLD ASSETS			4.44		4.41		4.41		4.36		4.57		4.02
DEFERRED COST TOWARDS STAFF LOAN			9.32		8.46		10.00		10.90		-		-
DEFERRED COST TOWARDS GOVT OF MOZAMBIQUE RECEIVABLES			4.05		20.25		11.02		-		-		-
TOTAL			869.14		498.87		824.39		285.82		458.14		855.65

2.22 EQUITY SHARE CAPITAL		(₹ in Million)											
PARTICULARS		AS AT 31.12.2017	AS AT 31.03.2017	AS AT 31.03.2016	AS AT 31.03.2015	AS AT 31.03.2014	AS AT 31.03.2013						
2.22.1	AUTHORISED												
	300,000,000 (PREVIOUS YEAR 31.03.2017: 300,000,000 & UPTO 31.03.2016: 150,000,000) EQUITY SHARES AT	3000.00	3000.00	1500.00	1500.00	1500.00	1500.00						1500.00

	FACE VALUE OF ₹10/- EACH												
2.22.2	ISSUED, SUBSCRIBED AND FULLY PAID-UP												
	200,000,000 (PREVIOUS YEAR 31.03.2017: 200,000,000 & UPTO 31.03.2016: 100,000,000) EQUITY SHARES AT FACE VALUE OF ₹10/- EACH												
			2000.00		2000.00		1000.00		1000.00		1000.00		1000.00
			2000.00		2000.00		1000.00		1000.00		1000.00		1000.00
2.22.3	RECONCILIATION OF NUMBER OF EQUITY SHARES												
		No. of Shares	(₹ in Million)	No. of Shares	(₹ in Million)	No. of Shares	(₹ in Million)	No. of Shares	(₹ in Million)	No. of Shares	(₹ in Million)	No. of Shares	(₹ in Million)
	OPENING BALANCE	200,000,000	2000.00	100,000,000	1000.00	100,000,000	1000.00	100,000,000	1000.00	100,000,000	1000.00	40,000,000	400.00
	ADD/(LESS) DURING THE PERIOD	-	-	100,000,000	1000.00	-	-	-	-	-	-	60,000,000	600.00
	CLOSING BALANCE	200,000,000	2000.00	200,000,000	2000.00	100,000,000	1000.00	100,000,000	1000.00	100,000,000	1000.00	100,000,000	1000.00
2.22.4	RIGHTS, PREFERENCES AND RESTRICTIONS ATTACHED TO EQUITY SHARES												
THE COMPANY HAS ONE CLASS OF EQUITY SHARES HAVING A PAR VALUE OF ₹10 EACH. EACH SHAREHOLDER IS ELIGIBLE FOR ONE VOTE PER SHARE HELD IN CASE POLL IS DEMANDED BY THE MEMBERS IN ACCORDANCE WITH THE PROVISIONS OF THE COMPANIES ACT, 2013. IN THE EVENT OF LIQUIDATION, THE EQUITY SHAREHOLDERS ARE ELIGIBLE TO RECEIVE THE REMAINING ASSETS OF THE COMPANY AFTER DISTRIBUTION OF ALL PREFERENTIAL AMOUNTS, IN PROPORTION TO THEIR SHAREHOLDING.													

2.2 2.5	EQUITY SHARES HELD BY EACH SHAREHOLDER MORE THAN 5% OF SHARES												
			No. of Shares		No. of Shares		No. of Shares		No. of Shares		No. of Shares		No. of Shares
	PRESIDENT OF INDIA ACTING MINISTRY OF RAILWAYS		399,920,000		199,960,000		99,980,000		99,980,000		99,980,000		99,980,000
			(99.98 %)		(99.98 %)		(99.98 %)		(99.98 %)		(99.98 %)		(99.98 %)
2.2 2.6	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.												
			No. of Shares		No. of Shares		No. of Shares		No. of Shares		No. of Shares		No. of Shares
	NUMBER OF BONUS SHARES ISSUED IN 2012-13 : 60 MILLION AT FACE VALUE OF ₹10/- EACH NUMBER OF BONUS SHARES ISSUED IN 2016-17 : 100 MILLION AT FACE VALUE OF ₹10/- EACH (ISSUED TWICE: 50 MILLION EACH TIME)		160,000,000		160,000,000		60,000,000		60,000,000		60,000,000		60,000,000

2.23 OTHER EQUITY (REFER STATEMENT OF CHANGE IN EQUITY) (₹ in Million)													
PARTICULARS		AS AT 31.12.2017		AS AT 31.03.2017		AS AT 31.03.2016		AS AT 31.03.2015		AS AT 31.03.2014		AS AT 31.03.2013	
2.23.1	RESERVE & SURPLUS												
2.23.1.1	GENERAL RESERVE	19,770.84		18,421.91		17,650.95		15,763.20		13,272.05		11,359.60	
2.23.1.2	OTHER COMPREHENSIVE INCOME												
	REMEASUREMENT OF DEFINED BENEFITS	(43.62)		(3.50)		(9.40)		(0.80)		(24.90)		(8.30)	
	FOREIGN CURRENCY TRANSLATION RESERVE	(0.02)	(43.64)	(0.11)	(3.61)	(0.15)	(9.55)	1.27	0.47	6.26	(18.64)	8.10	(0.20)
2.23.1.3	DISCONTINUED OPERATIONS		(7.26)		(7.26)		(6.25)		(2.11)		(2.11)		(1.35)
2.23.1	ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE COMPANY (2.23.1.1+2.23.1.2+2.23.1.3)		19,719.94		18,411.04		17,635.15		15,761.56		13,251.30		11,358.05
2.23.2	NON-CONTROLLING INTERESTS		522.36		448.28		260.30		146.94		50.78		5.08
	TOTAL		20,242.30		18,859.32		17,895.45		15,908.50		13,302.08		11,363.13

2.24 NON CURRENT BORROWINGS (₹ in Million)							
PARTICULARS		AS AT 31.12.2017	AS AT 31.03.2017	AS AT 31.03.2016	AS AT 31.03.2015	AS AT 31.03.2014	AS AT 31.03.2013
SECURED TERM LOAN FROM INDIAN BANK*		696.07	757.64	1,105.37	-	-	-
TOTAL		696.07	757.64	1,105.37	-	-	-

Refer note no. 2.30 for current maturity of above term loan (payable within 1 year from reporting date).

*** The details of security for the secured term loan from Indian Bank are as follows:-**

- a). Hypothecation of all the movable assets pertaining to project including but not limited to plant and machinery, machinery spares, tools and accessories
- b). 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.
- c). A first charge on the company's bank accounts related to project including but not limited to the Escrow Account (Escrow) opened with our Bank, where all cash inflows of the company related to the project shall be deposited and all proceeds shall be utilised in a manner and priority to be decided by the Lenders.
- d). Mortgage charges on the rights on the sub-leased land in Jaisalmer, Rajasthan for the purpose of the Project - to be executed by way of an equitable mortgage.

*** Terms of repayment of term loan are as under:-**

- a). Repayment of loan to be made in 144 monthly installments started from April 2016.
- b). Repayment of interest on term loan to be made monthly till closure of term loan
- c). Term Loan can be prepaid as per the availability of cash generation without any pre-payment charges

2.25 NON CURRENT TRADE PAYABLES							(₹ in Million)	
PARTICULARS		AS AT 31.12.2017	AS AT 31.03.2017	AS AT 31.03.2016	AS AT 31.03.2015	AS AT 31.03.2014	AS AT 31.03.2013	
CREDITORS FOR SUPPLIES AND SERVICES								
OTHER THAN MICRO, SMALL AND MEDIUM ENTERPRISES		-	-	6.64	26.75	31.87	37.26	
TOTAL		-	-	6.64	26.75	31.87	37.26	

2.26 OTHER NON CURRENT FINANCIAL LIABILITIES							(₹ in Million)	
PARTICULARS		AS AT 31.12.2017	AS AT 31.03.2017	AS AT 31.03.2016	AS AT 31.03.2015	AS AT 31.03.2014	AS AT 31.03.2013	
SECURITY DEPOSITS		1,159.84	1,084.57	996.17	822.08	688.04	666.85	
TOTAL		1,159.84	1,084.57	996.17	822.08	688.04	666.85	

2.27 NON CURRENT PROVISIONS						(₹ in Million)	
PARTICULARS	NOTE NO.	AS AT 31.12.2017	AS AT 31.03.2017	AS AT 31.03.2016	AS AT 31.03.2015	AS AT 31.03.2014	AS AT 31.03.2013
EMPLOYEE BENEFITS	2.44	1,123.21	975.52	898.89	946.15	866.64	1,373.98
EXCISE DUTY		-	-	-	-	4.89	3.03
WARRANTIES	2.51.1	80.68	151.30	99.73	99.31	254.03	67.79
COMMITMENTS	2.51.1	-	-	-	-	2.48	3.49
TOTAL		1,203.89	1,126.82	998.62	1,045.46	1,128.04	1,448.29

2.28 OTHER NON CURRENT LIABILITIES						(₹ in Million)	
PARTICULARS		AS AT 31.12.2017	AS AT 31.03.2017	AS AT 31.03.2016	AS AT 31.03.2015	AS AT 31.03.2014	AS AT 31.03.2013
CLIENTS ADVANCES		1,995.05	72.75	20.68	64.13	134.72	50.89
TOTAL		1,995.05	72.75	20.68	64.13	134.72	50.89

2.29 CURRENT TRADE PAYABLES						(₹ in Million)	
PARTICULARS	NOTE NO.	AS AT 31.12.2017	AS AT 31.03.2017	AS AT 31.03.2016	AS AT 31.03.2015	AS AT 31.03.2014	AS AT 31.03.2013
CREDITORS FOR SUPPLIES AND SERVICES							
MICRO, SMALL AND MEDIUM ENTERPRISES	2.60	2.88	19.15	7.77	0.70	11.76	4.08
OTHER THAN MICRO, SMALL AND MEDIUM ENTERPRISES		701.48	830.44	891.57	862.38	1063.49	1422.12
TOTAL		704.36	849.59	899.34	863.08	1075.25	1426.20

2.30 OTHER CURRENT FINANCIAL LIABILITIES							(₹ in Million)	
PARTICULARS	NOTE NO.	AS AT 31.12.2017	AS AT 31.03.2017	AS AT 31.03.2016	AS AT 31.03.2015	AS AT 31.03.2014	AS AT 31.03.2013	
CURRENT MATURITY OF SECURED TERM LOAN FROM INDIAN BANK	2.24	76.65	76.65	100.49	-	-	-	
CLIENTS DEPOSITS		16,292.58	17,238.55	17,421.42	13,573.98	15,765.71	13,229.10	
SECURITY DEPOSITS		985.58	806.43	587.87	676.72	782.41	699.19	
FOREIGN SERVICE CONTRIBUTION	2.64	26.67	56.20	19.32	18.67	10.91	23.70	
SALARY PAYABLES		620.94	492.22	502.64	400.13	226.06	637.23	
BOOK OVERDRAFT-OWNED FUND*	2.16.4	108.19	16.84	-	-	0.43	0.31	
BOOK OVERDRAFT-CLIENTS FUND*	2.17.4	115.34	265.86	35.84	253.44	96.77	107.11	
STAFF & OTHER CLAIMS		36.43	56.82	49.68	63.86	54.72	20.72	
PAYABLE TO RELATED PARTIES		1.84	-	-	-	-	-	
SUNDRY CREDITORS FOR OTHER EXPENSES		44.01	244.31	232.61	57.55	68.44	2.70	
INTEREST ACCRUED AND DUE ON BORROWINGS		5.68	8.82	10.36	-	-	-	
TOTAL		18,313.91	19,262.70	18,960.23	15,044.35	17,005.45	14,720.06	

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

2.31 CURRENT PROVISIONS							(₹ in Million)	
PARTICULARS	NOTE NO.	AS AT 31.12.2017	AS AT 31.03.2017	AS AT 31.03.2016	AS AT 31.03.2015	AS AT 31.03.2014	AS AT 31.03.2013	
EMPLOYEE BENEFITS	2.44	668.16	1137.62	789.51	554.18	940.45	121.52	
EXCISE DUTY		6.05	17.89	4.96	4.96	0.07	3.11	
WARRANTIES	2.51.1	322.86	349.94	217.70	185.16	124.87	179.52	
COMMITMENTS	2.51.1	-	-	34.34	22.85	18.26	8.45	
TOTAL		997.07	1505.45	1046.51	767.15	1083.65	312.60	

2.32 CURRENT TAX LIABILITIES (NET)						(₹ in Million)	
PARTICULARS	NOTE NO.	AS AT 31.12.2017	AS AT 31.03.2017	AS AT 31.03.2016	AS AT 31.03.2015	AS AT 31.03.2014	AS AT 31.03.2013
INCOME TAX (NET OF ADVANCE TAX)	2.70	0.32	0.08	10.09	0.08	0.25	0.24
TOTAL		0.32	0.08	10.09	0.08	0.25	0.24

2.33 OTHER CURRENT LIABILITIES						(₹ in Million)	
PARTICULARS		AS AT 31.12.2017	AS AT 31.03.2017	AS AT 31.03.2016	AS AT 31.03.2015	AS AT 31.03.2014	AS AT 31.03.2013
CUSTOMERS ADVANCES		1,940.33	2,254.16	931.65	440.55	803.92	1,691.38
STATUTORY LIABILITIES		182.70	213.66	182.71	72.03	109.17	149.68
ADVANCE AGAINST WIND MILL PROJECT		35.50	35.50	35.50	-	-	-
TOTAL		2,158.53	2,503.32	1,149.86	512.58	913.09	1,841.06

2.34 REVENUE FROM OPERATIONS								(₹ in Million)			
PARTICULARS	NOTE NO.	PERIOD ENDED 31.12.2017	YEAR ENDED 31.03.2017	YEAR ENDED 31.03.2016	YEAR ENDED 31.03.2015	YEAR ENDED 31.03.2014	YEAR ENDED 31.03.2013				
SALE OF SERVICES											
CONSULTANCY FEE (GROSS)		5,374.25	7,578.80	7,214.27	6,583.81	4,741.21	4,980.46				
LESS: SERVICE TAX/GST		(703.94)	(971.63)	(877.76)	(697.61)	(443.42)	(500.87)				
CONSULTANCY FEE (NET)	2.66	4,670.31	6,607.17	6,336.51	5,886.20	4,297.79	4,479.59				
QUALITY ASSURANCE (GROSS)		1,879.80	1,991.26	1,537.17	1,283.16	1,186.45	1,105.15				
LESS: SERVICE TAX/GST		(266.74)	(253.75)	(184.24)	(138.18)	(128.13)	(118.80)				
QUALITY ASSURANCE (NET)		1,613.06	1,737.51	1,352.93	1,144.98	1,058.32	986.35				

LEASE SERVICES (GROSS)		749.49	1,039.12	992.57	748.64	644.87	458.34
LESS: SERVICE TAX/GST		(50.13)	(106.36)	(90.91)	(55.61)	(42.96)	(29.17)
LEASE SERVICES (NET)		699.36	932.76	901.66	693.03	601.91	429.17
		6,982.73	9,277.44	8,591.10	7,724.21	5,958.02	5,895.11
SALE OF PRODUCTS							
EXPORT SALES		1,577.37	3,774.00	1,859.39	1,492.29	4,046.10	3,070.51
SALE OF POWER GENERATION		163.07	169.43	69.21	-	-	-
OTHERS							
TURNKEY CONSTRUCTION PROJECTS	2.43	638.33	312.69	385.60	910.38	960.76	590.72
TOTAL		9,361.50	13,533.56	10,905.30	10,126.88	10,964.88	9,556.34

2.35 OTHER INCOME								(₹ in Million)	
PARTICULARS	NOTE NO.	PERIOD ENDED 31.12.2017	YEAR ENDED 31.03.2017	YEAR ENDED 31.03.2016	YEAR ENDED 31.03.2015	YEAR ENDED 31.03.2014	YEAR ENDED 31.03.2013		
INTEREST EARNED ON:									
- DEPOSITS WITH BANK		636.77	808.80	816.71	843.44	769.48	701.09		
- TAX FREE BONDS		90.83	151.36	148.47	138.88	125.58	92.21		
- STAFF ADVANCES		11.49	17.86	21.33	21.32	18.84	13.72		
- LOAN TO SRBWIPL (RELATED PARTY)		4.70	1.42	2.57	2.98	-	-		

- LOAN TO CCFB (RELATED PARTY)		-	-			90.92		61.80		59.40		50.90	
- OTHERS		<u>42.33</u>	786.12	<u>86.28</u>	1,065.72	<u>0.04</u>	1,080.04	<u>10.23</u>	1,078.65	-	973.30	<u>0.76</u>	858.68
PROVISION NO LONGER REQUIRED			188.43		55.18		50.15		93.25		124.04		99.01
PROFIT ON SALE OF FIXED ASSETS			0.45		0.59		1.18		0.96		0.39		0.98
PROFIT ON SALE OF INVESTMENT IN JOINT VENTURE	2.62		-		714.72		-		-		-		-
DEFERRED INCOME TOWARDS GOVT OF MOZAMBIQUE RECEIVABLES			16.13		19.56		-		-		-		-
DIVIDEND FROM:													
- TRADE NON CURRENT INVESTMENTS		0.05		0.03		0.03		0.06		0.06		0.03	
- TRADE CURRENT INVESTMENTS		<u>52.46</u>	52.51	<u>44.51</u>	44.54	<u>12.50</u>	12.53	<u>27.36</u>	27.42	<u>22.70</u>	22.76	<u>28.48</u>	28.51
EXPORT INCENTIVES			95.02		140.13		0.56		85.88		3.85		52.26
RENT FROM INVESTMENT PROPERTIES			7.83		10.42		10.27		10.32		11.57		9.98
EXCHANGE VARIATION			54.65		17.95		147.93		132.55		86.91		152.04
MISCELLANEOUS INCOME			47.98		30.36		59.31		35.16		47.00		72.72
TOTAL			1,249.12		2,099.17		1,361.97		1,464.19		1,269.82		1,274.18

2.36 EMPLOYEE BENEFIT EXPENSES							(₹ in Million)
PARTICULARS	NOTE NO.	PERIOD ENDED 31.12.2017	YEAR ENDED 31.03.2017	YEAR ENDED 31.03.2016	YEAR ENDED 31.03.2015	YEAR ENDED 31.03.2014	YEAR ENDED 31.03.2013
SALARIES-DOMESTIC		2,141.04	2,463.86	2,106.88	1,940.87	1,461.51	1,528.97
SALARIES-ABROAD		32.92	35.74	37.89	25.62	84.13	75.68
SALARIES CONTRACT EMPLOYEES		192.32	235.29	252.13	280.65	273.54	307.83
FOREIGN SERVICE CONTRIBUTION	2.64	21.83	56.06	20.42	31.23	6.66	7.01
CONTRIBUTION TO PROVIDENT FUND & OTHER FUNDS	2.44	154.74	197.56	185.51	177.07	144.53	143.07
GRATUITY	2.44	80.23	406.35	45.47	45.68	43.61	31.77
POST RETIRAL BENEFITS (PENSION/MEDICAL)	2.44	185.51	242.68	227.21	123.67	276.98	149.31
STAFF WELFARE EXPENSES		146.26	159.62	202.94	175.60	155.30	136.01
LEAVE TRAVEL CONCESSION	2.44	0.61	0.60	-	1.86	2.73	5.61
PERFORMANCE RELATED PAYMENT		86.00	130.00	160.00	200.00	-	190.00
LEAVE ENCASHMENT	2.44	189.09	241.69	171.14	242.47	257.72	284.09
TOTAL		3,230.55	4,169.45	3,409.59	3,244.72	2,706.71	2,859.35

2.37 COST OF EXPORT SALES							(₹ in Million)
PARTICULARS		PERIOD ENDED 31.12.2017	YEAR ENDED 31.03.2017	YEAR ENDED 31.03.2016	YEAR ENDED 31.03.2015	YEAR ENDED 31.03.2014	YEAR ENDED 31.03.2013
COST OF TRADED GOODS		1,037.34	2,525.85	1,379.50	772.51	2,378.78	1,894.71
CONSUMABLES		10.46	28.72	27.22	0.96	-	13.68
FREIGHT & FORWARDING		4.94	46.30	21.87	3.39	16.50	103.81
INSURANCE		0.81	0.52	1.03	0.07	1.18	2.08
FEES FOR SERVICES OBTAINED		40.68	157.29	75.73	23.77	154.37	111.37
PROVISION FOR WARRANTIES		28.15	195.74	63.07	0.01	170.93	117.15
UNWINDING WARRANTIES COST		17.95	6.60	1.00	4.40	10.10	10.10
TOTAL		1,140.33	2,961.02	1,569.42	805.11	2,731.86	2,252.90

2.38 COST OF TURNKEY CONSTRUCTION PROJECTS								(₹ in Million)
PARTICULARS		PERIOD ENDED 31.12.2017	YEAR ENDED 31.03.2017	YEAR ENDED 31.03.2016	YEAR ENDED 31.03.2015	YEAR ENDED 31.03.2014	YEAR ENDED 31.03.2013	
SUPPLIES & SERVICES		539.43	278.49	352.52	834.82	881.51	546.17	
TOTAL		539.43	278.49	352.52	834.82	881.51	546.17	

2.39 OTHER EXPENSES								(₹ in Million)
PARTICULARS	NOTE NO.	PERIOD ENDED 31.12.2017	YEAR ENDED 31.03.2017	YEAR ENDED 31.03.2016	YEAR ENDED 31.03.2015	YEAR ENDED 31.03.2014	YEAR ENDED 31.03.2013	
PRINTING, STATIONERY AND DOCUMENTATION		21.64	38.94	41.32	36.90	37.13	37.28	
BUSINESS PROMOTION		13.90	25.17	18.21	18.01	19.85	17.81	
AUDITORS' REMUNERATION	2.39.1	1.32	1.98	1.88	1.81	1.52	1.29	
AUDITORS' OUT OF POCKET EXPENSES	2.39.1	0.29	0.25	0.22	0.28	0.15	0.09	
RATES & TAXES		29.68	40.14	11.50	35.56	26.95	21.68	
OFFICE RENT		39.49	57.60	51.20	42.58	42.34	17.68	
POSTAGE & TELECOMMUNICATION		36.87	41.49	40.99	40.88	38.83	36.02	
OFFICE MAINTENANCE		44.88	82.60	80.45	75.43	69.13	58.69	
REPAIRS TO MACHINERY/EQUIPMENTS		12.77	36.26	12.64	6.81	8.25	8.50	
REPAIRS TO BUILDING		0.02	0.18	0.49	3.93	0.51	0.08	
POWER AND FUEL CHARGES		31.44	46.35	46.14	37.55	39.79	32.91	
STORES AND SPARES CONSUMED-LEASED	2.39.2	14.06	36.13	21.71	25.41	30.25	47.13	
STORES AND SPARES CONSUMED-OTHERS	2.39.3	20.70	73.43	40.41	25.19	10.10	3.97	
BOOKS AND PERIODICALS		0.94	1.40	1.60	1.87	2.25	2.27	
INTERNAL AUDIT FEE		1.01	1.30	1.20	1.74	1.74	1.65	
ADVERTISEMENT AND PUBLICITY		18.79	39.94	30.59	21.00	25.91	16.76	
SUBSCRIPTION AND MEMBERSHIP FEE		5.23	2.84	6.35	5.89	1.79	2.49	

LEGAL AND PROFESSIONAL FEE		10.88	17.95	15.37	14.21	12.05	12.43
INSURANCE CHARGES		5.78	33.34	14.16	18.75	20.81	37.96
BANK CHARGES		17.89	20.10	11.77	15.25	16.82	24.34
BAD DEBTS		4.43	34.20	11.70	30.43	15.50	30.04
FIXED ASSETS WRITTEN OFF		0.02	0.20	0.30	0.03	0.03	0.05
HIRE CHARGES OF EQUIPMENTS		0.02	-	-	0.04	0.03	0.01
VEHICLE RUNNING AND MAINTENANCE		5.77	9.80	10.27	10.99	10.50	13.37
MANPOWER DEVELOPMENT		9.18	12.05	12.13	12.02	24.49	12.45
LOSS ON SALE OF FIXED ASSETS		0.05	0.40	0.20	0.10	0.21	0.24
IMPAIRMENT FOR:							
-DOUBTFUL DEBTS, ADVANCES, SECURITY DEPOSITS ETC.		20.21	221.50	21.30	40.27	161.94	49.95
PROVISION FOR:							
-COMMITMENTS		-	-	15.20	11.53	8.81	0.04
-DOUBTFUL INVENTORIES		-	-	-	-	11.06	-
-DIMINUTION IN VALUE OF INVESTMENT		-	-	-	-	-	-
-EXCISE DUTY BONDS		-	12.90	-	-	0.00	0.00
DIRECTORS' SITTING FEE		1.23	1.20	-	0.11	0.58	0.81
EXCHANGE VARIATION		-	-	-	-	-	-
CORPORATE SOCIAL RESPONSIBILITY		26.71	92.00	82.80	78.96	53.19	64.42
SUSTAINABLE DEVELOPMENT		-	-	-	-	-	7.72
RESEARCH AND DEVELOPMENT		-	-	1.20	-	1.68	7.09
OPERATING LEASE PAYMENTS		3.38	4.41	4.56	4.57	5.04	4.02
AMORTISED DEFERRED COST TOWARDS GOVT OF MOZAMBIQUE RECEIVABLES		16.13	19.56	-	-	-	-
MISCELLANEOUS EXPENSES (COST OF TENDER DOCUMENTS, VISA CHARGES, ETC.)		32.27	40.57	53.80	45.46	42.68	43.43
TOTAL		446.98	1046.18	661.66	663.56	741.91	614.67

2.39.1 AUDITORS' REMUNERATION						(₹ in Million)	
PARTICULARS		PERIOD ENDED 31.12.2017	YEAR ENDED 31.03.2017	YEAR ENDED 31.03.2016	YEAR ENDED 31.03.2015	YEAR ENDED 31.03.2014	YEAR ENDED 31.03.2013
(A) STATUTORY AUDITORS							
STATUTORY AUDIT FEE		-	0.85	0.81	0.68	0.67	0.36
TAX AUDIT FEE		-	0.22	0.20	0.20	0.17	0.15
LIMITED REVIEW AUDIT AND CONSOLIDATION FEE		0.97	0.37	0.33	0.33	0.23	0.21
OTHER SERVICES, i.e. CERTIFICATION ETC.		-	0.03	0.09	0.15	0.07	0.20
SUB TOTAL (A)		0.97	1.47	1.43	1.36	1.14	0.92
(B) BRANCH AUDITORS							
STATUTORY AUDIT FEE		-	0.18	0.16	0.16	0.14	0.14
TAX AUDIT FEE		-	0.10	0.09	0.09	0.07	0.07
LIMITED REVIEW AUDIT FEE		0.35	0.23	0.20	0.20	0.17	0.16
SUB TOTAL (B)		0.35	0.51	0.45	0.45	0.38	0.37
AUDITORS' REMUNERATION (A+B)		1.32	1.98	1.88	1.81	1.52	1.29
AUDITORS' OUT OF POCKET EXPENSES		0.29	0.25	0.22	0.28	0.15	0.09

2.39.2 STORES AND SPARES CONSUMED-LEASED						(₹ in Million)	
PARTICULARS		PERIOD ENDED 31.12.2017	YEAR ENDED 31.03.2017	YEAR ENDED 31.03.2016	YEAR ENDED 31.03.2015	YEAR ENDED 31.03.2014	YEAR ENDED 31.03.2013
STORES AND SPARES CONSUMED		8.54	32.32	11.06	22.97	12.71	44.28
CONSUMABLES		3.68	1.29	7.45	0.00	16.44	0.00
FREIGHT & FORWARDING INWARD		1.44	2.05	2.62	2.26	0.04	0.97
INSURANCE CHARGES		0.35	0.02	0.01	0.01	0.53	1.31
OTHER PROCUREMENT EXPENSES		0.05	0.45	0.57	0.17	0.53	0.57
TOTAL		14.06	36.13	21.71	25.41	30.25	47.13

2.39.3 STORES AND SPARES CONSUMED-OTHERS (₹ in Million)							
PARTICULARS		PERIOD ENDED 31.12.2017	YEAR ENDED 31.03.2017	YEAR ENDED 31.03.2016	YEAR ENDED 31.03.2015	YEAR ENDED 31.03.2014	YEAR ENDED 31.03.2013
CONSUMABLES		20.50	65.97	38.74	23.89	9.26	2.63
FREIGHT & FORWARDING INWARD		0.20	7.46	1.67	1.30	0.84	1.28
INSURANCE		-	-	-	-	-	0.06
TOTAL		20.70	73.43	40.41	25.19	10.10	3.97

2.40 SHARE OF PROFIT/(LOSS) OF JOINT VENTURES (₹ in Million)							
PARTICULARS	NOTE NO.	PERIOD ENDED 31.12.2017	YEAR ENDED 31.03.2017	YEAR ENDED 31.03.2016	YEAR ENDED 31.03.2015	YEAR ENDED 31.03.2014	YEAR ENDED 31.03.2013
COMPANHIA DOS CAMINHOS DE FERRO DA BEIRA, SA (CCFB), MOZAMBIQUE	2.62	-	(49.85)	1.42	9.58	(27.15)	66.00
SAIL-RITES BENGAL WAGON INDUSTRY PRIVATE LIMITED		(23.12)	(64.86)	(27.42)	0.69	0.34	(0.02)
BNV GUJARAT RAIL PRIVATE LIMITED		(0.02)	(0.01)	-	-	-	-
TOTAL	2.49.3.3	(23.14)	(114.72)	(26.00)	10.27	(26.81)	65.98

2.41 DEFERRED TAX (NET) (₹ in Million)							
PARTICULARS	NOTE NO.	PERIOD ENDED 31.12.2017	YEAR ENDED 31.03.2017	YEAR ENDED 31.03.2016	YEAR ENDED 31.03.2015	YEAR ENDED 31.03.2014	YEAR ENDED 31.03.2013
CREDIT/(CHANGE) RELATING TO TEMPORARY DIFFERENCES		(180.58)	192.93	(187.33)	(136.41)	124.48	59.38
TOTAL	2.70	(180.58)	192.93	(187.33)	(136.41)	124.48	59.38

Disclosures as per Indian Accounting Standards (Ind AS):

2.42 The subsidiary companies considered in the financial statements are as follows:

Name of Subsidiary Companies	Country of Incorporation	% of Shareholding as on					
		31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
▪ RITES(Afrika) (Pty) Limited	Botswana	100%	100%	100%	100%	100%	100%
▪ RITES Infrastructure Services Limited (RISL)**	India	100%	100%	100%	100%	100%	100%
▪ Railway Energy Management Company Limited (REMCL)	India	51%	51%	51%	51%	51%	-
▪ RITES Mohawarean Arabia Co. Ltd. (RMAC)*	Saudi Arabia	-	-	-	76%	76%	76%

*RITES Mohawarean Arabia Company Ltd. (RMAC), a subsidiary company with 76% stake, is under liquidation. Investment in equity of ₹4.70 million made by the company has been returned by RMAC during the financial year 2014-15.

**RITES Infrastructure Services Limited (RISL) is under liquidation. Prior to initiating process of liquidation, all assets & liabilities have been taken over by RITES on 30th September 2016.

2.43 **Disclosure on Construction Contracts (Indian Accounting Standard-11) is as follows:**

S. No.	Particulars	₹ in million					
		Period Ended	Year ended				
		31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
1.	Contract revenue recognized during the period	638.33	312.69	385.60	910.38	960.76	590.72
2.	Aggregate amount of Costs incurred upto reporting date	4,334.20	3,671.60	3,289.80	2,909.20	2,037.10	1,123.10
3.	Recognized profits up to reporting date	49.32	73.59	142.70	140.50	102.20	55.44
4.	Amount of advances received	432.30	1112.10	921.70	59.30	70.90	188.90

2.44 **In case of holding company, disclosures on Employee benefits (Indian Accounting Standard-19) are as follows:**

2.44.1 Defined Benefit Plan

2.44.1.1 Gratuity (Funded)

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

Particulars	₹ in million					
	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
Present Value of obligation as at beginning of period	1197.20	799.66	748.69	707.60	599.65	597.47
Interest Cost	68.45	62.61	59.90	56.61	47.97	47.80
Current Service Cost	53.43	49.90	48.50	46.28	45.59	29.14
Benefits paid	(42.67)	(59.44)	(68.43)	(31.86)	(20.92)	(38.37)
Actuarial (Gain)/Loss on obligation	54.05	(3.52)	11.00	(29.94)	35.31	(36.39)
Past Service Cost	-	347.99	-	-	-	-
Present Value of Obligation as at end of period	1330.46	1197.20	799.66	748.69	707.60	599.65

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

Particulars	₹ in million					
	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
Fair Value of Plan Assets at beginning of period	808.35	740.99	747.40	715.19	623.67	561.93
Expected Interest Income	46.83	58.02	62.96	64.07	59.76	54.31
Contributions	391.34	58.67	1.29	-	52.68	45.80
Benefits Paid	(42.67)	(59.44)	(68.43)	(31.86)	(20.92)	(38.37)
Actuarial Gain / (Loss) on Plan Assets	(11.06)	10.11	(2.23)	-	-	-
Fair value of Plan Assets at the end of period	1192.79	808.35	740.99	747.40	715.19	623.67

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

Particulars	₹ in million					
	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
Defined Benefit Obligation at end of period	1330.46	1197.20	799.66	748.69	707.60	599.65
Fair value of Plan Assets at the end of period	1192.79	808.35	740.99	747.40	715.19	623.67
Funded Status – (Surplus)/ Deficit	137.67	388.85	58.67	1.29	(7.59)	(24.02)
Net (Liability)/ Asset recognized in Balance Sheet	(137.67)	(388.85)	(58.67)	(1.29)	7.59	24.02

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

Particulars	₹ in million					
	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
Current Service Cost	53.43	49.90	48.51	46.28	45.59	29.14
Net Interest on Net Defined Benefit Liability	23.93	4.59	(3.06)	(0.61)	(1.92)	2.84
Past Service Cost	-	347.99	-	-	-	-
Liability/(Asset) Recognized in Statement of Profit and Loss	77.36	402.48	45.45	45.67	43.67	31.98

2.44.1.1.5 Amount recognized in other Comprehensive Income is as follows:

Particulars	₹ in million					
	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
Experience (Gains)/ Losses on Liability	54.05	(3.52)	11.00	(29.94)	35.30	(36.39)

Actuarial (Gains)/Losses on Assets	8.75	(10.11)	2.23	(6.85)	(9.87)	(9.35)
Other Comprehensive (Income)/Expense	62.80	(13.63)	13.23	(36.79)	25.43	(45.74)

2.44.1.1.6 The principal actuarial assumptions are as follows:

Particulars	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
Discounting rate (%)	7.50%	7.47%	7.83%	8%	8%	8%
Future salary increase (%)	8%	8%	8%	8%	8%	6%
Expected Return on Assets	7.40%	7.47%	8.45%	9.10%	-	-

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

2.44.1.1.7 Impact due to increase and decrease in Discount Rate and Expected Salary are as follow:

₹ in Million)												
Year	31.12.2017		31.03.2017		31.03.2016		31.03.2015		31.03.2014		31.03.2013	
Discount Rate Increase/(Decrease) %	1.00%	-1.00%	1.00%	-1.00%	1.00%	-1.00%	1.00%	-1.00%	1.00%	-1.00%	1.00%	-1.00%
Defined Obligation Increase / (Decrease) By	(84.40)	95.73	(87.34)	77.00	(70.22)	61.84	(88.72)	13.86	(52.95)	56.30	(60.35)	28.00
Year	31.12.2017		31.03.2017		31.03.2016		31.03.2015		31.03.2014		31.03.2013	
Expected Salary Increase/(Decrease) %	1.00%	-1.00%	1.00%	-1.00%	1.00%	-1.00%	1.00%	-1.00%	1.00%	-1.00%	1.00%	-1.00%
Defined Obligation Increase / (Decrease) By	94.34	(84.77)	50.34	(50.90)	61.14	(70.76)	13.50	(88.72)	55.92	(53.20)	8.30	(43.94)

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

2.44.1.2 Provident Fund (Funded)

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

The company contribution towards provident fund is as follows:

Particulars	₹ in million					
	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
Contribution to Provident Fund	151.09	194.35	182.68	174.39	142.11	141.09

2.44.1.3 Other Benefits (Unfunded)

2.44.1.3.1 Present value of the defined benefits plan obligations i.e. Leave Encashment, LTC, Medical leave, Leave Encashment (contract employee) and the effects during the period attributable to each are as follows:

Particulars	₹ in million					
	Leave Encashment					
	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
Opening Balance	591.12	528.78	593.00	549.50	555.02	466.93
Interest Cost	33.96	42.31	47.44	43.96	44.40	37.35
Current Service Cost	41.36	33.04	38.42	51.86	40.45	41.66
Benefit paid	(71.63)	(115.86)	(146.15)	(138.40)	(192.79)	(112.51)
Actuarial (Gain)/Loss on obligation	63.05	102.85	(3.93)	86.08	102.42	121.59
Closing Balance	657.86	591.12	528.78	593.00	549.50	555.02

Particulars	₹ in million					
	LTC					
	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
Opening Balance	1.35	1.52	13.36	12.17	10.64	9.68
Interest Cost	0.08	0.12	1.07	0.97	0.85	0.78
Current Service Cost	0.04	0.05	0.87	2.24	6.40	5.43
Benefit paid	(0.07)	(0.77)	(0.43)	(0.67)	(1.30)	(4.65)
Actuarial (Gain)/Loss on obligation	0.38	0.43	(13.35)	(1.35)	(4.42)	(0.60)
Closing Balance	1.78	1.35	1.52	13.36	12.17	10.64

Particulars	₹ in million					
	Medical Leave					
	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
Opening Balance	512.44	469.34	394.20	338.47	296.95	240.63
Interest Cost	29.26	36.75	31.54	27.08	23.76	19.25
Current Service Cost	24.49	29.28	25.54	26.09	20.54	19.00
Benefit paid	(9.33)	(13.57)	(14.07)	(4.84)	(31.53)	(27.48)
Actuarial (Gain)/Loss on obligation	(3.14)	(9.36)	32.13	7.40	28.75	45.55
Closing Balance	553.72	512.44	469.34	394.20	338.47	296.95

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

Particulars	₹ in million					
	Leave Encashment					
	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
Current Service Cost	41.36	33.04	38.42	51.86	40.50	41.66
Interest Cost	33.96	42.31	47.44	43.96	44.40	37.35
Net actuarial (Gain)/Loss recognized during the period	63.05	102.85	(3.93)	86.08	102.42	121.59
Expenses recognized in the statement of Profit & Loss	138.37	178.20	81.93	181.90	187.32	200.60

Particulars	₹ in million					
	LTC					
	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
Current Service Cost	0.04	0.05	0.87	2.24	6.40	5.43
Interest Cost	0.08	0.12	1.07	0.97	0.85	0.78

Net actuarial (Gain)/Loss recognized during the period	0.38	0.43	(13.36)	(1.35)	(4.42)	(0.60)
Expenses recognized in the statement of Profit & Loss	0.50	0.60	(11.42)	1.86	2.83	5.61

Particulars	₹ in million					
	Medical Leave					
	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
Current Service Cost	24.49	29.28	25.54	26.09	20.54	19.00
Interest Cost	29.26	36.75	31.54	27.08	23.76	19.25
Net actuarial (Gain)/Loss recognized during the period	(3.14)	(9.36)	32.13	7.40	28.76	45.55
Expenses recognized in the statement of Profit & Loss	50.61	56.67	89.21	60.57	73.06	83.80

2.44.1.3.3 Net present values of long service award (unfunded) for regular employees and Gratuity (unfunded) for contract employees are as follows:

Particulars	₹ in million					
	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
Long Service Award (regular employees)	15.36	15.84	15.47	15.79	10.24	8.93

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

Particulars	Leave Encashment					
	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
Discount rate (%)	7.50%	7.47%	7.83%	8.00%	8.00%	8.00%
Future salary increase (%)	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%

Particulars	LTC					
	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
Discount rate (%)	7.50%	7.47%	7.83%	8.00%	8.00%	8.00%
Future salary increase (%)	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%

Particulars	Medical Leave					
	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
Discount rate (%)	7.50%	7.47%	7.83%	8.00%	8.00%	8.00%
Future salary increase (%)	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%

Particulars	Long Service Award					
	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
Discount rate (%)	7.50%	7.47%	7.83%	8.00%	8.00%	8.00%
Future salary increase (%)	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%

2.44.1.3.5 Employees Benefits for Contract Employees

2.44.1.3.5.1 Gratuity

Particulars	₹ in million		
	Gratuity (Contract Employee)*		
	31.12.17	31.03.17	31.03.16
Gratuity (unfunded) for contract employees	19.77	20.11	16.45

2.44.1.3.5.2 Leave Encashment

Particulars	₹ in million		
	Leave Encashment (Contract Employee)*		
	31.12.17	31.03.17	31.03.16
Opening Balance	8.61	6.86	7.62
Interest Cost	0.53	0.54	0.61
Current Service Cost	3.35	1.71	2.03
Benefit paid	(2.80)	(5.08)	(5.66)
Actuarial (Gain)/Loss on obligation	1.99	4.58	2.26
Closing Balance	11.68	8.61	6.86

Particulars	₹ in million		
	Leave Encashment (Contract Employee)*		
	31.12.17	31.03.17	31.03.16
Current Service Cost	3.35	1.71	2.03
Interest Cost	0.53	0.54	0.61
Net actuarial (Gain)/Loss recognized during the period	1.99	4.58	2.26
Expenses recognized in the statement of Profit & Loss	5.87	6.83	4.90

*Contract employees are also eligible for benefits from the financial year 2015-16.

The principal actuarial assumptions for contract employees used at the Balance Sheet date are as follows:

Particulars	Gratuity (Contract Employees)		
	31.12.17	31.03.17	31.03.16
Discount rate (%)	7.50%	7.47%	7.83%
Future salary increase (%)	4%	4%	4%

Particulars	Leave Encashment (Contract Employee)		
	31.12.17	31.03.17	31.03.16
Discount rate (%)	7.50%	7.47%	7.83%
Future salary increase (%)	4%	4%	4%

2.44.2 Defined Contribution Plans

2.44.2.1 Post Retirement Benefits (Pension & Medical)

All eligible employees are entitled to benefit under defined contribution plans towards pension under EPFO scheme, post retirement pension fund and medical schemes as defined contribution plans. The company has no obligations other than the contribution payable to such funds/schemes. The company recognizes such contributions as expenses when an employee renders the related service.

During the period, company contributed/provided, towards pension under EPFO, towards post retirement pension fund and towards medical schemes are as follows:

Particulars	₹ in million					
	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
Contribution towards Pension under EPFO	31.02	40.09	39.64	31.19	17.96	17.87
Contribution towards post retirement pension fund	97.68	123.30	120.01	57.05	105.45	85.33
Contribution towards medical scheme	87.83	119.37	107.20	93.72	83.39	64.00

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

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

2.45.1 The group has identified five operational reportable segments based on operations being carried out which are as under:-

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

2.45.2 Geographical wise revenue segment is disclosed as under:-

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

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

2.45.4 Revenue and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly identifiable to each reporting segment have been allocated on the basis of attributed direct cost. All other expenses which are not attributable or allocable to the segments have been disclosed as un-allocable expenses.

2.45.5 Assets and liabilities used in the Group's business are not identified to any of the reportable segments as these are used interchangeably between segments. Depreciation, amortisation & impairment on Property, Plant & Equipment and Intangible Assets cannot be allocated to a specific segment. The Group believes that it is currently not practicable to provide segmental disclosure relating to total assets, total liabilities and depreciation, amortisation & impairment since a meaningful segregation of the available data could be onerous.

2.45.6 Operational Segments:

Period ended 31.12.2017							(₹ in million)	
Description	Consultancy Services		Leasing		Export Sale	Turnkey Const. Projects-Domestic	Power Generation	Total
	Domestic	Abroad	Domestic	Abroad				
Revenue	5,931.97	351.40	601.96	97.40	1577.37	638.33	163.07	9,361.50
Identifiable operating expenses	3,463.96	150.49	339.20	96.20	1084.30	662.60	138.83	5,935.58
Segmental profit from operations	2,468.01	200.91	262.76	1.20	493.07	(24.27)	24.24	3,425.92
Add: Interest Income*								786.12
Add: Other Income **								463.00
Less: Un-allocable Expenses								758.92

Share of Profit/(Loss) of Joint Ventures		(23.14)
Net Profit Before Tax		3,892.98
Less: Income Tax (including Deferred Tax)		1,367.61
Net Profit After Tax		2,525.37
Loss from discontinued operation (net of tax)		-
Profit for the period		2,525.37
Additional Information:		
Depreciation and amortisation		276.79
Non-cash expenses/(Income) other than depreciation and amortisation		(485.96)
Reversal of provisions		188.43
Profit on sale of PPE		0.45
Loss on sale of PPE		0.05
Non Cash Income		
Deferred Income		16.13

Year ended 31.03.2017								(₹ in million)
Description	Consultancy Services		Leasing		Export Sale	Turnkey Const. Projects-Domestic	Power Generation	Total
	Domestic	Abroad	Domestic	Abroad				
Revenue	8,053.78	290.90	709.06	223.70	3,774.00	312.69	169.43	13,533.56
Identifiable operating expenses	5,180.18	121.60	445.00	119.50	3,117.30	380.80	213.33	9,577.71
Segmental profit from operations	2,873.60	169.30	264.06	104.20	656.70	(68.11)	(43.90)	3,955.85
Add: Interest Income*								1,065.72
Add: Other Income **								1,033.45
Less: Un-allocable Expenses								868.90
Share of Profit/(Loss) of								(114.72)

Joint Ventures		
Net Profit Before Tax		5,071.40
Less: Income Tax (including Deferred Tax)		1,453.79
Net Profit After Tax		3,617.61
Loss from discontinued operation (net of tax)		(1.01)
Profit for the year		3,616.60
Additional Information:		
Depreciation and amortisation		382.56
Non-cash expenses/(Income) other than depreciation and amortisation		569.19
Reversal of provisions		55.18
Profit on sale of PPE		0.59
Loss on sale of PPE		0.40
Profit on sale of investment		714.72
Non Cash Income		
Deferred Income		19.56

Year ended 31.03.2016								(₹ in million)
Description	Consultancy Services		Leasing		Export Sale	Turnkey Const. Projects-Domestic	Power Generation	Total
	Domestic	Abroad	Domestic	Abroad				
Revenue	7564.56	124.88	644.16	257.50	1,859.39	385.60	69.21	10905.30
Identifiable operating expenses	4,463.51	108.30	290.30	119.80	1,675.00	382.20	97.40	7,136.51
Segmental profit from operations	3,101.05	16.58	353.86	137.70	184.39	3.40	(28.19)	3,768.79

Add: Interest Income*		1,080.04
Add: Other Income **		281.93
Less: Un-allocable Expenses		598.60
Share of Profit/(Loss) of Joint Ventures		(26.00)
Net Profit Before Tax		4,506.16
Less: Income Tax (including Deferred Tax)		1,676.89
Net Profit After Tax		2,829.27
Loss from discontinued operation (net of tax)		(4.14)
Profit for the year		2,825.13
Additional Information:		
Depreciation and amortisation		346.43
Non-cash expenses/(Income) other than depreciation and amortisation		84.59
Reversal of provisions		50.15
Profit on sale of PPE		1.18
Loss on sale of PPE		0.20

Year ended 31.03.2015								(₹ in million)
Description	Consultancy Services		Leasing		Export Sale	Turnkey Const. Projects-Domestic	Power Generation	Total
	Domestic	Abroad	Domestic	Abroad				
Revenue	6,804.01	227.17	450.03	243.00	1492.29	910.38	-	10,126.88
Identifiable operating expenses	3,900.81	103.70	210.70	145.90	985.30	871.00	-	6,217.41
Segmental profit	2,903.20	123.47	239.33	97.10	506.99	39.38	-	3,909.47

from operations								
Add: Interest Income*								1,078.65
Add: Other Income **								385.54
Less: Un-allocable Expenses								701.50
Share of Profit/(Loss) of Joint Ventures								10.27
Net Profit Before Tax								4,682.43
Less: Income Tax (including Deferred Tax)								1,560.31
Net Profit After Tax								3,122.12
Loss from discontinued operation (net of tax)								-
Profit for the year								3,122.12
Additional Information:								
Depreciation and amortization								261.54
Non-cash expenses/(Income) other than depreciation and amortization								(531.63)
Reversal of provisions								93.25
Profit on sale of PPE								0.96
Loss on sale of PPE								0.10

Year ended 31.03.2014								(₹ in million)
Description	Consultancy Services		Leasing		Export Sale	Turnkey Const. Projects-Domestic	Power Generation	Total
	Domestic	Abroad	Domestic	Abroad				
Revenue	5,171.62	184.49	347.61	254.30	4,046.10	960.76	-	10,964.88
Identifiable operating expenses	3,449.30	167.90	163.00	92.50	2,923.70	914.00	-	7710.40
Segmental profit from operations	1,722.32	16.59	184.61	161.80	1,122.40	46.76	-	3254.48
Add: Interest Income*								973.30
Add: Other								296.52

Income **		
Less: Un-allocable Expenses		647.40
Share of Profit/(Loss) of Joint Ventures		(26.81)
Net Profit Before Tax		3,850.09
Less: Income Tax (including Deferred Tax)		1,243.97
Net Profit After Tax		2,606.12
Loss from discontinued operation (net of tax)		(0.76)
Profit for the year		2,605.36
Additional Information:		
Depreciation and amortization		203.46
Non-cash expenses/(Income) other than depreciation and amortization		363.89
Reversal of provisions		124.04
Profit on sale of PPE		0.39
Loss on sale of PPE		0.21

Year ended 31.03.2013								(₹ in million)
Description	Consultancy Services		Leasing		Export Sale	Turnkey Const. Projects-Domestic	Power Generation	Total
	Domestic	Abroad	Domestic	Abroad				
Revenue	5298.02	167.92	234.00	195.17	3070.51	590.72	-	9556.34
Identifiable operating expenses	3578.05	155.80	105.20	114.20	2411.50	577.10	-	6941.85
Segmental profit from operations	1719.97	12.12	128.80	80.97	659.01	13.62	-	2614.49
Add: Interest Income*								858.68
Add: Other Income **								415.50
Less: Un-allocable Expenses								593.00
Share of								65.98

Profit/(Loss) of Joint Ventures		
Net Profit Before Tax		3361.65
Less: Income Tax (including Deferred Tax)		1029.73
Net Profit After Tax		2331.92
Loss from discontinued operation (net of tax)		(1.35)
Profit for the year		2330.57
Additional Information:		
Depreciation and amortization		155.23
Non-cash expenses/(Income) other than depreciation and amortization		185.09
Reversal of provisions		99.01
Profit on sale of PPE		0.98
Loss on sale of PPE		0.24

2.45.7 Geographical Segment

Period ended 31.12.17 and Year Ended 31.03.17

(₹in million)

Description	Period ended 31.12.2017				Year ended 31.03.2017			
	India	Abroad		Total	India	Abroad		Total
		Asia	Africa			Asia	Africa	
Revenue	7,335.33	1,452.53	573.64	9,361.50	9,244.96	3,739.10	549.50	13,533.56
Identifiable operating expenses	4,604.59	1,094.80	236.19	5,935.58	6,219.31	3,072.20	286.20	9,577.71
Segmental profit from operations	2,730.74	357.73	337.45	3,425.92	3,025.65	666.90	263.30	3,955.85
Add: Interest Income*				786.12				1,065.72
Add: Other Income **				463.00				1,033.45
Less: Un-allocable Expenses				758.92				868.90
Share of Profit/(Loss) of Joint Ventures				(23.14)				(114.72)
Net Profit Before Tax				3,892.98				5,071.40

Less: Income Tax (including Deferred Tax)		1,367.61		1,453.79
Net Profit After Tax		2,525.37		3,617.61
(Loss from discontinued operations (net of tax))		-		(1.01)
Profit for the period		2,525.37		3,616.60
Additional Information:				
Depreciation and amortization		276.79		382.56
Non-cash expenses/(Income) other than depreciation and amortization		(485.96)		569.19
Reversal of provisions		188.43		55.18
Profit on sale of PPE		0.45		0.59
Loss on sale of PPE		0.05		0.40
Profit on sale of investment		-		714.72
Non Cash Income				
Deferred Income		16.13		19.56

Year Ended 31.03.16 and 31.03.15

(₹in million)

Description	Year ended 31.03.2016				Year ended 31.03.2015			
	India	Abroad		Total	India	Abroad		Total
		Asia	Africa			Asia	Africa	
Revenue	8,663.53	1,764.60	477.17	10,905.30	8,164.42	1,554.16	408.30	10,126.88
Identifiable operating expenses	5,233.41	1,700.60	202.50	7,136.51	4,982.51	1,022.17	212.73	6,217.41
Segmental profit from operations	3,430.12	64.00	274.67	3,768.79	3,181.91	531.99	195.57	3,909.47
Add: Interest Income*				1,080.04				1,078.65
Add: Other Income**				281.93				385.54
Less: Un-allocable Expenses				598.60				701.50
Share of Profit/(Loss) of Joint Ventures				(26.00)				10.27

Net Profit Before Tax		4,506.16		4,682.43
Less: Income Tax (including Deferred Tax)		1,676.89		1,560.31
Net Profit After Tax		2,829.27		3,122.12
Loss from discontinued operations (net of tax)		(4.14)		-
Profit for the period		2,825.13		3,122.12
Additional Information:				
Depreciation and amortization		346.43		261.54
Non-cash expenses/(Income) other than depreciation and amortization		84.59		(531.63)
Reversal of provisions		50.15		93.25
Profit on sale of PPE		1.18		0.96
Loss on sale of PPE		0.20		0.10

Year Ended 31.03.14 and 31.03.13

(₹ in million)

Description	Year ended 31.03.2014				Year ended 31.03.2013			
	India	Abroad		Total	India	Abroad		Total
		Asia	Africa			Asia	Africa	
Revenue	6,479.99	4,098.92	385.97	10,964.88	6,122.74	3181.50	252.10	9,556.34
Identifiable operating expenses	4,526.30	3,023.77	160.33	7,710.40	4,260.35	2516.20	165.30	6,941.85
Segmental profit from operations	1,953.69	1,075.15	225.64	3,254.48	1,862.39	665.30	86.80	2,614.49
Add: Interest Income*				973.30				858.68
Add: Other Income **				296.52				415.50
Less: Un-allocable Expenses				647.40				593.00
Share of Profit/(Loss) of Joint Ventures				(26.81)				65.98
Net Profit Before Tax				3,850.09				3,361.65

Less: Income Tax (including Deferred Tax)		1,243.97		1,029.73
Net Profit After Tax		2,606.12		2,331.92
Loss from discontinued operations (net of tax)		(0.76)		(1.35)
Profit for the period		2605.36		2330.57
Additional Information:				
Depreciation and amortisation		203.46		155.23
Non-cash expenses/(Income) other than depreciation and amortization		363.89		185.09
Reversal of provisions		124.04		99.01
Profit on sale of PPE		0.39		0.98
Loss on sale of PPE		0.21		0.24

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

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

Note :- No Impairment and its reversal has been recognized in Other Comprehensive Income (OCI) during the period/year ended on 31.12.2017, 31.03.2017, 31.03.2016, 31.03.2015, 31.03.2014 and 31.03.2013.

2.45.8 Revenue from major customers is given below:-

(₹ in million)										
Description	Period ended 31.12.2017					Year ended 31.03.2017				
	Consultancy	Export Sales	Turnkey Construction Projects-Domestic	Power Generation	Total	Consultancy	Export Sales	Turnkey Construction Projects-Domestic	Power Generation	Total
Customer 1	1,916.86	-	614.87	163.07	2,694.80	2,356.00	-	281.10	169.43	2,806.53
Customer 2	-	1,377.11	-	-	1,377.11	-	3,655.10	-	-	3,655.10
Total	1,916.86	1,377.11	614.87	163.07	4,071.91	2,356.00	3,655.10	281.10	169.43	6,461.63

(₹ in million)										
Description	Year ended 31.03.2016					Year ended 31.03.2015				
	Consultancy	Export Sales	Turnkey Construction Projects-Domestic	Power Generation	Total	Consultancy	Export Sales	Turnkey Construction Projects-Domestic	Power Generation	Total
Customer 1	1,852.00	-	118.50	69.21	2,039.71	1,535.55	-	132.81	-	1,668.36
Customer 2	-	1,654.10	-	-	1,654.10	-	1,496.80	-	-	1,496.80
Total	1,852.00	1,654.10	118.50	69.21	3,693.81	1,535.55	1,496.80	132.81	-	3,165.16

(₹ in million)										
Description	Year ended 31.03.2014					Year ended 31.03.2013				
	Consultancy	Export Sales	Turnkey Construction Projects-Domestic	Power Generation	Total	Consultancy	Export Sales	Turnkey Construction Projects-Domestic	Power Generation	Total
Customer 1	-	1200.29	-	-	1,200.29	1,806.20	-	1,228.36	-	3,034.56
Customer 2	-	-	-	-	-	-	-	-	-	-
Total		1200.29	-	-	1,200.29	1,806.20	-	1,228.36	-	3,034.56

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

Subsidiary Companies

Name of Subsidiaries	Country	Holding as on					
		31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
M/s RITES (Afrika) (Pty) Ltd. (RAPL)	Botswana	100%	100%	100%	100%	100%	100%
M/s RITES Mohawarean Arabia Co. Ltd. (RMAC)*	Saudi Arabia	-	-	-	76%	76%	76%
M/s RITES Infrastructure Services Ltd. (RISL)**	India	100%	100%	100%	100%	100%	100%
M/s Railway Energy Management Company Ltd. (REMCL)	India	51%	51%	51%	51%	51%	-

*RITES Mohawarean Arabia Company Ltd. (RMAC), a subsidiary company with 76% stake, is under liquidation. Investment in equity of ₹4.70 million made by the company has been returned by RMAC during the financial year 2014-15.

**RITES Infrastructure Services Limited (RISL) is under liquidation. Prior to initiating process of liquidation, all assets & liabilities have been taken over by RITES on 30th September 2016.

2.46.1.1 Joint Ventures

Name of Joint Ventures	Country	Holding as on					
		31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
M/s Companhia Dos Caminhos De Ferro Da Beira, SA, (CCFB) *	Mozambique	-	-	26%	26%	26%	26%
M/s SAIL-RITES Bengal Wagon Industry Private Limited	India	50%	50%	50%	50%	50%	50%
M/s BNV Gujarat Rail Private Limited **	India	26%	26%	-	-	-	-

* As per settlement agreement with Government of Mozambique in respect of CCFB, equity stake of the company in CCFB has been transferred to CFM Mozambique, a nominated agency of Government of Mozambique, on 22nd September, 2016, accordingly, joint control ceased thereafter. Also refer note no. 2.62.

** Joint venture entity incorporated in the year 2016-17.

2.46.1.2 Other Related Parties

Name of Other Related Parties	Country	Nature of Relationship
RITES Contributory Provident Fund Trust	India	Post- Employment Benefit Plan of RITES
RITES Ltd. Superannuation Pension Trust	India	Post- Employment Benefit Plan of RITES
RITES Ltd. Retired Employees Medical Trust	India	Post- Employment Benefit Plan of RITES
RITES Employees Group Gratuity Cum Life Insurance Scheme Trust	India	Post- Employment Benefit Plan of RITES

2.46.1.3 Key Management Personnel

<p>Chairman & Managing Director (Chief Executive Officer) Shri Rajeev Mehrotra</p> <p>Whole Time Directors</p> <p>Shri Arbind Kumar, Director Projects Shri Ajay Kumar Gaur, Director Finance (Chief Finance Officer) Shri Mukesh Rathore, Director Technical</p> <p>Company Secretary Shri P.T. Mittal, Company Secretary & GM(Legal)</p>

2.46.2 Transactions and Balances with Related Parties

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

2.46.2.1 Subsidiary Companies

Transactions with Subsidiary Companies

Particulars	₹ in million
	RAPL

	Period ended	Year Ended	Year Ended	Year Ended	Year Ended	Year Ended
	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
Consultancy Fee/ Income from Construction Turnkey Projects	10.55	3.74	-	2.41	2.82	5.42
Dividend Received	0.31	-	0.29	-	-	0.14

Particulars	₹ in million				
	REMCL***				
	Period ended	Year Ended	Year Ended	Year Ended	Year Ended
	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14
Investment	-	102.00	102.00	102.00	51.00
Recoverable/ Advances	8.78	4.81	41.43	0.50	5.89
Consultancy Fee/ Income from Construction Turnkey Projects	42.99	48.04	28.71	13.53	4.24
Dividend Received	18.76	-	-	-	-

Particulars	₹ in million				
	RISL**				
	Period ended	Year Ended	Year Ended	Year Ended	Year Ended
	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14
Recoverable/ Advances	-	(69.27)	10.45	13.20	15.70
Consultancy Fee/ Income from Construction Turnkey Projects	-	0.28	136.46	53.72	2.47
					18.55

Balances with Subsidiary Companies

Particulars	₹ in million					
	RAPL					
	Period ended	Year Ended				
	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
Investments	0.12	0.12	0.12	0.12	0.12	0.12
Receivables	3.27	2.06	-	2.41	2.91	5.84

Particulars	₹ in million					
	RMAC*					
	Period ended	Year Ended				
	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
Investments	-	-	-	-	4.70	4.70
Recoverable /Advances	-	-	4.10	4.10	4.10	4.10

Particulars	₹ in million					
	RISL**					
	Period ended	Year Ended				
	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
Investments	0.50	0.50	0.50	0.50	0.50	0.50

Recoverable /Advances	5.78	3.16	80.10	70.57	63.01	47.30
Receivables	-	2.62	15.89	-	2.22	-
Advances received against Construction Projects	-	-	-	46.90	-	-

Particulars	₹ in million				
	REMCL***				
	Period ended	Year Ended			
	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14
Investments	357.00	357.00	255.00	153.00	51.00
Recoverable /Advances	45.72	40.91	41.21	-	5.89
Receivables	10.66	-	9.15	8.74	3.86

*RITES Mohawarean Arabia Company Ltd. (RMAC), a subsidiary company with 76% stake, is under liquidation. Investment in equity of ₹4.70 million made by the company has been returned by RMAC during the financial year 2014-15.

**RITES Infrastructure Services Limited (RISL) is under liquidation. Prior to initiating process of liquidation, all assets & liabilities have been taken over by RITES on 30th September 2016.

***Railway Energy Management Co. Limited (REMCL), a subsidiary company with 51% stake, was incorporated in the financial year 2013-14.

2.46.2.2 Joint Ventures

Transactions with Joint Ventures

Particulars	₹ in million							
	SAIL-RITES Bengal Wagon Industry Private Ltd.						BNV Gujarat Rail Private Limited**	
	Period ended	Year ended					Period ended	Year ended
	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13	31.12.17	31.03.17
Investments (equity)	-	17.30	73.70	29.00	-	70.00	-	0.13
Share Application Money Pending Allotment	-	-	-	-	60.00	-	-	-
Recoverable(payable)/Advances	(2.46)	0.76	0.54	-	6.90	2.46	-	-
Operating Income (Consultancy Fee/ Income from Construction Turnkey Projects/Export Sales/Leasing Service)	-	30.60	105.34	229.04	115.86	193.82	-	-
Loans	-	70.00	20.00	100.00	-	-	-	-
Interest on Loans given	4.70	1.42	2.57	2.98	-	-	-	-

Particulars	₹ in million					
	CCFB*					
	Period ended	Year ended				
	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
Recoverable/Advances	-	-	-	-	36.70	-
Operating Income (Consultancy Fee/ Income from Construction Turnkey Projects/Export Sales/Leasing Service)	-	-	114.99	-	-	-
Loans	-	-	59.18	74.00	-	-
Interest on Loans given	-	-	304.54	-	-	-
Provision write back	-	-	62.37	-	-	-

Balances with Joint Ventures

Particulars	₹ in million					
	SAIL-RITES Bengal Wagon Industry Private Ltd.					
	As on					
	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
Investments(equity)	240.00	240.00	222.70	149.00	120.00	120.00
Share application money pending for allotment	-	-	-	-	60.0	-
Recoverable(payable)/ Advances	(1.86)	0.70	1.00	0.50	9.50	2.60
Receivables	0.13	0.13	35.25	63.95	3.49	36.89
Loans	70.00	70.00	17.30	71.00	-	-
Interest accrued	6.08	1.38	3.06	0.75	-	-

Particulars	₹ in million					
	BNV Gujarat Rail Private Limited **					
	As on					
	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
Investments(equity)	0.13	0.13	-	-	-	-

Particulars	₹ in million					
	CCFB*					
	As on					
	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
Investments(equity)	-	-	60.09	60.09	60.09	60.09
Receivables	-	-	-	58.03	58.03	136.50
Loans	-	-	-	908.49	834.49	834.49
Interest accrued	-	-	-	64.47	64.47	64.47

* As per settlement agreement with Government of Mozambique in respect of CCFB, equity stake of the company in CCFB has been transferred to CFM Mozambique, a nominated agency of Government of Mozambique, on 22nd September, 2016, accordingly, joint control ceased thereafter. Also refer note no. 2.62.

** Joint venture entity incorporated in the year 2016-17.

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

Transactions regarding Post-Retirement Benefit Plans, as mentioned vide note no. 2.46.1.2, are indicated vide note 2.44.

2.46.2.4 Transactions with Key Managerial Personnel:

Description	₹ in million					
	Period Ended	Year ended				
	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
Compensation to CMD, Whole Time Directors & Company Secretary:						
Short Term Employee Benefits	12.69	27.07	17.51	13.64	17.57	10.97
Post-employment Benefits	2.09	3.70	2.50	3.34	2.01	1.44
Other Long Term Benefits	0.53	3.13	1.73	3.06	1.36	0.26
Total	15.31	33.90	21.74	20.04	20.94	12.67

2.46.3 Government related entities

Government of India (GOI) is holding 100% equity shares of the company, which are held by President of India through Ministry of Railways and its nominees. GOI controls the company through Ministry of Railways.

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

Significant Transactions with Government related entities:

Particulars	₹ in million					
	Period Ended	Year ended				
	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
Revenue	2694.81	2806.50	2039.70	1668.36	674.45	3034.56
Procurements	541.60	1902.70	985.10	793.68	1471.92	726.34
Consumables	2.17	90.70	38.20	6.15	39.18	0.26
Freight	-	40.50	17.10	1.46	0.50	2.91
Training Exp.	0.04	1.20	-	-	0.84	0.63
Purchase/ (Redemption) of Tax Free Bonds	(500.00)	(500.00)	200.02	-	250.03	-
Advance received against Renewable Projects	-	-	35.50	-	-	-

Significant balances with Government related entities:

Particulars	₹ in million					
	Period Ended	As on				
	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
Capital Advances	84.03	59.60	166.70	350.34	84.56	48.96
Other Advances	494.62	275.21	481.87	292.08	316.18	751.84
Payables	58.50	41.60	21.10	1.61	65.29	188.88
Advance Received	9.82	47.90	4.70	37.03	17.06	58.74

Clients Funds	858.44	754.90	16.70	43.48	82.21	103.42
Receivables	1692.34	1262.81	723.48	772.44	464.95	455.05
Tax Free Bonds	1200.09	1700.09	2200.09	2000.07	2000.07	1750.04
Advance received against Renewable Projects	35.50	35.50	35.50	-	-	-

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

2.47.1 Operating Lease (Cancelable)

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

2.47.1.2 Detail of the leased assets: New & In-Service Locomotives (refer note no. 2.3)

Description	₹ in million					
	Period Ended	Year ended				
	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
Gross carrying amount	2387.78	2440.82	2307.33	1504.23	1237.68	982.39
Accumulated depreciation	777.91	836.61	618.78	411.96	290.91	188.24
Net carrying amount	1609.87	1604.21	1688.55	1092.27	946.77	794.15
Depreciation provided for the period	159.82	217.83	206.82	149.90	102.67	68.09

2.47.2 Other Lease (Cancelable)

2.47.2.1 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 renewed annually and present lease agreement is upto 31st March, 2018.

2.47.2.2 Details of the leased assets: Office Premises*

Description	₹ in million					
	Period Ended	Year ended				
	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
Gross carrying amount	18.33	18.33	18.33	18.33	20.90	20.90
Accumulated depreciation	5.49	5.15	4.70	4.10	4.00	3.40
Net carrying amount	12.84	13.18	13.63	14.23	16.90	17.50
Depreciation provided for the period	0.34	0.45	0.60	0.60	0.60	0.40

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

2.47.2.3 The Group has not sub-leased any of the assets taken on lease.

2.47.2.4 Operating Leases for Holding Company's offices, staff residential premises and vehicles are renewable / cancelable as laid down in the respective agreements. The total minimum lease payments recognized in the Statement of Profit & Loss are as follows:

Description	₹ in million					
	Period Ended	Year ended				
	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
Minimum Lease Payments	138.72	239.20	218.80	154.20	109.70	80.90

2.47.3 There are no provisions relating to contingent rent.

2.48 **Disclosure on Earning Per Share (EPS) (Indian Accounting Standard-33) are as follows:**

	Particulars	Period ended 31.12.17	Year ended				
			31.03.17	31.03.16	31.03.15	31.03.14	31.03.2013
A	Net Profit available for Equity Shareholder from continuing operation (₹ in million)	2,429.59	3,527.63	2,813.91	3,121.04	2,607.27	2,331.92
B	Net Profit/(Loss) available for Equity Shareholder from discontinuing operation (₹ in million)	-	(1.01)	(4.14)	-	(0.58)	(1.03)
C	Net Profit available for Equity Shareholder from continuing and discontinuing operation (₹ in million)	2,429.59	3,526.62	2,809.77	3,121.04	2,606.69	2,330.89
D	Weighted average number of Equity Shares	200,000,000	200,000,000	200,000,000	200,000,000	200,000,000	200,000,000
E	Earnings Per Share from continuing operation (Basic & Diluted) (A)/(D)	₹12.148	₹17.638	₹14.070	₹15.605	₹13.036	₹11.659
F	Earning Per Share from discontinuing operation (Basic & Diluted) (B)/(D)	-	₹ (0.005)	₹ (0.021)	-	₹ (0.003)	₹ (0.005)
G	Earning Per Share from continuing and discontinuing operation (Basic & Diluted) (C)/(D)	₹12.148	₹17.633	₹14.049	₹15.605	₹13.033	₹11.654
H	Face value per equity share	₹10/-	₹10/-	₹10/-	₹10/-	₹10/-	₹10/-

2.49 **Disclosure of Interest in Other Entities (Indian Accounting Standard-112) are as follows:**

2.49.1 **Disclosure in respect of subsidiary that has non-controlling interests:**

2.49.1.1 Dividend to non-controlling interest by subsidiary company (refer note no. 2.57.2.2)

2.49.1.2 Summarised financial information of the subsidiaries that have non-controlling interests are as under:

(₹ in million)					
Description of Subsidiary that have non - controlling interest	Railway Energy Management Company Limited(REMCL)				
	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14
Fixed Assets (Net)/Non-Current Assets	1559.71	1575.53	1514.42	146.41	4.38
Current Assets, Loans & Advances	613.58	410.36	346.37	163.09	103.43
Current Liabilities & Provisions	189.75	195.52	209.41	9.63	10.15
Non Current Liabilities and provisions	917.51	875.53	1120.16	-	-
Capital	700.00	700.00	500.00	300.00	100.00
Retained Earnings / (losses)	366.03	214.84	31.22	(0.13)	(2.34)
Total Revenue	502.31	584.90	180.42	16.36	3.81
Expenditure including tax	306.84	401.28	149.07	14.15	6.15
Profit After tax	195.47	183.62	31.35	2.21	(2.34)
Additional information:					
Cash and Cash Equivalents	0.53	129.64	200.69	40.42	0.10
Current financial liabilities (excluding trade and other payables and provisions)	161.51	175.67	183.32	0.03	5.89
Non- Current financial liabilities (excluding trade and other payables and provisions)	696.08	757.64	1105.37	-	-
Depreciation and Amortisation	46.30	61.35	28.14	-	-
Interest Income	17.12	26.31	5.07	13.71	3.81
Interest Expense	52.74	113.27	47.14	-	-
Income tax expenses or (income)	103.54	103.10	15.63	1.00	(1.05)

(₹ in million)		
Description of Subsidiary that have non - controlling interest	RITES Mohawarean Arabia Co. Ltd. (RMAC)*	
	31.12.13**	31.12.12**
Fixed Assets (Net)/Non-Current Assets	-	-
Current Assets, Loans & Advances	15.16	14.10
Current Liabilities & Provisions	1.68	2.63
Non Current Liabilities and provisions	-	-
Capital (including Additional Capital)	12.24	11.75
Retained Earnings /(losses)	1.24	(0.28)
Total Revenue	-	-
Expenditure including tax	0.76	1.35
Profit After tax	(0.76)	(1.35)
Additional information:		
Cash and Cash Equivalents	15.16	14.10
Current financial liabilities (excluding trade and other payables and provisions)	1.54	2.50
Non- Current financial liabilities (excluding trade and other payables and provisions)	-	-
Depreciation and Amortisation	-	-
Interest Income	-	-
Interest Expense	-	-
Income tax expenses or (income)	-	-

*RITES Mohawarean Arabia Company Ltd. (RMAC), a subsidiary company with 76% stake, is under liquidation. Investment in equity of ₹4.70 million made by the company has been returned by RMAC during the financial year 2014-15.

** RITES Mohawarean Arabia Company Ltd. (RMAC), a subsidiary company with 76% stake, has calendar year as financial year.

2.49.2 The Holding Company has following Joint Arrangements:

Name of Joint Arrangements	Nature of Interest/Relationship with Joint Arrangements	Principal Place of Business of Joint Arrangements	Proportionate ownership interest or participating share
Geoconsult – RITES	RITES has formed a Joint Arrangement with M/s. Geoconsult-ZT-Gmbh (Austria) for detailed design consultancy and construction supervision of about 11 kms long railway tunnel in J&K State. Both the venturers contributed in the seed money as agreed for operational and execution purposes.	India	13%
Geoconsult – RITES, NRT-1	RITES has formed a Joint Arrangement with M/s. Geoconsult-ZT-Gmbh (Austria) for detailed design consultancy and construction supervision of Tunnel No.1 (3.1 km long) on Udampur – Katra Section for the USBRL project in the state of J&K.	India	16%
Geoconsult ZT GmbH – RITES	RITES has formed a Joint Arrangement with M/s. Geoconsult ZT GmbH (Austria) for detailed design and construction supervision of Tunnel No.10 (Approx. Length 3.3 km) in connection with Jiribam-Tupul new railway line project in the state of Manipur.	India	39.40%
Geoconsult-RITES (JV)	RITES has formed a Joint Arrangement with M/s. Geoconsult India Pvt. Ltd. for instrumentation, monitoring and design of remedial works as per requirement for vulnerable locations for two monsoon seasons in Lumding-Silchar BG Rail Line.	India	37.50%
RICON	RITES has formed a Joint Arrangement with M/s. IRCON International Ltd. to secure and execute contracts to be awarded by M/s Companhia Dos Caminhos de Ferro Da Beira, SA, Mozambique to RICON for rendering Management Support Services, Consultancy Works, Project Management, Construction Supervision, Supply of Materials, Rolling Stock and equipment, Works Contracts, Leasing of Equipments / Rolling Stocks etc.	India	51%
SAIL-RITES Bengal Wagon Industry Private Limited	RITES has formed a Joint Venture with SAIL for manufacturing Wagons at SGW, Kulti, West Bengal.	India	50%
BNV Gujarat Rail Private Limited	RITES has formed a Joint Venture with Shapoorji Pallonji Roads Private Limited and PCM Cement Concrete Private Limited to set up, own, operate, finance and maintain the Bhuj-Naliya-Vayor rail connectivity project in Kutch district of the state of Gujarat .	India	26%

2.49.3 Disclosures in respect of Joint Ventures:

2.49.3.1 Investment is measured by using equity method.

2.49.3.2 Summarised financial information of the Joint Ventures is as under:

Description / JVs	₹ in million			
	COMPANHIA DOS CAMINHOS DE FERRO DA BEIRA, SA (CCFB)			
	31.12.15	31.12.14	31.12.13	31.12.12
Fixed Assets (Net)/Non Current Assets	0.04	0.23	0.37	0.60
Current Assets, Loans & Advances	1092.57	4997.65	4626.46	4274.00
Current Liabilities & Provisions	744.14	4603.17	4248.48	3805.48
Capital	231.11	231.11	231.11	231.11
Retained Earnings / (losses)	191.71	186.28	149.42	253.85

Revenue	144.09	276.09	23.03	164.39
Expenditure including Tax	82.37	220.73	176.98	164.50
Profit After Tax	61.72	55.36	(153.95)	(0.11)
Additional information:				
Cash and Cash Equivalents	38.10	50.56	82.33	242.92
Current financial liabilities (excluding trade and other payables and provisions)	743.73	3611.42	3266.05	2939.88
Depreciation and Amortisation	0.02	0.11	0.20	0.48
Interest Income	1.83	7.91	4.60	8.81

Companhia dos Caminhos de Ferro da Beira, SA (CCFB), Mozambique has calendar year as financial year.

₹ in million						
Description / JVs	SAIL-RITES BENGAL WAGON INDUSTRY PRIVATE LIMITED					
	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
Fixed Assets (Net)/Non Current Assets	990.12	1036.02	1056.44	815.00	551.82	348.22
Current Assets, Loans & Advances	260.24	184.29	64.10	70.00	73.29	10.27
Current Liabilities & Provisions	491.62	393.46	234.95	138.10	1.58	3.08
Non Current Liabilities & Provisions	508.41	530.27	493.90	447.76	383.76	116.32
Capital	480.00	480.00	445.40	298.00	240.00	240.00
Retained Earnings / (losses)	(229.67)	(183.42)	(53.71)	1.14	(0.23)	(0.91)
Revenue	467.23	92.16	4.27	2.64	1.17	0.54
Expenditure including Tax	513.47	221.88	59.11	1.27	0.50	0.58
Profit After Tax	(46.24)	(129.72)	(54.84)	1.37	0.67	(0.04)
Additional information:						
Cash and Cash Equivalents	0.56	11.70	1.42	20.53	73.15	9.93
Current financial liabilities (excluding trade and other payables and provisions)	333.16	287.02	175.43	71.00	-	0.50
Non- Current financial liabilities (excluding trade and other payables and provisions)	508.41	530.26	493.90	447.76	319.71	77.37
Depreciation and Amortisation	50.92	58.28	17.93	-	-	-
Interest Income	0.01	2.19	3.15	2.56	1.16	0.54
Interest Expense	56.33	60.97	33.01	-	-	-
Income tax expenses or (income)	-	-	(0.26)	0.64	0.28	0.16

₹ in million		
Description / JVs	BNV Gujarat Rail Private Limited	
	31.12.17	31.03.17
Current Assets, Loans & Advances	0.46	0.50
Current Liabilities & Provisions	0.05	0.03
Capital	0.50	0.50
Retained Earnings / (losses)	(0.09)	(0.03)
Revenue	-	-
Expenditure including Tax	0.06	0.03
Profit After Tax	(0.06)	(0.03)
Additional information:		
Cash and Cash Equivalents	0.46	0.49

BNV Gujarat Rail Private Limited was incorporated in financial year 2016-17, but no operation was started till 31.12.2017.

2.49.3.3 Reconciliation of Company's interest in Joint Ventures:

Description / JVs	₹ in million			
	COMPANHIA DOS CAMINHOS DE FERRO DA BEIRA, SA (CCFB)			
	31.12.15	31.12.14	31.12.13	31.12.12
Net Assets				
Net Assets of Joint Venture	422.82	417.39	380.54	484.96
Proportionate share in Joint Venture (%)	26%	26%	26%	26%
Share of interest in net assets of Joint Venture	109.93	108.52	98.94	126.09
Net Profit				
Net Profit After Tax of Joint Venture	61.72	55.36	(153.95)	(0.11)
Proportionate share in Joint Venture (%)	26%	26%	26%	26%
Share of interest in net profit after tax of Joint Venture	16.05	14.39	(40.02)	0.03
Add/(Less): Adjustment, if any	(14.63)	(4.81)	12.87	65.97
Amount of interest in net profit after tax of Joint Venture	1.42	9.58	(27.15)	66.00

Description / JVs	₹ in million					
	SAIL-RITES BENGAL WAGON INDUSTRY PRIVATE LIMITED					
	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
Net Assets						
Net Assets of Joint Venture	250.34	296.58	391.70	299.14	239.76	239.09
Proportionate share in Joint Venture (%)	50%	50%	50%	50%	50%	50%
Share of interest in net assets of Joint Venture	125.17	148.29	195.85	149.57	119.88	119.55
Carrying amount of interest in Joint Venture	125.17	148.29	195.85	149.57	119.88	119.55
Net Profit						
Net Profit After Tax of Joint Venture	(46.24)	(129.72)	(54.84)	1.37	0.67	(0.04)
Proportionate share in Joint Venture (%)	50%	50%	50%	50%	50%	50%
Share of interest in net profit after tax of Joint Venture	(23.12)	(64.86)	(27.42)	0.69	0.34	(0.02)
Amount of interest in net profit after tax of Joint Venture	(23.12)	(64.86)	(27.42)	0.69	0.34	(0.02)

Description / JVs	₹ in million	
	BNV GUJARAT RAIL PRIVATE LIMITED	
	31.12.17	31.03.17
Net Assets		
Net Assets of Joint Venture	0.41	0.47
Proportionate share in Joint Venture (%)	26%	26%
Share of interest in net assets of Joint Venture	0.11	0.12
Carrying amount of interest in Joint Venture	0.11	0.12
Net Profit		
Net Profit After Tax of Joint Venture	(0.06)	(0.03)
Proportionate share in Joint Venture (%)	26%	26%
Share of interest in net profit after tax of Joint Venture	(0.02)	(0.01)
Amount of interest in net profit after tax of Joint Venture	(0.02)	(0.01)

- i) There is no restriction on the ability of Joint Ventures to transfer funds to the company in the form of cash dividends or to repay loans and advances made by the company.
- ii) Holding Company has invested in M/s BNV Gujarat Rail Private Limited during the year 2016-17. Venture Company is incorporated in the year 2016-17 but no operation has started till 31st December, 2017.
- iii) As per settlement agreement with Government of Mozambique in respect of CCFB, equity stake of the company in CCFB has been transferred to CFM Mozambique, a nominated agency of Government of Mozambique, on 22nd September, 2016, accordingly, joint control ceased thereafter. Also refer note no. 2.62.
- iv) Companhia dos Caminhos de Ferro da Beira, SA (CCFB), Mozambique has calendar year as financial year.

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

2.49.3.5 Contingent Liability of joint venture is as under:

(₹ in million)						
Particulars	Period ended	Year ended				
	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
Withholding tax demand against CCFB	-	-	10.50	14.00	15.30	14.40
RITES share @ 26%	-	-	2.73	3.64	3.98	3.74
Claim against CCFB not acknowledged as debt	-	-	-	21.90	38.50	32.70
RITES share @ 26%	-	-	-	5.69	10.01	8.50

As per settlement agreement with Government of Mozambique in respect of CCFB, equity stake of the company in CCFB has been transferred to CFM Mozambique, a nominated agency of Government of Mozambique, on 22nd September, 2016, accordingly, joint control ceased thereafter. Also refer note no. 2.62.

2.49.3.6 Capital commitment of joint venture is as under:

(₹ in million)						
Particulars	Period ended	Year ended				
	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
Capital commitment of SAIL-RITES Bengal Wagon Industry Pvt. Ltd.	-	-	33.30	136.10	363.10	540.90
RITES share @ 50%	-	-	16.65	68.05	181.55	270.45

2.49.4 Summarised financial information of the Joint Operations:

₹ in million						
Description / JVs	RICON					
	Period ended	Year ended	Year ended	Year ended	Year ended	Year ended
	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
Fixed Assets (Net)/Non Current Assets	-	-	-	0.03	0.04	0.05
Current Assets, Loans & Advances	215.90	214.33	211.08	217.86	210.32	205.39
Current Liabilities & Provisions	6.47	7.57	8.40	20.64	18.23	15.08
Retained Earnings / (losses)	209.43	206.76	202.68	197.25	192.13	190.36
Revenue	3.41	6.45	7.56	7.81	8.52	16.67
Expenditure including Tax	0.74	2.38	2.12	2.69	6.76	10.73
Profit/(Loss) After Tax	2.67	4.07	5.44	5.12	1.76	5.94
Additional Information:						

Cash and Cash Equivalents	0.07	12.18	0.01	0.51	0.33	18.34
Current financial liabilities (excluding trade and other payables and provisions)	-	-	-	0.36	0.36	0.33
Depreciation and Amortisation	-	-	0.01	0.01	0.02	0.02
Interest Income	3.41	6.18	7.02	7.23	6.17	2.50
Interest Expense	-	-	-	-	-	0.12
Income tax expenses or (income)	0.69	1.66	1.96	2.29	0.33	3.07

₹ in million						
Description / JVs	Geoconsult-RITES					
	Period ended 31.12.17	Year ended 31.03.17	Year ended 31.03.16	Year ended 31.03.15	Year ended 31.03.14	Year ended 31.03.13
Fixed Assets (Net)/Non Current Assets	-	-	-	-	-	1.24
Current Assets, Loans & Advances	56.64	55.94	56.66	77.85	136.65	117.87
Current Liabilities & Provisions	36.80	36.52	38.18	35.40	60.16	51.57
Retained Earnings / (losses)	19.84	19.42	18.48	42.45	76.49	67.54
Revenue	0.74	1.78	1.80	5.91	72.68	123.24
Expenditure including Tax	0.33	0.84	1.71	4.55	63.74	103.47
Profit/(Loss) After Tax	0.41	0.94	0.09	1.36	8.94	19.77
Additional Information:						
Cash and Cash Equivalents	1.42	5.18	1.08	0.57	33.09	37.03
Depreciation and Amortisation	-	-	-	-	-	0.22
Interest Income	0.74	0.91	1.80	3.29	2.95	2.60
Interest Expense	-	-	-	-	-	-
Income tax expenses or (income)	0.27	0.62	0.06	2.38	6.66	10.27

₹ in million						
Description / JVs	Geoconsult – RITES, NRT-1					
	Period ended 31.12.17	Year ended 31.03.17	Year ended 31.03.16	Year ended 31.03.15	Year ended 31.03.14	Year ended 31.03.13
Fixed Assets (Net)/Non Current Assets	-	-	-	-	-	1.06
Current Assets, Loans & Advances	38.43	39.24	40.70	39.79	55.72	52.03
Current Liabilities & Provisions	33.87	34.22	36.85	34.94	40.68	36.56
Retained Earnings /(losses)	4.56	5.02	3.85	4.85	15.04	16.53
Revenue	0.86	2.24	0.82	3.79	3.04	41.10
Expenditure including Tax	1.31	1.08	1.81	2.30	4.53	33.29
Profit/(Loss) After Tax	(0.45)	1.16	(0.99)	1.49	(1.49)	7.81
Additional Information:						
Cash and Cash Equivalents	2.00	5.05	0.63	1.40	12.53	19.20
Depreciation and Amortisation	-	-	-	-	-	0.30
Interest Income	0.86	1.02	0.82	1.03	0.93	0.35
Income tax expenses or (income)	-	0.32	-	1.04	-	0.09

₹ in million				
Description / JVs	Geoconsult ZT GmbH – RITES			
	Period ended 31.12.17	Year ended 31.03.17	Year ended 31.03.16	Year ended 31.03.15
Fixed Assets (Net)/Non Current Assets	6.01	6.11	4.26	3.00
Current Assets, Loans & Advances	11.61	9.64	33.01	21.99
Current Liabilities & Provisions	20.97	18.54	31.38	21.56
Retained Earnings / (losses)	(3.35)	(2.79)	5.89	3.43
Revenue	3.63	17.94	40.14	30.59
Expenditure including Tax	4.19	26.62	37.68	26.85
Profit/(Loss) After Tax	(0.56)	(8.68)	2.46	3.74
Additional Information:				
Cash and Cash Equivalents	0.03	2.78	1.60	9.91
Depreciation and Amortisation	0.10	0.16	0.24	0.21
Interest Income	0.05	0.05	0.06	-
Income tax expenses or (income)	-	-	1.88	2.18

₹ in million		
Description / JVs	Geoconsult-RITES (JV)*	
	Period ended 31.12.17	Year ended 31.03.17
Fixed Assets (Net)/Non Current Assets	3.11	2.78
Current Assets, Loans & Advances	28.13	7.16
Current Liabilities & Provisions	24.49	5.70
Retained Earnings / (losses)	6.75	4.24
Revenue	30.78	27.66
Expenditure including Tax	28.28	23.42
Profit/(Loss) After Tax	2.50	4.24
Additional Information:		
Cash and Cash Equivalents	26.37	2.41
Depreciation and Amortisation	0.03	0.01
Income tax expenses or (income)	1.12	2.24

*Company entered into an agreement for joint operation with Geoconsult-RITES (JV) during the year 2016-17.

2.49.5 Holding Company jointly participated in the followings projects with other entities:-

Project Name	Name of entities
General Consultancy to Delhi Metro Rail Corporation Ltd. for Delhi Mass Rapid Transit System Project-Phase-III.	M/s Oriental Consultants Co. Ltd. M/s Parsons Brickerhoff International INC. M/s Tonichi Engineering Consultants INC.
General Consultancy to Bangalore Metro Rail Corporation Ltd. for Bangalore Metro.	M/s Oriental Consultants Co. Ltd. M/s Parsons Brickerhoff International INC. M/s Systra SA
General Consultancy to Metro Link Express for Gandhinagar & Ahmedabad (MEGA) Company Ltd. for Mass Rapid Transit System project at Ahmedabad.	M/s Systra SA France (Lead). M/s Oriental Consultants Global Co. Ltd., Japan. M/s AECOM Asia Company Ltd., HongKong.
General consultancy to Nagpur Metro Rail Corporation Ltd. for Nagpur Metro.	M/s Systra, France M/s AECOM Asia Co. Ltd. M/s EGIS Rail S.A.
Detailed design consultancy services for power supply & distribution system, 750 V DC, 3rd rail traction electrification & SCADA system of Metro Link Express for Ghandhinagar & Ahmedabad (MEGA) Company Ltd. for mass Rapid Transit System Project at Ahmedabad.	M/s TUV SUD South Asia Pvt. Ltd. (TUV)
DPR for MRTS between Ahmedabad and Dholera for DMICDC.	M/s Stanley Consultants inc.

Consulting Services for feasibility & detailed Design of Road Tunnels in Shimla and other parts of Himachal Pradesh.	M/s Geo-Consult-ZT GmbH (Austria) M/s Secon Pvt. Ltd., India
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 Mukesh & Associates
1.Taj International Airport project work at Agra. 2.Feasibility report /DPR for development and operation of airport at Singrauli, M.P.	M/s KPMG
Development of six lane supervision cable Greenfield bridge over river Ganga from Kacchi Dargah on NH-30 to Bidupur in District Vaishali on NH-103.	M/s IDFC Limited M/s Infrastructure Development Corporation (Karnataka) Limited (IDeCK)
Preparation of feasibility report for proposed six lane bridge over river Brahmaputra connecting Narengi (near Guwahati) with Kurua (at North Bank) with a road link up to Dumnichowki on NH-52, Assam.	M/s STUP Consultants Pvt. Limited M/s Gifford India Pvt. Limited
Project Management Consultancy for river morphological analysis and design of river training and bank protection works in the state of Uttrakhand.	M/s DHI (India) Water & Environment Pvt. Ltd.
Pre-feasibility study for Delhi-Chandigarh-Amritsar high speed railway.	M/s Systra SA
Consultancy for feasibility studies for package-2 (Mumbai-Chennai) of Diamond Quadrilateral Network of High Speed Rail Corridors.	M/s Systra M/s Ernst & Young LLP
Consultancy services for the construction of Cargo Complex Parallel Taxiway and Modification of Old Terminal Building at PARO International Airport, Bhutan.	M/s PRCS, Bhutan

2.50 Group has carried out the assessment on impairment of assets in terms of IND AS 36 “Impairment of Assets” accordingly impairment losses or reversal, if any, has been recognized during the period in the Statement of Profit & Loss.

2.51 **In case of Holding Company Disclosures on Provisions, Contingent Liabilities and Contingent Assets (Indian Accounting Standard-37) are as follows:**

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

₹ in million						
Items	Carrying amount 01.04.17	Additional Provision made during the period	Provisions used during the period	Unused amount reversed during the period	Increase/ (decrease) in discounted amount	Carrying amount as on 31.12.17
Warranties	501.24	62.04	22.16	148.15	10.57	403.54
Commitments	-	-	-	-	-	-

₹ in million						
Items	Carrying amount 01.04.16	Additional Provision made during the year	Provisions used during the year	Unused amount reversed during the year	Increase/ (decrease) in discounted amount	Carrying amount as on 31.03.17
Warranties	317.43	264.77	18.43	42.08	(20.45)	501.24
Commitments	34.34	-	-	34.34	-	-

₹ in million						
Items	Carrying amount 01.04.15	Additional Provision made during the year	Provisions used during the year	Unused amount reversed during the year	Increase/ (decrease) in discounted amount	Carrying amount as on 31.03.16
Warranties	284.47	87.36	31.08	15.01	(8.31)	317.43
Commitments	22.84	15.70	-	4.20	-	34.34

₹ in million						
Items	Carrying amount 01.04.14	Additional Provision made during the year	Provisions used during the year	Unused amount reversed during the year	Increase/ (decrease) in discounted amount	Carrying amount as on 31.03.15
Warranties	378.89	66.81	82.31	82.23	3.31	284.47
Commitments	20.74	16.00	-	13.90	-	22.84

₹ in million						
Items	Carrying amount 01.04.13	Additional Provision made during the year	Provisions used during the year	Unused amount reversed during the year	Increase/ (decrease) in discounted amount	Carrying amount as on 31.03.14
Warranties	247.31	180.53	49.48	7.66	8.19	378.89
Commitments	11.94	9.00	-	0.20	-	20.74

₹ in million						
Items	Carrying amount 01.04.12	Additional Provision made during the year	Provisions used during the year	Unused amount reversed during the year	Increase/ (decrease) in discounted amount	Carrying amount as on 31.03.13
Warranties	158.98	134.44	38.90	9.14	1.93	247.31
Commitments	15.54	1.80	-	5.40	-	11.94

Effect of change in the discount rate:

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

Discount rate is based on the average of interest rates in Fixed Deposits with banks during the reporting period.

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

2.51.2.1 Contingent Liabilities

(a) Claims (excluding interest) against the Holding company not acknowledged as debts as certified by the Management are as follows:

₹ in million						
Particulars	Period ended	Year ended				
	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
Claims on behalf of the clients*	6,151.18	4,587.60	3,917.30	3,256.40	1,447.40	530.80
Other claims**	330.31	328.40	1,912.30	1,916.20	1,916.70	1,918.60
Total Claims	6,481.49	4,916.00	5,829.60	5,172.60	3,364.10	2,449.40

* The Management does not foresee any liability on the company as the same are contested by the company for and or on behalf of the clients.

** Counter claim against the executing agency in respect of other claims are as follow:

(₹ in million)						
Particulars	Period ended	Year ended				
	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
Counter claim in respect of Other claims(Ref note no-2.61.1)	630.00	630.00	6445.30	6445.30	6445.30	6445.30

(b) Other money for which the Group is contingently liable is as under:

(₹ in million)						
Particulars	Period ended	Year ended				
	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
Excise Bonds outstanding against export obligations with Central Excise Department	36.77	48.90	108.80	99.80	98.00	137.00
Bonds due for release by department	30.72	35.90	82.00	31.50	31.50	45.90
Demands on account of taxes viz. VAT, Service Tax & Income Tax	4.79	13.40	8.10	-	-	-
Wheeling & Transmission Charges with Rajasthan State Utilities	4.04	12.12	-	-	-	-

(c) Bank Guarantees issued by Banks is as under:

(₹ in million)						
Particulars	Period ended	Year ended				
	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
Bank Guarantees issued by Banks	5,410.46	4,018.40	2,832.90	3,080.20	3,271.05	3,881.57

2.52 Commitments

- Estimated amount of contracts remaining to be executed by the Group on capital account as certified by the management and not provided for are as follows:

(₹ in million)						
Particulars	Period ended	Year ended				
	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
Liability on account of capital commitments	1,493.37*	33.81	183.40	1702.50	446.80	841.14

*includes `1404.00 million against booking of office space from NBCC at Nauroji Nagar, New Delhi.

2.53 In case of Holding Company Disclosures on Investment Property (Indian Accounting Standard-40) are as follows:

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

(₹ in million)						
Particulars	Period ended	Year ended				
	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
Rental income	7.39	9.85	9.85	9.85	11.21	9.60
Direct proportionate operating expenses	1.07	2.47	1.17	2.10	2.79	1.27

relating to rental income (including repair & maintenance)						
Profit before depreciation	6.32	7.38	8.68	7.75	8.42	8.33
Depreciation for the period	0.34	0.50	0.60	0.60	0.60	0.40
Profit from investment property	5.98	6.88	8.08	7.15	7.82	7.93

2.53.2 Fair Value

Market value of investment property as on 31.03.2017 is ₹27.40 million based on valuations performed by an external independent valuer and management considered no significant change in the value.

Methods & assumptions for valuation:

Reproductive cost of building: To arrive at the cost to be incurred, valuer follow the CPWD Plinth Area Rates as on 1st October 2012 with base 100 & enhance the same by applicable cost index & better specification considered.

Valuation of plant and machinery: Cost Indexation Method under cost approach to valuation is employed. RBI Indexation on the original purchase price has been used to arrive at Gross Current Replacement Cost.

Qualification of valuer: The valuation is carried out by Independent agency comprising of team of experts on board.

There is no Capital Commitment in respect of investment property.

2.54 Financial Instruments of Group

2.54.1 Financial Instruments by category

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

₹ in million						
Particulars	Total carrying value	Amortised Cost	Financial assets/liabilities at fair value through profit or loss		Financial assets/liabilities at fair value through OCI	
			Designated upon initial recognition	Mandatory	Designated upon initial recognition	Mandatory
Financial Assets:						
Cash and Bank Balance**	30,874.27	-	-	30,874.27	-	-
Investments:						
Equity*	0.37	-	-	0.37	-	-
Tax Free Bonds	1,200.09	1,200.09	-	-	-	-
Liquid Plan of Mutual Funds	2,491.94	-	-	2,491.94	-	-
Trade Receivables**	5,481.09	5,481.09	-	-	-	-
Loans**	197.27	197.27	-	-	-	-
Other Financial Assets**	2,158.98	2,158.98	-	-	-	-
Total	42,404.01	9,037.43	-	33,366.58	-	-
Financial Liabilities:						
Borrowing**	772.72	772.72	-	-	-	-
Trade Payables**	704.36	704.36	-	-	-	-
Other Financial Liabilities**	19,173.57	19,173.57	-	-	-	-
Total	20,650.65	20,650.65	-	-	-	-

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

₹ in million						
Particulars	Total carrying value	Amortised Cost	Financial assets/liabilities at fair value through profit or loss		Financial assets/liabilities at fair value through OCI	
			Designated upon initial recognition	Mandatory	Designated upon initial recognition	Mandatory
Financial Assets:						
Cash and Bank Balance**	30,147.26	-	-	30,147.26	-	-
Investments:						
Equity*	0.37	-	-	0.37	-	-
Tax Free Bonds	1,700.09	1,700.09	-	-	-	-
Liquid Plan of Mutual Funds	1,430.36	-	-	1,430.36	-	-
Trade Receivables**	4,644.97	4,644.97	-	-	-	-
Loans**	210.65	210.65	-	-	-	-
Other Financial Assets**	2,565.68	2,565.68	-	-	-	-
Total	40,699.38	9,121.39	-	31,577.99	-	-
Financial Liabilities:						
Borrowing**	834.29	834.29	-	-	-	-
Trade Payables**	849.59	849.59	-	-	-	-
Other Financial Liabilities**	19,987.92	19,987.92	-	-	-	-
Total	21,671.80	21,671.80	-	-	-	-

The carrying value and fair value of financial instruments categories-wise as on 31st March, 2016 are as under:

₹ in million						
Particulars	Total carrying value	Amortised Cost	Financial assets/liabilities at fair value through profit or loss		Financial assets/liabilities at fair value through OCI	
			Designated upon initial recognition	Mandatory	Designated upon initial recognition	Mandatory
Financial Assets:						
Cash and Bank Balance**	26,878.79	-	-	26,878.79	-	-
Investments:						
Equity*	0.37	-	-	0.37	-	-
Tax Free Bonds	2,200.09	2,200.09	-	-	-	-
Liquid Plan of Mutual Funds	-	-	-	-	-	-
Trade Receivables**	5,354.69	5,354.69	-	-	-	-
Loans**	174.90	174.90	-	-	-	-
Other Financial Assets**	2,332.09	2,332.09	-	-	-	-
Total	36,940.93	10,061.77	-	26,879.16	-	-
Financial Liabilities:						
Borrowing**	1,205.86	1,205.86	-	-	-	-
Trade Payables**	905.98	905.98	-	-	-	-
Other Financial Liabilities**	19,820.07	19,820.07	-	-	-	-

Total	21,931.91	21,931.91	-	-	-	-
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The carrying value and fair value of financial instruments categories-wise as on 31st March, 2015 are as under:

₹ in million						
Particulars	Total carrying value	Amortised Cost	Financial assets/liabilities at fair value through profit or loss		Financial assets/liabilities at fair value through OCI	
			Designated upon initial recognition	Mandatory	Designated upon initial recognition	Mandatory
Financial Assets:						
Cash and Bank Balance**	22,089.99	-	-	22,089.99	-	-
Investments:						
Equity*	0.37	-	-	0.37	-	-
Tax Free Bonds	2,000.07	2,000.07	-	-	-	-
Liquid Plan of Mutual Funds	-	-	-	-	-	-
Trade Receivables**	3,807.61	3,807.61	-	-	-	-
Loans**	1,667.47	1,667.47	-	-	-	-
Other Financial Assets**	1,553.36	1,553.36	-	-	-	-
Total	31,118.87	9,028.51	-	22,090.36	-	-
Financial Liabilities:						
Borrowing**	-	-	-	-	-	-
Trade Payables**	889.83	889.83	-	-	-	-
Other Financial Liabilities**	15,612.99	15,612.99	-	-	-	-
Total	16,502.82	16,502.82	-	-	-	-

The carrying value and fair value of financial instruments categories-wise as on 31st March, 2014 are as under:

₹ in million						
Particulars	Total carrying value	Amortised Cost	Financial assets/liabilities at fair value through profit or loss		Financial assets/liabilities at fair value through OCI	
			Designated upon initial recognition	Mandatory	Designated upon initial recognition	Mandatory
Financial Assets:						
Cash and Bank Balance**	23,629.52	-	-	23,629.52	-	-
Investments:						
Equity*	0.37	-	-	0.37	-	-
Tax Free Bonds	2,000.07	2,000.07	-	-	-	-
Liquid Plan of Mutual Funds	-	-	-	-	-	-
Trade Receivables**	3,257.55	3,257.55	-	-	-	-
Loans**	1,397.81	1,397.81	-	-	-	-
Other Financial Assets**	1,487.58	1,487.58	-	-	-	-
Total	31,772.90	8,143.01	-	23,629.89	-	-
Financial Liabilities:						
Borrowing**	-	-	-	-	-	-
Trade Payables**	1,107.12	1,107.12	-	-	-	-
Other Financial Liabilities**	17,596.29	17,596.29	-	-	-	-
Total	18,703.41	18,703.41	-	-	-	-

The carrying value and fair value of financial instruments categories-wise as on 31st March, 2013 are as under:

₹ in million						
Particulars	Total carrying value	Amortised Cost	Financial assets/liabilities at fair value through profit or loss		Financial assets/liabilities at fair value through OCI	
			Designated upon initial recognition	Mandatory	Designated upon initial recognition	Mandatory
Financial Assets:						
Cash and Bank Balance**	19,454.54	-	-	19,454.54	-	-
Investments:						
Equity*	0.37	-	-	0.37	-	-
Tax Free Bonds	1,750.04	1,750.04	-	-	-	-
Liquid Plan of Mutual Funds	1,224.70	-	-	1,224.70	-	-
Trade Receivables**	2,944.09	2,944.09	-	-	-	-
Loans**	1,214.95	1,214.95	-	-	-	-
Other Financial Assets**	1,576.63	1,576.63	-	-	-	-
Total	28,165.32	7,485.71	-	20,679.61	-	-
Financial Liabilities:						
Borrowing**	-	-	-	-	-	-
Trade Payables**	1,463.46	1,463.46	-	-	-	-
Other Financial Liabilities**	15,279.49	15,279.49	-	-	-	-
Total	16,742.95	16,742.95	-	-	-	-

* Equity shares of ₹0.37 million of Global Procurement Consultants Limited (GPCL) which are not tradable and amount of investment in the entity is immaterial, hence investment is recognised at cost and same is considered as its fair value.

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

2.54.2 Fair value hierarchy & valuation techniques

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

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

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

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

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

(₹ in million)				
Particulars	As on 31.12.2017	Fair value measurement at end of the reporting period using		
		Level 1	Level 2	Level 3
Financial Assets:				
Cash and Bank Balance	30,874.27	30,874.27	-	-

Investments:				
- Equity*	0.37	-	-	0.37
- Liquid plan of Mutual Funds**	2,491.94	-	2,491.94	-

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

(₹ in million)				
Particulars	As on 31.03.2017	Fair value measurement at end of the reporting period using		
		Level 1	Level 2	Level 3
Financial Assets:				
Cash and Bank Balance	30,147.26	30,147.26	-	-
Investments:				
- Equity*	0.37	-	-	0.37
- Liquid plan of Mutual Funds**	1,430.36	-	1,430.36	-

Fair value hierarchies of assets and liabilities as on 31st March, 2016 are as follows:

(₹ in million)				
Particulars	As on 31.03.2016	Fair value measurement at end of the reporting period using		
		Level 1	Level 2	Level 3
Financial Assets:				
Cash and Bank Balance	26,878.79	26,878.79	-	-
Investments:				
- Equity*	0.37	-	-	0.37
- Liquid plan of Mutual Funds**	-	-	-	-

Fair value hierarchies of assets and liabilities as on 31st March, 2015 are as follows:

(₹ in million)				
Particulars	As on 31.03.2015	Fair value measurement at end of the reporting period using		
		Level 1	Level 2	Level 3
Financial Assets:				
Cash and Bank Balance	22,089.99	22,089.99	-	-
Investments:				
- Equity*	0.37	-	-	0.37
- Liquid plan of Mutual Funds**	-	-	-	-

Fair value hierarchies of assets and liabilities as on 31st March, 2014 are as follows:

(₹ in million)				
Particulars	As on 31.03.2014	Fair value measurement at end of the reporting period using		
		Level 1	Level 2	Level 3
Financial Assets:				
Cash and Bank Balance	23,629.52	23,629.52	-	-
Investments:				
- Equity*	0.37	-	-	0.37
- Liquid plan of Mutual Funds**	-	-	-	-

Fair value hierarchies of assets and liabilities as on 31st March, 2013 are as follows:

Particulars	As on 31.03.2013	(₹ in million)		
		Fair value measurement at end of the reporting period using		
		Level 1	Level 2	Level 3
Financial Assets:				
Cash and Bank Balance	19,454.54	19,454.54	-	-
Investments:				
- Equity*	0.37	-	-	0.37
- Liquid plan of Mutual Funds**	1,224.70	-	1,224.70	-

* Equity shares of ₹0.37 million of Global Procurement Consultants Limited (GPCL) which are not tradable and amount of investment in the entity is immaterial, hence investment is recognised at cost and same is considered as its fair value.

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

2.55 Financial Risk Management

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

2.55.1 Market Risk of Holding company

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

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

Particulars	As on 31.12.17	As at 31.03.17	As at 31.03.16	As at 31.03.15	As at 31.03.14	As at 31.03.13
	US Dollar (Figure in million)					
Cash & Cash equivalents	0.58	3.15	19.90	0.04	0.03	0.06
Trade Receivables	10.61	13.42	10.61	6.23	7.82	8.09
Other financial assets	10.92	2.54	2.09	11.20	12.72	14.74
Trade Payable	3.21	12.74	15.65	1.20	1.20	0.50
Other financial liabilities	32.51	0.09	0.07	0.74	9.36	27.15
Net assets/(liabilities)	(13.61)	6.28	16.88	15.53	10.01	(4.76)

For the period ended 31st December, 2017 and 31st March, 2017, every percentage increase/decrease in the exchange rate between the INR & US Dollar has affected the Company's incremental margins by approximately (0.24%) (Previous year 0.82%) each.

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

2.55.2 Credit Risk of Group

Credit Risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. Primarily exposure to the credit risk is from trade receivables as on 31st December, 2017 ₹6121.58 million, 31st March, 2017 ₹5280.25 million, 31st March, 2016 ₹5772.13 million, 31st March, 2015 ₹4263.65 million, 31st March, 2014 ₹3745.13 million and 31st March, 2013 ₹3331.10 million and unbilled revenue as on 31st December, 2017 ₹2.46 million, 31st March, 2017 ₹25.50 million and 31st March, 2016 ₹2.90 million and ₹nil as on 31st March, 2015, 31st March, 2014 and 31st March, 2013 which are typically unsecured. Credit risk is being managed by continuously monitoring the outstanding dues from the customers. Trade Receivables towards export sales are generally managed by establishing Letter of Credit with the customer. Further most of the clients of the company are Government or Government Undertakings; hence credit risk is bare minimum. Company has impaired, as a prudent measure, the trade receivables towards expected credit loss as per company accounting policy to the extent as on 31st December, 2017 ₹640.49 million, 31st March, 2017 ₹635.28 million, 31st March, 2016 ₹417.44 million, 31st March, 2015 ₹ 456.04 million, 31st March, 2014 ₹487.58 million and 31st March, 2013 ₹387.01 million.

No significant credit risk on cash and bank balances including clients' funds as on 31st December, 2017 ₹30874.27 million, 31st March, 2017 ₹30147.26 million, 31st March, 2016 ₹26878.79 million, 31st March, 2015 ₹22089.99 million, 31st March, 2014 ₹23629.52 million and 31st March, 2013 ₹19454.54 million, is expected as holding company and its Indian Subsidiaries parks surplus funds with Schedule Banks having good credit adequacy ratio and least NPA as determined by RBI and guidelines of the respective companies. Holding Company and its Indian Subsidiaries has parked its owned funds in fixed deposits as on 31st December, 2017 ₹11797.16 million, 31st March, 2017 ₹9517.93 million, 31st March 2016, ₹7044.81 million, 31st March, 2015 ₹8118.94 million, 31st March, 2014 ₹7595.75 million and 31st March, 2013 ₹6128.63 million with Schedule banks with negligible credit risks.

Non-Strategic Investments primarily include investments in liquid mutual fund units as on 31st December, 2017 ₹ 2491.94 million, 31st March, 2017 ₹1430.36 million, ₹nil as on 31st March, 2016, ₹nil as on 31st March, 2015, ₹nil as on 31st March, 2014 and 31st March, 2013 ₹1224.70 million and tax free bonds as on 31st December, 2017 ₹1200.09 million, 31st March, 2017 ₹1700.09 million, 31st March, 2016 ₹2200.09 million, 31st March, 2015 ₹2000.07 million, 31st March, 2014 ₹2000.07 million and 31st March, 2013 ₹1750.04 million, issued by Public Sector Undertaking where risk is minimal.

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

2.55.3 Liquidity Risk of Group

Group's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. Group has outstanding bank borrowings as on 31st December, 2017 ₹772.72 million, 31st March, 2017 ₹834.29 million and 31st March, 2016 ₹1,205.86 million. Group has a working capital of as on 31st December, 2017 ₹18683.91 million, 31st March, 2017 ₹14,223.77 million, 31st March, 2016 ₹12,481.90 million, 31st March, 2015 ₹9,060.04 million, 31st March, 2014 ₹6,368.92 million and 31st March, 2013 ₹6,091.92 million, including cash and bank balance (owned funds) as on 31st December, 2017 ₹11309.76 million, 31st March, 2017 ₹8,947.11 million, 31st March, 2016 ₹ 31st 7,273.63 million, 31st March, 2015 ₹7,213.59 million, 31st March, 2014 ₹6,413.18 million and 31st March, 2013 ₹6,257.41 million and current investment as on 31st December, 2017 ₹2,491.94 million, 31st March, 2017 ₹1,930.36 million, 31st March, 2016 ₹500 million and 31st March, 13 ₹1,224.70 million. Group believes that the working capital is sufficient to meet its requirements, accordingly no liquidity risk is perceived by the company.

2.56 In case of Holding Company, Disclosures on Accounting Policies, Change in Accounting Estimates and Errors (Indian Accounting Standard-8) related with Holding Company are as follows:

2.56.1 Prior Period Transactions:

(₹ in million)						
Nature	31.12.17	2016-17	2015-16	2014-15	2013-14	2012-13
Fees	23.07	43.14	0.51	(0.40)	(15.53)	(189.36)
Supplies & Services	12.04	41.46	20.57	21.54	29.29	8.71
Employee Benefits	0.32	0.10	0.29	-	(78.87)	0.26
Others	(78.10)	29.93	0.90	21.23	0.55	1.74
Total	(42.67)	114.63	22.27	42.37	(64.56)	(178.65)

2.56.2 Correction of Prior Period transactions with impact on profit.

2.56.2.1 Impact on Balance Sheet Items is as follows:

(₹ in million)							
Prior period for the period	31.12.17						
Impact on	2016-17	2015-16	2014-15	2013-14	2012-13	Prior to 01.04.12	Total
Current Trade Receivables	(21.00)	(0.47)	(0.78)	-	(0.92)	-	(23.17)
Capital Work In Progress	(5.86)	(2.11)	(1.15)	-	-	-	(9.12)
Cash & Bank Balances- Owned Fund	63.44	12.35	21.98	-	-	-	97.77
Other Current Assets	-	-	-	-	-	(1.04)	(1.04)
Total Assets	36.58	9.77	20.05	-	(0.92)	(1.04)	64.44
Trade Payables	14.26	3.50	-	0.18	-	0.60	18.54
Other Financial Liabilities	3.32	-	-	-	-	-	3.32
Other Current Liabilities	-	-	(0.09)	-	-	-	(0.09)
Total Liabilities	17.58	3.50	(0.09)	0.18	-	0.60	21.77
Net Assets (Equity)	19.00	6.27	20.14	(0.18)	(0.92)	(1.64)	42.67

(₹ in million)						
Prior period for the year	31.03.2017					
Impact on	2015-16	2014-15	2013-14	2012-13	Prior to 01.04.12	Total
PPE	0.05	(1.02)	(1.02)	(0.85)	(14.86)	(17.70)
Capital WIP	(19.73)	(2.16)	-	-	-	(21.89)
Current Trade Receivables	(8.82)	(44.48)	(1.80)	(3.12)	4.51	(53.71)
Other Current Assets	(0.03)	(7.18)	(0.40)	-	-	(7.61)
Other non- current assets	-	(0.02)	(0.02)	4.56	(0.49)	4.03
Other Financial Assets	-	-	-	-	2.25	2.25
Total Assets	(28.53)	(54.86)	(3.24)	0.59	(8.59)	(94.63)
Current Trade Payables	7.79	8.71	4.08	3.04	0.26	23.88
Other Financial Liabilities	1.20	(0.21)	(0.15)	-	-	0.84
Other Current Liabilities	(2.09)	(2.63)	-	-	-	(4.71)
Total Liabilities	6.90	5.87	3.93	3.04	0.26	20.00
Net Assets (Equity)	(35.43)	(60.73)	(7.17)	(2.45)	(8.85)	(114.63)

(₹ in million)					
Prior period for the year	31.03.2016				
Impact on	2014-15	2013-14	2012-13	Prior to 01.04.12	Total
PPE	-	-	-	-	-
Capital WIP	-	-	-	-	-
Trade Receivables	(0.84)	(0.50)	1.54	(0.71)	(0.51)
Cash and Bank Balances- Owned Fund	-	-	-	-	-
Other Current Assets	-	-	-	-	-

Other non- current assets	-	-	-	-	-
Other Financial Assets	-	-	-	-	-
Total Assets	(0.84)	(0.50)	1.54	(0.71)	(0.51)
Current Trade Payables	15.48	2.77	1.20	1.34	20.79
Other Financial Liabilities	0.83	0.07	-	0.07	0.97
Other Current Liabilities	-	-	-	-	-
Total Liabilities	16.31	2.84	1.20	1.41	21.76
Net Assets (Equity)	(17.15)	(3.34)	0.34	(2.12)	(22.27)

(₹ in million)				
Prior period for the year	31.03.2015			
Impact on	2013-14	2012-13	Prior to 01.04.12	Total
PPE	(5.33)	-	-	(5.33)
Capital WIP	-	-	-	-
Trade Receivables	8.04	-	(3.76)	4.28
Cash and Bank Balances-Owned Fund	-	-	-	-
Other Current Assets	(1.52)	-	-	(1.52)
Other non- current assets	-	-	-	-
Other Current Financial Assets	0.14	(0.40)	(1.62)	(1.88)
Total Assets	1.33	(0.40)	(5.38)	(4.45)
Current Trade Payables	14.67	4.04	2.91	21.62
Other Current Financial Liabilities	9.38	0.09	-	9.47
Other Current Liabilities	8.47	(0.46)	(1.18)	6.83
Total Liabilities	32.52	3.67	1.73	37.92
Net Assets (Equity)	(31.19)	(4.07)	(7.11)	(42.37)

(₹ in million)			
Prior period for the year	31.03.2014		
Impact on	2012-13	Prior to 01.04.12	Total
PPE	-	-	-
Capital WIP	-	-	-
Trade Receivables	9.07	7.04	16.11
Cash and Bank Balances-Owned Fund	-	-	-
Other Current Assets	(0.04)	-	(0.04)
Other non- current assets	-	-	-
Other Current Financial Assets	23.95	-	23.95
Total Assets	32.98	7.04	40.02
Current Trade Payables	14.23	15.64	29.87
Other Current Financial Liabilities	0.35	0.08	0.43
Current Provisions	(44.22)	(11.00)	(55.22)
Other Current Liabilities	0.38	-	0.38
Total Liabilities	(29.26)	4.72	(24.54)
Net Assets (Equity)	62.24	2.32	64.56

(₹ in million)		
Prior period for the year	31.03.2013	
Impact on	Prior to 01.04.12	Total
PPE	-	-
Capital WIP	-	-
Trade Receivables	191.20	191.20
Cash and Bank Balances-Owned Fund	-	-
Other Current Assets	(0.92)	(0.92)
Other non- current assets	-	-

Other Current Financial Assets	(3.42)	(3.42)
Total Assets	186.86	186.86
Trade Payables	8.59	8.59
Other Financial Liabilities	0.12	0.12
Other Current Liabilities	(0.50)	(0.50)
Total Liabilities	8.21	8.21
Net Assets (Equity)	178.65	178.65

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

(₹ in million)					
Prior Period for the period 31.12.2017					
Line Items	Impact on 2016-17	Impact on 2015-16	Impact on 2014-15	Impact on 2013-14	Impact on 2012-13
Revenue from Operations	(21.00)	(0.47)	(0.69)	-	(0.92)
Other Income	63.36	12.25	21.98	-	-
Total Revenue	42.36	11.78	21.29	-	(0.92)
Supplies & services	5.73	1.62	-	-	-
Employee Benefit Exp.	1.01	0.53	-	-	-
Other Expenses	16.62	3.36	1.15	0.18	-
Total Expenditure	23.36	5.51	1.15	0.18	-
Profit Before Tax	19.00	6.27	20.14	(0.18)	(0.92)

(₹ in million)				
Prior Period for the year 2016-17				
Line Items	Impact on 2015-16	Impact on 2014-15	Impact on 2013-14	Impact on 2012-13
Revenue from Operations	(5.49)	(42.26)	(1.44)	(0.97)
Other Income	0.31	0.12	-	-
Total Revenue	(5.18)	(42.14)	(1.44)	(0.97)
Supplies & services	4.67	6.42	3.69	0.40
Cost of export sale	(2.08)	-	-	-
Cost of turnkey Construction projects	0.39	1.12	-	-
Other Expenses	27.27	11.05	2.04	1.08
Total Expenditure	30.25	18.59	5.23	1.48
Profit Before Tax	(35.43)	(60.73)	(7.17)	(2.45)

(₹ in million)			
Prior Period for the year 2015-16			
Line Items	Impact on 2014-15	Impact on 2013-14	Impact on 2012-13
Revenue from Operations	(0.50)	(0.50)	1.54
Other Income	(0.06)	-	-
Total Revenue	(0.56)	(0.50)	1.54
Supplies & services	8.05	0.11	0.28
Travel	0.29	0.06	-
Employee Benefit Exp.	-	-	-
Cost of export sale	0.06	0.07	-
Cost of turnkey Construction projects	4.15	2.49	0.92
Other Expenses	4.04	0.11	-
Total Expenditure	16.59	2.84	1.20
Profit Before Tax	(17.15)	(3.34)	0.34

(₹ in million)		
Prior Period for the year 2014-15		
Line Items	Impact on 2013-14	Impact on 2012-13
Revenue from Operations	(0.28)	0.46
Other Income	0.28	-
Total Revenue	-	0.46
Supplies & services	9.81	3.55
Travel	0.33	0.09
Employee Benefit Exp.	9.18	-
Cost of export sale	-	-
Cost of turnkey Construction projects	1.58	-
Other Expenses	10.29	0.89
Total Expenditure	31.19	4.53
Profit Before Tax	(31.19)	(4.07)

(₹ in million)	
Prior Period for the year 2013-14	
Line Items	Impact on 2012-13
Revenue from Operations	9.07
Other Income	1.38
Total Revenue	10.45
Supplies & services	7.28
Travel	0.60
Employee Benefit Exp.	(66.28)
Cost of export sale	5.50
Cost of turnkey Construction projects	0.45
Other Expenses	0.66
Total Expenditure	(51.79)
Profit Before Tax	62.24

Prior period items have been re-stated in 2016-17, however, there is no impact of provision for taxation on account of prior period re-statement.

Aforesaid prior period figures are crystallized during the period ended December, 2017 though these are prior period transactions and tax benefit on such transactions is available in the period ended December, 2017. However, these figures are re-stated as per IND AS 8 to the respective years on which no tax benefit is available on these respective years due to the reasons given above. The tax impact on such transitions is of ₹8.60 million which is not considered in EPS calculation for the same reason as stated above.

2.56.3 Correction of Prior Period errors/omissions in Earning Per Share (Basic & Diluted) :

Year	2016-17	2015-16	2014-15	2013-14	2012-13
Impact on Profit attributable to Equity Share Holders (₹ in million)	19.00	(29.16)	(57.74)	(41.88)	55.14
Weighted average nos. of Equity Shares	200,000,000	200,000,000	200,000,000	200,000,000	200,000,000
Impact on Earning Per Share (Basic & Diluted)	₹0.10	(₹0.15)	(₹0.29)	(₹0.21)	₹0.28

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

2.57.1 Capital Management

Capital management objectives are to ensure group's ability to continue as a going concern to provide an adequate return to shareholders. Group objectives when managing capital are to safeguard the ability to continue as a going concern in order to provide returns for shareholder and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

Group determines the capital requirement based on annual operating plans and long-term and other strategic investment plans. The funding requirements are primarily being met through operating cash flows generated.

2.57.2 Subsequent Event –Dividend in case of Holding and its Indian subsidiary

2.57.2.1 Dividend Statement (Holding company):

Particulars	(₹ in million)				
	For the year ended				
	2016-17	2015-16	2014-15	2013-14	2012-13
Face value per share (in ₹)	10	10	10	10	10
Interim Dividend (₹ in million)	550	450	300	300	200
Final Dividend (₹ in million)*	780	910	320	230	300
Total Dividend (₹ in million)	1330	1360	620	530	500
No. of Shares (in million)	200	100	100	100	100
Dividend per share (in ₹)	7.57**	13.60	6.20	5.30	5.00
Rate of dividend (%)	75.70	136.00	62.00	53.00	50.00
Dividend Tax	270.76	276.86	125.14	90.09	83.39
Dividend Tax (%)	***				

*Final Dividend pertaining to relevant financial year is paid in next financial year after the approval from shareholders in AGM.

** For FY 2016-17, interim dividend paid on 150 million shares at ₹3.67 per share in FY 2016-17 and final dividend paid on 200 million shares at ₹3.90 per share in current FY 2017-18.

For FY 2017-18, interim dividend of ₹700 million has been paid on 200 million shares at ₹3.50 per share in January, 2018.

*** The rate of dividend tax is as follows:-

Period	Rates
From April 1, 2013 to September 30, 2014	16.995%
From October 1, 2014 to March 31, 2015	19.99412%
From April 1, 2015	20.35765%

2.57.2.2 Dividend (RMCL):- The Board of Directors of the subsidiary Company have paid final dividend of ₹36.80 million (₹5.25 per share to 70.0 million equity shares) in respect of the year ending 31.03.2017 after the approval of shareholders of REMCL in Annual General Meeting held on 25.08.2017.

2.58 Provisions towards Pay Commissions (In case of holding Company)

2.58.1 Company has made a provision of ₹45.10 million towards salary increase for staff in CDA pay scales based on the approved recommendations of 7th Pay Commission which is effective from 1st January, 2016.

2.58.2 Company has made a provision of ₹570 million towards salary increase for staff in IDA pay scales based on the recommendations of 3rd PRC which is effective from 1st January, 2017.

2.59 Information on CSR expenditure in case of holding company:

- Gross amount required to be spent during the year 2017-18 ₹99.00 million (previous year 2016-17 ₹ 92.00 million).
- Amount spent during the period on:

(₹ in million)							
Particulars		Amount Paid		Yet to be Paid		Total	
		31.12.17	2016-17	31.12.17	2016-17	31.12.17	2016-17
(i)	Construction/ acquisition of any asset	15.90	52.10	-	-	15.90	52.10
(ii)	On purposes other than (i) above	10.81	39.90	-	-	10.81	39.90
	Total	26.71	92.00	-	-	26.71	92.00

(₹ in million)							
Particulars		Amount Paid		Yet to be Paid		Total	
		2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
(i)	Construction/ acquisition of any asset	23.10	67.16	-	-	23.10	67.16
(ii)	On purposes other than (i) above	59.70	11.80	-	-	59.70	11.80
	Total	82.80	78.96	-	-	82.80	78.96

(₹ in million)							
Particulars		Amount Paid		Yet to be Paid		Total	
		2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
(i)	Construction/ acquisition of any asset	48.79	62.62	-	-	48.79	62.62
(ii)	On purposes other than (i) above	4.40	1.80	-	-	4.40	1.80
	Total	53.19	64.42	-	-	53.19	64.42

2.60 In case of Holding Company, details of dues to micro, small and medium enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006* are given on the basis of information available with the management.

(₹ in million)							
S. No.	Particulars	As on 31.12.17	As at 31.03.17	As at 31.03.16	As at 31.03.15	As at 31.03.14	As at 31.03.13
a	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting period - Principal amount due to micro, small and medium enterprises - Interest due on above	2.88	19.15	7.77	0.70	11.76	4.08
b	The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the	-	-	-	-	-	-

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

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

2.61 In a pre-closed contract in the year 2005–06, company raised claims of ₹2339.30 million against a client and the client raised counter claims of ₹4691 million.

The arbitrator on 19th January, 2011 rejected the aforesaid counter claims of the client and awarded ₹883.10 million in favour of the holding company against claims of ₹2339.30 million. 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 ₹2316.80 million with interest in favour of the holding company. Client filed a petition in the Civil Court of Ranchi on 31st July, 2011 & thereafter amendment for setting aside the aforesaid award of the appellate authority which is still pending before the Civil Court. Arguments of both the parties have been concluded on 16/11/2017 and order is passed in favour of holding company on 22.11.2017. Wherein the petition filed by the client is dismissed and preliminary objections filled by holding company is allowed by the Civil Court. Holding Company has asked our Advocate who furnish the opinion regarding recovery of awarded amount and same is awaited. Thus the award has not been recognized.

2.61.1 The executing agency also raised claims (excluding interest) of ₹1844.10 million against the holding company before the arbitration tribunal at Ranchi and holding company also raised counter claims of ₹ 6445.30 million against the executing agency for the contract which became void due to commitment of fraud by the agency, thus terminated. Both the parties have concluded their arguments before the Tribunal and award has been published on 18th October, 2016 in favour of the holding company. As per the award, holding Company will get ₹630 million from executing agency effective from the date of publication of award i.e. 18th October, 2016. Executing agency has the right to file the objection

before the Jharkhand High Court, Ranchi within 4 months of receipt of copy of award by executing agency. As per information of the Tribunal, agency received the copy of award on 1st March, 2017. The executing agency filed the arbitration appeal before Jharkhand High Court on 25th May, 2017, matter for arguments was fixed on 2nd February, 2018 which could not take place and the next date of hearing is yet to be fixed. In view of the above holding company has not recognized the award amount in the books of account.

Further, holding Company has to pay ₹259.20 million to executing agency after receiving the said amount from the client. However, matter with client is pending for settlement before Civil Court, Ranchi. The said amount of ₹259.20 million is included in the contingent liabilities. (Refer note no. 2.51.2).

2.61.2 In case of holding company, Cumulative interest up to 31.12.2017 due from the executing agency of ₹254.9 million as on 31st December, 2017, ₹239.70 million as on 31st March, 2017, ₹219.50 million as on 31st March, 2016, ₹199.30 million as on 31st March, 2015, ₹179.10 million as on 31st March, 2014, ₹158.90 million as on 31st March, 2013 on mobilization advance of ₹168 million has not been recognized as income due to uncertainty as regard to realizability. This includes Interest of ₹15.2 million for the period ended on 31st December, 2017, ₹20.20 million for the year ended on 31st March, 2017, ₹20.20 million for the year ended on 31st March, 2016, ₹20.20 million for the year ended on 31st March, 2015, ₹20.20 million for the year ended on 31st March, 2014, ₹20.20 million for the year ended on 31st March, 2013.

2.62 A joint venture company named CCFB was incorporated in Mozambique in 2004 for rehabilitation, operation and management of Beira Rail Corridor, Mozambique by entering into a 25 years concessioning agreement with the Government of Mozambique. Holding Company invested a sum of ₹60.09 million in equity in the said joint venture company for a 26% share. Other shareholders are IRCON & CFM, Mozambique with 25% & 49% share respectively. The holding company extended a shareholder loan of ₹878.90 million (equivalent to US\$ 19.79 million) inclusive of interest accrued which was converted to principal as per agreement, out of which holding company received repayment of part loan amounting to ₹44.40 million (equivalent to US\$ one million) during the year 2012-13.

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

2.62.2 Dispute has been amicably settled with Government of Mozambique (GoM) on 21st October, 2015 through settlement agreement. As per schedule of payment of the settlement agreement, upfront payment of USD 17.07 million was received in financial year 2015-16 and LC was also established by GoM in financial year 2016-17. Further, 1st and 2nd installment of USD 5.655 million each as per schedule of payment has also been received in financial year 2016-17 and 2017-18 respectively.

2.62.3 In view of receipt of payments and establishment of LC duly confirmed by Scheduled Bank in India, Holding company transferred its shareholding in CCFB to CFM, a nominated agency of GoM on 22nd September, 2016 and consequently profit of ₹714.72 million on such transfer of equity shares has been recognized in Statement of Profit and Loss for financial year 2016-17.

After settlement with GoM, income from CCFB regarding interest income, exchange variation, consultancy fee & lease charges have been recognized in the FY 2015-16 in the previous GAAP. However in restated financial statement income pertaining to previous financial years has been recognized along with tax impact in the respective financial years.

2.63 Under the settlement agreement with Government of Tanzania, last three installments out of six installments of principal amounting to ₹579.35 million (equivalent US\$ 9.19 million) are still outstanding. Since the payment is due from Government of Tanzania which has also been acknowledged by them, the amount is considered good for recovery in view of the management of the holding and hence no provision is required to be made. Interest on principal and on delayed payments of ₹197.36 million (equivalent US\$ 3.13 million) has not been recognised.

- 2.64 In case of holding company, Foreign Service Contribution is recognized on accrual basis in the Statement of Profit and Loss Account as per the deputation terms with parent organizations in respect of officers taken on deputation from other organizations.
- 2.65.1 In case of holding company, Lease deeds are pending for execution in respect of the office building at Central Metro Railway Building, 56, C.R. Avenue, Kolkata of ₹34.60 million as on 31st December, 2017, 31st March, 2017, 31st March, 2016, 31st March, 2015, 31st March, 2014 and 31st March, 2013, the physical testing laboratory at 52 A&B, C.R. Avenue, Kolkata of ₹12.40 million as on 31st December, 2017, 31st March, 2017, 31st March, 2016 and 31st March, 2015, office building at DLF Cybercity, Bhubaneswar of ₹56.40 million as on 31st December, 2017 and 31st March, 2017 and Multi-Functional Complexes of ₹60 million as on 31st December, 2017 and 31st March, 2017.
- 2.65.2 RITES purchased a freehold land for construction of office building at Gomati Nagar Extension, Lucknow from Lucknow Development Authority (LDA) and was registered in the financial year 2010-11 at a total cost of ₹ 42.2 million including registry charges. The physical possession of the land has not been given to RITES due to some disputes regarding acquisition of land by LDA. LDA has for the first time disclosed about the dispute and legal issue in respect of the plot vide their letter dated 29.05.2017. Hon'ble Court has cancelled the acquisition of land by LDA. LDA assured to allot alternate land to RITES. Pending allotment of alternative land to RITES, the amount shown as freehold land under Property, Plant & Equipment has been transferred to capital advance.
- 2.65.3 Northern Railway has leased a plot in Wazirpur Northern Railway colony, Delhi for construction of residential flats to RITES LTD for a period of thirty years. The lease period has been expired in the month of March-2015. The extension of lease has been sought from Northern Railway and the same is under consideration.
- 2.66 Consultancy fee of ₹24.30 million for the year ended on 31st March, 2016, ₹62.90 million for the year ended on 31st March, 2015, ₹110.70 million for the year ended on 31st March, 2014 and ₹101.20 million for the year ended on 31st March, 2013 due in one of the overseas projects is not being recognized as works have not been carried out by the contractors to the satisfaction of the client and the realisability of the fee based on the works done seems to be uncertain.
- 2.67 In case of REMCL, company has installed 26 MW Wind Mill plant at Jaisalmer, Rajasthan for utilisation of energy generated from Wind Mill Plant by WCR for a period of 25 years in accordance with Power Purchase Agreement (PPA) signed between West Central Railways (WCR) and REMCL. The Wind mill Plant was commissioned on 16.10.2015 and since then energy generated from Wind Mill Plant is being continuously utilized by WCR up to 09.01.2017 at three Traction Sub Stations (TSS) (Bharatpur, Hindaun & Ramganj Mandi) in Rajasthan as a consumer of Rajasthan DISCOM Jaipur Vidyut Vitran Nigam limited (JVVNL).

With effect from 10.01.2017, status of WCR has been changed from consumer to “deemed distribution licensee” in Rajasthan. WCR started taking power at Six TSS as a deemed distribution licensee through open access route from M/s JITPL which includes 3 TSS (Bharatpur, Hindaun & Ramganj) where WCR was taking Wind power from REMCL. Due to change in status of WCR from consumer to deemed distribution utility licensee, accountal/methodology for utilization of energy generated by Wind Mill Plant have gone under changed. They (WCR) are contesting that after starting of open access connection at above mentioned three TSSs, existing connection have been disconnected from M/s JVVNL & final energy bill of M/s JVVNL have been passed with the set-off of wind power up to Dec'16 and thereafter the Kota division has paid the due amount of metered supply during Jan & Feb '17 to M/s JITPL and hence WCR has not been agreed to pay bills for energy generated from Wind Mill Plant for the period from January 2017 to March 17.

In present circumstances, there is uncertainty regarding realisation of revenue. As per Ind AS -18 when there is uncertainty as to realisability, recognition of revenue is postponed until such uncertainty is removed. Therefore revenue amounting to ₹26.30 million for the period 01.04.2017 to 26.04.2017 (previous year ended 31st March, 2017 of ₹45.10 million) has been postponed and not recognised during the current reporting period.

Wheeling and Transmission charges payable to Rajasthan state utilities are directly paid by WCR and deduction for the same is made by WCR in gross bill and only net amount i.e. after deduction towards wheeling & transmission is paid to REMCL on monthly basis. Therefore Wheeling & Transmission charges for the corresponding period i.e. from 01.04.2017 to 26.04.2017 (previous year ended 31st

March, 2017) which are payable to Rajasthan state utilities have not been recognized and shown as contingent liability under note no. 2.51.2.1.

- 2.68 Sundry creditors, customers advances, amounts recoverable, security deposits receivable/payable are subject to confirmation.
- 2.69 In case of Holding Company Information as regard to loans, investments made as required under section 186(4) of the Companies Act, 2013 have been given vide note no. 2.9.1, 2.9.2, 2.10 & 2.18.
- 2.70 Income tax expense in the consolidated statement of profit and loss comprises:

(₹ in million)						
Particulars	Period ended	Year ended				
	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
	Consolidated Total					
Income Tax Expenses:						
Current Taxes	1165.79	1649.82	1485.23	1436.60	1359.65	1104.91
Deferred Taxes(Net)	180.58	(192.93)	187.33	136.41	(124.48)	(59.38)
Total	1346.37	1456.89	1672.56	1573.01	1235.17	1045.53

Entire deferred income tax for the respective year end relates to origination and reversal of temporary differences.

- 2.70.1 Reconciliation of the Income Tax expenses for the period to amount computed as expected tax expenses by applying statutory income tax rates is as follows:

(₹ in million)						
Particulars	Period ended	Year ended				
	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
	Consolidated Total					
Profit Before Income Tax on Normal Business	3831.71	5079.43	4487.67	4712.80	3820.12	3426.68
Enacted Tax Rates in India on Normal Income	34.608%	34.608%	34.608%	33.990%	33.990%	32.445%
Computed Expected Tax Expense *	1236.97	1698.65	1547.03	1599.47	1309.02	1088.61
Tax effect of Exempted Non-Operating Income	(0.99)	(0.20)	(1.25)	(1.53)	(0.62)	(2.32)
Additional Tax Effect due to Income from HP	(0.80)	(1.07)	(1.07)	(1.05)	(1.19)	(0.96)
Additional Tax Effect due to Income LTCG	-	(82.45)	-	-	-	-
Additional Tax Effect due to Income from Dividend	(3.30)	-	(0.05)	-	-	(0.02)
Tax Effect on Cost of Investment(LTCG)	-	(18.63)	-	-	-	-
Effect of Non-Deductible Expenditures	77.27	280.52	184.84	14.54	218.22	147.34
Tax effect due to Non-Taxable Income	(144.15)	(228.75)	(244.26)	(174.84)	(165.78)	(130.33)
Tax Reversals & Others	181.38	(191.18)	187.33	136.42	(124.48)	(56.78)
Income Tax Expense for the period	1346.37	1456.89	1672.56	1573.01	1235.17	1045.53

* Computed expected tax expense for the respective years includes tax expense calculated on income of RITES at the rates mentioned herein and tax expense calculated on income of subsidiaries and joint ventures at the rates different from rates mentioned herein.

2.70.2 REMCL is taxable Under section - 115JB (MAT) of the income tax act. The enacted tax rates on normal income are 21.34% and 20.39% for the period ended 31st December, 2017 and year ended 31st March, 2017 respectively.

The enacted tax rate of RAPL is 22% for the period ended 31st December, 2017 and year ended 31st March, 2017 respectively.

The consolidated statement includes unabsorbed business loss and unabsorbed depreciation of REMCL for the period ended 31st December, 2017 is ₹ Nil & ₹640.88 million respectively and for the year ended 31st March, 2017 is ₹0.6 million & ₹938.8 million respectively.

2.70.3 Details of income tax assets and liabilities are as follows :

(₹ in million)						
Particulars	Period ended	Year ended				
	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
	Consolidated Total					
Income Tax Assets	2,146.75	3,114.53	2,741.11	2,520.26	2,622.34	2,333.17
Less: Current income tax liabilities	1,165.79	1,649.82	1,485.23	1,436.60	1,359.65	1,104.91
Net Current Income Tax Assets/(Liability) at the end	980.96	1,464.71	1,255.88	1,083.66	1,262.69	1,228.26

2.70.4 The gross movement in the current income tax asset/(liability) as follows:

(₹ in million)						
Particulars	Period ended	Year ended				
	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
	Consolidated Total					
Net current income tax asset/(liability) at the beginning	1,464.71	1,255.88	1,083.66	1,262.69	1,228.26	970.71
Tax Impact due to Change in Deferred Tax Assets/Liabilities (Net)	(180.58)	192.93	(187.33)	(136.41)	124.48	59.38
Income Tax paid	862.62	1665.72	1844.78	1,393.98	1,269.60	1,303.08
Current income tax expense on normal income	(1,152.88)	(1,643.80)	(1,434.24)	(1,391.27)	(1,332.48)	(1,050.25)
Current Income tax expenses due to Translation Difference/ Exchange Variation	(12.91)	(6.02)	(50.99)	(45.33)	(27.17)	(54.66)
Net Current Income Tax Asset/(Liability) at the end	980.96	1,464.71	1,255.88	1,083.66	1,262.69	1,228.26

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

(₹ in million)						
Particulars	Period ended	Year ended				
	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13

	Consolidated Total					
Deferred Income Tax Assets:						
Leave Encashment and other Provisions	360.02	399.06	202.41	355.07	473.97	364.53
Carry Forward Losses	-	0.20	0.20	0.40	0.90	-
Unabsorbed Depreciation	221.80	324.90	226.30	-	-	-
Preliminary Expenses	-	0.20	0.50	0.60	0.90	-
Provision for Doubtful Debts, Security Deposits/EMD, Advances, etc.	280.18	278.74	205.29	207.51	219.44	176.30
Total Deferred Income Tax Assets - I	861.99	1003.10	634.70	563.58	695.21	540.83
Deferred Income Tax Liabilities:						
Property Plant & Equipment	574.58	535.10	359.63	101.18	96.40	66.50
Total Deferred Income Tax Liabilities - II	574.58	535.10	359.63	101.18	96.40	66.50
Deferred Income Tax Assets after set off	287.42	468.00	275.07	462.40	598.81	474.33

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

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

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

2.70.6 The gross movement in the deferred income tax account are as follows:

(₹ in million)						
Particulars	Period ended	Year ended				
	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
	Consolidated Total					
Net deferred income tax asset/(liability) at the beginning	468.00	275.07	462.40	598.81	474.33	414.95
Credit/(Change) relating to temporary differences	(180.58)	192.93	(187.33)	(136.41)	124.48	59.38
Net Deferred Income Tax Asset/(Liability) at the end	287.42	468.00	275.07	462.40	598.81	474.33

2.71 Other disclosure of Group

2.71.1 In case of SRBWIP, The Company has disclosed their borrowing facilities with banks and their repayment terms as mentioned below:

(₹ in million)					
Bank name	Sanction Amount	Outstanding as at 31	Current portion	Long term	Repayment Term

		March 2016			
DENA Bank	720.0	587.30	96.00	491.30	Repayable in 30 quarterly instalments of ₹24.0 million each with total period of 10 years after moratorium period of 3.5 years. Repayment of term loan will start from 01.04.2016, as per the modification in sanctioned terms. Interest is payable at Base Rate of Bank i.e. 10.45% at the time of sanction.
Bank name	Sanction Amount	Outstanding as at 31 March 2017	Current portion	Long term	Repayment Term
DENA Bank	720.0	623.20	96.00	527.20	Repayable in 30 quarterly instalments of ₹24.0 million each with total period of 10 years after moratorium period of 3.5 years. Repayment of term loan will start from 01.04.2016, as per the modification in sanctioned terms. Interest is payable at Base Rate of Bank i.e. 10.45% at the time of sanction.
Bank name	Sanction Amount	Outstanding as at 31 st December 2017	Current portion	Long term	Repayment Term
DENA Bank	720.0	551.19	48.00	503.19	Repayable in 30 quarterly instalments of ₹24.0 million each with total period of 10 years after moratorium period of 3.5 years. Repayment of term loan will start from 01.04.2016, as per the modification in sanctioned terms. Interest is payable at Base Rate of Bank i.e. 10.45% at the time of sanction.

This is secured a) by way of first charge on Hypothecation of goods, book debts and other moveable assets of the Company and b) by way of first charge on Building of the Company situated at Kulti, Burdwan, West Bengal.

During the year 2016-17 the joint venture company has received ₹70.00 million from each of its Joint Venturers (RITES LTD. and SAIL).

	(₹ in million)		
	Short Term		
	31.12.17	31.03.17	31.03.16
Cash credit from Dena Bank	132.54	42.40	-
Unsecured Loan from RITES Limited	76.07	71.30	20.36
Unsecured Loan from SAIL	76.10	71.40	53.97
Total	284.71	185.10	74.33

2.71.2 In case of SRBWIPL, sales revenue for rehabilitation of BOXNR wagons have been accounted for based on the Basic Price (including CRRM) and escalation clause specified in the order by the Eastern Railway. The CRRM generated in the process of rehabilitation of wagons is booked under current assets at the time of raising of bills at value specified in the work order.

2.71.3 In case of SRBWIPL, free supply materials from Railways against the order for manufacture of new BOXNHL wagons are kept within the factory premises for utilizing the same in manufacture of new wagons, against which an indemnity bonds has been given by the joint venture company in favour of Railways.

- 2.71.4 In case of REMCL, company has borrowed term loan of ₹1205.90 million from Indian Bank for setting up 26 MW Wind Mill plants at Jaisalmer. The entire amount of loan was borrowed during the financial year 2015-16 and company has incurred interest cost of ₹52.74 million during the period ended 31.12.2017, ₹113.27 million during the year ended 31.03.2017, ₹58.05 million during the year ended 31.03.2016. During the financial year 2015-16 REMCL has capitalized interest amount of ₹10.91 million out of total interest amount of ₹58.05 million.
- 2.71.5 In case of BNV Gujarat Rail Private Limited, in the absence of virtual certainty of availability of taxable business income and capital gains in near future against which the deferred tax assets can be adjusted, the Company has not recognized the deferred tax assets on unabsorbed business losses and capital losses.
- 2.72 The financial statements are presented in ₹ million. Those items which are required to be disclosed but can't be presented in the financial statement due to rounding off to the nearest ₹ million are given as follows:-

Balance sheet items of holding company

(Figures ₹)							
Description	Note No.	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
Non-current investment	2.9.1						
(i) Moru Mahal Co-operative Society Ltd.		250.00	250.00	250.00	250.00	250.00	250.00
(ii) Amit Industrial Co-operative Society Ltd.		500.00	500.00	500.00	500.00	500.00	500.00

- 2.73 Assets & Liabilities have been translated at closing exchange rate and profit & loss items have been translated at average exchange rate.

Particulars	INR					
	Pula (Botswana)					
	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
Closing rate	6.368935	6.147897	5.95856	6.2270	6.7237	6.4987
Average rate	6.176223	6.18329	6.12096	6.5735	6.9058	6.8609

(Source Oanda.com)

Particulars	INR		
	Saudi Riyal (Saudi Arabia)		
	31.12.14	31.12.13	31.12.12
Closing rate	16.4582	16.4302	14.6020
Average rate	16.1808	15.5838	14.2518

(Source Oanda.com)

2.74 Amendment to Ind AS 7 “Statement of Cash Flows”:

During the quarter, the Group adopted the amendment to Ind AS 7, which require the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement. The requisite disclosure has been given in Statement of Cash Flows.

ANNEXURE VII: STATEMENT ON ADJUSTMENTS TO AUDITED CONSOLIDATED FINANCIAL STATEMENTS					
(₹ in million)					
PARTICULARS	PERIOD ENDED	YEAR ENDED	YEAR ENDED	YEAR ENDED	YEAR ENDED
	31.12.2017	31.03.2017	31.03.2016	31.03.2015	31.03.2014
A. NET PROFIT AFTER TAX AS PER AUDITED CONSOLIDATED FINANCIAL STATEMENTS	2695.25	3,376.49	3,401.76	3,030.94	2,599.32
B. IND AS ADJUSTMENTS					
PRIOR PERIOD ADJUSTMENTS		19.00	(6.89)	(15.37)	(106.44)
PREPAID ADJUSTMENTS			-	0.61	0.67
WORK IN PROGRESS			10.15	28.55	(71.31)
REMEASUREMENTS OF THE DEFINED BENEFIT LIABILITY/ASSET			13.20	(36.80)	25.40
EMPLOYEE BENEFITS			-	2.50	(2.50)
PROPERTY, PLANT & EQUIPMENTS			1.08	(0.10)	(2.09)
UNWINDING WARRANTIES & DISCOUNTING OF WARRANTIES EXPENSES			8.50	(3.34)	(8.20)
LOSS FROM DISCONTINUED OPERATIONS			-	-	(0.76)
EXCHANGE DIFFERENCES			(7.86)	44.63	11.86
TAX EFFECT OF ADJUSTMENTS	(169.88)	221.11	(142.70)	(14.89)	40.47
TOTAL OF IND AS ADJUSTMENTS	(169.88)	240.11	(124.52)	5.79	(112.90)
C. NET PROFIT AFTER TAX AS PER RESTATED IND AS	2,525.37	3,616.60	3,277.24	3,036.73	2,486.42

D. OTHER ADJUSTMENTS:					
AUDIT QUALIFICATION	-	-	-	-	-
CONSULTANCY FEE & LEASE INCOME FROM CCFB MOZAMBIQUE	-	-	(113.09)	3.04	2.07
INTEREST INCOME FROM CCFB MOZAMBIQUE	-	-	(213.60)	61.80	59.40
EXCHANGE VARIATION ON CCFB DUES	-	-	(364.63)	64.50	118.72
TAX EFFECT ON OTHER ADJUSTMENTS	-	-	239.21	(43.95)	(61.25)
TOTAL IMPACT OF OTHER ADJUSTMENTS	-	-	(452.11)	85.39	118.94
RESTATED NET PROFIT	2,525.37	3,616.60	2,825.13	3,122.12	2,605.36
NOTES TO ADJUSTMENTS:					
1. OTHER ADJUSTMENTS:					
AFTER SETTLEMENT WITH GOVERNMENT OF MOZAMBIQUE(GoM), INCOME FROM CCFB, MOZAMBIQUE REGARDING INTEREST INCOME, EXCHANGE VARIATION, CONSULTANCY FEE & LEASE CHARGES HAVE BEEN RECOGNISED IN THE FINANCIAL YEAR 2015-16 IN THE PREVIOUS GAAP. HOWEVER, IN RESTATED FINANCIAL STATEMENT, INCOME PERTAINING TO PREVIOUS FINANCIAL YEARS HAS BEEN RECOGNISED ALONG WITH TAX IMPACT IN THE RESPECTIVE FINANCIAL YEARS.					

2. RECONCILIATION OF GENERAL RESERVE AS AT 01.04.2013	
	(₹ in million)
PARTICULARS	AS AT 01.04.2013
A. GENERAL RESERVE AS PER PREVIOUS INDIAN GAAP	11,011.42
B. IND AS ADJUSTMENTS	
PROPOSED DIVIDEND	300.00
CORPORATE TAX ON PROPOSED DIVIDEND	50.99
WORK IN PROGRESS	(339.38)
PRIOR PERIOD ADJUSTMENT	37.74
PREPAID ADJUSTMENTS	(2.20)
UNWINDING WARRANTIES & DISCONTINUING OF WARRANTIES EXPENSES	12.97
PROPERTY, PLANT & EQUIPMENTS	(1.09)
FOREIGN CURRENCY TRANSLATION RESERVE	(16.42)
REMEASUREMENTS OF THE DEFINED BENEFIT LIABILITY/ASSET	8.30
EXCHANGE DIFFERENCES	25.46
TAX EFFECT OF ADJUSTMENTS	13.89
TOTAL OF IND AS ADJUSTMENTS	90.26
C. TOTAL GENERAL RESERVE AS PER RESTATED IND AS	11,101.68
D. OTHER ADJUSTMENTS:	
AUDIT QUALIFICATION	-
CONSULTANCY FEE & LEASE INCOME FROM CCFB MOZAMBIQUE	74.50
INTEREST INCOME FROM CCFB MOZAMBIQUE	92.43
EXCHANGE VARIATION ON CCFB DUES	214.86
TAX EFFECT ON OTHER ADJUSTMENTS	(123.87)
TOTAL IMPACT OF OTHER ADJUSTMENTS	257.92
RESTATED GENERAL RESERVE	11,359.60

Annexure- VIII- Statement of Capitalisation – Consolidated

(₹ in million)		
	Pre-Issue	
	As at Dec. 31, 2017	As at March 31, 2017
Shareholders' Fund		
Equity Share Capital	2,000.00	2,000.00
Reserves and Surplus	19,719.94	18,411.04
Total Shareholders' Funds (A)	21,719.94	20,411.04
Debt		
Long Term Borrowings	696.07	757.64
Short Term Borrowings	76.65	76.65
Other Borrowings (Current maturity of long term borrowings)	-	-
Total Debt (B)	772.72	834.29
Total (A+B)	22,492.66	21,245.33
Long-term debt/equity ratio	0.032	0.037
Total debt/equity ratio	0.036	0.041

Notes:

- (I) The above has been computed on the basis of the Restated Consolidated Financial Information.
- (II) The corresponding Post IPO capitalisation data in the above table is not determinable at this stage pending the completion of the Book Building Process and hence the same has not been provided in the above statement.

Annexure – IX -Restated Statement of Accounting Ratios – Consolidated

S. No	Particulars	Period ended Dec. 31, 2017	For the year ended				
			March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
1	Restated Profit / (Loss) after Tax (₹ in million)	2,525.37	3,616.60	2,825.13	3,122.12	2,605.36	2,330.57
2	Net Profit / (Loss) available to Equity Shareholders excluding Exceptional Items (₹ in million)	2,429.59	3,526.62	2,809.77	3,121.04	2,606.69	2,330.89
3	Weighted average number of basic Equity Shares outstanding during the year	200,000,000	200,000,000	200,000,000	200,000,000	200,000,000	200,000,000
4	Weighted average number of diluted Equity Shares outstanding during the year	200,000,000	200,000,000	200,000,000	200,000,000	200,000,000	200,000,000
5	Number of equity shares outstanding at the end of the year	200,000,000	200,000,000	100,000,000	100,000,000	100,000,000	100,000,000
6	Net Worth for Equity Shareholders (₹ in million)	21,719.94	20,411.04	18,635.15	16,761.56	14,251.30	12,358.05
7	Accounting Ratios: Basic Earnings per Share (in ₹) (2)/(3)	12.148	17.633	14.049	15.605	13.033	11.654
	Diluted Earnings per Share (in ₹) (2)/(4)	12.148	17.633	14.049	15.605	13.033	11.654
	Return on Net Worth for Equity Shareholders(2)/(6) (%)	11.186	17.278	15.078	18.620	18.290	18.861
	Net Asset Value Per Share (in ₹) (6)/(5)	108.600	102.055	186.352	167.616	142.513	123.581

Note:

1. Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the year and bonus share issued during the year considered from the beginning of the period presented.
2. Net worth for ratios is = Equity share capital + other equity.
3. The above ratios have been computed on the basis of the Restated financial information.

ANNEXURE X : RESTATED CONSOLIDATED STATEMENT OF OTHER INCOME										(₹ in million)	
PARTICULARS	NATURE (RECURRING/ NON- RECURRING)	PERIOD ENDED		YEAR ENDED		YEAR ENDED		YEAR ENDED		YEAR ENDED	
		31.12.2017		31.03.2017		31.03.2016		31.03.2015		31.03.2014	
INTEREST EARNED ON:											
- DEPOSITS WITH BANK	Recurring	636.77		808.80		818.83		846.81		771.23	
- TAX FREE BONDS	Recurring	90.83		151.36		148.47		138.88		125.58	
- STAFF ADVANCES	Recurring	11.49		17.86		13.03		13.22		11.74	
- LOAN TO SRBWIPL (RELATED PARTY)	Recurring	4.70		1.42		2.13		2.98		-	
- LOAN TO CCFB (RELATED PARTY)	Recurring	-		-		304.52		-		-	
- OTHERS	Non-Recurring	<u>42.33</u>	786.12	<u>86.28</u>	1,065.72	<u>-</u>	1,286.98	<u>10.21</u>	1,012.10	<u>-</u>	908.55
PROVISION NO LONGER REQUIRED	Non- Recurring		188.43		55.18		214.72		309.85		543.34
PROFIT ON SALE OF FIXED ASSETS	Non-Recurring		0.45		0.59		1.23		0.99		0.39
PROFIT ON SALE OF INVESTMENT IN JOINT VENTURE	Non-Recurring		-		714.72		-		-		-
DEFERRED INCOME TOWARDS GOVT OF MOZAMBIQUE RECEIVABLES	Recurring		16.13		19.56		-		-		-
DIVIDEND FROM:											
- TRADE NON CURRENT INVESTMENTS	Recurring	0.05		0.03		0.03		0.06		0.06	
- TRADE	Recurring	<u>52.46</u>		<u>44.51</u>		<u>12.50</u>		<u>27.36</u>		<u>22.70</u>	

CURRENT INVESTMENTS			52.51		44.54		12.53		27.42		22.76
EXPORT INCENTIVES	Recurring		95.02		140.13		0.56		85.88		3.85
RENT FROM INVESTMENT PROPERTIES	Recurring		7.83		10.42		10.27		10.32		11.57
EXCHANGE VARIATION	Recurring		54.65		17.95		521.45		59.74		-
MISCELLANEOUS INCOME	Recurring		47.98		30.36		59.19		35.11		46.92
Total Other Income as per previous GAAP			1,249.12		2,099.17		2,106.93		1,541.41		1,537.38
Add/Less: Ind AS Adjustments											
INTEREST ON DEPOSITS WITH BANK			-		-		(2.12)		(3.37)		(1.75)
AMORTISATION OF STAFF LOAN			-		-		8.30		8.10		7.10
INTEREST ON LOAN TO JOINT VENTURE			-		-		0.44		-		-
INTEREST INCOME - OTHERS			-		-		0.04		0.02		-
PROVISION NO LONGER REQUIRED			-		-		(164.57)		(216.60)		(419.30)
PROFIT ON SALE OF FIXED ASSETS			-		-		(0.05)		(0.03)		-
EXCHANGE VARIATION			-		-		(8.89)		8.31		(31.81)
MISCELLANEOUS INCOME			-		-		0.12		0.05		0.08
Total Adjustments			-		-		(166.73)		(203.52)		(445.68)
Total Other Income as per Ind AS			1,249.12		2,099.17		1,940.20		1,337.89		1,091.70
Add/Less: Other Adjustments											
INTEREST ON LOAN TO CCFB			-		-		(213.60)		61.80		59.40

EXCHANGE VARIATION ON CCFB DUES			-		-		(364.63)		64.50		118.72
Total other Adjustments			-		-		(578.23)		126.30		178.12
Total Restated Other Income			1,249.12		2,099.17		1,361.97		1,464.19		1,269.82

NOTE ON OTHER ADJUSTMENTS:

AFTER SETTLEMENT WITH GOVERNMENT OF MOZAMBIQUE(GoM), INCOME FROM CCFB, MOZAMBIQUE REGARDING INTEREST INCOME, EXCHANGE VARIATION, CONSULTANCY FEE & LEASE CHARGES HAVE BEEN RECOGNISED IN THE FINANCIAL YEAR 2015-16 IN THE PREVIOUS GAAP. HOWEVER, IN RESTATED FINANCIAL STATEMENT, INCOME PERTAINING TO PREVIOUS FINANCIAL YEARS HAS BEEN RECOGNISED ALONG WITH TAX IMPACT IN THE RESPECTIVE FINANCIAL YEARS.

Annexure XI - Statement of Tax Shelter - Consolidated							
(₹ in million)							
Sl. No.	Particulars	For the period ended 31.12.2017	For the year ended 31st March 2017	For the year ended 31st March 2016	For the year ended 31st March 2015	For the year ended 31st March 2014	For the year ended 31st March 2013
	Restated profit/(loss) Before Tax	3,892.98	5,070.39	4,502.29	4,682.43	3,849.33	3,360.30
	Other Comprehensive Income (OCI)	(61.27)	9.04	(14.62)	30.37	(29.21)	66.38
	Restated profit/(loss) Before Tax	3,831.71	5,079.43	4,487.67	4,712.80	3,820.12	3,426.68
	Less: Dividend from Subsidiaries	-	-	-	-	-	-
	Less : Long Term Capital Gain(Net)	-	714.72	-	-	-	-
	Adjusted Profit/(Loss) before Tax	3,831.71	4,364.71	4,487.67	4,712.80	3,820.12	3,426.68
	Corporate Tax Rates	34.608%	34.608%	34.608%	33.990%	33.990%	32.445%
	Tax at Special Rate	17.304%	17.304%	17.304%	16.995%	16.995%	16.223%
	LT Capital Gain Rate	23.072%	23.072%	23.072%	22.660%	22.660%	21.630%
A	Tax at Statutory Income Tax Rates	1,233.66	1,616.20	1,546.98	1,599.47	1,309.02	1,088.58
Permanent Differences							
	Profit of Joint Venture to be assessed Separately	(2.87)	(0.58)	(3.60)	(4.50)	(1.82)	(7.15)
	Loss on Sale/Fixed Asset written off	0.07	0.66	0.58	0.14	0.24	0.29
	Profit of Sale of Fixed Assets	(0.45)	(0.59)	(1.18)	(0.85)	(0.39)	(0.98)
	Tax paid on Perks to Employees(U/s 10(10CC))	3.90	8.70	6.45	5.48	5.66	3.09
	Donation U/s 80G(Net of Tax benefit)	-	-	-	0.10	-	0.03
	Tax Free Income	(143.34)	(195.90)	(160.99)	(166.31)	(148.34)	(120.82)
	ROC Charges for increase in Authorised Share Capital	-	-	-	-	-	2.52
	Admissible Deductions & Expenditure for Income from HP	(0.80)	(1.08)	(0.94)	(0.77)	(0.98)	(1.05)
	Expenses on Corporate Social Responsibility	26.71	92.01	82.77	78.96	-	-

	Indexation benefit on LTCG	-	(80.74)	-	-	-	-
	Total Permanent Differences	(116.78)	(177.52)	(76.90)	(87.74)	(145.64)	(124.07)
B	Tax Impact on Permanent Adjustment	(40.42)	(61.44)	(26.62)	(29.82)	(49.50)	(40.26)
	Temporary Differences						
	Provision for Leave Encashment	66.75	62.34	(64.22)	43.51	(5.52)	88.09
	Provision for Doubtful Debts(Net)	19.54	221.51	(17.50)	(35.09)	102.22	(11.19)
	Amount Written Back-Provision no longer Required	-	-	-	-	-	(1.96)
	Provision - Contract Employee Benefit(Net)	(17.38)	(27.64)	25.00	7.95	(0.40)	0.38
	Provision for Superannuation Benefit(Pension+Medical)	(161.67)	-	(3.14)	(401.33)	276.98	149.31
	Difference between depreciation & amortisation as per Companies Act & Income Tax Act	11.11	(13.52)	(41.66)	(6.49)	(78.68)	(58.28)
	Other Adjustment for Joint Operations & JVs	2.34	5.06	-	-	-	8.04
	Total Temporary Differences	(79.31)	247.76	(101.51)	(391.45)	294.59	174.39
C	Tax Impact on Temporary Adjustment	(27.45)	85.74	(35.13)	(133.05)	100.13	56.58
D	Net Adjustments (B+C)	(67.87)	33.62	(61.75)	(162.87)	50.63	16.33
E	Tax Liability (A+D) - Restated	1,165.79	1,649.82	1,485.23	1,436.60	1,359.65	1,104.91

To,
The Board of Directors
Rites Limited,
SCOPE Minar, Core-I,
Laxmi Nagar,
Delhi - 110092

Examination Report on the Restated Standalone Financial Information in connection with the Initial Public Offering of RITES Limited

Dear Sirs,

- 1) We have examined the accompanying Restated Standalone Financial Information of **RITES LIMITED** (“the Company”) which comprises the Restated Standalone Statement of Assets and Liabilities as at December 31, 2017, March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013, the Restated Standalone Statement of Profit and Loss (including other comprehensive income), the Restated Standalone Statement of Cash Flows and the Restated Standalone Statement of Changes in Equity for nine months period ended December 31, 2017 and for each of the years ended March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014, March 31, 2013 and the Significant Accounting Policies as approved by the Board of Directors of the Company prepared in terms of the requirement of Section 26 of Part I of Chapter III of the Companies Act, 2013 (“the Act”) read with Rules 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014 (“the Rules”); and item (IX) of Part A of Schedule VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended to date issued by SEBI on August 26, 2009 in connection with the Proposed Initial Public Offering of Equity Shares of the Company (the Issue) and has been approved by the Board of Directors and initialed by us for identification purpose only.
- 2) The preparation of the Restated Standalone Financial Information, which is to be included in Red Hearing Prospectus (RHP), is the responsibility of the Management of the Company and has been approved by the Board of Directors, at its meeting held on March 21, 2018 for the purpose set out in paragraph 9 below. The Management’s responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Standalone Financial Information. The Management is also responsible for identifying and ensuring that the Company complies with the Rules and ICDR Regulations.
- 3) We have examined such Restated Standalone Financial Information taking into consideration the terms of reference and terms of engagement agreed upon with you in accordance with our engagement letter dated September 8, 2017 in connection with the proposed issue of equity shares of the Company; and the guidance note on reports in company prospectuses (revised 2016) issued by ICAI (“The Guidance Report”).
- 4) These Restated Standalone Financial Information have been compiled by the Management for nine month period ended December 31, 2017 and year ended March 31, 2017 from the Audited Standalone Financial Statements of the Company prepared under IND AS and for the year ended March 31, 2016, 2015 & 2014 and March 31, 2013, prepared under previous generally accepted accounting principles (Indian GAAP) adjusted in conformity with Ind AS, which have been approved by the Board of Directors at their meetings held on March 21 2018, July 4 2017, July 26 2016, July 24 2015, June 24 2014, and June 21 2013 respectively.

Audit for the Financial Year ended 31st March, 2013 was conducted by previous auditors, M/s Dinesh Mehta & Co. (Firm Registration Number: 000220N), and accordingly reliance has been placed on the Standalone financial information examined by them for the said year. The financial report included for the above mentioned year is based solely on the report submitted by them and the restated standalone financial information:

- a) have been made after incorporating adjustments for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per changed accounting policy for all the reporting periods;
- b) have been made after incorporating adjustments for the material amounts in the respective financial years to which they relate; and
- c) do not contain any extra-ordinary items that need to be disclosed separately.
- 5) In accordance with the requirements of Section 26 of Part I of Chapter III of the Act read with, Rules 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014, the ICDR Regulations and the Guidance Note, we report that:
- a) The Restated Standalone Statement of Assets and Liabilities of the Company, including as at March 31, 2013 examined and reported upon by M/s Dinesh Mehta &Co. (Firm Registration Number : 000220N) , on which reliance has been placed by us, and as at December 31, 2017, March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014 examined by us, as set out in Annexure I to this report, have been arrived at after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in Annexure VI.
- b) The Restated Standalone Statement of Profit and Loss of the Company, including for the year ended March 31, 2013 examined by M/s Dinesh Mehta &Co. (Firm Registration Number : 000220N) and who have submitted their report on which reliance has been placed by us, and for nine months period ended December 31, 2017 and for each of the years ended March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014, examined by us, as set out in Annexure II to this report, have been arrived at after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in Annexure VI.
- c) The Restated Standalone Statement of Changes in Equity of the Company, including for the year ended 31st March, 2013 examined by M/s Dinesh Mehta &Co. (Firm Registration Number : 000220N) and who have submitted their report on which reliance has been placed by us, and for nine months period ended December 31, 2017 and for each of the years ended March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014, examined by us, as set out in Annexures III to this report, have been arrived at after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in Annexure VI.
- d) The Restated Standalone Statement of Cash Flows of the Company, including for the year ended March 31, 2013 examined by M/s Dinesh Mehta &Co. (Firm Registration Number : 000220N) and who have submitted their report on which reliance has been placed by us, and for nine months period ended December 31, 2017 and for each of the years ended March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014, examined by us, as set out in Annexures IV to this report, have been arrived at after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in Annexure VI.
- e) Based on the above, and according to the information and explanations given to us, and also as per the reliance placed on the reports submitted by the previous auditor M/s Dinesh Mehta &Co. (Firm Registration Number : 000220N) for the respective year, we further report that the Restated Standalone Financial Information:
- i) have been made after incorporating adjustments for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per changed accounting policy for all the reporting periods;
- ii) have been made after incorporating adjustments for the material amounts in the respective financial years to which they relate; and
- iii) do not contain any extra-ordinary items that need to be disclosed separately.
- 6) We have also examined the restated Standalone financial information of the Company set out in the following Annexures prepared by the management and approved by the Board of Directors on March 21, 2018 for nine months period ended December 31, 2017 and for each of the years ended March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 , March 31, 2013:
- a) Annexure VI – Restated Related Party Disclosure (Note No.: 2.41)
- b) Annexure VII- Statement of adjustments to audited Standalone financial statements
- c) Annexure VIII–Restated Statement of Capitalisation

- d) Annexure IX–Restated Statement of Accounting Ratios
- e) Annexure X–Restated Statement of Other Income
- f) Annexure XI–Restated Statement of Tax Shelter
- g) Annexure XII– Statement of Dividend.

According to the information and explanations given to us and also as per the reliance placed on the reports submitted by the previous auditors, M/s Dinesh Mehta &Co. (Firm Registration Number : 000220N) , in our opinion, the Restated Standalone Financial Information contained in Annexures VII to XII accompanying this report, read with Significant Accounting Policies disclosed in Annexure V, are prepared after making adjustments and regroupings as considered appropriate and have been prepared in accordance with Section 26 of Part I of Chapter III of the Companies Act, 2013 read with Rules 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014, ICDR Regulations and the Guidance Note.

- 7) This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.
- 8) We have no responsibility to update our report for events and circumstances occurring after the date of the report.

Restriction on Use

- 9) Our report is intended solely for use of the management for inclusion in the offer document to be filed with Securities and Exchange Board of India, Registrar of Companies, Mumbai and concern stock exchange in connection with the proposed issue of equity shares of the Company. Our report should not be used, referred to or distributed for any other purpose except with our prior consent in writing.

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

(R. K. Agrawal)
Partner
Membership No.: 017020

Place: New Delhi
Dated: 21st March 2018

ANNEXURE I: RESTATED STANDALONE STATEMENT OF ASSETS & LIABILITIES							
(₹ in Million)							
PARTICULARS	NOTE NO.	AS AT 31.12.2017 (Ind AS)	AS AT 31.03.2017 (Ind AS)	AS AT 31.03.2016 (Ind AS)	AS AT 31.03.2015 (Proforma Ind AS)	AS AT 31.03.2014 (Proforma Ind AS)	AS AT 31.03.2013 (Proforma Ind AS)
ASSETS							
NON CURRENT ASSETS							
PROPERTY, PLANT AND EQUIPMENT	2.3	2,517.19	2,591.13	2,592.16	2,012.58	1,919.60	1,729.37
CAPITAL WORK IN PROGRESS	2.4	4.48	32.80	67.38	94.40	129.49	68.69
INVESTMENT PROPERTY	2.5	12.34	12.55	12.91	13.27	15.51	15.92
INTANGIBLE ASSETS	2.6	10.30	17.30	31.02	47.89	47.96	35.50
INTANGIBLE ASSETS UNDER DEVELOPMENT	2.7	15.79	15.79	15.79	7.48	4.88	2.27
FINANCIAL ASSETS							
INVESTMENTS	2.8.1	1,797.71	1,797.71	2,178.28	2,363.15	2,296.85	1,935.82
LOANS	2.9	87.12	96.48	103.20	1,545.48	1,356.87	1,181.22
OTHER FINANCIAL ASSETS	2.10	1,713.93	2,395.69	1,959.74	1,792.20	2,672.33	2,127.64
DEFERRED TAX ASSETS (NET)	2.11	508.95	585.99	289.95	461.30	597.01	474.33
OTHER NON CURRENT ASSETS	2.12	1,071.34	1,115.50	892.18	1,206.02	784.21	798.70
		7,739.15	8,660.94	8,142.61	9,543.77	9,824.71	8,369.46
CURRENT ASSETS							
INVENTORIES	2.13	307.45	504.13	130.71	66.77	174.92	259.63
FINANCIAL ASSETS							
INVESTMENTS	2.8.2	2,491.94	1,930.36	560.09	-	-	1,224.70
TRADE RECEIVABLES	2.14	5,336.77	4,568.47	5,312.41	3,801.88	3,249.51	2,940.80
CASH AND CASH EQUIVALENTS-OWNED FUND	2.15.1	1,440.75	2,510.34	2,401.41	2,512.71	329.59	559.22
CASH AND CASH EQUIVALENTS-CLIENTS FUND	2.16.1	4,718.18	3,333.70	1,903.51	1,993.57	2,586.51	2,193.51
OTHER BANK BALANCES-OWNED FUND	2.15.2	9,406.21	6,094.24	4,576.14	4,526.93	5,949.59	5,672.78
OTHER BANK BALANCES-CLIENTS FUND	2.16.2	13,914.25	16,590.94	16,279.79	11,390.85	12,180.98	9,343.39
LOANS	2.17	110.15	114.17	71.70	121.99	40.94	33.73
OTHER FINANCIAL ASSETS	2.18	1,637.47	1,717.24	1,849.12	1,418.61	1,383.65	1,263.95
CURRENT TAX ASSETS (NET)	2.19	63.36	103.54	386.63	16.19	16.19	63.33
OTHER CURRENT ASSETS	2.20	865.25	498.05	823.06	285.42	457.93	855.30
		40,291.78	37,965.18	34,294.57	26,134.92	26,369.81	24,410.34
TOTAL ASSETS		48,030.93	46,626.12	42,437.18	35,678.69	36,194.52	32,779.80
EQUITY AND LIABILITIES							

EQUITY							
EQUITY SHARE CAPITAL	2.21	2,000.00	2,000.00	1,000.00	1,000.00	1,000.00	1,000.00
OTHER EQUITY	2.22	19,630.81	18,377.54	17,580.52	15,695.58	13,192.97	11,280.72
		21,630.81	20,377.54	18,580.52	16,695.58	14,192.97	12,280.72
LIABILITIES							
NON CURRENT LIABILITIES							
FINANCIAL LIABILITIES							
TRADE PAYABLES	2.23	-	-	6.64	26.75	31.87	37.26
OTHER FINANCIAL LIABILITIES	2.24	1,159.84	1,084.57	996.17	822.08	688.04	666.85
PROVISIONS	2.25	1,203.89	1,126.82	998.62	1,045.46	1,128.04	1,448.29
OTHER NON CURRENT LIABILITIES	2.26	1,995.05	72.75	20.68	64.13	134.72	50.89
		4,358.78	2,284.14	2,022.11	1,958.42	1,982.67	2,203.29
CURRENT LIABILITIES							
FINANCIAL LIABILITIES							
TRADE PAYABLES	2.27	704.14	848.59	889.40	854.41	1,066.05	1,425.07
OTHER FINANCIAL LIABILITIES	2.28	18,220.56	19,155.33	18,846.83	15,043.47	17,003.91	14,717.55
PROVISIONS	2.29	996.73	1,505.02	1,046.14	766.80	1,083.24	312.18
OTHER CURRENT LIABILITIES	2.30	2,119.91	2,455.50	1,052.18	360.01	865.68	1,840.99
		22,041.34	23,964.44	21,834.55	17,024.69	20,018.88	18,295.79
TOTAL EQUITY AND LIABILITIES		48,030.93	46,626.12	42,437.18	35,678.69	36,194.52	32,779.80

THE ABOVE STATEMENT SHOULD BE READ WITH THE BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES APPEARING IN ANNEXURE V, NOTES TO RESTATED STANDALONE FINANCIAL INFORMATION APPEARING IN ANNEXURE VI AND STATEMENT OF ADJUSTMENTS TO AUDITED STANDALONE FINANCIAL STATEMENTS APPEARING IN ANNEXURE VII. RESTAED STANDALONE STATEMENT OF CAPITALISATION APPEARING IN ANNEXURE VIII, RESTATED STANDALONE STATEMENT OF ACCOUNTING RATIONS APPAERING IN ANNEXURE IX, RESTATED STANDALONE SATEMENT OF OTHER INCOME WITH ITS NATURE APPEARING IN ANNEXURE X, RESTATED STANDALONE STATEMENT OF TAX SHELTER APPEARING IN ANNEXURE XI AND RESTATED STANDALONE STATEMENT OF DIVIDEND PAID APPEARING IN ANNEXURE XII.

For and on behalf of the Board

Ajay Kumar Gaur
Director Finance
and
Chief Finance Officer
DIN:05333257

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

P.T. Mittal
Company Secretary
and
General Manager (Legal)
M.No. : FCS 2529

As per our report of even date attached

**For AGIWAL & ASSOCIATES
Chartered Accountants
Firm Registration No. 000181N
(R. K. Agrawal)
Partner
Membership No.: 017020**

**Place: Delhi
Dated:**

ANNEXURE II: RESTATED STANDALONE STATEMENT OF PROFIT AND LOSS							
(₹ in Million)							
PARTICULARS	NOTE NO.	PERIOD ENDED 31.12.2017 (Ind AS)	YEAR ENDED 31.03.2017 (Ind AS)	YEAR ENDED 31.03.2016 (Ind AS)	YEAR ENDED 31.03.2015 (Proforma Ind AS)	YEAR ENDED 31.03.2014 (Proforma Ind AS)	YEAR ENDED 31.03.2013 (Proforma Ind AS)
REVENUE							
REVENUE FROM OPERATIONS	2.31	8,902.37	13,012.50	10,746.63	10,111.50	10,934.50	9,538.92
OTHER INCOME	2.32	1,243.93	2,070.99	1,349.93	1,448.32	1,262.29	1,273.36
TOTAL REVENUE		10,146.30	15,083.49	12,096.56	11,559.82	12,196.79	10,812.28
EXPENDITURE							
EMPLOYEE BENEFIT EXPENSES	2.33	3,212.99	4,161.90	3,402.50	3,240.53	2,701.88	2,851.47
TRAVEL		270.16	391.10	353.70	324.59	342.96	307.46
SUPPLIES & SERVICES		681.87	1,048.14	964.48	769.06	725.74	782.91
COST OF EXPORT SALES	2.34	1,140.33	2,961.02	1,569.42	805.11	2,731.86	2,252.90
COST OF TURNKEY CONSTRUCTION PROJECTS	2.35	539.43	278.49	352.52	834.82	881.51	546.17
DEPRECIATION & AMORTISATION EXPENSES	2.3-2.7	230.40	321.07	318.16	261.22	203.41	155.21
OTHER EXPENSES	2.36	436.54	1,022.87	655.30	658.17	732.84	606.62
TOTAL EXPENDITURE		6,511.72	10,184.59	7,616.08	6,893.50	8,320.20	7,502.74
PROFIT BEFORE TAX		3,634.58	4,898.90	4,480.48	4,666.32	3,876.59	3,309.54
TAX EXPENSES							
- CURRENT TAX	2.50	(1,186.68)	(1,646.60)	(1,488.84)	(1,423.02)	(1,368.45)	(1,089.11)
- DEFERRED TAX (NET)	2.37	(77.04)	296.04	(171.35)	(135.71)	122.68	59.38
PROFIT AFTER TAX		2,370.86	3,548.34	2,820.29	3,107.59	2,630.82	2,279.81
OTHER COMPREHENSIVE INCOME							
ITEMS THAT WILL NOT BE RECLASSIFIED SUBSEQUENTLY TO PROFIT & LOSS							
- REMEASUREMENTS OF THE DEFINED BENEFIT LIABILITY/ASSET		(61.36)	9.00	(13.20)	36.80	(25.40)	45.70
- INCOME TAX		21.24	(3.10)	4.60	(12.70)	8.80	(15.80)
TOTAL OTHER COMPREHENSIVE INCOME (NET OF TAX)		(40.12)	5.90	(8.60)	24.10	(16.60)	29.90

TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		2,330.74	3,554.24	2,811.69	3,131.69	2,614.22	2,309.71
EARNING PER SHARE (EQUITY SHARE OF ₹10/- EACH) - BASIC & DILUTED (₹)	2.43	11.854	17.742	14.101	15.538	13.154	11.399
WEIGHTED AVERAGE NUMBER OF EQUITY SHARES USED IN COMPUTING EARNING PER SHARE		200,000,000	200,000,000	200,000,000	200,000,000	200,000,000	200,000,000

THE ABOVE STATEMENT SHOULD BE READ WITH THE BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES APPEARING IN ANNEXURE V, NOTES TO RESTATED STANDALONE FINANCIAL INFORMATION APPEARING IN ANNEXURE VI AND STATEMENT OF ADJUSTMENTS TO AUDITED STANDALONE FINANCIAL STATEMENTS APPEARING IN ANNEXURE VII. RESTAED STANDALONE STATEMENT OF CAPITALISATION APPEARING IN ANNEXURE VIII, RESTATED STANDALONE STATEMENT OF ACCOUNTING RATIONS APPAERING IN ANNEXURE IX, RESTATED STANDALONE SATEMENT OF OTHER INCOME WITH ITS NATURE APPEARING IN ANNEXURE X, RESTATED STANDALONE STATEMENT OF TAX SHELTER APPEARING IN ANNEXURE XI AND RESTATED STANDALONE STATEMENT OF DIVIDEND PAID APPEARING IN ANNEXURE XII.

For and on behalf of the Board

Ajay Kumar Gaur
Director Finance
and
Chief Finance Officer
DIN:05333257

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

P.T. Mittal
Company Secretary
and
General Manager (Legal)
M.No. : FCS 2529

As per our report of even date attached

For AGIWAL & ASSOCIATES
Chartered Accountants
Firm Registration No. 000181N
(R. K. Agrawal)
Partner
Membership No.: 017020

Place: Delhi
Dated:

ANNEXURE III: RESTATED STANDALONE STATEMENT OF CHANGES IN EQUITY				
A. EQUITY SHARE CAPITAL				
(₹ in Million)				
BALANCE AS AT 01.04.2017	CHANGES IN EQUITY SHARE CAPITAL DURING THE PERIOD		BALANCE AS AT 31.12.2017	
2,000.00	0.00		2,000.00	
(₹ in Million)				
BALANCE AS AT 01.04.2016	CHANGES IN EQUITY SHARE CAPITAL DURING THE YEAR*		BALANCE AS AT 31.03.2017	
1,000.00	1000.00		2,000.00	
(in Million)				
BALANCE AS AT 01.04.2015	CHANGES IN EQUITY SHARE CAPITAL DURING THE YEAR		BALANCE AS AT 31.03.2016	
1,000.00	0.00		1,000.00	
(₹ in Million)				
BALANCE AS AT 01.04.2014	CHANGES IN EQUITY SHARE CAPITAL DURING THE YEAR		BALANCE AS AT 31.03.2015	
1,000.00	0.00		1,000.00	
(₹ in Million)				
BALANCE AS AT 01.04.2013	CHANGES IN EQUITY SHARE CAPITAL DURING THE YEAR		BALANCE AS AT 31.03.2014	
1,000.00	0.00		1,000.00	
(₹ in Million)				
BALANCE AS AT 01.04.2012	CHANGES IN EQUITY SHARE CAPITAL DURING THE YEAR*		BALANCE AS AT 31.03.2013	
400.00	600.00		1,000.00	
*CHANGE IN EQUITY IS ON ACCOUNT OF ISSUANCE OF BONUS SHARES ONLY.				
B. OTHER EQUITY				
(₹ in Million)				
PARTICULARS	RESERVE AND SURPLUS		OTHER COMPREHENSIVE INCOME	TOTAL
	GENERAL RESERVE**	RETAINED EARNINGS	REMEASUREMENT OF DEFINED BENEFITS	
BALANCE AS AT 01.04.2017	18,381.04	-	(3.50)	18,377.54
PROFIT FOR THE PERIOD		2,370.86	-	2,370.86
REMEASUREMENT OF THE NET DEFINED BENEFIT LIABILITY/ASSET, NET OF TAX		-	(40.12)	(40.12)

EFFECT				
FINAL DIVIDEND (2016-17)		(780.00)	-	(780.00)
CORPORATE DIVIDEND TAX		(297.47)	-	(297.47)
TRANSFER TO GENERAL RESERVE FROM RETAINED EARNINGS	1,293.39	(1,293.39)	-	-
BALANCE AT 31.12.2017	19,674.43	-	(43.62)	19,630.81
FINAL DIVIDEND PER SHARE FOR 2016-17 (₹)	3.90	NUMBER OF SHARES USED IN COMPUTING DIVIDEND PER SHARE		200,000,000

(₹ in Million)				
PARTICULARS	RESERVE AND SURPLUS		OTHER COMPREHENSIVE INCOME	TOTAL
	GENERAL RESERVE**	RETAINED EARNINGS	REMEASUREMENT OF DEFINED BENEFITS	
BALANCE AS AT 01.04.2016	17,589.92	-	(9.40)	17,580.52
PROFIT FOR THE PERIOD	-	3,548.34	-	3,548.34
CAPITALISATION OF GENERAL RESERVE (ISSUE OF BONUS SHARES)	(1,000.00)	-	-	(1,000.00)
REMEASUREMENT OF THE NET DEFINED BENEFIT LIABILITY/ASSET, NET OF TAX EFFECT	-	-	5.90	5.90
INTERIM DIVIDEND (2016-17)	-	(550.00)	-	(550.00)
FINAL DIVIDEND (2015-16)	-	(910.00)	-	(910.00)
CORPORATE DIVIDEND TAX	-	(297.22)	-	(297.22)

TRANSFER TO GENERAL RESERVE FROM RETAINED EARNINGS	1,791.12	(1,791.12)	-	-
BALANCE AT 31.03.2017	18,381.04	-	(3.50)	18,377.54
INTERIM DIVIDEND PER SHARE FOR 2016-17 (₹)	3.67	NUMBER OF SHARES USED IN COMPUTING DIVIDEND PER SHARE		150,000,000
FINAL DIVIDEND PER SHARE FOR 2015-16 (₹)	9.10	NUMBER OF SHARES USED IN COMPUTING DIVIDEND PER SHARE		100,000,000

(₹ in Million)				
PARTICULARS	RESERVE AND SURPLUS		OTHER COMPREHENSIVE INCOME	TOTAL
	GENERAL RESERVE**	RETAINED EARNINGS	REMEASUREMENT OF DEFINED BENEFITS	
BALANCE AS AT 01.04.2015	15,696.38	-	(0.80)	15,695.58
PROFIT FOR THE PERIOD	-	2,820.29	-	2,820.29
REMEASUREMENT OF THE NET DEFINED BENEFIT LIABILITY/ASSET, NET OF TAX EFFECT		-	(8.60)	(8.60)
INTERIM DIVIDEND (2015-16)		(450.00)	-	(450.00)
FINAL DIVIDEND (2014-15)		(320.00)	-	(320.00)
CORPORATE DIVIDEND TAX		(156.75)	-	(156.75)
TRANSFER TO GENERAL RESERVE FROM RETAINED EARNINGS	1,893.54	(1,893.54)	-	-
BALANCE AT 31.03.2016	17,589.92	-	(9.40)	17,580.52

INTERIM DIVIDEND PER SHARE FOR 2015-16 (₹)	4.50	NUMBER OF SHARES USED IN COMPUTING DIVIDEND PER SHARE	100,000,000
FINAL DIVIDEND PER SHARE FOR 2014-15 (₹)	3.20	NUMBER OF SHARES USED IN COMPUTING DIVIDEND PER SHARE	100,000,000

(₹ in Million)				
PARTICULARS	RESERVE AND SURPLUS		OTHER COMPREHENSIVE INCOME	TOTAL
	GENERAL RESERVE**	RETAINED EARNINGS	REMEASUREMENT OF DEFINED BENEFITS	
BALANCE AS AT 01.04.2014	13,217.87	-	(24.90)	13,192.97
PROFIT FOR THE PERIOD	-	3,107.59	24.10	3,131.69
INTERIM DIVIDEND (2014-15)	-	(300.00)	-	(300.00)
FINAL DIVIDEND (2013-14)	-	(230.00)	-	(230.00)
CORPORATE DIVIDEND TAX	-	(99.08)	-	(99.08)
TRANSFER TO GENERAL RESERVE FROM RETAINED EARNINGS	2,478.51	(2,478.51)	-	-
BALANCE AT 31.03.2015	15,696.38	-	(0.80)	15,695.58
INTERIM DIVIDEND PER SHARE FOR 2014-15 (₹)	3.00	NUMBER OF SHARES USED IN COMPUTING DIVIDEND PER SHARE	100,000,000	
FINAL DIVIDEND PER SHARE FOR 2013-14 (₹)	2.30	NUMBER OF SHARES USED IN COMPUTING DIVIDEND PER SHARE	100,000,000	

(₹ in Million)			
PARTICULARS	RESERVE AND SURPLUS	OTHER COMPREHENSIVE INCOME	TOTAL

	GENERAL RESERVE**	RETAINED EARNINGS	REMEASUREMENT OF DEFINED BENEFITS	
BALANCE AS AT 01.04.2013	11,289.02	-	(8.30)	11,280.72
PROFIT FOR THE PERIOD	-	2,630.82	(16.60)	2,614.22
INTERIM DIVIDEND (2013-14)	-	(300.00)	-	(300.00)
FINAL DIVIDEND (2012-13)	-	(300.00)	-	(300.00)
CORPORATE DIVIDEND TAX	-	(101.97)	-	(101.97)
TRANSFER TO GENERAL RESERVE FROM RETAINED EARNINGS	1,928.85	(1,928.85)	-	-
BALANCE AT 31.03.2014	13,217.87	-	(24.90)	13,192.97
INTERIM DIVIDEND PER SHARE FOR 2013-14 (₹)	3.00	NUMBER OF SHARES USED IN COMPUTING DIVIDEND PER SHARE		100,000,000
FINAL DIVIDEND PER SHARE FOR 2012-13 (₹)	3.00	NUMBER OF SHARES USED IN COMPUTING DIVIDEND PER SHARE		100,000,000

(₹ in Million)				
PARTICULARS	RESERVE AND SURPLUS		OTHER COMPREHENSIVE INCOME	TOTAL
	GENERAL RESERVE**	RETAINED EARNINGS	REMEASUREMENT OF DEFINED BENEFITS	
RESTATED BALANCE AT THE BEGINNING OF THE REPORTING PERIOD i.e. 01.04.2012	10,050.85	-	(38.20)	10,012.65
PROFIT FOR THE PERIOD	-	2,279.81	29.90	2,309.71
CAPITALISATION OF GENERAL RESERVE (ISSUE OF BONUS SHARES)	(600.00)	-	-	(600.00)
INTERIM DIVIDEND (2012-13)		(200.00)	-	(200.00)

FINAL DIVIDEND (2011-12)	-	(180.00)	-	(180.00)
CORPORATE DIVIDEND TAX		(61.64)	-	(61.64)
TRANSFER TO GENERAL RESERVE FROM RETAINED EARNINGS	1,838.17	(1,838.17)	-	-
BALANCE AT 31.03.2013	11,289.02	-	(8.30)	11,280.72
INTERIM DIVIDEND PER SHARE FOR 2012-13 (₹)	2.00	NUMBER OF SHARES USED IN COMPUTING DIVIDEND PER SHARE		100,000,000
FINAL DIVIDEND PER SHARE FOR 2011-12 (₹)	4.50	NUMBER OF SHARES USED IN COMPUTING DIVIDEND PER SHARE		40,000,000
**GENERAL RESERVES ARE FREE RESERVE AND CAN BE UTILISED AS PER THE PROVISIONS OF COMPANIES ACT, 2013 & ITS RELEVANT RULES.				
THE ABOVE STATEMENT SHOULD BE READ WITH THE BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES APPEARING IN ANNEXURE V, NOTES TO RESTATED STANDALONE FINANCIAL INFORMATION APPEARING IN ANNEXURE VI AND STATEMENT OF ADJUSTMENTS TO AUDITED STANDALONE FINANCIAL STATEMENTS APPEARING IN ANNEXURE VII. RESTAED STANDALONE STATEMENT OF CAPITALISATION APPEARING IN ANNEXURE VIII, RESTATED STANDALONE STATEMENT OF ACCOUNTING RATIIONS APPAERING IN ANNEXURE IX, RESTATED STANDALONE SATEMENT OF OTHER INCOME WITH ITS NATURE APPEARING IN ANNEXURE X, RESTATED STANDALONE STATEMENT OF TAX SHELTER APPEARING IN ANNEXURE XI AND RESTATED STANDALONE STATEMENT OF DIVIDEND PAID APPEARING IN ANNEXURE XII.				
For and on behalf of the Board				

Ajay Kumar Gaur
Director Finance
and
Chief Finance Officer
DIN:05333257

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

P.T. Mittal
Company Secretary
and
General Manager (Legal)
M.No. : FCS 2529

As per our report of even date attached

For AGIWAL & ASSOCIATES
Chartered Accountants
Firm Registration No. 000181N
(R. K. Agrawal)
Partner
Membership No.: 017020

Place: Delhi
Dated:

ANNEXURE IV: RESTATED STANDALONE STATEMENT OF CASH FLOWS							
							(₹ in Million)
PARTICULARS	NOTE NO.	PERIOD ENDED 31.12.2017 (Ind AS)	YEAR ENDED 31.03.2017 (Ind AS)	YEAR ENDED 31.03.2016 (Ind AS)	YEAR ENDED 31.03.2015 (Proforma Ind AS)	YEAR ENDED 31.03.2014 (Proforma Ind AS)	YEAR ENDED 31.03.2013 (Proforma Ind AS)
CASH FLOW FROM OPERATING ACTIVITIES							
NET PROFIT BEFORE TAX		3,634.58	4,898.90	4,480.48	4,666.32	3,876.59	3,309.54
OTHER COMPREHENSIVE INCOME BEFORE TAX		(61.36)	9.00	(13.20)	36.80	(25.40)	45.70
ADJUSTMENTS FOR:							
- DEPRECIATION AND AMORTIZATION		230.40	321.07	318.16	261.22	203.41	155.21
- LOSS/(PROFIT) ON SALE OF ASSETS (NET)		(0.40)	(0.19)	(0.98)	(0.75)	(0.18)	(0.74)
- INTEREST FROM FDS/OTHERS		(726.68)	(952.87)	(1,074.66)	(1,053.30)	(969.04)	(857.33)
- INCOME FROM INVESTMENTS		(71.58)	(44.54)	(12.82)	(27.42)	(22.76)	(28.65)
- INCOME FROM INVESTMENT PROPERTIES		(7.39)	(9.85)	(9.85)	(9.85)	(11.21)	(9.61)
- PROFIT FROM SALE OF INVESTMENT		-	(714.72)	-	-	-	-
- FIXED ASSETS WRITTEN OFF		0.02	0.20	0.30	0.03	0.03	0.05
- PROVISION AND IMPAIRMENT EXPENSES		(124.93)	499.88	192.14	(37.94)	229.80	70.14
EFFECT OF EXCHANGE DIFFERENCES ON TRANSLATION OF FOREIGN CURRENCY		(54.65)	(18.84)	(145.64)	(132.55)	(87.03)	(152.04)
OPERATING PROFIT BEFORE CHANGES IN ASSETS AND LIABILITIES		2,818.01	3,988.04	3,733.93	3,702.56	3,194.21	2,532.27
CHANGE IN ASSETS AND LIABILITIES:							
ADJUSTMENTS FOR (INCREASE)/DECREASE IN OPERATING ASSETS:							
- INVENTORIES		258.56	(373.42)	(63.94)	108.15	73.65	357.12
- TRADE RECEIVABLES		(788.28)	397.57	(1,611.28)	(520.70)	(409.40)	(357.95)

- LOANS, OTHER FINANCIAL ASSETS AND OTHER ASSETS		(32.42)	931.46	22.56	229.97	339.13	(200.57)
ADJUSTMENTS FOR INCREASE/(DECREASE) IN OPERATING LIABILITIES:							
- TRADE PAYABLES		(144.45)	(47.45)	14.88	(216.76)	(364.41)	285.53
- OTHER FINANCIAL LIABILITIES, OTHER LIABILITIES AND PROVISIONS (NET OF CLIENT FUNDS)		1,645.86	331.67	255.83	(791.94)	(879.05)	1,094.43
CASH GENERATED FROM OPERATIONS		3,757.28	5,227.87	2,351.98	2,511.28	1,954.13	3,710.83
- INCOME TAX PAID		(852.69)	(1,641.84)	(1,854.18)	(1,389.48)	(1,268.89)	(1,301.47)
NET CASH FROM OPERATING ACTIVITIES		2,904.59	3,586.03	497.80	1,121.80	685.24	2,409.36
CASH FLOWS FROM INVESTING ACTIVITIES							
- PURCHASE/CONSTRUCTION OF FIXED ASSETS		(423.30)	(213.44)	(554.63)	(856.62)	(470.02)	(246.52)
- PROCEEDS FROM SALE OF FIXED ASSETS		0.48	1.00	1.67	56.45	1.07	(8.23)
- INVESTMENTS IN SHARES,BONDS ETC.		500.00	397.87	(302.02)	(37.30)	(361.03)	(555.14)
- LOANS TO RELATED PARTIES		-	(70.00)	(20.00)	(174.00)	-	44.40
- DEPOSITS AND INTEREST ACCRUED NOT CONSIDERED AS CASH AND CASH EQUIVALENTS		(2,881.53)	(1,431.65)	(141.15)	1,725.26	(1,639.59)	(840.94)
- INTEREST INCOME		726.68	952.87	983.74	991.50	909.64	806.43
- INCOME FROM INVESTMENTS		71.58	44.54	12.82	27.42	22.76	28.65
- INCOME FROM INVESTMENT PROPERTIES		7.39	9.85	9.85	9.85	11.21	9.61
NET CASH FROM INVESTING ACTIVITIES		(1,998.70)	(308.96)	(9.72)	1,742.56	(1,525.96)	(761.74)
CASH FLOW FROM FINANCING ACTIVITIES							
- DIVIDEND PAID		(780.00)	(1,460.00)	(770.00)	(530.00)	(600.00)	(380.00)
- DIVIDEND TAX PAID		(297.47)	(297.22)	(156.75)	(99.08)	(101.97)	(61.64)
NET CASH FROM FINANCING ACTIVITIES		(1,077.47)	(1,757.22)	(926.75)	(629.08)	(701.97)	(441.64)

EFFECT OF EXCHANGE DIFFERENCES ON TRANSLATION OF FOREIGN CURRENCY CASH & CASH EQUIVALENTS		54.65	18.84	145.64	132.55	87.03	152.04
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(116.93)	1,538.69	(293.03)	2,367.83	(1,455.66)	1,358.02
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		3,943.58	2,404.89	2,697.92	330.09	1,785.75	427.73
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		3,826.65	3,943.58	2,404.89	2,697.92	330.09	1,785.75

RECONCILIATION OF CASH AND CASH EQUIVALENTS							(₹ in Million)	
PARTICULARS	NOTE NO.	PERIOD ENDED 31.12.2017	YEAR ENDED 31.03.2017	YEAR ENDED 31.03.2016	YEAR ENDED 31.03.2015	YEAR ENDED 31.03.2014	YEAR ENDED 31.03.2013	
CASH AND CASH EQUIVALENTS-OWNED FUND	2.15.1	1,440.75	2,510.34	2,401.41	2,512.71	329.59	559.22	
ADD : INTEREST ACCRUED ON BANK DEPOSITS HAVING MATURITY WITHIN 3 MONTHS FROM ACQUISITIONS' DATE	2.18	2.15	2.92	3.48	185.21	0.93	2.14	
ADD: INVESTMENT IN LIQUID FUND PLAN		2,491.94	1,430.36	-	-	-	1,224.70	
LESS : BANK BOOK OVERDRAFT-OWNED FUND	2.28	(108.19)	(0.04)	-	-	(0.43)	(0.31)	
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		3,826.65	3,943.58	2,404.89	2,697.92	330.09	1,785.75	

SUPPLEMENTARY INFORMATION:								
RESTRICTED CASH BALANCE		38.67	42.36	64.91	72.86	59.53	208.69	
COMPONENTS OF CASH AND CASH EQUIVALENTS (REFER NOTE NO. 2.15.1 & 2.16.1)		1,440.75	2,510.34	2,401.41	2,512.71	329.59	559.22	
NON CASH TRANSACTIONS - INVESTING ACTIVITIES							(₹ in Million)	
PARTICULARS		PERIOD ENDED 31.12.2017	YEAR ENDED 31.03.2017	YEAR ENDED 31.03.2016	YEAR ENDED 31.03.2015	YEAR ENDED 31.03.2014	YEAR ENDED 31.03.2013	
PROFIT FROM SALE OF INVESTMENT IN JOINT VENTURE		-	714.72	-	-	-	-	
INTEREST INCOME ON LOAN TO CCFB MOZAMBIQUE		-	-	90.92	61.80	59.40	50.90	
CONVERSION OF LOAN TO INVESTMENT IN EQUITY OF JOINT VENTURE		-	17.30	73.70	29.00	-	14.90	

CONVERSION OF LOAN & INTEREST THEREON INTO AMOUNT RECOVERABLE		-	-	1,536.67	-	-	-
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NOTES:

1. CASH AND CASH EQUIVALENTS CONSIST OF CASH AND BANK BALANCES INCLUDING FDs & INTEREST ACCRUED HAVING MATURITY WITHIN 3 MONTHS FROM THE DATE OF ACQUISITION AND LIQUID INVESTMENTS
2. THE ABOVE STATEMENT OF CASH FLOWS HAS BEEN PREPARED UNDER THE INDIRECT METHOD AS SET OUT IN IND AS 7 STATEMENT OF CASH FLOWS NOTIFIED U/S 133 OF COMPANIES ACT, 2013 ("ACT") READ WITH RULE 4 OF THE COMPANIES (INDIAN ACCOUNTING STANDARDS) RULES 2015 AND THE RELEVANT PROVISION OF THE ACT.
3. FIGURES IN BRACKET INDICATE CASH OUTFLOW.
4. THE ABOVE RESTATED STATEMENT OF CASH FLOWS HAS BEEN PREPARED ON THE BASIS OF RITES OWNED FUNDS ONLY. FUNDS ON THE BEHALF OF THE CLIENT AND ITS CORRESPONDING LIABILITIES HAVE NOT BEEN CONSIDERED.

THE ABOVE STATEMENT SHOULD BE READ WITH THE BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES APPEARING IN ANNEXURE V, NOTES TO RESTATED STANDALONE FINANCIAL INFORMATION APPEARING IN ANNEXURE VI AND STATEMENT OF ADJUSTMENTS TO AUDITED STANDALONE FINANCIAL STATEMENTS APPEARING IN ANNEXURE VII. RESTAED STANDALONE STATEMENT OF CAPITALISATION APPEARING IN ANNEXURE VIII, RESTATED STANDALONE STATEMENT OF ACCOUNTING RATIIONS APPAERING IN ANNEXURE IX, RESTATED STANDALONE STATEMENT OF OTHER INCOME WITH ITS NATURE APPEARING IN ANNEXURE X, RESTATED STANDALONE STATEMENT OF TAX SHELTER APPEARING IN ANNEXURE XI AND RESTATED STANDALONE STATEMENT OF DIVIDEND PAID APPEARING IN ANNEXURE XII.

For and on behalf of the Board

Ajay Kumar Gaur
Director Finance
and
Chief Finance Officer
DIN:05333257

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

P.T. Mittal
Company Secretary
and
General Manager (Legal)
M.No. : FCS 2529

As per our report of even date attached

For AGIWAL & ASSOCIATES
Chartered Accountants
Firm Registration No. 000181N
(R. K. Agrawal)
Partner
Membership No.: 017020

Place: Delhi
Dated:

ANNEXURE V - SIGNIFICANT ACCOUNTING POLICIES

Company Overview

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

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

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 GENERAL

(a) Statement of Compliance

The Restated Standalone Statement of Assets and Liabilities of RITES Ltd. as at Dec 31, 2017 & March 31, 2017, 2016, 2015, 2014, and 2013, the Restated Standalone Statement of Profit and Loss, the Restated Standalone Statement of Changes in Equity and the Restated Standalone Statement of Cash flows for the period ended Dec 31, 2017 & years ended March 31, 2017, 2016, 2015, 2014, and 2013 and Restated Other Standalone Financial Information (together referred as ‘Restated Standalone Financial Information’) has been prepared under Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013 to the extent applicable and as per relevant SEBI guidelines. The Restated Standalone Financial Information have been compiled by the Company from the Audited Standalone Financial Statements of the Company for the respective years (“Audited Standalone Financial Statements”) prepared under IND AS or previous generally accepted accounting principles (Indian GAAP) followed in India.

In accordance with Ind AS 101 First-time Adoption of Indian Accounting Standard, the Company has presented a reconciliation from Audited Financial Statements under Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (“Indian GAAP”) to Restated Ind AS of Restated Standalone Shareholders’ equity as at March 31, 2016, 2015, 2014, 2013, and April 1, 2012 and of the Restated Standalone Statement of profit and loss for the years ended March 31, 2017, 2016, 2015, 2014 and 2013.

The Restated Standalone Financial Information have been prepared by the management in connection with the proposed listing of equity shares of the Company by way of an offer for sale by the selling shareholders, to be filed by the Company with the Securities and Exchange Board of India, Registrar of Companies, Mumbai and the concerned Stock Exchange in accordance with the requirements of:

- (a) Section 26 read with applicable provisions within Rules 4 to 6 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 to the Companies Act, 2013; and
- (b) The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 issued by the Securities and Exchange Board of India (“SEBI”) on August 26, 2009, as amended to date in pursuance of provisions of Securities and Exchange Board of India Act, 1992 read along with SEBI circular No. SEBI/HO/CFD/DIL/CIR/P/2016/47 dated March 31, 2016 (together referred to as the “SEBI regulations”).

- (c) Guidance note on reports in Company prospectuses issued by the Institute of Chartered Accountants of India.

These Restated Standalone Financial Information have been compiled by the Company from the Audited Standalone Financial Statements and:

- there were no audit qualifications on these Restated Standalone financial statements.
- exchange variation has been recognized in restated financial information in respect of dues from CCFB, Mozambique as reported by statutory auditors in their report for the year ended March 31, 2015, 2014 & 2013.
- after settlement with Government of Mozambique (GoM), income from CCFB, Mozambique regarding interest income, exchange variation, consultancy fee & lease charges have been recognised in the financial year 2015-16 in the previous GAAP. However, in restated financial information, income pertaining to previous financial years has been recognised along with tax impact in the respective financial years.
- Ind AS based uniform accounting policies have been used for these financial statements.
- material amounts relating to adjustments for previous years in arriving at profit/loss of the years to which they relate, have been appropriately adjusted,
- adjustments for reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the groupings as per the audited Standalone financial statements of the Company as at and for the quarter ended December 31, 2017 prepared under Ind AS and the requirements of the SEBI Regulations, and
- the resultant tax impact on above adjustments has been appropriately adjusted in deferred taxes in the respective years to which they relate.

(b) Basis of Preparation

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

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

The reporting and functional currency of the company is Indian Rupees (INR). Figures in financial statements are presented in ₹ million, by rounding off upto two decimal 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 2.54. Previous periods figures have been regrouped/recasted/rearranged, wherever necessary.

The Restated Standalone Financial Information were approved by the company's Board of Directors in their meeting held on March 21, 2018.

(c) Use of Estimates and Judgements

The preparation of the Restated Standalone financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities and contingent assets as at the date of the financial statements and reported amounts of revenues and expenses for the reporting period. 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.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

Judgment, estimates and assumptions are required in particular for:

Determination of the estimated useful lives of tangible assets

Useful lives of tangible assets are based on the life prescribed in Schedule II of the Companies Act, 2013. In cases, where the useful lives are different from that prescribed in Schedule II, they are based on technical assessment. As per company's technical assessment, Fixtures, Mobile Hand Set, Coolers & Air Conditioners and In-Service Locomotives & Coaches (refurbished) have lower useful lives than prescribed in part C of schedule II of the Companies Act, 2013. Therefore depreciation is charged at higher rate than prescribed under the Companies Act, 2013.

Recognition and measurement of defined benefit obligations

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, employee turnover rate and mortality rate. The discount rate is determined on the basis yield to maturity available on government bonds having similar term to decrement adjusted estimated term of liabilities at the end of the reporting period. Due to complexities involved in the valuation and its long term nature, defined benefit obligation is sensitive to changes in these assumptions. All assumptions are reviewed at each reporting period.

Recognition of deferred tax assets

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

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

Recognition and measurement of other provisions

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the balance sheet date. The actual outflow of resources at a future date may therefore, vary from the amount included in other provisions.

Discounting of long-term financial assets/liabilities

All financial assets / liabilities are required to be measured at fair value on initial recognition. In case of financial liabilities/assets which are required to subsequently be measured at amortised cost, interest is accrued using the effective interest method.

1.2 REVENUE RECOGNITION

1.2.1 REVENUE FROM OPEARTIONS

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

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

General Parameters

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

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

1.2.1.1 **Consultancy Fee**

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

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

Reimbursable and supplies are accounted for on accrual basis.

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

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

1.2.1.2 **Inspection Fee**

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

1.2.1.3 **Lease Services**

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

1.2.1.4 **Export Sales**

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

1.2.1.5 **Construction Projects**

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

Stage of completion of contract for recognition of revenue is based on the proportion of the costs incurred for work performed up to the reporting date bear to the estimated total contract/project costs. Any expected loss is recognized as an expense immediately.

1.2.2 **Other Income**

1.2.2.1 **Interest Income**

Interest income is recognized using effective interest method.

1.2.2.2 **Dividend**

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

1.2.2.3 Export Incentives

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

1.2.2.4 OTHERS

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

1.3 PROPERTY, PLANT AND EQUIPMENT (PPE)

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

- (a) Incidental expenditure during construction period including interest charges incurred upto the date of completion, net of interest recovered on mobilisation advance, are capitalized.
- (b) Spare valuing more than ₹10,00,000 which can be used only in connection with an item of property, plant and equipment and whose use is expected to be irregular are capitalised and depreciated over the useful life of the spares or principal item of the relevant assets, whichever is lower. Other spares are charged off to the Statement of Profit and Loss during the period of purchase.
- (c) Expenditure incurred subsequently relating to property, plant & equipment is capitalised only when it is probable that future economic benefits associated with these will flow to the company and the cost of the item can be measured reliably.
- (d) The initial estimate of the cost of dismantling, removing the item and restoring the site on which PPE is located, the obligation for which is incurred when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during the period, is capitalized as a component of PPE.

1.3.1 Depreciation

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

Assets	Useful Life (Years) considered Straight Line Method (SLM)					
	Dec.17	2016-17	2015-16	2014-15	2013-14	2012-13
i) Furniture	10	10	10	10	10	10
ii) Fixture	5	5	5	5	5	5
iii) Office Equipment	5	5	5	5	7	7
iv) Mobile Hand Set	3	3	3	3	3	7
v) Coolers & Air Conditioners	7	7	7	7	7	7
vi) Air Conditioning Plant	15	15	15	15	20	20

vii)	Computer Hardware	3	3	3	3	4	4
viii)	Server & Networks	6	6	6	6	4	4
ix)	Survey and Equipments	10	10	10	10	10	10
x)	Vehicles	8	8	8	8	6	6
xi)	Buildings on Freehold Land	60	60	60	60	50	50
xii)	Locomotives-New	15	15	15	15	15/10	15/10
xiii)	Locomotives-In-Service	10	10	10	10	15/10	15/10
xiv)	Coaches-New	15	15	15	15	5	5
xv)	Coaches-In-Service	10	10	10	10	5	5

- (c) Any addition or extension, which becomes an integral part of the existing asset and which results in increased economic benefits, is capitalized and depreciated over the remaining useful life of that asset.
An item of property, plant and equipment and any significant part initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on de-recognition of the asset which is calculated as the difference between the net disposal proceeds and the carrying amount of the asset, is included in the income statement when the asset is de-recognised.
- (d) In respect of BOT assets, depreciation is charged over the period of project or the life stated above whichever is lower.
- (e) In respect of buildings on lease hold land, depreciation is charged over the period of lease of land or the useful life stated above for buildings on freehold land, whichever is lower.
- (f) As per company's technical assessment, Fixtures, Mobile Hand Set, Coolers & Air Conditioners and In-Service Locomotives & Coaches (refurbished) have lower useful lives than prescribed in part C of schedule II of the Companies Act, 2013. Therefore depreciation is charged at higher rate than prescribed under the Companies Act, 2013.
- (g) Individual low cost assets of value less than ₹5,000/- are fully depreciated during the period of acquisition.
- (h) A nominal value of ₹1/- is assigned to the fully depreciated assets other than assets specified at (g) above.

1.3.2 Capital Work in Progress

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

1.3.3 Capital Advances

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

1.4 INTANGIBLE ASSETS

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

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

- (a) Software of value less than ₹100,000/- is fully amortized during the period of acquisition.

- (b) A nominal value of ₹1/- is assigned to the fully amortised assets other than assets specified at (a) above.

1.4.1 **Amortization**

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

1.5 **INVESTMENT PROPERTY**

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

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

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

1.6 **INVESTMENTS**

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

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

1.7 **JOINT OPERATIONS**

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

1.8 **INVENTORIES**

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

1.9 **EMPLOYEE BENEFITS**

1.9.1 **Defined Contribution Plans**

Pension Scheme/Post Retiral Medical Schemes

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

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

1.9.2 DEFINED BENEFIT PLAN

1.9.2.1 Gratuity

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

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

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

- (b) In case of contractual employees:
 - (i) The company recognizes obligation of a defined benefit plan in its balance sheet as a liability.
 - (ii) Actuarial gain or loss of defined benefit liability is recognized in Other Comprehensive Income.
 - (iii) Service cost and interest on the defined benefit liability are recognized in Statement of Profit and Loss.

1.9.2.2 Provident Fund

The Company makes contribution to the recognized provident fund - "RITES CONTRIBUTORY PROVIDENT FUND" for its employees, which is a defined benefit plan to the extent that the Company has an obligation to make good the shortfall, if any, between the returns from the investments of the trust and the notified interest rate. The Company's obligation in this regard is determined by an independent actuary and provided for if the circumstances indicate that the Trust may not be able to generate adequate returns to cover the interest rates notified by the Government.

1.9.3 Other Long Term Benefits

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

1.9.4 **Other Benefits**

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

1.9.4.2 **Terminal Benefits to Contract Employees**

Leave Encashment is a defined benefit obligation. The cost of providing benefits under the defined benefit plan is determined on the basis of actuarial valuation.

1.10 **RESEARCH & DEVELOPMENT**

Revenue expenditure incurred/paid during the reporting period on research is charged to the Statement of Profit & Loss.

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

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

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

1.11 **INCOME TAXES**

1.11.1 **Current Income Tax**

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

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

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

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

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

1.11.2 **Deferred Tax**

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

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable

that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

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

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

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

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

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

1.12 **RATES & TAXES**

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

1.13 **PREPAYMENTS**

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

PREPAID EXPENSES AND PRIOR PERIOD ADJUSTMENTS

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

1.14 **TRANSLATION AND TRANSACTIONS OF FOREIGN CURRENCIES**

1.14.1 **Functional Currency**

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

1.14.2 **Foreign Currencies**

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

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

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

1.15 CASH AND CASH EQUIVALENTS

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short term deposits with an original maturity of three months or less from the date of acquisitions which are readily convertible into known amounts of cash and be subject to an insignificant risk of change in value. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

1.16 STATEMENT OF CASH FLOWS

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

1.17 EARNINGS PER SHARE

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

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

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

1.18 IMPAIRMENT OF ASSETS

1.18.1 Financial Assets (Other than at Fair Value)

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

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

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

1.18.2 Non Financial Assets (Tangible and Intangible Assets)

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use). Impairment loss is charged to the Statement of Profit & Loss during the period 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 to the extent of previously recognized or balanced impairment loss.

1.19 WRITE OFF

1.19.1 **Financial Assets**

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

1.19.2 **Non Financial Assets**

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

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

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

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

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

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

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

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

1.23 **LEASE EXPENSES**

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

1.24 **NON-CURRENT ASSETS HELD FOR SALE**

The Company classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Actions

required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale expected within one year from the date of classification. Non-current assets classified as held for sale is recognized at lower of its carrying amount and fair value less cost to sell.

1.25 **DIVIDENDS**

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

1.26 **FINANCIAL INSTRUMENTS**

1.26.1 **Initial Recognition**

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

1.26.2 **Subsequent Measurement**

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

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

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

(c) Financial liabilities

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

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

1.26.3 **De-recognition of Financial Instruments**

A financial asset is de-recognised when:

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

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

1.26.4 Forward Contracts

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

Annexure-VI- Notes to restated standalone financial information

2. Transition to Ind AS

2.1 Upon first-time adoption of Ind AS,

- a) the Company has elected to measure its investments in subsidiaries, joint ventures and associates at the Previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS i.e., April 1, 2015.
- b) There is no change in functional currency of the Company on the date of transition to Ind AS, hence Company has elected to continue with the carrying value for all of its property, plant and equipment (PPE), intangible assets and investment property recognized under Indian GAAP as deemed cost at transition date (i.e. 01.04.2015) in the financial statements.

The Company has followed the same accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS 101) as initially adopted on transition date i.e. April 1, 2015 while preparing Proforma Restated Standalone Financial Information for the years ended March 31, 2015, 2014, 2013 and accordingly, suitable restatement adjustments in the accounting heads are made to the financial statements as of and for the years ended March 31, 2015, 2014, 2013 and April 1, 2012.

2.2 RECONCILIATIONS									
THE FOLLOWING RECONCILIATIONS PROVIDES THE EFFECT OF TRANSITION TO RESTATED IND AS:									
2.2.1 RECONCILIATION OF STATEMENT OF ASSETS & LIABILITIES AS PREVIOUSLY REPORTED UNDER INDIAN GAAP TO RESTATED IND AS									
(₹ in million)									
PARTICULARS	NOTE NO.	AS AT 31.03.2016				AS AT 31.03.2015			
		IGAAP*	Ind AS Adjustments	Restatement Adjustments	Restated Ind AS	IGAAP*	Ind AS Adjustments	Restatement Adjustments	Restated Ind AS
ASSETS									
NON CURRENT ASSETS									
PROPERTY, PLANT AND EQUIPMENT	A	2,695.33	(103.17)		2,592.16	2,120.87	(108.29)	-	2,012.58
CAPITAL WORK IN PROGRESS	B	265.86	(198.48)		67.38	579.24	(484.84)	-	94.40
INVESTMENT PROPERTY		12.91	0.00		12.91	13.27	-	-	13.27
INTANGIBLE ASSETS		31.02	0.00		31.02	47.89	-	-	47.89
INTANGIBLE ASSETS UNDER DEVELOPMENT		15.79	-		15.79	7.48	-	-	7.48
FINANCIAL ASSETS		-			-	-		-	-
INVESTMENTS	C	2,678.28	(500.00)		2,178.28	2,363.15	-	-	2,363.15
LOANS	D	135.44	(32.24)		103.20	1,047.48	(40.73)	538.73	1,545.48
OTHER FINANCIAL ASSETS	E	1,974.12	(14.38)		1,959.74	1,767.20	(0.04)	25.04	1,792.20
DEFERRED TAX ASSETS (NET)	F	289.95	-		289.95	461.30	(0.00)	-	461.30
OTHER NON CURRENT ASSETS	G	681.40	210.78		892.18	781.55	663.68	(239.21)	1,206.02
		8,780.10	(637.49)	-	8,142.61	9,189.43	29.78	324.56	9,543.77

CURRENT ASSETS									
INVENTORIES		114.11	16.60		130.71	66.64	0.13	-	66.77
FINANCIAL ASSETS		-			-	-		-	-
INVESTMENTS	C	60.09	500.00		560.09	-	-	-	-
TRADE RECEIVABLES	H	5,338.61	(26.20)		5,312.41	3,708.78	(34.45)	127.55	3,801.88
CASH AND CASH EQUIVALENTS-OWNED FUND	I	2,366.21	35.20		2,401.41	2,490.11	22.60	-	2,512.71
CASH AND CASH EQUIVALENTS-CLIENTS FUND		1,903.51	-		1,903.51	1,993.57	0.00	-	1,993.57
OTHER BANK BALANCES-OWNED FUND	I	4,532.14	44.00		4,576.14	4,481.03	45.90	-	4,526.93
OTHER BANK BALANCES-CLIENTS FUND		16,279.79	-		16,279.79	11,390.85	-	-	11,390.85
LOANS		71.70	-		71.70	121.99	-	-	121.99
OTHER FINANCIAL ASSETS	J	2,308.21	(459.09)		1,849.12	1,866.17	(447.56)	-	1,418.61
CURRENT TAX ASSETS (NET)		386.63	-		386.63	16.19	-	-	16.19
OTHER CURRENT ASSETS	K	806.87	16.19		823.06	279.80	5.62	-	285.42
		34,167.87	126.70	-	34,294.57	26,415.13	(407.76)	127.55	26,134.92
TOTAL ASSETS		42,947.97	(510.79)	-	42,437.18	35,604.56	(377.98)	452.11	35,678.69
<u>EQUITY AND LIABILITIES</u>									
EQUITY									
EQUITY SHARE CAPITAL		1,000.00	-		1,000.00	1,000.00	-	-	1,000.00
OTHER EQUITY	L	17,032.82	547.70		17,580.52	15,280.53	(37.06)	452.11	15,695.58

		18,032.82	547.70	-	18,580.52	16,280.53	(37.06)	452.11	16,695.58
LIABILITIES									
NON CURRENT LIABILITIES									
FINANCIAL LIABILITIES									
TRADE PAYABLES		6.64	-		6.64	26.75	-	-	26.75
OTHER FINANCIAL LIABILITIES		996.17	-		996.17	822.08	-	-	822.08
PROVISIONS	M	1,008.37	(9.75)		998.62	1,046.96	(1.50)	-	1,045.46
OTHER NON CURRENT LIABILITIES		20.68	-		20.68	64.13	-	-	64.13
		2,031.86	(9.75)	-	2,022.11	1,959.92	(1.50)	-	1,958.42
CURRENT LIABILITIES									
FINANCIAL LIABILITIES									
TRADE PAYABLES	N	839.78	49.62		889.40	806.79	47.62	-	854.41
OTHER FINANCIAL LIABILITIES	O	18,845.52	1.31		18,846.83	15,042.87	0.60	-	15,043.47
PROVISIONS	P	2,141.40	(1,095.26)		1,046.14	1,151.94	(385.14)	-	766.80
OTHER CURRENT LIABILITIES	Q	1,056.59	(4.41)		1,052.18	362.51	(2.50)	-	360.01
		22,883.29	(1,048.74)	-	21,834.55	17,364.11	(339.42)	-	17,024.69
TOTAL EQUITY AND LIABILITIES		42,947.97	(510.79)	-	42,437.18	35,604.56	(377.98)	452.11	35,678.69

(₹ in million)									
PARTICULARS	NOTE NO.	AS AT 31.03.2014				AS AT 31.03.2013			
		IGAAP*	Ind AS Adjustments	Restatement Adjustments	Restated Ind AS	IGAAP*	Ind AS Adjustments	Restatement Adjustments	Restated Ind AS
ASSETS									
NON CURRENT ASSETS									
PROPERTY, PLANT AND EQUIPMENT	A	2,039.17	(119.57)	-	1,919.60	1,813.01	(83.64)	-	1,729.37
CAPITAL WORK IN PROGRESS	B	129.49	0.00	-	129.49	68.69	0.00	-	68.69
INVESTMENT PROPERTY		15.51	-	-	15.51	15.92	-	-	15.92
INTANGIBLE ASSETS		47.96	(0.00)	-	47.96	35.50	-	-	35.50
INTANGIBLE ASSETS UNDER DEVELOPMENT		4.88	-	-	4.88	2.27	-	-	2.27
FINANCIAL ASSETS		-	-	-	-	-	-	-	-
INVESTMENTS	C	2,296.85	-	-	2,296.85	1,935.82	-	-	1,935.82
LOANS	D	974.07	(42.11)	424.91	1,356.87	944.62	(32.86)	269.46	1,181.22
OTHER FINANCIAL ASSETS	E	2,651.23	0.01	21.09	2,672.33	2,114.04	(0.08)	13.68	2,127.64
DEFERRED TAX ASSETS (NET)	F	597.01	-	-	597.01	474.33	-	-	474.33
OTHER NON CURRENT ASSETS	G	749.61	229.86	(195.26)	784.21	788.88	143.83	(134.01)	798.70
		9,505.78	68.19	250.74	9,824.71	8,193.08	27.25	149.13	8,369.46
CURRENT ASSETS									
INVENTORIES		174.92	-	-	174.92	259.63	-	-	259.63

FINANCIAL ASSETS		-		-	-	-		-	-
INVESTMENTS	C	-	-	-	-	1,224.70	-	-	1,224.70
TRADE RECEIVABLES	H	3,112.21	21.32	115.98	3,249.51	2,809.30	32.85	98.65	2,940.80
CASH AND CASH EQUIVALENTS-OWNED FUND	I	323.09	6.50	-	329.59	541.92	17.30	-	559.22
CASH AND CASH EQUIVALENTS-CLIENTS FUND		2,586.51	-	-	2,586.51	2,193.51	-	-	2,193.51
OTHER BANK BALANCES-OWNED FUND	I	5,906.49	43.10	-	5,949.59	5,645.08	27.70	-	5,672.78
OTHER BANK BALANCES-CLIENTS FUND		12,180.98	-	-	12,180.98	9,343.39	-	-	9,343.39
LOANS		40.94	(0.00)	-	40.94	33.73	-	-	33.73
OTHER FINANCIAL ASSETS	J	1,872.92	(489.27)	-	1,383.65	1,652.22	(388.27)	-	1,263.95
CURRENT TAX ASSETS (NET)		16.19	-	-	16.19	63.33	-	-	63.33
OTHER CURRENT ASSETS	K	457.80	0.13	-	457.93	854.52	0.78	-	855.30
		26,672.05	(418.22)	115.98	26,369.81	24,621.33	(309.64)	98.65	24,410.34
TOTAL ASSETS		36,177.83	(350.03)	366.72	36,194.52	32,814.41	(282.39)	247.78	32,779.80
<u>EQUITY AND LIABILITIES</u>									
EQUITY									
EQUITY SHARE CAPITAL		1,000.00	-	-	1,000.00	1,000.00	-	-	1,000.00
OTHER EQUITY	L	12,965.91	(139.66)	366.72	13,192.97	10,949.96	82.98	247.78	11,280.72
		13,965.91	(139.66)	366.72	14,192.97	11,949.96	82.98	247.78	12,280.72
LIABILITIES									

NON CURRENT LIABILITIES									
FINANCIAL LIABILITIES									
TRADE PAYABLES		31.87	-	-	31.87	37.26	-	-	37.26
OTHER FINANCIAL LIABILITIES		688.04	-	-	688.04	666.85	-	-	666.85
PROVISIONS	M	1,128.04	0.00	-	1,128.04	1,448.29	(0.00)	-	1,448.29
OTHER NON CURRENT LIABILITIES		134.72	-	-	134.72	50.89	-	-	50.89
		1,982.67	0.00	-	1,982.67	2,203.29	(0.00)	-	2,203.29
CURRENT LIABILITIES									
FINANCIAL LIABILITIES									
TRADE PAYABLES	N	1,019.33	46.72	-	1,066.05	1,371.05	54.02	-	1,425.07
OTHER FINANCIAL LIABILITIES	O	16,994.51	9.40	-	17,003.91	14,716.85	0.70	-	14,717.55
PROVISIONS	P	1,357.13	(273.89)	-	1,083.24	731.37	(419.19)	-	312.18
OTHER CURRENT LIABILITIES	Q	858.28	7.40	-	865.68	1,841.89	(0.90)	-	1,840.99
		20,229.25	(210.37)	-	20,018.88	18,661.16	(365.37)	-	18,295.79
TOTAL EQUITY AND LIABILITIES		36,177.83	(350.03)	366.72	36,194.52	32,814.41	(282.39)	247.78	32,779.80

EXPLANATIONS FOR RECONCILIATION OF BALANCE SHEET AS PREVIOUS YEAR REPORTED UNDER IGAAP TO RESTATED IND AS

***IGAAP NUMBERS HAVE BEEN RECLASSIFIED TO CONFORM TO IND AS PRESENTATION REQUIREMENTS FOR THE PURPOSE OF THIS NOTE.**

1. IND AS ADJUSTMENTS:

(A) PROPERTY, PLANT AND EQUIPMENT

(a) Adjustments on account of prior period errors/omissions.

(b) Reclassification/Restatement of Leasehold assets from tangible assets to pre payments under current/non-current assets.

- (B) CAPITAL WORK IN PROGRESS**
(a) Adjustments on account of prior period errors/omissions.
(b) Reclassification/Restatement of Capital work in progress to Capital advance under non-current assets.
- (C) INVESTMENTS**
Reclassified from Non current to Current at year ended 31.03.2016.
- (D) LOANS**
(a) As per IND AS, staff loan and interest accrued thereon are presented/restated at present value applying effective interest rate method and balance is shown separately under other non-current/current assets as deferred cost towards staff loan.
- (E) OTHER NON-CURRENT FINANCIAL ASSETS**
(a) As per IND AS, amount recoverable from Govt of Mozambique (GOM) is presented/restated at present value applying effective interest rate method and balance is shown separately under other non-current/current assets as deferred cost.
- (F) DEFERRED TAX ASSETS (NET)**
Tax impact on adjustments of Work-in-Progress(WIP) is made as per IND AS.
- (G) OTHER NON CURRENT ASSETS**
(a) Adjustments on account of prior period errors/omissions.
(b) Reclassification/Restatement of Leasehold assets from tangible assets to pre payments under current/non-current assets.
(c) Reclassification/Restatement of Capital work in progress to Capital advance under non-current assets.
(d) As per IND AS, staff loan and amount recoverable from Govt of Mozambique (GOM) and interest accrued thereon are presented/restated at present value applying effective interest rate method and balance is shown separately under other non-current/current assets as deferred cost.
(e) Restatement towards Joint Operations.
- (H) TRADE RECEIVABLES**
(a) Adjustments on account of prior period errors/omissions.
(b) Restatement towards Joint Operations.
- (I) CASH AND BANK BALANCE**
Restatement towards Joint Operations.
- (J) OTHER CURRENT FINANCIAL ASSETS**
(a) Adjustments on account of prior period errors/omissions.
(b) Adjustments on account of Work-in-Progress(WIP) are made as per IND AS.
(c) Restatement towards Joint Operations.
- (K) OTHER CURRENT ASSETS**

- (a) Adjustments on account of prior period errors/omissions.
- (b) Reclassification/Restatement of Leasehold assets from tangible assets to pre payments under current/non-current assets.
- (c) Adjustments on account of change in accounting policy on prepaid expenses.
- (d) As per IND AS, staff loan and amount recoverable from Govt of Mozambique (GOM) and interest accrued thereon are presented/restated at present value applying effective interest rate method and balance is shown separately under other non-current/current assets as deferred cost.

(L) OTHER EQUITY

Adjustments on account of proposed dividend, dividend tax, work-in-progress, tax impact on work-in-progress, change in accounting policy on pre-paid, prior period errors/omissions etc. have been made as per IND AS.

(M) NON CURRENT- PROVISIONS

Impact on account of discounting of Provision for warranties.

(N) TRADE PAYABLES

- (a) Adjustments on account of prior period errors/omissions.
- (b) Restatement towards Joint Operations.

(O) OTHER FINANCIAL LIABILITIES

Adjustments on account of prior period errors/omissions.

(P) CURRENT PROVISIONS

Adjustments reflect dividend (including corporate dividend tax) declared and approved post reporting date.

(Q) OTHER CURRENT LIABILITIES

- (a) Adjustments on account of prior period errors/omissions.
- (b) Restatement towards Joint Operations.

2. OTHER ADJUSTMENTS:

AFTER SETTLEMENT WITH GOVERNMENT OF MOZAMBIQUE (GoM), INCOME FROM CCFB, MOZAMBIQUE REGARDING INTEREST INCOME, EXCHANGE VARIATION, CONSULTANCY FEE & LEASE CHARGES HAVE BEEN RECOGNISED IN THE FINANCIAL YEAR 2015-16 IN THE PREVIOUS GAAP. HOWEVER, IN RESTATED FINANCIAL STATEMENT, INCOME PERTAINING TO PREVIOUS FINANCIAL YEARS HAS BEEN RECOGNISED ALONG WITH TAX IMPACT IN THE RESPECTIVE FINANCIAL YEARS.

2.2.2 RECONCILIATION OF TOTAL COMPREHENSIVE INCOME AS PREVIOUSLY REPORTED UNDER INDIAN GAAP TO RESTATED IND AS									
(₹ in million)									
PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2016				YEAR ENDED 31.03.2015			
		IGAAP	Ind AS Adjustments	Restatement Adjustments	Restated Ind AS	IGAAP	Ind AS Adjustments	Restatement Adjustments	Restated Ind AS
REVENUE									
REVENUE FROM OPERATIONS	R	10,865.63	(5.91)	(113.09)	10,746.63	10,151.70	(43.24)	3.04	10,111.50
OTHER INCOME	S	2,071.90	(143.74)	(578.23)	1,349.93	1,508.52	(186.50)	126.30	1,448.32
TOTAL REVENUE		12,937.53	(149.65)	(691.32)	12,096.56	11,660.22	(229.74)	129.34	11,559.82
EXPENDITURE									
EMPLOYEE BENEFIT EXPENSES	T	3,410.10	(7.60)	-	3,402.50	3,295.93	(55.40)	-	3,240.53
TRAVEL	U	355.20	(1.50)	-	353.70	324.39	0.20	-	324.59
SUPPLIES & SERVICES	V	958.30	6.18	-	964.48	763.56	5.50	-	769.06
COST OF EXPORT SALES	W	1,596.31	(26.89)	-	1,569.42	902.21	(97.10)	-	805.11
COST OF TURNKEY CONSTRUCTION PROJECTS	X	353.50	(0.98)	-	352.52	836.66	(1.84)	-	834.82
(INCREASE)/DECREASE IN WORK IN PROGRESS- CONSULTANCY PROJECTS	Y	8.77	(8.77)	-	-	21.41	(21.41)	-	-
DEPRECIATION & AMORTISATION EXPENSES	Z	323.22	(5.06)	-	318.16	264.67	(3.45)	-	261.22
OTHER EXPENSES	AA	764.10	(108.80)	-	655.30	648.09	10.08	-	658.17
PRIOR PERIOD ADJUSTMENTS (NET)	AB	22.27	(22.27)	-	-	42.37	(42.37)	-	-
TOTAL EXPENDITURE		7,791.77	(175.69)	-	7,616.08	7,099.29	(205.79)	-	6,893.50
PROFIT BEFORE TAX		5,145.76	26.04	(691.32)	4,480.48	4,560.93	(23.95)	129.34	4,666.32
TAX EXPENSES									
- CURRENT YEAR	AC	(1,585.21)	(142.84)	239.21	(1,488.84)	(1,363.06)	(16.01)	(43.95)	(1,423.02)

DEFERRED TAX (NET)		(171.35)	-	-	(171.35)	(136.51)	0.80	-	(135.71)
PROFIT AFTER TAX		3,389.20	(116.80)	(452.11)	2,820.29	3,061.36	(39.16)	85.39	3,107.59

OTHER COMPREHENSIVE INCOME									
ITEMS THAT WILL NOT BE RECLASSIFIED TO PROFIT & LOSS									
REMEASUREMENTS OF THE DEFINED BENEFITS PLANS	AD	-	(13.20)	-	(13.20)	-	36.80	-	36.80
INCOME TAX RELATING TO ITEMS THAT WILL NOT BE RECLASSIFIED TO PROFIT & LOSS	AC	-	4.60	-	4.60	-	(12.70)	-	(12.70)
TOTAL OTHER COMPREHENSIVE INCOME (NET OF TAX)		-	(8.60)	-	(8.60)	-	24.10	-	24.10
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		3,389.20	(125.40)	(452.11)	2,811.69	3,061.36	(15.06)	85.39	3,131.69

(₹ in million)									
PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2014				YEAR ENDED 31.03.2013			
		IGAAP	Ind AS Adjustments	Restatement Adjustments	Restated Ind AS	IGAAP	Ind AS Adjustments	Restatement Adjustments	Restated Ind AS
REVENUE									
REVENUE FROM OPERATIONS	R	10,934.60	(2.17)	2.07	10,934.50	9,529.62	9.30	-	9,538.92
OTHER INCOME	S	1,527.76	(443.59)	178.12	1,262.29	1,228.42	(69.25)	114.19	1,273.36
TOTAL REVENUE		12,462.36	(445.76)	180.19	12,196.79	10,758.04	(59.95)	114.19	10,812.28
EXPENDITURE									
EMPLOYEE BENEFIT EXPENSES	T	3,099.68	(397.80)	-	2,701.88	2,870.57	(19.10)	-	2,851.47
TRAVEL	U	343.56	(0.60)	-	342.96	306.76	0.70	-	307.46

SUPPLIES & SERVICES	V	717.34	8.40	-	725.74	790.11	(7.20)	-	782.91
COST OF EXPORT SALES	W	2,732.46	(0.60)	-	2,731.86	2,271.00	(18.10)	-	2,252.90
COST OF TURNKEY CONSTRUCTION PROJECTS	X	888.86	(7.35)	-	881.51	543.23	2.94	-	546.17
(INCREASE)/DECREASE IN WORK IN PROGRESS-CONSULTANCY PROJECTS	Y	(82.76)	82.76	-	-	(83.73)	83.73	-	-
DEPRECIATION & AMORTISATION EXPENSES	Z	199.97	3.44	-	203.41	158.17	(2.96)	-	155.21
OTHER EXPENSES	AA	766.94	(34.10)	-	732.84	629.87	(23.25)	-	606.62
PRIOR PERIOD ADJUSTMENTS (NET)	AB	(64.56)	64.56	-	-	(178.65)	178.65	-	-
TOTAL EXPENDITURE		8,601.49	(281.29)	-	8,320.20	7,307.33	195.41	-	7,502.74
PROFIT BEFORE TAX		3,860.87	(164.47)	180.19	3,876.59	3,450.71	(255.36)	114.19	3,309.54
TAX EXPENSES									
- CURRENT YEAR	AC	(1,347.52)	40.32	(61.25)	(1,368.45)	(1,055.65)	3.59	(37.05)	(1,089.11)
DEFERRED TAX (NET)		122.67	0.01	-	122.68	59.38	-	-	59.38
PROFIT AFTER TAX		2,636.02	(124.14)	118.94	2,630.82	2,454.44	(251.77)	77.14	2,279.81
OTHER COMPREHENSIVE INCOME									
ITEMS THAT WILL NOT BE RECLASSIFIED TO PROFIT & LOSS									
REMEASUREMENTS OF THE DEFINED BENEFITS PLANS	AD	-	(25.40)	-	(25.40)	-	45.70	-	45.70
INCOME TAX RELATING TO ITEMS THAT WILL NOT BE RECLASSIFIED TO PROFIT & LOSS	AC	-	8.80	-	8.80	-	(15.80)	-	(15.80)
TOTAL OTHER COMPREHENSIVE INCOME (NET OF TAX)		-	(16.60)	-	(16.60)	-	29.90	-	29.90
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		2,636.02	(140.74)	118.94	2,614.22	2,454.44	(221.87)	77.14	2,309.71

EXPLANATIONS FOR RECONCILIATION OF STATEMENT OF PROFIT & LOSS AS PREVIOUS YEAR REPORTED UNDER IGAAP TO RESTATED IND AS

1. IND AS ADJUSTMENTS:

(R) REVENUE FROM OPERATIONS

Adjustments on account of prior period errors/omissions.

(S) OTHER INCOME

(a) Adjustments on account of prior period errors/omissions.

(b) Recognition of deferred income on recoverables from GOM (Govt of Mozambique) and interest on staff loans at effective interest rate have been made as per IND AS.

(c) Reclassification/restatement of other income.

(T) EMPLOYEE BENEFIT EXPENSES

(a) As per Ind AS, Interest on staff loans is recognised at effective interest rate method and actuarial gain and loss are recognised in Other Comprehensive Income (OCI) & not reclassified to Profit & Loss in subsequent period.

(b) Reclassification/restatement of employee benefit expenses.

(U) TRAVEL

Reclassification/restatement of employee benefit expenses.

(V) SUPPLIES & SERVICES

Adjustments on account of prior period errors/omissions.

(W) COST OF EXPORT SALES

(a) Adjustments on account of prior period errors/omissions.

(b) Impact on account of discounting of warranty provisions.

(c) Reclassification/restatement of cost of export sales.

(X) COST OF TURNKEY CONSTRUCTION PROJECTS

(a) Adjustments on account of prior period errors/omissions.

(b) As per Ind AS, adjustments on account of work-in-progress have been made.

(Y) (INCREASE)/DECREASE IN WORK IN PROGRESS-CONSULTANCY PROJECTS

As per Ind AS, adjustments on account of work-in-progress have been made.

(Z) DEPRECIATION

- (a) Adjustments on account of prior period errors/omissions.
- (b) Reclassification/restatement of depreciation due to reclassification of tangible assets to pre-payments towards leasehold assets.

(AA) OTHER EXPENSES

- (a) Adjustments on account of prior period errors/omissions.
- (b) Adjustments on account of change in accounting policy on prepaid expenses.
- (c) Reclassification/restatement of other expenses.

(AB) PRIOR PERIOD ADJUSTMENTS (NET)

Adjustments of prior period errors/omissions have been made as per IND AS.

(AC) INCOME TAX

Adjustments of tax on remeasurement of defined benefits have been made as per IND AS.

(AD) REMEASUREMENTS OF THE DEFINED BENEFITS PLANS

Re-measurement of defined benefit plan have been considered in Other Comprehensive Income (OCI) as per IND AS

2. OTHER ADJUSTMENTS:

AFTER SETTLEMENT WITH GOVERNMENT OF MOZAMBIQUE (GoM), INCOME FROM CCFB, MOZAMBIQUE REGARDING INTEREST INCOME, EXCHANGE VARIATION, CONSULTANCY FEE & LEASE CHARGES HAVE BEEN RECOGNISED IN THE FINANCIAL YEAR 2015-16 IN THE PREVIOUS GAAP. HOWEVER, IN RESTATED FINANCIAL STATEMENT, INCOME PERTAINING TO PREVIOUS FINANCIAL YEARS HAS BEEN RECOGNISED ALONG WITH TAX IMPACT IN THE RESPECTIVE FINANCIAL YEARS.

2.2.3 RECONCILIATION OF STANDALONE STATEMENT OF EQUITY AS PREVIOUSLY REPORTED UNDER INDIAN GAAP AND RESTATED IND AS

(₹ in million)

PARTICULARS	AS AT	AS AT	AS AT	AS AT	AS AT
	31.03.2016	31.03.2015	31.03.2014	31.03.2013	01.04.2012
A. TOTAL EQUITY AS PER PREVIOUS INDIAN GAAP	18,032.82	16,280.53	13,965.91	11,949.96	10,078.95
B. IND AS ADJUSTMENTS					
PROPOSED DIVIDEND	910.00	320.00	230.00	300.00	180.00

TAX ON PROPOSED DIVIDEND	185.30	65.14	39.09	50.99	29.20
WORK IN PROGRESS	(371.99)	(382.14)	(410.69)	(339.38)	(254.15)
PRIOR PERIOD ADJUSTMENT	(90.96)	(84.07)	(68.70)	37.74	161.25
PREPAID ADJUSTMENTS	(0.92)	(0.92)	(1.53)	(2.20)	(3.30)
UNWINDING WARRANTIES & DISCOUNTING OF WARRANTIES EXPENSES	9.93	1.43	4.77	12.97	14.90
EMPLOYEE BENEFITS	-	-	(2.50)	-	-
PROPERTY, PLANT & EQUIPMENTS	(0.59)	(1.67)	(3.18)	(1.09)	(1.00)
TAX EFFECT OF ADJUSTMENTS	(103.21)	35.03	62.94	13.81	26.02
TOTAL OF IND AS ADJUSTMENTS	537.56	(47.20)	(149.80)	72.84	152.92
C. TOTAL EQUITY AS PER RESTATED IND AS	18,570.38	16,233.33	13,816.11	12,022.80	10,231.87
D. OTHER ADJUSTMENTS*:					
AUDIT QUALIFICATION	-	-	-	-	-
CONSULTANCY FEE & LEASE INCOME FROM CCFB MOZAMBIQUE	(33.48)	79.61	76.57	74.50	74.50
INTEREST INCOME FROM CCFB MOZAMBIQUE	0.03	213.63	151.83	92.43	41.53
EXCHANGE VARIATION ON CCFB DUES	33.45	398.08	333.58	214.86	151.57
TAX EFFECT ON OTHER ADJUSTMENTS	10.14	(229.07)	(185.12)	(123.87)	(86.82)
TOTAL IMPACT OF OTHER ADJUSTMENTS	10.14	462.25	376.86	257.92	180.78
RESTATED TOTAL EQUITY	18,580.52	16,695.58	14,192.97	12,280.72	10,412.65

***NOTE ON OTHER ADJUSTMENTS:**

AFTER SETTLEMENT WITH GOVERNMENT OF MOZAMBIQUE(GoM), INCOME FROM CCFB, MOZAMBIQUE REGARDING INTEREST INCOME, EXCHANGE VARIATION, CONSULTANCY FEE & LEASE CHARGES HAVE BEEN RECOGNISED IN THE FINANCIAL YEAR 2015-16 IN THE PREVIOUS GAAP. HOWEVER, IN RESTATED FINANCIAL STATEMENT, INCOME PERTAINING TO PREVIOUS FINANCIAL YEARS HAS BEEN RECOGNISED ALONG WITH TAX IMPACT IN THE RESPECTIVE FINANCIAL YEARS.

2.2.4 RECONCILIATION OF STATEMENT OF PROFIT & LOSS AS PREVIOUS REPORTED UNDER INDIAN GAAP AND RESTATED IND AS

(₹ in million)

PARTICULARS	YEAR ENDED	YEAR ENDED	YEAR ENDED	YEAR ENDED
	31.03.2016	31.03.2015	31.03.2014	31.03.2013
A. TOTAL COMPREHENSIVE INCOME UNDER PREVIOUS GAAP	3,389.20	3,061.36	2,636.02	2,454.44
B. IND AS ADJUSTMENTS				
PRIOR PERIOD ADJUSTMENTS	(6.89)	(15.37)	(106.44)	(123.51)
PREPAID ADJUSTMENTS	-	0.61	0.67	1.10
WORK IN PROGRESS	10.15	28.55	(71.31)	(85.23)
EMPLOYEE BENEFITS	-	2.50	(2.50)	-
PROPERTY, PLANT & EQUIPMENTS	1.08	(0.10)	(2.09)	(0.09)
UNWINDING WARRANTIES & DISCOUNTING OF WARRANTIES EXPENSES	8.50	(3.34)	(8.20)	(1.93)
TAX EFFECT OF ADJUSTMENTS	(138.24)	(27.91)	49.13	(12.21)
TOTAL OF IND AS ADJUSTMENTS	(125.40)	(15.06)	(140.74)	(221.87)
C. TOTAL COMPREHENSIVE INCOME AS PER IND AS	3,263.80	3,046.30	2,495.28	2,232.57
D. OTHER ADJUSTMENTS**:				
AUDIT QUALIFICATION	-	-	-	-

CONSULTANCY FEE & LEASE INCOME FROM CCFB MOZAMBIQUE	(113.09)	3.04	2.07	-
INTEREST INCOME FROM CCFB MOZAMBIQUE	(213.60)	61.80	59.40	50.90
EXCHANGE VARIATION ON CCFB DUES	(364.63)	64.50	118.72	63.29
TAX EFFECT ON OTHER ADJUSTMENTS	239.21	(43.95)	(61.25)	(37.05)
TOTAL IMPACT OF OTHER ADJUSTMENTS	(452.11)	85.39	118.94	77.14
RESTATED TOTAL COMPREHENSIVE INCOME	2,811.69	3,131.69	2,614.22	2,309.71
**NOTE ON OTHER ADJUSTMENTS:				
AFTER SETTLEMENT WITH GOVERNMENT OF MOZAMBIQUE (GoM), INCOME FROM CCFB, MOZAMBIQUE REGARDING INTEREST INCOME, EXCHANGE VARIATION, CONSULTANCY FEE & LEASE CHARGES HAVE BEEN RECOGNISED IN THE FINANCIAL YEAR 2015-16 IN THE PREVIOUS GAAP. HOWEVER, IN RESTATED FINANCIAL STATEMENT, INCOME PERTAINING TO PREVIOUS FINANCIAL YEARS HAS BEEN RECOGNISED ALONG WITH TAX IMPACT IN THE RESPECTIVE FINANCIAL YEARS.				

2.2.5 RECONCILIATION OF CASH FLOWS AS PREVIOUSLY REPORTED UNDER INDIAN GAAP TO RESTATED IND AS:

(₹ in million)						
PARTICULARS	YEAR ENDED 31.03.2016			YEAR ENDED 31.03.2015		
	IGAAP	Adjustments	Restated Ind AS	IGAAP	Adjustments	Restated Ind AS
NET CASH FLOW FROM OPERATING ACTIVITIES	190.10	307.70	497.80	1,179.30	(57.50)	1,121.80
NET CASH FLOW FROM INVESTING ACTIVITIES	(67.10)	57.38	(9.72)	1,755.50	(12.94)	1,742.56
NET CASH FLOW FROM FINANCING ACTIVITIES	(926.75)	-	(926.75)	(629.08)	-	(629.08)
EFFECT OF EXCHANGE DIFFERENCES ON TRANSLATION OF FOREIGN CURRENCY	497.90	(352.26)	145.64	46.10	86.45	132.55
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(305.85)	12.82	(293.03)	2,351.82	16.01	2,367.83
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	2,675.41	22.51	2,697.92	323.59	6.50	330.09
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	2,369.56	35.33	2,404.89	2,675.41	22.51	2,697.92

PARTICULARS	(₹ in million)					
	YEAR ENDED 31.03.2014			YEAR ENDED 31.03.2013		
	IGAAP	Adjustments	Restated Ind AS	IGAAP	Adjustments	Restated Ind AS
NET CASH FLOW FROM OPERATING ACTIVITIES	828.40	(143.16)	685.24	2,488.00	(78.64)	2,409.36
NET CASH FLOW FROM INVESTING ACTIVITIES	(1,539.50)	13.54	(1,525.96)	(759.60)	(2.14)	(761.74)
NET CASH FLOW FROM FINANCING ACTIVITIES	(701.97)	-	(701.97)	(441.64)	-	(441.64)
EFFECT OF EXCHANGE DIFFERENCES ON TRANSLATION OF FOREIGN CURRENCY	(31.70)	118.73	87.03	88.70	63.34	152.04
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(1,444.77)	(10.89)	(1,455.66)	1,375.46	(17.44)	1,358.02
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	1,768.36	17.39	1,785.75	392.90	34.83	427.73
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	323.59	6.50	330.09	1,768.36	17.39	1,785.75
NOTE: IGAAP FIGURES HAVE BEEN RECLASSIFIED AND RESTATED BY ADJUSTING CLIENT FUNDS & ITS CORRESPONDING LIABILITIES AND NON CASH ITEMS TO CONFORM TO IND AS PRESENTATION.						

2.3 PROPERTY, PLANT AND EQUIPMENT													
FOLLOWING ARE THE CHANGES IN THE CARRYING VALUE OF PROPERTY, PLANT AND EQUIPMENT FOR THE PERIOD ENDED 31.12.2017													
(₹ in Million)													
DESCRIPTION	GROSS BLOCK					DEPRECIATION/AMORTISATION						NET BLOCK	
	AS AT 01/04/2017	ADDITIONS DURING THE PERIOD	ADJ DURING THE PERIOD	DELETIONS DURING THE PERIOD	TOTAL	AS AT 01/04/2017	FOR THE PERIOD	ADJ DURING THE PERIOD	ADJ THROUGH RETAINED EARNING	DELETIONS DURING THE PERIOD	TOTAL	AS AT 31/12/2017	AS AT 31/03/2017
LEASEHOLD													
BUILDING	106.83	-	-	-	106.83	14.48	1.44	-	-	-	15.92	90.91	92.35
RESIDENTIAL QUARTERS	41.02	-	-	-	41.02	41.02	-	-	-	-	41.02	-	-
MULTIFUNCTIONAL COMPLEX	57.64	-	-	-	57.64	0.84	1.30	-	-	-	2.14	55.50	56.80

SUB TOTAL	205.49	-	-	-	205.49	56.34	2.74	-	-	-	59.08	146.41	149.15
OTHERS													
LAND	303.44	0.58	(42.20)	-	261.82	-	-	-	-	-	-	261.82	303.44
BUILDING	418.08	-	-	-	418.08	86.65	5.14	-	-	-	91.79	326.29	331.43
RESIDENTIAL QUARTERS	26.23	-	-	-	26.23	16.81	0.15	-	-	-	16.96	9.27	9.42
SURVEY AND OTHER INSTRUMENTS	151.64	1.52	-	0.03	153.13	116.85	4.97	-	-	0.02	121.80	31.33	34.79
COMPUTER AND EQUIPMENTS	192.05	9.86	-	2.74	199.17	162.41	14.52	-	-	2.73	174.20	24.97	29.64
SERVER & NETWORK	85.68	4.11	-	-	89.79	62.37	7.82	-	-	-	70.19	19.60	23.31
OFFICE AND OTHER EQUIPMENTS	119.61	3.16	-	1.35	121.42	102.03	5.68	-	-	1.33	106.38	15.04	17.58
AIR- CONDITIONER AND EQUIPMENTS	20.61	0.51	-	0.13	20.99	12.67	1.54	-	-	0.13	14.08	6.91	7.94
AIR CONDITIONER PLANT	136.34	-	-	-	136.34	95.58	10.30	-	-	-	105.88	30.46	40.76
FURNITURES	71.73	2.05	-	0.50	73.28	47.29	4.20	-	-	0.44	51.05	22.23	24.44
FIXTURES	75.38	0.93	-	0.09	76.22	70.66	1.68	-	-	0.09	72.25	3.97	4.72
VEHICLES	38.35	0.85	-	0.95	38.25	28.05	2.13	-	-	0.95	29.23	9.02	10.30
VEHICLES ABROAD	1.11	-	-	1.00	0.11	1.11	-	-	-	1.00	0.11	-	-
LOCOMOTIVES NEW	603.00	227.36	-	-	830.36	68.76	33.78	-	-	-	102.54	727.82	534.24
LOCOMOTIVES IN SERVICE	1,837.82	-	(280.40)	-	1,557.42	767.85	126.04	(218.52)	-	-	675.37	882.05	1,069.97

COACHES*	75.18	-	-	-	75.18	75.18	-	-	-	-	75.18	-	-
SUB TOTAL	4,156.25	250.93	(322.60)	6.79	4,077.79	1,714.27	217.95	(218.52)	-	6.69	1,707.01	2,370.78	2,441.98
TOTAL	4,361.74	250.93	(322.60)	6.79	4,283.28	1,770.61	220.69	(218.52)	-	6.69	1,766.09	2,517.19	2,591.13

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

(₹ in Million)

DESCRIPTION	GROSS BLOCK					DEPRECIATION/AMORTISATION						NET BLOCK	
	AS AT 01/04/2016	ADDITIONS DURING THE YEAR	ADJ DURING THE YEAR	DELETIONS DURING THE YEAR	TOTAL	AS AT 01/04/2016	FOR THE YEAR	ADJ DURING THE YEAR	ADJ THROUGH RETAINED EARNING	DELETIONS DURING THE YEAR	TOTAL	AS AT 31/03/2017	AS AT 31/03/2016
LEASEHOLD													
BUILDING	50.43	56.40	-	-	106.83	12.78	1.70	-	-	-	14.48	92.35	37.65
RESIDENTIAL QUARTERS	41.02	-	-	-	41.02	41.02	-	-	-	-	41.02	-	-
MULTIFUNCTIONAL COMPLEX	-	57.64	-	-	57.64	-	0.84	-	-	-	0.84	56.80	-
SUB TOTAL	91.45	114.04	-	-	205.49	53.80	2.54	-	-	-	56.34	149.15	37.65
OTHERS													
LAND	295.57	7.87	-	-	303.44	-	-	-	-	-	-	303.44	295.57
BUILDING	418.08	-	-	-	418.08	79.83	6.82	-	-	-	86.65	331.43	338.25
RESIDENTIAL QUARTERS	26.23	-	-	-	26.23	16.60	0.21	-	-	-	16.81	9.42	9.63
SURVEY AND			-					-					31.25

OTHER INSTRUMENTS	143.61	10.61		2.58	151.64	112.36	7.07		-	2.58	116.85	34.79	
COMPUTER AND EQUIPMENTS	183.57	20.34	-	11.86	192.05	151.95	22.18	-	-	11.72	162.41	29.64	31.62
SERVER & NETWORK	85.24	0.45	-	0.01	85.68	52.41	9.97	-	-	0.01	62.37	23.31	32.83
OFFICE AND OTHER EQUIPMENTS	117.34	9.31	-	7.04	119.61	99.38	9.37	-	-	6.72	102.03	17.58	17.96
AIR-CONDITIONER AND EQUIPMENTS	18.60	2.68	-	0.67	20.61	11.34	1.96	-	-	0.63	12.67	7.94	7.26
AIR CONDITIONER PLANT	136.33	0.46	-	0.45	136.34	82.38	13.65	-	-	0.45	95.58	40.76	53.95
FURNITURES	69.04	4.64	-	1.95	71.73	43.84	5.20	-	-	1.75	47.29	24.44	25.20
FIXTURES	75.38	0.46	-	0.46	75.38	66.28	4.69	-	-	0.31	70.66	4.72	9.10
VEHICLES	40.10	-	-	1.75	38.35	26.76	3.04	-	-	1.75	28.05	10.30	13.34
VEHICLES ABROAD	1.11	-	-	-	1.11	1.11	-	-	-	-	1.11	-	-
LOCOMOTIVES NEW	603.00	-	-	-	603.00	28.55	40.21	-	-	-	68.76	534.24	574.45
LOCOMOTIVES IN SERVICE	1,704.33	133.49	-	-	1,837.82	590.23	177.62	-	-	-	767.85	1,069.97	1,114.10
COACHES*	75.18	-	-	-	75.18	75.18	-	-	-	-	75.18	-	-
SUB TOTAL	3,992.71	190.31	-	26.77	4,156.25	1,438.20	301.99	-	-	25.92	1,714.27	2,441.98	2,554.51
TOTAL	4,084.16	304.35	-	26.77	4,361.74	1,492.00	304.53	-	-	25.92	1,770.61	2,591.13	2,592.16

FOLLOWING ARE THE CHANGES IN THE CARRYING VALUE OF PROPERTY, PLANT AND EQUIPMENT FOR THE YEAR ENDED 31.03.2016

(₹ in Million)

DESCRIPTION	GROSS BLOCK					DEPRECIATION/AMORTISATION						NET BLOCK	
	AS AT 01/04/2015	ADDITI ONS DURIN G THE YEAR	ADJ DURIN G THE YEAR	DELETI ONS DURIN G THE YEAR	TOTA L	AS AT 01/04/2015	FOR THE YEAR	ADJ DURIN G THE YEAR	ADJ THRO UGH RETAI NED EARNI NG	DELETI ONS DURING THE YEAR	TOTAL	AS AT 31/03/2016	AS AT 31/03/2015
LEASEHOLD													
BUILDING	50.43	-	-	-	50.43	11.12	1.66	-	-	-	12.78	37.65	39.31
RESIDENTIAL QUARTERS	41.02	-	-	-	41.02	41.02	-	-	-	-	41.02	-	-
SUB TOTAL	91.45	-	-	-	91.45	52.14	1.66	-	-	-	53.80	37.65	39.31
OTHERS													
LAND	295.57	-	-	-	295.57	-	-	-	-	-	-	295.57	295.57
BUILDING	404.93	13.15	-	-	418.08	73.03	6.80	-	-	-	79.83	338.25	331.90
RESIDENTIAL QUARTERS	26.23	-	-	-	26.23	16.39	0.21	-	-	-	16.60	9.63	9.84
SURVEY AND OTHER INSTRUMENTS	146.17	1.24	-	3.80	143.61	109.35	6.80	-	-	3.79	112.36	31.25	36.82
COMPUTER AND EQUIPMENTS	170.68	24.56	-	11.67	183.57	142.30	21.14	-	-	11.49	151.95	31.62	28.38
SERVER & NETWORK	83.03	2.30	-	0.09	85.24	42.78	9.72	-	-	0.09	52.41	32.83	40.25
OFFICE AND OTHER EQUIPMENTS	112.42	10.24	-	5.32	117.34	91.19	13.17	-	-	4.98	99.38	17.96	21.23

AIR-CONDITIONER AND EQUIPMENTS	17.96	3.05	-	2.41	18.60	11.97	1.76	-	-	2.39	11.34	7.26	5.99
AIR CONDITIONER PLANT	128.00	8.33	-	-	136.33	68.77	13.61	-	-	-	82.38	53.95	59.23
FURNITURES	61.82	9.60	-	2.38	69.04	40.50	5.37	-	-	2.03	43.84	25.20	21.32
FIXTURES	73.05	2.40	-	0.07	75.38	59.07	7.28	-	-	0.07	66.28	9.10	13.98
VEHICLES	42.88	-	-	2.78	40.10	26.39	3.06	-	-	2.69	26.76	13.34	16.49
VEHICLES ABROAD	1.82	0.11	-	0.82	1.11	1.82	0.11	-	-	0.82	1.11	-	-
LOCOMOTIVES NEW	-	603.00	-	-	603.00	-	28.55	-	-	-	28.55	574.45	-
LOCOMOTIVES IN SERVICE	1,504.23	200.10	-	-	1,704.33	411.96	178.27	-	-	-	590.23	1,114.10	1,092.27
COACHES*	75.18	-	-	-	75.18	75.18	-	-	-	-	75.18	-	-
SUB TOTAL	3,143.97	878.08	-	29.34	3,992.71	1,170.70	295.85	-	-	28.35	1,438.20	2,554.51	1,973.27
TOTAL	3,235.42	878.08	-	29.34	4,084.16	1,222.84	297.51	-	-	28.35	1,492.00	2,592.16	2,012.58

FOLLOWING ARE THE CHANGES IN THE CARRYING VALUE OF PROPERTY, PLANT AND EQUIPMENT FOR THE YEAR ENDED 31.03.2015													
(₹ in Million)													
DESCRIPTION	GROSS BLOCK					DEPRECIATION/AMORTISATION						NET BLOCK	
	AS AT 01/04/2014	ADDITIONS DURING THE YEAR	ADJ DURING THE YEAR	DELETIONS DURING THE YEAR	TOTAL 31/03/2015	AS AT 01/04/2014	FOR THE YEAR	ADJ DURING THE YEAR	ADJ THROUGH RETAINED EARNINGS	DELETIONS DURING THE YEAR	TOTAL	AS AT 31/03/2015	AS AT 31/03/2014

										NG			
LEASEHOLD													
BUILDING	47.81	0.40	2.22	-	50.43	9.16	1.62	0.34	-	-	11.12	39.31	38.65
RESIDENTIAL QUARTERS	41.02	-	-	-	41.02	39.46	1.56	-	-	-	41.02	-	1.56
SUB TOTAL	88.83	0.40	2.22	-	91.45	48.62	3.18	0.34	-	-	52.14	39.31	40.21
OTHERS													
LAND	295.09	0.48	-	-	295.57	-	-	-	-	-	-	295.57	295.09
BUILDING	404.93	-	-	-	404.93	66.48	6.55	-	-	-	73.03	331.90	338.45
RESIDENTIAL QUARTERS	26.23	-	-	-	26.23	16.16	0.23	-	-	-	16.39	9.84	10.07
SURVEY AND OTHER INSTRUMENTS	159.35	0.60	-	13.78	146.17	116.31	6.81	-	-	13.77	109.35	36.82	43.04
COMPUTER AND EQUIPMENTS	174.72	18.58	-	22.62	170.68	142.68	22.21	-	-	22.59	142.30	28.38	32.04
SERVER & NETWORK	83.12	0.56	-	0.65	83.03	33.75	9.68	-	-	0.65	42.78	40.25	49.37
OFFICE AND OTHER EQUIPMENTS	110.85	5.27	-	3.70	112.42	80.72	13.99	-	-	3.52	91.19	21.23	30.13
AIR-CONDITIONER AND EQUIPMENTS	16.21	2.05	-	0.30	17.96	10.83	1.44	-	-	0.30	11.97	5.99	5.38
AIR CONDITIONER PLANT	127.30	0.70	-	-	128.00	55.76	13.01	-	-	-	68.77	59.23	71.54
FURNITURES	58.75	3.74	-	0.67	61.82	36.63	4.44	-	-	0.57	40.50	21.32	22.12
FIXTURES	71.11	2.03	-	0.09	73.05	52.03	7.13	-	-	0.09	59.07	13.98	19.08
VEHICLES	43.83	3.17	-	4.12	42.88	27.52	2.99	-	-	4.12	26.39	16.49	16.31
VEHICLES ABROAD	7.59	-	-	5.77	1.82	7.59	-	-	-	5.77	1.82	-	-
LOCOMOTIVES NEW	84.26	-	-	84.26	-	26.56	2.29	-	-	28.85	-	-	57.70

LOCOMOTIVES IN SERVICE	1,153.42	350.81	-	-	1,504.23	264.35	147.61	-	-	-	411.96	1,092.27	889.07
COACHES*	75.18	-	-	-	75.18	75.18	-	-	-	-	75.18	-	-
SUB TOTAL	2,891.94	387.99	-	135.96	3,143.97	1,012.55	238.38	-	-	80.23	1,170.70	1,973.27	1,879.39
TOTAL	2,980.77	388.39	2.22	135.96	3,235.42	1,061.17	241.56	0.34	-	80.23	1,222.84	2,012.58	1,919.60

FOLLOWING ARE THE CHANGES IN THE CARRYING VALUE OF PROPERTY, PLANT AND EQUIPMENT FOR THE YEAR ENDED 31.03.2014													
(₹ in Million)													
DESCRIP TION	GROSS BLOCK					DEPRECIATION/AMORTISATION						NET BLOCK	
	AS AT 01/04/20 13	ADDIT IONS DURIN G THE YEAR	ADJ DURING THE YEAR	DELETIONS DURING THE YEAR	TOTAL	AS AT 01/04/2013	FOR THE YEAR	ADJ DURING THE YEAR	ADJ THROUGH RETAINED EARNING	DELETIONS DURING THE YEAR	TOTAL	AS AT 31/03/2014	AS AT 31/03/20 13
LEASEH OLD													
BUILDIN G	47.81	-	-	-	47.81	7.62	1.54	-	-	-	9.16	38.65	40.19
RESIDEN TIAL QUARTE RS	41.02	-	-	-	41.02	37.90	1.56	-	-	-	39.46	1.56	3.12
MULTIFU NC- TIONAL COMPLE X	-	-	-	-	-	-	-	-	-	-	-	-	-
SUB TOTAL	88.83	-	-	-	88.83	45.52	3.10	-	-	-	48.62	40.21	43.31
OTHERS													
LAND	295.09	-	-	-	295.09	-	-	-	-	-	-	295.09	295.09
BUILDIN G	404.93	-	-	-	404.93	58.34	8.14	-	-	-	66.48	338.45	346.59
RESIDEN TIAL QUARTE RS	26.23	-	-	-	26.23	15.89	0.27	-	-	-	16.16	10.07	10.34
SURVEY AND OTHER	143.41	16.03	-	0.09	159.35	109.72	6.68	-	-	0.09	116.31	43.04	33.69

INSTRUMENTS													
COMPUTER AND EQUIPMENTS	159.54	16.97	-	1.79	174.72	127.42	16.93	-	-	1.67	142.68	32.04	32.12
SERVER & NETWORK	25.94	57.18	-	-	83.12	22.20	11.55	-	-	-	33.75	49.37	3.74
OFFICE AND OTHER EQUIPMENTS	105.54	8.98	-	3.67	110.85	73.44	10.34	-	-	3.06	80.72	30.13	32.10
AIR-CONDITIONER AND EQUIPMENTS	15.38	0.92	-	0.09	16.21	9.53	1.33	-	-	0.03	10.83	5.38	5.85
AIR CONDITIONER PLANT	124.66	2.64	-	-	127.30	49.39	6.37	-	-	-	55.76	71.54	75.27
FURNITURES	51.36	7.68	-	0.29	58.75	32.95	3.88	-	-	0.20	36.63	22.12	18.41
FIXTURES	66.10	5.07	-	0.06	71.11	45.78	6.30	-	-	0.05	52.03	19.08	20.32
VEHICLES	35.01	9.81	-	0.99	43.83	24.58	3.93	-	-	0.99	27.52	16.31	10.43
VEHICLES ABROAD	7.59	-	-	-	7.59	7.45	0.14	-	-	-	7.59	-	0.14
LOCOMOTIVES NEW	84.26	-	-	-	84.26	20.88	5.68	-	-	-	26.56	57.70	63.38
LOCOMO	898.13	255.29	-	-	1,153.42	167.36	96.99	-	-	-	264.35	889.07	730.77

TIVES IN SERVICE													
COACHES*	75.18	-	-	-	75.18	67.36	7.82	-	-	-	75.18	-	7.82
SUB TOTAL	2,518.35	380.57	-	6.98	2,891.94	832.29	186.35	-	-	6.09	1,012.55	1,879.39	1,686.06
TOTAL	2,607.18	380.57	-	6.98	2,980.77	877.81	189.45	-	-	6.09	1,061.17	1,919.60	1,729.37

FOLLOWING ARE THE CHANGES IN THE CARRYING VALUE OF PROPERTY, PLANT AND EQUIPMENT FOR THE YEAR ENDED 31.03.2013													
(₹ in Million)													
DESCRIPTION	GROSS BLOCK					DEPRECIATION/AMORTISATION					NET BLOCK		
	AS AT 01/04/20 12	ADDITI ONS DURIN G THE YEAR	ADJ DURIN G THE YEAR	DELETI ONS DURIN G THE YEAR	TOTA L	AS AT 01/04/20 12	FOR THE YEAR	ADJ DURIN G THE YEAR	ADJ THRO UGH RETAI NED EARNI NG	DELETI ONS DURING THE YEAR	TOTA L	AS AT 31/03/201 3	AS AT 31/03/2012
LEASEHOLD													
BUILDING	47.77	0.04	-	-	47.81	6.60	1.02	-	-	-	7.62	40.19	41.17
RESIDENTIAL QUARTERS	41.02	-	-	-	41.02	36.34	1.56	-	-	-	37.90	3.12	4.68
MULTIFUNCTIONAL COMPLEX	-	-	-	-	-	-	-	-	-	-	-	-	-
SUB TOTAL	88.79	0.04	-	-	88.83	42.94	2.58	-	-	-	45.52	43.31	45.85
OTHERS													
LAND	295.09	-	-	-	295.09	-	-	-	-	-	-	295.09	295.09
BUILDING	400.61	-	4.32	-	404.93	50.13	8.21	-	-	-	58.34	346.59	350.48
RESIDENTIAL QUARTERS	26.23	-	-	-	26.23	15.57	0.32	-	-	-	15.89	10.34	10.66
SURVEY AND OTHER INSTRUMENTS	140.12	9.18	-	5.89	143.41	110.20	5.41	-	-	5.89	109.72	33.69	29.92
COMPUTER AND EQUIPMENTS	211.60	16.72	-	68.78	159.54	180.66	15.47	-	-	68.71	127.42	32.12	30.94
SERVER & NETWORK	23.64	2.30	-	-	25.94	21.12	1.08	-	-	-	22.20	3.74	2.52

OFFICE AND OTHER EQUIPMENTS	102.60	9.96	-	7.02	105.54	71.87	8.36	-	-	6.79	73.44	32.10	30.73
AIR-CONDITIONER AND EQUIPMENTS	14.67	2.65	-	1.94	15.38	10.29	1.15	-	-	1.91	9.53	5.85	4.38
AIR CONDITIONER PLANT	124.66	-	-	-	124.66	43.13	6.26	-	-	-	49.39	75.27	81.53
FURNITURES	58.44	4.40	-	11.48	51.36	39.89	4.38	-	-	11.32	32.95	18.41	18.55
FIXTURES	64.64	1.47	-	0.01	66.10	39.59	6.20	-	-	0.01	45.78	20.32	25.05
VEHICLES	33.84	3.65	-	2.48	35.01	24.31	2.75	-	-	2.48	24.58	10.43	9.53
VEHICLES ABROAD	7.59	-	-	-	7.59	7.06	0.39	-	-	-	7.45	0.14	0.53
LOCOMOTIVES NEW	84.26	-	-	-	84.26	15.21	5.67	-	-	-	20.88	63.38	69.05
LOCOMOTIVES IN SERVICE	600.32	314.66	(16.85)	-	898.13	114.35	62.42	(9.41)	-	-	167.36	730.77	485.97
COACHES*	75.18	-	-	-	75.18	52.32	15.04	-	-	-	67.36	7.82	22.86
SUB TOTAL	2,263.49	364.99	(12.53)	97.60	2,518.35	795.70	143.11	(9.41)	-	97.11	832.29	1,686.06	1,467.79
TOTAL	2,352.28	365.03	(12.53)	97.60	2,607.18	838.64	145.69	(9.41)	-	97.11	877.81	1,729.37	1,513.64

NOTE:
- DEPRECIATION ON FREEHOLD FLATS IS CHARGED ON THE TOTAL COST OF FLATS IN THE ABSENCE OF BREAK-UP OF LAND COMPONENTS IN THE FLATS VALUE.
- IN RESPECT OF LEASE AGREEMENTS PENDING EXECUTION (REFER NOTE NO. 2.61).
- AGGREGATE DEPRECIATION AND AMORTISATION HAS BEEN INCLUDED UNDER DEPRECIATION AND AMORTISATION EXPENSES IN THE STATEMENT OF PROFIT AND LOSS.

*KEPT FOR DISPOSAL.

2.4 CAPITAL WORK IN PROGRESS												
(₹ in Million)												
DESCRIPTION	GROSS BLOCK					DEPRECIATION/AMORTISATION						NET BLOCK
	OPENING	ADDITIONS DURING THE YEAR	ADJ DURING THE YEAR	DELETIONS DURING THE YEAR	TOTAL	OPENING	FOR THE YEAR	ADJ DURING THE YEAR	ADJ THROUGH RETAINED EARNING	DELETIONS DURING THE YEAR	TOTAL	
AS AT 31.12.2017	32.80	-	(28.32)	-	4.48	-	-	-	-	-	-	4.48
AS AT 31.03.2017	67.38	34.60	(69.18)	-	32.80	-	-	-	-	-	-	32.80
AS AT 31.03.2016	94.40	96.40	(123.42)	-	67.38	-	-	-	-	-	-	67.38
AS AT 31.03.2015	129.49	135.15	(170.24)	-	94.40	-	-	-	-	-	-	94.40
AS AT 31.03.2014	68.69	161.22	(100.42)	-	129.49	-	-	-	-	-	-	129.49
AS AT 31.03.2013	148.09	79.55	(158.95)	-	68.69	-	-	-	-	-	-	68.69
2.5 INVESTMENT PROPERTY												
(₹ in Million)												
DESCRIPTION	GROSS BLOCK					DEPRECIATION/AMORTISATION						NET BLOCK
	OPENING	ADDITIONS DURING THE YEAR	ADJ DURING THE YEAR	DELETIONS DURING THE YEAR	TOTAL	OPENING	FOR THE YEAR	ADJ DURING THE YEAR	ADJ THROUGH RETAINED EARNING	DELETIONS DURING THE YEAR	TOTAL	
LEASEHOLD BUILDING												
AS AT 31.12.2017	16.07	-	-	-	16.07	3.52	0.21	-	-	-	3.73	12.34

AS AT 31.03.2017	16.07	-	-	-	16.07	3.16	0.36	-	-	-	3.52	12.55
AS AT 31.03.2016	16.07	-	-	-	16.07	2.80	0.36	-	-	-	3.16	12.91
AS AT 31.03.2015	18.29	-	(2.22)	-	16.07	2.78	0.36	(0.34)	-	-	2.80	13.27
AS AT 31.03.2014	18.29	-	-	-	18.29	2.37	0.41	-	-	-	2.78	15.51
AS AT 31.03.2013	18.29	-	-	-	18.29	2.19	0.18	-	-	-	2.37	15.92

2.6 INTANGIBLE ASSETS

(₹ in Million)

DESCRIPTION	GROSS BLOCK					DEPRECIATION/AMORTISATION						NET BLOCK
	OPENING	ADDITIONS DURING THE YEAR	ADJ DURING THE YEAR	DELETIONS DURING THE YEAR	TOTAL	OPENING	FOR THE YEAR	ADJ DURING THE YEAR	ADJ THROUGH RETAINED EARNING	DELETIONS DURING THE YEAR	TOTAL	
SOFTWARES (ACQUIRED)												
AS AT 31.12.2017	129.24	2.50	-	-	131.74	111.94	9.50	-	-	-	121.44	10.30
AS AT 31.03.2017	129.67	2.62	-	3.05	129.24	98.65	16.18	-	-	2.89	111.94	17.30
AS AT 31.03.2016	126.52	3.42	-	0.27	129.67	78.63	20.29	-	-	0.27	98.65	31.02
AS AT 31.03.2015	107.29	19.23	-	-	126.52	59.33	19.30	-	-	-	78.63	47.89
AS AT 31.03.2014	81.28	26.04	-	0.03	107.29	45.78	13.55	-	-	-	59.33	47.96
AS AT 31.03.2013	65.16	19.39	-	3.27	81.28	39.71	9.34	-	-	3.27	45.78	35.50

2.7 INTANGIBLE ASSETS UNDER DEVELOPMENT

(₹ in Million)

DESCRIPTION	GROSS BLOCK				DEPRECIATION/AMORTISATION						NET BLOCK
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	OPENING	ADDITIONS DURING THE YEAR	ADJ DURING THE YEAR	DELETIONS DURING THE YEAR	TOTAL	OPENING	FOR THE YEAR	ADJ DURING THE YEAR	ADJ THROUGH RETAINED EARNING	DELETIONS DURING THE YEAR	TOTAL	
SOFTWARES (ACQUIRED)												
AS AT 31.12.2017	15.79	-	-	-	15.79	-	-	-	-	-	-	15.79
AS AT 31.03.2017	15.79	-	-	-	15.79	-	-	-	-	-	-	15.79
AS AT 31.03.2016	7.48	8.31	-	-	15.79	-	-	-	-	-	-	15.79
AS AT 31.03.2015	4.88	2.60	-	-	7.48	-	-	-	-	-	-	7.48
AS AT 31.03.2014	2.27	2.61	-	-	4.88	-	-	-	-	-	-	4.88
AS AT 31.03.2013	-	2.27	-	-	2.27	-	-	-	-	-	-	2.27

2.8 INVESTMENTS										
(₹ in Million)										
PARTICULARS	NOTE NO.	AS AT 31.12.2017	AS AT 31.03.2017	AS AT 31.03.2016	AS AT 31.03.2015	AS AT 31.03.2014	AS AT 31.03.2013			
2.8.1 NON CURRENT INVESTMENTS										
A) INVESTMENT IN UNQUOTED EQUITY INSTRUMENTS OF (INVESTMENT CARRIED AT COST):										
SUBSIDIARIES										
	(i) RITES Infrastructure Services Limited***		0.50	0.50	0.50	0.50	0.50	0.50	0.50	
	50,000 (previous years 50,000) equity shares of face value of ₹10 each, fully paid-up.									
	Less : Provision for Diminution in value of Investment		(0.50)	(0.50)	(0.50)	-	-	-	-	
			-	-	-	0.50	0.50	0.50	0.50	
	(ii) RITES (Afrika) (Pty) Ltd., Botswana		0.12	0.12	0.12	0.12	0.12	0.12	0.12	
	10,000 (previous years 10,000) equity shares of face value of Pula 1/- each, fully paid-up.									
	(iii) RITES Mohawarean Arabia Co. Ltd.		-	-	-	-	4.70	4.70	4.70	
	NIL (previous year ended 31.03.2014 & 31.03.2013 : 380) equity shares of face value of Saudi Riyal 1,000/- each, fully paid-up.									
	(iv) Railway Energy Management Company Limited		357.00	357.00	255.00	153.00	51.00	51.00	51.00	-

		35,700,000 (previous year 31.03.2017: 35,700,000, 31.03.2016: 25,500,000, 31.03.2015 : 15,300,000 & 31.03.2014: 5,100,000) equity shares of face value of ₹10 each, fully paid-up.							
JOINT VENTURES									
		(i) Companhia Dos Caminhos De Ferro Da Beira, SA (CCFB),Mozambique****							
		NIL (previous year 31.03.2017 : NIL, previous years 31.03.2016 to 31.03.2013: 1,300,000) equity shares of face value of US\$ 1/- each, fully paid-up.							
		(ii) SAIL-RITES Bengal Wagon Industry Private Limited							
		24,000,000 (previous year 31.03.2017: 24,000,000, 31.03.2016 :22,270,000, 31.03.2015: 14,900,000, 31.03.2014: 18,000,000(includes 6,000,000 equity shares amounting to ₹60 million, pending allotment) & 31.03.2013: 12,000,000) equity shares of face value of ₹10 each, fully paid-up.							
		(iii) BNV Gujarat Rail Private Limited							
		13,000 (previous year 31.03.2017: 13,000 & upto 31.03.2016: Nil) equity shares of face value of ₹10 each, fully paid-up.							
COOPERATIVE SOCIETIES									
		(i) Moru Mahal Co-operative Society Limited							
		5 (previous years 5) Equity Shares of face value of ₹50/- each acquired for purchase of residential quarter.							
		(ii) Amit Industrial Premises Co-operative Society Limited							
		10 (previous years 10) Equity Shares of face value of ₹50/- each acquired for purchase of laboratory.							
OTHERS									
		Global Procurement Consultants Limited*****							
		32,279 (previous years 32,279) equity shares of face value of ₹10/- each, fully paid-up(includes 2,279 equity shares of face value of ₹10/- each at a price of ₹30/- each).							
		AGGREGATE OF UNQUOTED INVESTMENTS (NON CURRENT)							
B) INVESTMENT IN QUOTED TAX FREE BONDS OF (INVESTMENT CARRIED AT AMORTISED COST):									

		(i) INDIAN RAILWAY FINANCE CORPORATION* (7 YEAR SECURED REDEEMABLE 6.30% TAX FREE BONDS 08MAR.2017)							
		5,000 Bonds of face value of ₹100,000/- each , fully paid		-	-	-	500.00	500.00	500.00
		(ii) INDIAN RAILWAY FINANCE CORPORATION (7 YEAR SECURED REDEEMABLE 6.32% TAX FREE BONDS 20DEC.2017)							
		5,000 Bonds of face value of ₹100,000/- each , fully paid		-	-	500.00	500.00	500.00	500.00
		(iii) INDIAN RAILWAY FINANCE CORPORATION (10 YEAR SECURED REDEEMABLE 7.55% TAX FREE BONDS 08NOV.2021)							
		2,500 Bonds of face value of ₹100,000/- each , fully paid		250.00	250.00	250.00	250.00	250.00	250.00
		(iv) INDIAN RAILWAY FINANCE CORPORATION (10 YEAR SECURED REDEEMABLE 7.21% TAX FREE BONDS 26NOV.2022)							
		300 Bonds of face value of ₹1,000,000/- each at premium of ₹100/- each, fully paid		300.03	300.03	300.03	300.03	300.03	300.03
		(v) INDIAN RAILWAY FINANCE CORPORATION (10 YEAR SECURED REDEEMABLE 7.22% TAX FREE BONDS 30NOV.2022)							
		100 Bonds of face value of ₹1,000,000/- each at premium of ₹100/- each, fully paid		100.01	100.01	100.01	100.01	100.01	100.01
		(vi) INDIAN RAILWAY FINANCE CORPORATION (10 YEAR SECURED REDEEMABLE 7.18% TAX FREE BONDS 19FEB.2023)							
		100,000 Bonds of face value of ₹1,000/- each, fully paid		100.00	100.00	100.00	100.00	100.00	100.00
		(vii) INDIAN RAILWAY FINANCE CORPORATION (10 YEAR SECURED REDEEMABLE 8.35% TAX FREE BONDS 21NOV.2023)							
		250 Bonds of face value of ₹1,000,000/- each at premium of ₹100/-each, fully paid		250.03	250.03	250.03	250.03	250.03	-
		(viii) INDIAN RAILWAY FINANCE CORPORATION (10 YEAR SECURED REDEEMABLE 7.19% TAX FREE BONDS 31JUL.2025)							
		200 Bonds of face value of ₹1,000,000/- each at premium of ₹100/-each,		200.02				-	-

		fully paid			200.02	200.02	-			
		AGGREGATE OF QUOTED INVESTMENTS (NON CURRENT)			1,200.09	1,200.09	1,700.09	2,000.07	2,000.07	1,750.04
		TOTAL (NON CURRENT)			1,797.71	1,797.71	2,178.28	2,363.15	2,296.85	1,935.82
2.8.2 CURRENT INVESTMENTS										
A) INVESTMENT IN UNQUOTED EQUITY INSTRUMENTS OF (INVESTMENT CARRIED AT COST):										
		JOINT VENTURE								
		Companhia Dos Caminhos De Ferro Da Beira, SA (CCFB),Mozambique****			-	-	60.09	-	-	-
		NIL (previous year 31.03.2017 : NIL, previous years 31.03.2016 to 31.03.2013: 1,300,000) equity shares of face value of US\$ 1/- each, fully paid-up.								
B) INVESTMENT IN UNQUOTED MUTUAL FUNDS (INVESTMENT CARRIED AT FAIR VALUE THROUGH PROFIT OR LOSS):										
		UTI LIQUID CASH PLAN								
		1216622.651 (PREVIOUS YEAR 31.03.2017: 699229.967 & 31.03.2013 : 242262.506) UNITS OF ₹1019.4457 PER UNIT.			1,240.28	712.83	-	-	-	246.97
		CANARA ROBECO LIQUID FUND								
		239434.912 (PREVIOUS YEAR 31.03.2017: 713603.548 & 31.03.2013: 743022.459) UNITS OF ₹1005.5000 PER UNIT.			240.75	717.53	-	-	-	747.11
		SBI MUTUAL FUND								
		1007639.335 (PREVIOUS YEAR 31.03.2013: 229868.971) UNITS OF ₹1003.25 PER UNIT.			1,010.91	-	-	-	-	230.62
		AGGREGATE OF UNQUOTED INVESTMENT (CURRENT)			2,491.94	1,430.36	60.09	-	-	1,224.70
C) INVESTMENT IN QUOTED TAX FREE BONDS OF (INVESTMENT CARRIED AT AMORTISED COST):										
		(i) INDIAN RAILWAY FINANCE CORPORATION* (7 YEAR SECURED REDEEMABLE 6.30% TAX FREE BONDS 08MAR.2017)								
		5,000 Bonds of face value of ₹100,000/- each , fully paid			-	-	500.00	-	-	-
		(ii) INDIAN RAILWAY FINANCE CORPORATION (7 YEAR SECURED REDEEMABLE 6.32% TAX FREE BONDS 20DEC.2017)								
		5,000 Bonds of face value of ₹100,000/- each , fully paid			-	500.00	-	-	-	-
		AGGREGATE OF QUOTED INVESTMENTS (CURRENT)			-	500.00	500.00	-	-	-
		TOTAL (CURRENT)			2,491.94	1,930.36	560.09	-	-	1,224.70

		GRAND TOTAL		4,289.65	3,728.07	2,738.37	2,363.15	2,296.85	3,160.52
	A	AGGREGATE AMOUNT OF QUOTED INVESTMENTS		1,200.09	1,700.09	2,200.09	2,000.07	2,000.07	1,750.04
	B	MARKET VALUE OF QUOTED INVESTMENTS (INCLUDING INTEREST ACCRUED)**		1,255.32	1,785.59	2,296.70	2,096.70	2,060.21	1,812.81
	C	AGGREGATE AMOUNT OF UNQUOTED INVESTMENTS		3,089.56	2,027.98	538.28	363.08	296.78	1,410.48
	D	AGGREGATE AMOUNT OF IMPAIRMENT IN VALUE OF INVESTMENTS		0.50	0.50	0.50	-	-	-

* RECLASSIFIED FROM NON CURRENT TO CURRENT AT THE YEAR ENDED ON 31.03.2016.

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

*** UNDER LIQUIDATION.

**** DISPUTE OF CCFB, MOZAMBIQUE HAS BEEN AMICABLY SETTLED WITH GOVERNMENT OF MOZAMBIQUE (GOM) IN 2015-16.(REFER NOTE NO. 2.58)

***** EQUITY SHARES OF GLOBAL PROCUREMENT CONSULTANTS LIMITED ARE NOT TRADABLE AND AMOUNT OF INVESTMENT IN THE ENTITY IS NOT MATERIAL, HENCE INVESTMENT IS RECOGNISED AT COST.

REFER NOTE NO. 2.48

2.9 NON CURRENT LOANS								(₹ in Million)
PARTICULARS	NOTE NO.	AS AT 31.12.2017	AS AT 31.03.2017	AS AT 31.03.2016	AS AT 31.03.2015	AS AT 31.03.2014	AS AT 31.03.2013	
(SECURED, CONSIDERED GOOD)								
LOANS TO EMPLOYEES		87.12	96.08	89.63	56.45	54.75	66.67	
(UNSECURED, CONSIDERED GOOD)								
LOANS TO EMPLOYEES		-	0.40	13.57	41.83	42.73	10.56	
LOANS TO CCFB, MOZAMBIQUE (RELATED PARTY)*	2.58	-	-	-	1,447.20	1,259.39	1,103.99	
TOTAL		87.12	96.48	103.20	1,545.48	1,356.87	1,181.22	

*loans in lieu of equity, capital expenditure and to meet arbitration expenses.

2.10 OTHER NON CURRENT FINANCIAL ASSETS								(₹ in Million)
PARTICULARS	NOTE NO.	AS AT 31.12.2017	AS AT 31.03.2017	AS AT 31.03.2016	AS AT 31.03.2015	AS AT 31.03.2014	AS AT 31.03.2013	

GOVT. OF TANZANIA RECEIVABLES		-	-	-	-	-	164.85
SECURITY DEPOSITS		32.19	26.34	15.43	11.11	9.56	4.51
INTEREST ACCRUED (INCLUDING ACCRUED BUT NOT DUE) ON:							
-BANK DEPOSITS		41.17	23.48	12.15	29.22	5.51	0.05
-LOANS TO CCFB, MOZAMBIQUE (RELATED PARTY)	2.58	-	-	-	89.47	85.57	78.07
-OTHER LOANS AND ADVANCES		-	-	-	-	2.05	4.10
RETENTION MONEY		153.84	152.33	110.26	72.68	66.71	108.41
GOVT. OF MOZAMBIQUE RECEIVABLES	2.58	335.05	684.92	459.65	-	-	-
AMOUNT RECOVERABLE		3.94	-	-	-	4.10	-
LESS: PROV FOR DOUBTFULL AMOUNT RECOVERABLE		-	-	-	-	(4.10)	-
BANK DEPOSITS HAVING MATURITY OVER 12 MONTHS FROM REPORTING DATE:							
-OWNED FUND	2.15.3	669.03	1,009.23	1,075.67	1,040.25	1,337.00	3.81
-CLIENTS FUND	2.16.3	478.71	499.39	286.58	549.47	1,165.93	1,763.84
TOTAL		1,713.93	2,395.69	1,959.74	1,792.20	2,672.33	2,127.64

2.11 DEFERRED TAX ASSETS/ (LIABILITY) (NET)							(₹ in Million)	
PARTICULARS	NOTE NO.	AS AT 31.12.2017	AS AT 31.03.2017	AS AT 31.03.2016	AS AT 31.03.2015	AS AT 31.03.2014	AS AT 31.03.2013	
DEFERRED INCOME TAX ASSETS:								
LEAVE ENCHASHMENT AND OTHER PROVISIONS		360.12	399.16	202.51	355.07	473.98	364.53	
PROVISION FOR DOUBTFUL DEBTS, SECURITY DEPOSITS/ EMD, ADVANCES ETC.		280.18	278.74	205.29	207.51	219.44	176.30	
TOTAL DEFERRED INCOME TAX ASSETS - I		640.30	677.90	407.80	562.58	693.42	540.83	
DEFERRED INCOME TAX LIABILITIES:								
PROPERTY, PLANT & EQUIPMENT		131.35	91.91	117.85	101.28	96.41	66.50	
TOTAL DEFERRED INCOME TAX LIABILITIES – II		131.35	91.91	117.85	101.28	96.41	66.50	

DEFERRED INCOME TAX ASSETS (NET)	2.50	508.95	585.99	289.95	461.30	597.01	474.33
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2.12 OTHER NON CURRENT ASSETS							(₹ in Million)	
PARTICULARS	NOTE NO.	AS AT 31.12.2017	AS AT 31.03.2017	AS AT 31.03.2016	AS AT 31.03.2015	AS AT 31.03.2014	AS AT 31.03.2013	
ADVANCE INCOME TAX (NET OF PROVISION)	2.50	603.09	875.66	600.43	600.93	647.17	690.79	
PREPAID EXPENSES		4.82	10.73	12.09	8.77	5.55	12.23	
PRE-PAYMENT TOWARDS LEASEHOLD ASSETS		72.81	76.21	80.62	85.03	89.39	62.78	
DEFERRED COST TOWARDS STAFF LOAN		18.34	20.76	22.30	29.80	42.10	32.90	
CAPITAL ADVANCE		354.77	114.38	173.33	481.49	-	-	
DEFERRED COST TOWARDS GOVT OF MOZAMBIQUE RECEIVABLES		17.51	17.76	3.41	-	-	-	
TOTAL		1,071.34	1,115.50	892.18	1,206.02	784.21	798.70	

2.13 INVENTORIES								(₹ in Million)	
(AT THE LOWER OF COST AND NET REALISABLE VALUE)									
PARTICULARS		AS AT 31.12.2017	AS AT 31.03.2017	AS AT 31.03.2016	AS AT 31.03.2015	AS AT 31.03.2014	AS AT 31.03.2013		
(AS CERTIFIED BY MANAGEMENT)									
STORES & SPARES		15.84	25.81	21.10	2.43	-	18.53		
STOCK IN TRADE*		291.61	478.32	109.61	64.34	174.92	241.10		
TOTAL		307.45	504.13	130.71	66.77	174.92	259.63		
*Includes inventory of ₹266.46 million (previous year ended 31.03.2017 ₹388.30 million, 31.03.2016 ₹57.40 million & 31.03.2015 ₹45.00 million) lying with third parties.									
*Includes goods in transit of Nil (previous year ended 31.03.2017 ₹38.27 million, 31.03.2016 ₹16.60 million & 31.03.2015 ₹0.13 million).									

2.14 CURRENT TRADE RECEIVABLES								(₹ in Million)
PARTICULARS	NOTE NO.	AS AT 31.12.2017	AS AT 31.03.2017	AS AT 31.03.2016	AS AT 31.03.2015	AS AT 31.03.2014	AS AT 31.03.2013	
UNSECURED								
CONSIDERED GOOD	2.41	5,336.77	4,568.47	5,312.41	3,801.88	3,249.51	2,940.80	
CONSIDERED DOUBTFUL		640.49	635.28	417.44	456.04	487.58	387.01	
		5,977.26	5,203.75	5,729.85	4,257.92	3,737.09	3,327.81	
LESS: ALLOWANCES FOR EXPECTED CREDIT LOSSES		(640.49)	(635.28)	(417.44)	(456.04)	(487.58)	(387.01)	
TOTAL		5,336.77	4,568.47	5,312.41	3,801.88	3,249.51	2,940.80	

2.15 CASH AND BANK BALANCES-OWNED FUND												(₹ in Million)
PARTICULARS		AS AT 31.12.2017		AS AT 31.03.2017		AS AT 31.03.2016		AS AT 31.03.2015		AS AT 31.03.2014		AS AT 31.03.2013
2.15.1 CASH AND CASH EQUIVALENTS												
CHEQUES IN HAND		-		3.38		1.86		2.15		3.87		46.15
BANK BALANCES IN :												
CURRENT ACCOUNTS	176.16		477.26		1,291.38		116.15		116.93		61.46	
DEPOSITS #	1,264.59	1,440.75	2,029.70	2,506.96	1,108.17	2,399.55	2,394.41	2,510.56	208.79	325.72	451.61	513.07
TOTAL		1,440.75		2,510.34		2,401.41		2,512.71		329.59		559.22
2.15.2 OTHER BANK BALANCES												
DEPOSITS ##		9,406.21		6,094.24		4,576.14		4,526.93		5,949.59		5,672.78

TOTAL		9,406.21		6,094.24		4,576.14		4,526.93		5,949.59		5,672.78
2.15.3 BANK BALANCE MORE THAN 12 MONTHS MATURITY-OWNED FUND (NOTE NO. 2.10)												
DEPOSITS ###		669.03		1,009.23		1,075.67		1,040.25		1,337.00		3.81
TOTAL		669.03		1,009.23		1,075.67		1,040.25		1,337.00		3.81
2.15.4 BOOK OVERDRAFT#### (NOTE NO. 2.28)		(108.19)		(0.04)		-		-		(0.43)		(0.31)
TOTAL CASH & BANK BALANCE-OWNED FUND*		11,407.80		9,613.77		8,053.22		8,079.89		7,615.75		6,235.50
# Having maturity within 3 months from the date of acquisition. ## Having maturity over 3 months from the date of acquisition and upto 12 months from reporting date. ### Having maturity over 12 months from reporting date. #### Book overdraft due to issuance of cheques, which will be cleared against term deposits available in banks. * Includes restricted cash and bank balances of ₹38.67 million (previous year 31.03.2017: ₹42.36 million, 31.03.2016: ₹64.91 million , 31.03.2015: ₹72.86 million, 31.03.2014: ₹59.53 million & 31.03.2013: ₹208.69 million) on account of bank balance held as margin money deposits against guarantees issued by banks.												

2.16 CASH AND BANK BALANCES-CLIENTS FUND (₹ in Million)							
PARTICULARS		AS AT 31.12.2017	AS AT 31.03.2017	AS AT 31.03.2016	AS AT 31.03.2015	AS AT 31.03.2014	AS AT 31.03.2013
2.16.1 CASH AND CASH EQUIVALENTS							
BANK BALANCES IN :							
CURRENT ACCOUNTS		2,089.58	580.91	64.65	336.58	96.26	384.30
DEPOSITS #		2,628.60	2,752.79	1,838.86	1,656.99	2,490.25	1,809.21
TOTAL		4,718.18	3,333.70	1,903.51	1,993.57	2,586.51	2,193.51
2.16.2 OTHER BANK BALANCES							
DEPOSITS ##		13,914.25	16,590.94	16,279.79	11,390.85	12,180.98	9,343.39
TOTAL		13,914.25	16,590.94	16,279.79	11,390.85	12,180.98	9,343.39
2.16.3 BANK BALANCE MORE THAN 12 MONTHS MATURITY-CLIENTS FUND (NOTE NO. 2.10)							
DEPOSITS ###		478.71	499.39	286.58	549.47	1,165.93	1,763.84
TOTAL		478.71	499.39	286.58	549.47	1,165.93	1,763.84
2.16.4 BOOK OVERDRAFT#### (NOTE NO. 2.28)							
TOTAL CASH & BANK BALANCE-CLIENTS FUND		18,995.80	20,158.17	18,434.04	13,680.45	15,836.65	13,193.63
# Having maturity within 3 months from the date of acquisition. ## Having maturity over 3 months from the date of acquisition and upto 12 months from reporting date. ### Having maturity over 12 months from reporting date. #### Book overdraft due to issuance of cheques, which will be cleared against term deposits available in banks.							

2.17 CURRENT LOANS (₹ in Million)													
PARTICULARS	NOTE NO.		AS AT 31.12.2017		AS AT 31.03.2017		AS AT 31.03.2016		AS AT 31.03.2015		AS AT 31.03.2014		AS AT 31.03.2013

(SECURED, CONSIDERED GOOD)													
LOANS TO EMPLOYEES			36.24		39.39		39.00		25.31		19.56		26.24
(UNSECURED, CONSIDERED GOOD)													
LOANS TO JV (RELATED PARTY) FOR WORKING CAPITAL REQUIREMENTS	2.41		70.00		70.00		17.30		71.00		-		-
LOANS TO EMPLOYEES			3.91		4.78		15.40		25.68		21.38		7.49
TOTAL			110.15		114.17		71.70		121.99		40.94		33.73

2.18 OTHER CURRENT FINANCIAL ASSETS													(₹ in Million)	
PARTICULARS	NOTE NO.		AS AT 31.12.2017		AS AT 31.03.2017		AS AT 31.03.2016		AS AT 31.03.2015		AS AT 31.03.2014		AS AT 31.03.2013	
GOVT. OF TANZANIA RECEIVABLES	2.59		579.35		587.25		600.94		566.49		541.50		329.70	
AMOUNT RECOVERABLES		321.73		277.42		295.10		288.75		285.90		290.45		
LESS: ALLOWANCES FOR EXPECTED CREDIT LOSSES		(159.07)	162.66	(159.44)	117.98	(164.33)	130.77	(143.67)	145.08	(139.59)	146.31	(110.50)	179.95	
INTEREST ACCRUED (INCLUDING ACCRUED BUT NOT DUE) ON:														
-BANK DEPOSITS HAVING MATURITY:														
WITHIN 3 MONTHS FROM THE DATE OF ACQUISITION		2.15		2.92		3.48		185.21		0.93		2.14		
OVER 3 MONTHS FROM THE DATE OF ACQUISITION AND UPTO 12 MONTHS		319.38		394.05		414.78		253.27		308.35		305.13		

FROM REPORTING DATE													
-BONDS		36.70		74.66		83.59		82.30		61.43		48.02	
-LOANS TO SRBWIPL (RELATED PARTY)		6.08		1.38		3.06		0.75		-		-	
-OTHER LOANS AND ADVANCES		-	364.31	-	473.01	-	504.91	2.05	523.58	2.05	372.76	2.05	357.34
RETENTION MONEY			91.58		72.11		75.34		82.09		225.50		314.68
GOVT. OF MOZAMBIQUE RECEIVABLES			357.15		362.02		369.89		-		-		-
ADVANCES TO RELATED PARTIES	2.41		51.51		44.79		126.39		75.21		82.47		54.00
SECURITY DEPOSITS		34.61		41.41		45.54		33.11		25.38		34.45	
LESS: ALLOWANCES FOR EXPECTED CREDIT LOSSES		(6.16)	28.45	(6.83)	34.58	(7.56)	37.98	(6.95)	26.16	(10.27)	15.11	(6.17)	28.28
UNBILLED REVENUE			2.46		25.50		2.90		-		-		-
TOTAL			1,637.47		1,717.24		1,849.12		1,418.61		1,383.65		1,263.95

2.19 CURRENT TAX ASSETS (NET)													(₹ in Million)
PARTICULARS	NOTE NO.		AS AT 31.12.2017		AS AT 31.03.2017		AS AT 31.03.2016		AS AT 31.03.2015		AS AT 31.03.2014		AS AT 31.03.2013
INCOME TAX RECEIVABLES	2.50		63.36		103.54		386.63		16.19		16.19		63.33
TOTAL			63.36		103.54		386.63		16.19		16.19		63.33

2.20 OTHER CURRENT ASSETS													(₹ in Million)
PARTICULARS	NOTE NO.		AS AT 31.12.2017		AS AT 31.03.2017		AS AT 31.03.2016		AS AT 31.03.2015		AS AT 31.03.2014		AS AT

													31.03. 2013
PREPAID EXPENSES			59.69		48.56		33.08		19.22		18.63		13.62
OTHER ADVANCES		791.62		420.24		768.42		254.81		438.67		877.36	
LESS: ALLOWANCES FOR EXPECTED CREDIT LOSSES		(3.87)	787.75	(3.87)	416.37	(3.87)	764.55	(3.87)	250.94	(3.94)	434.73	(39.70)	837.66
PRE-PAYMENT TOWARDS LEASEHOLD ASSETS			4.44		4.41		4.41		4.36		4.57		4.02
DEFERRED COST TOWARDS STAFF LOAN			9.32		8.46		10.00		10.90		-		-
DEFERRED COST TOWARDS GOVT OF MOZAMBIQUE RECEIVABLES			4.05		20.25		11.02		-		-		-
TOTAL			865.25		498.05		823.06		285.42		457.93		855.30

2.21 EQUITY SHARE CAPITAL (₹ in Million)												
PARTICULARS		AS AT 31.12.20 17	AS AT 31.03.20 17	AS AT 31.03.2016	AS AT 31.03.2015	AS AT 31.03.2014	AS AT 31.03.2013					
2.2 1.1	AUTHORISED											
	300,000,000 (PREVIOUS YEAR 31.03.2017: 300,000,000 & UPTO 31.03.2016: 150,000,000) EQUITY SHARES AT FACE VALUE OF ₹10/- EACH	3000.00	3000.00	1500.00	1500.00	1500.00	1500.00					
2.2 1.2	ISSUED, SUBSCRIBED AND FULLY PAID-UP											
	200,000,000 (PREVIOUS YEAR 31.03.2017: 200,000,000 & UPTO 31.03.2016: 100,000,000) EQUITY SHARES AT FACE VALUE OF	2000.00	2000.00	1000.00	1000.00	1000.00	1000.00					

	₹10/- EACH												
			2000.00		2000.00		1000.00		1000.00		1000.00		1000.00
2.2	RECONCILIATION OF NUMBER OF EQUITY SHARES												
1.3		No. of Shares	(₹ in Million)	No. of Shares	(₹ in Million)	No. of Shares	(₹ in Million)	No. of Shares	(₹ in Million)	No. of Shares	(₹ in Million)	No. of Shares	(₹ in Million)
	OPENING BALANCE	200,000	2,000.00	100,000	1,000.00	10,000,000	1,000.00	100,000,000	1,000.00	100,000,000	1,000.00	40,000,000	400.00
	ADD/(LESS) DURING THE PERIOD	-	-	100,000	1,000.00	-	-	-	-	-	-	60,000,000	600.00
	CLOSING BALANCE	200,000	2,000.00	200,000	2,000.00	100,000,000	1,000.00	100,000,000	1,000.00	100,000,000	1,000.00	100,000,000	1,000.00
2.2	RIGHTS, PREFERENCES AND RESTRICTIONS ATTACHED TO EQUITY SHARES												
1.4	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.												

2.21.5 EQUITY SHARES HELD BY EACH SHAREHOLDER MORE THAN 5% OF SHARES													
			No. of Shares		No. of Shares		No. of Shares		No. of Shares		No. of Shares		No. of Shares
	PRESIDENT OF INDIA THROUGH MINISTRY OF RAILWAYS		1999,60,000		1999,60,000		999,80,000		999,80,000		999,80,000		999,80,000
			(99.98 %)		(99.98 %)		(99.98 %)		(99.98 %)		(99.98 %)		(99.98 %)
2.21.6 FULLY PAID-UP AGGREGATE NUMBER OF EQUITY SHARES ALLOTTED BY WAY OF BONUS SHARES DURING THE YEAR OF FIVE YEARS IMMEDIATELY PRECEEDING BALANCE SHEET DATE.													
			No. of Shares		No. of Shares		No. of Shares		No. of Shares		No. of Shares		No. of Shares
	NUMBER OF BONUS SHARES ISSUED IN 2012-13 : 60 MILLION AT FACE VALUE OF ₹10/- EACH NUMBER OF BONUS SHARES ISSUED IN 2016-17 : 100 MILLION AT FACE VALUE OF ₹10/- EACH (ISSUED TWICE: 50 MILLION EACH TIME)		1600,00,000		1600,00,000		600,00,000		600,00,000		600,00,000		600,00,000

2.22 OTHER EQUITY (₹ in million)												
PARTICULARS		AS AT 31.12.2017	AS AT 31.03.2017	AS AT 31.03.201 6	AS AT 31.03.201 5	AS AT 31.03.201 4	AS AT 31.03.201 3					
2.2 2.1	RESERVE & SURPLUS											
	GENERAL RESERVE	19,674.43	18,381.04	17,589.92	15,696.38	13,217.87	11,289.02					
2.2 2.2	OTHER COMPREHENSIVE INCOME	(43.62)	(3.50)	(9.40)	(0.80)	(24.90)	(8.30)					
	TOTAL	19,630.81	18,377.54	17,580.52	15,695.58	13,192.97	11,280.72					

2.23 NON CURRENT TRADE PAYABLES (₹ in Million)							
PARTICULARS		AS AT 31.12.2017	AS AT 31.03.2017	AS AT 31.03.2016	AS AT 31.03.2015	AS AT 31.03.2014	AS AT 31.03.2013
CREDITORS FOR SUPPLIES AND SERVICES							
OTHER THAN MICRO, SMALL AND MEDIUM ENTERPRISES		-	-	6.64	26.75	31.87	37.26
TOTAL		-	-	6.64	26.75	31.87	37.26

2.24 OTHER NON CURRENT FINANCIAL LIABILITIES (₹ in Million)							
PARTICULARS		AS AT 31.12.2017	AS AT 31.03.2017	AS AT 31.03.2016	AS AT 31.03.2015	AS AT 31.03.2014	AS AT 31.03.2013
SECURITY DEPOSITS		1,159.84	1,084.57	996.17	822.08	688.04	666.85
TOTAL		1,159.84	1,084.57	996.17	822.08	688.04	666.85

2.25 NON CURRENT PROVISIONS							(₹ in Million)
PARTICULARS	NOTE NO.	AS AT 31.12.2017	AS AT 31.03.2017	AS AT 31.03.2016	AS AT 31.03.2015	AS AT 31.03.2014	AS AT 31.03.2013
EMPLOYEE BENEFITS	2.39	1,123.21	975.52	898.89	946.15	866.64	1,373.98
EXCISE DUTY		-	-	-	-	4.89	3.03
WARRANTIES	2.46	80.68	151.30	99.73	99.31	254.03	67.79
COMMITMENTS	2.46	-	-	-	-	2.48	3.49
TOTAL		1,203.89	1,126.82	998.62	1,045.46	1,128.04	1,448.29

2.26 OTHER NON CURRENT LIABILITIES							(₹ in Million)
PARTICULARS		AS AT 31.12.2017	AS AT 31.03.2017	AS AT 31.03.2016	AS AT 31.03.2015	AS AT 31.03.2014	AS AT 31.03.2013
CLIENTS ADVANCES		1,995.05	72.75	20.68	64.13	134.72	50.89
TOTAL		1,995.05	72.75	20.68	64.13	134.72	50.89

2.27 CURRENT TRADE PAYABLES							(₹ in Million)
PARTICULARS	NOTE NO.	AS AT 31.12.2017	AS AT 31.03.2017	AS AT 31.03.2016	AS AT 31.03.2015	AS AT 31.03.2014	AS AT 31.03.2013
CREDITORS FOR SUPPLIES AND SERVICES							
MICRO, SMALL AND MEDIUM ENTERPRISES	2.56	2.88	19.15	7.77	0.70	11.76	4.08
OTHER THAN MICRO, SMALL AND MEDIUM ENTERPRISES		701.26	829.44	881.63	853.71	1,054.29	1,420.99
TOTAL		704.14	848.59	889.40	854.41	1,066.05	1,425.07

2.28 OTHER CURRENT FINANCIAL LIABILITIES								(₹ in Million)
PARTICULARS	NOTE NO.	AS AT 31.12.2017	AS AT 31.03.2017	AS AT 31.03.2016	AS AT 31.03.2015	AS AT 31.03.2014	AS AT 31.03.2013	
CLIENTS DEPOSITS		16,292.58	17,238.55	17,421.42	13,573.98	15,765.71	13,229.10	
SECURITY DEPOSITS		978.70	805.34	587.72	676.69	782.41	699.19	
FOREIGN SERVICE CONTRIBUTION	2.60	26.67	56.20	19.32	18.67	10.91	23.70	
SALARY PAYABLES		620.94	492.22	502.64	400.13	226.06	637.22	
BOOK OVERDRAFT-OWNED FUND*		108.19	0.04	-	-	0.43	0.31	
BOOK OVERDRAFT-CLIENTS FUND*	2.16.4	115.34	265.86	35.84	253.44	96.77	107.11	
STAFF & OTHER CLAIMS		36.43	56.82	49.68	63.86	54.72	20.72	
PAYABLE TO RELATED PARTIES		1.84	-	-	-	-	-	
SUNDRY CREDITORS FOR OTHER EXPENSES		39.87	240.30	230.21	56.70	66.90	0.20	
TOTAL		18,220.56	19,155.33	18,846.83	15,043.47	17,003.91	14,717.55	

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

2.29 CURRENT PROVISIONS								(₹ in Million)
PARTICULARS	NOTE NO.	AS AT 31.12.2017	AS AT 31.03.2017	AS AT 31.03.2016	AS AT 31.03.2015	AS AT 31.03.2014	AS AT 31.03.2013	
EMPLOYEE BENEFITS	2.39	667.82	1,137.19	789.14	553.83	940.04	121.10	
EXCISE DUTY		6.05	17.89	4.96	4.96	0.07	3.11	

WARRANTIES	2.46	322.86	349.94	217.70	185.16	124.87	179.52
COMMITMENTS	2.46	-	-	34.34	22.85	18.26	8.45
TOTAL		996.73	1,505.02	1,046.14	766.80	1,083.24	312.18

2.30 OTHER CURRENT LIABILITIES (₹ in Million)							
PARTICULARS	NOTE NO.	AS AT 31.12.2017	AS AT 31.03.2017	AS AT 31.03.2016	AS AT 31.03.2015	AS AT 31.03.2014	AS AT 31.03.2013
CUSTOMERS ADVANCES		1,940.33	2,254.16	870.36	290.42	757.13	1,691.38
STATUTORY LIABILITIES		179.58	201.34	181.82	69.59	108.55	149.61
TOTAL		2,119.91	2,455.50	1,052.18	360.01	865.68	1,840.99

2.31 REVENUE FROM OPERATIONS (₹ in Million)													
PARTICULARS	NOTE NO.	PERIOD ENDED 31.12.2017		YEAR ENDED 31.03.2017		YEAR ENDED 31.03.2016		YEAR ENDED 31.03.2015		YEAR ENDED 31.03.2014		YEAR ENDED 31.03.2013	
SALE OF SERVICES													
CONSULTANCY FEE (GROSS)		5,030.72		7,169.18		7,106.11		6,570.67		4,710.99		4,963.04	
LESS: SERVICE TAX/GST		(656.47)		(913.64)		(859.06)		(697.28)		(443.42)		(500.87)	
CONSULTANCY FEE (NET)	2.62		4,374.25		6,255.54		6,247.05		5,873.39		4,267.57		4,462.17
QUALITY ASSURANCE (GROSS)		1,879.80		1,991.26		1,537.17		1,283.16		1,186.45		1,105.15	
LESS: SERVICE TAX/GST		(266.74)		(253.75)		(184.24)		(138.18)		(128.13)		(118.80)	
QUALITY					1,737.51								

ASSURANCE (NET)			1,613.06				1,352.93		1,144.98		1,058.32		986.35
LEASE SERVICES (GROSS)		749.49		1,039.12		992.57		748.64		644.87		458.34	
LESS: SERVICE TAX/GST		(50.13)		(106.36)		(90.91)		(55.61)		(42.96)		(29.17)	
LEASE SERVICES (NET)			699.36		932.76		901.66		693.03		601.91		429.17
			6,686.67		8,925.81		8,501.64		7,711.40		5,927.80		5,877.69
SALE OF PRODUCTS													
EXPORT SALES			1,577.37		3,774.00		1,859.39		1,492.29		4,046.10		3,070.51
OTHERS													
TURNKEY CONSTRUCTION PROJECTS	2.38		638.33		312.69		385.60		907.81		960.60		590.72
TOTAL			8,902.37		13,012.50		10,746.63		10,111.50		10,934.50		9,538.92

2.32 OTHER INCOME													(₹ in Million)	
PARTICULARS	NOTE NO.	PERIOD ENDED 31.12.2017		YEAR ENDED 31.03.2017		YEAR ENDED 31.03.2016		YEAR ENDED 31.03.2015		YEAR ENDED 31.03.2014		YEAR ENDED 31.03.2013		
INTEREST EARNED ON:														
- DEPOSITS WITH BANK		619.66		782.23		811.37		828.32		765.22		700.50		
- TAX FREE BONDS		90.83		151.36		148.47		138.88		125.58		92.21		
- STAFF ADVANCES		11.49		17.86		21.33		21.32		18.84		13.72		
- LOAN TO SRBWIPL (RELATED PARTY)		4.70		1.42		2.57		2.98		-		-		

- LOAN TO CCFB (RELATED PARTY)		-	-		90.92		61.80		59.40		50.90		
- OTHERS		42.29	768.97	86.26	1,039.13	-	1,074.66	10.21	1,063.51	-	969.04	0.76	858.09
PROVISION NO LONGER REQUIRED			188.43		55.18		50.15		93.25		124.04		99.01
PROFIT ON SALE OF FIXED ASSETS			0.45		0.59		1.18		0.85		0.39		0.98
PROFIT ON SALE OF NON CURRENT INVESTMENT	2.58		-		714.72		-		-		-		-
DEFERRED INCOME TOWARDS GOVT OF MOZAMBIQUE RECEIVABLES			16.13		19.56		-		-		-		-
DIVIDEND FROM:													
- RITES (AFRIKA) (SUBSIDIARY)		0.31				0.29			-		-		0.14
- RAILWAY ENERGY ANAGEMENT CO. LTD. (SUBSIDIARY)		18.76				-			-		-		-
- TRADE NON CURRENT INVESTMENTS		0.05		0.03		0.03		0.06		0.06		0.03	
- TRADE CURRENT INVESTMENTS		52.46	71.58	44.51	44.54	12.50	12.82	27.36	27.42	22.70	22.76	28.48	28.65
EXPORT INCENTIVES			95.02		140.13		0.56		85.88		3.85		52.26
RENT FROM INVESTMENT PROPERTIES			7.39		9.85		9.85		9.85		11.21		9.61
EXCHANGE VARIATION			54.65		18.84		145.64		132.55		87.03		152.04
MISCELLANEOUS					28.45								72.72

INCOME			41.31				55.07		35.01		43.97		
TOTAL			1,243.93		2,070.99		1,349.93		1,448.32		1,262.29		1,273.36

2.33 EMPLOYEE BENEFIT EXPENSES

(₹ in Million)

PARTICULARS	NOTE NO.	PERIOD ENDED 31.12.2017	YEAR ENDED 31.03.2017	YEAR ENDED 31.03.2016	YEAR ENDED 31.03.2015	YEAR ENDED 31.03.2014	YEAR ENDED 31.03.2013
SALARIES-DOMESTIC		2,134.19	2,460.05	2,103.41	1,940.87	1,461.51	1,528.97
SALARIES-ABROAD		23.30	32.28	34.34	21.53	79.37	68.01
SALARIES CONTRACT EMPLOYEES		192.32	235.29	252.13	280.65	273.54	307.83
FOREIGN SERVICE CONTRIBUTION	2.60	21.83	56.06	20.42	31.23	6.66	7.01
CONTRIBUTION TO PROVIDENT FUND & OTHER FUNDS	2.39	154.74	197.56	185.51	177.07	144.53	143.07
GRATUITY	2.39	80.23	406.35	45.47	45.68	43.61	31.77
POST RETIRAL BENEFITS (PENSION/MEDICAL)	2.39	185.51	242.68	227.21	123.67	276.98	149.31
STAFF WELFARE EXPENSES		145.17	159.34	202.87	175.50	155.23	135.80
LEAVE TRAVEL CONCESSION	2.39	0.61	0.60	-	1.86	2.73	5.61
PERFORMANCE RELATED PAYMENT		86.00	130.00	160.00	200.00	-	190.00
LEAVE ENCASHMENT	2.39	189.09	241.69	171.14	242.47	257.72	284.09
TOTAL		3,212.99	4,161.90	3,402.50	3,240.53	2,701.88	2,851.47

2.34 COST OF EXPORT SALES

(₹ in Million)

PARTICULARS	PERIOD ENDED 31.12.2017	YEAR ENDED 31.03.2017	YEAR ENDED 31.03.2016	YEAR ENDED 31.03.2015	YEAR ENDED 31.03.2014	YEAR ENDED 31.03.2013
COST OF TRADED GOODS	1,037.34	2,525.85	1,379.50	772.51	2,378.78	1,894.71
CONSUMABLES	10.46	28.72	27.22	0.96	-	13.68
FREIGHT & FORWARDING	4.94	46.30	21.87	3.39	16.50	103.81
INSURANCE	0.81	0.52	1.03	0.07	1.18	2.08

FEES FOR SERVICES OBTAINED		40.68	157.29	75.73	23.77	154.37	111.37
PROVISION FOR WARRANTIES		28.15	195.74	63.07	0.01	170.93	117.15
UNWINDING WARRANTIES COST		17.95	6.60	1.00	4.40	10.10	10.10
TOTAL		1,140.33	2,961.02	1,569.42	805.11	2,731.86	2,252.90

2.35 COST OF TURNKEY CONSTRUCTION PROJECTS							(₹ in Million)	
PARTICULARS		PERIOD ENDED 31.12.2017	YEAR ENDED 31.03.2017	YEAR ENDED 31.03.2016	YEAR ENDED 31.03.2015	YEAR ENDED 31.03.2014	YEAR ENDED 31.03.2013	
SUPPLIES & SERVICES		539.43	278.49	352.52	834.82	881.51	546.17	
TOTAL		539.43	278.49	352.52	834.82	881.51	546.17	

2.36 OTHER EXPENSES								(₹ in Million)	
PARTICULARS	NOTE NO.	PERIOD ENDED 31.12.2017	YEAR ENDED 31.03.2017	YEAR ENDED 31.03.2016	YEAR ENDED 31.03.2015	YEAR ENDED 31.03.2014	YEAR ENDED 31.03.2013		
PRINTING, STATIONERY AND DOCUMENTATION		21.26	38.42	40.95	36.63	36.67	37.01		
BUSINESS PROMOTION		13.52	24.38	17.99	17.89	19.73	17.81		
AUDITORS' REMUNERATION	2.36.1	0.88	1.58	1.47	1.53	1.23	1.28		
AUDITORS' OUT OF POCKET EXPENSES	2.36.1	0.26	0.23	0.20	0.27	0.15	0.09		
RATES & TAXES		29.03	30.41	11.39	35.56	26.94	21.68		
OFFICE RENT		38.23	55.32	49.95	40.47	40.06	16.27		
POSTAGE & TELECOMMUNICATION		36.74	41.28	40.86	40.57	38.51	35.74		
OFFICE MAINTENANCE		44.69	82.33	80.30	75.35	68.88	58.47		
REPAIRS TO MACHINERY/EQUIPMENTS		12.73	36.23	12.61	6.81	8.25	8.50		
REPAIRS TO BUILDING		0.02	0.18	0.49	3.93	0.51	0.08		
POWER AND FUEL CHARGES		31.44	46.33	46.11	37.18	39.79	32.91		
STORES AND SPARES CONSUMED-LEASED	2.36.2	14.06	36.13	21.71	25.41	30.25	47.13		

STORES AND SPARES CONSUMED-OTHERS	2.36.3	20.70	73.43	40.41	25.19	10.10	3.97
BOOKS AND PERIODICALS		0.94	1.40	1.60	1.87	2.25	2.27
INTERNAL AUDIT FEE		1.01	1.30	1.20	1.74	1.74	1.65
ADVERTISEMENT AND PUBLICITY		15.81	34.27	29.40	20.28	25.91	16.76
SUBSCRIPTION AND MEMBERSHIP FEE		4.74	2.79	6.30	5.89	1.79	2.49
LEGAL AND PROFESSIONAL FEE		8.87	17.30	14.70	14.07	11.68	12.38
INSURANCE CHARGES		4.96	31.90	13.70	18.51	20.63	37.89
BANK CHARGES		17.85	20.10	11.70	15.04	16.49	24.30
BAD DEBTS		4.43	34.20	11.70	30.43	15.50	27.08
FIXED ASSETS WRITTEN OFF		0.02	0.20	0.30	0.03	0.03	0.05
HIRE CHARGES OF EQUIPMENTS		0.02	-	-	0.04	0.03	0.01
VEHICLE RUNNING AND MAINTENANCE		5.71	9.62	10.10	10.82	10.35	13.24
MANPOWER DEVELOPMENT		9.10	12.03	12.04	12.00	24.33	12.29
LOSS ON SALE OF FIXED ASSETS		0.05	0.40	0.20	0.10	0.21	0.24
IMPAIRMENT FOR:							
-DOUBTFUL DEBTS, ADVANCES, SECURITY DEPOSITS ETC.		20.21	221.50	21.30	40.27	161.94	49.95
PROVISION FOR:		-	-	-	-	-	-
-COMMITMENTS		-	-	15.20	11.53	8.81	0.04
-DIMINUTION IN VALUE OF INVESTMENT		-	-	0.50	-	-	-
-DOUBTFULL INVENTORIES		-	-	-	-	11.06	-
-EXCISE DUTY BONDS		-	12.90	-	-	-	-
DIRECTORS' SITTING FEE		1.23	1.20	-	0.11	0.58	0.81
EXCHANGE VARIATION		-	-	-	-	-	-
CORPORATE SOCIAL RESPONSIBILITY		26.71	92.00	82.80	78.96	53.19	64.42
RESEARCH AND DEVELOPMENT		-	-	1.20	-	1.68	7.09
SUSTAINABLE DEVELOPMENT		-	-	-	-	-	7.72
OPERATING LEASE PAYMENTS		3.38	4.41	4.56	4.57	5.04	4.02

AMORTISED DEFERRED COST TOWARDS GOVT OF MOZAMBIQUE RECEIVABLES		16.13	19.56	-	-	-	-
MISCELLANEOUS EXPENSES (COST OF TENDER DOCUMENTS, VISA CHARGES, ETC.)		31.81	39.54	52.36	45.12	38.53	40.98
TOTAL		436.54	1,022.87	655.30	658.17	732.84	606.62

2.36.1 AUDITORS' REMUNERATION (₹ in Million)							
PARTICULARS		PERIOD ENDED 31.12.2017	YEAR ENDED 31.03.2017	YEAR ENDED 31.03.2016	YEAR ENDED 31.03.2015	YEAR ENDED 31.03.2014	YEAR ENDED 31.03.2013
(A) STATUTORY AUDITORS							
STATUTORY AUDIT FEE		-	0.45	0.40	0.40	0.38	0.35
TAX AUDIT FEE		-	0.22	0.20	0.20	0.17	0.15
LIMITED REVIEW AUDIT AND CONSOLIDATION FEE		0.53	0.37	0.33	0.33	0.23	0.21
OTHER SERVICES, i.e. CERTIFICATION ETC.		-	0.03	0.09	0.15	0.07	0.20
SUB TOTAL (A)		0.53	1.07	1.02	1.08	0.85	0.91
(B) BRANCH AUDITORS							
STATUTORY AUDIT FEE		-	0.18	0.16	0.16	0.14	0.14
TAX AUDIT FEE		-	0.10	0.09	0.09	0.07	0.07
LIMITED REVIEW AUDIT FEE		0.35	0.23	0.20	0.20	0.17	0.16
SUB TOTAL (B)		0.35	0.51	0.45	0.45	0.38	0.37
AUDITORS' REMUNERATION (A+B)		0.88	1.58	1.47	1.53	1.23	1.28
AUDITORS' OUT OF POCKET EXPENSES		0.26	0.23	0.20	0.27	0.15	0.09

2.36.2 STORES AND SPARES CONSUMED-LEASED (₹ in Million)							
PARTICULARS		PERIOD ENDED 31.12.2017	YEAR ENDED 31.03.2017	YEAR ENDED 31.03.2016	YEAR ENDED 31.03.2015	YEAR ENDED 31.03.2014	YEAR ENDED 31.03.2013
STORES AND SPARES CONSUMED		8.54	32.32	11.06	22.97	12.71	44.28
CONSUMABLES		3.68	1.29	7.45	-	16.44	-
FREIGHT & FORWARDING INWARD		1.44	2.05	2.62	2.26	0.04	0.97
INSURANCE CHARGES		0.35	0.02	0.01	0.01	0.53	1.31
OTHER PROCUREMENT EXPENSES		0.05	0.45	0.57	0.17	0.53	0.57

TOTAL		14.06	36.13	21.71	25.41	30.25	47.13
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2.36.3 STORES AND SPARES CONSUMED-OTHERS							(₹ in Million)	
PARTICULARS		PERIOD ENDED 31.12.2017	YEAR ENDED 31.03.2017	YEAR ENDED 31.03.2016	YEAR ENDED 31.03.2015	YEAR ENDED 31.03.2014	YEAR ENDED 31.03.2013	
CONSUMABLES		20.50	65.97	38.74	23.89	9.26	2.63	
FREIGHT & FORWARDING INWARD		0.20	7.46	1.67	1.30	0.84	1.28	
INSURANCE		-	-	-	-	-	0.06	
TOTAL		20.70	73.43	40.41	25.19	10.10	3.97	

2.37 DEFERRED TAX (NET)							(₹ in Million)	
PARTICULARS	NOTE NO.	PERIOD ENDED 31.12.2017	YEAR ENDED 31.03.2017	YEAR ENDED 31.03.2016	YEAR ENDED 31.03.2015	YEAR ENDED 31.03.2014	YEAR ENDED 31.03.2013	
CREDIT/(CHANGE) RELATING TO TEMPORARY DIFFERENCES		(77.04)	296.04	(171.35)	(135.71)	122.68	59.38	
TOTAL	2.50	(77.04)	296.04	(171.35)	(135.71)	122.68	59.38	

Disclosures as per Indian Accounting Standards (Ind AS):

2.38 Disclosure on Construction Contracts (Indian Accounting Standard-11) is as follows:

S. No.	Particulars	₹ in million					
		Period Ended	Year ended				
		31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
1.	Contract revenue recognized during the period	638.33	312.69	385.60	907.81	960.60	590.72
2.	Aggregate amount of Costs incurred upto reporting date	4333.20	3670.60	3289.80	2907.60	2036.60	1122.60
3.	Recognized profits up to reporting date	50.32	74.59	142.70	139.30	102.50	55.90
4.	Amount of advances received	432.30	1112.10	921.70	109.60	78.10	188.90

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

2.39.1 Defined Benefit Plan

2.39.1.1 Gratuity (Funded)

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

Particulars	₹ in million					
	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
Present Value of obligation as at beginning of period	1197.20	799.66	748.69	707.60	599.65	597.47
Interest Cost	68.45	62.61	59.90	56.61	47.97	47.80
Current Service Cost	53.43	49.90	48.50	46.28	45.59	29.14
Benefits paid	(42.67)	(59.44)	(68.43)	(31.86)	(20.92)	(38.37)
Actuarial (Gain)/Loss on obligation	54.05	(3.52)	11.00	(29.94)	35.31	(36.39)
Past Service Cost	-	347.99	-	-	-	-
Present Value of Obligation as at end of period	1330.46	1197.20	799.66	748.69	707.60	599.65

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

Particulars	₹ in million					
	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
Fair Value of Plan Assets at beginning of period	808.35	740.99	747.40	715.19	623.67	561.93
Actual/ Expected Interest Income	46.83	58.02	62.96	64.07	59.76	54.30
Contributions	391.34	58.67	1.29	-	52.68	45.80
Benefits Paid	(42.67)	(59.44)	(68.43)	(31.86)	(20.92)	(38.37)
Actuarial Gain / (Loss) on Plan Assets	(11.06)	10.11	(2.23)	-	-	-
Fair value of Plan Assets at the end of period	1192.79	808.35	740.99	747.40	715.19	623.67

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

Particulars	₹ in million					
	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
Defined Benefit Obligation at end of period	1330.46	1197.20	799.66	748.69	707.60	599.65
Fair value of Plan Assets at the end of period	1192.79	808.35	740.99	747.40	715.19	623.67
Funded Status – (Surplus)/ Deficit	137.67	388.85	58.67	1.29	(7.59)	(24.02)
Net (Liability)/ Asset recognized in Balance Sheet	(137.67)	(388.85)	(58.67)	(1.29)	7.59	24.02

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

Particulars	₹ in million					
	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
Current Service Cost	53.43	49.90	48.51	46.28	45.59	29.14
Net Interest on Net Defined Benefit Liability	23.93	4.59	(3.06)	(0.61)	(1.92)	2.84
Past Service Cost	-	347.99	-	-	-	-
Liability/(Asset) Recognized in Statement of Profit and Loss	77.36	402.48	45.45	45.67	43.67	31.98

2.39.1.1.5 Amount recognized in Other Comprehensive Income is as follows:

Particulars	₹ in million					
	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
Experience (Gains)/ Losses on Liability	54.05	(3.52)	11.00	(29.94)	35.30	(36.39)
Actuarial (Gains)/Losses on Assets	8.75	(10.11)	2.23	(6.85)	(9.87)	(9.35)
Other Comprehensive (Income)/Expense	62.80	(13.63)	13.23	(36.79)	25.43	(45.74)

2.39.1.1.6 The principal actuarial assumptions are as follows:

Particulars	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
Discounting rate (%)	7.50%	7.47%	7.83%	8%	8%	8%
Future salary increase (%)	8%	8%	8%	8%	8%	6%
Expected Return on Assets	7.40%	7.47%	8.45%	9.10%	-	-

The significant actuarial assumptions for the determination of the defined obligations are discount rate and expected salary increase. The sensitivity for actuarial assumptions have been computed by varying respective actuarial assumption used for valuation of the defined benefit obligation by 1.00 percentage, while holding all other assumptions constant.

2.39.1.1.7 Impact due to increase and decrease in Discount Rate and Expected Salary are as follow:

(₹ in million)												
Year	31.12.2017		31.03.2017		31.03.2016		31.03.2015		31.03.2014		31.03.2013	
Discount Rate Increase/ (Decrease) %	1.00%	-1.00%	1.00%	-1.00%	1.00%	-1.00%	1.00%	-1.00%	1.00%	-1.00%	1.00%	-1.00%

Defined Obligation Increase / (Decrease) By	(84.40)	95.73	(87.34)	77.00	(70.22)	61.84	(88.72)	13.86	(52.95)	56.30	(60.35)	28.00
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Year	31.12.2017		31.03.2017		31.03.2016		31.03.2015		31.03.2014		31.03.2013	
Expected Salary Increase/ (Decrease) %	1.00%	-1.00%	1.00%	-1.00%	1.00%	-1.00%	1.00%	-1.00%	1.00%	-1.00%	1.00%	-1.00%
Defined Obligation Increase / (Decrease) By	94.34	(84.77)	50.34	(50.90)	61.14	(70.76)	13.50	(88.72)	55.92	(53.20)	8.30	(43.94)

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

2.39.1.2 Provident Fund (Funded)

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

The company contribution towards provident fund is as follows:

Particulars	₹ in million					
	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
Contribution to Provident Fund	151.09	194.35	182.68	174.39	142.11	141.09

2.39.1.3 Other Benefits (Unfunded)

2.39.1.3.1 Present value of the defined benefits plan obligations i.e. Leave Encashment, LTC, Medical leave, Leave Encashment (contract employee) and the effects during the period attributable to each are as follows:

Particulars	₹ in million					
	Leave Encashment					
	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
Opening Balance	591.12	528.78	593.00	549.50	555.02	466.93
Interest Cost	33.96	42.31	47.44	43.96	44.40	37.35
Current Service Cost	41.36	33.04	38.42	51.86	40.45	41.66
Benefit paid	(71.63)	(115.86)	(146.15)	(138.40)	(192.79)	(112.51)
Actuarial (Gain)/Loss on obligation	63.05	102.85	(3.93)	86.08	102.42	121.59
Closing Balance	657.86	591.12	528.78	593.00	549.50	555.02

Particulars	₹ in million					
	LTC					
	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
Opening Balance	1.35	1.52	13.36	12.17	10.64	9.68
Interest Cost	0.08	0.12	1.07	0.97	0.85	0.78
Current Service Cost	0.04	0.05	0.87	2.24	6.40	5.43
Benefit paid	(0.07)	(0.77)	(0.43)	(0.67)	(1.30)	(4.65)
Actuarial (Gain)/Loss on obligation	0.38	0.43	(13.35)	(1.35)	(4.42)	(0.60)
Closing Balance	1.78	1.35	1.52	13.36	12.17	10.64

Particulars	₹ in million					
	Medical Leave					
	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
Opening Balance	512.44	469.34	394.20	338.47	296.95	240.63
Interest Cost	29.26	36.75	31.54	27.08	23.76	19.25
Current Service Cost	24.49	29.28	25.54	26.09	20.54	19.00
Benefit paid	(9.33)	(13.57)	(14.07)	(4.84)	(31.53)	(27.48)
Actuarial (Gain)/Loss on obligation	(3.14)	(9.36)	32.13	7.40	28.75	45.55
Closing Balance	553.72	512.44	469.34	394.20	338.47	296.95

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

Particulars	₹ in million					
	Leave Encashment					
	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
Current Service Cost	41.36	33.04	38.42	51.86	40.50	41.66
Interest Cost	33.96	42.31	47.44	43.96	44.40	37.35
Net actuarial (Gain)/Loss recognized during the period	63.05	102.85	(3.93)	86.08	102.42	121.59
Expenses recognized in the statement of Profit & Loss	138.37	178.20	81.93	181.90	187.32	200.60

Particulars	₹ in million					
	LTC					
	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
Current Service Cost	0.04	0.05	0.87	2.24	6.40	5.43
Interest Cost	0.08	0.12	1.07	0.97	0.85	0.78
Net actuarial (Gain)/Loss recognized during the period	0.38	0.43	(13.36)	(1.35)	(4.42)	(0.60)
Expenses recognized in the statement of Profit & Loss	0.50	0.60	(11.42)	1.86	2.83	5.61

Particulars	₹ in million					
	Medical Leave					
	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
Current Service Cost	24.49	29.28	25.54	26.09	20.54	19.00
Interest Cost	29.26	36.75	31.54	27.08	23.76	19.25

Net actuarial (Gain)/Loss recognized during the period	(3.14)	(9.36)	32.13	7.40	28.76	45.55
Expenses recognized in the statement of Profit & Loss	50.61	56.67	89.21	60.57	73.06	83.80

2.39.1.3.3 Net present values of long service award (unfunded) for regular employees and Gratuity (unfunded) for contract employees are as follows:

Particulars	₹ in million					
	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
Long Service Award (regular employees)	15.36	15.84	15.47	15.79	10.24	8.93

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

Particulars	Leave Encashment					
	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
Discount rate (%)	7.50%	7.47%	7.83%	8%	8%	8%
Future salary increase (%)	8%	8%	8%	8%	8%	8%

Particulars	LTC					
	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
Discount rate (%)	7.50%	7.47%	7.83%	8%	8%	8%
Future salary increase (%)	8%	8%	8%	8%	8%	8%

Particulars	Medical Leave					
	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
Discount rate (%)	7.50%	7.47%	7.83%	8%	8%	8%
Future salary increase (%)	8%	8%	8%	8%	8%	8%

Particulars	Long Service Award					
	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
Discount rate (%)	7.50%	7.47%	7.83%	8%	8%	8%
Future salary increase (%)	8%	8%	8%	8%	8%	8%

2.39.1.3.5 Employees Benefits for Contract Employees

2.39.1.3.5.1 Gratuity

Particulars	₹ in million		
	Gratuity (Contract Employee)*		
	31.12.17	31.03.17	31.03.16
Gratuity (unfunded) for contract employees	19.77	20.11	16.45

2.39.1.3.5.2 Leave Encashment

Particulars	₹ in million		
	Leave Encashment (Contract Employee)*		
	31.12.17	31.03.17	31.03.16
Opening Balance	8.61	6.85	7.62
Interest Cost	0.53	0.54	0.61

Current Service Cost	3.35	1.71	2.03
Benefit paid	(2.80)	(5.08)	(5.66)
Actuarial (Gain)/Loss on obligation	1.99	4.58	2.26
Closing Balance	11.68	8.61	6.86

Particulars	₹ in million		
	Leave Employee)*	Encashment	(Contract Employee)*
	31.12.17	31.03.17	31.03.16
Current Service Cost	3.35	1.71	2.03
Interest Cost	0.53	0.54	0.61
Net actuarial (Gain)/Loss recognized during the period	1.99	4.58	2.26
Expenses recognized in the statement of Profit & Loss	5.87	6.83	4.90

*Contract employees are also eligible for benefits from the financial year 2015-16.

The principal actuarial assumptions for contract employees used at the Balance Sheet date are as follows

Particulars	Gratuity (Contract Employees)		
	31.12.17	31.03.17	31.03.16
Discount rate (%)	7.50%	7.47%	7.83%
Future salary increase (%)	4%	4%	4%

Particulars	Leave Encashment (Contract Employee)		
	31.12.17	31.03.17	31.03.16
Discount rate (%)	7.50%	7.47%	7.83%
Future salary increase (%)	4%	4%	4%

2.39.2 Defined Contribution Plans

2.39.2.1 Post Retirement Benefits (Pension & Medical)

All eligible employees are entitled to benefit under defined contribution plans towards pension under EPFO scheme, post retirement pension fund and medical schemes as defined contribution plans. The company has no obligations other than the contribution payable to such funds/schemes. The company recognizes such contributions as expenses when an employee renders the related service.

During the period, company contribution/provision towards pension under EPFO, post retirement pension fund and towards medical schemes are as follow:

Particulars	₹ in million					
	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
Contribution towards Pension under EPFO	31.02	40.09	39.64	31.19	17.96	17.87
Contribution towards post retirement pension fund	97.68	123.30	120.01	57.05	105.45	85.33
Contribution towards medical scheme	87.83	119.37	107.20	93.72	83.39	64.00

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

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

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

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

2.40.2 Geographical wise revenue segment is disclosed as under:-

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

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

2.40.4 Revenue and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly identifiable to each reporting segment have been allocated on the basis of attributed direct cost. All other expenses which are not attributable or allocable to the segments have been disclosed as un-allocable expenses.

2.40.5 Assets and liabilities used in the Company's business are not identified to any of the reportable segments as these are used interchangeably between segments. Depreciation, amortisation & impairment on Property, Plant & Equipment and Intangible Assets cannot be allocated to a specific segment. Company believes that it is currently not practicable to provide segmental disclosure relating to total assets, total liabilities and depreciation, amortisation & impairment since a meaningful segregation of the available data could be onerous.

2.40.6 Operational Segments:

Period ended 31.12.17							(₹ in million)
Description	Consultancy Services		Leasing		Export Sale	Turnkey Construction Projects-Domestic	Total
	Domestic	Abroad	Domestic	Abroad			
Revenue	5659.51	327.80	601.96	97.40	1577.37	638.33	8902.37
Identifiable operating expenses	3470.20	128.00	339.20	96.20	1084.30	662.60	5780.50
Segmental profit from operations	2189.31	199.80	262.76	1.20	493.07	(24.27)	3121.87
Add: Interest Income*							768.97
Add: Other Income **							474.96
Less: Un-allocable Expenses							731.22
Net Profit Before Tax							3634.58
Less: Income Tax (including Deferred Tax)							1263.72
Net Profit After Tax							2370.86
Additional Information:							
Depreciation and amortisation							230.40

Non-cash expenses/(income) other than depreciation and amortisation		(485.87)
Reversal of provisions		188.43
Profit on sale of PPE		0.45
Loss on sale of PPE		0.05
Non Cash Income		
Deferred Income		16.13

Year ended 31.03.2017							(₹ in million)
Description	Consultancy Services		Leasing		Export Sale	Turnkey Construction Projects-Domestic	Total
	Domestic	Abroad	Domestic	Abroad			
Revenue	7714.55	278.50	709.06	223.70	3774.00	312.69	13012.50
Identifiable operating expenses	5157.09	109.60	445.00	119.50	3117.30	380.80	9329.29
Segmental profit from operations	2557.46	168.90	264.06	104.20	656.70	(68.11)	3683.21
Add: Interest Income*							1039.13
Add: Other Income**							1031.86
Less: Un-allocable Expenses							855.30
Net Profit Before Tax							4898.90
Less: Income Tax (including Deferred Tax)							1,350.56
Net Profit After Tax							3,548.34
Additional Information:							
Depreciation and amortisation							321.07
Non-cash expenses/(income) other than depreciation and amortisation							568.24
Reversal of provisions							55.18
Profit on sale of PPE							0.59
Loss on sale of PPE							0.40

Profit on sale of investment		714.72
Non Cash Income		
Deferred Income		19.56

Year ended 31.03.2016							(₹ in million)
Description	Consultancy Services		Leasing		Export Sale	Turnkey Construction Projects-Domestic	Total
	Domestic	Abroad	Domestic	Abroad			
Revenue	7488.78	111.20	644.16	257.50	1859.39	385.60	10746.63
Identifiable operating expenses	4456.28	96.10	290.30	119.80	1675.00	382.20	7019.68
Segmental profit from operations	3032.50	15.10	353.86	137.70	184.39	3.40	3726.95
Add: Interest Income*							1074.66
Add: Other Income **							275.27
Less: Un-allocable Expenses							596.40
Net Profit Before Tax							4480.48
Less: Income Tax (including Deferred Tax)							1660.19
Net Profit After Tax							2820.29
Additional Information:							
Depreciation and amortisation							318.16
Non-cash expenses/(income) other than depreciation and amortisation							86.86
Reversal of provisions							50.15
Profit on sale of PPE							1.18
Loss on sale of PPE							0.20

Year ended 31.03.2015							(₹ in million)
Description	Consultancy Services		Leasing		Export Sale	Turnkey Construction Projects-Domestic	Total
	Domestic	Abroad	Domestic	Abroad			
Revenue	6813.33	205.04	450.03	243.00	1492.29	907.81	10111.50
Identifiable operating expenses	3899.80	80.60	210.70	145.90	985.30	871.00	6193.30
Segmental profit from operations	2913.53	124.44	239.33	97.10	506.99	36.81	3918.20
Add: Interest Income*							1063.51
Add: Other Income**							384.81
Less: Un-allocable Expenses							700.20
Net Profit Before Tax							4666.32
Less: Income Tax (including Deferred Tax)							1558.73
Net Profit After Tax							3107.59
Additional Information:							
Depreciation and amortisation							261.22
Non-cash expenses/(income) other than depreciation and amortization							(531.57)
Reversal of provisions							93.25
Profit on sale of PPE							0.85
Loss on sale of PPE							0.10

Year ended 31.03.2014							(₹ in million)
Description	Consultancy Services		Leasing		Export Sale	Turnkey Construction Projects-Domestic	Total
	Domestic	Abroad	Domestic	Abroad			
Revenue	5175.39	150.50	347.61	254.30	4046.10	960.60	10934.50
Identifiable operating expenses	3449.50	134.20	163.00	92.50	2923.70	914.00	7676.90
Segmental profit from operations	1725.89	16.30	184.61	161.80	1122.40	46.60	3257.60

Add: Interest Income*		969.04
Add: Other Income**		293.25
Less: Un-allocable expenses		643.30
Net Profit Before Tax		3876.59
Less: Income Tax (including Deferred Tax)		1245.77
Net Profit After Tax		2630.82
Additional Information:		
Depreciation and amortisation		203.41
Non-cash expenses/(income) other than depreciation and amortisation		363.78
Reversal of provisions		124.04
Profit on sale of PPE		0.39
Loss on sale of PPE		0.21

Year ended 31.03.2013							(₹ in million)
Description	Consultancy Services		Leasing		Export Sale	Turnkey Construction Projects-Domestic	Total
	Domestic	Abroad	Domestic	Abroad			
Revenue	5298.02	150.50	234.00	195.17	3070.51	590.72	9538.92
Identifiable operating expenses	3578.04	125.80	105.20	114.20	2411.50	577.10	6911.84
Segmental profit from operations	1719.98	24.70	128.80	80.97	659.01	13.62	2627.08
Add: Interest Income*							858.09
Add: Other Income**							415.27
Less: Un-allocable Expenses							590.90

Net Profit Before Tax		3309.54
Less: Income Tax (including Deferred Tax)		1029.73
Net Profit After Tax		2279.81
Additional Information:		
Depreciation and amortisation		155.21
Non-cash expenses/(income) other than depreciation and amortisation		185.16
Reversal of provisions		99.01
Profit on sale of PPE		0.98
Loss on sale of PPE		0.24

2.40.7 Geographical Segment:

(₹ in million)								
Description	Period ended 31.12.2017				Period ended 31.03.2017			
	India	Abroad		Total	India	Abroad		Total
		Asia	Africa			Asia	Africa	
Revenue	6896.91	1452.53	552.93	8902.37	8736.30	3739.10	537.10	13012.50
Identifiable operating expenses	4471.80	1094.80	213.90	5780.50	5982.89	3072.00	274.40	9329.29
Segmental profit from operations	2425.11	357.73	339.03	3121.87	2753.41	667.10	262.70	3683.21
Add: Interest Income*				768.97				1039.13
Add: Other Income **				474.96				1031.86
Less: Un-allocable Expenses				731.22				855.30
Net Profit Before Tax				3634.58				4898.90

Less: Income Tax (including Deferred Tax)		1263.72		1350.56
Net Profit After Tax		2370.86		3548.34
Additional Information:				
Depreciation and amortisation		230.40		321.07
Non-cash expenses/(income) other than depreciation and amortisation		(485.87)		568.24
Reversal of provisions		188.43		55.18
Profit on sale of PPE		0.45		0.59
Loss on sale of PPE		0.05		0.40
Profit on sale of investment		-		714.72
Non Cash Income				
Deferred Income		16.13		19.56

(₹ in million)								
Description	Period ended 31.03.2016				Period ended 31.03.2015			
	India	Abroad		Total	India	Abroad		Total
		Asia	Africa			Asia	Africa	
Revenue	8518.54	1764.60	463.49	10746.63	8171.17	1554.16	386.17	10111.50
Identifiable operating expenses	5128.78	1700.60	190.30	7019.68	4981.50	1022.17	189.63	6193.30
Segmental profit from operations	3389.76	64.00	273.19	3726.95	3189.67	531.99	196.54	3918.20
Add: Interest Income*				1074.66				1063.51
Add: Other Income **				275.27				384.81
Less: Un-allocable Expenses				596.40				700.20
Net Profit Before Tax				4480.48				4666.32

Less: Income Tax (including Deferred Tax)		1660.19		1558.73
Net Profit After Tax		2820.29		3107.59
Additional Information:				
Depreciation and amortisation		318.16		261.22
Non-cash expenses/(income) other than depreciation and amortisation		86.86		(531.57)
Reversal of provisions		50.15		93.25
Profit on sale of PPE		1.18		0.85
Loss on sale of PPE		0.20		0.10

(₹ in million)								
Description	Period ended 31.03.2014				Period ended 31.03.2013			
	India	Abroad		Total	India	Abroad		Total
		Asia	Africa			Asia	Africa	
Revenue	6,483.60	4,098.92	351.98	10,934.50	61,22.74	3,181.50	234.68	9,538.92
Identifiable operating expenses	4,526.50	3,023.77	126.63	7,676.90	42,60.34	2,516.20	135.30	6,911.84
Segmental profit from operations	1,957.10	10,75.15	225.35	3,257.60	1,862.40	665.30	99.38	2,627.08
Add: Interest Income*				969.04				858.09
Add: Other Income **				293.25				415.27
Less: Un-allocable Expenses				643.30				590.90
Net Profit Before Tax				3,876.59				3,309.54
Less: Income Tax (including Deferred Tax)				1,245.77				1,029.73
Net Profit After Tax				2,630.82				2,279.81
Additional Information:								

Depreciation and amortization		203.41		155.21
Non-cash expenses/(income) other than depreciation and amortisation		363.78		185.16
Reversal of provisions		124.04		99.01
Profit on sale of PPE		0.39		0.98
Loss on sale of PPE		0.21		0.24

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

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

Note: - No Impairment and its reversal has been recognized in Other Comprehensive Income (OCI) during the period/year ended on 31.12.2017, 31.03.2017, 31.03.2016, 31.03.2015, 31.03.2014 and 31.03.2013.

2.40.8 Revenue from major customers is given below:

(₹ in million)								
Description	Period ended 31.12.2017				Period ended 31.03.2017			
	Consultancy	Export Sales	Turnkey Construction Projects-Domestic	Total	Consultancy	Export Sales	Turnkey Construction Projects-Domestic	Total
Customer 1	1606.89	-	614.87	2,221.76	1968.70	-	2,81.10	2,249.80
Customer 2	-	1377.11	-	1,377.11	-	3,655.10	-	3,655.10
Total	1606.89	1377.11	614.87	3,598.87	1,968.70	3,655.10	281.10	5,904.90

(₹ in million)								
Description	Period ended 31.03.2016				Period ended 31.03.2015			
	Consultancy	Export Sales	Turnkey Construction Projects-Domestic	Total	Consultancy	Export Sales	Turnkey Construction Projects-Domestic	Total
Customer 1	1,750.20	-	118.50	1,868.70	1,532.91	-	132.81	1,665.72
Customer 2	-	1,654.10	-	1,654.10	-	1,496.80	-	1,496.80
Total	1,750.20	1,654.10	118.50	3,522.80	1,532.91	1,496.80	132.81	3,162.52

(₹ in million)								
Description	Period ended 31.03.2014				Period ended 31.03.2013			
	Consultancy	Export Sales	Turnkey Construction Projects-Domestic	Total	Consultancy	Export Sales	Turnkey Construction Projects-Domestic	Total
Customer 1	-	1,200.29	-	1,200.29	1,806.20	-	1,228.36	3,034.56

Customer 2	-	-	-	-	-	-	-	-
Total	-	1,200.29	-	1,200.29	1,806.20	-	1,228.36	3,034.56

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

2.41.1 Subsidiary Companies:

Name of Subsidiaries	Country	Holding as on					
		31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
M/s RITES (Afrika) (Pty) Ltd. (RAPL)	Botswana	100%	100%	100%	100%	100%	100%
M/s RITES Mohawarean Arabia Co. Ltd. (RMAC)*	Saudi Arabia	76%	76%	76%	76%	76%	76%
M/s RITES Infrastructure Services Ltd. (RISL)**	India	100%	100%	100%	100%	100%	100%
M/s Railway Energy Management Company Ltd. (REMCL)	India	51%	51%	51%	51%	51%	-

*RITES Mohawarean Arabia Company Ltd. (RMAC), a subsidiary company with 76% stake, is under liquidation. Investment in equity of ₹4.70 million made by the company has been returned by RMAC during the financial year 2014-15.

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

2.41.1.1 Joint Ventures:

Name of Joint Ventures	Country	Holding as on					
		31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
M/s Companhia Dos Caminhos De Ferro Da Beira, SA, (CCFB)*	Mozambique	-	-	26%	26%	26%	26%
M/s SAIL-RITES Bengal Wagon Industry Private Limited	India	50%	50%	50%	50%	50%	50%
M/s BNV Gujarat Rail Private Limited**	India	26%	26%	-	-	-	-

* As per settlement agreement with Government of Mozambique in respect of CCFB, equity stake of the company in CCFB has been transferred to CFM Mozambique, a nominated agency of Government of Mozambique, on 22nd September, 2016, accordingly, joint control ceased thereafter. Also refer note no. 2.58.

** Joint venture entity incorporated in the year 2016-17.

2.41.1.2 Other Related Parties

Name of Other Related Parties	Country	Nature of Relationship
RITES Contributory Provident Fund Trust	India	Post- Employment Benefit Plan of RITES
RITES Ltd. Superannuation Pension Trust	India	Post- Employment Benefit Plan of RITES
RITES Ltd. Retired Employees Medical Trust	India	Post- Employment Benefit Plan of RITES
RITES Employees Group Gratuity Cum Life Insurance Scheme Trust	India	Post- Employment Benefit Plan of RITES

2.41.1.3 Key Management Personnel

<p>Chairman & Managing Director (Chief Executive Officer) Shri Rajeev Mehrotra</p> <p>Whole Time Directors Shri Arbind Kumar, Director Projects Shri Ajay Kumar Gaur, Director Finance (Chief Finance Officer) Shri Mukesh Rathore, Director Technical</p> <p>Company Secretary Shri P.T. Mittal, Company Secretary & GM(Legal)</p>
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2.41.2 Transactions and Balance with Related Parties

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

2.41.2.1 Subsidiary Companies

Transactions with Subsidiary Companies:

Particulars	₹ in million					
	RAPL					
	Period ended 31.12.17	Year Ended 31.03.17	Year Ended 31.03.16	Year Ended 31.03.15	Year Ended 31.03.14	Year Ended 31.03.13
Consultancy Fee/ Income from Construction Turnkey Projects	10.55	3.74	-	2.41	2.82	5.42
Dividend Received	0.31	-	0.29	-	-	0.14

Particulars	₹ in million				
	REMCL***				
	Period ended 31.12.17	Year Ended 31.03.17	Year Ended 31.03.16	Year Ended 31.03.15	Year Ended 31.03.14
Investment	-	102.00	102.00	102.00	51.00
Recoverable/ Advances	8.78	4.81	41.43	0.50	5.89
Consultancy Fee/ Income from Construction Turnkey Projects	42.99	48.04	28.71	13.53	4.24
Dividend Received	18.76	-	-	-	-

Particulars	₹ in million					
	RISL**					
	Period ended 31.12.17	Year Ended 31.03.17	Year Ended 31.03.16	Year Ended 31.03.15	Year Ended 31.03.14	Year Ended 31.03.13
Recoverable/ Advances	-	(69.27)	10.45	13.20	15.70	18.55

Consultancy Fee/ Income from Construction Turnkey Projects	-	0.28	136.46	53.72	2.47	-
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Balances with Subsidiary Companies:

Particulars	₹ in million					
	RAPL					
	Period ended	Year Ended				
	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
Investments	0.12	0.12	0.12	0.12	0.12	0.12
Receivables	3.27	2.06	-	2.41	2.91	5.84

Particulars	₹ in million					
	RMAC*					
	Period ended	Year Ended				
	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
Investments	-	-	-	-	4.70	4.70
Recoverable /Advances	-	-	4.10	4.10	4.10	4.10

Particulars	₹ in million					
	RISL**					
	Period ended	Year Ended				
	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
Investments	0.50	0.50	0.50	0.50	0.50	0.50
Recoverable /Advances	5.78	3.16	80.10	70.57	63.01	47.30
Receivables	-	2.62	15.89	-	2.22	-
Advances received against Construction Projects	-	-	-	46.90	-	-

Particulars	₹ in million					
	REMCL***					
	Period ended	Year Ended				
	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
Investments	357.00	357.00	255.00	153.00	51.00	
Recoverable /Advances	45.72	40.91	41.21	-	5.89	
Receivables	10.66	-	9.15	8.74	3.86	

*RITES Mohawarean Arabia Company Ltd. (RMAC), a subsidiary company with 76% stake, is under liquidation. Investment in equity of ₹4.70 million made by the company has been returned by RMAC during the financial year 2014-15.

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

***Railway Energy Management Co. Limited (REMCL), a subsidiary company with 51% stake, was incorporated in the financial year 2013-14.

2.41.2.2 Joint Ventures

Transactions with Joint Ventures:

Particulars	₹ in million							
	SAIL-RITES Bengal Wagon Industry Private Ltd.						BNV Gujarat Rail Private Limited	
	Period ended	Year ended					Year ended	
		31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13	31.12.17
Investments (equity)	-	17.30	73.70	29.00	-	70.00	-	0.13
Share Application Money Pending Allotment	-	-	-	-	60.00	-	-	-
Recoverable (Payable)/Advances	(2.46)	0.76	0.54	-	6.90	2.46	-	-
Operating Income (Consultancy Fee/Income from Construction Turnkey Projects/Export Sales/Leasing Service)	-	30.60	105.34	229.04	115.86	193.82	-	-
Loans	-	70.00	20.00	100.00	-	-	-	-
Interest on Loans given	4.70	1.42	2.57	2.98	-	-	-	-

Particulars	₹ in million					
	CCFB*					
	Period ended	Year ended				
		31.12.17	31.03.17	31.03.16	31.03.15	31.03.14
Recoverable/Advances	-	-	-	-	36.70	-
Operating Income (Consultancy Fee/Income from Construction Turnkey Projects/Export Sales/Leasing Service)	-	-	114.99	-	-	-
Loans	-	-	59.18	74.00	-	-
Interest on Loans given	-	-	304.54	-	-	-
Provision write back	-	-	62.37	-	-	-

Balances with Joint Ventures:

Particulars	₹ in million					
	CCFB*					
	As on					
	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
Investments(equity)	-	-	60.09	60.09	60.09	60.09
Receivables	-	-	-	58.03	58.03	136.50
Loans	-	-	-	908.49	834.49	834.49
Interest accrued	-	-	-	64.47	64.47	64.47

Particulars	₹ in million					
	SAIL-RITES Bengal Wagon Industry Private Ltd.					
	As on					
	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
Investments(equity)	240.00	240.00	222.70	149.00	120.00	120.00
Share application money pending for allotment	-	-	-	-	60.00	-
Recoverable (Payable)/ Advances	(1.86)	0.70	1.00	0.50	9.50	2.60

Receivables	0.13	0.13	35.25	63.95	3.49	36.89
Loans	70.00	70.00	17.30	71.00	-	-
Interest accrued	6.08	1.38	3.06	0.75	-	-

Particulars	₹ in million					
	BNV Gujarat Rail Private Limited					
	As on					
	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
Investments(equity)	0.13	0.13	-	-	-	-

* As per settlement agreement with Government of Mozambique in respect of CCFB, equity stake of the company in CCFB has been transferred to CFM Mozambique, a nominated agency of Government of Mozambique, on 22nd September, 2016, accordingly, joint control ceased thereafter. Also Refer note no.2.58.

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

Transactions regarding Post-Retirement Benefit Plans, as mentioned vide note no. 2.41.1.2, are indicated vide note 2.39.

2.41.2.4 Transactions with Key Managerial Personnel:

Description	₹ in million					
	Period Ended	Year ended				
	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
Compensation to CMD, Whole Time Directors & Company Secretary:						
▪ Short Term Employee Benefits	12.69	27.07	17.51	13.64	17.57	10.97
▪ Post-employment Benefits	2.09	3.70	2.50	3.34	2.01	1.44
▪ Other Long Term Benefits	0.53	3.13	1.73	3.06	1.36	0.26
Total	15.31	33.90	21.74	20.04	20.94	12.67

2.41.3 Government related entities

Government of India (GOI) is holding 100% equity shares of the company, which are held by President of India through Ministry of Railways and its nominees. GOI controls the company through Ministry of Railways.

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

Significant Transactions with Government related entities:

Particulars	(₹ in million)					
	Period Ended	Year ended				
	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
Revenue	2,221.76	2,249.80	1,868.70	1,665.72	674.45	3,034.56
Procurements	541.60	1,902.70	985.10	793.68	1471.92	726.34
Consumables	2.17	90.70	38.20	6.15	39.18	0.26
Freight	-	40.50	17.10	1.46	0.50	2.91
Training Exp.	0.04	1.20	-	-	0.84	0.63
Purchase of Tax Free Bonds	-	-	200.02	-	2,50.03	-
Redemption of Tax Free Bonds	(500.00)	(500.00)	-	-	-	-

Significant balances with Government related entities:

(₹ in million)						
Particulars	Period Ended	As on				
	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
Capital Advances	84.03	59.60	166.70	350.34	84.56	48.96
Other Advances	490.63	274.20	481.40	291.66	316.18	751.84
Payables	58.50	41.60	21.10	1.61	65.29	188.88
Advance Received	9.82	47.90	4.70	37.03	17.06	58.74
Clients Funds Received	858.44	754.90	16.70	43.48	82.21	103.42
Receivables	1,541.97	1,192.50	658.10	769.48	464.95	455.05
Tax Free Bonds	1,200.09	1,700.09	2,200.09	2,000.07	2,000.07	1,750.04

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

2.42.1 Operating Lease (Cancelable)

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

2.42.1.2 Detail of the leased assets: New & In-Service Locomotives (refer note no. 2.3)

Description	₹ in million					
	Period Ended	Year ended				
	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
Gross carrying amount	2,387.78	2,440.82	2,307.33	1,504.23	1,237.68	982.39
Accumulated depreciation	777.91	836.61	618.78	411.96	290.91	188.24
Net carrying amount	1,609.87	1,604.21	1,688.55	1,092.27	946.77	794.15
Depreciation provided for the period	159.82	217.83	206.82	149.90	102.67	68.09

2.42.2 Other Lease (Cancelable)

2.42.2.1 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 renewed annually and present lease agreement is upto 31st March, 2018.

2.42.2.2 Details of the leased assets: Office Premises*

Description	₹ in million					
	Period Ended	Year ended				
	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
Gross carrying amount	18.33	18.33	18.33	18.33	20.90	20.90
Accumulated depreciation	5.49	5.15	4.70	4.10	4.00	3.40
Net carrying amount	12.84	13.18	13.63	14.23	16.90	17.50

Depreciation provided for the period	0.34	0.45	0.60	0.60	0.60	0.40
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* Leased assets include building, air conditioners, AC plant, furniture and fixture.

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

2.42.2.4 Operating Leases for Company's offices, staff residential premises and vehicles are renewable / cancelable as laid down in the respective agreements. The total of minimum lease payments recognized in the Statement of Profit & Loss is as follows:

Description	₹ in million					
	Period Ended	Year ended				
	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
Minimum lease payment	138.72	239.20	218.80	154.20	109.70	80.90

2.42.3 There are no provisions relating to contingent rent.

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

Particulars		Period Ended	Year Ended				
		31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
A	Net Profit available for Equity Shareholder (₹ in million)	2,370.86	3,548.34	2,820.29	3,107.59	2,630.82	2,279.81
B	Weighted average number of Equity Shares	2,00,000,000	2,00,000,000	2,00,000,000	2,00,000,000	2,00,000,000	2,00,000,000
C	Earnings Per Share(Basic & Diluted) (A)/(B)	₹11.854	₹17.742	₹14.101	₹15.538	₹13.154	₹11.399
D	Face value per equity share	₹10/-	₹10/-	₹10/-	₹10/-	₹10/	₹10/-

2.44 Disclosures of Interest in Other Entities (Indian Accounting Standard-112) as on 31.12.2017 are as follows:

2.44.1 RITES has following Joint Arrangements:

Name of Joint Arrangements	Nature of Interest/Relationship with Joint Arrangements	Principal Place of Business of Joint Arrangements	Proportionate ownership interest or participating share
Geoconsult – RITES	RITES has formed a Joint Arrangement with M/s. Geoconsult-ZT-Gmbh (Austria) for detailed design consultancy and construction supervision of about 11 kms long railway tunnel in J&K State. Both the venturers contributed in the seed money as agreed for operational and execution purposes.	India	13%

Geoconsult – RITES, NRT-1	RITES has formed a Joint Arrangement with M/s. Geoconsult-ZT-Gmbh (Austria) for detailed design consultancy and construction supervision of Tunnel No.1 (3.1 km long) on Udampur – Katra Section for the USBRL project in the state of J&K.	India	16%
Geoconsult ZT GmbH – RITES	RITES has formed a Joint Arrangement with M/s. Geoconsult ZT GmbH (Austria) for detailed design and construction supervision of Tunnel No.10 (Approx. Length 3.3 km) in connection with Jiribam-Tupul new railway line project in the state of Manipur.	India	39.40%
Geoconsult-RITES (JV)	RITES has formed a Joint Arrangement with M/s. Geoconsult India Pvt. Ltd. for instrumentation, monitoring and design of remedial works as per requirement for vulnerable locations for two monsoon seasons in Lumding-Silchar BG Rail Line.	India	37.50%
RICON	RITES has formed a Joint Arrangement with M/s. IRCON International Ltd. to secure and execute contracts to be awarded by M/s Companhia Dos Caminhos de Ferro Da Beira, SA, Mozambique to RICON for rendering Management Support Services, Consultancy Works, Project Management, Construction Supervision, Supply of Materials, Rolling Stock and equipment, Works Contracts, Leasing of Equipments / Rolling Stocks etc.	India	51%
SAIL-RITES Bengal Wagon Industry Private Limited	RITES has formed a Joint Venture with SAIL for manufacturing Wagons at SGW, Kulti, West Bengal.	India	50%
BNV Gujarat Rail Private Limited	RITES has formed a Joint Venture with Shapoorji Pallonji Roads Private Limited and PCM Cement Concrete Private Limited to set up, own, operate, finance and maintain the Bhuj-Naliya-Vayor rail connectivity project in Kutch district of the state of Gujarat	India	26%

2.44.2 Disclosures in respect of Joint Ventures:

2.44.2.1 Investment is measured by using equity method.

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

Description / JVs	₹ in million			
	COMPANHIA DOS CAMINHOS DE FERRO DA BEIRA, SA (CCFB)			
	31.12.15	31.12.14	31.12.13	31.12.12
Fixed Assets (Net)/Non Current Assets	0.04	0.23	0.37	0.60
Current Assets, Loans & Advances	1,092.57	4,997.65	4,626.46	4,274.00
Current Liabilities & Provisions	744.14	4,603.17	4,248.48	3,805.48
Capital	231.11	231.11	231.11	231.11
Retained Earnings / (losses)	191.71	186.28	149.42	253.85
Revenue	144.09	276.09	23.03	164.39
Expenditure including Tax	82.37	220.73	176.98	164.50
Profit After Tax	61.72	55.36	(153.95)	(0.11)
Additional information:				
Cash and Cash Equivalents	38.10	50.56	82.33	242.92
Current financial liabilities (excluding trade and other	743.73	3,611.42	3,266.05	2,939.88

payables and provisions)				
Depreciation and Amortisation	0.02	0.11	0.20	0.48
Interest Income	1.83	7.91	4.60	8.81

Companhia dos Caminhos de Ferro da Beira, SA (CCFB), Mozambique has calendar year as financial year.

₹ in million						
Description / JVs	SAIL-RITES BENGAL WAGON INDUSTRY PRIVATE LIMITED					
	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
Fixed Assets (Net)/Non Current Assets	990.12	1,036.02	1,056.44	815.00	551.82	348.22
Current Assets, Loans & Advances	260.24	184.29	64.10	70.00	73.29	10.27
Current Liabilities & Provisions	491.62	393.46	234.95	138.10	1.58	3.08
Non Current Liabilities & Provisions	508.41	530.27	493.90	447.76	383.76	116.32
Capital	480.00	480.00	445.40	298.00	240.00	240.00
Retained Earnings / (losses)	(229.67)	(183.42)	(53.71)	1.14	(0.23)	(0.91)
Revenue	467.23	92.16	4.27	2.64	1.17	0.54
Expenditure including Tax	513.47	221.88	59.11	1.27	0.50	0.58
Profit After Tax	(46.24)	(129.72)	(54.84)	1.37	0.67	(0.04)
Additional information:						
Cash and Cash Equivalents	0.56	11.70	1.42	20.53	73.15	9.93
Current financial liabilities (excluding trade and other payables and provisions)	333.16	287.02	175.43	71.00	-	0.50
Non- Current financial liabilities (excluding trade and other payables and provisions)	508.41	530.26	493.90	447.76	319.71	77.37
Depreciation and Amortisation	50.92	58.28	17.93	-	-	-
Interest Income	0.01	2.19	3.15	2.56	1.16	0.54
Interest Expense	56.33	60.97	33.01	-	-	-
Income tax expenses or (income)	-	-	(0.26)	0.64	0.28	0.16

₹ in million		
Description / JVs	BNV Gujarat Rail Private Limited	
	31.12.17	31.03.17
Current Assets, Loans & Advances	0.46	0.50
Current Liabilities & Provisions	0.05	0.03
Capital	0.50	0.50
Retained Earnings / (losses)	(0.09)	(0.03)
Revenue	-	-
Expenditure including Tax	0.06	0.03
Profit After Tax	(0.06)	(0.03)
Additional information:		
Cash and Cash Equivalents	0.46	0.49

BNV Gujarat Rail Private Limited was incorporated in financial year 2016-17, but no operation was started till 31.12.2017.

2.44.2.3 Reconciliation of Company's interest in Joint Ventures:

₹ in million				
Description / JVs	COMPANHIA DOS CAMINHOS DE FERRO DA BEIRA, SA (CCFB)			
	31.12.15	31.12.14	31.12.13	31.12.12
Net Assets				
Net Assets of Joint Venture	422.82	417.39	380.54	484.96
Proportionate share in Joint Venture (%)	26%	26%	26%	26%
Share of interest in net assets of Joint Venture	109.93	108.52	98.94	126.09
Net Profit				
Net Profit After Tax of Joint Venture	61.72	55.36	(153.95)	(0.11)
Proportionate share in Joint Venture (%)	26%	26%	26%	26%
Share of interest in net profit after tax of Joint Venture	16.05	14.39	(40.02)	0.03
Add/(Less): Adjustment, if any	(14.63)	(4.81)	12.87	65.97
Amount of interest in net profit after tax of Joint Venture	1.42	9.58	(27.15)	66.00

₹ in million						
Description / JVs	SAIL-RITES BENGAL WAGON INDUSTRY PRIVATE LIMITED					
	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
Net Assets						
Net Assets of Joint Venture	250.34	296.58	391.70	299.14	239.76	239.09
Proportionate share in Joint Venture (%)	50%	50%	50%	50%	50%	50%
Share of interest in net assets of Joint Venture	125.17	148.29	195.85	149.57	119.88	119.55
Carrying amount of interest in Joint Venture	125.17	148.29	195.85	149.57	119.88	119.55
Net Profit						
Net Profit After Tax of Joint Venture	(46.24)	(129.72)	(54.84)	1.37	0.67	(0.04)
Proportionate share in Joint Venture (%)	50%	50%	50%	50%	50%	50%
Share of interest in net profit after tax of Joint Venture	(23.12)	(64.86)	(27.42)	0.69	0.34	(0.02)
Amount of interest in net profit after tax of Joint Venture	(23.12)	(64.86)	(27.42)	0.69	0.34	(0.02)

₹ in million		
Description / JVs	BNV GUJARAT RAIL PRIVATE LIMITED	
	31.12.17	31.03.17
Net Assets		
Net Assets of Joint Venture	0.41	0.47
Proportionate share in Joint Venture (%)	26%	26%
Share of interest in net assets of Joint Venture	0.11	0.12
Carrying amount of interest in Joint Venture	0.11	0.12
Net Profit		
Net Profit After Tax of Joint Venture	(0.06)	(0.03)
Proportionate share in Joint Venture (%)	26%	26%
Share of interest in net profit after tax of Joint Venture	(0.02)	(0.01)
Amount of interest in net profit after tax of Joint Venture	(0.02)	(0.01)

- i) There is no restriction on the ability of Joint Ventures to transfer funds to the company in the form of cash dividends or to repay loans and advances made by the company.
- ii) Company has invested in M/s BNV Gujarat Rail Private Limited during the year 2016-17. Venture Company is incorporated in the year 2016-17 but no operation started till 31st December, 2017.
- iii) As per settlement agreement with Government of Mozambique in respect of CCFB, equity stake of the company in CCFB has been transferred to CFM Mozambique, a nominated agency of Government of Mozambique, on 22nd September, 2016, accordingly, joint control ceased thereafter. Also refer note no. 2.58.
- iv) Companhia dos Caminhos de Ferro da Beira, SA (CCFB), Mozambique has calendar year as financial year.

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

2.44.2.5 Contingent Liability of joint venture is as under:

(₹ in million)						
Particulars	Period ended	Year ended				
	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
Withholding tax demand against CCFB	-	-	10.50	14.00	15.30	14.40
RITES share @ 26%	-	-	2.73	3.64	3.98	3.74
Claim against CCFB not acknowledged as debt	-	-	-	21.90	38.50	32.70
RITES share @ 26%	-	-	-	5.69	10.01	8.50

As per settlement agreement with Government of Mozambique in respect of CCFB, equity stake of the company in CCFB has been transferred to CFM Mozambique, a nominated agency of Government of Mozambique, on 22nd September, 2016, accordingly, joint control ceased thereafter. Also refer note no. 2.58.

2.44.2.6 Capital commitment of joint venture is as under:

(₹ in million)						
Particulars	Period ended	Year ended				
	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
Capital commitment of SAIL-RITES Bengal Wagon Industry Pvt. Ltd.	-	-	33.30	136.10	363.10	540.90
RITES share @ 50%	-	-	16.65	68.05	181.55	270.45

2.44.3 Summarised financial information of the Joint Operations:

₹ in million						
Description / JVs	RICON					
	Period ended 31.12.17	Year ended 31.03.17	Year ended 31.03.16	Year ended 31.03.15	Year ended 31.03.14	Year ended 31.03.13
Fixed Assets (Net)/Non Current Assets	-	-	-	0.03	0.04	0.05
Current Assets, Loans & Advances	215.90	214.33	211.08	217.86	210.32	205.39
Current Liabilities & Provisions	6.47	7.57	8.40	20.64	18.23	15.08
Retained Earnings / (losses)	209.43	206.76	202.68	197.25	192.13	190.36
Revenue	3.41	6.45	7.56	7.81	8.52	16.67
Expenditure including Tax	0.74	2.38	2.12	2.69	6.76	10.73

Profit/(Loss) After Tax	2.67	4.07	5.44	5.12	1.76	5.94
Additional Information:						
Cash and Cash Equivalents	0.07	12.18	0.01	0.51	0.33	18.34
Current financial liabilities (excluding trade and other payables and provisions)	-	-	-	0.36	0.36	0.33
Depreciation and Amortisation	-	-	0.01	0.01	0.02	0.02
Interest Income	3.41	6.18	7.02	7.23	6.17	2.50
Interest Expense	-	-	-	-	-	0.12
Income tax expenses or (income)	0.69	1.66	1.96	2.29	0.33	3.07

₹ in million						
Description / JVs	Geoconsult-RITES					
	Period ended 31.12.17	Year ended 31.03.17	Year ended 31.03.16	Year ended 31.03.15	Year ended 31.03.14	Year ended 31.03.13
Fixed Assets (Net)/Non Current Assets	-	-	-	-	-	1.24
Current Assets, Loans & Advances	56.64	55.94	56.66	77.85	136.65	117.87
Current Liabilities & Provisions	36.80	36.52	38.18	35.40	60.16	51.57
Retained Earnings / (losses)	19.84	19.42	18.48	42.45	76.49	67.54
Revenue	0.74	1.78	1.80	5.91	72.68	123.24
Expenditure including Tax	0.33	0.84	1.71	4.55	63.74	103.47
Profit/(Loss) After Tax	0.41	0.94	0.09	1.36	8.94	19.77
Additional Information:						
Cash and Cash Equivalents	1.42	5.18	1.08	0.57	33.09	37.03
Depreciation and Amortisation	-	-	-	-	-	0.22
Interest Income	0.74	0.91	1.80	3.29	2.95	2.60
Income tax expenses or (income)	0.27	0.62	0.06	2.38	6.66	10.27

₹ in million						
Description / JVs	Geoconsult – RITES, NRT-1					
	Period ended 31.12.17	Year ended 31.03.17	Year ended 31.03.16	Year ended 31.03.15	Year ended 31.03.14	Year ended 31.03.13
Fixed Assets (Net)/Non Current Assets	-	-	-	-	-	1.06
Current Assets, Loans & Advances	38.43	39.24	40.70	39.79	55.72	52.03
Current Liabilities & Provisions	33.87	34.22	36.85	34.94	40.68	36.56
Retained Earnings / (losses)	4.56	5.02	3.85	4.85	15.04	16.53
Revenue	0.86	2.24	0.82	3.79	3.04	41.10
Expenditure including Tax	1.31	1.08	1.81	2.30	4.53	33.29
Profit/(Loss) After Tax	(0.45)	1.16	(0.99)	1.49	(1.49)	7.81
Additional Information:						
Cash and Cash Equivalents	2.00	5.05	0.63	1.40	12.53	19.20
Depreciation and Amortisation	-	-	-	-	-	0.30

Interest Income	0.86	1.02	0.82	1.03	0.93	0.35
Income tax expenses or (income)	-	0.32	-	1.04	-	0.09

₹ in million				
Description / JVs	Geoconsult ZT GmbH – RITES			
	Period ended 31.12.17	Year ended 31.03.17	Year ended 31.03.16	Year ended 31.03.15
Fixed Assets (Net)/Non Current Assets	6.01	6.11	4.26	3.00
Current Assets, Loans & Advances	11.61	9.64	33.01	21.99
Current Liabilities & Provisions	20.97	18.54	31.38	21.56
Retained Earnings /(losses)	(3.35)	(2.79)	5.89	3.43
Revenue	3.63	17.94	40.14	30.59
Expenditure including Tax	4.19	26.62	37.68	26.85
Profit/(Loss) After Tax	(0.56)	(8.68)	2.46	3.74
Additional Information:				
Cash and Cash Equivalents	0.03	2.78	1.60	9.91
Depreciation and Amortisation	0.10	0.16	0.24	0.21
Interest Income	0.05	0.05	0.06	-
Income tax expenses or (income)	-	-	1.88	2.18

₹ in million		
Description / JVs	Geoconsult-RITES (JV)*	
	Period ended 31.12.17	Year ended 31.03.17
Fixed Assets (Net)/Non Current Assets	3.11	2.78
Current Assets, Loans & Advances	28.13	7.16
Current Liabilities & Provisions	24.49	5.70
Retained Earnings /(losses)	6.75	4.24
Revenue	30.78	27.66
Expenditure including Tax	28.28	23.42
Profit/(Loss) After Tax	2.50	4.24
Additional Information:		
Cash and Cash Equivalents	26.37	2.41
Depreciation and Amortisation	0.03	0.01
Income tax expenses or (income)	1.12	2.24

*Company entered into an agreement for joint operation with Geoconsult-RITES (JV) during the year 2016-17.

2.44.4 Company jointly participated in the followings projects with other entities:-

Project Name	Name of entities
General Consultancy to Delhi Metro Rail Corporation Ltd. for Delhi Mass Rapid Transit System Project-Phase-III.	M/s Oriental Consultants Co. Ltd. M/s Parsons Brickerhoff International INC. M/s Tonichi Engineering Consultants INC.
General Consultancy to Bangalore Metro Rail Corporation Ltd. for Bangalore Metro.	M/s Oriental Consultants Co. Ltd. M/s Parsons Brickerhoff International INC. M/s Systra SA
General Consultancy to Metro Link Express for Gandhinagar & Ahmedabad (MEGA) Company Ltd. for Mass Rapid Transit System project at Ahmedabad.	M/s Systra SA France (Lead). M/s Oriental Consultants Global Co. Ltd., Japan. M/s AECOM Asia Company Ltd., HongKong.
General consultancy to Nagpur Metro Rail Corporation Ltd. for Nagpur Metro.	M/s Systra, France M/s AECOM Asia Co. Ltd. M/s EGIS Rail S.A.
Detailed design consultancy services for power supply & distribution system, 750 V DC, 3rd rail traction electrification & SCADA system of Metro Link Express for Gandhinagar & Ahmedabad (MEGA) Company Ltd.	M/s TUV SUD South Asia Pvt. Ltd. (TUV)

for mass Rapid Transit System Project at Ahmedabad.	
DPR for MRTS between Ahmedabad and Dholera for DMICDC.	M/s Stanley Consultants inc.
Consulting Services for feasibility & detailed Design of Road Tunnels in Shimla and other parts of Himachal Pradesh.	M/s Geo-Consult-ZT GmbH (Austria) M/s Secon Pvt. Ltd., India
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 Mukesh & Associates
1.Taj International Airport project work at Agra. 2.Feasibility report /DPR for development and operation of airport at Singrauli, M.P.	M/s KPMG
Development of six lane supervision cable Greenfield bridge over river Ganga from Kacchi Dargah on NH-30 to Bidupur in District Vaishali on NH-103.	M/s IDFC Limited M/s Infrastructure Development Corporation (Karnataka) Limited (IDeCK)
Preparation of feasibility report for proposed six lane bridge over river Brahmaputra connecting Narengi (near Guwahati) with Kurua (at North Bank) with a road link up to Dumnichowki on NH-52, Assam.	M/s STUP Consultants Pvt. Limited M/s Gifford India Pvt. Limited
Project Management Consultancy for river morphological analysis and design of river training and bank protection works in the state of Uttarakhand.	M/s DHI (India) Water & Environment Pvt. Ltd.
Pre-feasibility study for Delhi-Chandigarh-Amritsar high speed railway.	M/s Systra SA
Consultancy for feasibility studies for package-2 (Mumbai-Chennai) of Diamond Quadrilateral Network of High Speed Rail Corridors.	M/s Systra M/s Ernst & Young LLP
Consultancy services for the construction of Cargo Complex Parallel Taxiway and Modification of Old Terminal Building at PARO International Airport, Bhutan.	M/s PRCS, Bhutan

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

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

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

₹ in million						
Items	Carrying amount 01.04.17	Additional Provision made during the period	Provisions used during the period	Unused amount reversed during the period	Increase/ (decrease) in discounted amount	Carrying amount as on 31.12.17
Warranties	501.24	62.04	22.16	148.15	10.57	403.54
Commitments	-	-	-	-	-	-

₹ in million						
Items	Carrying amount 01.04.16	Additional Provision made during	Provisions used during the year	Unused amount reversed during	Increase/ (decrease) in discounted amount	Carrying amount as on 31.03.17

		the year		the year		
Warranties	317.43	264.77	18.43	42.08	(20.45)	501.24
Commitments	34.34	-	-	34.34	-	-

₹ in million						
Items	Carrying amount 01.04.15	Additional Provision made during the year	Provisions used during the year	Unused amount reversed during the year	Increase/ (decrease) in discounted amount	Carrying amount as on 31.03.16
Warranties	284.47	87.36	31.08	15.01	(8.31)	317.43
Commitments	22.84	15.70	-	4.20	-	34.34

₹ in million						
Items	Carrying amount 01.04.14	Additional Provision made during the year	Provisions used during the year	Unused amount reversed during the year	Increase/ (decrease) in discounted amount	Carrying amount as on 31.03.15
Warranties	378.89	66.81	82.31	82.23	3.31	284.47
Commitments	20.74	16.00	-	13.90	-	22.84

₹ in million						
Items	Carrying amount 01.04.13	Additional Provision made during the year	Provisions used during the year	Unused amount reversed during the year	Increase/ (decrease) in discounted amount	Carrying amount as on 31.03.14
Warranties	247.31	180.53	49.48	7.66	8.19	378.89
Commitments	11.94	9.00	-	0.20	-	20.74

₹ in million						
Items	Carrying amount 01.04.12	Additional Provision made during the year	Provisions used during the year	Unused amount reversed during the year	Increase/ (decrease) in discounted amount	Carrying amount as on 31.03.13
Warranties	158.98	134.44	38.90	9.14	1.93	247.31
Commitments	15.54	1.80	-	5.40	-	11.94

Effect of change in the discount rate:

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

Discount rate is based on the average of interest rates in Fixed Deposits with banks during the reporting period.

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

2.46.2.1 **Contingent Liabilities**

- (a) Claims (excluding interest) against the company not acknowledged as debts as certified by the Management are as follows:

₹ in million						
Particulars	Period ended	Year ended				
	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
Claims on behalf of the clients*	6,151.18	4,587.60	3,917.30	3,256.40	1,447.40	530.80
Other claims**	330.31	328.40	1,912.30	1,916.20	1,916.70	1,918.60
Total Claims	6,481.49	4,916.00	5,829.60	5,172.60	3,364.10	2,449.40

* The Management does not foresee any liability on the company as the same are contested by the company for and or on behalf of the clients.

** Counter claim against the executing agency in respect of other claims are as follow:-

₹ in million						
Particulars	Period ended	Year ended				
	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
Counter claim in respect of Other claims(Ref note no-2.57.1)	630.00	630.00	6,445.30	6,445.30	6,445.30	6,445.30

(b) Other money for which the company is contingently liable is as under:

₹ in million						
Particulars	Period ended	Year ended				
	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
Excise Bonds outstanding against export obligations with Central Excise Department	36.77	48.90	108.80	99.80	98.00	137.00
Bonds due for release by department	30.72	35.90	82.00	31.50	31.50	45.90
Demands on account of taxes viz. VAT, Service Tax & Income Tax	4.79	13.40	8.10	-	-	-

(c) Bank Guarantees issued by Banks is as under:

₹ in million						
Particulars	Period ended	Year ended				
	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
Bank Guarantees issued by Banks	5,410.36	4,018.30	2,832.80	3,080.20	3,271.05	3,881.57

2.46.2.2 Commitments

Estimated amount of contracts remaining to be executed on capital account as certified by the management and not provided for are as follows:

₹ in million						
Particulars	Period ended	Year ended				
	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
Liability on account of capital commitments	1,493.37*	33.50	166.70	261.00	265.10	818.50

*Includes ₹ 1404.00 million against booking of office space from NBCC at Nauroji Nagar, New Delhi

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

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

₹ in million						
Particulars	Period ended	Year ended				
	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
Rental income	7.39	9.85	9.85	9.85	11.21	9.61
Direct proportionate operating expenses relating to rental income (including repair & maintenance)	1.07	2.47	1.17	2.10	2.79	1.27

Profit before depreciation	6.32	7.38	8.68	7.75	8.42	8.34
Depreciation for the period	0.34	0.50	0.60	0.60	0.60	0.40
Profit from investment property	5.98	6.88	8.08	7.15	7.82	7.94

2.47.2 Fair Value

Market value of investment property as on 31.03.2017 is ₹27.40 Million based on valuations performed by an external independent valuer and management considered no significant change in the value.

Methods & assumptions for valuation:

Reproductive cost of building: To arrive at the cost to be incurred, valuer follow the CPWD Plinth Area Rates as on 01.10.2012 with base 100 & enhance the same by applicable cost index & better specification considered.

Valuation of plant and machinery: Cost Indexation Method under cost approach to valuation is employed. RBI Indexation on the original purchase price has been used to arrive at Gross Current Replacement Cost.

Qualification of valuer: The valuation is carried out by Independent agency comprising of team of experts on board.

There is no Capital Commitment in respect of investment property.

2.48 Financial Instruments

2.48.1 Financial Instruments by category

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

Particulars	₹ in million					
	Total carrying value	Amortised Cost	Financial assets/liabilities at fair value through profit or loss		Financial assets/liabilities at fair value through OCI	
			Designated upon initial recognition	Mandatory	Designated upon initial recognition	Mandatory
Financial Assets:						
Cash and Bank Balance**	30,403.60	-	-	30,403.60	-	-
Investments:						
Equity*	0.37	-	-	0.37	-	-
Tax Free Bonds	1,200.09	1,200.09	-	-	-	-
Liquid Plan of Mutual Funds	2,491.94	-	-	2,491.94	-	-
Trade Receivables**	5,336.77	5,336.77	-	-	-	-
Loans**	197.27	197.27	-	-	-	-
Other Financial Assets**	2,203.66	2,203.66	-	-	-	-
Total	41,833.70	8,937.79	-	32,895.91	-	-
Financial Liabilities:						
Trade Payables**	704.14	704.14	-	-	-	-
Other Financial Liabilities**	19,156.87	19,156.87	-	-	-	-
Total	19,861.01	19,861.01	-	-	-	-

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

Particulars	₹ in million					
	Total carrying value	Amortised Cost	Financial assets/liabilities at fair value through profit or loss		Financial assets/liabilities at fair value through OCI	
			Designated upon initial recognition	Mandatory	Designated upon initial recognition	Mandatory
Financial Assets:						
Cash and Bank Balance**	29,771.94	-	-	29,771.94	-	-
Investments:						
Equity*	0.37	-	-	0.37	-	-
Tax Free Bonds	1,700.09	1,700.09	-	-	-	-
Liquid Plan of Mutual Funds	1,430.36	-	-	1,430.36	-	-
Trade Receivables**	4,568.47	4,568.47	-	-	-	-
Loans**	210.65	210.65	-	-	-	-
Other Financial Assets**	2,604.31	2,604.31	-	-	-	-
Total	40,286.19	9,083.52	-	31,202.67	-	-
Financial Liabilities:						
Trade Payables**	848.59	848.59	-	-	-	-
Other Financial Liabilities**	19,974.00	19,974.00	-	-	-	-
Total	20,822.59	20,822.59	-	-	-	-

The carrying value and fair value of financial instruments categories-wise as on 31st March, 2016 are as under:

Particulars	₹ in million					
	Total carrying value	Amortised Cost	Financial assets/liabilities at fair value through profit or loss		Financial assets/liabilities at fair value through OCI	
			Designated upon initial recognition	Mandatory	Designated upon initial recognition	Mandatory
Financial Assets:						
Cash and Bank Balance**	26,487.26	-	-	26,487.26	-	-
Investments:						
Equity*	0.37	-	-	0.37	-	-
Tax Free Bonds	2,200.09	2,200.09	-	-	-	-
Liquid Plan of Mutual Funds	-	-	-	-	-	-
Trade Receivables**	5,312.41	5,312.41	-	-	-	-
Loans**	174.90	174.90	-	-	-	-
Other Financial Assets**	2,446.61	2,446.61	-	-	-	-
Total	36,621.64	10,134.01	-	26,487.63	-	-
Financial Liabilities:						
Trade Payables**	896.04	896.04	-	-	-	-
Other Financial Liabilities**	19,807.16	19,807.16	-	-	-	-
Total	20,703.20	20,703.20	-	-	-	-

The carrying value and fair value of financial instruments categories-wise as on 31st March, 2015 are as under:

Particulars	₹ in million					
	Total carrying value	Amortised Cost	Financial assets/liabilities at fair value through profit or loss		Financial assets/liabilities at fair value through OCI	
			Designated upon initial recognition	Mandatory	Designated upon initial recognition	Mandatory
Financial Assets:						
Cash and Bank Balance**	21,760.34	-	-	21,760.34	-	-
Investments:						
Equity*	0.37	-	-	0.37	-	-
Tax Free Bonds	2,000.07	2,000.07	-	-	-	-
Liquid Plan of Mutual Funds	-	-	-	-	-	-
Trade Receivables**	3,801.88	3,801.88	-	-	-	-
Loans**	1,667.47	1,667.47	-	-	-	-
Other Financial Assets**	1,621.09	1,621.09	-	-	-	-
Total	30,851.22	9,090.51	-	21,760.71	-	-
Financial Liabilities:						
Trade Payables**	881.16	881.16	-	-	-	-
Other Financial Liabilities**	15,612.11	15,612.11	-	-	-	-
Total	16,493.27	16,493.27	-	-	-	-

The carrying value and fair value of financial instruments categories-wise as on 31st March, 2014 are as under:

Particulars	₹ in million					
	Total carrying value	Amortised Cost	Financial assets/liabilities at fair value through profit or loss		Financial assets/liabilities at fair value through OCI	
			Designated upon initial recognition	Mandatory	Designated upon initial recognition	Mandatory
Financial Assets:						
Cash and Bank Balance**	23,452.40	-	-	23,452.40	-	-
Investments:						
Equity*	0.37	-	-	0.37	-	-
Tax Free Bonds	2,000.07	2,000.07	-	-	-	-
Liquid Plan of Mutual Funds	-	-	-	-	-	-
Trade Receivables**	3,249.51	3,249.51	-	-	-	-
Loans**	1,397.81	1,397.81	-	-	-	-
Other Financial Assets**	1,553.05	1,553.05	-	-	-	-
Total	31,653.21	8,200.44	-	23,452.77	-	-
Financial Liabilities:						
Trade Payables**	1,097.92	1,097.92	-	-	-	-
Other Financial Liabilities**	17,594.75	17,594.75	-	-	-	-
Total	18,692.67	18,692.67	-	-	-	-

The carrying value and fair value of financial instruments categories-wise as on 31st March, 2013 are as under:

Particulars	₹ in million					
	Total carrying value	Amortised Cost	Financial assets/liabilities at fair value through profit or loss		Financial assets/liabilities at fair value through OCI	
			Designated upon initial recognition	Mandatory	Designated upon initial recognition	Mandatory
Financial Assets:						
Cash and Bank Balance**	19,429.13	-	-	19,429.13	-	-
Investments:						
Equity*	0.37	-	-	0.37	-	-
Tax Free Bonds	1,750.04	1,750.04	-	-	-	-
Liquid Plan of Mutual Funds	1,224.70	-	-	1,224.70	-	-
Trade Receivables**	2,940.80	2,940.80	-	-	-	-
Loans**	1,214.95	1,214.95	-	-	-	-
Other Financial Assets**	1,623.94	1,623.94	-	-	-	-
Total	28,183.93	7,529.73	-	20,654.20	-	-
Financial Liabilities:						
Trade Payables**	1,462.33	1,462.33	-	-	-	-
Other Financial Liabilities**	15,276.98	15,276.98	-	-	-	-
Total	16,739.31	16,739.31	-	-	-	-

* Equity shares of ₹0.37 million of Global Procurement Consultants Limited (GPCL) which are not tradable and amount of investment in the entity is immaterial, hence investment is recognised at cost and same is considered as its fair value.

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

2.48.2 Fair value hierarchy & valuation techniques

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

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

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

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

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

Particulars	As on 31.12.17	Fair value measurement at end of the reporting period using		
		₹ in million		
		Level 1	Level 2	Level 3

Financial Assets:				
Cash and Bank Balance	30,403.60	30,403.60	-	-
Investments:				
- Equity*	0.37	-	-	0.37
- Liquid plan of Mutual Funds**	2,491.94	-	2,491.94	-

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

(₹ in million)				
Particulars	As on 31.03.2017	Fair value measurement at end of the reporting period using		
		Level 1	Level 2	Level 3
Financial Assets:				
Cash and Bank Balance	29,771.94	29,771.94	-	-
Investments:				
- Equity*	0.37	-	-	0.37
- Liquid plan of Mutual Funds**	1,430.36	-	1,430.36	-

Fair value hierarchies of assets and liabilities as on 31st March, 2016 are as follows:

(₹ in million)				
Particulars	As on 31.03.2016	Fair value measurement at end of the reporting period using		
		Level 1	Level 2	Level 3
Financial Assets:				
Cash and Bank Balance	26,487.26	26,487.26	-	-
Investments:				
- Equity*	0.37	-	-	0.37
- Liquid plan of Mutual Funds**	-	-	-	-

Fair value hierarchies of assets and liabilities as on 31st March, 2015 are as follows:

(₹ in million)				
Particulars	As on 31.03.2015	Fair value measurement at end of the reporting period using		
		Level 1	Level 2	Level 3
Financial Assets:				
Cash and Bank Balance	21,760.34	21,760.34	-	-
Investments:				
- Equity*	0.37	-	-	0.37
- Liquid plan of Mutual Funds**	-	-	-	-

Fair value hierarchies of assets and liabilities as on 31st March, 2014 are as follows:

(₹ in million)				
Particulars	As on 31.03.2014	Fair value measurement at end of the reporting period using		
		Level 1	Level 2	Level 3
Financial Assets:				
Cash and Bank Balance	23,452.40	23,452.40	-	-
Investments:				
- Equity*	0.37	-	-	0.37
- Liquid plan of Mutual Funds**	-	-	-	-

Fair value hierarchies of assets and liabilities as on 31st March, 2013 are as follows:

(₹ in million)				
Particulars	As on 31.03.2013	Fair value measurement at end of the reporting period using		
		Level 1	Level 2	Level 3
Financial Assets:				
Cash and Bank Balance	19,429.13	19,429.13	-	-
Investments:				
- Equity*	0.37	-	-	0.37
- Liquid plan of Mutual Funds**	1,224.70	-	1,224.70	-

* Equity shares of ₹0.37 million of Global Procurement Consultants Limited (GPCL) which are not tradable and amount of investment in the entity is immaterial, hence investment is recognised at cost and same is considered as its fair value.

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

2.48.3 Financial Risk Management

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

Market Risk

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

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

Particulars	As on 31.12.17	As at 31.03.17	As at 31.03.16	As at 31.03.15	As at 31.03.14	As at 31.03.13
	US Dollar (Figure in Millions)					
Cash & Cash equivalents	0.58	3.15	19.90	0.04	0.03	0.06
Trade Receivables	10.61	13.42	10.61	6.23	7.82	8.09
Other financial assets	10.92	2.54	2.09	11.20	12.72	14.74
Trade Payable	3.21	12.74	15.65	1.20	1.20	0.50
Other financial liabilities	32.51	0.09	0.07	0.74	9.36	27.15
Net assets/(liabilities)	(13.61)	6.28	16.88	15.53	10.01	(4.76)

For the period ended 31st December, 2017 and 31st March, 2017, every percentage increase/decrease in the exchange rate between the INR & US Dollar has affected the Company's incremental margins by approximately (0.24%) (Previous year 0.82%) each.

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

Credit Risk

Credit Risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. Primarily exposure to the credit risk is from trade receivables amounting to ₹5,977.26 million as on

31st December, 2017, ₹5,203.75 million as on 31st March, 2017, ₹5,729.85 million as on 31st March, 2016, ₹4,257.92 million as on 31st March, 2015, ₹3,737.09 million as on 31st March, 2014 and ₹3,327.81 million as on 31st March, 2013 and unbilled revenue amounting to ₹2.46 million as on 31st December, 2017, ₹25.50 million as on 31st March, 2017, ₹2.90 million as on 31st March, 2016 and ₹nil as on 31st March, 2015, 31st March, 2014 and 31st March, 2013 which are typically unsecured. Credit risk is being managed by continuously monitoring the outstanding dues from the customers. Trade Receivables towards export sales are generally managed by establishing Letter of Credit with the clients. Further, most of the clients of the company are Government or Government Undertakings; hence credit risk is bare minimum. Company has impaired, as a prudent measure, the trade receivables towards expected credit loss as per company accounting policy to the extent of ₹640.49 million as on 31st December, 2017, ₹635.28 million as on 31st March, 2017, ₹417.44 million as on 31st March, 2016, ₹456.04 million as on 31st March, 2015, ₹487.58 million as on 31st March, 2014 and ₹387.01 million as on 31st March, 2013.

No significant credit risk on cash and bank balances including clients' funds amounting to ₹30,403.60 million as on 31st December, 2017, 29,771.94 million as on 31st March, 2017, ₹26,487.26 million as on 31st March, 2016, ₹21,760.34 million as on 31st March, 2015, ₹23,452.40 million as on 31st March, 2014 and ₹19,429.13 million as on 31st March, 2013 is expected as company parks surplus funds with Schedule Banks having good credit adequacy ratio and least NPA as determined by RBI and guidelines of the company. Company has parked its owned funds in fixed deposits of ₹11,339.83 million as on 31st December, 2017, ₹9,133.17 million as on 31st March, 2017, ₹6,759.98 million as on 31st March, 2016, ₹7,961.59 million as on 31st March, 2015, ₹7,495.38 million as on 31st March, 2014 and ₹6,128.20 million as on 31st March, 2013 with Schedule banks with negligible credit risks.

Non-Strategic Investments primarily include investments in liquid mutual fund units of ₹2,491.94 million as on 31st December, 2017, ₹1,430.36 million as on 31st March, 2017, ₹nil as on 31st March, 2016, ₹nil as on 31st March, 2015, ₹nil as on 31st March, 2014 and ₹1,224.70 million as on 31st March, 2013 and tax free bonds of ₹1,200.09 million as on 31st December, 2017, ₹1,700.09 million as on 31st March, 2017, ₹2,200.09 million as on 31st March, 2016, ₹2,000.07 million as on 31st March, 2015, ₹2,000.07 million as on 31st March, 2014 and ₹1,750.04 million as on 31st March, 2013 issued by Public Sector Undertaking where risk is minimal.

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

Liquidity Risk

Company's principal sources of liquidity are cash and bank balances and the cash flow that is generated from operations. The company has no outstanding bank borrowings. The company has a working capital of ₹18,250.44 million as on 31st December, 2017, ₹14,000.74 million as on 31st March, 2017, ₹12,460.02 million as on 31st March, 2016, ₹9,110.23 million as on 31st March, 2015, ₹6,350.93 million as on 31st March, 2014 and ₹6,114.55 million as on 31st March, 2013 including cash and bank balance (owned funds) of ₹10,846.96 million as on 31st December, 2017, ₹8,604.58 million as on 31st March, 2017, ₹6,977.55 million as on 31st March, 2016, ₹7,039.64 million as on 31st March, 2015, ₹6,279.18 million as on 31st March, 2014 and ₹6,232.00 million as on 31st March, 2013 and current investment ₹2,491.94 million as on 31st December, 2017, ₹1,930.36 million as on 31st March, 2017, ₹5,60.09 million as on 31st March, 2016, ₹nil as on 31st March, 2015, ₹nil as on 31st March, 2014 and ₹1,224.70 million as on 31st March, 2013. Company believes that the working capital is sufficient to meet its requirements, accordingly no liquidity risk is perceived by the company.

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

2.49.1 Prior Period Transactions are as follows:

(₹ in million)						
Nature	31.12.17	2016-17	2015-16	2014-15	2013-14	2012-13
Fees	23.07	43.14	0.51	(0.40)	(15.53)	(189.36)
Supplies & Services	12.04	41.46	20.57	21.54	29.29	8.71
Employee Benefits	0.32	0.10	0.29	-	(78.87)	0.26
Others	(78.10)	29.93	0.90	21.23	0.55	1.74
Total	(42.67)	114.63	22.27	42.37	(64.56)	(178.65)

2.49.2 Correction of Prior Period transactions with impact on profit.

2.49.2.1 Impact on Balance Sheet Items is as follows:

(₹ in million)							
Prior period for the period	31.12.17						
Impact on	2016-17	2015-16	2014-15	2013-14	2012-13	Prior to 01.04.12	Total
Current Trade Receivables	(21.00)	(0.47)	(0.78)	-	(0.92)	-	(23.17)
Capital Work in Progress	(5.86)	(2.11)	(1.15)	-	-	-	(9.12)
Cash and Bank Balances-Owned Fund	63.44	12.35	21.98	-	-	-	97.77
Other Current Assets	-	-	-	-	-	(1.04)	(1.04)
Total Assets	36.58	9.77	20.05	-	(0.92)	(1.04)	64.44
Trade Payables	14.26	3.50	-	0.18	-	0.60	18.54
Other Financial Liabilities	3.32	-	-	-	-	-	3.32
Other Current Liabilities	-	-	(0.09)	-	-	-	(0.09)
Total Liabilities	17.58	3.50	(0.09)	0.18	-	0.60	21.77
Net Assets (Equity)	19.00	6.27	20.14	(0.18)	(0.92)	(1.64)	42.67

(₹ in million)						
Prior period for the year	31.03.2017					
Impact on	2015-16	2014-15	2013-14	2012-13	Prior to 01.04.12	Total
PPE	0.05	(1.02)	(1.02)	(0.85)	(14.86)	(17.70)
Capital WIP	(19.73)	(2.16)	-	-	-	(21.89)
Current Trade Receivables	(8.82)	(44.48)	(1.80)	(3.12)	4.51	(53.71)
Other Current Assets	(0.03)	(7.18)	(0.40)	-	-	(7.61)
Other non- current assets	-	(0.02)	(0.02)	4.56	(0.49)	4.03
Other Financial Assets	-	-	-	-	2.25	2.25
Total Assets	(28.53)	(54.86)	(3.24)	0.59	(8.59)	(94.63)
Current Trade Payables	7.79	8.71	4.08	3.04	0.26	23.88
Other Financial Liabilities	1.20	(0.21)	(0.15)	-	-	0.84
Other Current Liabilities	(2.09)	(2.63)	-	-	-	(4.71)
Total Liabilities	6.90	5.87	3.93	3.04	0.26	20.00
Net Assets (Equity)	(35.43)	(60.73)	(7.17)	(2.45)	(8.85)	(114.63)

(₹ in million)					
Prior period for the year	31.03.2016				
Impact on	2014-15	2013-14	2012-13	Prior to 01.04.12	Total
Trade Receivables	(0.84)	(0.50)	1.54	(0.71)	(0.51)

Total Assets	(0.84)	(0.50)	1.54	(0.71)	(0.51)
Current Trade Payables	15.48	2.77	1.20	1.34	20.79
Other Financial Liabilities	0.83	0.07	-	0.07	0.97
Total Liabilities	16.31	2.84	1.20	1.41	21.76
Net Assets (Equity)	(17.15)	(3.34)	0.34	(2.12)	(22.27)

(₹ in million)				
Prior period for the year	31.03.2015			
Impact on	2013-14	2012-13	Prior to 01.04.12	Total
PPE	(5.33)	-	-	(5.33)
Trade Receivables	8.04	-	(3.76)	4.28
Other Current Assets	(1.52)	-	-	(1.52)
Other Current Financial Assets	0.14	(0.40)	(1.62)	(1.88)
Total Assets	1.33	(0.40)	(5.38)	(4.45)
Current Trade Payables	14.67	4.04	2.91	21.62
Other Current Financial Liabilities	9.38	0.09	-	9.47
Other Current Liabilities	8.47	(0.46)	(1.18)	6.83
Total Liabilities	32.52	3.67	1.73	37.92
Net Assets (Equity)	(31.19)	(4.07)	(7.11)	(42.37)

(₹ in million)			
Prior period for the year	31.03.2014		
Impact on	2012-13	Prior to 01.04.12	Total
Trade Receivables	9.07	7.04	16.11
Other Current Assets	(0.04)	-	(0.04)
Other Current Financial Assets	23.95	-	23.95
Total Assets	32.98	7.04	40.02
Current Trade Payables	14.23	15.64	29.87
Other Current Financial Liabilities	0.35	0.08	0.43
Current Provisions	(44.22)	(11.00)	(55.22)
Other Current Liabilities	0.38	-	0.38
Total Liabilities	(29.26)	4.72	(24.54)
Net Assets (Equity)	62.24	2.32	64.56

(₹ in million)		
Prior period for the year	31.03.2013	
Impact on	Prior to 01.04.12	Total
Trade Receivables	191.20	191.20
Other Current Assets	(0.92)	(0.92)
Other Current Financial Assets	(3.42)	(3.42)
Total Assets	186.86	186.86
Trade Payables	8.59	8.59
Other Financial Liabilities	0.12	0.12
Other Current Liabilities	(0.50)	(0.50)
Total Liabilities	8.21	8.21
Net Assets (Equity)	178.65	178.65

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

(₹ in million)					
Prior Period for the year 31.12.2017					
Line Items	Impact on	Impact on	Impact on	Impact on	Impact on

	2016-17	2015-16	2014-15	2013-14	2012-13
Revenue from Operations	(21.00)	(0.47)	(0.69)	-	(0.92)
Other Income	63.36	12.25	21.98	-	-
Total Revenue	42.36	11.78	21.29	-	(0.92)
Supplies & services	5.73	1.62	-	-	-
Employee Benefit Exp.	1.01	0.53	-	-	-
Other Expenses	16.62	3.36	1.15	0.18	-
Total Expenditure	23.36	5.51	1.15	0.18	-
Profit Before Tax	19.00	6.27	20.14	(0.18)	(0.92)

(₹ in million)				
Prior Period for the year 2016-17				
Line Items	Impact on 2015-16	Impact on 2014-15	Impact on 2013-14	Impact on 2012-13
Revenue from Operations	(5.49)	(42.26)	(1.44)	(0.97)
Other Income	0.31	0.12	-	-
Total Revenue	(5.18)	(42.14)	(1.44)	(0.97)
Supplies & services	4.67	6.42	3.69	0.40
Cost of export sale	(2.08)	-	-	-
Cost of turnkey Construction projects	0.39	1.12	-	-
Other Expenses	27.27	11.05	2.04	1.08
Total Expenditure	30.25	18.59	5.23	1.48
Profit Before Tax	(35.43)	(60.73)	(7.17)	(2.45)

(₹ in million)			
Prior Period for the year 2015-16			
Line Items	Impact on 2014-15	Impact on 2013-14	Impact on 2012-13
Revenue from Operations	(0.50)	(0.50)	1.54
Other Income	(0.06)	-	-
Total Revenue	(0.56)	(0.50)	1.54
Supplies & services	8.05	0.11	0.28
Travel	0.29	0.06	-
Cost of export sale	0.06	0.07	-
Cost of turnkey Construction projects	4.15	2.49	0.92
Other Expenses	4.04	0.11	-
Total Expenditure	16.59	2.84	1.20
Profit Before Tax	(17.15)	(3.34)	0.34

(₹ in million)		
Prior Period for the year 2014-15		
Line Items	Impact on 2013-14	Impact on 2012-13
Revenue from Operations	(0.28)	0.46
Other Income	0.28	-
Total Revenue	-	0.46
Supplies & services	9.81	3.55
Travel	0.33	0.09
Employee Benefit Exp.	9.18	-
Cost of turnkey Construction projects	1.58	-
Other Expenses	10.29	0.89
Total Expenditure	31.19	4.53
Profit Before Tax	(31.19)	(4.07)

(₹ in million)	
Prior Period for the year 2013-14	
Line Items	Impact on 2012-13
Revenue from Operations	9.07
Other Income	1.38
Total Revenue	10.45
Supplies & services	7.28
Travel	0.60
Employee Benefit Exp.	(66.28)
Cost of export sale	5.50
Cost of turnkey Construction projects	0.45
Other Expenses	0.66
Total Expenditure	(51.79)
Profit Before Tax	62.24

Prior period items have been re-stated in 2016-17, however, there is no impact of provision for taxation on account of prior period re-statement.

Aforesaid prior period figures are crystallized during the period ended December, 2017 though these are prior period transactions and tax benefit on such transactions is available in the period ended December, 2017. However, these figures are re-stated as per IND AS 8 to the respective years on which no tax benefit is available on these respective years due to the reasons given above. The tax impact on such transitions is of ₹8.60 million which is not considered in EPS calculation for the same reason as stated above.

2.49.3 Correction of Prior Period Errors in Earning Per Share (Basic & Diluted):

Year	2016-17	2015-16	2014-15	2013-14	2012-13
Impact on Profit attributable to Equity Share Holders (₹ in million)	19.00	(29.16)	(57.74)	(41.88)	55.14
Weighted average nos. of Equity Shares	200,000,000	200,000,000	200,000,000	200,000,000	200,000,000
Impact on Earnings Per Share (Basic & Diluted)	₹0.10	(₹0.15)	(₹0.29)	(₹0.21)	₹0.28

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

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

(₹ in million)						
Particulars	Period Ended	Year Ended				
	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
Income Tax Expenses:						
- Current Taxes	1,165.44	1,649.70	1,484.24	1,435.72	1,359.65	1,104.91
Deferred Tax (Net)	77.04	(296.04)	171.35	135.71	(122.68)	(59.38)
Total	1,242.48	1,353.66	1,655.59	1,571.43	1,236.97	1,045.53

Entire deferred income tax for the respective year end relates to origination and reversal of temporary differences.

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

(₹ in million)						
Particulars	Period Ended	Year Ended				
	31.12.17	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
Restated Profit Before Income Tax on Normal Business	3,573.22	4,907.90	4,467.28	4,703.12	3,851.19	3,355.24
Enacted Tax Rates in India on Normal Income	34.608%	34.608%	34.608%	33.990%	33.990%	32.445%
Restated Computed Tax Expense	1,236.62	1,698.53	1,546.04	1,598.59	1,309.02	1,088.61
Tax Effect of Exempted Non-Operating Income	(0.99)	(0.20)	(1.25)	(1.53)	(0.62)	(2.32)
Tax Effect due to statutory deduction on Income from HP	(0.80)	(1.07)	(1.07)	(1.05)	(1.19)	(0.96)
Tax Effect due to Tax Rate on Income from Dividend	(3.30)	-	(0.05)	-	-	(0.02)
Tax Effect due to Tax Rate on Income from LTCG	-	(82.45)	-	-	-	-
Tax Effect on Cost of Investment (LTCG)	-	(18.63)	-	-	-	-
Tax Effect of Non-Deductible Expenditures	77.27	280.52	184.84	14.54	218.22	147.34
Tax Effect due to Non-Taxable Income	(144.15)	(228.75)	(244.26)	(174.84)	(165.78)	(130.33)
Tax Reversals and others	77.84	(294.29)	171.35	135.72	(122.68)	(56.78)
Restated Current Tax Expense	1,242.48	1,353.66	1,655.59	1,571.43	1,236.97	1,045.53

Details of income tax assets and liabilities are as follows:

(₹ in million)						
Particulars	As on					
	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
Income Tax Assets	2,340.85	3,214.89	2,761.25	2,514.14	2,620.02	2,333.36
Less: Current Income Tax Liabilities	1,165.45	1,649.70	1,484.24	1,435.72	1,359.65	1,104.91
Net Current Income Tax Assets/(Liability) at the end	1,175.40	1,565.19	1,277.01	1,078.42	1,260.35	1,228.45

The gross movement in the current income tax asset/(liability) is as follows:

(₹ in million)		
Particulars	Period	Year Ended

	Ended					
	31.12.17	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
Net current income tax asset/(liability) at the beginning of the period	1,565.19	1,277.01	1,078.42	1,260.37	1,228.45	972.51
Tax Impact due to Change in Deferred Tax Assets/Liabilities (Net)	(77.04)	296.04	(171.35)	(135.71)	122.68	59.38
Income Tax paid	852.69	1,641.84	1,854.18	1,389.48	1,268.89	1,301.47
Current income tax expense on normal income	(1153.82)	(1643.18)	(1433.84)	(1390.67)	(1330.07)	(1055.58)
Current Income tax expenses due to Translation Difference/ Exchange Variation	(11.62)	(6.52)	(50.40)	(45.05)	(29.58)	(49.33)
Net Current Income Tax Asset/(Liability) at the end	1,175.40	1,565.19	1,277.01	1,078.42	1,260.37	1,228.45

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

(₹ in million)						
Particulars	As on					
	31.12.17	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
Deferred Income Tax Assets:						
Leave Encashment and other Provisions	360.12	399.16	202.51	355.07	473.97	364.53
Provisions for Doubtful Debts, Security Deposits/EMD, Advances Etc.	280.18	278.74	205.29	207.51	219.44	176.30
Total Deferred Income Tax Assets - I	640.30	677.90	407.80	562.58	693.41	540.83
Deferred Income Tax Liabilities:						
Property Plant & Equipment	131.35	91.91	117.85	101.28	96.40	66.50
Total Deferred Income Tax Liabilities - II	131.35	91.91	117.85	101.28	96.40	66.50
Deferred Income Tax Assets after set off	508.95	585.99	289.95	461.30	597.01	474.33

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

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

Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, management believes that the company will realize the benefits of those deductible differences. The amount of deferred income tax assets

considered realizable could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

The gross movement in the deferred income tax account are as follows:

(₹ in million)						
Particulars	Period Ended	Year ended				
	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
Net deferred income tax asset/(liability) at the beginning	585.99	289.95	461.30	597.01	474.33	414.95
Credit/(Change) relating to temporary differences	(77.04)	296.04	(171.35)	(135.71)	122.68	59.38
Net Deferred Income Tax Asset/(Liability) at the end	508.95	585.99	289.95	461.30	597.01	474.33

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

2.51.1 Capital Management

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

2.51.2 Subsequent Event-Dividend

Dividend Statement:

(₹ in million)					
Particulars	For the year ended				
	2016-17	2015-16	2014-15	2013-14	2012-13
Face value per share (in ₹)	10	10	10	10	10
Interim Dividend (₹ in million)	550	450	300	300	200
Final Dividend (₹ in million)*	780	910	320	230	300
Total Dividend (₹ in million)	1330	1360	620	530	500
No. of Shares (in million)	200	100	100	100	100
Dividend per share (in ₹)	7.57**	13.60	6.20	5.30	5.00
Rate of dividend (%)	75.70	136.00	62.00	53.00	50.00
Dividend Tax	270.76	276.86	125.14	90.09	83.39
Dividend Tax (%)	***				

*Final Dividend pertaining to relevant financial year is paid in next financial year after the approval from shareholders in AGM.

** For FY 2016-17, interim dividend has been paid on 150 million shares at ₹3.67 per share in FY 2016-17 and final dividend has been paid on 200 million shares at ₹3.90 per share in current FY 2017-18.

For FY 2017-18, interim dividend of ₹700 million has been paid on 200 million shares at ₹3.50 per share in January, 2018.

*** The rate of dividend tax is as follows:-

Period	Rates
From April 1, 2013 to September 30, 2014	16.995%

From October 1,2014 to March 31, 2015	19.99412%
From April 1,2015	20.35765%

Other Disclosures:

2.52 Provisions towards Pay Commissions

2.52.1 Company has made a provision of ₹45.10 million towards salary increase for staff in CDA pay scales based on the approved recommendations of 7th Pay Commission which is effective from 1st January, 2016.

2.52.2 Company has made a provision of ₹570 million towards salary increase for staff in IDA pay scales based on the recommendations of 3rd PRC which is effective from 1st January, 2017.

2.53 Information on CSR expenditure:

- (a) Gross amount required to be spent during the year 2017-18 ₹99 million (previous year 2016-17 ₹92 million).
- (b) Amount spent during the period on:

Particulars		(₹ in million)					
		Amount Paid		Yet to be Paid		Total	
		31.12.17	2016-17	31.12.17	2016-17	31.12.17	2016-17
(i)	Construction/ acquisition of any asset	15.90	52.10	-	-	15.90	52.10
(ii)	On purposes other than (i) above	10.81	39.90	-	-	10.81	39.90
	Total	26.71	92.00	-	-	26.71	92.00

Particulars		(₹ in million)					
		Amount Paid		Yet to be Paid		Total	
		2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
(i)	Construction/ acquisition of any asset	23.10	67.16	-	-	23.10	67.16
(ii)	On purposes other than (i) above	59.70	11.80	-	-	59.70	11.80
	Total	82.80	78.96	-	-	82.80	78.96

Particulars		(₹ in million)					
		Amount Paid		Yet to be Paid		Total	
		2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
(i)	Construction/ acquisition of any asset	48.79	62.62	-	-	48.79	62.62
(ii)	On purposes other than (i) above	4.40	1.80	-	-	4.40	1.80
	Total	53.19	64.42	-	-	53.19	64.42

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

Balance sheet items

(Figures in ₹)							
Description	Note No.	As on 31.12.17	As at 31.03.17	As at 31.03.16	As at 31.03.15	As at 31.03.14	As at 31.03.13
(i) Non-current investment Moru Mahal Co-operative Society Ltd.	2.8.1	250.00	250.00	250.00	250.00	250.00	250.00
(ii) Amit Industrial Co-operative Society Ltd.		500.00	500.00	500.00	500.00	500.00	500.00

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

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

Description	₹ in million					
	Period Ended	Year ended				
	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
Components & Spares Parts	-	33.60	9.40	-	545.90	-

- 2.55.2 Expenditure in foreign currencies:-

Description	₹ in million					
	Period Ended	Year ended				
	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
(i) Consultation Fees	92.87	236.00	75.80	57.40	246.30	126.60
(ii) Salaries & others	17.98	32.30	34.30	52.90	81.70	67.80
(iii) Travel	25.60	39.10	20.90	22.00	56.40	40.20
(iv) Others*	8.23	11.00	3.30	2.50	15.90	12.10

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

- 2.55.3 Spare parts and components consumed:-

Description	₹ in million					
	Period Ended		Year ended			
	31.12.17		31.03.2017		31.03.2016	
	Value	%	Value	%	Value	%
Imported	-	-	-	-	-	-
Indigenous	34.76	100%	109.56	100%	62.12	100%

Description	₹ in million					
	Year ended					
	31.03.2015		31.03.2014		31.03.2013	
	Value	%	Value	%	Value	%
Imported	-	-	545.90	93%	-	-
Indigenous	50.60	100%	40.35	7%	51.10	100%

2.55.4 Earning in foreign currencies:-

Description	₹ in million					
	Period Ended	Year ended				
	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
(i) Export sale - FOB basis	1,577.37	3,716.30	1,844.20	1,489.60	4,041.40	3,039.60
(ii) Lease Services	97.41	223.70	346.40	243.00	254.30	195.10
(iii) Consultation Fees	207.96	280.20	143.90	151.80	136.80	141.40
(iv) Other Income (includes sales of tender etc.)	-	0.10	-	2.50	5.80	45.30

2.55.5 Dividend from subsidiary company is as follows:

Description	₹ in million					
	Period Ended	Year ended				
	31.12.17	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
Dividend from RITES Afrika Pty Ltd.	0.31	-	0.29	-	-	0.14

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

(₹ in million)							
S. No.	Particulars	As on 31.12.17	As at 31.03.17	As at 31.03.16	As at 31.03.15	As at 31.03.14	As at 31.03.13
a	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting period						
	- Principal amount due to micro, small and medium enterprises	2.88	19.15	7.77	0.70	11.76	4.08
	- Interest due on above	-	-	-	-	-	-
b	The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting period.	-	-	-	-	-	-
c	The amount of interest due and payable for the period of delay in making payment (which	-	-	-	-	-	-

	have been paid but beyond the appointed day during the period) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006							
d	The amount of interest due and remaining unpaid at the end of each accounting period	-	-	-	-	-	-	-
e	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of Micro, Small and Medium Enterprises Development Act, 2006.	-	-	-	-	-	-	-

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

2.57 In a pre-closed contract in the year 2005–06, company raised claims of ₹2339.30 million against a client and the client raised counter claims of ₹4691 million.

The arbitrator on 19th January, 2011 rejected the aforesaid counter claims of the client and awarded ₹883.1 million in favour of the company against claims of ₹2339.3 million. 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 ₹2316.8 million with interest in favour of the company. Client filed a petition in the Civil Court of Ranchi on 31st July, 2011 & thereafter amendment for setting aside the aforesaid award of the appellate authority which is still pending before the Civil Court. Arguments of both the parties have been concluded on 16/11/2017 and order is passed in favour of RITES on 22.11.2017. Wherein the petition filed by client is dismissed and preliminary objection filed by company is allowed by the Civil Court. RITES has asked our Advocate who furnish the opinion regarding recovery of awarded amount and same is awaited. Thus the award has not been recognized.

2.57.1 The executing agency also raised claims (excluding interest) of ₹1844.1 million against the company before the arbitration tribunal at Ranchi and company also raised counter claims of ₹6445.3 million against the executing agency for the contract which became void due to commitment of fraud by the agency, thus terminated. Both the parties have concluded their arguments before the Tribunal and award has been published on 18th October, 2016 in favour of the company. As per the award, Company will get ₹630 million from executing agency effective from the date of publication of award i.e. 18th October, 2016. Executing agency has the right to file the objection before the Jharkhand High Court, Ranchi within 4 months of receipt of copy of award by executing agency. As per information of the Tribunal, agency received the copy of award on 1st March, 2017. The executing agency filed the arbitration appeal before Jharkhand High Court on 25th May, 2017, matter for arguments was fixed on 2nd February, 2018 which could not take place and the next date of hearing is yet to be fixed. In view of the above, company has not recognized the award amount in the books of account.

Further, Company has to pay ₹259.2 million to executing agency after receiving the said amount from the client. However, matter with client is pending for settlement before Civil Court, Ranchi. The said amount of ₹259.2 million is included in the contingent liabilities. (Refer note no. 2.46.2).

- 2.57.2 Cumulative interest up to 31.12.2017 due from the executing agency of ₹254.90 million as on 31st December, 2017, ₹239.7 million as on 31st March, 2017, ₹219.5 million as on 31st March, 2016, ₹199.3 million as on 31st March, 2015, ₹179.1 million as on 31st March, 2014, ₹158.9 million as on 31st March, 2013 on mobilization advance of ₹168 million has not been recognized as income due to uncertainty as regard to realizability. This includes Interest of ₹15.2 million for the period ended on 31st December, 2017, ₹20.2 million for the year ended on 31st March, 2017, ₹20.2 million for the year ended on 31st March, 2016, ₹20.2 million for the year ended on 31st March, 2015, ₹20.2 million for the year ended on 31st March, 2014, ₹20.2 million for the year ended on 31st March, 2013.
- 2.58 A joint venture company named CCFB was incorporated in Mozambique in 2004 for rehabilitation, operation and management of Beira Rail Corridor, Mozambique by entering into a 25 years concessioning agreement with the Government of Mozambique. Company invested a sum of ₹60.09 million in equity in the said joint venture company for a 26% share. Other shareholders are IRCON & CFM, Mozambique with 25% & 49% share respectively. The company extended a shareholder loan of ₹878.9 million (equivalent to US\$ 19.79 million) inclusive of interest accrued which was converted to principal as per agreement, out of which company received repayment of part loan amounting to ₹44.4 million (equivalent to US\$ one million) during the year 2012-13.
- 2.58.1 On 8th December, 2011, Government of Mozambique (GoM) unilaterally terminated the concessioning agreement and took over the project which in the opinion of the company was unlawful and against the provisions of the agreement. Consequently CCFB initiated arbitration against the said decision of GoM.
- 2.58.2 Dispute has been amicably settled with Government of Mozambique (GoM) on 21st October, 2015 through settlement agreement. As per schedule of payment of the settlement agreement, upfront payment of USD 17.07 million was received in financial year 2015-16 and LC was also established by GoM in financial year 2016-17. Further, 1st and 2nd installments of USD 5.655 million each as per schedule of payment has also been received in financial year 2016-17 & 2017-18 respectively.
- 2.58.3 In view of receipt of payments and establishment of LC duly confirmed by Scheduled Bank in India, company transferred its shareholding in CCFB to CFM, a nominated agency of GoM on 22nd September, 2016 and consequently profit of ₹714.72 million on such transfer of equity shares has been recognized in Statement of Profit and Loss for financial year 2016-17.
- After settlement with GoM, income from CCFB regarding Interest income, exchange variation, consultancy fee & lease charges have been recognized in the FY 2015-16 in the previous GAAP. However in restated financial statement income pertaining to previous financial years has been recognized along with tax impact in the respective financial years.
- 2.59 Under the settlement agreement with Government of Tanzania, last three installments out of six installments of principal amounting to ₹579.35 million (equivalent US\$ 9.19 million) are still outstanding. Since the payment is due from Government of Tanzania which has also been acknowledged by them, the amount is considered good for recovery in view of the management and hence no provision is required to be made. Interest on principal and on delayed payments of ₹197.36 million (equivalent US\$ 3.13 million) has not been recognised.
- 2.60 Foreign Service Contribution is recognized on accrual basis in the Statement of Profit and Loss Account as per the deputation terms with parent organizations in respect of officers taken on deputation from other organizations.
- 2.61.1 Lease deeds are pending for execution in respect of the office building at Central Metro Railway Building, 56, C.R. Avenue, Kolkata of ₹34.6 million as on 31st December, 2017, 31st March, 2017, 31st March, 2016, 31st March, 2015, 31st March, 2014 and 31st March, 2013, the physical testing laboratory at 52 A&B, C.R. Avenue, Kolkata of ₹12.4 million as on 31st December, 2017, 31st March, 2017, 31st March, 2016 and 31st March, 2015, office building at DLF Cybercity, Bhubaneswar of

₹56.4 million as on 31st December, 2017 and 31st March, 2017 and Multi-Functional Complexes of ₹60 million as on 31st December, 2017 and 31st March, 2017.

- 2.61.2 RITES purchased a freehold land for construction of office building at Gomati Nagar Extension, Lucknow from Lucknow Development Authority (LDA) and was registered in the financial year 2010-11 at a total cost of ₹ 42.2 million including registry charges. The physical possession of the land has not been given to RITES due to some disputes regarding acquisition of land by LDA. LDA has for the first time disclosed about the dispute and legal issue in respect of the plot vide their letter dated 29.05.2017. Hon'ble Court has cancelled the acquisition of land by LDA. LDA assured to allot alternate land to RITES. Pending allotment of alternative land to RITES, the amount shown as freehold land under Property, Plant & Equipment has been transferred to capital advance.
- 2.61.3 Northern Railway has leased a plot in Wazirpur Northern Railway colony, Delhi for construction of residential flats to RITES LTD for a period of thirty years. The lease period has been expired in the month of March-2015. The extension of lease has been sought from Northern Railway and the same is under consideration.
- 2.62 Consultancy fee of ₹24.3 million for the year ended on 31st March, 2016, ₹62.9 million for the year ended on 31st March, 2015, ₹110.7 million for the year ended on 31st March, 2014 and ₹101.2 million for the year ended on 31st March, 2013 due in one of the overseas projects is not being recognized as works have not been carried out by the contractors to the satisfaction of the client and the realisability of the fee based on the works done seems to be uncertain.
- 2.63 Sundry creditors, customers advances, amounts recoverable, security deposits receivable/payable are subject to confirmation.
- 2.64 Information as regard to loans, investments made as required under section 186(4) of the Companies Act, 2013 have been given vide note no. 2.8.1, 2.8.2, 2.9, & 2.17.
- 2.65 Amendment to Ind AS 7 “Statement of Cash Flows”:

During the quarter, the Company adopted the amendment to Ind AS 7, which require the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement. The adoption of amendment did not have any material the effect on the interim standalone financial statements.

ANNEXURE VII: STATEMENT ON ADJUSTMENTS TO AUDITED STANDALONE FINANCIAL STATEMENTS							(₹ in million)
PARTICULARS	NOTE NO.	PERIOD ENDED 31.12.2017	YEAR ENDED 31.03.2017	YEAR ENDED 31.03.2016	YEAR ENDED 31.03.2015	YEAR ENDED 31.03.2014	YEAR ENDED 31.03.2013
A. NET PROFIT AFTER TAX AS PER AUDITED STANDALONE FINANCIAL STATEMENTS		2,540.74	3,308.23	3,389.20	3,061.36	2,636.02	2,454.44
B. IND AS ADJUSTMENTS							
PRIOR PERIOD ADJUSTMENTS			19.00	(6.89)	(15.37)	(106.44)	(123.51)
PREPAID ADJUSTMENTS				-	0.61	0.67	1.10
WORK IN PROGRESS				10.15	28.55	(71.31)	(85.23)
REMEASUREMENTS OF THE DEFINED BENEFIT LIABILITY/ASSET				13.20	(36.80)	25.40	(45.70)
EMPLOYEE BENEFITS				-	2.50	(2.50)	-
PROPERTY, PLANT & EQUIPMENTS				1.08	(0.10)	(2.09)	(0.09)
UNWINDING WARRANTIES & DISCOUNTING OF WARRANTIES EXPENSES				8.50	(3.34)	(8.20)	(1.93)
TAX EFFECT OF ADJUSTMENTS		(169.88)	221.11	(142.84)	(15.21)	40.33	3.59
TOTAL OF IND AS ADJUSTMENTS		(169.88)	240.11	(116.80)	(39.16)	(124.14)	(251.77)
C. NET PROFIT AFTER TAX AS PER IND AS (A+B)		2,370.86	3,548.34	3,272.40	3,022.20	2,511.88	2,202.67
D. OTHER ADJUSTMENTS:							
AUDIT QUALIFICATION		-	-	-	-	-	-
CONSULTANCY FEE & LEASE INCOME FROM CCFB MOZAMBIQUE		-	-	(113.09)	3.04	2.07	-
INTEREST INCOME FROM CCFB MOZAMBIQUE		-	-	(213.60)	61.80	59.40	50.90
EXCHANGE VARIATION ON CCFB DUES		-	-	(364.63)	64.50	118.72	63.29
TAX EFFECT ON OTHER ADJUSTMENTS		-	-	239.21	(43.95)	(61.25)	(37.05)
TOTAL IMPACT OF OTHER ADJUSTMENTS		-	-	(452.11)	85.39	118.94	77.14
RESTATED NET PROFIT (C+D)		2,370.86	3,548.34	2,820.29	3,107.59	2,630.82	2,279.81

NOTE TO ADJUSTMENTS:**1. OTHER ADJUSTMENTS:**

AFTER SETTLEMENT WITH GOVERNMENT OF MOZAMBIQUE(GoM), INCOME FROM CCFB, MOZAMBIQUE REGARDING INTEREST INCOME, EXCHANGE VARIATION, CONSULTANCY FEE & LEASE CHARGES HAVE BEEN RECOGNISED IN THE FINANCIAL YEAR 2015-16 IN THE PREVIOUS GAAP. HOWEVER, IN RESTATED FINANCIAL STATEMENT, INCOME PERTAINING TO PREVIOUS FINANCIAL YEARS HAS BEEN RECOGNISED ALONG WITH TAX IMPACT IN THE RESPECTIVE FINANCIAL YEARS.

2. RECONCILIATION OF GENERAL RESERVE AS AT 01.04.2012		
(₹ in million)		
PARTICULARS	NOTE NO.	AS AT 01.04.2012
A. GENERAL RESERVE AS PER PREVIOUS INDIAN GAAP		9,678.95
B. IND AS ADJUSTMENTS		
PROPOSED DIVIDEND		180.00
TAX ON PROPOSED DIVIDEND		29.20
WORK IN PROGRESS		(254.15)
PRIOR PERIOD ADJUSTMENT		161.25
PREPAID ADJUSTMENTS		(3.30)
UNWINDING WARRANTIES & DISCOUNTING OF WARRANTIES EXPENSES		14.90
REMEASUREMENTS OF THE DEFINED BENEFIT LIABILITY/ASSET		38.20
PROPERTY, PLANT & EQUIPMENTS AND OTHERS		(1.00)
TAX EFFECT OF ADJUSTMENTS		26.02
TOTAL OF IND AS ADJUSTMENTS		191.12
C. TOTAL GENERAL RESERVE AS PER IND AS (A+B)		9,870.07
D. OTHER ADJUSTMENTS:		
AUDIT QUALIFICATION		-
CONSULTANCY FEE & LEASE INCOME FROM CCFB MOZAMBIQUE		74.50

INTEREST INCOME FROM CCFB MOZAMBIQUE		41.53
EXCHANGE VARIATION ON CCFB DUES		151.57
TAX EFFECT ON OTHER ADJUSTMENTS		(86.82)
TOTAL IMPACT OF OTHER ADJUSTMENTS		180.78
RESTATED GENERAL RESERVE (C+D)		10,050.85

Annexure – VIII - Statement of Capitalisation - Standalone

(₹ in million)		
	Pre-Issue	
	As at Dec. 31, 2017	As at March 31, 2017
Shareholders' Fund		
Equity Share Capital	2,000.00	2,000.00
Reserves and Surplus	19,630.81	18,377.54
Total Shareholders' Funds (A)	21,630.81	20,377.54
Debt		
Long Term Borrowings	-	-
Short Term Borrowings	-	-
Other Borrowings (Current maturity of long term borrowings)	-	-
Total Debt (B)	-	-
Total (A+B)	21,630.81	20,377.54
Long-term debt/equity ratio	-	-
Total debt/equity ratio	-	-

Notes:

- (I) The above has been computed on the basis of the Restated standalone Financial information.
- (II) The corresponding Post IPO capitalisation data in the above table is not determinable at this stage pending the completion of the Book Building Process and hence the same has not been provided in the above statement.

Annexure –IX - Restated Statement of Accounting Ratios – Standalone

Sr. No	Particulars	Period ended Dec. 31, 2017	For the year ended				
			March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
1	Restated Profit / (Loss) after Tax (₹ in million)	2,370.86	3,548.34	2,820.29	3,107.59	2,630.82	2,279.81
2	Net Profit / (Loss) available to Equity Shareholders excluding Exceptional Items (₹ in million)	2,370.86	3,548.34	2,820.29	3,107.59	2,630.82	2,279.81
3	Weighted average number of basic Equity Shares outstanding during the year	200,000,000	200,000,000	200,000,000	200,000,000	200,000,000	200,000,000
4	Weighted average number of diluted Equity Shares outstanding during the year	200,000,000	200,000,000	200,000,000	200,000,000	200,000,000	200,000,000
5	Number of equity shares outstanding at the end of the year	200,000,000	200,000,000	100,000,000	100,000,000	100,000,000	100,000,000
6	Net Worth for Equity Shareholders (₹ in million)	21,630.81	20,377.54	18,580.52	16,695.58	14,192.97	12,280.72
7	Accounting Ratios: Basic Earnings per Share (in ₹) (2)/(3)	11.854	17.742	14.101	15.538	13.154	11.399
	Diluted Earnings per Share (in ₹) (2)/(4)	11.854	17.742	14.101	15.538	13.154	11.399
	Return on Net Worth for Equity Shareholders(2)/(6)	10.961	17.413	15.179	18.613	18.536	18.564

(%)							
Net Asset Value Per Share (in ₹) (6)/(5)	108.154	101.888	185.805	166.956	141.930	122.807	

Note:

1. Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the year and bonus share issued during the year considered from the beginning of the period presented.
2. Net worth for ratios is = Equity share capital + other equity.
3. The above ratios have been computed on the basis of the Restated financial information.

Annexure X : Restated Statement of Other Income													(₹ in million)	
PARTICULARS	NATURE (RECURRING/ NON- RECURRING)	PERIOD ENDED		YEAR ENDED		YEAR ENDED		YEAR ENDED		YEAR ENDED		YEAR ENDED		
		31.12.2017		31.03.2017		31.03.2016		31.03.2015		31.03.2014		31.03.2013		
INTEREST EARNED ON:														
WITH														
- DEPOSITS	Recurring	619.66		782.23		811.37		828.32		765.22		700.50		
BANK														
- TAX FREE	Recurring	90.83		151.36		148.47		138.88		125.58		92.21		
BONDS														
- STAFF	Recurring	11.49		17.86		13.03		13.22		11.74		8.32		
ADVANCES														
- LOAN TO	Recurring	4.70		1.42		2.57		2.98		-		-		
SRBWPL														
(RELATED														
PARTY)														
- LOAN TO	Recurring	-		-		304.52		-		-		-		
CCFB														
(RELATED														
PARTY)														
- OTHERS	Non-Recurring	42.29	768.97	86.26	1,039.13	-	1,279.96	10.21	993.61	-	902.54	0.76	801.79	
PROVISION NO	Non-Recurring		188.43		55.18		214.72		309.85		543.34		173.17	
LONGER														
REQUIRED														
PROFIT ON SALE	Non-Recurring		0.45		0.59		1.18		0.85		0.39		0.98	
OF FIXED ASSETS														
PROFIT ON SALE	Non-Recurring				714.72									
OF INVESTMENT														
IN JOINT														
VENTURE														
DEFERRED	Recurring		16.13		19.56									
INCOME														
TOWARDS GOVT														
OF MOZAMBIQUE														
RECEIVABLES														
DIVIDEND FROM:														

- RITES (AFRIKA) (RELATED PARTY)	Recurring	0.31	-		0.29	-	-	-	0.14				
- RAILWAY ENERGY MANAGEMENT COMPANY LIMITED	Recurring	18.76	-	-	-	-	-	-	-	-	-	-	-
- TRADE NON CURRENT INVESTMENTS	Recurring	0.05	0.03		0.03		0.06		0.06		0.03		
- TRADE CURRENT INVESTMENTS	Recurring	52.46	71.58	44.51	44.54	12.50	12.82	27.36	27.42	22.70	22.76	28.48	28.65
EXPORT INCENTIVES	Recurring		95.02		140.13		0.56		85.88		3.85		52.26
RENT FROM INVESTMENT PROPERTIES	Recurring		7.39		9.85		9.85		9.85		11.21		9.61
EXCHANGE VARIATION	Recurring		54.65		-		497.94		46.15		-		88.75
MISC. INCOME	Recurring		41.31		28.45		54.87		34.91		43.67		73.21
Total Other Income as per previous GAAP			1,243.93		2,052.15		2,071.90		1,508.52		1,527.76		1,228.42
Add/Less: Ind AS Adjustments													
AMORTISATION OF STAFF LOAN			-		-		8.30		8.10		7.10		5.40
PROVISION NO			-		-								

LONGER REQUIRED						(164.57)		(216.60)		(419.30)		(74.16)
EXCHANGE VARIATION			-	18.84		12.33		21.90		(31.69)		-
MISCELLANEOUS INCOME			-	-		0.20		0.10		0.30		(0.49)
Total Ind AS Adjustments			-	18.84		(143.74)		(186.50)		(443.59)		(69.25)
Total Other Income as per Ind AS			1,243.93	2,070.99		1,928.16		1,322.02		1,084.17		1,159.17
Add/Less: Other Adjustments												
INTEREST ON LOAN TO CCFB			-	-		(213.60)		61.80		59.40		50.90
EXCHANGE VARIATION ON CCFB DUES			-	-		(364.63)		64.50		118.72		63.29
Total other Adjustments			-	-		(578.23)		126.30		178.12		114.19
Total Restated Other Income			1,243.93	2,070.99		1,349.93		1,448.32		1,262.29		1,273.36

NOTE ON OTHER ADJUSTMENTS:

AFTER SETTLEMENT WITH GOVERNMENT OF MOZAMBIQUE(GoM), INCOME FROM CCFB, MOZAMBIQUE REGARDING INTEREST INCOME, EXCHANGE VARIATION, CONSULTANCY FEE & LEASE CHARGES HAVE BEEN RECOGNISED IN THE FINANCIAL YEAR 2015-16 IN THE PREVIOUS GAAP. HOWEVER, IN RESTATED FINANCIAL STATEMENT, INCOME PERTAINING TO PREVIOUS FINANCIAL YEARS HAS BEEN RECOGNISED ALONG WITH TAX IMPACT IN THE RESPECTIVE FINANCIAL YEARS.

Annexure XI - Statement of Tax Shelter - Standalone

								(₹ In million)	
Sl. No.	Particulars	For the period ended 31.12.2017	For the year ended 31st March 2017	For the year ended 31st March 2016	For the year ended 31st March 2015	For the year ended 31st March 2014	For the year ended 31st March 2013		
	Restated profit/(loss) before tax	3,634.58	4,898.90	4,480.48	4,666.32	3,876.59	3,309.54		
	Other Comprehensive Income(OCI)	(61.36)	9.00	(13.20)	36.80	(25.40)	45.70		

	Restated profit/(loss) Before Tax	3,573.22	4,907.90	4,467.28	4,703.12	3,851.19	3,355.24
	Less: Dividend from Subsidiaries	19.07	-	0.29	-	-	0.14
	Less : Long Term Capital Gain(Net)	-	714.72	-	-	-	-
	Adjusted Profit/(Loss) before Tax	3,554.15	4,193.18	4,466.99	4,703.12	3,851.19	3,355.10
	Corporate Tax Rates	34.608%	34.608%	34.608%	33.990%	33.990%	32.445%
	Tax at Special Rate	17.304%	17.304%	17.304%	16.995%	16.995%	16.223%
	LT Capital Gain Rate	23.072%	23.072%	23.072%	22.660%	22.660%	21.630%
A	Tax at Statutory Income Tax Rates	1,233.31	1,616.08	1,545.99	1,598.59	1,309.02	1,088.58
	Permanent Differences						
	Profit of Joint Venture to be assessed Separately	(2.87)	(0.58)	(3.60)	(4.50)	(1.82)	(7.15)
	Loss on Sale/Fixed Asset written off	0.07	0.66	0.58	0.14	0.24	0.29
	Profit of Sale of Fixed Assets	(0.45)	(0.59)	(1.18)	(0.85)	(0.39)	(0.98)
	Tax paid on Perks to Employees(U/s 10(10CC))	3.90	8.70	6.45	5.48	5.66	3.09
	Donation U/s 80G(Net of Tax benefit)	-	-	-	0.10	-	0.03
	Tax Free Income	(143.34)	(195.90)	(160.99)	(166.31)	(148.34)	(120.82)
	ROC Charges for increase in Authorised Share Capital	-	-	-	-	-	2.52
	Admissible Deductions & Expenditure for Income from HP	(0.80)	(1.08)	(0.94)	(0.77)	(0.98)	(1.05)
	Expenses on Corporate Social Responsibility	26.71	92.01	82.77	78.96	-	-
	Indexation benefit on LTCG	-	(80.74)	-	-	-	-
	Total Permanent Differences	(116.78)	(177.52)	(76.90)	(87.74)	(145.64)	(124.07)
B	Tax Impact on Permanent Adjustment	(40.42)	(52.12)	(26.62)	(29.82)	(49.50)	(40.25)
	Temporary Differences						
	Provision for Leave Encashment	66.75	62.34	(64.22)	43.51	(5.52)	88.09
	Provision for Doubtful Debts(Net)	19.54	221.51	(17.50)	(35.09)	102.22	(11.19)
	Amount Written Back-Provision no longer Required	-	-	-	-	-	(1.96)
	Provision - Contract Employee Benefit(Net)	(17.38)	(27.64)	25.00	7.95	(0.40)	0.38

	Provision for Superannuation Benefit(Pension+Medical)	(161.67)	-	(3.14)	(401.33)	276.98	149.31
	Difference between depreciation & amortisation as per Companies Act & Income Tax Act	11.11	(13.52)	(41.66)	(6.49)	(78.68)	(58.28)
	Adjustment for Joint Operations	2.34	5.06	-	-	-	8.04
	Total Temporary Differences	(79.31)	247.76	(101.51)	(391.45)	294.59	174.39
C	Tax Impact on Temporary Adjustment	(27.45)	85.74	(35.13)	(133.05)	100.13	56.58
D	Net Adjustments (B+C)	(67.87)	33.62	(61.75)	(162.87)	50.63	16.33
E	Tax Liability (A+D) - Restated	1,165.44	1,649.70	1,484.24	1,435.72	1,359.65	1,104.91

Annexure – XII –Statement of Dividend

Particulars	Financial Performance				
	(For the Fiscal)				
	2013	2014	2015	2016	2017
Face value per share (in ₹)	10	10	10	10	10
Interim Dividend (₹ in million)	200	300	300	450	550
Final Dividend (₹ in million)*	300	230	320	910	780
Total Dividend (₹ in million)	500	530	620	1360	1330
No. of Shares (In million)	100	100	100	100	200
Dividend per share (in ₹)	5.00	5.30	6.20	13.60	7.57**
Rate of dividend (%)	50	53	62	136	75.7
Dividend Tax (₹ in million)	83.39	90.09	125.14	276.86	270.76
Dividend Tax (%)	***				

*Final Dividend pertaining to relevant financial year is paid in next financial year after the approval from shareholders in AGM.

** For FY 2016-17, interim dividend paid on 150 million shares at ₹3.67 per share in FY 2016-17 and final dividend paid on 200 million shares at ₹3.90 per share in current FY 2017-18.

For FY 2017-18, interim dividend of ₹700 million has been paid on 200 million shares at ₹3.50 per share in January, 2018.

*** The rate of dividend tax is as follows:-

Period	Rates
From April 1, 2013 to September 30, 2014	16.995%
From October 1, 2014 to March 31, 2015	19.99412%
From April 1, 2015	20.35765%

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

You should read the following discussion of our financial condition and results of operations together with our Restated Financial Information and the related notes which is included in this Red Herring Prospectus in section "Financial Information" on page 199. The following discussion and analysis of our financial condition is based on our Restated Consolidated Financial Information as of and for the nine month period ended December 31, 2017 and for the fiscal years ended March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013 including the significant accounting policies and notes thereto and report thereon, restated in accordance with Ind AS as per SEBI ICDR Regulations and included in this Red Herring Prospectus.

Our fiscal year ends on March 31 of each year, so all references to a particular "Fiscal" are to the 12 month period ended March 31 of that fiscal year.

This discussion contains forward-looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those described under "Certain Conventions, Presentation of Financial, Industry and Market Data", "Risk Factors" and "Forward Looking Statements" on pages 14, 18 and 16 respectively, and elsewhere in this Red Herring Prospectus.

In this section, a reference to the "Company" means RITES Limited. Unless the context otherwise requires, references to "we", "us", or "our" refers to RITES Limited, its Subsidiaries and Joint Ventures, taken as a whole. Unless otherwise indicated, the financial information included herein is based on the Restated Consolidated Financial Information.

Overview

We are a wholly owned Government Company, a Miniratna (Category – I) Schedule 'A' Public Sector Enterprise and a leading player in the transport consultancy and engineering sector in India and the only company having diversified services and geographical reach in this field under one roof (*Source: IRR Report*). Based on Public Enterprise Survey 2015-2016, our Company is ranked no. 1 based on net profit and dividend declared in Industrial Development and Technical Consultancy Services sector (*Source: IRR Report*). We have an experience spanning 44 years and have undertaken projects in over 55 countries including Asia, Africa, Latin America, South America and Middle East regions. We are the only export arm of Indian Railways for providing rolling stock overseas (other than Thailand, Malaysia and Indonesia). We are a multidisciplinary engineering and consultancy organization providing diversified and comprehensive array of services from concept to commissioning in all facets of transport infrastructure and related technologies.

We have significant presence as a transport infrastructure consultancy organization in the railway sector. However, we also provide consultancy services across other infrastructure and energy market sectors including urban transport, roads and highways, ports, inland waterways, airports, institutional buildings, ropeways, power procurement and renewable energy. We have, over the years, served various public sector undertakings, government agencies and instrumentalities and large private sector corporations, both in India and abroad.

We were incorporated by the Ministry of Railways, Government of India ("MoR") and have the benefit of being associated with the Indian Railways, which is the fourth longest rail network in the world (*Source: IRR Report*). Since our inception in 1974, we have evolved from our origins of providing transport infrastructure consultancy and quality assurance services and have developed expertise in:

- Design, engineering and consultancy services in transport infrastructure sector with focus on railways, urban transport, roads and highways, ports, inland waterways, airports and ropeways;
- Leasing, export, maintenance and rehabilitation of locomotives and rolling stock;
- Undertaking turnkey projects on engineering, procurement and construction basis for railway line, track doubling, 3rd line, railway electrification, up gradation works for railway transport systems and workshops, railway stations, and construction of institutional/ residential/ commercial buildings, both with or without equity participation; and

- Wagon manufacturing, renewable energy generation and power procurement for Indian Railways through our collaborations by way of joint venture arrangements, subsidiaries or consortium arrangements.

In India, our clients include various central and state government ministries, departments, instrumentalities as well as local government bodies and public sector undertakings. These include Indian Railways, NTPC, Dedicated Freight Corridor Corporation of India Limited, High Speed Rail Corporation of India Limited, Public Works Department, DMRC, Steel Authority of India Limited, Rashtriya Ispat Nigam Limited, Hindustan Petroleum Corporation Limited, Bharat Coking Coal Limited, Metro Link Express for Gandhinagar and Ahmedabad (MEGA) Company Limited, Indian Port Rail Corporation Limited, Airports Authority of India, among others. We also engage with various large private sector corporations including L&T Metro Rail (Hyderabad) Limited, Kanti Bijlee Utpadan Nigam Limited (KBUNL), Cimenco Limited, Titagrah Wagons Limited, Snowmex Engineers Limited, Unity Infraprojects Limited, Rajdeep Buildcon Private Limited, Mahalsa Constructions Private Limited, Marymatha Constructions Limited, AFCON Infrastructure Limited, INCAP, ARK Services, MNEC Consultants Private Limited, Indian Geotechnical Services Limited, Geokno India Private Limited and NATRIP Implementation Society among others.

We intend to increase our scale of operations in railway infrastructure sector by taking up turnkey projects and expansion of services for metro and airport projects etc. Also, through joint ventures and subsidiaries, we intend to increase share of business in renewable energy generation and power procurement for Indian Railways, manufacturing of wagons and joining upcoming opportunities like station development etc.

Our Company has established a consistent track record of strong financial performance and growth. Our revenue from operations on consolidated basis for the Financial Year 2015, Financial Year 2016 and Financial Year 2017 and the nine months ended December 31, 2017 amounted to ₹10,126.88 million, ₹10,905.30 million, ₹13,533.56 million and ₹9,361.50 million, respectively. Our profit after tax was ₹3,122.12 million, ₹2,825.13 million, ₹3,616.60 million and ₹2,525.37 million, respectively, for the same periods. Our revenue from operations has increased at a CAGR of 15.60% from ₹10,126.88 million in the Financial Year 2015 to ₹13,533.56 million in the Financial Year 2017, and our profit after tax has increased at a CAGR of 7.63% from ₹3,122.12 million in Financial Year 2015 to ₹3,616.60 million in the Financial Year 2017. On standalone basis, we have an order book of ₹48,186.76 million as on March 31, 2018 which includes 353 ongoing projects of value over ₹10 million each.

The following table shows the percentage contribution of each stream of revenue to our total income during the Financial Year 2015, Financial Year 2016, Financial Year 2017 and also for the nine months ended December 31, 2017, on a restated consolidated basis:

S. No	Segment	Financial year ended on March 31, 2015		Financial year ended on March 31, 2016		Financial year ended on March 31, 2017		For the period commencing on April 01, 2017 and ended on December 31, 2017	
		(in ₹ million)	(% - age)	(in ₹ million)	(% - age)	(in ₹ million)	(% - age)	(in ₹ million)	(% - age)
1. Sale of Services									
A.	Consultancy Services	7,031.18	69.43	7,689.44	70.51	8,344.68	61.66	6,283.37	67.12
B.	Leasing Services	693.03	6.84	901.66	8.27	932.76	6.89	699.36	7.47
2. Sale of Products									
A.	Export Sales	1,492.29	14.74	1,859.39	17.05	3,774.00	27.89	1,577.37	16.85
3.	Turnkey Construction Projects	910.38	8.99	385.60	3.54	312.69	2.31	638.33	6.82
4.	Sale of Power Generation	-	-	69.21	0.63	169.43	1.25	163.07	1.74
TOTAL (1+2+3+4)		10,126.88	100	10,905.30	100	13,533.56	100	9,361.50	100.00

We have been a debt free Company for more than a decade as per our Audited Standalone Financial Information. However, one of our subsidiaries, REMCL has borrowings of an amount of ₹772.72 million as per our Restated

Consolidated Financial Information, as on December 31, 2017. For further details, see “*Financial Statements*” and “*Financial Indebtedness*” on pages 199 and 562 respectively.

We have regularly paid dividends to the Shareholders of the Company with a dividend pay – out of ₹3,740 million during the last five financial years ending on March 31, 2017, as per our Restated Financial Information. Our Company has paid final dividend of ₹780 million for the financial year 2016-2017 and interim dividend of ₹700 million during the financial year 2017-2018. For further details, see “*Dividend Policy*” and “*Risk Factors*” on pages 198 and 18 respectively.

In recognition of our consistent performance and achievement of stipulated targets as negotiated in terms of the Memorandum of Understanding entered into with the MoR on an annual basis, the Department of Public Enterprises, Ministry of Heavy Industries and Public Enterprises, Government of India has rated us ‘*Excellent*’ with a score of 90.09 for the financial year 2016-2017. We have also been rated consistently as “*Excellent*” in the previous five financial years (i.e. from FY 2012 to FY 2016). For further information on our history and corporate structure, see “*History and Certain Corporate Matters*” on page 158.

Our third party inspection management systems of our quality and assurance division have been certified as ISO/IEC 17020:2012 compliant by the National Accreditation Board for Inspection Bodies (NABCB) which is valid up to July 18, 2018. Our company has been certified as ISO 9001:2008 compliant by NVT Quality Certification under accreditation of ANSI-ASQ National Accreditation Board (ANAB) which is valid up to September 14, 2018. Our two laboratories at Kolkata and Mumbai are certified as ISO/IEC 17025 compliant by NABL which are valid up to February 22, 2019 and November 14, 2019 respectively.

Significant factors affecting our financial conditions and results of operations

Our business and results of operations have been affected by a number of important factors that are expected to continue to affect our business and results of operations in the future. These factors include the following:

Competition

We face competition in the domestic market as well as in international markets. With increased competition, our ability to estimate costs to provide services required under the contracts and ability to timely deliver the project will determine our profitability and competitive position in the market. The possibility exists that our competitors might develop new technologies that might cause our existing technology and offerings to become obsolete. Our ability to anticipate such developments and deploy improved and appropriate technologies through development/acquisitions will determine our competitive position in the market place. For further details, see “*Risk Factors – We face certain competitive pressures from the existing competitors and new entrants in both public and private sector. Increased competition and aggressive bidding by such competitors is expected to make our ability to procure business in future more uncertain which may adversely affect our business, financial condition and results of operations.*” on page 20.

Change in Government Policy

The priorities of the GoI may be different from our Company and may affect our business. The GoI could, by exercising its powers of control, defer or initiate a change of control of our Company or a change in our capital structure, delay or defer a merger or consolidation. Further, announcements by the GoI relating to increased salary and allowances for government and public sector employees will increase our expenses and may adversely affect our financial condition in the years of implementation. The GoI has significant influence over our actions which may restrict our ability to manage our business. For further details, see “*Risk Factors - The GoI has significant influence over our actions which may restrict our ability to manage our business. Any change in GoI policy could have a material adverse effect on our financial condition and results of operations. Further, announcements by the GoI relating to increased salary and allowances for government and public sector employees will increase our expenses and may adversely affect our financial condition in the years of implementation.*” on page 21.

Attrition of Key Managerial Personnel and Senior Management and Technical Skilled Manpower

The successful completion of our projects and the running of our day-to-day operations and the planning and execution of our business strategy depend significantly on our skilled and efficient Key Managerial Personnel and Senior Management team. Our Key Managerial Personnel and senior management have significantly contributed to the growth and development of the Company. We are largely dependent on our senior management team for providing strategic direction, and managing our operations, which are crucial to our success. Our industry has a

severe shortage of senior personnel capable of handling complex projects and hence such personnel are in demand amongst our competitors.

There is significant competition for engineering, management and other skilled personnel in India, and it may be a challenge to attract and retain the personnel we need in the future. Our attrition rate for regular manpower has been approximately 2.17% and 3.00% for Financial Year 2017 and Financial Year 2018, respectively. Our inability to replace, or the loss of, any one or more members of our Key Managerial Personnel, Senior Management Personnel and / or skilled workforce may have a material adverse effect on our results of operations and financial condition. For further details, see *“Risk Factors- We are dependent on the expertise of our Key Managerial Personnel, Senior Management and our skilled workforce and our inability to retain them may result in adverse effect on our business, financial condition and the results of operations.”* on page 23.

Dependence of foreign business on financial assistance

Our export business is a fluctuating business as it largely depends on line of credit extended by Government of India to various countries in which we operate in. The extent to which developing countries are making economic progress and development in transport infrastructure especially railways, creates demand for rolling stock. Political relations with such countries also play a pivotal role in generation of demand in this area. On account of these peculiar external factors, there is no fixed pattern for earnings from export business from year to year. Any change in the policy relating to the line of credit by GoI or change in the utilisation by the Governments of respective countries may affect the business of the Company. Similarly, change in the policy of disbursement of financial assistance to various countries by multilateral funding agencies may affect the financial conditions and results of operations. We are also permitted to bid for railway rehabilitation projects in Malaysia, Indonesia and Thailand subject to a monetary limit set by the Indian Railways as per the presidential directive dated June 30, 2009. For further details, see *“Risk Factors - We are dependent on the line of credit provided by the GoI and other funding agencies provided to countries that we operate in. In the event there is any change in the policies of the GoI or the funding agencies or the countries’ utilization of line of credit or the line of credit is withdrawn or reduced, our business and operations may be adversely affected.”* on page 21.

Gap in actual and estimated project costs

Our project management and turnkey construction contracts involve long execution periods of 3 to 5 years to deliver and complete. The time and costs required to complete such projects may increase on account of factors such as price escalation, funding constraints, shortage of materials, equipment, technical constraints, adverse weather conditions, natural disasters, labour disputes, disputes with contractors, accidents, changes in government priorities and policies, changes in market conditions, interest rates, delays in obtaining requisite approvals from the relevant authorities or other unforeseeable circumstances. Therefore, there is a greater possibility of variation between related costs and revenue estimates in comparison to the actual costs incurred and actual revenues generated which may have bearings on our financial condition. For further details, see *“Risk Factors - Since our project management and turnkey construction contracts have long execution periods, such project related costs and revenue estimates may vary from the actual costs incurred and actual revenues generated which may adversely affect our business, financial condition, results of operations and future prospects. We also carry the risk of rectification/repair/replacement etc. during the defect liability period which may have additional implications.”* on page 21.

Capital Resources

Since our formation in 1974, we have accumulated free reserves to the extent of ₹19,719.94 million as on December 31, 2017 after paying dividend on regular basis and issue of bonus shares of ₹1,999.00 million from time to time. Our Company meets capital requirement through internal resources. We generated net cash from operating activities of ₹3,139.43 million during the nine months ended December 31, 2017. We have positive working capital of ₹18,683.91 million as on December 31, 2017 generated through sale of our services and products.

REMCL, one of our Subsidiaries, has met capital resources through equity contribution, internal accruals and borrowings. As on March 31, 2018, REMCL has an outstanding borrowings of ₹559.02 million (including interest).

Our Group

Subsidiary companies considered for consolidation purpose with the percentage of stakeholding and years of the effect considered are mentioned below.

The Subsidiaries considered in the financial statements are as follows:

Name of Subsidiary Companies	Country of Incorporation	% of Shareholding as on					
		December 31, 2017	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
▪ Railway Energy Management Company Limited (REMCL)	India	51%	51%	51%	51%	51%	-
▪ RITES (Afrika) (Pty) Limited*	Botswana	100%	100%	100%	100%	100%	100%
▪ RITES Infrastructure Services Limited (RISL)**	India	100%	100%	100%	100%	100%	100%
▪ RITES Mohawarean Arabia Company Limited (RMAC)***	Saudi Arabia	-	-	-	76%	76%	76%

* The winding up process for RITES (AFRIKA) will commence upon completion of the ongoing project or transfer of project from subsidiary to the Company, whichever is earlier.

**RITES Infrastructure Services Limited (RISL) is under liquidation. Prior to initiating process of liquidation, all assets & liabilities have been taken over by RITES on September 30, 2016.

*** RITES Mohawarean Arabia Company Limited (RMAC), a subsidiary company with 76% stake, is under liquidation. Investment in equity of ₹4.70 million made by the company has been returned by RMAC during the financial year 2015.

Following Joint Ventures are considered in the preparation of financial statements as per Ind AS 28 i.e. on equity method basis for the effective periods indicated below:

Name of Joint Ventures	Country	Holding as on					
		December 31, 2017	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
SAIL-RITES Bengal Wagon Industry Private Limited	India	50%	50%	50%	50%	50%	50%
BNV Gujarat Rail Private Limited *	India	26%	26%	-	-	-	-
Companhia Dos Caminhos De Ferro Da Beira, SA, (CCFB)**	Mozambique	-	-	26%	26%	26%	26%

*Joint venture entity incorporated in the year 2016-17.

**As per settlement agreement with Government of Mozambique in respect of CCFB, equity stake of the company in CCFB has been transferred to CFM Mozambique, a nominated agency of Government of Mozambique, on 22nd September, 2016, accordingly, our control ceased thereafter. Also refer "Note no. 1.1(a) of Restated Consolidated Financial Information" on page 225.

Note: For basis of preparation and use of estimates and judgements, see "Restated Consolidated Financial Information - Annexure – V – Significant Accounting Policies" on page 225.

SIGNIFICANT ACCOUNTING POLICIES

1 GENERAL

1.1 REVENUE RECOGNITION

A. Revenue from operations

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

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

General Parameters

- (a) Revenue is recognized on satisfaction of following conditions:-
 - (i) outcome of the transaction can be estimated or measured reliably.
 - (ii) it is probable that the economic benefits associated with the transaction will flow to the company.
 - (iii) the costs incurred and cost to complete the transaction can be measured reliably.
- (b) When outcome of transaction cannot be estimated reliably, revenue is recognized to the extent of cost incurred which is recoverable else cost incurred is charged to the Statement of Profit and Loss.
- (c) When there is uncertainty as to realisability, recognition of revenue is postponed until such uncertainty is removed.
- (d) Revenue is measured at the fair value of the consideration received or receivable.

A.1 Consultancy Fee

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

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

Reimbursable and supplies are accounted for on accrual basis.

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

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

A. 2 Inspection Fee

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

A.3 Lease Services

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

A.4 Export Sales

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

A.5 Construction Projects

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

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

Any expected loss is recognized as an expense immediately.

A.6 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.

A.7 Consultancy - Advisory services for Power Procurement

Income from consultancy is recognized as per the terms and conditions of the agreement with the beneficiary.

B. Other Income

B.1 Interest Income

Interest income is recognized using effective interest method.

B.2 Dividend

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

B.3 Export Incentives

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

B.4 Others

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

1.2 PROPERTY, PLANT AND EQUIPMENT (PPE)

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

- (a) Incidental expenditure during construction period including interest charges incurred upto the date of completion, net of interest recovered on mobilisation advance, are capitalized.
- (b) Spare valuing more than ₹1,000,000 which can be used only in connection with an item of property, plant and equipment and whose use is expected to be irregular are capitalised and depreciated over the useful life of the spares or principal item of the relevant assets, whichever is lower. Other spares are charged off to the Statement of Profit and Loss during the period of purchase.
- (c) Expenditure incurred subsequently relating to property, plant & equipment is capitalised only when it is probable that future economic benefits associated with these will flow to the company and the cost of the item can be measured reliably.
- (d) The initial estimate of the cost of dismantling, removing the item and restoring the site on which PPE is located, the obligation for which is incurred when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during the period, is capitalized as a component of PPE.

1.2.1 Depreciation

- (a) Depreciation on property, plant and equipment are provided on straight line method over their estimated useful life determined by management. Depreciation method, useful lives and residual values are reviewed at the end of each financial year. The useful lives of assets are as prescribed in part C of Schedule II of the Companies Act,

2013 except assets indicated in sub paragraphs from (d) to (g) below. In respect of additions to/deductions from the assets during the reporting period, depreciation is charged on pro- rata basis.

(b) The estimated useful lives of the various assets, are as under:-

Assets	Useful Life (Years) considered Straight Line Method (SLM)					
	December 31, 2017	2016 - 2017	2015 - 2016	2014 - 2015	2013 - 2014	2012- 2013
i) Furniture	10	10	10	10	10	10
ii) Fixture	5	5	5	5	5	5
iii) Office Equipment	5	5	5	5	5-7	5-7
iv) Mobile Hand Set	3	3	3	3	3	3
v) Coolers & Air Conditioners	7	7	7	7	7	7
vi) Air Conditioning Plant	15	15	15	15	15-20	15-20
vii) Computer Hardware	3-4	3-4	3-7	3-4	3-4	3-4
viii) Server & Networks	6	6	6	6	6	6
ix) Survey and Equipments	10	10	10	10	10	10
x) Vehicles	4-8	4-8	4-8	4-8	4-8	4-8
xi) Buildings on Freehold Land	60	60	60	60	50-60	50-60
xii) Locomotives-New	15	15	15	15	15	15
xiii) Locomotives-In-Service	10	10	10	10	10	10
xiv) Coaches-New	15	15	15	15	15	15
xv) Coaches-In-Service	10	10	10	10	10	10
xvi) Windmill Plant	25	25	25	25	25	-

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

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

(e) In respect of BOT assets, depreciation is charged over the period of project or the life stated above whichever is lower.

(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 the Company, as per Company's assessment, Fixtures, Mobile Hand Set, Coolers & Air Conditioners and In-Service Locomotives & Coaches (refurbished) have lower useful lives than prescribed in part C of Schedule II of the Companies Act, 2013. Therefore depreciation is charged at higher rate than prescribed under the Companies Act, 2013. In case of REMCL, Windmill plants have higher useful life of 25 years than prescribed in part C of Schedule II of the Companies Act, 2013 or 22 years. Therefore, depreciation is charged at lower rate than prescribed under the Companies Act, 2013.

(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 during the period of acquisition.

(i) 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 during the period of purchase being low value assets.

1.2.2 Capital Work in Progress

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

1.2.3 Capital Advances

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

1.3 INTANGIBLE ASSETS

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

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

- (a) Software of value less than ₹100,000 is fully amortized during the period of acquisition.
- (b) A nominal value of ₹1 is assigned to the fully amortised assets other than assets specified at (a) above.

1.3.1 Amortization

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

1.4 INVESTMENT PROPERTY

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

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

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

1.5 INVESTMENTS

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

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

1.6 JOINT ARRANGEMENTS

1.6.1 Joint Ventures

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.

The Group's investments in its joint venture are accounted for using the equity method. Under the equity method, the investment in a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the joint venture since the acquisition date.

1.6.2 Joint Operations

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

- (i) its assets, including its share of any assets held jointly;
- (ii) its liabilities, including its share of any liabilities incurred jointly;
- (iii) its revenue from the sale of its share of the output arising from the joint operation;
- (iv) its share of the revenue from the sale of the output by the joint operation; and
- (v) Its expenses, including its share of any expenses incurred jointly.

In case of participating joint operations without having joint control, interest in such arrangements is to be recognized as per aforesaid accounting policy if the company has right to the assets and obligations for the liabilities relating to joint operations otherwise interest in the joint operation is recognized in accordance with applicable Ind AS.

1.7 INVENTORIES

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

1.8 EMPLOYEE BENEFITS

1.8.1 Defined Contribution Plans

Pension Scheme/Post Retiral Medical Schemes

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

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

1.8.2 DEFINED BENEFIT PLAN

1.8.2.1 Gratuity

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

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

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

(v) Service cost and net interest cost/(income) on the net defined benefit liability/(asset) are recognized in Statement of Profit and Loss.

(a) In case of contractual employees:

- (i) The Company recognizes obligation of a defined benefit plan in its balance sheet as a liability.
- (ii) Actuarial gain or loss of defined benefit liability is recognized in Other Comprehensive Income.
- (iii) Service cost and interest on the defined benefit liability are recognized in Statement of Profit and Loss.

1.8.2.2 Provident Fund

The Company makes contribution to the recognized provident fund - “RITES Contributory Provident Fund” for its employees, which is a defined benefit plan to the extent that the Company has an obligation to make good the shortfall, if any, between the returns from the investments of the trust and the notified interest rate. The Company’s obligation in this regard is determined by an independent actuary and provided for if the circumstances indicate that the Trust may not be able to generate adequate returns to cover the interest rates notified by the Government.

1.8.3 Other Long Term Benefits

Benefits provided by company to employees –Leave Travel Concession for CDA employees, Leave Encashment, Medical Leave (LHAP) and Long Service Award, are accounted for on actuarial valuation made at the end of reporting period. The actuarial gains/losses are recognized in the Statement of Profit & Loss for the reporting period.

1.8.4 Other Benefits

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

1.8.4.2 Terminal Benefits to Contract Employees

Leave Encashment is a defined benefit obligation. The cost of providing benefits under the defined benefit plan is determined on the basis of actuarial valuation.

1.9 RESEARCH & DEVELOPMENT

Revenue expenditure incurred/paid during the reporting period on research is charged to the Statement of Profit & Loss.

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

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

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

1.10 INCOME TAXES

1.10.1 Current Income Tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. In case of domestic entities, the tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted in India, at the reporting date. Tax expense relating to foreign

operations is determined in accordance with tax laws applicable in countries where such operations are domiciled.

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

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

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

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

Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognized as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realized.

1.10.2 Deferred Tax

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

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

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

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

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

Deferred income taxes are not provided on the undistributed earnings of the subsidiaries where it is expected that the earning of the subsidiaries will not be distributed in foreseeable future.

1.11 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.

1.12 PREPAYMENTS

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

1.12.1 Prepaid Expenses and Prior Period Adjustments

Prepaid expenses and prior period adjustments up to ₹100,000 in each case are treated as expenditure/income of the reporting period and accounted for to the natural head of accounts.

1.13 TRANSLATION AND TRANSACTIONS OF FOREIGN CURRENCIES

1.13.1 Functional Currency

Functional currency of the Company is Indian Rupees and the financial statements are presented in Indian Rupees.

1.13.2 Foreign Currencies

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

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

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

1.13.5 Assets and liabilities for each balance sheet presented including comparatives are translated at the exchange rate prevailing on the reporting date.

Income and expenses for each statement of profit and loss is presented including comparatives are translated at exchange rate prevailing on the date of transaction.

All resulting exchange differences are recognised in other comprehensive income.

1.13.6 On the disposal off foreign operation, the cumulative amount of exchange differences relating to that foreign operation, recognised in other comprehensive income (OCI) and accumulated in separate component of equity is re-classified from equity to Statement of Profit & Loss.

1.14 CASH AND CASH EQUIVALENTS

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short term deposits with an original maturity of three months or less from the date of acquisitions which are readily convertible into known amounts of cash and be subject to an insignificant risk of change in value. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

1.15 STATEMENT OF CASH FLOWS

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

1.16 EARNINGS PER SHARE

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

In determining diluted earnings per share, net profit attributable to equity shareholders is divided by weighted average number of equity shares considered for deriving basic earning per share and also the weighted average

number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at the later date. Dilutive potential equity share are determined independently for each period presented.

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

1.17 IMPAIRMENT OF ASSETS

1.17.1 Financial Assets

(Other than at Fair Value)

The Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on following financial assets – loans, deposits and trade receivables.

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

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

1.17.2 Non Financial Assets

(Tangible and Intangible Assets)

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use). Impairment loss is charged to the Statement of Profit & Loss during the period 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 to the extent of previously recognized or balanced impairment loss.

1.18 WRITE OFF

1.18.1 Financial Assets

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

1.18.2 Non Financial Assets

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

1.19 PROVISION FOR WARRANTY FOR SALE AND SERVICES RENDERED

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

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

1.20 PROVISION FOR PROFESSIONAL SERVICES (FOR EXPORT SALES)

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

1.21 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

1.22 BORROWING COST

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalized as part of cost of such assets which necessarily takes substantial period of time to get ready for their intended use. All other borrowing costs are recognized as expenses in the Statement of Profit & Loss.

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

1.23 LEASES ASSETS

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 fulfilment 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.

1.23.1 Lease Expenses

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

1.24 NON-CURRENT ASSETS HELD FOR SALE

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

classification. Non-current assets classified as held for sale is recognized at lower of its carrying amount and fair value less cost to sell.

1.25 DIVIDENDS

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

1.26 FINANCIAL INSTRUMENTS

1.26.1 Initial Recognition

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

1.26.2 Subsequent Measurement

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

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

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

- (c) Financial liabilities

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

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

1.26.3 De-recognition of Financial Instruments

A financial asset is derecognised when:

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

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

1.26.4 Forward Contracts

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

Key Components of Our Restated Consolidated Statement of Profit & Loss

Our revenue and expenditure is reported in the following manner:

Revenue

Our revenue comprises of revenue from operations and other income.

Revenue from Operations

Our revenue from operations consists of sale of services, sale of products and others. Our revenue from sale of services consists of consultancy fee, income from quality assurance services and leasing services in India and abroad; our revenue from operations also consists of revenue from turnkey construction projects. Our revenue from sale of products is from export sales of rolling stock i.e. locomotives, coaches, spare parts, etc. and sale of power generation by our Subsidiary, REMCL. Our offerings in transport infrastructure consultancy and engineering services consist of conducting techno-economic feasibility studies and preparation of detailed project reports, design engineering activities, procurement assistance, project management activities, training, construction supervision, materials system management, transaction advisory and commissioning support including operation and maintenance in respect of Rail Infrastructure, Urban Transport Infrastructure, Highway and Ports, Building & Airports, Operation & Maintenance, ropeways, etc.

Other Income

Our other income primarily consists of interest earned on term deposits with banks, tax free bonds, loans to joint ventures, export incentives, dividend from investments including investment in subsidiaries, rental income from investment properties, exchange variation sale of tender documents and provisioning made earlier in the financials towards expenses which is no longer required and the same being reversed.

Expenses

Our expenses comprise of employee benefits expenses, travel, supplies and services, cost of export sales, cost of turnkey construction projects, transmission and wheeling charges, finance cost, depreciation and amortisation expenses and other expenses.

Employee benefits expenses: Employee benefits expenses consist of salaries to the staff, contribution towards provident fund and other funds, foreign service contribution for staff on deputation from Indian Railways and other organisations, gratuity, leave encashment, contribution towards post retirement pension and performance related pay.

Travel Cost: Travel cost consists of travelling expenses for officials' visits in India and abroad, daily allowances to officers and staff, vehicle hire charges, conveyance, boarding charges, etc.

Supplies and services: Supplies and services mainly consist of fees paid for outsourcing of consultancy activities. It also includes expenses towards supplies and procurements for the clients i.e. computers and equipments etc.

Cost of Export sales: Cost of export sales consists of purchase costs of rolling stock and spare parts, consumable stores, freight and forwarding, insurance, provision towards warranties, fees for services obtained (technical support) etc. in respect of export sales.

Cost of turnkey construction projects: Cost of turnkey construction projects consists of supplies and services relating to turnkey construction projects viz. materials, equipments, plant & machinery, installation and commissioning services, etc.

Transmission and wheeling charges: Transmission and wheeling charges consist of expenses paid towards transmission and wheeling charges for transmission of power generated by REMCL.

Finance Cost: Finance cost primarily consists of interest expenses paid to lenders who have provided loans to REMCL.

Depreciation and amortisation expenses: Depreciation and amortisation expenses consist of depreciation on tangible fixed assets including investments in properties and amortisation on intangible fixed assets. Depreciation and amortization are provided on straight line method over the estimated useful lives of fixed assets determined by the management in lines with Part C of Schedule II of the Companies Act, 2013.

Other expenses: Other expenses consist of miscellaneous expenses, stationery and printing expenses, stores and spare parts consumed for leased locomotives and for operation and maintenance activities for the clients, advertisement and publicity, office maintenance, postage and telecommunication, office rent, insurance charges, bank charges, provision for impairment and doubtful debts, power and fuel charges, corporate social responsibilities, etc.

Revenue from operations

The following table sets forth our revenue from operations and other income for the nine months ended December 31, 2017 and for the Fiscal years ended 2017, 2016 and 2015, in absolute terms and expressed as a percentage of total revenue for such periods.

Particulars	Nine months ended December 31, 2017		Fiscal 2017		Fiscal 2016		Fiscal 2015	
	Amount (₹ in million)	% of total Revenue	Amount (₹ in million)	% of total revenue	Amount (₹ in million)	% of total Revenue	Amount (₹ in million)	% of total revenue
Revenue								
Revenue from operations	9,361.50	88.23	13,533.56	86.57	10,905.30	88.90	10,126.88	87.37
Other income	1,249.12	11.77	2,099.17	13.43	1,361.97	11.10	1,464.19	12.63
Total Revenue	10,610.62	100.00	15,632.73	100.00	12,267.27	100.00	11,591.07	100.00
Expenses								
Employee Benefits	3,230.55	30.45	4,169.45	26.67	3,409.59	27.79	3,244.72	27.99
Travel	274.92	2.59	394.77	2.53	355.43	2.90	324.66	2.80
Supplies & Services	697.05	6.57	1,063.54	6.80	971.26	7.92	784.50	6.77
Cost of Export Sales	1,140.33	10.75	2,961.02	18.94	1,569.42	12.79	805.11	6.95
Cost of Turnkey Construction Projects	539.43	5.08	278.49	1.78	352.52	2.87	834.82	7.20
Transmission and wheeling charges	35.71	0.34	37.33	0.24	21.66	0.18	-	-
Finance cost	52.74	0.50	113.27	0.72	47.14	0.38	-	-
Depreciation and amortisation expense	276.79	2.61	382.56	2.45	346.43	2.82	261.54	2.26
Other expense	446.98	4.21	1,046.18	6.69	661.66	5.39	663.56	5.72
Total Expenses	6,694.50	63.09	10,446.61	66.83	7,735.11	63.05	6,918.91	59.69
Profit Before Tax & Share in Profit/(Loss) of JV	3,916.12	36.91	5,186.12	33.17	4,532.16	36.95	4,672.16	40.31
Share in profit/(loss) of JV	(23.14)	-0.22	(114.72)	-0.73	(26.00)	-0.21	10.27	0.09
Profit before	3,892.98	36.69	5,071.40	32.44	4,506.16	36.73	4,682.43	40.40

Particulars	Nine months ended December 31, 2017		Fiscal 2017		Fiscal 2016		Fiscal 2015	
	Amount (₹ in million)	% of total Revenue	Amount (₹ in million)	% of total revenue	Amount (₹ in million)	% of total Revenue	Amount (₹ in million)	% of total revenue
tax								
Tax expense								
Current tax	(1,187.03)	-11.19	(1,646.72)	-10.53	(1,489.83)	-12.14	(1,423.90)	-12.28
Deferred tax	(180.58)	-1.70	192.93	1.23	(187.06)	-1.52	(136.41)	-1.18
Profit after tax from continuing operations	2,525.37	23.80	3,617.61	23.14	2,829.27	23.06	3,122.12	26.94
Profit/(Loss) from discontinued operations (net of taxes)	-	-	(1.01)	-0.01	(4.14)	-0.03	-	-
Profit for the year	2,525.37	23.80	3,616.60	23.14	2,825.13	23.03	3,122.12	26.94

Discussions on the Result of Operations

Nine months ended December 31, 2017

Revenue

Our total income was ₹10,610.62 million for nine month period ended December 31, 2017.

(₹ in million)			
S. No.	Particulars	Amount	(%)
Revenue			
1.	Sale of Services		
A.	Consultancy services	6,283.37	59.22
B.	Leasing Services	699.36	6.59
2.	Sale of Products		
A.	Export Sales	1,577.37	14.87
3.	Turnkey construction projects	638.33	6.02
4.	Sale of Power Generation	163.07	1.54
Revenue from Operations (1+2+3+4 = 5)		9,361.50	88.23
Other Income (6)		1,249.12	11.77
Total Revenue (5+6)		10,610.62	100.00

Revenue from operations:

Our revenue from operations was ₹9,361.50 million for the nine month period ended December 31, 2017, primarily comprising of sale of services (i.e. consultancy services and leasing services), sale of products (i.e. export sales), turnkey construction projects and sale of power generation. Our revenue from sale of consultancy services was ₹6,283.37 million for the nine month period ended December 31, 2017. Our revenue from leasing services comprises of ₹699.36 million. Our revenue from export sales was ₹1,577.37 million, turnkey construction projects was ₹638.33 million and sale of power generation was ₹163.07 million for the nine month period ended December 31, 2017.

Revenue from Other Income:

Other income of ₹1,249.12 million for the nine month period ended December 31, 2017 consists of ₹786.12 million interest earned on term deposits with banks and tax free bonds, ₹188.43 million provision no longer required, ₹95.02

million export incentives, ₹52.51 million dividend from investments, ₹7.83 million rental income from investment properties, ₹54.65 million exchange variation, and ₹64.56 million as other miscellaneous income.

Expenses

(₹ in million)

Particulars	Period ended December 31, 2017	% of Total Cost	% of Total Operating Income (Total Revenue – Other Income)
Expenses			
Employee Benefit Expenses	3,230.55	48.26	34.51
Travel	274.92	4.11	2.94
Supplies & Services	697.05	10.41	7.45
Cost of Export Sales	1,140.33	17.03	12.18
Cost of Turnkey Construction Projects	539.43	8.06	5.76
Transmission and wheeling charges	35.71	0.53	0.38
Finance cost	52.74	0.79	0.56
Depreciation and amortisation expense	276.79	4.13	2.96
Other expense	446.98	6.68	4.77
Total Expenses	6,694.50	100.00	71.51

Total expenditure of ₹6,694.50 million for the nine month period ended December 31, 2017 is on account of employees benefit expenses, travel cost, supplies and services, cost of export sales, cost of turnkey construction projects, transmission and wheeling charges, finance cost, depreciation and amortisation expenses and other expenses.

Employee benefit expenses of ₹3,230.55 million for the nine month period ended December 31, 2017 is on account of salaries to the staff, contribution towards provident fund, foreign service contribution for staff on deputation from Indian Railways and other organisations, gratuity, leave encashment, contribution towards post retiral pension, Performance related pay, etc.

Travel Cost of ₹274.92 million for the nine month period ended December 31, 2017 includes travelling expenses for official visits to India and abroad, daily allowance to officers and staff, vehicle hire charges, conveyance, boarding charges, etc.

Supplies and services of ₹697.05 million for the nine month period ended December 31, 2017 is towards fees paid for outsourcing of consultancy activities and expenses for supplies and procurements for the clients.

Cost of Export sales of ₹1,140.33 million for the nine month period ended December 31, 2017 consists of purchase costs of rolling stock and spare parts, consumable stores, freight and forwarding, insurance, fees for services obtained towards technical support, provision towards warranties, etc.

Cost of turnkey construction projects of ₹539.43 million for the nine month period ended December 31, 2017 includes supplies and services relating to turnkey construction projects.

Transmission and wheeling charges of ₹35.71 million for the nine month period ended December 31, 2017 are towards transmission and wheeling charges for transmission of power generated.

Finance Cost of ₹52.74 million for the nine month period ended December 31, 2017 is towards interest expenses for the loan taken by our Subsidiary, REMCL.

Depreciation and amortisation expenses of ₹276.79 million for the nine month period ended December 31, 2017, is on account of depreciation on tangible assets and amortisation on intangible assets.

Other expenses of ₹446.98 million for the nine month period ended December 31, 2017 consists of stationery and printing expenses, stores and spare parts consumed for leased locomotives and for operation and maintenance activities for the clients, advertisement and publicity, office maintenance, postage and telecommunication, office rent,

insurance charges, bank charges, power and fuel charges, corporate social responsibilities, rates and taxes, miscellaneous expenses etc.

Share of profit/(loss) of Joint Ventures (net of tax)

Our share of loss from Joint Ventures (net of tax) was of ₹(23.14) million for the nine month period ended December 31, 2017.

Tax expense

Tax expense of ₹1,367.61 million for the nine month period ended December 31, 2017 is towards provision for tax liabilities on the taxable profit and deferred tax.

Discontinued operations

As one of our Subsidiary, RISL, is under voluntary winding up and no transaction took place during the period, hence, there is no transaction from the discontinued operations for the nine month period ended December 31, 2017.

Profit after tax for the nine month ended December 31, 2017

Profit after tax is of ₹2,525.37 million for the nine month period ended December 31, 2017.

Other comprehensive income (net of taxes)

Other comprehensive income (net of taxes) is of ₹(40.03) million for the nine month period ended December 31, 2017, towards actuarial gains on re-measurement of employee benefits and foreign exchange translation reserves.

Total comprehensive income

Total comprehensive income is of ₹2,485.34 million for the nine month period ended December 31, 2017.

Fiscal 2017 compared to Fiscal 2016

Revenue

Total revenue increased to ₹15,632.73 million in Fiscal 2017 from ₹12,267.27 million in Fiscal 2016 registering an increase of 27.43% as per break up mentioned below:

<i>(₹ in million)</i>				
S.No.	Particulars	Fiscal 2017	Fiscal 2016	% increase/ (decrease)
Revenue from operations				
1.	Sale of Services			
A.	Consultancy services	8,344.68	7,689.44	8.52
B.	Leasing Services	932.76	901.66	3.45
2.	Sale of Products			
A.	Export Sales	3,774.00	1,859.39	102.97
3.	Turnkey construction projects	312.69	385.60	(18.91)
4.	Sale of Power Generation	169.43	69.21	144.81
Total Revenue (1+2+3+4 = 5)		13, 533.56	10,905.30	24.10
	Other Income (6)	2,099.17	1,361.97	54.13
Grand Total (5+6)		15, 632.73	12,267.27	27.43

Revenue from operations:

Revenue from operations increased by 24.10% to ₹13,533.56 million in Fiscal 2017 from ₹10,905.30 million in Fiscal 2016. During the period revenue increased from all streams of business activities except turnkey construction projects where there is a slight fall. Revenue from export sales increased due to increase in exports of rolling stock and locomotives in Asian & African continents. Revenue from leasing services increased as a result of 51 locomotives in fiscal 2017 compared to 48 locomotives in fiscal 2016. However, the increase was marginal due to exchange variation from the locomotives leased abroad in Fiscal 2017 compared to Fiscal 2016. Revenue from sale of power generation

from 26 MW windmill plants at Jaisalmer increased due to full year operations in Fiscal 2017 as against operations for part of the year in Fiscal 2016 i.e. from October 19, 2015. There was decrease in revenue from turnkey construction projects as ongoing projects were on the verge of completion and new projects were at initial stage.

Other Income:

Our other income has increased by 54.13% to ₹2,099.17 million in Fiscal 2017 from ₹1,361.97 million in Fiscal 2016. This increase was primarily due to profit on sale of equity investment in one of the overseas joint venture company (as non-recurring income) amounting to ₹714.72 million in fiscal 2017 as against Nil in fiscal 2016, export incentives were ₹140.13 million in fiscal 2017 as against ₹0.56 million in fiscal 2016, dividend from investments were ₹44.54 million in fiscal 2017 as against ₹12.53 million fiscal 2016, provisions no longer required were ₹55.18 million in fiscal 2017 as against ₹50.15 million in fiscal 2016, deferred income from a project in Mozambique was of ₹19.56 million in fiscal 2017 as against Nil in fiscal 2016.

Interest income decreased from ₹1,080.04 million in fiscal 2016 to ₹1,065.72 million in fiscal 2017 mainly due to low interest rates on the term deposits. In fiscal 2016, interest income of ₹90.92 million was recognised from loan to one of the overseas joint venture company on final settlement which was not available in fiscal 2017. However, our Company received interest on income tax refund of ₹86.28 million in the fiscal 2017.

Income from exchange variation and other miscellaneous income decreased from ₹147.93 million and ₹59.31 million in fiscal 2016 to ₹17.95 million and ₹30.36 million in fiscal 2017 respectively.

Expenses

Particulars	Fiscal 2017	Fiscal 2016	Changes in expenses in Fiscal 2017 with respect to Fiscal 2016		% of Total Operating Income (Total Revenue – Other Income)	
	Amount (₹ in million)	Amount (₹ in million)	Amount (₹ in million)	Percentage of increase (decrease)	Fiscal 2017	Fiscal 2016
Expenses						
Employee Benefits	4,169.45	3,409.59	759.86	22.29	30.80	31.26
Travel	394.77	355.43	39.34	11.07	2.92	3.26
Supplies & Services	1063.54	971.26	92.28	9.50	7.86	8.91
Cost of Export Sales	2,961.02	1,569.42	1,391.60	88.67	21.87	14.39
Cost of Turnkey Construction Projects	278.49	352.52	(74.03)	(21.00)	2.06	3.23
Transmission and wheeling charges	37.33	21.66	15.67	72.35	0.28	0.20
Finance cost	113.27	47.14	66.13	140.28	0.84	0.43
Depreciation and amortisation expense	382.56	346.43	36.13	10.43	2.83	3.18
Other expense	1,046.18	661.66	384.52	58.11	7.73	6.07
Total Expenses	10,446.61	7,735.11	2,711.50	35.05	77.19	70.93

Our total expenditure increased by 35.05% to ₹10,446.61 million in Fiscal 2017 from ₹7,735.11 million in Fiscal 2016 due to reasons as mentioned below:

Employee benefit expenses increased by 22.29% to ₹4,169.45 million in Fiscal 2017 from ₹3,409.59 million in Fiscal 2016 on account of provision towards 7th pay commission for fiscal 2017 for CDA employees and 3rd PRC for IDA employees for the last quarter of fiscal 2017, provision on account of enhanced gratuity ceiling, allowances, post retiral benefits and leave encashment etc.

Travel Cost increased by 11.07% to ₹394.77 million in Fiscal 2017 from ₹355.43 million in Fiscal 2016 on account of increased business activities.

Supplies and services primarily include outsourced activities and supplies towards equipments to clients. The cost increased by 9.50% to ₹1,063.54 million in Fiscal 2017 from ₹971.26 million in Fiscal 2016 owing to increase in business activities.

Cost of Export sales increased by 88.67% to ₹2,961.02 million in Fiscal 2017 from ₹1,569.42 million in Fiscal 2016 corresponding to increase in export sales.

Cost of turnkey construction projects was decreased by 21.00% to ₹278.49 million in Fiscal 2017 from ₹352.52 million in Fiscal 2016 as ongoing projects were on the verge of completion and new projects were at initial stage.

Transmission and wheeling charges increased by 72.35% to ₹37.33 million in Fiscal 2017 from ₹21.66 million in Fiscal 2016 due to full year operations in Fiscal 2017 as against operations for part of the year in Fiscal 2016 i.e. from October 19, 2015.

Finance Cost increased by 140.28% to ₹113.27 million in Fiscal 2017 from ₹47.14 million in Fiscal 2016. This increase was due to full year operations in Fiscal 2017 as against operations for part of the year in Fiscal 2016 i.e. from October 19, 2015. Interest expenses prior to commissioning of the windmill project at Jaisalmer were capitalised.

Depreciation and amortisation expenses increased by 10.43% to ₹382.56 million in Fiscal 2017 from ₹346.43 million in Fiscal 2016 due to depreciation on the locomotives capitalised, other assets purchased during the year and depreciation for the full year on the assets pertaining to the windmill project at Jaisalmer.

Other expenses increased by 58.11% to ₹1,046.18 million in Fiscal 2017 from ₹661.66 million in Fiscal 2016 due to provision for doubtful debts, consumable stores and spare parts, repair cost of machinery equipments, CSR, etc.

Share of profit/(loss) of Joint Ventures (Net of tax)

Our share of loss from Joint Ventures (net of tax) increased to ₹(114.72) million in fiscal 2017 from ₹(26.00) million in Fiscal 2016 i.e. 341.23% due to business operations losses of Joint Ventures.

Tax expense

Tax expense decreased by 13.30% to ₹1,453.79 million in Fiscal 2017 from ₹1,676.89 million in Fiscal 2016 due to increase in exempted income, long term capital gain with lower tax rates.

Profit after tax for the year from continued operations

Due to the factors mentioned hereinabove, our profit after tax from continued operations increased by 27.86% (i.e. ₹788.34 million) from ₹2,829.27 million in Fiscal 2016 to ₹3,617.61 million in Fiscal 2017.

Discontinued operations

Our losses from discontinued operations (net of taxes) decreased by ₹3.13 million to ₹(1.01) million in Fiscal 2017 from ₹(4.14) million in Fiscal 2016 as operations were only for the part of the year i.e. upto September 30, 2016.

Profit after tax for the year

Due to the factors mentioned above, our profit after tax increased by 28.02%. (i.e. ₹791.47 million) from ₹2,825.13 million in Fiscal 2016 to ₹3,616.60 million in Fiscal 2017.

Other comprehensive income (net of taxes)

Our other comprehensive income (net of taxes) was ₹5.94 million in Fiscal 2017 as against ₹(10.02) million in Fiscal 2016 due to actuarial gain on re-measurement of employee benefits and foreign exchange translation reserves.

Total comprehensive income

Our total comprehensive income increased by 28.68% (i.e. ₹807.43 million) to ₹3,622.54 million in Fiscal 2017 from ₹2,815.11 million in Fiscal 2016 due to the reasons explained above.

Fiscal 2016 compared to Fiscal 2015

Revenue

Total revenue increased to ₹12,267.27 million in Fiscal 2016 from ₹11,591.07 million in Fiscal 2015 registering an increase of 5.83% as per as per break-up mentioned below:-

(₹ in million)				
S.No.	Particulars	Fiscal 2016	Fiscal 2015	% increase/ (decrease)
Revenue				
1. Sale of Services				
A.	Consultancy Services	7,689.44	7,031.18	9.36
B.	Leasing Services	901.66	693.03	30.10
2. Sale of Products				
A.	Export Sales	1,859.39	1,492.29	24.60
3	Turnkey construction projects	385.60	910.38	(57.64)
4.	Sale of Power Generation	69.21	-	100.00
Revenue from Operations (1+2+3+4 = 5)		10,905.30	10,126.88	7.69
Other Income (6)		1,361.97	1,464.19	(6.98)
Grand Total (5+6)		12,267.27	11,591.07	5.83

Revenue from operations:

Revenue from operations increased by 7.69% to ₹10,905.30 million in Fiscal 2016 from ₹10,126.88 million in Fiscal 2015. During the period revenue increased from all streams of business activities except turnkey construction where there is a slight fall.

Revenue from sale of services, i.e. from consultancy services increased by ₹658.26 million and from leasing services increased by ₹208.63 million as a result of 48 locomotives in fiscal 2016 compared to 44 locomotives in fiscal 2015. Export sales increased due to increase in exports of rolling stock and locomotives in Asian & African continents. Revenue from sale of power generation from 26 MW windmill plant at Jaisalmer increased as the plant was commissioned in October 19, 2015 in fiscal 2016 while there was no income in fiscal 2015.

Other Income:

Our other income decreased by 6.98% to ₹1,361.97 million in Fiscal 2016 from ₹1,464.19 million in Fiscal 2015. This decrease was primarily due to provision no longer required of ₹93.25 million in fiscal 2015 as against ₹50.15 million in fiscal 2016, export incentives decrease from ₹85.88 million in fiscal 2015 to ₹0.56 million in fiscal 2016, dividend from various investments decrease from ₹27.42 million in fiscal 2015 to ₹12.53 million in fiscal 2016.

Revenue from interest on bank deposits, tax free bonds, loans and advances marginally increased from ₹1,078.65 million in fiscal 2015 to ₹1,080.04 million in fiscal 2016 because of interest on loan given to one of the overseas joint ventures and increase in interest income through tax free bonds.

Other income has declined because of fall in dividend from investment and export incentives despite increase in miscellaneous income from ₹35.16 million in fiscal 2015 to ₹59.31 million in fiscal 2016 and exchange variation of ₹132.55 million in fiscal 2015 to ₹147.93 million in fiscal 2016.

Expenses

(₹ in million)

Particulars	Fiscal 2016	Fiscal 2015	Changes in expenses in fiscal 2016 with respect to fiscal 2015		% of Total Operating Income (Total Revenue – Other Income)	
	Amount	Amount	Amount	Percentage Increase (Decrease)	Fiscal 2016	Fiscal 2015
Expenses						
Employee Benefits	3,409.59	3,244.72	164.87	5.08	31.27	32.04
Travel	355.43	324.66	30.77	9.48	3.26	3.21
Supplies & Services	971.26	784.5	186.76	23.81	8.91	7.75
Cost of Export Sales	1,569.42	805.11	764.31	94.93	14.39	7.95
Cost of Turnkey Construction Projects	352.52	834.82	(482.30)	(57.77)	3.23	8.24
Transmission and wheeling charges	21.66	-	21.66	-	0.20	-
Finance cost	47.14	-	47.14	-	0.43	-
Depreciation and amortisation expense	346.43	261.54	84.89	32.46	3.18	2.58
Other expense	661.66	663.56	(1.90)	(0.29)	6.07	6.55
Total Expenses	7,735.11	6,918.91	816.20	11.80	70.93	68.32

Our total expenditure increased by 11.80% to ₹7,735.11 million in Fiscal 2016 from ₹6,918.91 million in Fiscal 2015 due to reasons as mentioned below:

Employee benefit expenses increased by 5.08% to ₹3,409.59 million in Fiscal 2016 from ₹3,244.72 million in Fiscal 2015 on account of provisions for 7th pay commission for CDA employees for the last quarter of fiscal 2016, allowances, post retiral benefits and leave encashment etc.

Travel Cost increased by 9.48% to ₹355.43 million in Fiscal 2016 from ₹324.66 million in Fiscal 2015 on account of increased business activities.

Supplies and services increased by 23.81% to ₹971.26 million in Fiscal 2016 from ₹784.50 million in Fiscal 2015 due to increase in consultancy business activities.

Cost of Export sales increased by 94.93% to ₹1,569.42 million in Fiscal 2016 from ₹805.11 million in Fiscal 2015 corresponding to increase in export sales resulting incremental/additional procurement cost and other incidental expenses.

Cost of turnkey construction projects decreased by 57.77% to ₹352.52 million in Fiscal 2016 from ₹834.82 million in Fiscal 2015 as on-going projects were on the verge of completion and new projects were at initial stage.

Transmission and wheeling charges increased to ₹21.66 million in Fiscal 2016 from Nil in Fiscal 2015 due to the reason that operational activities started from windmill project at Jaisalmer from October 19, 2015 onwards and there were no activities in Fiscal 2015.

Finance Cost increased to ₹47.14 million in Fiscal 2016 from Nil in Fiscal 2015. This increase was primarily due to commencement of operations from October 19, 2015 onwards in fiscal 2016 and no operations in fiscal 2015. Interest expenses prior to commissioning of the windmill project at Jaisalmer were capitalised.

Depreciation and amortisation expenses increased by 32.46% to ₹346.43 million in Fiscal 2016 from ₹261.54 million in Fiscal 2015 due to depreciation on the locomotives capitalised, other assets purchased during the year pertaining to the windmill project at Jaisalmer.

Other expenses marginally decreased by 0.29% to ₹661.66 million in Fiscal 2016 from ₹663.56 million in Fiscal 2015. This marginal decrease has been on account of bank charges, less bad debts, impairment towards doubtful debts, etc.

Share of profit/(loss) of Joint Ventures (Net of tax)

Our share of loss from Joint Ventures (net of tax) increased to ₹(26.00) million in fiscal 2016 from ₹10.27 million in Fiscal 2015 due to business operations losses of JVs.

Tax expense

Tax expense increased by 7.47% to ₹1,676.89 million in Fiscal 2016 from ₹1,560.31 million in Fiscal 2015 primarily due to tax benefit for payments towards inadmissible expenditures of previous years was available in Fiscal 2015 resulting into lower tax in Fiscal 2015 as compared to Fiscal 2016 and higher tax rate due to increase in surcharge from 10% to 12% in Fiscal 2016.

Profit after tax for the year from continued operations

Our profit after tax from continued operations, decreased by 9.38% (i.e. ₹292.85 million) to ₹2,829.27 million in Fiscal 2016 from ₹3,122.12 million in Fiscal 2015 which was a decrease of due to factors mentioned hereinabove and the fact that despite increase in turnover, there was fall in margin because of low margins in one of the export sale contracts and in consultancy there was slight decline in the margins because of lower bill on account of escalation.

Discontinued operations

Our losses from discontinued operations (net of taxes) increased by ₹4.14 million to ₹4.14 million in Fiscal 2016 from Nil in Fiscal 2015 due to operational losses of one of our subsidiary companies, RISL.

Profit after tax for the year

Due to the factors mentioned above, our profit after tax decreased by 9.51% (i.e. ₹296.99 million) to ₹2,825.13 million in Fiscal 2016 from ₹3,122.12 million in Fiscal 2015.

Other comprehensive income (net of taxes)

Our other comprehensive income (net of taxes) decreased to ₹(10.02) million in Fiscal 2016 from ₹17.67 million in Fiscal 2015 due to actuarial loss on re-measurement of employee benefits and foreign exchange translation reserves.

Total comprehensive income

Our total comprehensive income decreased by 10.34% (i.e. ₹324.68 million) to ₹2,815.11 million in Fiscal 2016 from ₹3,139.79 million in Fiscal 2015 due to the reasons explained above.

Net Assets after depreciation

(₹ in million)

DESCRIPTION	DECEMBER 31, 2017	FISCAL 2017	FISCAL 2016	FISCAL 2015
A. Lease hold				
Land	9.60	9.92	10.34	0.00
Building	90.91.	92.35	37.65	39.31
Residential quarters	-	-	-	-
Multifunctional complex	55.50	56.80	57.41	44.25
Sub total (A)	156.01	159.07	105.40	83.56
B. Others				
Land	261.82	303.44	295.57	295.57
Building	326.29	331.43	338.25	331.90

DESCRIPTION	DECEMBER 31, 2017	FISCAL 2017	FISCAL 2016	FISCAL 2015
Residential quarters	9.27	9.42	9.63	9.84
Survey and other instruments	31.33	34.79	31.25	36.82
Computer and equipment	25.29	29.74	31.63	28.43
Server & network	19.60	23.31	32.83	40.25
Office and other equipment	15.05	17.59	17.98	21.23
Air-conditioner and equipment	6.91	7.94	7.26	5.99
Air conditioner plant	30.46	40.76	53.95	59.23
Furnitures	22.25	24.45	25.22	21.34
Fixtures	3.97	4.72	9.10	13.98
Vehicles	9.02	10.30	13.34	16.49
Vehicles abroad	0.02	0.09	0.17	0.26
Locomotives new	727.82	534.24	574.45	-
Locomotives in service	882.05	1,069.97	1,114.10	1,092.27
Plant & machinery [^]	1,387.33	1,433.41	1,494.30	-
Sub-total (B)	3,758.68	3,875.60	4,049.03	1,973.60
Total (A+B)	3,914.69	4,034.67	4,154.43	2,057.16

[^]Land of ₹9.59 million and plant & machinery of ₹1,387.53 million are mortgaged/hypothecated against borrowings.

Liquidity and capital resources

Sources of Liquidity

As of March 31, 2017 and March 31, 2016, we had owned cash and bank balances of ₹9,989.09 million and ₹8,356.47 million, respectively. Cash and bank balances consist of cash in hand, bank balances in current accounts, other bank balances and earmarked balances with banks. Our primary liquidity requirements have been towards business activities viz. employee benefit expenses, travel cost, supplies and services, cost of construction turnkey projects, cost of exports sales, transmission and wheeling charges, finance cost, tax liabilities, procurement/replacement of tangible assets such as land and buildings, equipments, locomotives etc. and intangible fixed assets, investments, payments to suppliers/creditors, meeting working capital and contractual commitments/obligations etc. We have relied on cash from internal resources to finance the expansion of our business and operations and borrowing from bank for REMCL, a subsidiary company.

Cash Flows

The table below summarises our cash flows from our restated financial information of cash flows for December 31, 2017, Fiscal 2017, Fiscal 2016 and Fiscal 2015:

(₹ in million)

	December 31, 2017	Fiscal 2017	Fiscal 2016	Fiscal 2015
Net cash (used in) / generated from operating activities	3,139.43	3,861.99	637.24	1,095.64
Net cash (used in) / generated from investing activities	(2,201.14)	(294.07)	(1,257.00)	1,695.54
Net cash (used in) / generated from financing activities	(1,216.62)	(2,145.60)	340.33	(532.56)
Effect of exchange differences on translation of foreign currency	54.65	17.95	147.92	132.57
Net increase(decrease) in cash and cash equivalents	(223.68)	1,440.27	(131.51)	2,391.19
Cash and cash equivalents at the beginning of the period	4,063.67	2,623.40	2,754.91	363.72
Cash and cash equivalents at the end of the	3,839.99	4,063.67	2,623.40	2,754.91

	December 31, 2017	Fiscal 2017	Fiscal 2016	Fiscal 2015
period				

Operating activities

December 31, 2017

Net cash generated from operating activities was ₹3,139.43 million for the nine month period ended December 31, 2017. Our operating profit before working capital changes was ₹3,197.10 million for the nine month period ended December 31, 2017 due to adjustments primarily on account of depreciation and amortization, profit on sale of assets, interest from fixed deposits and others, income from investment, finance cost, provision and impairment expenses etc. The operating profit before working capital changes was adjusted by increase/(decrease) in operating assets, liabilities and tax paid of ₹(57.67) million.

Fiscal 2017

Net cash generated from operating activities was ₹3,861.99 million in Fiscal 2017. Our operating profit before working capital changes was ₹4,423.35 million in Fiscal 2017 due to adjustments primarily on account of depreciation and amortization, profit on sale of assets, interest from fixed deposits and others, income from investment, finance cost, provision and impairment expenses etc. The operating profit before working capital changes was adjusted by increase/(decrease) in operating assets, liabilities and tax paid of ₹(561.36) million.

Fiscal 2016

Net cash generated from operating activities was ₹637.24 million in Fiscal 2016. Our operating profit before working capital changes was ₹3,848.56 million in Fiscal 2016 due to adjustments primarily on account of depreciation and amortization, profit on sale of assets, interest from fixed deposits and others, income from investment, finance cost, provision and impairment expenses etc. The operating profit before working capital changes was adjusted by increase/(decrease) in operating assets, liabilities and tax paid of ₹(3, 211.32) million.

Fiscal 2015

Net cash generated from operating activities was ₹1,095.64 million in Fiscal 2015. Our operating profit before working capital changes was ₹3,685.78 million in Fiscal 2015 due to adjustments primarily on account of depreciation and amortization, profit on sale of assets, interest from fixed deposits and others, income from investment, finance cost, provision and impairment expenses etc. The operating profit before working capital changes was adjusted by increase/(decrease) in operating assets, liabilities and tax paid of ₹(2,590.14) million.

Investing activities

December 31, 2017

Net cash generated from investing activities was ₹(2,201.14) million for the nine month period ended December 31, 2017. This was primarily due to purchase of fixed assets, Loan to related parties, interest income, income from investments and investment properties, maturity of bonds/shares, deposits and interest accrued not considered as cash and cash equivalent.

Fiscal 2017

Net cash generated from investing activities was ₹(294.07) million in Fiscal 2017. This was primarily due to purchase of fixed assets, Loan to related parties, interest income, income from investments and investment properties, maturity of bonds/shares, deposits and interest accrued not considered as cash and cash equivalent. The primarily inflows during the period were from interest income ₹979.44 million, income from investment ₹44.54 million, income from investment properties ₹10.42 million and from sale of investment in shares & bonds ₹500.00 million, sale proceeds of fixed assets ₹58.59 million while primarily outflows were from purchase and construction of fixed assets ₹(211.52) million, loans to related parties ₹(70.00) million, deposits and interest accrued not considered as cash and cash equivalent ₹(1,605.41) million.

Fiscal 2016

Net cash generated from investing activities was ₹(1,257.00) million in Fiscal 2016. This was primarily due to purchase of fixed assets, Loan to related parties, interest income, income from investments and investment properties, investment in bonds/shares, deposits and interest accrued not considered as cash and cash equivalent. The primarily inflows during the period were from interest income ₹989.08 million, income from investment ₹12.53 million, income from investment properties ₹10.27 million, proceeds from sale of fixed assets ₹1.70 million and outflows were from purchase/construction of fixed assets ₹(1,940.85) million, investments in shares and bonds ₹(200.52) million, loans to related parties ₹(20.00) million and deposits and interest accrued not considered as cash and cash equivalent ₹(109.21) million.

Fiscal 2015

Net cash generated from investing activities was ₹1,695.54 million in Fiscal 2015. This was primarily due to purchase of fixed assets, loan to related parties, interest income, income from investments and investment properties, investment in JVs, deposits and interest accrued not considered as cash and cash equivalent. The primarily inflows during the period were from interest income ₹1,006.62 million, deposits and interest accrued ₹1,709.26 million, income from investments ₹27.42 million, income from investment properties ₹10.32 million, processed from sale of fixed assets ₹56.56 million, and redemption of investment of ₹60.00 million while outflow ₹(1,000.64) million was on account of purchase of locomotives and loans to JV of ₹(174.00) million.

Financing activities

December 31, 2017

Net cash generated from financing activities was ₹(1,216.62) million for the nine month period ended December 31, 2017 on account of secured loan with interest paid and dividend payment including dividend distribution tax.

Fiscal 2017

Net cash generated from financing activities was ₹(2,145.60) million for Fiscal 2017 comprising of dividend paid with dividend distribution tax of ₹(1,757.22) million, secured loan with interest paid of ₹(486.38) million and increase in non-controlling interest ₹98.00 million.

Fiscal 2016

Net cash generated from financing activities was ₹340.33 million for Fiscal 2016 comprising of dividend paid with dividend distribution tax of ₹(926.75) million, increase in secured loan by ₹1,205.86 million, interest paid of ₹(36.78) million and increase in non-controlling interest ₹98.00 million.

Fiscal 2015

Net cash generated from financing activities was ₹(532.56) million for Fiscal 2015 comprising of dividend paid with dividend distribution tax of ₹(629.08) million and increase in non-controlling interest ₹96.52 million.

Related party transactions

The details in relation to related party transactions, see “*Related Party Transactions*” on page 197.

Contingent Liabilities

As on December 31, 2017, our aggregate contingent liabilities were ₹11,937.55 million and capital commitments were ₹1,493.37 million. The details of our contingent liabilities and commitments are set out below:

- (a) Claims (excluding interest) against the company not acknowledged as debts as certified by the management are as follows:

(₹ in million)

Particulars	Brief description of nature	Obligations as on December 31, 2017
Claims on behalf of the clients *	Claims are through arbitration/court cases	6,151.18
Other claims **		330.31
Total Claims		6,481.49

*The Management does not foresee any liability on the company as the same are contested by the Company for and or on behalf of the clients.

** Counter claim against the executing agency in respect of other claims are as follow:

(₹ in million)

Particulars	Period ended December 31, 2017
Counter claim in respect of Other claims	630.00

(b) Other money for which the Group is contingently liable is as under:

(₹ in million)

Particulars	obligations as on December 31, 2017
Excise Bonds outstanding against export obligations with Central Excise Department	36.77
Bonds due for release by Excise Department	30.72
Demands contested on account of taxes viz. VAT, Service Tax & Income Tax	4.79
Wheeling & Transmission Chares with Rajasthan State Utilities	4.04

(c) Bank Guarantees issued by Banks is as under:

(₹ in million)

Particulars	Period ended December 31, 2017
Bank Guarantees issued by Banks	5,410.46

(d) Capital Commitments

Estimated amount of contracts remaining to be executed on capital account as certified by the management not provided for is as under:

(₹ in million)

Particulars	Period ended December 31, 2017
Liability on account of capital commitments	1,493.37

Off balance sheet items

We do not have any off balance sheet items.

Secured and unsecured borrowings

There are no fund based borrowings availed by our Company. However, one of our Subsidiary, REMCL, has availed fund based facilities and as on March 31, 2018, the outstanding borrowing of our Company is ₹559.02 million. For further details, see “Financial Indebtedness” on page 562.

Capital expenditure

The capital expenditure represents our expenditure in relation to tangible fixed assets viz. property, plant, locomotives, rolling stocks, vehicles, furniture & fixtures, instruments, equipments, land and building and intangible assets viz. software. This expenditure includes capital work in progress in respect of tangible and intangible assets. The following table sets out the total capital expenditure for the periods indicated:

(₹ in million)

Particulars	December 31, 2017	Fiscal 2017	Fiscal 2016	Fiscal 2015
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Particulars	December 31, 2017	Fiscal 2017	Fiscal 2016	Fiscal 2015
Tangible Fixed Assets	222.94	236.38	754.64	218.52
Capital Work in progress	-	34.60	1,484.04	278.80
Intangible Fixed Assets	2.50	2.77	3.42	19.23
Intangible Fixed Assets under development	-	-	8.31	2.60
Total	225.44	273.75	2,250.41	519.15

Quantitative and Qualitative disclosures about market risk

We are exposed to various types of market risks during the normal course of business. Market risk is the risk of loss related to the foreign currency risk and credit risk in the normal course of the business.

Foreign Currency Risk

Our Company operates internationally and foreign business transactions are transacted in several currencies for which our Company is exposed to foreign exchange risk for its export sales and consultancy services in Middle East and South Asian countries. The exchange rates between the rupee and foreign currencies have changed substantially in the recent years which may also fluctuate substantially in future. Our Company has currency risk management policy and exchange fluctuations are regularly being monitored by the Risk Management Committee to mitigate the risk. Policy covers various aspects of currency risk management, benchmarking, hedging risk, appetite hedging policy, structure of risk management committee and treasury group, reporting procedures, etc.

Credit Risk

Credit Risk refers to the risk of default on its obligation by the counterparty under the financial instrument or clients' contracts resulting in a financial loss. We are exposed to credit risk from our operating activities from trade receivable. Primarily exposure to the credit risk is from trade receivables as on December 31, 2017, March 31, 2017, 2016 and 2015 were of ₹6,121.58 million, ₹5,280.25 million, ₹5,772.13 million and ₹4,263.65 million respectively. Credit risk is being managed by continuously monitoring the outstanding dues from the customers. Trade Receivables towards export sales are generally managed by establishing Letter of Credit with the customers. Further, most of our clients are Government or Government Undertakings; hence credit risk is not significant.

Inflation risks

India has experienced high inflation in the recent past which contributed to increase in manpower cost as a result of dearness allowance announced by GoI from time to time. There are increase in other costs also as a result of inflation which is difficult us to accurately estimate or control our cost, except where clients has to pay as per the escalation clause.

Auditors' observations, qualifications, adverse remarks and matter of emphasis

There are no reservations, qualifications and adverse remarks by our Statutory Auditors for the Fiscal 2017, 2016, 2015, 2014 and 2013, except the following matters of emphasis:

Restated Standalone Financial Statements

Auditors' report Para No.	Auditors observations	Our Company's Response
2012-13 Para- II(e) Auditors' Report	In our opinion, the Statement of Profit & Loss and the Balance Sheet dealt with by this report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 except regarding Accounting Standard 11 'Effects of Changes in Foreign Exchange Rates' as referred to in Para no. 2.44.5 of Notes to Accounts;	
Para no.	The company in accordance with the provisions of Accounting Standard 11	Effect has been

Auditors' report Para No.	Auditors observations	Our Company's Response
2.44.5 of Notes to Accounts	has been recognizing the exchange differences on foreign currency amounts of CCFB till the year ended 31st March, 2011. In view of the arbitration proceedings launched 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 ₹60.73 million for the year (previous year ₹136.38 million). However, any loss due to unfavourable exchange differences would have been/ will be recognized and provided for.	considered in the restated financial information.
2013-14 Para 8(e) Auditor's Report Para no. 2.44.5 of notes to Accounts Para no. 2.44.6 of Notes to Accounts	<p>In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956 except regarding Accounting Standard 11 "Effects of Changes in Foreign Exchanges Rates" as referred to in Para no. 2.44.5 & 2.44.6 of Notes to Accounts; resulting in non-recognition of exchange gain and understatement of the profit before tax by ₹103.44 million (previous year ₹60.73 million) for the year, Long term Loan & Advances by ₹273.03 million (previous year ₹177.01 million) and other non-current assets by ₹21.09 million (previous year ₹13.68 million) as on 31st March,2014.</p> <p>The company in accordance with the provisions of Accounting Standard 11 has recognised the exchange differences on the foreign currency amounts for CCFB 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 ₹103.44 million {cumulative up to the period ₹294.12 million} for the year (previous year ₹60.73 million {cumulative up to the period ₹190.68 million}). However, any loss due to unfavourable exchange differences would have been/ will be recognized and provided for.</p> <p>Had the due been translated at the closing exchange rate as on 31st March, 2014 as per AS-11, long term loan and advances and other non- current assets would have been higher by ₹273.03 million (previous year ₹177.01 million) and ₹21.09 million (previous year ₹13.68 million) respectively. Profit before tax would have been higher by ₹294.12 million (effect of current year ₹103.44 million and of earlier years ₹190.68 million) (Previous year ₹190.68 million). The long term loans & advances would have been ₹1,953.43 million (previous year ₹1,866.11 million), other non-current assets would have been ₹1,549.79 million (previous year ₹408.38 million) and profit before tax would have been ₹4,155.02 million) (previous year ₹3641.38 million).</p>	Effect has been considered in the restated financial information.
2014-15 Para 3(d) of Auditor's Report Para	<p>In our opinion, the standalone financial statements comply with 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 ₹55.99 million (Previous year ₹103.44 million) for the year, long term loan & advances by ₹325.12 million (previous year ₹273.03 million) and other non-current assets by ₹25.04 million (previous year ₹21.09 million) as on 31st March, 2015;</p> <p>The company in accordance with the provisions of Accounting Standard 11</p>	Effect has been considered in the restated financial information. Effect has been

Auditors' report Para No.	Auditors observations	Our Company's Response
no.2.43.5 of Notes to Accounts	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 consequents 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 ₹55.06 million for the year, cumulative upto 31st March, 2015 ₹349.18 million (previous year ₹103.44 million, cumulative upto 31st March, 2014 ₹294.12 million). However, any loss due to unfavourable exchange differences would have been/ will be recognized and provided for.	considered in the restated financial information.
Para no. 2.43.6 of Notes to Accounts	Company has entered into loan agreement with CCFB Mozambique on 15th January, 2015 for providing financial assistance to enable CCFB to meet arbitration expenses. A sum of ₹74.00 million (equivalent to US \$ 1.22 million) has been extended as loan till 31st March, 2015 which includes ₹66.53 million (equivalent to US\$ 1.09 million) paid for CCFB prior to signing of agreement and shown under amount recoverable. 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, exchanged gain of ₹0.93 million has not been recognized. Further interest accrued on said loan amounting to ₹2.53 million (equivalent to US\$0.041 million) has also not been recognized due to uncertainty of outcome of the proceedings.	Effect has been considered in the restated financial information.
Para no. 2.43.7 of Notes to Accounts	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 ₹325.12 million (previous year ₹273.03 million) and ₹25.04 million (previous year ₹21.09 million) respectively. Profit before tax would have been higher by ₹350.11 million (effect of current year ₹55.99 million and of earlier years ₹294.12 million) (previous year ₹294.12 million). The long term loans & advances would have been ₹2,109.72 million (previous year ₹1,953.43 million), other non-current assets would have been ₹1,287.24 million (previous year ₹1,549.79 million) and profit before tax would have been ₹4,911.11 million (previous year ₹4,155.02 million).	

Restated Consolidated Financial Statements

Auditors' report Para No.	Auditors observations	Our Company's Response
OTHER MATTER nine month period ended December 31, 2017, Auditor's Report 2.68.2 of Notes to Accounts	Refer note no. 2.68.2 of notes to accounts of consolidated financial statements in regard to revenue from operation that has been accounted for including CRRM. In case of SRBWIPL, sales revenue for rehabilitation of BOXNR wagons have been accounted for based on the Basic Price (including CRRM) and escalation clause specified in the order by the Eastern Railway. The CRRM generated in the process of rehabilitation of wagons is booked under current assets at the time of raising of bills at value specified in the work order.	Statement of fact referred by the auditors which has no impact on restated financial information.
OTHER MATTER 2016-17, Auditor's Report	Refer note no. 2.76 of notes to accounts of consolidated Ind AS financial statements in regard to revenue from operation that has been accounted for including CRRM.	Statement of fact referred by the auditors which has no impact on restated

Auditors' report Para No.	Auditors observations	Our Company's Response						
2.76 of Notes to Accounts	In case of SRBWIPL, sales revenue for rehabilitation of BOXNR wagons have been accounted for based on the Basic Price (including CRRM) and escalation clause specified in the order by the Eastern Railway. The CRRM generated in the process of rehabilitation of wagons is booked under current assets at the time of raising of bills at value specified in the work order.	financial information.						
EMPHASIS OF MATTERS (2015-2016) Auditor's Report(a) (b)	We draw attention to the following matters in the notes to the consolidated financial statements: In the case of one of the subsidiary companies, the Board of Directors of the company resolved to wind up the company subject to approval of shareholders in the general meeting and after handing over MFCs to Zonal Railways and settlement of final bills for construction of bus terminal at Maltipatpur, Puri, Odisha – refer para no. 2.58 of notes to accounts of the consolidated financial statements. CCFB, Mozambique, a joint venture company, ceased to operate as a going concern from 8th December, 2011 and its unaudited financial statements ending 31st December, 2015 have been taken for the consolidation purpose.	Statement of fact referred to the auditors which has no impact on restated financial information. Statement of fact referred to the auditors which has no impact on restated financial information.						
2.58 of Notes to Account	In case of RISL, company has discontinued operations and going for winding up. Information in this regard is given below:- In case of RISL with respect to Board Resolution passed in the Board Meeting held on 4 th March, 2016. Board has proposed to wind up the company during FY2016-17, subject to approval of shareholders in the general meeting. The legal proceedings to wind up the company have not yet commenced and will be taken up after handling over MFCs to Zonal Railways and settlement of final bill of the contractor for construction of bus terminal at Maltipatpur, Puri, Odisha. Considering these facts going concern assumption seems to be inappropriate on the date of Financial Statement. However, Company has prepared the financial statement on historical cost basis, as shareholders have not approved the winding up to the company till the date of signing of financial statement.	Statement of fact referred to the auditors which has no impact on restated financial information.						
2.58.1	The BOD of the holding company in their meeting held on 8th January, 2016 has also decided to wind up the company during the Financial Year 2016-17 after handling over MFCs to Zonal Railways and settlement of final bill of the contractor for construction of bus terminal at Maltipatpur, Puri, Odisha.	Statement of fact referred to the auditors which has no impact on restated financial information.						
2.58.2	Information regarding financial & net cash flow in respect of discontinuing operations during the current financial year 2015-2016 in respect of RISL is as under:-							
2.58.3	<table border="1" data-bbox="400 1939 1114 2031"> <thead> <tr> <th data-bbox="400 1939 927 1973">Particulars</th> <th data-bbox="927 1939 1114 1973">Fiscal 2016</th> </tr> </thead> <tbody> <tr> <td data-bbox="400 1973 927 2007">Total assets to be disposed off</td> <td data-bbox="927 1973 1114 2007">152.56</td> </tr> <tr> <td data-bbox="400 2007 927 2031">Total liabilities to be settled</td> <td data-bbox="927 2007 1114 2031">157.33</td> </tr> </tbody> </table>	Particulars	Fiscal 2016	Total assets to be disposed off	152.56	Total liabilities to be settled	157.33	Statement of fact referred to the auditors which has no
Particulars	Fiscal 2016							
Total assets to be disposed off	152.56							
Total liabilities to be settled	157.33							

Auditors' report Para No.	Auditors observations	Our Company's Response
	Revenue attributable to discontinuing operations during the current financial year	136.94
	Expenses attributable to discontinuing operations during the current financial year	140.84
	Pre- Tax Profit/ (Loss)	(3.87)
	Net cash flow from discounting operations attributable to the :	
	-Operating activities	(70.01)
	-Investing activities	66.09
	-Financial activities	4.28

(₹ in million)

Auditors' report Para No.	Auditors observations	Our Company's Response
Emphasis of matters of Auditor's Report 2014-15 financial year	We draw attention to the following matters in the notes to the consolidated financial statements:	
2.51.2 of Notes to Accounts	<p>(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.</p> <p>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.</p>	<p>Statement of fact referred to the Auditors which has no impact on restated financial information.</p> <p>Statement of fact referred to the auditors which has no impact on restated financial information.</p>
2.52.2 of Notes to Accounts	<p>(b) During the year in the case of one of the joint venture entities, SAIL has raised invoice of ₹24.51 million 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 and hence in view of the management of the entity there can be no ground for considering/acceptance of the dues of ₹24.51 million as mentioned by SAIL (Refer note no. 2.52.2 to the audited consolidated financial statements).</p> <p>During the year, SAIL has raised invoice of ₹24.51 million 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</p>	<p>Statement of fact referred to the auditors which has no impact on restated financial information.</p> <p>Statement of fact referred to the auditors which has no impact on restated financial information.</p>

Auditors' report Para No.	Auditors observations	Our Company's Response
	<p>considering/acceptance of the dues of ₹24.51 million as mentioned by SAIL.</p> <p>(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.</p>	<p>Statement of fact referred to the auditors which has no impact on restated financial information.</p>
<p>Auditors' Report Para 3(d)</p> <p>2.47.5 of Notes to Accounts</p> <p>2.47.6 of Notes to Accounts</p>	<p>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 ₹41.43 million (previous year ₹76.54 million) for the year, long term loan & advances by ₹240.59 million (previous year ₹202.04 million) and other non-current assets by ₹18.53 million (previous year ₹15.61 million) as on 31st March, 2015;</p> <p>The Group in accordance with the provisions of Accounting Standard 11 has recognised 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 of doubtful debts and these are being stated at the prevailing exchange rate on 31st March, 2011, resulting non-recognition of exchange gain of ₹40.76 million for the year, cumulative upto 31st March, 2015 ₹258.39 million (previous year ₹76.54 million, cumulative upto 31st March, 2014 ₹217.65 million). However, any loss due to unfavourable exchange differences would have been/will be recognized and provided for.</p> <p>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 ₹74.00 million (equivalent to US\$ 1.22 million) has been extended as loan till 31st March, 2015 which includes ₹66.53 million (equivalent to US\$ 1.09 million) paid for CCFB prior to signing of agreement and shown under amount recoverable. 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 ₹0.69 million has not been recognized. Further, interest accrued on said loan amounting to ₹1.88 million (equivalent to US\$ 0.03 million) has also not been recognized due to uncertainty of outcome of the proceedings.</p> <p>Had the dues been translated at the closing exchange rate as on 31st</p>	<p>Effect has been considered in the restated financial information.</p> <p>Effect has been considered in the restated financial information.</p> <p>Effect has been considered in the restated financial information.</p>

Auditors' report Para No.	Auditors observations	Our Company's Response
2.47.7 of Notes to Accounts	March, 2015 as per AS-11, long term loan and advances and other non-current assets would have been higher by ₹240.59 million (previous year ₹202.04 million) and ₹18.53 million (previous year ₹15.61 million) respectively. Profit before tax would have been higher by ₹259.08 million (effect of current year ₹41.43 million and of earlier years ₹217.65 million) (previous year ₹217.65 million). The long term loans & advances would have been ₹1,808.79 million (previous year ₹1,681.94 million), other non-current assets would have been ₹1,272.13 million (previous year ₹1,532.31 million) and profit before tax would have been ₹4,791.48 million (previous year ₹4,040.15 million).	Effect has been considered in the restated financial information.

Unusual or infrequent events or transactions

As on date, there have been no unusual or infrequent events or transactions including unusual trends on account of business activity, unusual items of income and discretionary reduction of expenses, except following non-recurring items:

(₹ in million)

Particulars	December 31, 2017	Fiscal 2017	Fiscal 2016	Fiscal 2015
Interest on others	42.33	86.28	0.04	10.23
Provision no longer required	188.43	55.18	50.15	93.25
Profit on sale of fixed assets.	0.45	0.59	1.18	0.96
Profit on sale of investment in joint venture.	-	714.72	-	-

Significant economic changes that materially affected or are likely to affect income from continuing operations

We operate in a government regulated industry. Government policies governing the sector in which we operate as well as the overall growth of the Indian economy has a significant bearing on our operations. Major changes in these factors can significantly impact income from continuing operations.

There are no significant economic changes that materially affected our Company's operations or are likely to affect income from continuing operations except as described in the section titled "Risk Factors" and "Management's Discussion & Analysis – Significant Factors Affecting Our Financial Conditions and Results of Operations" on pages 18 and 524 respectively.

Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations

Our business has been affected and we expect that it will continue to be affected by the trends identified above in "Management's Discussion & Analysis – Significant Factors Affecting Our Financial Conditions and Results of Operations" and the uncertainties described in the section titled "Risk Factors" on pages 524 and 18, respectively. To our knowledge, except as disclosed in this Red Herring Prospectus, there are no known factors which we expect to have a material adverse impact on sales, revenue or income from continuing operations.

Future changes in relationship between costs and revenues

Other than as described in "Risk Factors" and "Our Business" on pages 18 and 134 respectively and this section, we believe there are no known factors that might affect the future relationship between cost and revenue.

Extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased sales prices

Changes in revenue in the last three fiscal years with stub period of December 31, 2017 are as explained in the part "Fiscal 2017 compared to Fiscal 2016" and "Fiscal 2016 compared to Fiscal 2015" in this section.

Competitive Conditions

We expect competition in our industry from existing and potential competitors to intensify. For details, see the discussions of our competition in “*Risk Factors*” on page 18.

Increase in income

Increases in our income are due to the factors described above in “*Management’s Discussion and Analysis of Financial Condition and Results of Operations – Significant Factors Affecting Our Financial Conditions and Results of Operations*” and “*Risk Factors*” on pages 526 and 18, respectively.

Status of any publicly announced new products or business segments

We have not announced and do not expect to announce in the near future any new products or business segments.

Seasonality of Business

Our business and operations are affected by seasonal factors, which may require suspension or curtailment of operations, in particular, the monsoon season in the second quarter of each fiscal. During periods of curtailed activity due to adverse weather conditions, we may continue to incur operating expenses and our infrastructure project related activities, carried out by contractors and sub-contractors may be delayed or reduced such as laying down railway lines, track doubling etc. Additionally, construction and infrastructure services witness a decrease during the monsoon. Such fluctuations may impact our completion of projects in due time. Except for the factors stated here, our business is not seasonal in nature.

Recent Accounting Pronouncements

As of the date of this Red Herring Prospectus, there are no recent accounting pronouncements which would have a material effect on our financial condition or results of operations.

Significant developments after December 31, 2017 that may affect our future results of operations

Except as otherwise disclosed elsewhere in this Red Herring Prospectus, there have been no significant developments after December 31, 2017, which materially affect, or are likely to materially affect, our financial condition or results of operations within the next 12 months.

FINANCIAL INDEBTEDNESS

Pursuant to our Articles of Association, and in accordance with Sections 73-76, 179 and 180(1)(c) of the Companies Act, 2013 and rules made thereunder, our Board has been authorised to borrow sums of money upon such terms and conditions and for such purposes as it may deem fit.

Set forth below is a brief summary of our Company's financial arrangements together with a brief description of certain significant terms of such financing arrangements.

As on date of this RHP, there are no fund based borrowings availed by our Company. However, one of our Subsidiary, REMCL, has availed fund based facilities and as on March 31, 2018. The loan outstanding amount including interest is ₹559.02 million.

Non Fund Based Borrowings

(₹ in million)

<u>Category of borrowing</u>	<u>Sanctioned amount</u>	<u>Outstanding amount as on March 31, 2018*</u>
<i>Non-Fund Based borrowings</i>		
Bank guarantees	14,850.00	5,348.77
Letter of credit (sub limit to bank guarantees)	3,300.00	Nil
Loan equivalent risk on forward contracts (sub- limit to bank guarantees)	1,595	Nil
Total	14,850.00	5,348.77

Sr. No.	Lender and term	Type of Facility and Tenure	Limit / amount (in ₹ million)	Amount outstanding as on March 31, 2018 (in ₹ million)	Security	Purpose
1.	Sanction letter from Axis Bank dated February 6, 2017	Bank Guarantee (Inland/Foreign) ("BG") Tenure: Bid bond BG: one (1) year inclusive of claim period Other BG: maximum ten (10) years inclusive of claim period	3,500.00	1941.64	Counter guarantee by the Company.	For execution of various domestic and overseas projects.
		Letter of Credit (Inland / Import) / SBLC ("LC") Tenure: Usance Period – In line with the operating cycle of the Company, i.e. max 160 days.	600.00 (as a sub-limit of BG)	Nil	First charge on goods procured under LC	For procurement of raw materials, packing material stores, spares required for day to day operations of our Company.
		Loan Equivalent Risk on Forward Contracts ("LER")	50.00 (as a sub-limit of	Nil	Nil	For covering

Sr. No.	Lender and term	Type of Facility and Tenure	Limit / amount (in ₹ million)	Amount outstanding as on March 31, 2018 (in ₹ million)	Security	Purpose
		Tenure: one (1) year	BG limit)			forex exposure of our Company towards foreign remittances.
2.	Sanction letter from Indian Bank dated January 01, 2018	Bank Guarantee (Inland / Foreign BG) APG / PG / MG Tenure One (1) year	3,500.00	2,255.57	Counter guarantee by our Company	
3.	Sanction letter from IndusInd Bank dated March 02, 2017	Bank Guarantee (Financial / ;Performance) (“ BG ”) Tenure: maximum four (4) years including claim period	3,000.00	492.31	Counter guarantee by our Company	To issue guarantee to the Company
		Letter of Credit (as a submit to BG) (“ LC ”) Tenure: - Usance: For working capital: Inland LC - maximum usance up to ninety (90) days Import LC –maximum usance up to three hundred and sixty (360) days For Capital Goods, Tools and Equipments: Inland LC - maximum usance up to three hundred and sixty (360) days Import LC – maximum usance up to thirty six (36) months Period of sanction: Co-terminus with BG limit	1,500.00	Nil	Not applicable	For procurement of raw materials, stores, spares etc.
		Forward Cover Limit (“ FCL ”) Tenure: One (1) year Period of sanction: Co-terminus with BG limit	1,500.00	Nil	Not applicable	To cover trade related payables /receivables in foreign currency and other foreign exchange exposures.

Sr. No.	Lender and term	Type of Facility and Tenure	Limit / amount (in ₹ million)	Amount outstanding as on March 31, 2018 (in ₹ million)	Security	Purpose
4.	Sanction letter from Kotak Mahindra Bank dated May 3, 2016	Bank Guarantee (“BG”) Tenure: maximum three (3) years	850.00	9.09	Counter guarantee by our Company	To issue guarantee in course of normal business of the Company.
		Letters of Credit (Inland and foreign) RM/Capex Tenure:-maximum one (1) year	250.00	Nil	Not applicable	For procurement of raw materials, stores, spares, capital goods etc.
		Tom / Spot Transaction	45.00	Nil	Not applicable	To hedge foreign currency exposure
5.	Sanction letter from State Bank of Bikaner & Jaipur (presently known as SBI) dated March 3, 2017	Bank Guarantee (“BG”) Maximum thirty six (36) months including cushion/notice period, if any prescribed	100.00	90.61	Counter guarantee by our Company	Bidding / execution of contracts, payment of earnest money etc.

Sr. No.	Lender and term	Type of Facility and Tenure	Limit / amount (in ₹ million)	Amount outstanding as on March 31, 2018 (in ₹ million)	Security	Purpose
6.	Sanction letter from ICICI Bank dated March 28, 2018	Bank Guarantee (“BG”) (both financial and performance guarantees, both inland and foreign) Maximum period of BG (including claim period, if any) restricted to 60 months	1,400.00	514.23	Not Applicable	Financial or Performance towards bid bond, security deposit, earnest money deposit, contract performance / performance guarantees, advance payment and retention money purposes, custom, central excise, sales tax, electricity, insurance purposes.
		Letter of Credit (both Inland and Foreign LC, Usance or Sight)	700.00 (by way of one-way interchangeability from BG to LC)	Nil	Not Applicable	Procurement of raw materials, consumable stores, spares and tools and capital goods for normal capital expenditure.
7.	Sanction letter from IDFC Bank dated August 8, 2017	Bank Guarantee – Performance (not to exceed one year inclusive of claim period.) (only INR 2000 million be issued for a period of 4 years)	2,500.00	45.33	Counter guarantee by our Company	Earnest money Deposit / Retention money / performance under contract

Sr. No.	Lender and term	Type of Facility and Tenure	Limit / amount (in ₹ million)	Amount outstanding as on March 31, 2018 (in ₹ million)	Security	Purpose
		Bank Guarantee – Financial (not to exceed 12 months inclusive of claim period)	50.00	Nil		Bid Bond / Security deposit, taxes / duties, Mobilization Advance / Advance Payment SBLC
		Letter of Credit (maximum tenor for any LCs shall be (i) for usance LC: 6 months (ii) for sight LCs: on Sight	250.00	Nil		Working capital

In addition to above non fund based borrowing of REMCL, one of our subsidiary company, has non-fund based borrowings ₹0.1 million as bank guarantee.

Principal terms of the non-fund based borrowings availed by our Company:

1. **Interest:** The interest to be paid by our Company is Nil as only commission is required to be paid by our Company for the above mentioned non-fund based facilities.
2. **Covenants:** The borrowing arrangements entered into by our Company entail various restrictive conditions and covenants *inter alia* restricting certain corporate actions for which our Company requires prior consent / intimation of the lenders. Certain of these covenants include:
 - a) Change in the borrower’s capital structure where the shareholding of the existing Promoter gets diluted below current level or 51% of the controlling stake (whichever is lower).
 - b) To intimate the banks at the time of raising any further loans /availing any facilities from any other bank or financial institution.
 - c) Formulation of any scheme of amalgamation or reconstruction of our Company.
 - d) Permitting any transfer of the controlling interest or making any drastic change in the management set-up.
 - e) Selling, assigning, mortgaging or otherwise disposing of any fixed assets charged by the banks.
 - f) Creating any charge, lien or encumbrances over its undertaking or any other part thereof in favour of any bank, financial institutions, company, firm or persons.
 - g) Entering into any contractual obligation of a long term nature.

SECTION VII: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

The details of outstanding litigation or proceedings relating to our Company, our Subsidiaries and our Directors are described in this section in the manner as detailed below. Please note that as set out in the section “Our Promoter, Promoter Group and Group Companies” on page 196, other than our Subsidiaries, our Company does not have any Group Companies as of the date of this Red Herring Prospectus.

Except as stated below in this section, as of the date of this Red Herring Prospectus, there is no outstanding (i) criminal litigation involving our Company, its Directors, or Subsidiaries; (ii) actions taken by statutory and regulatory authorities involving our Company, its Directors, or Subsidiaries; (iii) claims involving our Company, its Directors or Subsidiaries for any direct or indirect tax liabilities (disclosed in a consolidated manner giving the total number of claims and total amounts involved); and (iv) other material pending litigations involving our Company, its Directors or Subsidiaries, in terms of the Materiality Policy adopted by our board in its meeting held on November 20, 2017, for identification of material creditors and material legal proceedings (“Materiality Policy”).

Further, except as stated in this section, there are no (i) outstanding proceedings initiated for economic offences against our Company; (ii) pending defaults or non-payment of statutory dues by our Company; (iii) material fraud against our Company in the last five years immediately preceding the date of this Red Herring Prospectus; (iv) inquiry, inspection or investigation initiated or conducted under the Companies Act against our Company or Subsidiaries during the last five years immediately preceding the year of filing of this Red Herring Prospectus and any prosecutions filed (whether pending or not); (v) fines imposed against or compounding of offences under the Companies Act by our Company and Subsidiaries, in the last five years immediately preceding the year of this Red Herring Prospectus; (vi) other pending litigations involving our Company, Directors, Subsidiaries or any other person, whose outcome could have a material adverse impact on our Company; or (viii) outstanding dues to creditors of our Company as determined to be material by our Board of Directors as per Materiality Policy, in accordance with the SEBI ICDR Regulations; and (ix) outstanding dues to small scale undertaking and other creditors of our Company; and (x) overdue or defaults to banks or financial institutions by our Company.

Details of other legal proceedings, determined to be material in terms of the Materiality Policy are set forth below. Pursuant to SEBI ICDR Regulations, for the purposes of disclosure, all other pending litigation involving our Company, Subsidiaries and Directors, other than criminal proceedings, statutory or regulatory actions and taxation matters, would be considered material if the potential financial liability/monetary claim by or against our Company, Subsidiaries and Directors, in any such pending matter(s) is at least 1% of the profit after tax as per the restated standalone financial statements of the Company as at, and for, the last completed financial year immediately preceding the date of filing this Red Herring Document.

Accordingly, we have only disclosed all outstanding civil litigations involving our Company, Subsidiaries and Directors wherein the aggregate amount involved exceeds ₹30 million. In case of pending litigation and proceedings other than criminal proceedings, statutory or regulatory actions and taxation matters, wherein the monetary amount involved is not quantifiable, such litigation has been considered ‘material’ only in the event that the outcome of such litigation will have a bearing on our Company’s business, operations, prospects or reputation.

It is clarified that for the purposes of the above, pre-litigation notices received by our Company, Subsidiaries and Directors shall, unless otherwise decided by the Board, not be considered as litigation until such time that our Company or any of its Subsidiaries, or its Directors, as the case may be, is impleaded as a defendant in litigation proceedings before any judicial forum.

Except as described below, there are no outstanding litigations, suits or criminal or civil prosecutions, proceedings or tax liabilities against our Company, our Directors or our Subsidiaries, that would have a material adverse effect on our business and there are no defaults, non-payment or overdue of statutory dues, institutional/ bank dues and dues payable to holders of any debentures, bonds and fixed deposits that would have a material adverse effect on our business other than unclaimed liabilities against our Company, our Directors and our Subsidiaries, as on the date of this Red Herring Prospectus.

I. Litigation involving our Company

A. Outstanding criminal litigation

1) Criminal proceedings initiated by our Company

i. CBI v. RPCL

Our Company has filed a complaint on behalf of its client on September 27, 2005 with the Central Bureau of Investigation (“CBI”) against Ramjee Power Construction Limited (“RPCL”), Ranchi and others, regarding submission of forged bank guarantees of ₹327.10 million by RPCL in connection with works of rural electrification in State of Jharkhand. CBI after investigation has filed the charge sheet before the Sub Divisional Judicial Magistrate Court at Ranchi and proceedings are ongoing.

2) Criminal proceeding initiated against our Company

As on the date of this Red Herring Prospectus, there are no criminal proceeding initiated against our Company.

B. Taxation matters:

There are 16 income tax cases, three service tax cases and one value added tax case involving our Company, pending before various authorities in India. These cases pertain to appeals filed by our Company in relation to demands raised against our Company for various assessment years and also include appeals filed by the Income Tax Department (“I.T. Department”). The total disputed tax amount in such cases aggregates approximately ₹255.11 million. The details of these proceedings are set forth below.

Nature of proceeding	Number of proceeding	Amount involved (in ₹ million)
Indirect Tax		
Value Added	1	7.14
Service Tax	3	23.65
Direct Tax		
Income Tax	16	224.32

C. Material outstanding civil litigation involving our Company

1) Material Civil suits filed by our Company

i. RITES Limited v. Bank of India

Our Company has filed a money suit before Sub Judge Ranchi for a claim amounting to ₹307.15 million from Bank of India. This case is in connection with fraudulent cancellation of 22 bank guarantee issued by Bank of India on behalf of M/s. Ramjee Power Construction Limited (“RPCL”) in connection with the project of rural electrification awarded to our Company by Jharkhand State Electricity Board (JSEB).

2) Material Civil suits filed against our Company

i. JMC Project India Private Limited v. RITES Limited

JMC Projects India Private Limited filed a suit before Delhi High Court for recovery of ₹35.40 million along with interest, in relation to the work of construction of ROC at Plot No. 1, Sector 29, Gurgaon. The proceedings are ongoing.

ii. Srinath Construction & Merchants v. RITES Limited

Srinath Construction Private Limited has filed a suit before Civil Judge Sr. Division, Darjeeling claiming ₹86.27 million. Such an amount has been claimed against increases in cost on account of delay by the client and unjust termination of contract relating to work of construction of Phase – A Buildings for Jawahar Navodaya Vidyalaya at Mink, District Darjeeling by our Company on behalf of its client, Navodaya Vidyalaya Samiti.

iii. Bank of India v. Ramjee Power Construction Limited

The applicant Bank has filed the instant original application under section 19(a) of the Recovery of Debts Due to Banks and Financial Institutions Act, 1993, Ranchi has filed a suit for recovery of sum of ₹58.84 million before the Debt Recovery Tribunal at Ranchi against RPCL wherein RITES has also been made one of the respondents. The dispute arose on account of non-payment of debts, money due and payable, and other receivable claims that were to be paid by RPCL.

3) Material outstanding Arbitral proceedings involving our Company

(a) Material outstanding arbitral proceedings initiated against our Company

1. MBL Infrastructures Limited v. RITES Limited

MBL Infrastructures Limited had moved an application before the Hon'ble High Court, New Delhi to appoint arbitrator in the dispute regarding construction of police station and residences at Hari Nagar, New Delhi. The said application was accepted and the arbitrator has been appointed by the High Court. The claimant has filed a statement of claim by the arbitration amounting to ₹126.62 million in this regard.

2. MBL Infrastructures Limited v. RITES Limited

MBL Infrastructures Limited had moved an application before the Hon'ble High Court, New Delhi to appoint arbitrator in the dispute regarding construction of police station and residential quarters at Kondli Check Post, New Delhi. The said application was accepted and the arbitrator has been appointed by the High Court. The claimant has filed a statement of claim by the arbitration amounting to ₹219.53 million in this regard.

3. TRG Industries Private Limited v. Directorate of Civil Aviation, Government of Uttar Pradesh & Anr. and RITES Limited

TRG Industries Private Limited had moved an application before the Hon'ble High Court, Delhi to appoint arbitrator in the dispute regarding construction of new runway at Chitrakoot Airport (Uttar Pradesh). The amount involved is approximately ₹227.07 million. As on the date of this Red Herring Prospectus, the arbitration proceedings have not been initiated and no statement of claims have been filed by the parties.

4. NCCL-PRESCO (JV) ("NCCL") v RITES Limited

NCCL has filed an application to appoint an arbitrator in the dispute regarding construction of MGK Link line. The amount involved is approximately ₹434.22 million. As on the date of this Red Herring Prospectus, the arbitrator has been appointed, however, no arbitration proceedings have been initiated and no statement of claims have been filed by the parties.

5. Tech Mahindra Limited v RITES Limited

Tech Mahindra Limited has invoked an arbitration proceeding in relation to dispute regarding implementation of SAP ERP System and supply, installation and commissioning of IT infrastructure vide a notice dated May 24, 2018. The amount involved in the dispute is approximately ₹116.78 million. As on the date of this Red Herring Prospectus, the arbitrator has not been appointed and no statement of claims have been filed by the parties.

6. SRC Company v. Kanti Bijlee Utpadan Nigam Limited

M/s SRC Company was engaged by our Company on behalf of its client Kanti Bijlee Utpadan Nigam Limited (“KBUNL”) for construction of rail infrastructure works. Due to poor performance, the contract of SRC company, was terminated and earnest money deposited in the form of a performance bank guarantee was forfeited. After termination, SRC Company invoked arbitration for adjudication of claim of ₹58.24 million along with interest.

7. *Allied GCC(JV) v. RITES Limited*

Allied-GCC (JV) was awarded contract for construction of railway siding for evacuation of coal from rapid loading system “SILO” at Maheshpur, District Dhanbad, Jharkhand by our Company on behalf of its client BCCL. Allied-GCC (JV) raised claim of ₹37.65 million for regarding termination of contract and forfeiture of earnest money deposit. A sole arbitrator was appointed by Jharkhand High Court for adjudication of the dispute. The arbitration is ongoing.

8. *Dwarika Projects Limited v. RITES Limited*

Dwarika Projects Limited has initiated arbitration proceeding claiming ₹42.43 million in connection with a dispute pertaining to resurfacing of runway and associated pavements of existing airstrip at Etawah, UP on behalf of our Company’s client UPSCA. The arbitration is ongoing.

9. *Dwarika Projects Limited v. RITES Limited*

Dwarika Projects Limited has initiated arbitration proceeding claiming ₹456.95 million against our Company on account of unjust invocation of bank guarantee as well as various claims in connection with the work of development of an integrated check post at Agartala on behalf of client, Land Port Authority of India. A sole arbitrator has been appointed and the arbitration is currently in progress.

10. *Abbott HealthCare Private Limited v. RITES Limited*

Abbott Healthcare Private Limited has raised a dispute claiming ₹36.00 million with interest and cost, challenging deduction of ₹32.50 million as liquidated damages due to delay in supply of 67,700 number of RCH Kit-A, each kit consisting of eight drugs. An arbitral tribunal consisting of three arbitrators was constituted for adjudicating this matter. The financial liability, if any is on the client. The order of the tribunal dated July 5, 2017 states that the parties have mutually agreed to extend the time by six months for passing the award. The hearings have concluded and the award is awaited.

11. *Arora Construction Limited v. RITES Limited*

M/s Arora Construction invoked an arbitration for adjudication and claimed ₹121.73 million along with interest against RITES Limited on behalf of its client University of Delhi in respect of work related to Construction of Lecture Halls at (Mathematical Science) Building in University of Delhi

12. *Ghai Construction Private Limited v. RITES Limited*

Our Company awarded Ghai Construction Private Limited the work of construction and design of Rail Over Bridges at Rly. KM 929/7 on Mumbai- Howrah line, on behalf of its client Public Work Department, Raipur. Ghai Construction Private Limited raised dispute relating to the work and invoked arbitration claiming ₹71.60 million along with interest and cost. The arbitration proceeding are still ongoing, financial liability, if any, will be on the client.

13. *ARSS-ATLANTA (JV) Marwa v. RITES Limited*

ARSS-Atlanta (JV) was contracted by our Company for construction of rail infrastructure facility for transportation of coal from Naila Railway station to proposed site of the client Chhattisgarh State Power Generation Company Limited (CSPGCL) for Marwa TPP-Pkg-III. ARSS-Atlanta (JV) invoked arbitration for adjudication of disputes related to claims for compensation arising out of loss of profits, delay in completion, price variation, refund of interest and other such items for which ARSS Atlanta (JV) became entitled for compensation and payments. A sum of ₹321.41 million has been claimed in connection with said dispute.

14. ARSS-ATLANTA(JV) Mouda v. RITES Limited

ARSS Atlanta JV Mouda was engaged by our Company on behalf of its client NTPC Mouda for construction related to railway siding from Chacher Railway Station to Inplant Yard. The contract was terminated and ARSS Atlanta JV claimed ₹796.40 million. An arbitrator has been appointed and he has stayed the termination of contract by his order dated June 19, 2016. Our Company, on behalf of its client NTPC has challenged this order before the Principal District Judge Nagpur. Arbitration is ongoing.

15. HCIL –ARSSSPL –Triveni (JV) v. RITES Limited

HCIL-ARSSSPL-Triveni (JV) has initiated arbitration proceedings for adjudication of dispute relating to claims of ₹300.24 million by our Company on behalf of its client NTPC, in connection with the work pertaining to construction of Rly. Siding –Pkg-I for NTPC-Sipat. The final written arguments have been submitted to the sole arbitrator. The award by the arbitrator is pending.

16. HCIL –ARSSSPL –Triveni (JV) v. RITES Limited

HCIL-ARSSSPL-Triveni (JV) has initiated arbitration proceedings for adjudication of disputes of claim worth ₹205.02 million on account of price variations caused due to the delay in construction of In-plant Yard and unloading siding – Pkg-II for NTPC-SIPAT. As project management consultant, our Company is defending this proceeding on behalf of its client NTPC. Arbitration proceedings are ongoing.

17. DP Chopra v. RITES Limited

Mr. DP Chopra has initiated arbitration proceedings for adjudication of dispute of claim worth ₹65.54 million in relation to construction of RCC Box Culvert for the proposed canal crossing Bridge No. 169 between Brahmपुरi-Nagbhirstation for Vidarbha Irrigation Development Corporation (VIDC) wherein our Company was engaged by VIDC. Our Company is contesting the maintainability of the arbitration proceeding. The arbitration proceedings are ongoing.

18. IVRCL Infrastructures & Projects Limited v. RITES Limited

IVRCL Infrastructures & Projects Limited has raised a dispute in connection with the work of construction of Marketing Development cum Business Park (MDBP) at NSIC Okhla, New Delhi, in which our Company was a project management consultant. IVRCL invoked arbitration for adjudication of the dispute and claimed a sum of ₹253.34 million. However, NSIC (employer of RITES) has challenged the appointment of arbitrator before the Delhi High Court which has resulted in the stay of arbitration proceedings.

19. SVEC Constructions Limited v. RITES Limited

SVEC Constructions Limited invoked an arbitration for adjudication and claimed ₹266.36 million along with interest against our Company on behalf of its client, Central University of Karnataka being aggrieved by termination of contract for the work for construction of a university campus at Gulbarga District, Karnataka.

20. B.E. Billimoria & Co. Limited v. RITES Limited

B.E. Billimoria & Company invoked an arbitration claim of ₹200.64 million plus interest against the wrongful termination of contract by RITES Limited as Project Management Consultant of Pondicherry University of the work of Construction of convention centre having auditorium of 2,500 seating capacity and ancillary building for Pondicherry University at Puducherry. RITES Limited has filed counter claim of ₹66.50 million in this matter. Arbitration proceedings are on-going.

21. GVR- ENC(JV) v. RITES Limited

M/s GVR-ENC (JV) has initiated arbitration proceeding for adjudication of dispute relating to claims of ₹1,014.44 million against RITES Limited and Madhya Pradesh on behalf of its client M.P. Power

Generating Company Limited Khandwa in connection with the work pertaining to installation of Rail Link from Surgaon Banjari to Bir Station (Package-I) for Shri Singaji Thermal Power Project at Khandwa. Arbitration proceedings is on-going.

22. *GVR- ENC (JV) v. RITES Limited*

M/s GVR-ENC9JV) has initiated arbitration proceedings for adjudication of dispute relating to claim of ₹979.57 million against RITES Limited and Madhya Pradesh on behalf of its client M.P. Power Generating Company Limited Khandwa in connection with the work pertaining to installation of Rail link for Surgaon Banjari to Bir Station (Package-II) for Shri. Singaji Thermal Power Project at Khandwa. Arbitration proceeding is on-going.

(b) *Material outstanding challenge/appeals to the arbitral awards*

1. *Bhargava and Associates Private Limited v. RITES Limited*

Bhargava and Associates Private Limited invoked arbitration proceeding against our Company for a claim of ₹35.69 million, in connection to with the contract of providing sub consultancy services for the proposed check posts on the Indo Nepal border. An award passed by the arbitrator has been challenged by Bhargava Associates before the Delhi High.

2. *RITES Limited v. Simplex Infrastructure Limited*

Simplex Infrastructure Limited had invoked arbitration due to dispute relating to non-payment of escalations charges for the work of construction of Nalanda Classroom at IIT, Kharagpur, where RITES Limited was engaged by its client IIT Kharagpur as Project Management Consultant. The sole arbitrator appointed to preside over the matter passed an award in favour of Simplex Infrastructure Limited awarding them ₹42.20 million. Our Company has filed a petition before the Delhi High Court challenging such award passed in favour of Simplex Infrastructure Limited.

3. *Rajdeep Buildcon Pvt. Limited v. RITES Limited*

Rajdeep Buildcon Pvt. Limited invoked arbitration proceedings claiming ₹388.17 million in connection with idling of resources in relation to the development of integrated check posts at Raxaul along the Indo-Nepal Border, on behalf of our Company's client, Land Ports Authority of India. The sole arbitrator award of ₹116.41 million requires RITES Limited to pay 75% of the total amount upfront as per a certain directive issued by NITI Aayog. Our Company has filed a petition under section 34 of Arbitration and Conciliation Act, before the District Court, Gurgaon challenging the enforcement of the award.

4. *Ishvakoo India Pvt. Limited v. Airport Authority of India and RITES Limited*

Ishvakoo India Private Limited had initiated arbitrations claiming ₹108.50 million in connection with dispute pertaining to Construction of runway at Tura on behalf of our Company's client, Airport Authority India. The award was in favour of the Airport Authority of India and our Company. Ishvakoo (India) Private Limited has now filed OMP 269/2011 before Delhi High Court, for setting aside the arbitral award. While the case has been admitted by Delhi High Court, it is yet to be listed for hearing.

5. *RITES Limited v. Gammon Encee Consortium JV*

Our Company has filed petition before the Calcutta High Court, under section 34 and 36 of Arbitration and Conciliation Act, 1996 challenging the arbitral award passed in favor of M/s Gammon Encee for an amount of ₹78.65 million along with interest. The matter is currently pending.

6. *RITES LIMITED v. HCIL-ARSSSPL-Triveni (JV)*

Our Company has filed a petition before the Delhi High Court, challenging the arbitral award passed in favor of HCIL-ARSSSPL-Triveni (JV), for an amount of ₹48.05 million along with interests. After filing a counter claim, an award was made in favour of our Company for an amount of ₹11.63

million. Accordingly, after setting off the counter claim award amount, the balance amount payable is ₹36.42 million.

7. *RITES Limited v. Town Municipal Council, Chintamani*

The Town Municipal Council, Chintamani hired the services of our Company for rendering project management consultancy in relation to construction of a shopping complex at Chintamani. On account of non-payment of money by the Town Municipal Council, Chintamani to Ravi Contractors, (the contractor hired by our Company in its capacity as an agent of the Town Municipal Corporation), the Supreme Court held that our Company was required to first settle the dues following which it would have a remedy against Town Municipal Corporation. Accordingly, our Company invoked arbitration for recovery of the amount and an award of ₹37.33 million was passed in favor of our Company with interest. The TMC, Chintamani filed an application before District Court, Chikballapur to set aside the award, which was allowed. Our Company has filed an appeal in High Court of Karnataka against the order of District Court, Chikballapur. The appeal is still pending.

4) Material outstanding miscellaneous proceedings

i. RITES Limited v. EPIL

Our Company has filed an appeal before Secretary Law, Ministry of Law and Justice, Govt. of India challenging the award passed by Permanent Machinery of Arbitration, DPE, Govt. of India in favour of EPIL for ₹35.10 million towards loss on account of forfeiture of earnest money deposit and performance bank guarantee in connection with work related to our Company's Client, Central University, Gulbarga. The financial liability, if any, in this matter is upon the client.

ii. RITES Limited v. New India Assurance Company Limited

Our Company has filed a consumer complaint against New India Assurance Co. Limited before National Consumer Disputes Redressal Commission, New Delhi, regarding deficiency of service and claiming a sum of ₹57.70 million (excluding interest and compensation) towards settlement of insurance claim relating to total loss and damage caused to locomotive leased to Portos E Caminhos De Ferro De Mocambique, E.P., Mozambique.

iii. RITES Limited v. Bangalore Metro Rail Corporation Limited

Our Company has initiated the arbitral proceedings in respect of the service tax paid in connection with the General Consultancy Services Contract for Bangalore Metro Project- Phase 1. The amount proposed to be claimed is approximately ₹201.08 million. Our Company has been directed to file their statement of claim and relevant documents to the arbitration panel.

D. Action by statutory or regulatory authorities against our Company

As on the date of this Red Herring Prospectus, there are no actions taken by statutory or regulatory authorities against our Company.

E. Pending proceedings initiated against our Company for economic offences

As on the date of this Red Herring Prospectus, there are no pending proceedings initiated against our Company for economic offences.

F. Details of fines imposed or compounding of offences under the Companies Act in the last five years immediately preceding the year of this Red Herring Prospectus

As on the date of this Red Herring Prospectus, there have been no prosecutions filed, fines imposed or offences compounded under the Companies Act, involving our Company in the last five years.

G. Details of defaults or non-payment of statutory dues

As on the date of this Red Herring Prospectus, there are no instances of defaults or non-payment of statutory dues by our Company.

H. Material frauds against our Company in the last five years immediately preceding the year of this Red Herring Prospectus

As on the date of this Red Herring Prospectus, there have been no material fraud against our Company.

I. Details of any inquiry, inspection or investigation initiated or conducted, or prosecution filed (whether pending or not) under the Companies Act in the last five years immediately preceding the year of this Red Herring Prospectus.

As on the date of this Red Herring Prospectus, there have been no inquiries, inspections or investigations initiated or conducted under the Companies Act in the last five years immediately preceding the year of this Red Herring Prospectus against our Company.

J. Outstanding litigation against our Company or any other persons or companies whose outcome could have an adverse effect on our Company

As on the date of this Red Herring Prospectus, there is no outstanding litigation against our Company or any other persons or companies whose outcome could have an adverse effect on our Company.

II. Litigation involving our Subsidiaries

A. Outstanding criminal litigation involving our Subsidiaries

As on the date of this Red Herring Prospectus, there is no outstanding criminal litigation which involves our Subsidiaries

B. Outstanding civil litigation involving our Subsidiaries.

As on the date of this Red Herring Prospectus, there is no outstanding material civil litigation involving our Subsidiaries.

C. Actions by statutory or regulatory authorities against our Subsidiaries.

As on the date of this Red Herring Prospectus, there are no actions taken by statutory or regulatory authorities against our Subsidiaries.

D. Tax proceedings against our Subsidiaries

Set out herein below are claims relating to direct and indirect taxes involving our Subsidiaries:

Nature of case	Number of case	Amount involved
Nil	Nil	Nil

E. Details of fines imposed or compounding of offences under the Companies Act in the last five years immediately preceding the year of this Red Herring Prospectus.

As on the date of this Red Herring Prospectus, there have been no fines imposed on our Subsidiaries or compounding of offences by our Subsidiaries under the Companies Act in the last five years immediately preceding the year of this Red Herring Prospectus.

F. Details of any inquiry, inspection or investigation initiated or conducted or prosecutions filed (whether pending or not) under the Companies Act in the last five years immediately preceding the year of this Red Herring Prospectus.

As on the date of this Red Herring Prospectus, there have been no inquiries, inspections or investigations initiated or conducted under the Companies Act in the last five years immediately preceding the year of this Red Herring Prospectus against our Subsidiaries.

III. Litigation involving our Directors

A. Outstanding criminal litigation involving our Directors

As on the date of this Red Herring Prospectus, there is no outstanding criminal litigation which involves our Directors.

B. Outstanding civil litigation involving our Directors

As on the date of this Red Herring Prospectus, there is no outstanding civil litigation which involves our Directors.

C. Actions by statutory or regulatory authorities against our Directors

As on the date of this Red Herring Prospectus, there are no actions taken by statutory or regulatory authorities against our Directors.

D. Outstanding litigation against any other persons or companies whose outcome could have an adverse effect on our Company

As on the date of this Red Herring Prospectus, there is no outstanding litigation against any other persons or companies whose outcome could have an adverse effect on our Company.

E. Tax proceedings against our Directors

Set out herein below are claims relating to direct and indirect taxes involving our Directors:

Nature of case	Number of case	Amount involved (₹ in million)
Direct tax	Nil	Nil
Indirect tax	Nil	Nil

IV. Dues owed to small scale undertakings or any other creditors

Our Board has approved that dues owed by our Company to small scale undertakings and other creditors would be considered as material dues for our Company and accordingly, consolidated information of outstanding dues owed to small scale undertakings and other creditors, separately giving details of number of cases and amount for all dues where each of the dues exceed ₹100 million would be considered material.

Our Company, in its ordinary course of business, has no outstanding amounts owed to sundry creditors as of March 31, 2018 exceeding ₹100 million. Our Company owes the following amounts to its creditors as on March 31, 2018:

Particulars	Number of cases	(₹ in million)
Dues to small scale undertakings	5	0.21
Material dues to creditors	Nil	Nil
Other dues to creditors	382	651.36
Total	387	651.57

The details pertaining to net outstanding dues towards our creditors are available on the website of our Company at www.ritesltd.com. It is clarified that such details available on our website do not form a part of this Red Herring Prospectus. Anyone placing reliance on any other source of information, including our Company's website, would be doing so at their own risk.

V. Material developments since the last balance sheet date

Except as stated in "Management's Discussion and Analysis of Financial Condition and Results of Operation" on page 524 and as stated below, there have been no developments subsequent to December 31,

2017 that we believe are expected to have a material impact on the reserves, profits, earnings per share and book value of our Company:

1. Our Company has participated e-auction and has been successful bidder in securing land measuring 420 sq.mtrs at cost of ₹46.5 million from AIR INDIA for residential cum guest house purpose at Plot no.- 13, Road. no. V-37, DLF Qutab Enclave Phase-III, Gurgaon (Haryana). Our Company has paid ₹9.30 million on March 29, 2018 and balance amount of ₹37.20 million was paid on April 28, 2018.
2. Our Company has participated in e-auction and has been successful bidder in securing six flats at cost of ₹176.53 million (excluding transfer and other charges of ₹1.92 million) from Hindustan Organic Chemicals Limited for residential cum guest house purpose at Nestle condominium. Lowe Parel (W), Mumbai. Our Company has paid ₹146.52 on May 23, 2018 against cost of five flats, payment for sixth flat will be processed once the communication for clear title is received from HOCL.
3. REMCL, a subsidiary of our Company, has participated in e-auction and has been successfully bidder in securing two flats at a cost of ₹58.51 million (excluding transfer and other charges of ₹0.64 million) from Hindustan Organic Chemicals Limited for residential cum guest house purpose at Nestle condominium. Lowe Parel (W), Mumbai. REMCL has paid ₹58.51 million till May 24, 2018.
4. A provision of ₹590.38 million has been made as on March 31, 2018 towards amount recoverable from Government of Tanzania as the payment due from the Government of Tanzania has not been received. Our Company has issued a final legal notice on May 03, 2018 to Government of Tanzania for recovery of dues with interest. Our Company is contemplating invocation arbitration clause as per the provision of settlement deed.
5. MFCs appearing in PPE and capital WIP amount to ₹58.43 million as on March 31, 2018 have been transferred/ to be transferred at free of cost to zonal railway has been provided as expense as on March 31, 2018.

GOVERNMENT AND OTHER APPROVALS

We have set out below an indicative list of material approvals obtained by our Company and Subsidiaries. In view of the key approvals set forth below, our Company can undertake this Offer and our Company and our Subsidiaries can undertake their current business activities and no further material approvals, permissions, consents, licenses or registrations from any governmental or regulatory authority are required to undertake the Offer or continue their business activities. It must be distinctly understood that, in granting these approvals, the concerned authorities do not take any responsibility for our financial soundness or for the correctness of any of the statements made or opinions expressed in this behalf. Certain approvals may lapse in their normal course or may have not been obtained and our Company and our Subsidiaries, and our Company and our Subsidiaries have either made an application to the appropriate authorities for grant or renewal of such approvals or are in the process of making such applications, except to the extent disclosed in this section. Unless otherwise stated, these approvals are valid as on the date of this Red Herring Prospectus. For further details in connection with the regulatory and legal framework within which we operate, see “Key Industry Regulations and Policies” on page 152.

A. APPROVALS FOR THE OFFER

For the approvals and authorisations obtained by our Company, see “Other Regulatory and Statutory Disclosures – Authority for the Offer” on page 581.

B. CORPORATE APPROVALS

1. Certificate of incorporation dated April 26, 1974 issued by the then Registrar of Companies, Delhi & Haryana in the name of “Rail India Technical and Economic Services Private Limited”.
2. Endorsement on the certificate of incorporation by the RoC on February 17, 1976 consequent to change in name on conversion to a public limited company pursuant to Section 43A of the Companies Act, 1956.
3. A fresh certificate of incorporation by ROC dated March 28, 2000 approving the change of name of the Company to RITES Limited.
4. A fresh certificate of incorporation by ROC dated February 05, 2008 approving the change of name of the Company to RITES Limited pursuant to conversion of our Company from a private company to a public company in reliance of Section 44 of the Companies Act, 1956.
5. Letter (bearing reference number 97/PL/68/39) dated January 02, 2002 issued by MoR conferring Miniratna (Category-II) status to the Company.
6. Letter (bearing reference number 2004/PL/43/12) dated March 23, 2006 issued by MoR conferring Miniratna status (Category-I) status to the Company.
7. Permanent Account Number AAACR0830Q issued by the director of Income Tax (Systems).
8. Certificate of Registration issued by the Government of India and various State Governments under the Central Goods and Services Tax Act, 2017.
9. Letter (bearing reference number 98/PL/68/31) dated July 11, 2007 issued by MoR upgrading the Company to Schedule A Public Sector Enterprise.

C. BUSINESS APPROVALS

We have received the following regulatory registrations and approvals pertaining to our business:

1. Export-Import related registrations and approvals

Our Company has been approved the registration cum membership certificate from the Projects Exports Promotion Council of India bearing registration No. PEPC/RCMC/PE/59/05/17 is valid until March 31, 2018 for the purpose of Consultancy & Engineering Services. Our Company has applied for the renewal of the said registration cum membership certificate from the Projects Exports Promotion Council of India. We

have been approved the registration cum membership certificate from EEPC India Limited bearing registration no. 101/M02079 and IEC No. 0589026721 valid until March 31, 2019 for the purpose of construction machinery and Equipment and consultancy services, rolling stock and spare parts. Further, we also have Registration cum membership certificate from the Federation of Indian Export Organisations bearing RCMC No. NR/69/2018-2019 is valid upto March 31, 2019.

2. Quality Management System Certificate/ Approvals

Description	Certificate No.	Date of Issue	Date of Renewal	Date of Expiry
Certificate issued by the Chairman & Chief Executive of NVT Quality Certification Private Limited for 'Multidisciplinary Services in Consultancy, Design and Engineering, Project Management, Construction Management, Procurement, Quality Assurance Export, Leasing, Operations & Maintenance activities in the fields of Transportation Infrastructure (Railway, Highway, Airport, etc.) and related technologies including Institutional and other buildings.	ISO 9001: 2008	June 01, 2002	May 31, 2017	September 14, 2018
Certificate issued by NABCB Accredited Inspection Bodies under Accreditation Standard ISO/IEC 17020:2012 of Type A for Scope Sector IAF 12, 14b, 16, 17b, 18 and 19a and Type C for Scope Sector IAF 22, 27 and 28.	IB 006	April 19, 2011	-	July 18, 2018

3. NABL Certificates issued for laboratory under the Accreditation Standard: ISO/IEC 17025:2005

Description	Certificate No.	Date of Issue	Date of Amendment	Date of Expiry
A. For the RITES Lab located at Western Region, 210, Amit Industrial Estate, 61, Dr. S.S. Rao Road, Parel, Mumbai, Maharashtra				
Chemical Testing & Mechanical Testing	T-6564	November 15, 2017	-	November 14, 2019
B. For the RITES Lab located at 56, C. R. Avenue (3rd Floor), Kolkata, West Bengal				
Chemical Testing & Mechanical Testing	TC-5669	February 23, 2017	May 18, 2017	February 22, 2019

4. Employment related approvals

Details of key employment related approvals obtained from our Company are set forth below:

Description	Reference No./Code No.	Date of Issue	Date of Expiry
A. Employees Group Gratuity Cum Life Assurance Scheme			
Endorsements to Master Policy No. GGI/GSI/GI	G&S/GGI/46492/MKG	September 7, 1988 Master Policy w.e.f. July 1, 1985	-


Description	Reference No./Code No.	Date of Issue	Date of Expiry
Group Gratuity Insurance Master Policy No. GGI/46492- Switchover from existing 'Endowment Scheme' to 'Cash Accumulation Scheme'	RITES:ACCTS:GGI:46492	June 03, 1994	-
B. Employees State Insurance Corporation Act, 1948			
Registration under the Employees State Insurance Corporation Act, 1948 providing the Company an establishment number 69000528200001007	ESIC letter no.: /1039/1042 w.e.f. July 8, 2013	June 21, 2013	-
C. Registration under Contract Labour Act			
Certificate of registration from the Ministry of Labour & Employment under Contract Labour (Regulation and Abolition) Act, 1970	46(R-1)/2011/ALK	January 11, 2011	-

5. Safety related approvals

Description	Reference No.	Date of Issue/ Renewal	Date of Expiry
No objection certificate for fire safety at Plot No. 1, Sector -29, Gurugram by the Commissioner, Municipal Corporation, Gurugram	MCG/FS/ADFO/2018/226/81	February 10, 2018	November 11, 2018
No objection certificate for fire safety at Plot No. 144, Sector -44, Gurugram by the Commissioner, Municipal Corporation, Gurugram	MCG/FS/SFSO/2017/398/569	November 20, 2017	June 17, 2018

D. Intellectual Property Related Approvals

Details of our Company's registered trademarks are set forth below:

Trademark	Authority	Description	Reference No.	Registered Classes	Date of Issue	Validity
	Trademark Registry, GOI	Infrastructure Consultancy, Engineering and Project Management Services with operations in India and abroad.	1674616	42	April 10, 2018	April 10, 2028

Other arrangements with respect to intellectual property

Our Company does not use any intellectual property which is not registered in its name. Accordingly, our Company does not have any existing or proposed agreement for any such intellectual property.

Approvals required for which no application has been made by our Company

NIL

Approvals which have expired and for which renewal applications have been made by our Company

Description	Application No.	Date of Application	Valid till
Application to the Haryana State Pollution Control Board for renewal of consent for discharge of effluent under section 25 and 26 of the Water (Prevention & Control of Pollution) Act, 1974.	5258502	April 05, 2018	March 31, 2023
Application to the Haryana State Pollution Control Board for renewal of consent for emission of air under Section 21 and 22 of the Air (Prevention and Control of Pollution) Act, 1981.	5258502	April 05, 2018	March 31, 2023
Application to the Haryana State Pollution Control Board for renewal of consent for collection, storage, transportation and disposal of hazardous wastes	5258502	April 05, 2018	March 31, 2023

Approvals which have expired and for which renewal applications are yet to be made by our Company

NIL

Approvals for which applications have been made by our Company but are currently pending grant

NIL

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Offer

- Our Board of Directors has, pursuant to resolution passed at its meeting held on January 12, 2018 approved the Offer.
- The MoR (on behalf of the President of India) through letter bearing reference no. 2018/PL/45/1, dated January 09, 2018 approved the divestment of 12% of the Equity Share capital of our Company, *i.e.*, 24,000,000 Equity Shares, and additional Equity Shares for Employee Reservation Portion (subject to necessary approvals) through the Offer. Further, through letter dated May 29, 2018 the Selling Shareholder approved 1,200,000 Equity Shares for allocation and allotment to eligible employees of the Company under the Employee Reservation Portion.
- The Board approved the Draft Red Herring Prospectus pursuant to its resolution dated January 12, 2018 and the IPO Committee has approved the Draft Red Herring Prospectus pursuant to its resolution dated January 15, 2018.
- The Board approved the Red Herring Prospectus pursuant to its resolution dated June 04, 2018.
- The Selling Shareholder, through its letter dated January 12, 2018 has conveyed the consent for inclusion of 24,000,000 Equity Shares of our Company held by the Selling Shareholder as part of the Offer for Sale.
- Our Company received in-principle approvals from the BSE and the NSE for the listing of the Equity Shares pursuant to letters each dated January 30, 2018.

The Selling Shareholder hereby confirms that the Equity Shares forming part of the Offer have been issued or received in accordance with Regulation 26(6) of the SEBI ICDR Regulations, and are eligible for being offered for sale in the Offer as required by Regulation 26(6) of the SEBI ICDR Regulations. The Selling Shareholder hereby confirms that the Equity Shares forming part of the Offer are free from any lien, charge, and encumbrance or contractual transfer restrictions.

Prohibition by SEBI or other Governmental Authorities

Our Company, our Promoter, our Director, our Group Companies or the persons in control of our Company have not been prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other regulatory or government authorities. The Selling Shareholder confirms that it has not been prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other authority.

None of our Directors are (a) associated with the securities market in any manner, including securities market related business, and/ or (b) no action has been initiated by SEBI against our Directors, or entities with which our Directors are involved in as Promoter and/or directors. None of our Company, the Selling Shareholder, our Directors and Group Companies has been identified as a wilful defaulter.

Eligibility for the Offer

Our Company is eligible for the Offer in accordance with the Regulation 26(1) of the SEBI ICDR Regulations as described below.

- a) The Company has net tangible assets of at least ₹30 million in each of the preceding three full years (of twelve months each);
- b) The Company has a minimum average pre-tax operating profit of ₹150 million, calculated on a restated and consolidated basis, during the three most profitable years out of the immediately preceding five years;
- c) The Company has a net worth of at least ₹10 million in each of the preceding three full years (of twelve months each);

- d) The aggregate of the proposed Offer size and all previous issues made in the same financial year in terms of Offer size is not expected to exceed five times the pre-Offer net worth of the Company as per the audited balance sheet of the Company for the preceding financial year, i.e., Financial Year 2017; and
- e) There has been no change in the name of the Company within the last one year.

Note: The limit of 50% on monetary assets is not applicable in case of public offer is made entirely through an offer for sale.

We are eligible for the Offer in accordance with the Regulation 26(1) of the SEBI ICDR Regulations, as calculated in accordance with the Restated Consolidated Financial Information and Restated Standalone Financial Information of our Company annexed to the Reports of the Auditors dated January 12, 2018 prepared as per Ind AS. See “Auditors Report - Restated Standalone Financial Information” and “Auditors Report - Restated Consolidated Financial Information” on pages 370 and 200 respectively.

The size of the Offer, along with all previous issues of Equity Shares made by the Company in this financial year does not exceed five times the Company’s pre-Offer net worth as per the audited balance sheet of the last financial year.

The net profit, net worth, net tangible assets and monetary assets derived from the Restated Financial Information and included in this Red Herring Prospectus, as at and for the last five financial years ended March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014, and March 31, 2013 are set forth below:

Based on Restated Standalone Financial Information:

(in ₹ million)

Particulars	As on March 31, 2013	As on March 31, 2014	As on March 31, 2015	As on March 31, 2016	As on March 31, 2017
Net tangible Assets*	11,768.62	13,543.12	16,178.91	18,243.76	19,758.46
Monetary Assets (Owned funds)**	7,460.20	7,615.75	8,079.89	8,053.22	11,044.13
Monetary Assets as a % of Net Tangible Assets**	63.39%	56.23%	49.94%	44.14%	55.90%
Pre-tax operating profits for the year***	2,036.18	2,614.30	3,218.00	3,130.55	2,827.91
Net Worth****	12,280.72	14,192.97	16,695.58	18,580.52	20,377.54

* ‘Net tangible assets’ mean the sum of all net assets of the issuer, excluding intangible assets as defined in Accounting Standard 26 issued by the Institute of Chartered Accountants of India.

** ‘Monetary Assets’ includes Cash, Bank Balance and the investment in Liquid mutual fund and we further clarify that the limit of 50% on monetary assets is not applicable in case of public offer is made entirely through an offer for sale.

*** ‘Pre-tax Operating Profit’ is defined as the restated profit before tax but after adjusting other income, loss on sale of investment, lease rentals written off, interest income written off and finance costs.

**** ‘Net Worth’ means the aggregate of equity share capital and reserves, excluding miscellaneous expenditure, if any.

Based on Restated Consolidated Financial Information:

(in ₹ million)

Particulars	As on March 31, 2013	As on March 31, 2014	As on March 31, 2015	As on March 31, 2016	As on March 31, 2017
Net tangible Assets*	11,845.95	13,599.65	16,243.79	18,313.27	19,909.84
Monetary Assets (Owned funds)**	7,485.61	7,749.75	8,253.84	8,356.47	11,419.45
Monetary Assets as a % of Net Tangible	63.19%	56.98%	50.81%	45.63%	57.36%

Particulars	As on March 31, 2013	As on March 31, 2014	As on March 31, 2015	As on March 31, 2016	As on March 31, 2017
Assets**					
Pre-tax operating profits for the year***	2,087.47	2,580.27	3,218.24	3,191.33	3,085.50
Net Worth****	12,358.05	14,251.30	16,761.56	18,635.15	20,411.04

*'Net tangible assets' mean the sum of all net assets of the issuer, excluding intangible assets as defined in Accounting Standard 26 issued by the Institute of Chartered Accountants of India.

**'Monetary Assets' includes Cash, Bank Balance and the investment in Liquid mutual fund and we further clarify that the limit of 50% on monetary assets is not applicable in case of public offer is made entirely through an offer for sale.

***'Pre-tax Operating Profit' is defined as the restated profit before tax but after adjusting other income, loss on sale of investment, lease rentals written off, interest income written off and finance costs.

****'Net Worth' means the aggregate of equity share capital and reserves, excluding miscellaneous expenditure, if any.

Financial Years 2017, 2016 and 2015 are the three most profitable years out of the immediately preceding five financial years in terms of our Restated Consolidated Financial Information.

Further, the Selling Shareholder and our Company and shall ensure that the number of prospective Allottees to whom the Offered Shares will be Allotted shall not be less than 1,000 in compliance with Regulation 26(4) of the SEBI ICDR Regulations failing which the entire application money shall be unblocked in the respective ASBA Accounts of the Bidders. In case of delay, if any, in unblocking the ASBA Accounts within such timeline as prescribed under applicable laws, the Selling Shareholder and our Company shall be liable to pay interest on the application money in accordance with applicable laws.

The status of compliance of our Company with the conditions as specified under Regulations 4(2) and 4(5)(a) of the SEBI ICDR Regulations, is as follows:

- i. Our Company, the Selling Shareholder (our Promoter) and our Directors are not debarred/ restrained from accessing the capital markets by SEBI;
- ii. The companies with which our Promoter or our Directors are or were associated as promoter or director or as person in control are not debarred from accessing capital markets under any order or direction passed by SEBI;
- iii. Our Company has applied to the BSE and the NSE for obtaining their in-principle approvals for listing of the Equity Shares under this Offer and has received the in-principle approvals from the BSE and the NSE pursuant to their letters each dated January 30, 2018. For the purposes of this Offer, pursuant to a resolution of our Board, NSE shall be the Designated Stock Exchange;
- iv. Our Company, along with Link Intime India Private Limited has entered into tripartite agreements dated February 27, 2018 and March 6, 2018 with the NSDL and CDSL, respectively, for dematerialisation of the Equity Shares and all our Equity Shares held by the Promoter have been dematerialised as on the date of this RHP;
- v. The Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of filing this Red Herring Prospectus; and
- vi. None of our Company, our Promoter and Directors is a Wilful Defaulter.

Given that the Offer is through an Offer for Sale by the Selling Shareholder and the Offer Proceeds will not be received by our Company, Regulation 4(2) (g) and Clause VII C (1) of Part A of Schedule VIII of the SEBI ICDR Regulations (which requires firm arrangements of finance through verifiable means for 75% of the stated means of finance, excluding the amount to be raised through the Offer and existing identifiable internal accruals) does not apply.

Disclaimer Clause of SEBI

AS REQUIRED, A COPY OF THE DRAFT RED HERRING PROSPECTUS HAS BEEN SUBMITTED TO SEBI. IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT RED

HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED TO MEAN THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT RED HERRING PROSPECTUS. THE BRLMS, ELARA CAPITAL (INDIA) PRIVATE LIMITED, IDBI CAPITAL MARKETS & SECURITIES LIMITED (FORMERLY KNOWN AS IDBI CAPITAL MARKET SERVICES LIMITED), IDFC BANK LIMITED AND SBI CAPITAL MARKETS LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED OFFER.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS, THE SELLING SHAREHOLDER WILL BE RESPONSIBLE ONLY FOR THE STATEMENTS SPECIFICALLY CONFIRMED OR UNDERTAKEN BY IT IN THE DRAFT RED HERRING PROSPECTUS IN RELATION TO ITSELF AND ITS PORTIONS OF THE OFFERED SHARES, AND THE BRLMS, ELARA CAPITAL (INDIA) PRIVATE LIMITED, IDBI CAPITAL MARKETS & SECURITIES LIMITED (FORMERLY KNOWN AS IDBI CAPITAL MARKET SERVICES LIMITED), IDFC BANK LIMITED AND SBI CAPITAL MARKETS LIMITED ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY AND THE SELLING SHAREHOLDER DISCHARGES ITS RESPONSIBILITIES ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE. THE BRLMS, ELARA CAPITAL (INDIA) PRIVATE LIMITED, IDBI CAPITAL MARKETS & SECURITIES LIMITED (FORMERLY KNOWN AS IDBI CAPITAL MARKET SERVICES LIMITED), IDFC BANK LIMITED AND SBI CAPITAL MARKETS LIMITED HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED JANUARY 15, 2018 WHICH READS AS FOLLOWS:

WE, THE BRLMS TO THE ABOVE MENTIONED FORTHCOMING OFFER, STATE AND CONFIRM AS FOLLOWS:

- 1. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THE DRAFT RED HERRING PROSPECTUS DATED JANUARY 15, 2018 PERTAINING TO THE OFFER;**
- 2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE OFFER, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE COMPANY AND THE SELLING SHAREHOLDER;**

WE CONFIRM THAT:

- (A) THE DRAFT RED HERRING PROSPECTUS FILED WITH SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE OFFER;**
- (B) ALL THE LEGAL REQUIREMENTS RELATING TO THE OFFER AS ALSO THE REGULATIONS, GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY SEBI, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**
- (C) THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED OFFER AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956, THE COMPANIES ACT, 2013, THE SECURITIES AND EXCHANGE BOARD OF**

INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMENDED, AND OTHER APPLICABLE LEGAL REQUIREMENTS.

- 3. WE CONFIRM THAT BESIDES OURSELVES ALL THE INTERMEDIARIES NAMED IN THE DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH SEBI AND THAT TILL DATE SUCH REGISTRATION IS VALID.**
- 4. WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS. – NOTED FOR COMPLIANCE**
- 5. WE CERTIFY THAT WRITTEN CONSENT FROM THE PROMOTER HAVE BEEN OBTAINED FOR INCLUSION OF THEIR EQUITY SHARES AS PART OF PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN AND THE EQUITY SHARES PROPOSED TO FORM PART OF PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN, SHALL NOT BE DISPOSED/SOLD/TRANSFERRED BY THE PROMOTER DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT RED HERRING PROSPECTUS WITH SEBI TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT RED HERRING PROSPECTUS. – COMPLIED WITH**
- 6. WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS 2009, WHICH RELATES TO THE EQUITY SHARES INELIGIBLE FOR COMPUTATION OF PROMOTER'S CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS. - COMPLIED WITH AND NOTED FOR COMPLIANCE**
- 7. WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTER'S CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE OFFER. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO SEBI. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTER'S CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE COMPANY ALONG WITH THE PROCEEDS OF THE PUBLIC OFFER. – NOT APPLICABLE**
- 8. WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE COMPANY FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT OFFER FALL WITHIN THE MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE COMPANY AND THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION. - COMPLIED WITH TO THE EXTENT APPLICABLE**
- 9. WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE OFFER ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 73 OF THE COMPANIES ACT, 1956 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE OFFER, THE COMPANY AND THE SELLING SHAREHOLDER SPECIFICALLY CONTAINS THIS CONDITION. - NOTED FOR COMPLIANCE. ALL MONIES RECEIVED FROM THE OFFER SHALL BE CREDITED/ TRANSFERRED TO A SEPARATE BANK ACCOUNT AS PER SECTION 40(3) OF THE COMPANIES ACT, 2013.**
- 10. WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE DRAFT RED HERRING**

PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE. – NOT APPLICABLE. UNDER SECTION 29 OF THE COMPANIES ACT, 2013, EQUITY SHARES IN THE OFFER HAVE TO BE ISSUED ONLY IN DEMATERIALISED FORM.

11. WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.
12. WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS:
 - (A) AN UNDERTAKING FROM THE COMPANY THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE COMPANY; AND
 - (B) AN UNDERTAKING FROM THE COMPANY THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE SEBI FROM TIME TO TIME.
13. WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE OFFER. - NOTED FOR COMPLIANCE
14. WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OF THE COMPANY, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTER'S EXPERIENCE, ETC. – REFER TO ANNEXURE A
15. WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRAFT RED HERRING PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY. - REFER TO ANNEXURE B
16. WE ENCLOSE STATEMENT ON 'PRICE INFORMATION OF PAST ISSUES HANDLED BY MERCHANT BANKERS BELOW (WHO ARE RESPONSIBLE FOR PRICING THE OFFER)', AS PER FORMAT SPECIFIED BY THE SEBI THROUGH CIRCULAR. - REFER TO ANNEXURE C
17. WE CERTIFY THAT THE PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS. – COMPLIED WITH TO THE EXTENT OF THE RELATED PARTY TRANSACTIONS OF THE COMPANY REPORTED AS PER INDIAN ACCOUNTING STANDARD 24 IN THE FINANCIAL STATEMENTS OF THE COMPANY AND INCLUDED IN THE DRAFT RED HERRING PROSPECTUS CERTIFIED BY THE STATUTORY AUDITOR PURSUANT TO ITS CERTIFICATE DATED JANUARY 12, 2018
18. WE CERTIFY THAT THE ENTITY IS ELIGIBLE UNDER 106Y (1) (A) OR (B) (AS THE CASE MAY BE) TO LIST ON THE INSTITUTIONAL TRADING PLATFORM, UNDER CHAPTER XC OF THESE REGULATIONS. (IF APPLICABLE). - NOT APPLICABLE

The filing of the Red Herring Prospectus does not, however, absolve any person who has authorised the issue of this Red Herring Prospectus from any liabilities under Section 34 or Section 36 of the Companies Act, 2013 or from the

requirement of obtaining such statutory or other clearances as may be required for the purpose of the Offer. SEBI further reserves the right to take up, at any point of time, with the BRLMs any irregularities or lapses in the Draft Red Herring Prospectus, this Red Herring Prospectus and the Prospectus..

All legal requirements pertaining to this Offer will be complied with at the time of filing of this Red Herring Prospectus with the RoC in terms of Section 32 of the Companies Act, 2013. All legal requirements pertaining to the Offer will be complied with at the time of registration of the Prospectus with the RoC in terms of Sections 26, 30, 32, 33(1) and 33(2) of the Companies Act, 2013.

Price information of past issues handled by the BRLMs

The price information of past issues handled by the BRLMs is as follows:

1. Price information of past issues handled by Elara Capital (India) Private Limited

S. No.	Issue Name	Issue Size (₹ in million)	Issue price (₹)	Listing date	Opening price on listing date	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1	Infibeam Incorporation Limited	4,500.00	432	04-Apr-16	458.00	+20.37% [-0.67%]	+61.31% [+7.40%]	+105.52% [+9.71%]

Notes:

- The Designated Exchange for the Issue has been considered for the closing price, Benchmark index and other details
- % of change in closing price on 30th / 90th / 180th calendar day from listing day is calculated vs Issue Price. % change in closing benchmark index is calculated based on closing index on listing day vs closing index on 30th / 90th / 180th calendar day from listing day.
- 30th, 90th, 180th calendar day from listing day have been taken as listing day plus 29, 89 and 179 calendar days, except wherever 30th, 90th, 180th calendar day is a holiday, in which case we have considered the closing data of the next trading day.

Summary statement of disclosure Price information of past issues during current financial year and two financial years preceding the current financial year handled by Elara Capital (India) Private Limited:

Fiscal year	Total no. of IPOs	Total funds raised (₹ million)	Number of IPOs trading at a discount as on 30th calendar day from listing day			Number of IPOs trading at a premium as on 30th calendar day from listing day			Number of IPOs trading at a discount as on 180th calendar day from listing day			Number of IPOs trading at a premium as on 180th calendar day from listing day		
			Over 50%	Between 25% and 50%	Less than 25%	Over 50%	Between 25% and 50%	Less than 25%	Over 50%	Between 25% and 50%	Less than 25%	Over 50%	Between 25% and 50%	Less than 25%
2016-2017	1	4,500.00	-	-	-	-	-	1	-	-	-	1	-	-
2017-2018	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Fiscal year	Total no. of IPOs	Total funds raised (₹ million)	Number of IPOs trading at a discount as on 30th calendar day from listing day			Number of IPOs trading at a premium as on 30th calendar day from listing day			Number of IPOs trading at a discount as on 180th calendar day from listing day			Number of IPOs trading at a premium as on 180th calendar day from listing day		
			Over 50%	Between 25% and 50%	Less than 25%	Over 50%	Between 25% and 50%	Less than 25%	Over 50%	Between 25% and 50%	Less than 25%	Over 50%	Between 25% and 50%	Less than 25%
2018-2019*	-	-	-	-	-	-	-	-	-	-	-	-	-	-

* The information is as on the date of this Red Herring Prospectus

Note:

- The information for each of the financial years is based on issues listed during such financial year.
- 30th and 180th calendar day from listing day have been taken as listing day plus 29 and 179 calendar days respectively, except wherever 30th and 180th calendar day is a holiday, in which case we have considered the closing data of the next trading day.

2. Price information of past issues handled by IDBI Capital Markets & Securities Limited (formerly known as IDBI Capital Market Services Limited):

Sr. No.	Issue Name	Issue Size (in ₹ Million)	Issue Price (₹.)	Listing Date	Opening price on listing date	+/- % change in closing price, [+/- % change in closing benchmark] - 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark] - 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark] - 180th calendar days from listing
1.	Mishra Dhatu Nigam Limited	4,328.96	90.00 ⁽³⁾	April 04, 2018	87.00	+67.89% (+5.44%)	N.A	N.A
2.	Bharat Dynamics Limited	9,527.88	428.00 ⁽²⁾	March 23, 2018	370.00	-4.65% (+5.87%)	N.A.	N.A.
3.	Security and Intelligence Services (India) Limited	7,795.30	815.00	August 10, 2017	879.00	-3.29% (+1.17%)	3.14% (5.40%)	+39.12% (+8.62%)
4.	Central Depository Services (India)	5,239.91	149.00	June 30, 2017	250.00	+127.92% (+5.84%)	+128.86% (+2.26%)	+146.71% (+10.61%)

Sr. No.	Issue Name	Issue Size (in ₹ Million)	Issue Price (₹.)	Listing Date	Opening price on listing date	+/- % change in closing price, [+/- % change in closing benchmark] - 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark] - 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark] - 180th calendar days from listing
	Limited							
5.	Housing and Urban Development Corporation Limited	12,095.70	60.00 ⁽¹⁾	May 19, 2017	73.00	+13.17% (+2.44%)	+34.67% (+4.98%)	+35.67% (+8.05%)

(1): Price for retail individual bidders bidding in the retail portion and to eligible employees was INR 58.00 per equity share

(2): Price for retail individual bidders bidding in the retail portion and to eligible employees was INR 418.00 per equity share

(3): Price for retail individual bidders bidding in the retail portion and to eligible employees was INR 87.00 per equity share

N.A: Not Available

Notes

- Source: www.nseindia.com for the price information
- Wherever 30th/ 90th/ 180th calendar day from listing day is a holiday, the closing data of the next trading day has been considered.
- The Nifty 50 index is considered as the benchmark index.

Summary statement of disclosure price information of past issues during current financial year and two financial years preceding the current financial year handled by IDBI Capital Markets & Securities Limited (formerly known as IDBI Capital Market Services Limited):

Fiscal Year	Total no. of IPOs	Total amount of funds raised (₹ Million.)	No. of IPOs trading at discount - 30th calendar days from listing			No. of IPOs trading at premium - 30th calendar days from listing			No. of IPOs trading at discount - 180th calendar days from listing			No. of IPOs trading at premium - 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2018 - date of this date of RHP*	1	4,328.96	-	-	-	1	-	-	-	-	-	-	-	-
2017 - 18	4	34,658.79	-	-	2	1	-	1	-	-	-	1	2	-
2016-17	-	-	-	-	-	-	-	-	-	-	-	-	-	-

*The information is as on the date of the document

The information for each of the financial years is based on issues listed during such financial year.

3. Price information of past issues handled by IDFC Bank Limited:

Sr. No.	Issuer Name	Issue Size (Rs. Million)	Issue Price (Rs.)	Listing Date	Opening Price on Listing Date (Rs.)	+/- % change in closing price, [+/- % change in closing benchmark] - 30th calendar day from listing	+/- % change in closing price, [+/- % change in closing benchmark] - 90th calendar day from listing	+/- % change in closing price, [+/- % change in closing benchmark] - 180th calendar day from listing
1.	HPL Electric & Power Limited	3,610.00	202.00	October 04, 2016	190.00	-14.75% [-2.91%]	-51.19% [-6.72%]	-37.77% [-5.34%]
2.	Shankara Building Products Limited	3,450.01	460.00	April 05, 2017	545.00	51.25% [0.51%]	81.25% [4.16%]	214.30% [5.08%]
3.	Dixon Technologies (India) Limited	5,992.79	1,766.00	September 18, 2017	2,725.00	50.07% [0.57%]	97.90% [3.63%]	95.41% [2.32%]
4.	The New India Assurance Company Limited	95,858.23	800.00*	November 13, 2017	748.90	-27.66% [0.59%]	-8.29% [3.84%]	-12.93 [7.57%]
5.	Khadim India Limited	5,430.57	750.00	November 14, 2017	730.00	-10.40% [0.06%]	-6.47% [3.47%]	10.21% [6.09%]
6.	HDFC Standard Life Insurance Company Limited	86,950.00	290.00	November 17, 2017	310.00	30.16% [1.02%]	48.93% [2.11%]	74.66% [5.04%]
7.	Shalby Limited	5,048.00	248.00	December 15, 2017	239.70	-3.57% [3.95%]	-11.51% [0.75%]	Not Available
8.	Future Supply Chain Solutions Limited	6,496.95	664.00	December 18, 2017	674.00	3.26% [3.48%]	4.65% [-2.02%]	Not Available
9.	Newgen Software Technologies Ltd	4,246.21	245.00	January 29, 2018	253.00	-0.29% [-5.34%]	2.57% [-3.09%]	Not Available
10.	Amber Enterprises India Ltd	5,995.74	859.00**	January 30, 2018	1,180.00	27.40% [-5.31%]	32.10% [-2.42%]	Not Available

*The offer price was Rs. 770.00 per equity share after a discount of Rs. 30 per equity share to retail individual bidders and eligible employees.

**The offer price was Rs. 774.00 per equity share after a discount of Rs. 85 per equity share to eligible employees.

Notes:

- Source: www.nseindia.com and www.bseindia.com for the price information and prospectus/finalised basis of allotment for issue details.
- NSE was the designated stock exchange for the IPOs listed as item 1,5,6 & 7 and BSE was the designated stock exchange for the IPOs listed as item 2,3,4,8,9 & 10. Therefore, price information and benchmark index values have been/will be shown only for designated stock exchange. NIFTY and SENSEX have been used as the benchmark indices.
- In case of reporting dates falling on a trading holiday, values for the trading day, immediately following the trading holiday have been considered.
- Since 30, 90 and 180 calendar days, from listing date has not elapsed for certain IPOs, data for the same is not available.

Summary statement of disclosure Price information of past issues during current financial year and two financial years preceding the current financial year handled by IDFC Bank Limited:

Financial Year	Total no. of IPOs	Total amount of funds raised (Rs. Million)	No. of IPOs trading at discount - 30th calendar day from listing			No. of IPOs trading at premium - 30th calendar day from listing			No. of IPOs trading at discount - 180th calendar day from listing			No. of IPOs trading at premium - 180th calendar day from listing		
			Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2018-2019*	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Financial Year	Total no. of IPOs	Total amount of funds raised (Rs. Million)	No. of IPOs trading at discount - 30th calendar day from listing			No. of IPOs trading at premium - 30th calendar day from listing			No. of IPOs trading at discount - 180th calendar day from listing			No. of IPOs trading at premium - 180th calendar day from listing		
			Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2017-2018	9	219,468.50	-	1	3	2	2	1	-	-	1	3	-	1
2016-2017	1	3,610.00	-	-	1	-	-	-	-	1	-	-	-	-

*As on the date of RHP

Notes:

- Date of listing of equity shares has been considered for calculating total no. of IPOs in a particular financial year.
- The discount/premium has been/will be calculated based on the closing stock price.
- Since 30 and 180 calendar days, from listing date has not elapsed for certain IPOs, data for the same is not available.

4. Price information of past issues handled by SBI Capital Markets Limited:

Sr. No.	Issue Name	Issue Size (₹ Mn.)	Issue Price (₹)	Listing Date	Opening Price on Listing Date	+/- % change in closing price, [+/- % change in closing benchmark]-30 th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]-90 th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]-180 th calendar days from listing
1	ICICI Securities Limited	35,148.49	520	April 04, 2018	435	-15.01% [4.84%]	NA	NA
2	Mishra Dhatu Nigam Limited	4,328.96	90	April 04, 2018	90	60.56% [5.74%]	NA	NA
3	Hindustan Aeronautics Limited ⁵	41,131.33	1,215	March 28, 2018	1,169.00	-3.31% [6.07%]	NA	NA
4	Bharat Dynamics Limited ⁶	9,527.88	428	March 23, 2018	370	-4.91% [5.87%]	NA	NA
5	H. G. Infra Engineering Limited	4,620.00	270	March 9, 2018	270	23.3% [+1.45%]	NA	NA
6	Amber Enterprises India Limited	5,995.99	859	January 30, 2018	1,180.00	27.40% [-5.13%]	-8.37% [-2.38%]	NA
7	Reliance Nippon Life Asset Management Limited	15,422.40	252.00	November 06, 2017	295.90	3.61% [-3.19%]	8.12% [-0.89%]	-13.81% [2.52%]
8	SBI Life Insurance Company	83,887.29	700.00	October 3, 2017	735.00	-7.56%	-0.44%	-2.30%

Sr. No.	Issue Name	Issue Size (₹ Mn.)	Issue Price (₹)	Listing Date	Opening Price on Listing Date	+/- % change in closing price, [+/- % change in closing benchmark]-30 th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]-90 th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]-180 th calendar days from listing
	Limited ⁴					[+5.89%]	[7.35%]	[+3.57 %]
9	Cochin Shipyard Limited	14,429.30	432.00	August 11, 2017	435.00	+30.24% [+2.14%]	+30.51% [+6.42%]	20.02% [+9.55%]
10	Security and Intelligence Services (India) Limited	7,795.80	815.00	August 10, 2017	879.80	-3.29% [+1.17%]	+3.14% [+5.40%]	39.12% [+8.62%]

Source: www.nseindia.com, www.bseindia.com

Notes:

1. The 30th, 90th and 180th calendar day computation includes the listing day. If either of the 30th, 90th or 180th calendar days is a trading holiday, the next trading day is considered for the computation. We have taken the issue price to calculate the % change in closing price as on 30th, 90th and 180th day. We have taken the closing price of the applicable benchmark index as on the listing day to calculate the % change in closing price of the benchmark as on 30th, 90th and 180th day.
2. The designated exchange for the issue has been considered for the price, benchmark index and other details.
3. The number of Issues in Table-1 is restricted to 10.
4. Retail Discount and Employee Discount of ₹3 per Equity Share to the Offer Price
5. Retail Discount and Employee Discount of ₹25 per Equity Share to the Offer Price
6. Retail Discount and Employee Discount of ₹10 per Equity Share to the Offer Price
7. Employee Discount of ₹85 per Equity Share to the Offer Price
8. Employee Discount of ₹68 per Equity Share to the Offer Price
9. Retail Discount and Employee Discount of ₹21 per Equity Share to the Offer Price

Summary statement of disclosure Price information of past issues during current financial year and two financial years preceding the current financial year handled by SBI Capital Markets Limited:

Financial Year	Total no. of IPOs	Total amount of funds raised (₹ Mn.)	No. of IPOs trading at discount - 30 th calendar days from listing			No. of IPOs trading at premium - 30 th calendar days from listing			No. of IPOs trading at discount - 180 th calendar days from listing			No. of IPOs trading at premium - 180 th calendar days from listing		
			Over 50 %	Between 25-50%	Less than 25%	Over 50 %	Between 25-50%	Less than 25%	Over 50 %	Between 25-50%	Less than 25%	Over 50 %	Between 25-50%	Less than 25%
2017-18	12	2,39,623.05	-	-	5	2	2	2	-	-	2	1	2	1
2016-	7	129,691.	-	-	3	1	1	2	-	1	1	2	2	1

Financial Year	Total no. of IPOs	Total amount of funds raised (₹ Mn.)	No. of IPOs trading at discount - 30 th calendar days from listing			No. of IPOs trading at premium - 30 th calendar days from listing			No. of IPOs trading at discount - 180 th calendar days from listing			No. of IPOs trading at premium - 180 th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
17		00												
2015-16*	4	18,163.78	-	-	1	-	-	3	-	-	2	1	-	1

*Based on issue closure date

Track record of past issues handled by the BRLMs

For details regarding the track record of the BRLMs, as specified in circular reference CIR/MIRSD/1/2012 dated January 10, 2012, issued by SEBI, kindly refer to the websites of the BRLMs, as set forth in the table below:

Sl. No	Name of the BRLMs	Website
1.	Elara Capital (India) Private Limited	www.elaracapital.com
2.	IDBI Capital Markets & Securities Limited (Formerly known as IDBI Capital Market Services Limited)	www.idbicapital.com
3.	IDFC Bank Limited	https://www.idfcbank.com/wholesale-banking/investment-banking/offer-documents.html
4.	SBI Capital Markets Limited	www.sbicaps.com

Disclaimer from our Company, the Selling Shareholder, our Directors and the BRLMs

Our Company, the Selling Shareholder, our Directors and the BRLMs accept no responsibility for statements made otherwise than in this Red Herring Prospectus or in the advertisements or any other material issued by or at our Company's or the Selling Shareholder's instance. Anyone placing reliance on any other source of information, including our Company's website www.ritesltd.com or the respective websites of our affiliates, or Group Companies would be doing so at his or her own risk.

Caution

The BRLMs accept no responsibility, save to the limited extent as provided in the Offer Agreement entered among the Selling Shareholder, our Company and the BRLMs and the Underwriting Agreement to be entered into among the Selling Shareholder, our Company and the Underwriters.

All information to the extent required in relation to the Offer, shall be made available by our Company, the Selling Shareholder and the BRLMs to the public and Bidders at large and no selective or additional information would be made available for a section of the Bidders in any manner whatsoever, including at road show presentations, in research or sales reports, at the Bidding Centres or elsewhere.

The Selling Shareholder, our Company, or any of the Syndicate are not liable for any failure in uploading the Bids due to faults in any software/ hardware system or otherwise.

Bidders will be required to confirm and will be deemed to have represented to the Selling Shareholder, our Company, Underwriters and their respective directors (as applicable), officers, agents, affiliates and representatives that they are

eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Offered Shares and that they shall not issue, sell, pledge, or transfer the Offered Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Offered Shares. The Selling Shareholder, our Company, the Underwriters and their respective directors (as applicable), officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Offered Shares.

The BRLMs and their respective associates and affiliates may engage in transactions with and perform services for our Company, the Selling Shareholder, Group Companies, or their respective affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company, Selling Shareholder, Group Companies or their respective directors (as applicable), affiliates or associates, for which they have received and may in the future receive compensation.

Disclaimer in Respect of Jurisdiction

This Offer is being made in India to persons resident in India (including Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, as amended, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, domestic Mutual Funds, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to permission from RBI), or trusts under applicable trust law and who are authorised under their respective constitutions to hold and invest in shares, public financial institutions as specified in Section 2(72) of the Companies Act, 2013, multilateral and bilateral development financial institutions, state industrial development corporations, insurance companies registered with IRDA, provident funds (subject to applicable law) with minimum corpus of ₹250 million and pension funds with minimum corpus of ₹250 million, National Investment Fund, insurance funds set up and managed by army, navy or air force of Union of India, insurance funds set up and managed by the Department of Posts, GoI and permitted Non-Residents including FPIs, and Eligible NRI Bidders, AIFs, FVCIs and other eligible foreign investors, if any, provided that they are eligible under all applicable laws and regulations to purchase the Offered Shares. Any dispute arising out of this Offer will be subject to the jurisdiction of appropriate court(s) at New Delhi, India only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that the Draft Red Herring Prospectus had been filed with SEBI for its observations and this Red Herring Prospectus has been delivered to the RoC for registration. Accordingly, the Equity Shares represented thereby may not be offered or sold, directly or indirectly, and this Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction.

Neither the delivery of the Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Selling Shareholder and our Company from the date thereof or that the information contained therein is correct as of any time subsequent to this date.

THE OFFER AND SALE OF THE EQUITY SHARES HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT AND MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S PROMULGATED UNDER THE SECURITIES ACT (“REGULATION S”)) EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. ACCORDINGLY, THE EQUITY SHARES ARE BEING OFFERED AND SOLD ONLY OUTSIDE THE UNITED STATES AND ONLY TO NON-U.S. PERSONS IN RELIANCE ON REGULATION S. EACH PURCHASER OF EQUITY SHARES WILL BE REQUIRED TO REPRESENT AND AGREE, AMONG OTHER THINGS, THAT SUCH PURCHASER IS A NON-U.S. PERSON ACQUIRING THE EQUITY SHARES IN AN “OFFSHORE TRANSACTION” IN ACCORDANCE WITH REGULATION S.

This Red Herring Prospectus will not, however, constitute an offer to sell or an invitation to subscribe for Equity Shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of the Offer will be subject to the jurisdiction of appropriate court(s) in Delhi only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Red Herring Prospectus has been filed with SEBI for its observations. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Red Herring Prospectus may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company and the Selling Shareholder and their respective affiliates from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

Disclaimer Clause of the NSE

“As required, a copy of this Offer Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter Ref.: NSE/LIST/35288 dated January 30, 2018 permission to the Issuer to use the Exchange’s name in this Offer Document as one of the stock exchanges on which this Issuer’s securities are proposed to be listed. The Exchange has scrutinized this draft offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the offer document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that this Issuer’s securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer.

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.”

Disclaimer Clause of the BSE

“BSE Limited (the “Exchange”) has given vide its letter dated January 30, 2018 permission to this Company to use the Exchange’s name in this offer document as one of the stock exchanges on which this company's securities are proposed to be listed. The Exchange has scrutinized this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner:-

- a) warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or
- b) warrant that this Company’s securities will be listed or will continue to be listed on the Exchange; or
- c) take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company;

and it should not for any reason be deemed or construed that this offer document has been cleared or approved by the Exchange.

Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever”.

Filing

A copy of the Draft Red Herring Prospectus has been filed with SEBI at the Corporation Finance Department, Securities and Exchange Board of India, SEBI Bhawan, C – 4G, Bandra Kurla Complex, Bandra (East), Mumbai 400 051.

A copy of this Red Herring Prospectus, along with the documents required to be filed under Section 32 of the Companies Act, 2013 has been delivered for registration to the RoC, and a copy of the Prospectus to be filed under Section 26 of the Companies Act, 2013 would be delivered for registration with the RoC situated at the address below:

Registrar of Companies

4th Floor,
IFCI Tower, 61,
Nehru Place, New Delhi 110 019, India

Listing

The Equity Shares are proposed to be listed on the BSE and the NSE. Applications will be made to the Stock Exchanges for permission to deal in and for an official quotation of the Equity Shares to be issued and sold in the Offer. NSE will be the Designated Stock Exchange with which the Basis of Allotment will be finalised. If the permissions to deal in, and for an official quotation of, the Equity Shares are not granted by any of the Stock Exchanges mentioned above, our Company and the Selling Shareholder will forthwith repay, all monies received from the Applicants in pursuance of the Red Herring Prospectus, in accordance with applicable law. If such money is not repaid within the prescribed time, then our Company and every officer in default shall be liable to repay the money, with interest as prescribed under applicable laws.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges are taken within six Working Days from the Bid/ Offer Closing Date or within such other period as may be prescribed. The Selling Shareholder confirms that it shall extend complete co-operation required by our Company and the BRLMs for the completion of the necessary formalities for listing of the Equity Shares and commencement of trading of the Equity Shares on the Stock Exchanges within six Working Days from the Bid/ Offer Closing Date, or such other period as may be prescribed.

If our Company and Selling Shareholder do not Allot Offered Shares pursuant within six Working Days from the Bid/ Offer Closing Date or within such timeline as prescribed by SEBI, all amounts received in the Public Offer Account will be transferred to the Refund Account and it shall be utilised to repay, without interest, all monies received from Bidders, failing which interest shall be due to be paid to the Bidders at the rate of 15% per annum for the delayed period.

Impersonation

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013, which is reproduced below:

“—Any person who:

- (a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
- (b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
- (c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,

shall be liable for action under section 447”.

Consents

Consents in writing of (a) the Selling Shareholder, our Directors, our Company Secretary and Compliance Officer, our Chief Financial Officer, the BRLMs, the Registrar to the Offer, industry source, legal counsels, bankers to our Company and our Statutory Auditor have been obtained; and consents in writing of (b) Syndicate Members and the Banker(s) to the Offer have been obtained and filed along with a copy of this Red Herring Prospectus with the RoC

as required under Sections 26 and 32 of the Companies Act, 2013. Further, consents received prior to filing of this Red Herring Prospectus have not been withdrawn up to the time of delivery of this Red Herring Prospectus to SEBI.

Expert Opinion

Except as stated below, our Company has not obtained any expert opinions:

As required under Section 26(1)(a)(v) of the Companies Act, 2013, our Company has received written consent from our Statutory Auditor, to include its name as an “expert” as defined under Section 2(38) of the Companies Act, 2013 in respect of their (a) reports dated March 21, 2018 on the Restated Standalone Financial Information and the Restated Consolidated Financial Information; and (b) report dated January 12, 2018 on the statement of possible tax benefits available for our Company and the Shareholders.

Such consent has not been withdrawn as on the date of this Red Herring Prospectus.

Offer related expenses

The total expenses of the Offer are estimated to be approximate ₹[●] million. The expenses of the Offer include, among others, underwriting and management fees, selling commissions, printing and distribution expenses, legal expenses, statutory advertisement expenses, Registrar and depository fees and listing fees.

All Offer related expenses shall be borne by the Selling Shareholder through the DIPAM. However, expenses in relation to: (i) the filing fees to SEBI; (ii) NSE/BSE charges for use of software for the book building; (iii) payments required to be made to Depository or the Depository Participants for transfer of shares to the beneficiaries account; and (iv) Payment required to be made to the Stock Exchanges for initial processing, filling and listing of shares would be paid by BRLMs and would be reimbursed by the Company or the GoI as per actuals against an invoice. The cost of printing and distribution of stationary would be borne by the BRLMs. For further details, see “*Objects of the Offer*” on page 90.

Fees Payable to the Syndicate

The total fees payable to the Syndicate (including underwriting commission and selling commission and reimbursement of their out-of-pocket expenses) will be as per the Syndicate Agreement, a copy of which will be available for inspection at our Registered and Corporate Office from 10.00 am to 4.00 pm on Working Days from the date of this Red Herring Prospectus until the Bid/ Offer Closing Date. For details of the Offer related expenses, see “*Objects of the Offer*” on page 90.

Commission payable to SCSBs, Registered Brokers, RTAs and CDPs

For details of the commission payable to SCSBs, Registered Brokers, RTAs and CDPs, see “*Objects of the Offer*” on page 90.

Fees Payable to the Registrar to the Offer

The fees payable to the Registrar to the Offer for processing of application, data entry, printing of Allotment Advice/refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as per the Registrar Agreement, a copy of which will be available for inspection at our Registered and Corporate Office from 10.00 am to 4.00 pm on Working Days from the date of this Red Herring Prospectus until the Bid/ Offer Closing Date.

The Registrar to the Offer shall be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty and communication expenses. Adequate funds will be provided to the Registrar to the Offer to enable it to send refund orders or Allotment advice by registered post/speed post/ordinary post.

Particulars regarding Public or Rights Issues during the last five years

Our Company has not made any public or rights issue during the last five years the date of this Red Herring Prospectus.

Issues otherwise than for Cash

We have not issued any equity shares for consideration otherwise than for cash, except the bonus issues, details of which are set forth in “*Capital Structure*” on page 79.

Previous capital issue in the preceding three years by our Company, listed group companies, subsidiaries and associates of our Company

None of our Subsidiaries are listed. Further, we do not have any Group Companies as on the date of this Red Herring Prospectus. For details of capital issuances by our Company, see “*Capital Structure – Notes to Capital Structure – Share capital history – History of Equity Share capital of our Company*” on page 80.

Performance vis-à-vis objects – Last issue of our Company and/or Group Companies, Subsidiaries or Associate Companies

Our Company has not undertaken any previous public or rights issue in the last ten years. Further, none of our Subsidiaries, Group Companies or our Associate Companies has undertaken any public or rights issue in the ten years preceding the date of this Red Herring Prospectus. Accordingly, the requirement to disclose performance vis-à-vis objects in respect of earlier offerings do not apply to our Associate Companies or our Group Companies.

Underwriting commission, brokerage and selling commission paid on previous issues

Since this is an initial public offering of Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since our Company’s incorporation.

Outstanding Debentures or Bonds

Our Company has not issued any debentures and bonds and therefore does not have any outstanding debentures or bonds, warrants or any other convertible instruments.

Outstanding Preference Shares

Our Company has not issued any preference shares and therefore does not have any outstanding preference shares.

Partly Paid Up Shares

Our Company does not have any partly paid up Equity Shares as on the date of this Red Herring Prospectus.

Stock Market Data of our Equity Shares

The Equity Shares are not listed on any stock exchange and thus there is no stock market data for the same.

Mechanism for Redressal of Investor Grievances by our Company

The Registrar Agreement will provide for retention of records with the Registrar to the Offer for a period of at least three years from the date of commencement of trading of the Equity Shares on the Stock Exchanges, to enable the investors to approach the Registrar to the Offer for redressal of their grievances.

Bidders may contact the BRLMs for any complaints pertaining to the Offer. All grievances relating to the ASBA process may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary with whom the ASBA Form was submitted. The Bidder should give full details such as name of the First or sole Bidder, ASBA Form number, Bidder DP ID, Client ID, PAN, date of submission of the ASBA Form, address of the Bidder, number of Offered Shares applied for, the name and address of the Designated Intermediary where the ASBA Form was submitted by the Bidder and the ASBA Account number in which the amount equivalent to the Bid Amount is blocked. Further, the investor shall also enclose the Acknowledgement Slip from the Designated Intermediaries in addition to the documents/information mentioned hereinabove. The Registrar to the Offer shall obtain the required information from the SCSBs for addressing any clarifications or grievances of Bidders.

As on date there are no investor complaints pending.

The Selling Shareholder, our Company, the BRLMs and the Registrar to the Offer accept no responsibility for errors, omissions, commission or any acts of the Designated Intermediaries including any defaults in complying with its obligations under applicable SEBI ICDR Regulations.

Investors can contact the Compliance Officer or the Registrar to the Offer in case of any pre-Offer or post- Offer related problems such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund intimations and non-receipt of funds by electronic mode.

The Registrar to the Offer shall obtain the required information from the SCSBs for addressing any clarifications or grievances of Bidders. Our Company, the BRLMs and the Registrar to the Offer accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations under applicable SEBI ICDR Regulations.

Disposal of Investor Grievances by our Company

We estimate that the average time required by us, the Selling Shareholder or the Registrar to the Offer for the redressal of routine investor grievances shall be [•] days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company and the Selling Shareholder will seek to redress these complaints as expeditiously as possible.

We have appointed Mr. Ashish Kumar Srivastava, Company Secretary as the Compliance Officer and he may be contacted in case of any pre-Offer or post-Offer related problems. He can be contacted at the following address:

**rites bhavan,
No. 1, Sector 29,
Gurugram, Haryana,
India-122 001**

Disposal of investor grievances by listed Group Companies

As on the date of this Red Herring Prospectus, our Company does not have any Group Companies.

Changes in Statutory Auditors

There has been no change in the Statutory Auditors of our Company during the last three years.

Capitalization of Reserves or Profits

We have not capitalized our reserves or profits at any time during last five years, except as stated in “*Capital Structure*” on page 79.

Revaluation of Assets

There has been no revaluation of assets of the Company since incorporation.

SECTION VIII – OFFER RELATED INFORMATION

TERMS OF THE OFFER

The Equity Shares being offered and Allotted pursuant to the Offer shall be subject to the provisions of the Companies Act, the SEBI ICDR Regulations, the SCRA, the SCRR, the Memorandum of Association, the Articles of Association, the SEBI Listing Regulations, the terms of the Red Herring Prospectus, the Prospectus, the Abridged Prospectus, the ASBA Form, the Revision Form, the CAN, the Allotment Advice and other terms and conditions as may be incorporated in the Allotment Advice and other documents and certificates that may be executed in respect of the Offer. The Equity Shares shall also be subject to all applicable laws, guidelines, rules, notifications and regulations relating to offer of capital and listing and trading of securities, issued from time to time, by the SEBI, the GoI, the Stock Exchanges, the RoC, the RBI and/or other authorities, as in force and to the extent applicable or such other conditions as maybe prescribed by such authorities while granting approval for the Offer. SEBI has notified the SEBI Listing Regulations which governs the obligations which were prescribed under the Equity Listing Agreement.

Offer related expenses

The total expenses of the Offer are estimated to be approximately ₹[●] million. The expenses of the Offer include, among others, underwriting and management fees, selling commissions, printing and distribution expenses, legal expenses, statutory advertisement expenses, registrar and depository fees and listing fees.

For further details in relation to Offer related expenses, see “*Objects of the Offer*” and “*Other Regulatory and Statutory Disclosures*” on pages 90 and 581 respectively.

Ranking of Equity Shares

The Equity Shares being offered and allotted in the Offer shall be subject to the provisions of the Companies Act, the Memorandum of Association and the Articles of Association and will rank *pari passu* with the existing equity shares of our Company, including in respect of dividends and other corporate benefits, if any, declared by our Company after the date of Allotment. For more information, see “*Main Provisions of the Articles of Association*” on page 659.

Mode of Payment of Dividend

Our Company shall pay dividend, if declared, to the Shareholders, as per the provisions of the Companies Act, the SEBI Listing Regulations, our Memorandum of Association and the Articles of Association, and any other applicable law including guidelines or directives that may be issued by the GoI in this respect. All dividends, declared by our Company after the date of Allotment (pursuant to the Allotment of Equity Shares being offered) in this Offer, will be received by the Allottees, for the entire year, in accordance with applicable law. For more information, see “*Dividend Policy*” and “*Main Provisions of the Articles of Association*” on pages 198 and 659 respectively.

Face Value, Offer Price and Price Band

The face value of each Equity Share is ₹10 and the Floor Price for the Equity Shares forming part of the Offer is ₹[●] and the Cap Price is ₹[●] per Equity Share. At any given point of time there will be only one denomination of the Equity Shares.

The Price Band, Minimum Bid Lot, the Retail Discount and Employee Discount will be decided by our Company and the Selling Shareholder, in consultation with the BRLMs and advertised in all newspapers wherein the Pre-Offer Advertisement will be published, at least five Working Days prior to the Bid/ Offer Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading on their website. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre-filled in the Bid-cum-Application Forms available at the website of the Stock Exchanges. The Offer Price shall be determined by the Selling Shareholder and our Company, in consultation with the BRLMs, after the Bid/ Offer Closing Date, on the basis of assessment of market demand for the Equity Shares forming part of the Offer, by way of Book Building Process.

Retail Discount and Employee Discount

Retail Discount and Employee Discount of ₹[●] per Equity Share and ₹[●] per Equity Share respectively to the Offer

Price may be offered to the Retail Individual Bidders and the Eligible Employees bidding in the Employee Reservation Portion, respectively.

Compliance with disclosure and accounting norms

Our Company shall comply with applicable disclosures and accounting norms as specified by SEBI from time to time.

Rights of the Shareholders

Subject to applicable laws, regulations, guidelines and the provisions of the Articles of Association, the Shareholders of our Company will have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote on a poll either in person or by proxy or e-voting;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive any surplus on liquidation subject to any statutory and preferential claims being satisfied;
- Right of free transferability of their Equity Shares, subject to applicable foreign exchange regulations and other applicable law; and
- Such other rights as may be available to a shareholder of a listed public company under the Companies Act, the terms of the SEBI Listing Regulations and our Memorandum of Association and Articles of Association.

For a detailed description of the main provisions of the Articles of Association relating to voting rights, dividend, forfeiture, lien, transfer and transmission, consolidation/splitting, see “*Main Provisions of the Articles of Association*” on page 659.

Market Lot and Trading Lot

In terms of Section 29 of the Companies Act 2013, the Equity Shares shall be allotted only in dematerialized form. As per the SEBI ICDR Regulations, the trading of our Equity Shares will only be in dematerialized form. In this context, our Company and the Registrar to the Offer have entered into agreements dated February 27, 2018 and March 6, 2018, with NSDL and CDSL, respectively.

Since trading of our Equity Shares is in dematerialized form, the tradable lot is one Equity Share. Allotment in the Offer will be only in electronic form in multiples of [●] Equity Shares, subject to a minimum Allotment of [●] Equity Shares. For Allotment procedure and Basis of Allotment, see “*Offer Procedure – Part B – General Information Document for Investing in Public Issues – Allotment Procedure and Basis of Allotment*” on page 647.

Joint Holders

Subject to provisions contained in our Articles of Association, where two or more persons are registered as the holders of any Equity Share, they shall be deemed to hold such Equity Share as joint tenants with benefits of survivorship.

Jurisdiction

The courts of Delhi, India will have exclusive jurisdiction in relation to this Offer.

Nomination Facility to investors

In accordance with Section 72 of the Companies Act 2013, read with Companies (Share Capital and Debentures) Rules, 2014, as amended, the sole or first Bidder, with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, will vest to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner. A nominee person entitled to the Equity Shares by reason of the death of the original holder(s), will be entitled to the same benefits to which he or she will be entitled if he or she were the registered holder of the Equity Shares. Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of the holder's death during minority. A nomination may be cancelled, or varied by nominating any other person in place of the present

nominee, by the holder of the Equity Shares who has made the nomination, by giving a notice of such cancellation or variation to our Company in the prescribed form. A buyer will be entitled to make a fresh nomination in the manner prescribed. A fresh nomination can be made only on the prescribed form, available on request at our Registered Office or with the Registrar and Transfer Agents of our Company.

Further, any person who becomes a nominee by virtue of Section 72 of the Companies Act 2013, as amended, will, on the production of such evidence as may be required by our Board, elect either:

- (a) to register himself or herself as holder of Equity Shares; or
- (b) to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, our Board may thereafter withhold payment of all dividend, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Offer will be made only in dematerialized form, there is no need to make a separate nomination with our Company. Nominations registered with the respective depository participant of the Bidder will prevail. If Bidders want to change their nomination, they are advised to inform their respective depository participant.

Bid/ Offer Programme

FOR ALL BIDDERS	OFFER OPENS ON JUNE 20, 2018
FOR QIBs*	OFFER CLOSSES ON JUNE 22, 2018
FOR OTHER BIDDERS	OFFER CLOSSES ON JUNE 22, 2018

**The Selling Shareholder and our Company may, in consultation with the BRLMs, consider closing the Bid/ Offer Period for QIBs one day prior to the Bid/ Offer Closing Date in accordance with the SEBI ICDR Regulations.*

An indicative timeline in respect of the Offer is set out below:

Event	Indicative Date
Bid/ Offer Closing Date	Friday, June 22, 2018
Finalisation of Basis of Allotment with the Designated Stock Exchange	Wednesday, June 27, 2018
Unblocking of funds from the ASBA Account	Thursday, June 28, 2018
Credit of Equity Shares to demat accounts of Allottees	Friday, June 29, 2018
Commencement of trading of the Equity Shares on the Stock Exchanges	July 02, 2018

The above timetable, other than the Bid/ Offer Closing Date is indicative in nature and does not constitute any obligation or liability on our Company, the Selling Shareholder or the BRLMs.

While our Company will use best efforts to ensure that listing and trading of our Equity Shares on the Stock Exchanges commences within six Working Days of the Bid/Offer Closing Date, the timetable may be subject to change for various reasons, including extension of Bid/Offer period by our Company due to revision of the Price Band, any delays in receipt of final listing and trading approvals from the Stock Exchanges, delay in receipt of final certificates from SCSBs, etc. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges in accordance with applicable law. The Selling Shareholder hereby confirms that it shall extend reasonable cooperation required by our Company and the BRLMs for the completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges within six Working Days from the Bid/Offer Closing Date.

Bids and any revision in Bids shall be accepted **only between 10:00 a.m. and 5:00 p.m.** (IST) during the Bid/ Offer Period (except on the Bid/ Offer Closing Date) at the Bidding Centres as mentioned on the Bid-cum-Application Form. On the Bid/ Offer Closing Date, the Bids shall be accepted and uploaded as follows:

- (a) in case of Bids by QIBs under the QIB Portion, the Bids and the revisions in Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) and uploaded until 4.00 p.m. (IST);
- (b) in case of Bids by Non-Institutional Bidders, the Bids and the revisions in Bids shall be accepted only between

10.00 a.m. and 3.00 p.m. (IST) and uploaded until 4.00 p.m. (IST); and
(c) in case of Bids by Retail Individual Bidders and Eligible Employees Bidding under the Employee Reservation Portion, the Bids and the revisions in Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (IST) and uploaded until 5.00 p.m. (IST), which may be extended up to such time as deemed fit by the Stock Exchanges after taking into account the total number of applications received up to the closure of timings and reported by the BRLMs to the Stock Exchanges.

For the avoidance of doubt, it is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs will be rejected.

Due to limitation of the time available for uploading the Bids on the Bid/ Offer Closing Date, the Bidders are advised to submit their Bids one day prior to the Bid/ Offer Closing Date and, in any case, **no later than 3:00 p.m.** (Indian Standard Time) on the Bid/ Offer Closing Date. Bidders are cautioned that, in the event a large number of Bids are received on the Bid/ Offer Closing Date, as is typically experienced in public offerings in India, it may lead to some Bids not being uploaded due to lack of sufficient time to upload. Such Bids that cannot be uploaded on the electronic bidding system will not be considered for allocation under this Offer. Bids will only be accepted on Working Days. Investors may please note that, Bids and any revision in Bids shall not be accepted on Saturdays and public holidays as declared by the Stock Exchanges. Bids by Bidders shall be uploaded by the SCSBs in the electronic system to be provided by the Stock Exchanges. Neither the Selling Shareholder, nor our Company, nor any Syndicate Member is liable for any failure in uploading or downloading the Bids due to faults in any software / hardware system or otherwise. Any time mentioned in this Red Herring Prospectus is Indian Standard Time.

The Selling Shareholder and our Company, in consultation with the BRLMs, reserve the right to revise the Price Band during the Bid/ Offer Period in accordance with the SEBI ICDR Regulations. In such an event, the Cap Price shall not be more than 20% of the Floor Price. Subject to compliance with the immediately preceding sentence, the Floor Price can move up or down to the extent of 20% of the Floor Price, as advertised at least five Working Days before the Bid/ Offer Opening Date and the Cap Price will be revised accordingly.

In case of any revision in the Price Band, the Bid/ Offer Period shall be extended for at least three additional Working Days after such revision of the Price Band, subject to the total Bid/ Offer Period not exceeding 10 Working Days. Any revision in the Price Band, and the revised Bid/ Offer Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges by issuing a press release and also by indicating the change on the websites of the BRLMs and at the terminals of the Syndicate Member.

In case of discrepancy in the data entered in the electronic book *vis-à-vis* the data contained in the physical or electronic Bid-cum-Application Form for a particular Bidder, the details as per the Bid file received from the Stock Exchanges may be taken as the final data for the purpose of Allotment.

Minimum Subscription

As the Offer is entirely through Offer for Sale, the requirement of 90% minimum subscription under the SEBI ICDR Regulations is not applicable to the Offer. In the event our Company does not receive the minimum subscription in the Offer as specified under Rule 19(2)(b) of the SCRR, as applicable, including through devolvement to the Underwriters, as applicable, within sixty (60) days from the date of Bid/Offer Closing Date, our Company shall forthwith refund the entire subscription amount received. In case of delay, if any, in refund within such timeline as prescribed under applicable laws, our Company and the Selling Shareholder shall be liable to pay interest on the application money at the rate of 15% per annum for the period of delay. However, subject to applicable law, the Selling Shareholder shall not be liable to reimburse any expenses towards refund or any interest thereon in respect to Allotment of the Equity Shares forming part of the Offer or otherwise, unless the failure or default or delay, as the case may be, is solely on account of such Selling Shareholder.

Further, in accordance with Regulation 26(4) of the SEBI ICDR Regulations, our Company shall ensure that the number of prospective Allottees to whom the Equity Shares will be allotted will be not less than 1,000 failing which the entire application money shall be unblocked in the respective ASBA Accounts of the Bidders. In case of delay, if any, in unblocking the ASBA Accounts within such timeline as prescribed under applicable laws, the Selling Shareholder and our Company shall be liable to pay interest on the application money in accordance with applicable laws.

Arrangement for Disposal of Odd Lots

Since our Equity Shares will be traded in dematerialized form only and the market lot for our Equity Shares will be one Equity Share, no arrangements for disposal of odd lots are required.

Restriction on Transfer of Shares

Except for the lock-in of pre-Offer Equity Shares and minimum Promoter's Contribution, as detailed in "*Capital Structure*" on page 79 and except as provided in our Articles of Association as detailed in "*Main Provisions of the Articles of Association*" on page 659, there are no restrictions on transfers and transmission of shares and on their consolidation/splitting.

Option to receive Equity Shares in Dematerialized Form

Allotment of Equity Shares to successful Bidders will only be in the dematerialized form. Bidders will not have the option of Allotment of the Equity Shares in physical form. The Equity Shares on Allotment will be traded only in the dematerialized segment of the Stock Exchanges.

Withdrawal of the Offer

The Selling Shareholder and our Company, in consultation with the BRLMs, reserve the right not to proceed with the entire or portion of the Offer for any reason at any time after the Bid/ Offer Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the same newspapers, in which the Pre-Offer Advertisements were published, within two days of the Bid/ Offer Closing Date, providing reasons for not proceeding with the Offer.

Further, the Stock Exchanges shall be informed promptly in this regard by our Company. The BRLMs, through the Registrar to the Offer, shall notify the SCSBs to unblock the bank accounts of the Bidders within one Working Day from the date of receipt of such notification. In the event of withdrawal of the Offer and subsequently, plans of a fresh offer by our Company, a fresh red herring prospectus will be submitted again to SEBI.

Notwithstanding the foregoing, this Offer is also subject to obtaining the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment and within six Working Days from the Bid/ Offer Closing Date or such other period as may be prescribed, and the final RoC approval of the Prospectus after it is registered with the RoC and filed with the SEBI and Stock Exchanges.

OFFER STRUCTURE

Initial public offering of 25,200,000 Equity Shares of face value of ₹10 each through an Offer for Sale by the Selling Shareholder, for cash at a price of ₹[●] per Equity Share (including a premium of ₹[●]) aggregating to ₹[●] million. The Offer comprises a net offer to the public of 24,000,000 Equity Shares (“**Net Offer**”) and a reservation of 1,200,000 Equity Shares for subscription by Eligible Employees, being 0.60% of the post-Offer paid-up Equity Share capital. The Offer and Net Offer will constitute 12.60% and 12% respectively, of the post- Offer paid-up Equity Share capital of our Company.

The Offer is being made through the Book Building Process.

Particulars	Eligible Employees Bidding in the Employee Reservation Portion (if any) ^{***#}	QIBs	Non-Institutional Bidders	Retail Individual Bidders ^{**}
Number of Offered Shares available for Allotment/allocation ^{(1)*}	1,200,000 Equity Shares.	Not more than 12,000,000 Equity Shares or the Net Offer less allocation to Non-Institutional Bidders and Retail Individual Bidders.	Not less than 3,600,000 Equity Shares or the Net Offer less allocation to QIB Bidders and Retail Individual Bidders.	Not less than 8,400,000 Equity Shares or Offer (or the Net Offer, as the case may be) less allocation to QIB Bidders and Non-Institutional Bidders.
Percentage of Offer size available for Allotment/allocation	4.76% of the Offer.	Not more than 50% of the Net Offer shall be allocated to QIB Bidders. However, 5% of the QIB Portion shall be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the 5% reservation in the QIB Portion will also be eligible for allocation in the remaining QIB Portion. The unsubscribed portion in the Mutual Fund reservation will be available for all QIBs in the QIBs Portion.	Not less than 15% of the Net Offer or the Net Offer less allocation to QIB Bidders and Retail Individual Bidders.	Not less than 35% of the Net Offer or the Net Offer less allocation to QIB Bidders and Non-Institutional Bidders.
Basis of Allotment if respective category is oversubscribed*	Proportionate	Proportionate as follows: 600,000 Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only and 11,400,000 Equity Shares shall be available for allocation on a proportionate basis to	Proportionate	Proportionate, subject to minimum Bid Lot. For further details, see “ <i>Offer Procedure – Part B – General Information Document for Investing in Public Issues – Allotment Procedure and Basis of Allotment – Allotment</i> ”

Particulars	Eligible Employees Bidding in the Employee Reservation Portion (if any)**#	QIBs	Non-Institutional Bidders	Retail Individual Bidders**
		all other QIBs, including Mutual Funds receiving Allocation as above		to RII's" on page 647.
Minimum Bid	[●] Equity Shares	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount exceeds ₹200,000.	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount exceeds ₹200,000.	[●] Equity Shares
Maximum Bid	Such number of Equity Shares (in multiples of [●] Equity Shares) for which the Bid Amount (net of Employee Discount, if any) does not exceed ₹500,000. ⁽⁴⁾	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid does not exceed the size of the Offer, subject such limits as may be applicable to the Bidder.	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid does not exceed the size of the Offer, subject such limits as may be applicable to the Bidder.	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount (net of Retail Discount, if any) does not exceed ₹200,000 (net of Retail Discount).
Mode of Allotment	Compulsorily in dematerialised form.			
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.			
Allotment Lot	A minimum of [●] Equity Shares and in multiples of one Equity Share thereafter.			
Trading Lot	One Equity Share			
Who can Apply(2)	Eligible Employees.	Mutual Funds registered with SEBI, VCFs, AIFs, FVCIs, FPIs (other than Category III FPIs) public financial institution as defined in Section 2(72) of the Companies Act, 2013, a scheduled commercial bank, multilateral and bilateral development financial institution, state industrial development corporation, insurance company registered with the IRDA, provident fund with minimum corpus of ₹250 million, pension fund with minimum corpus of ₹250 million, National Investment Fund set up by the GoI, insurance funds set up and managed by army, navy or air force of the Union of India and insurance	Eligible NRI Bidders, Resident Indian individuals, HUFs (in the name of the Karta), companies, corporate bodies, scientific institutions, societies and trusts and Category III FPIs registered with SEBI, which is a foreign corporate or foreign individual for Equity Shares such that the Bid Amount exceeds ₹ 200,000 in value.	Resident Indian individuals, HUFs (in the name of the Karta) and Eligible NRI Bidders.

Particulars	Eligible Employees Bidding in the Employee Reservation Portion (if any)**#	QIBs	Non-Institutional Bidders	Retail Bidders**	Individual
		funds set up and managed by the Department of Posts, India and Systemically Important Non- Banking Financial Companies.			
Term of payment	The SCSB shall be authorised to block the full Bid Amount mentioned in the ASBA Form. ⁽³⁾				
Mode of Bidding	Only through the ASBA process.				

#1,200,000 Equity Shares have been reserved for allocation and Allotment to Eligible Employees Bidding in the Employee Reservation Portion. The Employee Reservation Portion shall not exceed 5% of the post-Offer capital of our Company. The allocation and Allotment of Equity Shares under various portions mentioned in the table above (i.e. under the QIB Portion, Non-Institutional Portion and the Retail Portion) are in respect of the Net Offer.

(1) Subject to valid Bids being received at or above the Offer Price. The Offer is being made in terms of Rule 19(2) (b) of the SCRR read with Regulation 41 of the SEBI ICDR Regulations and Regulation 26(1) of the SEBI ICDR Regulations, wherein not more than 50% of the Net Offer shall be Allotted on a proportionate basis to QIBs. The number of Offered Shares representing 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received from them at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5% of the QIB Portion, the balance Offered Shares available for allocation in the Mutual Fund Portion will be added to the remaining QIB Portion for proportionate allocation to QIBs. Further, not less than 15% of the Net Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Offer Price. Further, 1,200,000 Equity Shares may be offered for allocation and Allotment to the Eligible Employees Bidding in the Employee Reservation Portion, conditional upon valid Bids being received from them at or above the Offer Price.

In the event of under-subscription in the Employee Reservation Portion, the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹200,000, subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹500,000. The unsubscribed portion, if any, in the Employee Reservation Portion (after allocation over ₹200,000), shall be added to the Net Offer. In the event of under-subscription in the Net Offer, spill over to the extent of under-subscription shall be allowed from the Employee Reservation Portion. Subject to valid Bids being received at or above the Offer Price, under-subscription(if any) in the Non-Institutional Portion or the Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company, in consultation with the BRLMs and the Designated Stock Exchange, on a proportionate basis. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories.

(2) In the event that a Bid is submitted in joint names, the relevant Bidders should ensure that the depository account is also held in the same joint names and the names are in the same sequence in which they appear in the ASBA Form. The ASBA Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such First Bidder would be required in the ASBA Form and such First Bidder would be deemed to have signed on behalf of the joint holders. In the event of under-subscription in the Employee Reservation Portion, the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹200,000, subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹500,000. The unsubscribed portion, if any, in the Employee Reservation Portion (after allocation over ₹200,000), shall be added to the Net Offer.

(3) The SCSB shall be authorised to block such funds in the bank account of the Bidder that are specified in the ASBA Form.

(4) Eligible Employees Bidding in the Employee Reservation portion can Bid upto a Bid Amount of ₹500,000. However, a Bid by an Eligible Employee in the Employee Reservation Portion will be considered for allocation, in the first instance, for a Bid Amount of up to ₹200,000. In the event of under-subscription in the Employee Reservation Portion, the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹200,000, subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹500,000. Further, an Eligible Employee Bidding in the Employee Reservation Portion can also Bid under the Net Offer and such Bids will not be treated as multiple Bids.

**Assuming full subscription in the Offer.*

***The Selling Shareholder and our Company, in consultation with the BRLMs, may offer a discount of ₹[●] per equity share and a discount of ₹[●] per equity share on the Offer Price to the Retail Individual Bidders and the Eligible Employees Bidding under the Employee Reservation Portion , respectively. The amount of Retail Discount and Employee Discount, as applicable, will be advertised in all newspapers wherein the Pre-Offer Advertisement will be published. For further details, see “Offer Procedure” on page 609.*

Period of operation of subscription list

See “Terms of the Offer – Bid/ Offer Programme” on page 602.

OFFER PROCEDURE

All Bidders should review the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified issued by SEBI modified and updated pursuant to, among others, the circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015, the circular (CIR/CFD/DIL/1/2016) dated January 1, 2016 and the circular (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016, issued by SEBI (“General Information Document”) included below under section “Part B – General Information Document”, which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the SEBI ICDR Regulations. The General Information Document has been updated to include reference to the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014 and certain notified provisions of the Companies Act, 2013, to the extent applicable to a public issue. The General Information Document is also available on the websites of the Stock Exchanges and the BRLMs. Please refer to the relevant provisions of the General Information Document which are applicable to the Offer. All Designated Intermediaries in relation to the Issue should ensure compliance with the SEBI circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015, as amended and modified by the SEBI circular (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016 in relation to clarifications on streamlining the process of public issue of equity shares and convertibles.

Our Company, the Selling Shareholder and the Syndicate do not accept any responsibility for the completeness and accuracy of the information stated in this section and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in this Red Herring Prospectus.

Part – A

Book Building Procedure

The Offer is being made in terms of Rule 19(2)(b) of the SCRR, through the Book Building Process in accordance with Regulation 26(1) of the SEBI ICDR Regulations, wherein not more than 50% of the Net Offer shall be available for allocation on a proportionate basis to QIBs. Such number of Offered Shares representing 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received from them at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5% of the QIB Portion, the balance Offered Shares available for allocation in the Mutual Fund Portion will be added to the remaining QIB Portion for proportionate allocation to QIBs, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Net Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Offer Price. Further, 1,200,000 Equity Shares may be offered for allocation and Allotment to the Eligible Employees Bidding in the Employee Reservation Portion, conditional upon valid Bids being received from them at or above the Offer Price.

In the event of under-subscription in the Employee Reservation Portion, the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹200,000, subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹500,000. The unsubscribed portion, if any, in the Employee Reservation Portion (after allocation over ₹200,000), shall be added to the Net Offer. In the event of under-subscription in the Net Offer, spill over to the extent of under-subscription shall be allowed from the Employee Reservation Portion. Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in the Non-Institutional Portion or the Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of the Selling Shareholder and our Company in consultation with the BRLMs and the Designated Stock Exchange, on a proportionate basis, subject to applicable law. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories. In accordance with Rule 19(2)(b) of the SCRR, the Offer will constitute at least 10% of the post Offer paid-up Equity Share capital of our Company.

The Equity Shares, upon listing, shall be traded only in the dematerialised segment of the Stock Exchanges.

Investors should note that the Offered Shares will be Allotted to all successful Bidders only in dematerialised form. ASBA Forms which do not have the details of the Bidders depository accounts, including DP ID, Client ID and PAN, shall be treated as incomplete and rejected. Bidders will not have the option of being Allotted Offered Shares in physical form.

ASBA Form

All Bidders are required to mandatorily participate in the Offer only through the ASBA process.

Copies of the ASBA Form and the Abridged Prospectus will be available with the Designated Intermediaries at the Bidding Centres and at our Registered and Corporate Office. Electronic copies of the ASBA Form will also be available for download on the websites of the NSE (www.nseindia.com) and the BSE (www.bseindia.com), at least one day prior to the Bid/ Offer Opening Date.

All Bidders shall ensure that their Bids are made on ASBA Forms bearing the stamp of the Designated Intermediary, submitted at the Bidding Centres only (except in case of electronic ASBA Forms). ASBA Forms not bearing such specified stamp are liable to be rejected. Additionally, Bidders must provide bank account details and authorisation to block funds in the relevant space provided in the ASBA Form. ASBA Form that does not contain such details will be rejected. Bidders are also required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Bid Amount can be blocked by the SCSB at the time of submitting the Bid.

The prescribed colour of the ASBA Form for the various categories of Bidders is as follows:

Category	Colour of ASBA Form
Resident Indians and Eligible NRI Bidders applying on a non-repatriation basis.	White
Non-Residents including Eligible NRI Bidders, FVCIs, FPIs and registered multilateral and bilateral development financial institutions applying on a repatriation basis.	Blue
Eligible Employees Bidding in the Employee Reservation Portion**	Pink

**Excluding electronic ASBA Forms.*

#The colour of ASBA Forms, will be included in the Red Herring Prospectus.

***1,200,000 Equity Shares may be reserved for allocation and Allotment to Eligible Employees Bidding in the Employee Reservation Portion. The Employee Reservation Portion shall not exceed 5% of the post-Offer capital of our Company.*

Designated Intermediaries (other than SCSBs) shall submit/deliver the ASBA Forms to the respective SCSB, where the Bidder has a bank account and shall not submit it to any non-SCSB bank or the Banker(s) to the Offer.

Participation by the BRLMs and the Syndicate Members and their associates/ affiliates

The BRLMs and the Syndicate Members shall not be allowed to purchase Offered Shares in any manner, except towards fulfilling their underwriting obligations. However, associates and affiliates of the BRLMs and the Syndicate Members may subscribe to or purchase Offered Shares in the Net Offer, either in the QIB Portion or in the Non-Institutional Portion as may be applicable to such Bidders. Such Bidding and subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of BRLMs and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Bids by Mutual Funds

Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made. In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the ASBA Form. Failing this, the Selling Shareholder and our Company reserve the right to reject any Bid in whole or in part, in either case, without assigning any reason thereof.

No Mutual Fund scheme shall invest more than 10% of its net asset value in the equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any Company's paid-up share capital carrying voting rights.

Bids by Eligible NRI Bidders

Eligible NRI Bidders may obtain copies of ASBA Forms from the Designated Intermediaries. Eligible NRI Bidders Bidding on a repatriation basis by using the Non-Resident Forms should authorise their SCSB to block their Non-Resident External (“NRE”) account or Foreign Currency Non-Resident (“FCNR”) account for the full Bid Amount, while Eligible NRI Bidders Bidding on a non-repatriation basis by using the Resident Forms should authorise their SCSB to block their Non-Resident Ordinary (“NRO”) account for the full Bid Amount, at the time of submission of the ASBA Form.

Eligible NRI Bidders Bidding on a repatriation basis are advised to use the ASBA Form for Non-Residents (White in colour), while Eligible NRI Bidders Bidding on a non-repatriation basis are advised to use the ASBA Form for Residents (Blue in colour).

Bids by FPIs

In terms of the SEBI FPI Regulations, an FII which holds a valid certificate of registration from SEBI shall be deemed to be a registered FPI until the expiry of the block of three years for which fees have been paid as per the SEBI FII Regulations. Accordingly, such FIIs can participate in this Offer in accordance with Schedule 2 of the FEMA Regulations. An FII shall not be eligible to invest as an FII after registering as an FPI under the SEBI FPI Regulations. Further, QFIs which are not registered as FPIs under the SEBI FPI Regulations shall not be eligible to participate in this Offer.

In terms of the SEBI FPI Regulations, the issue of equity shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) must be below 10% of our post-Offer equity share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company. The aggregate limit of 24% may be increased up to the sectorial cap by way of a resolution passed by our Board, followed by a special resolution passed by the shareholders of our Company and subject to prior intimation to RBI.

As per the circular issued by SEBI on November 24, 2014, these investment restrictions shall also apply to subscribers of offshore derivative instruments (“ODIs”). Two or more subscribers of ODIs having a common beneficial owner shall be considered together as a single subscriber of the ODI. In the event an investor has investments as a FPI and as a subscriber of ODIs, these investment restrictions shall apply on the aggregate of the FPI and ODI investments in our Company.

FPIs are permitted to participate in the Offer subject to compliance with conditions and restrictions which may be specified by the GoI from time to time. FPIs who wish to participate in the Offer are advised to use the ASBA Form for non-residents ([●] in colour). FPIs are required to Bid through the ASBA process to participate in the Offer.

An FPI shall issue ODIs only to those subscribers which meet the eligibility criteria as laid down in Regulation 4 of the SEBI FPI Regulations. Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations, an FPI, other than Category III FPI and unregulated broad based funds, which are classified as Category II FPIs by virtue of their investment manager being appropriately regulated, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with “know your client” norms. An FPI is also required to ensure that no further issue or transfer of any offshore

derivative instrument is made by, or on behalf of it, to any persons that are not regulated by an appropriate foreign regulatory authority.

An FPI is also required to ensure that any transfer of ODIs is made by, or on behalf of it subject to the following conditions:

- (a) such ODIs are transferred to persons subject to fulfilment of SEBI FPI Regulations; and
- (b) prior consent of the FPI is obtained for such transfer, except when the persons to whom the ODIs are to be transferred to are pre-approved by the FPI.

Bids by VCFs, AIFs and FVCIs

The SEBI VCF Regulations, SEBI AIF Regulations and SEBI FVCI Regulations prescribe the investment restrictions on VCFs, AIFs and FVCIs, respectively.

Accordingly, the holding in any company by any individual VCF or FVCI should not exceed 25% of the corpus of the VCF or FVCI. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to initial public offerings.

Category I and II AIFs cannot invest more than 25% of the investible funds in one investee company. A category III AIF cannot invest more than 10% of the investible funds in one investee company. A venture capital fund registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than one-third of its investible funds by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the SEBI VCF Regulations until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations.

There is no reservation for Eligible NRI Bidders, AIFs, FPIs and FVCIs. All Bidders (except Eligible Employees Bidding in the Employee Reservation Portion) will be treated on the same basis with other categories for the purpose of allocation.

The Selling Shareholder, our Company, or the BRLMs will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

All Non-Resident investors should note that dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

Bids by limited liability partnerships

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the ASBA Form. Failing this, the Selling Shareholder and our Company reserve the right to reject any Bid without assigning any reason therefor.

Bids by Systemically Important Non-Banking Financial Companies

In case of Bids made by systemically important non-banking financial companies, a certified copy of the certificate of registration issued by the RBI, a certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor(s), must be attached to the Bid-cum Application Form. Failing this, our Company reserves the right to reject any Bid, without assigning any reason thereof. Systemically important non-banking financial companies participating in the Offer shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

Bids by insurance companies

In case of Bids made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDAI must be attached to the ASBA Form. Failing this, the Selling Shareholder and our Company reserve the right to reject any Bid without assigning any reason thereof.

The exposure norms for insurers prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, as amended are broadly set forth below:

- (i) equity shares of a company: the lower of 10%* of the investee company's outstanding equity shares (face value) or 10% of the respective fund in case of a life insurer/ investment assets in case of a general insurer or a reinsurer;
- (ii) the entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or a reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and
- (iii) the industry sector in which the investee company operates: not more than 15% of the respective fund of a life insurer or general insurance or 15% of the investment assets, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under points (i), (ii) or (iii) above, as the case may be.

Insurance companies participating in this Offer shall comply with all applicable regulations, guidelines and circulars issued by the IRDAI from time to time to time.

**The above limit of 10% shall stand substituted as 15% of outstanding equity shares (face value) for insurance companies with investment assets of ₹2,500,000 million or more and 12% of outstanding equity shares (face value) for insurers with investment assets of ₹500,000 million or more but less than ₹2,500,000 million.*

Bids by provident funds/ pension funds

In case of Bids made by provident funds/ pension funds, subject to applicable laws, with minimum corpus of ₹250 million, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be attached to the ASBA Form. Failing this, the Selling Shareholder and our Company reserve the right to reject any Bid, without assigning any reason thereof.

Bids by banking companies

The investment limit for banking companies in financial services companies, not being subsidiaries, as per the Banking Regulation Act, 1949 and the Master Direction – Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, is 10 per cent of the bank's paid-up share capital and reserves as per the last audited balance sheet or a subsequent balance sheet, whichever is lower. Further, the aggregate investment in subsidiaries and other entities engaged in financial and non-financial services company cannot exceed 20% of the bank's paid-up share capital and reserves.

Bids by SCSBs

SCSBs participating in the Offer are required to comply with the terms of the SEBI circulars dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for Bids.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, Eligible FPIs (including FIIs), AIFs, Mutual Funds, insurance companies, insurance funds set up by the army, navy or air force of India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with a minimum corpus of ₹250 million and pension funds with a minimum corpus of ₹250 million (in each case, subject to applicable law and in accordance with their respective constitutional documents), a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws, as applicable, must be lodged along with the ASBA Form. Failing this, the Selling Shareholder and our Company reserve the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

The Selling Shareholder and our Company, in consultation with the BRLMs, in their absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the ASBA Form.

Bids by Eligible Employees under the Employee Reservation Portion*

Bids by Eligible Employees under the Employee Reservation Portion shall be subject to the following:

- Such Bids must be made in the prescribed ASBA Form (i.e., [●] in colour) and are required to be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter.
- Such Bidders should mention their employee identification number at the relevant place in the ASBA Form.
- The Bidder should be an Eligible Employee as defined above. In case of joint bids, the First Bidder shall be an Eligible Employee.
- Such Bidders must ensure that the Bid Amount does not exceed ₹500,000. However, a Bid by an Eligible Employee in the Employee Reservation Portion will be considered for allocation, in the first instance, for a Bid Amount of up to ₹200,000. In the event of under-subscription in the Employee Reservation Portion, the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹200,000, subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹500,000.
- Such Bidders have the option to bid at Cut-off Price indicating their agreement to Bid and purchase at the Offer Price.
- Such Bidders can place their Bids by only using the ASBA process.
- The Eligible Employee who Bid in the Employee Reservation Portion can also Bid in the Net Offer and such Bids shall not be treated as multiple Bids. To clarify, an Eligible Employee Bidding in the Employee Reservation Portion for up to ₹500,000, can also Bid in the Net Offer and such Bids will not be treated as multiple Bids. The Selling Shareholder and our Company, in consultation with the BRLMs reserves the right to reject, in their absolute discretion, all or any multiple Bids in any or all categories. For further details, see “Offer Procedure – Multiple Bids” on page 631.
- If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Offer Price, full allocation shall be made to the Eligible Employees to the extent of their demand.
- If the aggregate demand in this category is greater than [●] Equity Shares at or above the Offer Price, the allocation shall be made on a proportionate basis. For the method of proportionate basis of Allotment, see “Offer Procedure – Allotment Procedure and Basis of Allotment” on page 647.

**1,200,000 Equity Shares have been reserved for allocation and Allotment to Eligible Employees Bidding in the Employee Reservation Portion. The Employee Reservation Portion shall not exceed 5% of the post-Offer capital of our Company. The Selling Shareholder and our Company, in consultation with the BRLMs, may offer a discount of ₹[●] per equity share on the Offer Price to the Eligible Employees Bidding under the Employee Reservation Portion .*

In accordance with existing regulations, OCBs cannot participate in the Offer.

The above information is given for the benefit of Bidders. The Selling Shareholder and our Company, our Directors, the officers of our Company and the members of the Syndicate are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

Pre-Offer Advertisement

Subject to Section 30 of the Companies Act, 2013, our Company shall, after registering the Red Herring Prospectus with the RoC, publish a Pre-Offer Advertisement.

Information for Bidders

In addition to the instructions provided to Bidders set forth in the sub-section titled “*Part B – General Information Document for Investing in Public Issues*” on page 622, Bidders are requested to note the following additional information in relation to the Offer.

1. The relevant Designated Intermediary will enter each Bid option into the electronic Bidding system as a separate Bid and generate an acknowledgement slip (“**Acknowledgement Slip**”), for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three Acknowledgement Slips for each ASBA Form. It is the Bidder’s responsibility to obtain the Acknowledgement Slip from the relevant Designated Intermediary. The registration of the Bid by the Designated Intermediary does not guarantee that the Offered Shares shall be allocated/ Allotted. Such Acknowledgement will be non-negotiable and by itself will not create any obligation of any kind. When a Bidder revises his or her Bid, he /she shall surrender the earlier Acknowledgement Slip and may request for a revised Acknowledgement Slip from the relevant Designated Intermediary as proof of his or her having revised the previous Bid.
2. In relation to electronic registration of Bids, the permission given by the Stock Exchanges to use their network and software of the electronic bidding system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company, the Selling Shareholder and/or the BRLMs are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements, nor does it take any responsibility for the financial or other soundness of our Company, the Selling Shareholder, the management or any scheme of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Red Herring Prospectus or the Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.
3. In the event of an upward revision in the Price Band, Retail Individual Bidders or Eligible Employees Bidding in the Employee Reservation Portion who had Bid at Cut-off Price could either (i) revise their Bid; or (ii) shall make additional payment based on the cap of the revised Price Band (such that the total amount i.e., original Bid Amount plus additional payment does not exceed ₹200,000 (for Retail Individual Bidders) or ₹500,000 (for Eligible Employees Bidding in the Employee Reservation Portion) if such Bidder wants to continue to Bid at Cut-off Price. The revised Bids must be submitted to the same Designated Intermediary to whom the original Bid was submitted. In case the Bid Amount for any Bid under the Retail Portion or Employee Reservation Portion exceeds ₹200,000 and ₹500,000, respectively, due to revision of the Bid or any other reason, the Bid may be considered for allocation under the Non-Institutional Category, with it not being eligible for Discount, then such Bid may be rejected if it is at the Cut-off Price. If, however, the Retail Individual Bidder or Eligible Employee does not either revise the Bid or make additional payment and the Offer Price is higher than the cap of the Price Band prior to revision, the number of Offered Shares Bid for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the Retail Individual Bidder or Eligible Employee and the Retail Individual Bidder or Eligible Employee is deemed to have approved such revised Bid at Cut-off Price.
4. In the event of a downward revision in the Price Band, Retail Individual Bidders or Eligible Employees who have bid at the Cut-off Price may revise their Bid; otherwise, the excess amount paid at the time of Bidding would be unblocked after Allotment is finalised.
5. Any revision of the Bid shall be accompanied by instructions to block the incremental amount, if any, to be paid on account of the upward revision of the Bid.

In addition to the information provided in the sub-section titled “*Part B – General Information Document for Investing in Public Issues – Interest and Refunds*” on page 650.

Signing of the Underwriting Agreement and the RoC Filing

The Selling Shareholder and our Company intend to enter into an Underwriting Agreement with the Underwriters on or immediately after the finalisation of the Offer Price. After signing the Underwriting Agreement, our Company will file the Prospectus with the RoC. The Prospectus would have details of the Offer Price, Offer size and underwriting arrangements and would be complete in all material respects.

GENERAL INSTRUCTIONS

In addition to the general instructions provided in the sub-section titled “Part B – General Information Document for Investing in Public Issues” on page 622, Bidders are requested to note the additional instructions provided below.

Do’s:

1. All Bidders should submit their Bids through the ASBA process only;
2. Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable laws;
3. Ensure that you have Bid within the Price Band;
4. Read all the instructions carefully and complete the ASBA Form in the prescribed form;
5. Ensure that the details about the PAN, DP ID and Client ID are correct and the Bidders depository account is active, as Allotment of the Offered Shares will be in the dematerialised form only;
6. Ensure that your ASBA Form, bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre within the prescribed time;
7. Ensure that the ASBA Form is signed by the account holder in case the Bidder is not the ASBA Account holder. Ensure that you have mentioned the correct ASBA Account number in the ASBA Form;
8. Ensure that you request for and receive a stamped Acknowledgement Slip of the ASBA Form for all your Bid options from the concerned Designated Intermediary as proof of registration of the ASBA Form;
9. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the ASBA Form to any of the Designated Intermediaries;
10. Submit revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised Acknowledgement Slip;
11. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, and (ii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the Income Tax Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in “active status”; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications wherein PAN is not mentioned will be rejected;
12. Ensure that the Demographic Details are updated, true and correct in all respects;
13. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;
14. Ensure that the name(s) given in the ASBA Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the ASBA Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. Ensure that the signature of the First Bidder is included in the ASBA Forms;
15. Ensure that you tick the correct investor category and the investor status, as applicable, in the ASBA Form to ensure proper upload of your Bid in the electronic Bidding system of the Stock Exchanges;
16. Ensure that in case of Bids under power of attorney or by limited companies, corporate, trust etc., relevant documents are submitted;

17. Ensure that Bids submitted by any person outside India is in compliance with applicable foreign and Indian laws;
18. Ensure that the DP ID, the Client ID and the PAN mentioned in the ASBA Form and entered into the electronic system of the Stock Exchanges by the relevant Designated Intermediary match with the DP ID, Client ID and PAN available in the Depository database;
19. Ensure that the ASBA Forms are delivered by you within the time prescribed as per the ASBA Form and the Red Herring Prospectus;
20. Ensure that while Bidding through a Designated Intermediary, the ASBA Form is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at <http://www.sebi.gov.in>);
21. Ensure that you have mentioned the correct ASBA Account number in the ASBA Form; and
22. Ensure that you have correctly signed the authorisation/undertaking box in the ASBA Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the ASBA Form.

The ASBA Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Bids by Eligible NRIs and HUFs for a Bid Amount of less than ₹200,000 would be considered under the Retail Category for the purposes of allocation and Bids for a Bid Amount exceeding ₹200,000 would be considered under the Non-Institutional Category for allocation in the Offer.

Don'ts:

1. Do not Bid for lower than the minimum Bid size;
2. Do not Bid or revise Bid Amount to less than the Floor Price or higher than the Cap Price;
3. Do not Bid on another ASBA Form after you have submitted a Bid to a Designated Intermediary;
4. Do not pay the Bid Amount by cheques and demand drafts or in cash, by money order or by postal order or by stock-invest;
5. Do not send ASBA Forms by post. Instead submit the same to only a Designated Intermediary;
6. Do not Bid on a physical ASBA Form that does not have the stamp of a Designated Intermediary;
7. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);
8. Do not submit more than five ASBA Forms per ASBA Account;
9. Do not Bid for a Bid Amount exceeding ₹200,000 for Bids by Retail Individual Bidders and ₹500,000 for Bids by Eligible Employees under the Employee Reservation Portion;
10. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;
11. Do not fill up the ASBA Form such that the Offered Shares Bid for exceeds the Offer size and/ or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or maximum amount permissible under the applicable laws or under the terms of the RHP/Prospectus;
12. Do not submit the General Index Registration (“GIR”) number instead of the PAN;

13. Do not submit the Bids without ensuring that funds equivalent to the entire Bid Amount are available for blocking in the ASBA Account;
14. Do not submit incorrect details of the DP ID, Client ID and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Offer;
15. Do not submit Bids on plain paper or on incomplete or illegible ASBA Forms or on ASBA Forms in a colour prescribed for another category of Bidder;
16. If you are a QIB, do not submit your Bid after 3.00 p.m. on the QIB Bid/ Offer Closing Date;
17. If you are a Non-Institutional Bidder or Retail Individual Bidder or an Eligible Employee Bidding under the Employee Reservation Portion, do not submit your Bid after 3.00 p.m. on the Bid/ Offer Closing Date;
18. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);
19. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
20. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Investor; and
21. Do not submit Bids to a Designated Intermediary at a Bidding Centre unless the SCSB where the ASBA Account is maintained, as specified in the ASBA Form, has named at least one branch in the relevant Bidding Centre, for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at <http://www.sebi.gov.in>).

The ASBA Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Grounds for Technical Rejections

In addition to the grounds for rejection of Bids on technical grounds as provided in the sub-section titled “*Part B – General Information Document for Investing in Public Issues – Offer Procedure in Book Built Offer– Rejection and Responsibility for Upload of Bids – Grounds for Technical Rejections*” on page 644, Bidders are requested to note that Bids may be rejected on the following additional technical grounds.

1. Bid submitted without instruction to the SCSB to block the entire Bid Amount;
2. Bids which do not contain details of the Bid Amount and the bank account details in the ASBA Form;
3. Bids submitted on a plain paper;
4. Bids by HUFs not mentioned correctly as given in the sub-section titled “*Category of Investors eligible to participate in an issue*” on page 625;
5. ASBA Form submitted to a Designated Intermediary does not bear the stamp of the Designated Intermediary;
6. Bids submitted without the signature of the First Bidder or sole Bidder;
7. The ASBA Form not being signed by the account holders, if the account holder is different from the Bidder;
8. Bids by persons for whom PAN details have not been verified and whose beneficiary accounts are “suspended for credit” in terms of SEBI circular (reference number: CIR/MRD/DP/ 22 /2010) dated July 29, 2010;
9. GIR number furnished instead of PAN;

10. Bids by Retail Individual Bidders or Eligible Employees Bidding in the Employee Reservation Portion with Bid Amount (net of Retail and Employee Discount, if any) for a value of more than ₹200,000 or ₹500,000, respectively;
11. Bids by persons who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations, guidelines and approvals;
12. Bids accompanied by stock invest, money order, postal order or cash;
13. Bids uploaded by QIBs after 4.00 pm on the QIB Bid/ Offer Closing Date and by Non-Institutional Bidders uploaded after 4.00 p.m. on the Bid/ Offer Closing Date, and Bids by Retail Individual Bidders and Eligible Employees Bidding in the Employee Reservation Portion uploaded after 5.00 p.m. on the Bid/ Offer Closing Date, unless extended by the Stock Exchanges.

Depository Arrangements

The Allotment of the Offered Shares shall be only in a de-materialised form, (i.e., not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode). In this context, as of the date of this Red Herring Prospectus, the following agreements had been signed among our Company, the respective Depositories and the Registrar to the Offer.

- Agreement dated February 27, 2018 among NSDL, our Company and Link Intime India Private Limited.
- Agreement dated March 6, 2018 among CDSL, our Company and Link Intime India Private Limited.

Impersonation

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013, which is reproduced below:

“Any person who:

(a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or

(b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or

(c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447.”

The liability prescribed under Section 447 of the Companies Act, 2013 includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

UNDERTAKINGS BY OUR COMPANY

Our Company undertakes the following:

- That if our Company and/or the Selling Shareholder does not proceed with the Offer after the Bid/ Offer Closing Date but prior to Allotment, the reason thereof shall be given as a public notice within two days of the Bid/ Offer Closing Date. The public notice shall be issued in the same newspapers where the Pre-Offer Advertisements were published. The Stock Exchanges shall also be informed promptly;
- The Promoter’s Contribution has been brought in to the extent of not less than the specified minimum lot, as required under the SEBI ICDR Regulations;
- That the complaints received in respect of the Offer shall be attended to by our Company expeditiously and satisfactorily;
- That all steps for completion of the necessary formalities for listing and commencement of trading at the Stock Exchanges within six Working Days of the Bid/ Offer Closing Date or such other period as may be prescribed shall be taken;

- If the Allotment is not made, application monies will be unblocked in the ASBA Accounts within the time as prescribed under applicable law, failing which interest will be due to be paid to the Bidders as per applicable laws;
- That where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the Bidder within the time as prescribed under applicable law, giving details of the bank where refunds shall be credited along with the amount and expected date of electronic credit for the refund;
- That the certificates of the securities or refund intimation to Eligible NRI Bidders shall be despatched within specified time;
- No further Offer of Equity Shares shall be made until the Offered Shares are listed or until the Bid monies are unblocked in the ASBA Accounts on account of non-listing, under-subscription etc.;
- That our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time; and
- Adequate arrangements shall be made to collect all ASBA Forms by Bidders.

UNDERTAKINGS BY THE SELLING SHAREHOLDER

The Selling Shareholder undertakes the following:

- If the Selling Shareholder and/or our Company does not proceed with the Offer after the Bid/ Offer Closing Date but prior to Allotment, the reason thereof shall be given as a public notice within two days of the Bid/ Offer Closing Date. The public notice shall be issued in the same newspapers where the Pre-Offer Advertisements were published. The Stock Exchanges shall also be informed promptly;
- It shall deposit the Offered Shares in an escrow account opened with the Registrar to the Offer at least one Working Day prior to the Bid/ Offer Opening Date;
- It is the legal and beneficial holder of the Offered Shares and have valid and full title to the Offered Shares;
- That the Offered Shares (a) have been held by it for a continuous period of at least one year prior to the date of filing of the Red Herring Prospectus with SEBI; and (b) are free and clear of any pledge and it shall not create any lien, charge or encumbrance on the Offered Shares; and (c) shall be in dematerialised form at the time of transfer and shall transfer valid and marketable title to the Bidder free from any charges, lien, encumbrances and any transfer restrictions of any kind whatsoever;
- It shall take all steps and provide all assistance to our Company and the BRLMs, as may be required for the completion of the necessary formalities for listing and commencement of trading at the Stock exchanges within six Working Days from the Bid/ Offer Closing Date, failing which it shall forthwith repay the monies received from Bidders. In case of delay, interest as per applicable law shall be paid by the Selling Shareholder if transfer of the Offered Shares has not been made or refund orders have not been dispatched within the aforesaid dates;
- Funds required for making refunds to unsuccessful applicants as per the mode disclosed in the Red Herring Prospectus and the Prospectus shall be made available to the Registrar to the Offer, in accordance with applicable law.
- It shall not have recourse to the proceeds of the Offer for Sale until the final listing and trading approvals from all the Stock Exchanges is obtained;
- It shall not offer, lend, sell, transfer, charge, pledge or otherwise encumbrance or transfer (to the extent applicable) the Offered Shares until the earlier of (i) the Equity Shares which will be offered through the Red Herring Prospectus being listed or until the Bid Amounts are refunded on account of non-listing, under-

subscription etc. pursuant to the Offer; or (ii) the Offer being postponed, withdrawn or abandoned as per the terms of the agreement(s) between the Selling Shareholder, our Company and the BRLMs;

- It has authorised the Company Secretary and Compliance Officer of our Company and the Registrar to the Offer to redress any complaints received from Bidders in respect of the Offered Shares and it shall provide such reasonable support and extend reasonable cooperation as may be required by our Company and the BRLMs in the regard; and
- It shall comply with all applicable laws, including but not limited to, the SEBI ICDR Regulations, SEBI Act, SCRA, SCRR, the listing rules of (and agreements with) the Stock Exchanges, and guidelines, instructions, rules, communications, circulars and regulations issued by the GoI, the RoC, SEBI, the RBI, the Stock Exchanges and under the FEMA or by any other governmental or statutory authority, and the Companies Act, 2013 and the rules and regulations made thereunder, each as amended.

The decisions with respect to the Price Band, the minimum Bid lot, reservations in the Offer, rupee amount of the Retail Discount and Employee Discount, as applicable, revision of Price Band, Offer Price, will be taken by the Selling Shareholder and our Company, in consultation with the BRLMs.

Utilisation of Offer Proceeds

The Selling Shareholder along with our Company declare that all monies received out of this Offer shall be credited/ transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013.

Withdrawal of the Offer

For details, see “*Terms of the Offer - Withdrawal of the Offer*” on page 604.

PART B

General Information Document for Investing in Public Issues

This General Information Document highlights the key rules, processes and procedures applicable to public issues in accordance with the provisions of the Companies Act, 2013 (to the extent notified and in effect), the Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon the notification of the Companies Act, 2013), the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. Bidders/Applicants should not construe the contents of this General Information Document as legal advice and should consult their own legal counsel and other advisors in relation to the legal matters concerning the Offer. For taking an investment decision, the Bidders/Applicants should rely on their own examination of the Company and the Offer, and should carefully read the Red Herring Prospectus/Prospectus before investing in the Offer.

SECTION 1: PURPOSE OF THE GENERAL INFORMATION DOCUMENT

This document is applicable to the public issues undertaken through the Book-Building process as well as to the Fixed Price Issues. The purpose of the “General Information Document for Investing in Public Issues” is to provide general guidance to potential Bidders/Applicants in IPOs and FPOs, on the processes and procedures governing IPOs and FPOs, undertaken in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (“SEBI ICDR Regulations, 2009”).

Bidders/Applicants should note that investment in equity and equity related securities involves risk and Bidder/Applicant should not invest any funds in the Offer unless they can afford to take the risk of losing their investment. The specific terms relating to securities and/or for subscribing to securities in an Offer and the relevant information about the Company undertaking the Offer are set out in the Red Herring Prospectus (“RHP”)/ Prospectus filed by the Company with the Registrar of Companies (“RoC”). Bidders/Applicants should carefully read the entire RHP/Prospectus and the Bid cum Application Form/Application Form and the Abridged Prospectus of the Company in which they are proposing to invest through the Offer. In case of any difference in interpretation or conflict and/or overlap between the disclosure included in this document and the RHP/Prospectus, the disclosures in the RHP/Prospectus shall prevail. The RHP/Prospectus of the Company is available on the websites of stock exchanges, on the website(s) of the BRLM(s) to the Offer and on the website of Securities and Exchange Board of India (“SEBI”) at www.sebi.gov.in.

For the definitions of capitalized terms and abbreviations used herein Bidders/Applicants may refer to the section “Glossary and Abbreviations”.

SECTION 2: BRIEF INTRODUCTION TO IPOs/FPOs

2.1 Initial public offer (IPO)

An IPO means an offer of specified securities by an unlisted Issuer to the public for subscription and may include an Offer for Sale of specified securities to the public by any existing holder of such securities in an unlisted Issuer.

For undertaking an IPO, an Issuer is *inter-alia* required to comply with the eligibility requirements of in terms of either Regulation 26(1) or Regulation 26(2) of the SEBI ICDR Regulations, 2009. For details of compliance with the eligibility requirements by the Issuer Bidders/Applicants may refer to the RHP/Prospectus.

2.2 Further public offer (FPO)

An FPO means an offer of specified securities by a listed Issuer to the public for subscription and may include Offer for Sale of specified securities to the public by any existing holder of such securities in a listed Issuer.

For undertaking an FPO, the Issuer is *inter-alia* required to comply with the eligibility requirements in terms of Regulation 26/27 of SEBI ICDR Regulations, 2009. For details of compliance with the eligibility requirements by the Issuer Bidders/Applicants may refer to the RHP/Prospectus.

2.3 Other Eligibility Requirements:

In addition to the eligibility requirements specified in paragraphs 2.1 and 2.2, an Issuer proposing to undertake an IPO or an FPO is required to comply with various other requirements as specified in the SEBI ICDR Regulations, 2009, the Companies Act, 2013 (to the extent notified and in effect), the Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon the notification of the Companies Act, 2013), the Securities Contracts (Regulation) Rules, 1957 (the “SCRR”), industry-specific regulations, if any, and other applicable laws for the time being in force.

For details in relation to the above Bidders/Applicants may refer to the RHP/Prospectus.

2.4 Types of Public Issues – Fixed Price Issues and Book Built Issues

In accordance with the provisions of the SEBI ICDR Regulations, 2009, an Issuer can either determine the Issue Price through the Book Building Process (“**Book Built Issue**”) or undertake a Fixed Price Issue (“**Fixed Price Issue**”). An Issuer may mention Floor Price or Price Band in the RHP (in case of a Book Built Issue) and a Price or Price Band in the Draft Prospectus (in case of a fixed price Issue) and determine the price at a later date before registering the Prospectus with the Registrar of Companies.

The cap on the Price Band should be less than or equal to 120% of the Floor Price. The Issuer shall announce the Price or the Floor Price or the Price Band through advertisement in all newspapers in which the pre-issue advertisement was given at least five Working Days before the Bid/Issue Opening Date, in case of an IPO and at least one Working Day before the Bid/Issue Opening Date, in case of an FPO.

The Floor Price or the Issue price cannot be lesser than the face value of the securities.

Bidders/Applicants should refer to the RHP/Prospectus or Issue advertisements to check whether the Issue is a Book Built Issue or a Fixed Price Issue.

2.5 ISSUE PERIOD

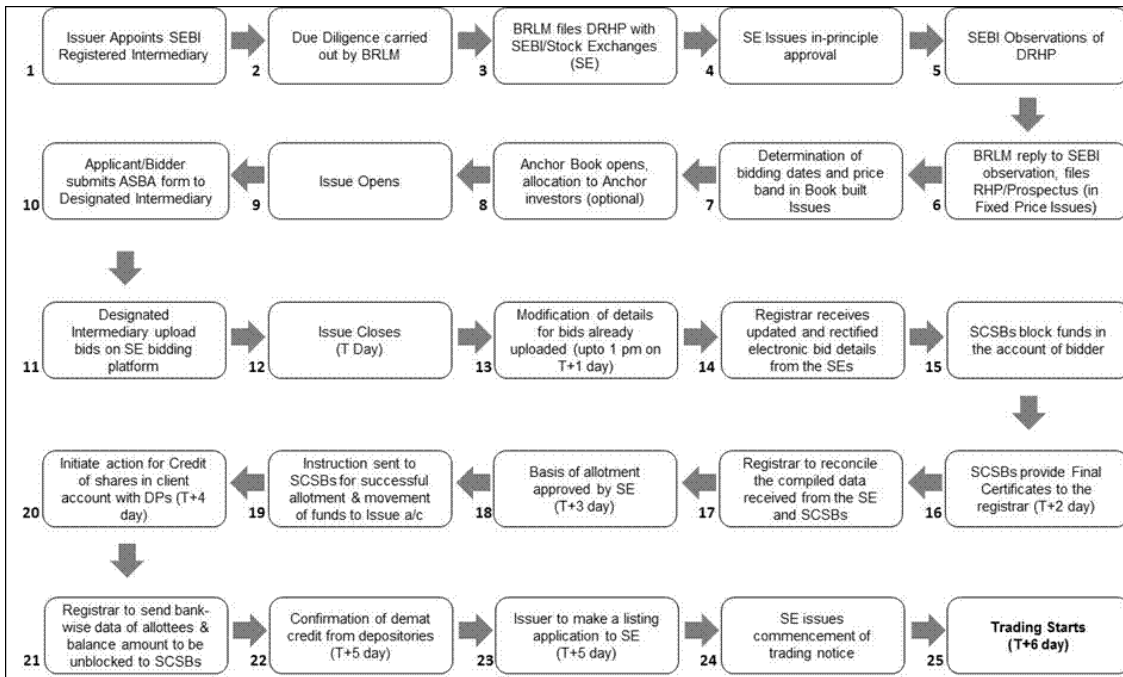
The Issue may be kept open for a minimum of three Working Days (for all category of Bidders/Applicants) and not more than ten Working Days. Bidders/Applicants are advised to refer to the Bid cum Application Form and Abridged Prospectus or RHP/Prospectus for details of the Bid/Issue Period. Details of Bid/Issue Period are also available on the website of Stock Exchange(s).

In case of a Book Built Issue, the Issuer may close the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date if disclosures to that effect are made in the RHP. In case of revision of the Floor Price or Price Band in Book Built Issues the Bid/Issue Period may be extended by at least three Working Days, subject to the total Bid/Issue Period not exceeding 10 Working Days. For details of any revision of the Floor Price or Price Band, Bidders/Applicants may check the announcements made by the Issuer on the websites of the Stock Exchanges and the BRLM(s), and the advertisement in the newspaper(s) issued in this regard.

2.6 FLOWCHART OF TIMELINES

A flow chart of process flow in Fixed Price and Book Built Issues is as follows. Bidders/Applicants may note that this is not applicable for Fast Track FPOs.:

- In case of Issue other than Book Built Issue (Fixed Price Issue) the process at the following of the below mentioned steps shall be read as:
 - i. Step 7 : Determination of Issue Date and Price
 - ii. Step 10: Applicant submits ASBA Application Form with Designated Branch of SCSB and Anchor Investors forms directly to collection Bank and not to Broker.
 - iii. Step 11: SCSB uploads ASBA Application details in Stock Exchange Platform
 - iv. Step 12: Issue period closes
 - v. Step 15: Not Applicable



SECTION 3: CATEGORY OF INVESTORS ELIGIBLE TO PARTICIPATE IN AN ISSUE

Each Bidder/Applicant should check whether it is eligible to apply under applicable law. Furthermore, certain categories of Bidders/Applicants, such as NRIs, FPIs, QFIs and FVCIs may not be allowed to Bid/Apply in the Issue or to hold Equity Shares, in excess of certain limits specified under applicable law. Bidders/Applicants are requested to refer to the RHP/Prospectus for more details.

Subject to the above, an illustrative list of Bidders/Applicants is as follows:

- Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, in single or joint names (not more than three);
- Bids/Applications belonging to an account for the benefit of a minor (under guardianship);
- Hindu Undivided Families or HUFs, in the individual name of the Karta. The Bidder/Applicant should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: “Name of sole or First Bidder/Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta”. Bids/Applications by HUFs may be considered at par with Bids/Applications from individuals;
- Companies, corporate bodies and societies registered under applicable law in India and authorised to invest in equity shares;
- QIBs;
- NRIs on a repatriation basis or on a non-repatriation basis subject to applicable law;
- Qualified Foreign Investors subject to applicable law;
- Indian Financial Institutions, regional rural banks, co-operative banks (subject to RBI regulations and the SEBI ICDR Regulations, 2009 and other laws, as applicable);
- FIIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual, bidding under the QIBs category;
- Sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals only under the Non Institutional Investors (NIIs) category;
- FPIs other than Category III foreign portfolio investors bidding under the QIBs category;
- FPIs which are Category III foreign portfolio investors, bidding under the NIIs category;
- Trusts/societies registered under the Societies Registration Act, 1860, or under any other law relating to trusts/societies and who are authorised under their respective constitutions to hold and invest in equity shares;
- Limited liability partnerships registered under the Limited Liability Partnership Act, 2008; and
- Any other person eligible to Bid/Apply in the Issue, under the laws, rules, regulations, guidelines and policies applicable to them and under Indian laws.
- As per the existing regulations, OCBs are not allowed to participate in an Issue.

SECTION 4: APPLYING IN THE ISSUE

Book Built Issue: Bidders should only use the specified Bid cum Application Form either bearing the stamp of a member of the Syndicate or bearing a stamp of the Registered Broker or stamp of SCSBs as available or downloaded from the websites of the Stock Exchanges.

Bid cum Application Forms are available with the members of the Syndicate, Registered Brokers, Designated Branches of the SCSBs and at the registered office of the Issuer. Electronic Bid cum Application Forms will be available on the websites of the Stock Exchanges at least one day prior to the Bid/Issue Opening Date. For further details regarding availability of Bid cum Application Forms, Bidders may refer to the RHP/Prospectus.

Fixed Price Issue: Applicants should only use the specified cum Application Form either bearing the stamp of Collection Bank(s) or SCSBs as available or downloaded from the websites of the Stock Exchanges. Application Forms are available with the Branches of Collection Banks or Designated Branches of the SCSBs and at the registered office of the Issuer. For further details regarding availability of Application Forms, Applicants may refer to the Prospectus.

Bidders/Applicants should ensure that they apply in the appropriate category. The prescribed color of the Bid cum Application Form for various categories of Bidders/Applicants is as follows:

Category	Color of the Bid cum Application Form
Resident Indian, Eligible NRIs applying on a non-repatriation basis	White
NRIs, FVCIs, FIIs, their Sub-Accounts (other than Sub-Accounts which are foreign corporate(s) or foreign individuals bidding under the QIB), FPIs, QFIs, on a repatriation basis	Blue
Anchor Investors	As specified by the Issuer

Securities issued in an IPO can only be in dematerialized form in compliance with Section 29 of the Companies Act, 2013. Bidders/Applicants will not have the option of getting the allotment of specified securities in physical form. However, they may get the specified securities rematerialised subsequent to allotment.

4.1 INSTRUCTIONS FOR FILING THE BID CUM APPLICATION FORM/ APPLICATION FORM

Bidders/Applicants may note that forms not filled completely or correctly as per instructions provided in this BID, the RHP and the Bid cum Application Form/Application Form are liable to be rejected.

Instructions to fill each field of the Bid cum Application Form can be found on the reverse side of the Bid cum Application Form. Specific instructions for filling various fields of the Resident Bid cum Application Form and Non-Resident Bid cum Application Form and samples are provided below.

The samples of the Bid cum Application Form for resident Bidders and the Bid cum Application Form for non-resident Bidders are reproduced below:

COMMON BID CUM APPLICATION FORM FOR ASBA / NON-ASBA

XYZ LIMITED - PUBLIC ISSUE - R

FOR RESIDENT INDIAN, QIB, ELIGIBLE NRI'S APPLYING ON A NON-REPATRIATION BASIS

Logo To: **BOOK BUILDING ISSUE** Bid cum Application Form No.
 XYZ Limited IN

SYNDICATE MEMBER'S STAMP & CODE	BROKER'S/AGENT'S STAMP & CODE	1. NAME & CONTACT DETAILS of Sole / First Applicant Mr. / Ms. <input type="text"/> Address <input type="text"/> Email <input type="text"/> Tel. No (with STD code) / Mobile <input type="text"/>
ESCROW BANK / SCSB BRANCH STAMP & CODE	SUB-BROKER'S/SUB-AGENT'S STAMP & CODE	
BANK BRANCH SERIAL NO.	REGISTRAR'S / SCSB SERIAL NO.	

3. BIDDER'S DEPOSITORY ACCOUNT DETAILS NSDL CDSL
 For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID

Bid Options	No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised)	Price per Equity Share (₹) *Cut-off* (Price in multiples of ₹ 1/- only) (In Figures)				*Cut-off* (Please tick)	5. Category
		Bid Price	Discount, if any	Net Price			
Option 1	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="checkbox"/>	<input type="checkbox"/> Retail Individual <input type="checkbox"/> Non-Institutional <input type="checkbox"/> QIB
(OR) Option 2	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="checkbox"/>	
(OR) Option 3	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="checkbox"/>	

6. Investor Status

Individual(s) - IN D
 Hindu Undivided Family* - H U F
 Bodies Corporate - CO
 Banks & Financial Institutions - F I
 Mutual Funds - M F
 Non-Resident Indians - NRI (Non-Repatriation basis)
 National Investment Fund - NIF
 Insurance Funds - IF
 Insurance Companies - I C
 Venture Capital Funds - V C
 Others (Please specify) - OTH

* HUF should apply only through Karta (Application by HUF would be treated on par with Individual)

7. PAYMENT DETAILS (Please tick (✓) any one of payment option A or B below) PAYMENT OPTIONS Full Payment Part Payment

Amount Paid (₹ in figures) (₹ in words)

(A) CHEQUE/ DEMAND DRAFT (DD) (B) ASBA

Cheque/DD No. Dated Bank A/c No.
 Drawn on (Bank Name & Branch) Bank Name & Branch

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED FORM 2A AND HEREBY AGREE AND CONFIRM THE BIDDERS UNDERTAKING AS GIVEN OVER LEAF. I/We (on behalf of joint applicants, if any) hereby confirm that I/We have read the Instructions for Filling up the Bid Cum Application Form given overleaf.

8A. SIGNATURE OF SOLE / FIRST APPLICANT Date: _____, 2011	8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS) (For ASBA option ONLY) I/We authorize the SCSB to do all acts as are necessary to make the Application in the Issue 1) _____ 2) _____ 3) _____	BROKER'S / SCSB BRANCH'S STAMP (Acknowledging upload of Bid in Stock Exchange system)
--	--	--

XYZ LIMITED Acknowledgement Slip for Syndicate Member / SCSB Bid cum Application Form No.

DPID / CLID PAN

Amount Paid (₹ in figures) Bank & Branch Stamp & Signature of Banker

Cheque / DD/ASBA Bank A/c No.

Received from Mr./Ms.
 Telephone / Mobile Email

XYZ LIMITED	Option 1	Option 2	Option 3	Stamp & Signature of Syndicate Member / SCSB	Name of Sole / First Applicant
	No. of Equity Shares	<input type="text"/>	<input type="text"/>		
	Bid Price	<input type="text"/>	<input type="text"/>		
	Amount Paid (₹)	<input type="text"/>	<input type="text"/>		
	Cheque / DD/ASBA Bank A/c No.	<input type="text"/>	<input type="text"/>		

Acknowledgement Slip for Bidder Bid cum Application Form No.

TEAR HERE

COMMON BID CUM APPLICATION FORM FOR ASBA / NON-ASBA

XYZ LIMITED - PUBLIC ISSUE - NR

FOR ELIGIBLE NRIs, FIIs, FVCI, ETC., APPLYING ON A REPATRIATION BASIS

Logo

To,
The Board of Directors
XYZ Limited

BOOK BUILDING ISSUE
INE523L01018

Bid cum Application Form No.

SYNDICATE MEMBER'S STAMP & CODE		BROKER'S/AGENT'S STAMP & CODE		1. NAME & CONTACT DETAILS of Sole / First Applicant			
ESCROW BANK / SCSSB BRANCH STAMP & CODE		SUB-BROKER'S/SUB-AGENT'S STAMP & CODE		Mr. / Ms. _____			
BANK BRANCH SERIAL NO.		REGISTRAR'S / SCSSB SERIAL NO.		Address _____			
				Email _____			
				Tel. No (with STD code) / Mobile _____			
				2. PAN OF SOLE / FIRST APPLICANT			

3. BIDDER'S DEPOSITORY ACCOUNT DETAILS <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL						6. Investor Status				
For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID						<input type="checkbox"/> NRI Non-Resident Indian (Repatriation basis) <input type="checkbox"/> FII Foreign Institutional Investor <input type="checkbox"/> FVCI Foreign Venture Capital Investor <input type="checkbox"/> FISA FII Sub Account Corporate / Individual <input type="checkbox"/> OTH Others (Please Specify)				
4. BID OPTIONS (Only Retail Individual Bidders can Bid at "Cut-off")						5. Category				
Bid Options	No. of Equity Shares Bid (in Figures) (Bids must be in multiples of Bid Lot as advertised)			Price per Equity Share (₹) "Cut-off" (Price in multiples of ₹ 1/- only) (in Figures)			<input type="checkbox"/> Retail Individual <input type="checkbox"/> Non-Institutional <input type="checkbox"/> QIB			
	7	6	5	4	3	2		1	<input type="checkbox"/> "Cut-off" (Please tick)	
	4	3	2	1	4	3		2		1
Option 1										
(GR) Option 2										
(GR) Option 3										

7. PAYMENT DETAILS (Please tick (✓) any one of payment option A or B below)				PAYMENT OPTIONS <input type="checkbox"/> Full Payment <input type="checkbox"/> Part Payment			
Amount Paid (₹ in figures) _____ (₹ in words) _____							
<input type="checkbox"/> (A) CHEQUE/ DEMAND DRAFT (DD) Cheque/DD No. _____ Dated DD/MM/YYYY Drawn on (Bank Name & Branch) _____				<input type="checkbox"/> (B) ASBA Bank A/c No. _____ Bank Name & Branch _____			

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED FORM 2A AND HEREBY AGREE AND CONFIRM THE 'BIDDERS UNDERTAKING' AS GIVEN OVERLEAF. I/We (on behalf of joint applicants, if any) hereby confirm that I/We have read the instructions for Filling up the Bid Cum Application Form given overleaf.

8A. SIGNATURE OF SOLE/ FIRST APPLICANT		8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS) (For ASBA option ONLY)		BROKER'S / SCSSB BRANCH'S STAMP (Acknowledging upload of Bid in Stock Exchange system)	
Date: _____ 2011		I/We authorize the SCSSB to do all acts as are necessary to make the Application in the issue			
		1) _____			
		2) _____			
		3) _____			

XYZ LIMITED		Acknowledgement Slip for Syndicate Member / SCSSB		Bid cum Application Form No.	
DPID / CLID		PAN			
Amount Paid (₹ in figures)		Bank & Branch		Stamp & Signature of Banker	
Cheque / DD/ASBA Bank A/c No.					
Received from Mr./Ms.					
Telephone / Mobile		Email			

XYZ LIMITED	Option 1		Option 2		Option 3		Name of Sole / First Applicant	
	No. of Equity Shares						Stamp & Signature of Syndicate Member / SCSSB	
	Bid Price							
	Amount Paid (₹)						Acknowledgement Slip for Bidder	
Cheque / DD/ASBA Bank A/c No.						Bid cum Application Form No.		
Bank & Branch								

4.1.1 FIELD NUMBER 1: NAME AND CONTACT DETAILS OF THE SOLE/FIRST BIDDER/APPLICANT

- a) Bidders/Applicants should ensure that the name provided in this field is exactly the same as the name in which the Depository Account is held.
- b) **Mandatory Fields:** Bidders/Applicants should note that the name and address fields are compulsory and e-mail and/or telephone number/mobile number fields are optional. Bidders/Applicants should note that the contact details mentioned in the Bid-cum Application Form/Application Form may be used to dispatch communications (including refund orders and letters notifying the unblocking of the bank accounts of ASBA Bidders/Applicants) in case the communication sent to the address available with the Depositories are returned undelivered or are not available. The contact details provided in the Bid cum Application Form may be used by the Issuer, the members of the Syndicate, the Registered Broker and the Registrar to the Issue only for correspondence(s) related to an Issue and for no other purposes.
- c) **Joint Bids/Applications:** In the case of Joint Bids/Applications, the Bids /Applications should be made in the name of the Bidder/Applicant whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such First Bidder/Applicant would be required in the Bid cum Application Form/Application Form and such First Bidder/Applicant would be deemed to have signed on behalf of the joint holders. All payments may be made out in favor of the Bidder/Applicant whose name appears in the Bid cum Application Form/Application Form or the Revision Form and all communications may be addressed to such Bidder/Applicant and may be dispatched to his or her address as per the Demographic Details received from the Depositories.
- d) **Impersonation:** Attention of the Bidders/Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

“Any person who:

- *makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- *makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- *otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,*

shall be liable for action under Section 447.”

The liability prescribed under Section 447 of the Companies Act, 2013 includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

- e) **Nomination Facility to Bidder/Applicant:** Nomination facility is available in accordance with the provisions of Section 72 of the Companies Act, 2013. In case of allotment of the Equity Shares in dematerialized form, there is no need to make a separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Bidders/Applicants should inform their respective DP.

4.1.2 FIELD NUMBER 2: PAN NUMBER OF SOLE/FIRST BIDDER/APPLICANT

- a) PAN (of the Sole/ First Bidder/Applicant) provided in the Bid cum Application Form/Application Form should be exactly the same as the PAN of the person(s) in whose name the relevant beneficiary account is held as per the Depositories' records.
- b) PAN is the sole identification number for participants transacting in the securities market irrespective of the amount of transaction except for Bids/Applications on behalf of the Central or State Government, Bids/Applications by officials appointed by the courts and Bids/Applications by Bidders/Applicants, other than the PAN Exempted Bidders/Applicants, are required to disclose their PAN in the Bid cum Application

Form/Application Form, irrespective of the Bid/Application Amount. A Bid cum Application Form/Application Form without PAN, except in case of Exempted Bidders/Applicants, is liable to be rejected. Bids/Applications by the Bidders/Applicants whose PAN is not available as per the Demographic Details available in their Depository records, are liable to be rejected.

- c) The exemption for the PAN Exempted Bidders/Applicants is subject to (a) the Demographic Details received from the respective Depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in “active status”; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same.
- d) Bid cum Application Forms/Application Forms which provide the General Index Register Number instead of PAN may be rejected.
- e) Bids/Applications by Bidders whose demat accounts have been ‘suspended for credit’ are liable to be rejected pursuant to the circular issued by SEBI on July 29, 2010, bearing number CIR/MRD/DP/22/2010. Such accounts are classified as “Inactive demat accounts” and demographic details are not provided by depositories.

4.1.3 FIELD NUMBER 3: BIDDERS/APPLICANTS DEPOSITORY ACCOUNT DETAILS

- a) Bidders/Applicants should ensure that DP ID and the Client ID are correctly filled in the Bid cum Application Form/Application Form. The DP ID and Client ID provided in the Bid cum Application Form/Application Form should match with the DP ID and Client ID available in the Depository database, **otherwise, the Bid cum Application Form/Application Form is liable to be rejected.**
- b) Bidders/Applicants should ensure that the beneficiary account provided in the Bid cum Application Form/Application Form is active.
- c) Bidders/Applicants should note that on the basis of DP ID and Client ID as provided in the Bid cum Application Form/Application Form, the Bidder/Applicant may be deemed to have authorized the Depositories to provide to the Registrar to the Issue, any requested Demographic Details of the Bidder/Applicant as available on the records of the depositories. These Demographic Details may be used, among other things, for giving refunds and allocation advice (including through physical refund warrants, direct credit, NECS, NEFT and RTGS), or unblocking of ASBA Account or for other correspondence(s) related to an Issue. Please note that refunds shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank.
- d) Bidders/Applicants are, advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Bidders/Applicants’ sole risk.

4.1.4 FIELD NUMBER 4: BID OPTIONS

- a) Price or Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) may be disclosed in the Prospectus/RHP by the Issuer. The Issuer is required to announce the Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) by way of an advertisement in at least one English, one Hindi and one regional newspaper, with wide circulation, at least five Working Days before Bid/Issue Opening Date in case of an IPO, and at least one Working Day before Bid/Issue Opening Date in case of an FPO.
- b) The Bidders may Bid at or above Floor Price or within the Price Band for IPOs /FPOs undertaken through the Book Building Process. In the case of Alternate Book Building Process for an FPO, the Bidders may Bid at Floor Price or any price above the Floor Price (For further details bidders may refer to (Section 5.6 (e))
- c) **Cut-Off Price:** Retail Individual Investors or Employees or Retail Individual Shareholders can Bid at the Cut-off Price indicating their agreement to Bid for and purchase the Equity Shares at the Issue Price as determined at the end of the Book Building Process. Bidding at the Cut-off Price is prohibited for QIBs and NIIs and such Bids from QIBs and NIIs may be rejected.
- d) **Minimum Application Value and Bid Lot:** The Issuer in consultation with the BRLMs may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the

range of ₹10,000 to ₹15,000. The minimum Bid Lot is accordingly determined by an Issuer on basis of such minimum application value.

- e) **Allotment:** The allotment of specified securities to each RII shall not be less than the minimum Bid Lot, subject to availability of shares in the RII category, and the remaining available shares, if any, shall be allotted on a proportionate basis. For details of the Bid Lot, bidders may refer to the RHP/Prospectus or the advertisement regarding the Price Band published by the Issuer.

4.1.4.1 Maximum and Minimum Bid Size

- a) The Bidder may Bid for the desired number of Equity Shares at a specific price. Bids by Retail Individual Investors, Employees and Retail Individual Shareholders must be for such number of shares so as to ensure that the Bid Amount less Discount (as applicable), payable by the Bidder does not exceed ₹200,000.

In case the Bid Amount exceeds ₹200,000 due to revision of the Bid or any other reason, the Bid may be considered for allocation under the Non-Institutional Category, with it not being eligible for Discount then such Bid may be rejected if it is at the Cut-off Price.

- b) For NRIs, a Bid Amount of up to ₹200,000 may be considered under the Retail Category for the purposes of allocation and a Bid Amount exceeding ₹200,000 may be considered under the Non-Institutional Category for the purposes of allocation.
- c) Bids by QIBs and NIIs must be for such minimum number of shares such that the Bid Amount exceeds ₹200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the Bid cum Application Form and the RHP/Prospectus, or as advertised by the Issuer, as the case may be. Non-Institutional Bidders and QIBs are not allowed to Bid at 'Cut-off Price'.
- d) RII may revise their bids till closure of the bidding period or withdraw their bids until finalization of allotment. QIBs and NII's cannot withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after bidding and are required to pay the Bid Amount upon submission of the Bid.
- e) In case the Bid Amount reduces to ₹200,000 or less due to a revision of the Price Band, Bids by the Non-Institutional Bidders who are eligible for allocation in the Retail Category would be considered for allocation under the Retail Category.
- f) For Anchor Investors, if applicable, the Bid Amount shall be least ₹100 million. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors. Bids by various schemes of a Mutual Fund shall be aggregated to determine the Bid Amount. A Bid cannot be submitted for more than 60% of the QIB Portion under the Anchor Investor Portion. Anchor Investors cannot withdraw their Bids or lower the size of their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after the Anchor Investor Bid/ Issue Period and are required to pay the Bid Amount at the time of submission of the Bid. In case the Anchor Investor Issue Price is lower than the Issue Price, the balance amount shall be payable as per the pay-in-date mentioned in the revised CAN. In case the Issue Price is lower than the Anchor Investor Issue Price, the amount in excess of the Issue Price paid by the Anchor Investors shall not be refunded to them.
- g) A Bid cannot be submitted for more than the Issue size.
- h) The maximum Bid by any Bidder including QIB Bidder should not exceed the investment limits prescribed for them under the applicable laws.
- i) The price and quantity options submitted by the Bidder in the Bid cum Application Form may be treated as optional bids from the Bidder and may not be cumulated. After determination of the Issue Price, the number of Equity Shares Bid for by a Bidder at or above the Issue Price may be considered for allotment and the rest of the Bid(s), irrespective of the Bid Amount may automatically become invalid. This is not applicable in case of FPOs undertaken through Alternate Book Building Process (For details of bidders may refer to (Section 5.6 (e))

4.1.4.2 Multiple Bids

- a) Bidder should submit only one Bid cum Application Form. Bidder shall have the option to make a maximum of Bids at three different price levels in the Bid cum Application Form and such options are not considered as multiple Bids.

Submission of a second Bid cum Application Form to either the same or to another member of the Syndicate, SCSB or Registered Broker and duplicate copies of Bid cum Application Forms bearing the same application number shall be treated as multiple Bids and are liable to be rejected.

- b) Bidders are requested to note the following procedures may be followed by the Registrar to the Issue to detect multiple Bids:
- I. All Bids may be checked for common PAN as per the records of the Depository. For Bidders other than Mutual Funds and FII sub-accounts, Bids bearing the same PAN may be treated as multiple Bids by a Bidder and may be rejected.
- II. For Bids from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Bidders, the Bid cum Application Forms may be checked for common DP ID and Client ID. Such Bids which have the same DP ID and Client ID may be treated as multiple Bids and are liable to be rejected.
- c) The following Bids may not be treated as multiple Bids:
- i. Bids by Reserved Categories bidding in their respective Reservation Portion as well as bids made by them in the Net Issue portion in public category.
- ii. Separate Bids by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Bids clearly indicate the scheme for which the Bid has been made.
- iii. Bids by Mutual Funds, and sub-accounts of FIIs (or FIIs and its sub-accounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.
- iv. Bids by Anchor Investors under the Anchor Investor Portion and the QIB Category.

4.1.5 FIELD NUMBER 5: CATEGORY OF BIDDERS

- a) The categories of Bidders identified as per the SEBI ICDR Regulations, 2009 for the purpose of Bidding, allocation and allotment in the Issue are RIIs, NIIs and QIBs.
- b) Up to 60% of the QIB Category can be allocated by the Issuer, on a discretionary basis subject to the criteria of minimum and maximum number of anchor investors based on allocation size, to the Anchor Investors, in accordance with SEBI ICDR Regulations, 2009, with one-third of the Anchor Investor Portion reserved for domestic Mutual Funds subject to valid Bids being received at or above the Issue Price. For details regarding allocation to Anchor Investors, bidders may refer to the RHP/Prospectus.
- c) An Issuer can make reservation for certain categories of Bidders/Applicants as permitted under the SEBI ICDR Regulations, 2009. For details of any reservations made in the Issue, Bidders/Applicants may refer to the RHP/Prospectus.
- d) The SEBI ICDR Regulations, 2009, specify the allocation or allotment that may be made to various categories of Bidders in an Issue depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Issue specific details in relation to allocation Bidder/Applicant may refer to the RHP/Prospectus.

4.1.6 FIELD NUMBER 6: INVESTOR STATUS

- a) Each Bidder/Applicant should check whether it is eligible to apply under applicable law and ensure that any prospective allotment to it in the Issue is in compliance with the investment restrictions under applicable law.

- b) Certain categories of Bidders/Applicants, such as NRIs, FIIs, FPIs, QFIs and FVCIs may not be allowed to Bid/Apply in the Issue or hold Equity Shares exceeding certain limits specified under applicable law. Bidders/Applicants are requested to refer to the RHP/Prospectus for more details.
- c) Bidders/Applicants should check whether they are eligible to apply on non-repatriation basis or repatriation basis and should accordingly provide the investor status. Details regarding investor status are different in the Resident Bid cum Application Form and Non-Resident Bid cum Application Form.
- d) Bidders/Applicants should ensure that their investor status is updated in the Depository records.

4.1.7 FIELD NUMBER 7: PAYMENT DETAILS

- a) All Bidders are required to make payment of the full Bid Amount (net of any Discount, as applicable) along-with the Bid cum Application Form. If the Discount is applicable in the Issue, the RIIs should indicate the full Bid Amount in the Bid cum Application Form and the payment shall be made for Bid Amount net of Discount. Only in cases where the RHP/Prospectus indicates that part payment may be made, such an option can be exercised by the Bidder. In case of Bidders specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less Discount offered, if any.
- b) Bidders who Bid at Cut-off price shall deposit the Bid Amount based on the Cap Price.
- c) QIBs and NIIs can participate in the Issue only through the ASBA mechanism.
- d) RIIs and/or Reserved Categories bidding in their respective reservation portion can Bid, either through the ASBA mechanism or by paying the Bid Amount through a cheque or a demand draft (“**Anchor Investors Mechanism**”).
- e) Bid Amount cannot be paid in cash, through money order or through postal order.

4.1.7.1 Instructions for Anchor Investors Bidders:

- a) Anchor Investors Bidders may submit their Bids with a member of the Syndicate or any of the Registered Brokers of the Stock Exchange. The details of Broker Centres along with names and contact details of the Registered Brokers are provided on the websites of the Stock Exchanges.
- b) For Bids made through a member of the Syndicate: The Bidder may, with the submission of the Bid cum Application Form, draw a cheque or demand draft for the Bid Amount in favour of the Escrow Account as specified under the RHP/Prospectus and the Bid cum Application Form and submit the same to the members of the Syndicate at Specified Locations.
- c) For Bids made through a Registered Broker: The Bidder may, with the submission of the Bid cum Application Form, draw a cheque or demand draft for the Bid Amount in favour of the Escrow Account as specified under the RHP/Prospectus and the Bid cum Application Form and submit the same to the Registered Broker.
- d) If the cheque or demand draft accompanying the Bid cum Application Form is not made favoring the Escrow Account, the Bid is liable to be rejected.
- e) Payments should be made by cheque, or demand draft drawn on any bank (including a co-operative bank), which is situated at, and is a member of or sub-member of the bankers’ clearing house located at the centre where the Bid cum Application Form is submitted. Cheques/bank drafts drawn on banks not participating in the clearing process may not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected.
- f) The Escrow Collection Banks shall maintain the monies in the Escrow Account for and on behalf of the Bidders until the Designated Date.
- g) Bidders are advised to provide the number of the Bid cum Application Form and PAN on the reverse of the cheque or bank draft to avoid any possible misuse of instruments submitted.

4.1.7.2 Payment instructions for ASBA Bidders

- a) ASBA Bidders may submit the Bid cum Application Form either
 - I. in physical mode to the Designated Branch of an SCSB where the Bidders/Applicants have ASBA Account, or
 - II. in electronic mode through the internet banking facility offered by an SCSB authorizing blocking of funds that are available in the ASBA account specified in the Bid cum Application Form, or
 - III. in physical mode to a member of the Syndicate at the Specified Locations, or
 - IV. Registered Brokers of the Stock Exchange.
- b) ASBA Bidders may specify the Bank Account number in the Bid cum Application Form. The Bid cum Application Form submitted by an ASBA Bidder and which is accompanied by cash, demand draft, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB, may not be accepted.
- c) Bidders should ensure that the Bid cum Application Form is also signed by the ASBA Account holder(s) if the Bidder is not the ASBA Account holder;
- d) Bidders shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.
- e) From one ASBA Account, a maximum of five Bids cum Application Forms can be submitted.
- f) **ASBA Bidders bidding through a member of the Syndicate** should ensure that the Bid cum Application Form is submitted to a member of the Syndicate only at the Specified locations. ASBA Bidders should also note that Bid cum Application Forms submitted to a member of the Syndicate at the Specified locations may not be accepted by the Member of the Syndicate if the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has not named at least one branch at that location for the members of the Syndicate to deposit Bid cum Application Forms (a list of such branches is available on the website of SEBI at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>).
- g) **ASBA Bidders bidding through a Registered Broker** should note that Bid cum Application Forms submitted to the Registered Brokers may not be accepted by the Registered Broker, if the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has not named at least one branch at that location for the Registered Brokers to deposit Bid cum Application Forms.
- h) **ASBA Bidders bidding directly through the SCSBs** should ensure that the Bid cum Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.
- i) Upon receipt of the Bid cum Application Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the Bid cum Application Form.
- j) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Bid Amount mentioned in the Bid cum Application Form and for application directly submitted to SCSB by investor, may enter each Bid option into the electronic bidding system as a separate Bid.
- k) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not upload such Bids on the Stock Exchange platform and such bids are liable to be rejected.
- l) Upon submission of a completed Bid cum Application Form each ASBA Bidder may be deemed to have agreed to block the entire Bid Amount and authorized the Designated Branch of the SCSB to block the Bid Amount specified in the Bid cum Application Form in the ASBA Account maintained with the SCSBs.

- m) The Bid Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal or failure of the Issue, or until withdrawal or rejection of the Bid, as the case may be.
- n) SCSBs bidding in the Issue must apply through an Account maintained with any other SCSB; else their Bids are liable to be rejected.

4.7.2.1. Unblocking of ASBA Account

- a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Issue may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful applications transfer the requisite money to the Public Issue Account designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted against each Bid, (ii) the amount to be transferred from the relevant bank account to the Public Issue Account, for each Bid, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Issue Account, and (iv) details of rejected ASBA Bids, if any, along with reasons for rejection and details of withdrawn or unsuccessful Bids, if any, to enable the SCSBs to unblock the respective bank accounts.
- b) On the basis of instructions from the Registrar to the Issue, the SCSBs may transfer the requisite amount against each successful ASBA Bidder to the Public Issue Account and may unblock the excess amount, if any, in the ASBA Account.
- c) In the event of withdrawal or rejection of the Bid cum Application Form and for unsuccessful Bids, the Registrar to the Offer may give instructions to the SCSB to unblock the Bid Amount in the relevant ASBA Account within six Working Days of the Bid/ Offer Closing Date.

4.1.7.3 Additional Payment Instructions for NRIs

The Non-Resident Indians who intend to make payment through Non-Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians (non-repatriation basis). In the case of Bids by NRIs applying on a repatriation basis, payment shall not be accepted out of NRO Account.

4.1.7.4 Discount (if applicable)

- a) The Discount is stated in absolute rupee terms.
- b) Bidders applying under RII category, Retail Individual Shareholder and employees are only eligible for discount. For Discounts offered in the Issue, Bidders may refer to the RHP/Prospectus.
- c) The Bidders entitled to the applicable Discount in the Issue may make payment for an amount i.e. the Bid Amount less Discount (if applicable).
- d) Bidder may note that in case the net payment (post Discount) is more than two lakh Rupees, the bidding system automatically considers such applications for allocation under Non-Institutional Category. These applications are neither eligible for Discount nor fall under RII category.

4.1.8 FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS

- a) Only the First Bidder/Applicant is required to sign the Bid cum Application Form/Application Form. Bidders/Applicants should ensure that signatures are in one of the languages specified in the Eighth Schedule to the Constitution of India.
- b) If the ASBA Account is held by a person or persons other than the ASBA Bidder/Applicant., then the Signature of the ASBA Account holder(s) is also required.
- c) In relation to the ASBA Bids/Applications, signature has to be correctly affixed in the authorization/undertaking box in the Bid cum Application Form/Application Form, or an authorisation has

to be provided to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form/Application Form.

- d) Bidders/Applicants must note that Bid cum Application Form/Application Form without signature of Bidder/Applicant and /or ASBA Account holder is liable to be rejected.

4.1.9 ACKNOWLEDGEMENT AND FUTURE COMMUNICATION

- a) Bidders should ensure that they receive the acknowledgment duly signed and stamped by a member of the Syndicate, Registered Broker or SCSB, as applicable, for submission of the Bid cum Application Form.
- b) Applicants should ensure that they receive the acknowledgment duly signed and stamped by an Escrow Collection Bank or SCSB, as applicable, for submission of the Application Form.
- c) All communications in connection with Bids/Applications made in the Issue should be addressed as under:
 - i. In case of queries related to Allotment, non-receipt of Allotment Advice, credit of allotted equity shares, refund orders, the Bidders/Applicants should contact the Registrar to the Issue.
 - ii. In case of ASBA Bids submitted to the Designated Branches of the SCSBs, the Bidders/Applicants should contact the relevant Designated Branch of the SCSB.
 - iii. In case of queries relating to uploading of Syndicate ASBA Bids, the Bidders/Applicants should contact the relevant Syndicate Member.
 - iv. In case of queries relating to uploading of Bids by a Registered Broker, the Bidders/Applicants should contact the relevant Registered Broker.
 - v. Bidder/Applicant may contact the Company Secretary and Compliance Officer or BRLM(s) in case of any other complaints in relation to the Issue.
- d) The following details (as applicable) should be quoted while making any queries –
 - i. full name of the sole or First Bidder/Applicant, Bid cum Application Form number, Applicants'/Bidders' DP ID, Client ID, PAN, number of Equity Shares applied for, amount paid on application.
 - ii. name and address of the member of the Syndicate, Registered Broker or the Designated Branch, as the case may be, where the Bid was submitted or
 - iii. In case of Anchor Investors bids cheque or draft number and the name of the issuing bank thereof
 - iv. In case of ASBA Bids, ASBA Account number in which the amount equivalent to the Bid Amount was blocked.

For further details, Bidder/Applicant may refer to the RHP/Prospectus and the Bid cum Application Form.

4.2 INSTRUCTIONS FOR FILING THE REVISION FORM

- a) During the Bid/Issue Period, any Bidder/Applicant (other than QIBs and NIIs, who can only revise their bid upwards) who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the Price Band using the Revision Form, which is a part of the Bid cum Application Form.
- b) RII may revise their bids till closure of the bidding period or withdraw their bids until finalization of allotment.
- c) Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Revision Form.

d) The Bidder/Applicant can make this revision any number of times during the Bid/ Issue Period. However, for any revision(s) in the Bid, the Bidders/Applicants will have to use the services of the same member of the Syndicate, the Registered Broker or the SCSB through which such Bidder/Applicant had placed the original Bid. Bidders/Applicants are advised to retain copies of the blank Revision Form and the Bid(s) must be made only in such Revision Form or copies thereof.

e) A sample Revision form is reproduced below:

COMMON BID REVISION FORM FOR ASBA / NON-ASBA		XYZ LIMITED - PUBLIC ISSUE - R		FOR RESIDENT INDIAN, QIB, ELIGIBLE NRI'S APPLYING ON A NON-REPATRIATION BASIS												
Logo To, The Board of Directors XYZ Limited		BOOK BUILDING ISSUE INE523L01018		Bid cum Application Form No. _____												
SYNDICATE MEMBER'S STAMP & CODE		BROKERS/AGENTS STAMP & CODE		1. NAME & CONTACT DETAILS of Sole / First Applicant												
ESCROW BANK / SCSB BRANCH STAMP & CODE		SUB-BROKERS/SUB-AGENTS STAMP & CODE		Mr. / Ms. _____ Tel. No (with STD code) / Mobile _____												
BANK BRANCH SERIAL NO.		REGISTRAR'S / SCSB SERIAL NO.		2. PAN OF SOLE / FIRST APPLICANT												
				3. BIDDER'S DEPOSITORY ACCOUNT DETAILS <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL												
				For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID												
PLEASE CHANGE MY BID																
4. FROM (as per last Bid or Revision)																
Bid Options	No. of Equity Shares Bid (Bids must be in multiples of Bid Lot as advertised)			Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only)												
	(In Figures)			(In Figures)												
	7	6	5	4	3	2	1	4	3	2	1	4	3	2	1	"Cut-off" (Please tick)
Option 1																<input type="checkbox"/>
(OR) Option 2																<input type="checkbox"/>
(OR) Option 3																<input type="checkbox"/>
5. TO (Revised Bid)																
Bid Options	No. of Equity Shares Bid (Bids must be in multiples of Bid Lot as advertised)			Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only)												
	(In Figures)			(In Figures)												
	7	6	5	4	3	2	1	4	3	2	1	4	3	2	1	"Cut-off" (Please tick)
Option 1																<input type="checkbox"/>
(OR) Option 2																<input type="checkbox"/>
(OR) Option 3																<input type="checkbox"/>
6. PAYMENT DETAILS (Please tick (✓) any one of payment option A or B below)																
Additional Amount Paid (₹ in figures) _____ (₹ in words) _____			PAYMENT OPTIONS <input type="checkbox"/> Full Payment <input type="checkbox"/> Part Payment													
<input type="checkbox"/> (A) CHEQUE/ DEMAND DRAFT (DD)																
Cheque/DD No. _____ Dated <u>DD</u> / <u>MM</u> / <u>YY</u>			<input type="checkbox"/> (B) ASBA													
Drawn on (Bank Name & Branch) _____			Bank A/c No. _____													
			Bank Name & Branch _____													
I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID REVISION FORM AND THE ATTACHED FORM 2A AND HEREBY AGREE AND CONFIRM THE 'BIDDERS UNDERTAKING' AS GIVEN OVERLEAF. I/We (on behalf of joint applicants, if any) hereby confirm that I/We have read the Instructions for Filling up the Bid revision Form given overleaf.																
7A. SIGNATURE OF SOLE / JOINT APPLICANT(S)		7B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS) (FOR ASBA OPTION ONLY)		BROKER'S / SCSB BRANCH'S STAMP (Acknowledging upload of Bid in Stock Exchange system)												
Date: _____, 2011		I/We authorize the SCSB to do all acts as are necessary to make the Application in the Issue														
		1) _____														
		2) _____														
		3) _____														
TEAR HERE																
XYZ LIMITED BID REVISION FORM		Acknowledgement Slip for Syndicate Member / SCSB		Bid cum Application Form No.												
DPID / CLID _____		PAN _____														
Additional Amount Paid (₹) _____		Bank & Branch _____		Stamp & Signature of Banker												
Cheque / DD/ASBA Bank A/c No. _____																
Received from Mr./Ms. _____																
Telephone / Mobile _____		Email _____														
TEAR HERE																
XYZ LIMITED BID REVISION FORM	Option 1		Option 2		Option 3											
	No. of Equity Shares		_____		_____											
	Bid Price		_____		_____											
	Additional Amount Paid (₹)		_____		_____											
Cheque / DD/ASBA Bank A/c No. _____		Acknowledgement of Syndicate Member / SCSB				Name of Sole / First Applicant										
Bank & Branch _____						Acknowledgement Slip for Bidder										
						Bid cum Application Form No.										

Instructions to fill each field of the Revision Form can be found on the reverse side of the Revision Form. Other than instructions already highlighted at paragraph 4.1 above, point wise instructions regarding filling up various fields of the Revision Form are provided below:

4.2.1 FIELDS 1, 2 AND 3: NAME AND CONTACT DETAILS OF SOLE/FIRST BIDDER/APPLICANT, PAN OF SOLE/FIRST BIDDER/APPLICANT & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER/APPLICANT

Bidders/Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

4.2.2 FIELD 4 & 5: BID OPTIONS REVISION 'FROM' AND 'TO'

- a) Apart from mentioning the revised options in the Revision Form, the Bidder/Applicant must also mention the details of all the bid options given in his or her Bid cum Application Form or earlier Revision Form. For example, if a Bidder/Applicant has Bid for three options in the Bid cum Application Form and such Bidder/Applicant is changing only one of the options in the Revision Form, the Bidder/Applicant must still fill the details of the other two options that are not being revised, in the Revision Form. The members of the Syndicate, the Registered Brokers and the Designated Branches of the SCSBs may not accept incomplete or inaccurate Revision Forms.
- b) In case of revision, Bid options should be provided by Bidders/Applicants in the same order as provided in the Bid cum Application Form.
- c) In case of revision of Bids by RIIs, Employees and Retail Individual Shareholders, such Bidders/Applicants should ensure that the Bid Amount, subsequent to revision, does not exceed ₹200,000. In case the Bid Amount exceeds ₹200,000 due to revision of the Bid or for any other reason, the Bid may be considered, subject to eligibility, for allocation under the Non-Institutional Category, not being eligible for Discount (if applicable) and such Bid may be rejected if it is at the Cut-off Price. The Cut-off Price option is given only to the RIIs, Employees and Retail Individual Shareholders indicating their agreement to Bid for and purchase the Equity Shares at the Issue Price as determined at the end of the Book Building Process.
- d) In case the total amount (i.e., original Bid Amount plus additional payment) exceeds ₹200,000, the Bid will be considered for allocation under the Non-Institutional Portion in terms of the RHP/Prospectus. If, however, the RII does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the RII and the RII is deemed to have approved such revised Bid at Cut-off Price.
- e) In case of a downward revision in the Price Band, RIIs and Bids by Employees under the Reservation Portion, who have bid at the Cut-off Price could either revise their Bid or the excess amount paid at the time of bidding may be unblocked in case of ASBA Bidders or refunded from the Escrow Account in case of Anchor Investors Bidder.

4.2.3 FIELD 6: PAYMENT DETAILS

- a) With respect to the Bids, other than Bids submitted by ASBA Bidders/Applicants, any revision of the Bid should be accompanied by payment in the form of cheque or demand draft for the amount, if any, to be paid on account of the upward revision of the Bid.
- b) Bidder/Applicant may issue instructions to block the revised amount based on cap of the revised Price Band (adjusted for the Discount (if applicable) in the ASBA Account, to the same Designated Intermediary through whom such Bidder/Applicant had placed the original Bid to enable the relevant SCSB to block the additional Bid Amount, if any.
- c) All Bidders/Applicants are required to make payment of the full Bid Amount (less Discount (if applicable) along with the Bid Revision Form. In case of Bidders/Applicants specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less discount offered, if any.

- d) In case of Bids submitted by ASBA Bidder/Applicant, Bidder/Applicant may Issue instructions to block the revised amount based on cap of the revised Price Band (adjusted for the Discount (if applicable) in the ASBA Account, to the same member of the Syndicate/Registered Broker or the same Designated Branch (as the case may be) through whom such Bidder/Applicant had placed the original Bid to enable the relevant SCSB to block the additional Bid Amount, if any.
- e) In case of Bids, other than ASBA Bids, Bidder/Applicant, may make additional payment based on the cap of the revised Price Band (such that the total amount i.e., original Bid Amount plus additional payment does not exceed ₹200,000 if the Bidder/Applicant wants to continue to Bid at the Cut-off Price), with the members of the Syndicate / Registered Broker to whom the original Bid was submitted.
- f) In case the total amount (i.e., original Bid Amount less discount (if applicable) plus additional payment) exceeds ₹200,000, the Bid may be considered for allocation under the Non-Institutional Category in terms of the RHP/Prospectus. If, however, the Bidder/Applicant does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for may be adjusted downwards for the purpose of allotment, such that no additional payment is required from the Bidder/Applicant and the Bidder/Applicant is deemed to have approved such revised Bid at the Cut-off Price.
- g) In case of a downward revision in the Price Band, RIIs, Employees and Retail Individual Shareholders, who have bid at the Cut-off Price, could either revise their Bid or the excess amount paid at the time of bidding may be unblocked in case of ASBA Bidders/Applicants or refunded from the Escrow Account in case of Anchor Investors Bidder/Applicant.

4.2.4 FIELDS 7: SIGNATURES AND ACKNOWLEDGEMENTS

Bidders/Applicants may refer to instructions contained at paragraphs 4.1.8 and 4.1.9 for this purpose.

4.3 INSTRUCTIONS FOR FILING APPLICATION FORM IN ISSUES MADE OTHER THAN THROUGH THE BOOK BUILDING PROCESS (FIXED PRICE ISSUE)

4.3.1 FIELDS 1, 2, 3 NAME AND CONTACT DETAILS OF SOLE/FIRST BIDDER/APPLICANT, PAN OF SOLE/FIRST BIDDER/APPLICANT & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER/APPLICANT

Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

4.3.2 FIELD 4: PRICE, APPLICATION QUANTITY & AMOUNT

- a) The Issuer may mention Price or Price band in the draft Prospectus. However a prospectus registered with RoC contains one price or coupon rate (as applicable).
- b) **Minimum Application Value and Bid Lot:** The Issuer in consultation with the Lead Manager to the Issue (LM) may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of ₹10,000 to ₹15,000. The minimum Lot size is accordingly determined by an Issuer on basis of such minimum application value.
- c) Applications by RIIs, Employees and Retail Individual Shareholders, must be for such number of shares so as to ensure that the application amount payable does not exceed ₹200,000 and applications by Employees must be for such number of shares so as to ensure that the application amount payable does not exceed ₹500,000.
- d) Applications by other investors must be for such minimum number of shares such that the application amount exceeds ₹200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the application form and the Prospectus, or as advertised by the Issuer, as the case may be.
- e) An application cannot be submitted for more than the Issue size.
- f) The maximum application by any Applicant should not exceed the investment limits prescribed for them under the applicable laws.

- g) **Multiple Applications:** An Applicant should submit only one Application Form. Submission of a second Application Form to either the same or to Collection Bank(s) or SCSB and duplicate copies of Application Forms bearing the same application number shall be treated as multiple applications and are liable to be rejected.
- h) Applicants are requested to note the following procedures may be followed by the Registrar to the Issue to detect multiple applications:
 - i. All applications may be checked for common PAN as per the records of the Depository. For Applicants other than Mutual Funds and FII sub-accounts, Bids bearing the same PAN may be treated as multiple applications by a Bidder/Applicant and may be rejected.
 - ii. For applications from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Applicants, the Application Forms may be checked for common DP ID and Client ID. In any such applications which have the same DP ID and Client ID, these may be treated as multiple applications and may be rejected.
- i) The following applications may not be treated as multiple Bids:
 - i. Applications by Reserved Categories in their respective reservation portion as well as that made by them in the Net Issue portion in public category.
 - ii. Separate applications by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Applications clearly indicate the scheme for which the Bid has been made.
 - iii. Applications by Mutual Funds, and sub-accounts of FIIs (or FIIs and its sub-accounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.

4.3.3 FIELD NUMBER 5: CATEGORY OF APPLICANTS

- a) The categories of applicants identified as per the SEBI ICDR Regulations, 2009 for the purpose of Bidding, allocation and allotment in the Issue are RIIs, individual applicants other than RII's and other investors (including corporate bodies or institutions, irrespective of the number of specified securities applied for).
- b) An Issuer can make reservation for certain categories of Applicants permitted under the SEBI ICDR Regulations, 2009. For details of any reservations made in the Issue, applicants may refer to the Prospectus.
- c) The SEBI ICDR Regulations, 2009 specify the allocation or allotment that may be made to various categories of applicants in an Issue depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Issue specific details in relation to allocation applicant may refer to the Prospectus.

4.3.4 FIELD NUMBER 6: INVESTOR STATUS

Applicants should refer to instructions contained in paragraphs 4.1.6.

4.3.5 FIELD 7: PAYMENT DETAILS

- a) All Applicants are required to make payment of the full Amount (net of any Discount, as applicable) along with the Application Form. If the Discount is applicable in the Issue, the RIIs should indicate the full Amount in the Application Form and the payment shall be made for an Amount net of Discount. Only in cases where the Prospectus indicates that part payment may be made, such an option can be exercised by the Applicant.
- b) Application Amount cannot be paid in cash, through money order or through postal order or through stock invest.

4.3.5.1 Instructions for Anchor Investors Applicants:

- a) Anchor Investors Applicants may submit their Application Form with the Collection Bank(s).

- b) For Applications made through a Collection Bank(s): The Applicant may, with the submission of the Application Form, draw a cheque or demand draft for the Bid Amount in favor of the Escrow Account as specified under the Prospectus and the Application Form and submit the same to the escrow Collection Bank(s).
- c) If the cheque or demand draft accompanying the Application Form is not made favoring the Escrow Account, the form is liable to be rejected.
- d) Payments should be made by cheque, or demand draft drawn on any bank (including a co-operative bank), which is situated at, and is a member of or sub-member of the bankers' clearing house located at the centre where the Application Form is submitted. Cheques/bank drafts drawn on banks not participating in the clearing process may not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected.
- e) The Escrow Collection Banks shall maintain the monies in the Escrow Account for and on behalf of the Applicants until the Designated Date.
- f) Applicants are advised to provide the number of the Application Form and PAN on the reverse of the cheque or bank draft to avoid any possible misuse of instruments submitted.

4.3.5.2 Payment instructions for ASBA Applicants

- a) ASBA Applicants may submit the Application Form in physical mode to the Designated Branch of an SCSB where the Applicants have ASBA Account.
- b) ASBA Applicants may specify the Bank Account number in the Application Form. The Application Form submitted by an ASBA Applicant and which is accompanied by cash, demand draft, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB, may not be accepted.
- c) Applicants should ensure that the Application Form is also signed by the ASBA Account holder(s) if the Applicant is not the ASBA Account holder;
- d) Applicants shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.
- e) From one ASBA Account, a maximum of five Bids cum Application Forms can be submitted.
- f) ASBA Applicants bidding directly through the SCSBs should ensure that the Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.
- g) Upon receipt of the Application Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form.
- h) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Application Amount mentioned in the Application Form and may upload the details on the Stock Exchange Platform.
- i) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not upload such Applications on the Stock Exchange platform and such Applications are liable to be rejected.
- j) Upon submission of a completed Application Form each ASBA Applicant may be deemed to have agreed to block the entire Application Amount and authorized the Designated Branch of the SCSB to block the Application Amount specified in the Application Form in the ASBA Account maintained with the SCSBs.
- k) The Application Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of allotment and consequent transfer of the Application Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal or failure of the Issue, or until withdrawal or rejection of the Application, as the case may be.

- 1) SCSBs applying in the Issue must apply through an ASBA Account maintained with any other SCSB; else their Applications are liable to be rejected.

4.3.5.3 Unblocking of ASBA Account

- a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Issue may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful applications transfer the requisite money to the Public Issue Account designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted against each Application, (ii) the amount to be transferred from the relevant bank account to the Public Issue Account, for each Application, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Issue Account, and (iv) details of rejected ASBA Applications, if any, along with reasons for rejection and details of withdrawn or unsuccessful Applications, if any, to enable the SCSBs to unblock the respective bank accounts.
- b) On the basis of instructions from the Registrar to the Issue, the SCSBs may transfer the requisite amount against each successful ASBA Application to the Public Issue Account and may unblock the excess amount, if any, in the ASBA Account.
- c) In the event of withdrawal or rejection of the Application Form and for unsuccessful Applications, the Registrar to the Issue may give instructions to the SCSB to unblock the Application Amount in the relevant ASBA Account within 6 Working Days of the Issue Closing Date.

4.3.5.4 Discount (if applicable)

- a) The Discount is stated in absolute rupee terms.
- b) RIIs, Employees and Retail Individual Shareholders are only eligible for discount. For Discounts offered in the Issue, applicants may refer to the Prospectus.
- c) The Applicants entitled to the applicable Discount in the Issue may make payment for an amount i.e. the Application Amount less Discount (if applicable).

4.3.6 FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS & ACKNOWLEDGEMENT AND FUTURE COMMUNICATION

Applicants should refer to instructions contained in paragraphs 4.1.8 & 4.1.9.

4.4 SUBMISSION OF BID CUM APPLICATION FORM/ REVISION FORM/APPLICATION FORM

4.4.1 Bidders/Applicants may submit completed Bid-cum-application form / Revision Form in the following manner:-

Mode of Application	Submission of Bid cum Application Form
Application by Anchor Investors	1) To the BRLMs at the locations specified in the Anchor Investor Application Form
ASBA Application	1) To members of the Syndicate in the Specified Locations or Registered Brokers at the Broker Centre. 2) To the Designated branches of the SCSBs where the ASBA Account is maintained

- a) Bidders/Applicants should not submit the bid cum application forms/ Revision Form directly to the escrow collection banks. Bid cum Application Form/ Revision Form submitted to the escrow collection banks are liable for rejection.
- b) Bidders/Applicants should submit the Revision Form to the same member of the Syndicate, the Registered Broker or the SCSB through which such Bidder/Applicant had placed the original Bid.
- c) Upon submission of the Bid-cum-Application Form, the Bidder/Applicant will be deemed to have authorized the Issuer to make the necessary changes in the RHP and the Bid cum Application Form as would

be required for filing Prospectus with the Registrar of Companies (RoC) and as would be required by the RoC after such filing, without prior or subsequent notice of such changes to the relevant Bidder/Applicant.

- d) Upon determination of the Issue Price and filing of the Prospectus with the RoC, the Bid-cum-Application Form will be considered as the application form.

SECTION 5: ISSUE PROCEDURE IN BOOK BUILT ISSUE

Book Building, in the context of the Issue, refers to the process of collection of Bids within the Price Band or above the Floor Price and determining the Issue Price based on the Bids received as detailed in Schedule XI of SEBI ICDR Regulations, 2009. The Issue Price is finalised after the Bid/Issue Closing Date. Valid Bids received at or above the Issue Price are considered for allocation in the Issue, subject to applicable regulations and other terms and conditions.

5.1 SUBMISSION OF BIDS

- a) During the Bid/Issue Period, ASBA Bidders/Applicants may approach the members of the Syndicate at the Specified Cities or any of the Registered Brokers or the Designated Branches to register their Bids. Anchor Investors Bidders/Applicants who are interested in subscribing for the Equity Shares should approach the BRLMs, to register their Bid.
- b) Anchor Investors Bidders/Applicants (RIIs, Employees and Retail Individual Shareholders) bidding at Cut-off Price may submit the Bid cum Application Form along with a cheque/demand draft for the Bid Amount less discount (if applicable) based on the Cap Price with the members of the Syndicate/ any of the Registered Brokers to register their Bid.
- c) In case of ASBA Bidders/Applicants (excluding NIIs and QIBs) bidding at Cut-off Price, the ASBA Bidders/Applicants may instruct the SCSBs to block Bid Amount based on the Cap Price less discount (if applicable). ASBA Bidders/Applicants may approach the members of the Syndicate or any of the Registered Brokers or the Designated Branches to register their Bids.
- d) For Details of the timing on acceptance and upload of Bids in the Stock Exchanges Platform Bidders/Applicants are requested to refer to the RHP.

5.2 ELECTRONIC REGISTRATION OF BIDS

- a) The Syndicate, the Registered Brokers and the SCSBs may register the Bids using the on-line facilities of the Stock Exchanges. The Syndicate, the Registered Brokers and the Designated Branches of the SCSBs can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis before the closure of the issue.
- b) On the Bid/Issue Closing Date, the Syndicate, the Registered Broker and the Designated Branches of the SCSBs may upload the Bids till such time as may be permitted by the Stock Exchanges.
- c) Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/ Allotment. The members of the Syndicate, the Registered Brokers and the SCSBs are given up to one day after the Bid/Issue Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/Issue Period after which the Stock Exchange(s) send the bid information to the Registrar for validation of the electronic bid details with the Depository's records.

5.3 BUILD UP OF THE BOOK

- a) Bids received from various Bidders/Applicants through the Syndicate, Registered Brokers and the SCSBs may be electronically uploaded on the Bidding Platform of the Stock Exchanges' on a regular basis. The book gets built up at various price levels. This information may be available with the BRLMs at the end of the Bid/Issue Period.

- b) Based on the aggregate demand and price for Bids registered on the Stock Exchanges Platform, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchanges may be made available at the bidding centres during the Bid/Issue Period.

5.4 WITHDRAWAL OF BIDS

- a) RIIs can withdraw their Bids until finalization of Basis of Allotment. In case a RII applying through the ASBA process wishes to withdraw the Bid during the Bid/Issue Period, the same can be done by submitting a request for the same to the concerned SCSB or the Syndicate Member or the Registered Broker, as applicable, who shall do the requisite, including unblocking of the funds by the SCSB in the ASBA Account.
- b) In case a RII wishes to withdraw the Bid after the Bid/Issue Period, the same can be done by submitting a withdrawal request to the Registrar to the Issue until finalization of Basis of Allotment. The Registrar to the Issue shall give instruction to the SCSB for unblocking the ASBA Account on the Designated Date. QIBs and NIIs can neither withdraw nor lower the size of their Bids at any stage.

5.5 REJECTION & RESPONSIBILITY FOR UPLOAD OF BIDS

- a) The members of the Syndicate, the Registered Broker and/or SCSBs are individually responsible for the acts, mistakes or errors or omission in relation to
 - i. the Bids accepted by the members of the Syndicate, the Registered Broker and the SCSBs,
 - ii. the Bids uploaded by the members of the Syndicate, the Registered Broker and the SCSBs,
 - iii. the Bid cum application forms accepted but not uploaded by the members of the Syndicate, the Registered Broker and the SCSBs, or
 - iv. With respect to Bids by ASBA Bidders/Applicants, Bids accepted and uploaded by SCSBs without blocking funds in the ASBA Accounts. It may be presumed that for Bids uploaded by the SCSBs, the Bid Amount has been blocked in the relevant Account.
- b) The BRLMs and their affiliate Syndicate Members, as the case may be, may reject Bids if all the information required is not provided and the Bid cum Application Form is incomplete in any respect.
- c) The SCSBs shall have no right to reject Bids, except in case of unavailability of adequate funds in the ASBA account or on technical grounds.
- d) In case of QIB Bidders, only the (i) SCSBs (for Bids other than the Bids by Anchor Investors); and (ii) BRLMs and their affiliate Syndicate Members (only in the specified locations) have the right to reject bids. However, such rejection shall be made at the time of receiving the Bid and only after assigning a reason for such rejection in writing.
- e) All bids by QIBs, NIIs & RIIs Bids can be rejected on technical grounds listed herein.

Any Retail Individual Bidder whose Bid has not been considered for Allotment, due to failures on the part of the SCSB, may seek redressal from the concerned SCSB within three months of the listing date, in accordance with the circular SEBI/HO/CFD/DIL2/CIR/P/2018/22 dated February 15, 2018.

5.5.1 GROUNDS FOR TECHNICAL REJECTIONS

Bid cum Application Forms/Application Form can be rejected on the below mentioned technical grounds either at the time of their submission to the (i) authorised agents of the BRLMs, (ii) Registered Brokers, or (iii) SCSBs, or (iv) Collection Bank(s), or at the time of finalisation of the Basis of Allotment. Bidders/Applicants are advised to note that the Bids/Applications are liable to be rejected, inter-alia, on the following grounds, which have been detailed at various places in this GID:-

- a) Bid/Application by persons not competent to contract under the Indian Contract Act, 1872, as amended, (other than minors having valid Depository Account as per Demographic Details provided by Depositories);

- b) Bids/Applications by OCBs; and
- c) In case of partnership firms, Bid/Application for Equity Shares made in the name of the firm. However, a limited liability partnership can apply in its own name;
- d) In case of Bids/Applications under power of attorney or by limited companies, corporate, trust etc., relevant documents are not being submitted along with the Bid cum application form/Application Form;
- e) Bids/Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- f) Bids/Applications by any person outside India if not in compliance with applicable foreign and Indian laws;
- g) DP ID and Client ID not mentioned in the Bid cum Application Form/Application Form;
- h) PAN not mentioned in the Bid cum Application Form/Application Form except for Bids/Applications by or on behalf of the Central or State Government and officials appointed by the court and by the investors residing in the State of Sikkim, provided such claims have been verified by the Depository Participant;
- i) In case no corresponding record is available with the Depositories that matches the DP ID, the Client ID and the PAN;
- j) Bids/Applications for lower number of Equity Shares than the minimum specified for that category of investors;
- k) Bids/Applications at a price less than the Floor Price & Bids/Applications at a price more than the Cap Price;
- l) Bids/Applications at Cut-off Price by NIIs and QIBs;
- m) Amount paid does not tally with the amount payable for the highest value of Equity Shares Bid for. With respect to Bids/Applications by ASBA Bidders, the amounts mentioned in the Bid cum Application Form/Application Form does not tally with the amount payable for the value of the Equity Shares Bid/Applied for;
- n) Bids/Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
- o) In relation to ASBA Bids/Applications, submission of more than five Bid cum Application Forms/Application Form as per ASBA Account;
- p) Bids/Applications for a Bid/Application Amount of more than ₹200,000 by RIIs by applying through Anchor Investors process;
- q) Bids/Applications for number of Equity Shares which are not in multiples Equity Shares which are not in multiples as specified in the RHP;
- r) Multiple Bids/Applications as defined in this GID and the RHP/Prospectus;
- s) Bid cum Application Forms/Application Forms are not delivered by the Bidders/Applicants within the time prescribed as per the Bid cum Application Forms/Application Form, Bid/Issue Opening Date advertisement and as per the instructions in the RHP and the Bid cum Application Forms;
- t) With respect to ASBA Bids/Applications, inadequate funds in the bank account to block the Bid/Application Amount specified in the Bid cum Application Form/ Application Form at the time of blocking such Bid/Application Amount in the bank account;
- u) Bids/Applications where sufficient funds are not available in Escrow Accounts as per final certificate from the Escrow Collection Banks;

- v) With respect to ASBA Bids/Applications, where no confirmation is received from SCSB for blocking of funds;
- w) Bids/Applications by QIBs (other than Anchor Investors) and Non Institutional Bidders not submitted through ASBA process or Bids/Applications by QIBs (other than Anchor Investors) and Non Institutional Bidders accompanied with cheque(s) or demand draft(s);
- x) ASBA Bids/Applications submitted to a BRLM at locations other than the Specified Cities and Bid cum Application Forms/Application Forms, under the ASBA process, submitted to the Escrow Collecting Banks (assuming that such bank is not a SCSB where the ASBA Account is maintained), to the issuer or the Registrar to the Issue;
- y) Bids/Applications not uploaded on the terminals of the Stock Exchanges;
- z) Bids/Applications by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Bid cum Application Form/Application Form.

5.6 BASIS OF ALLOCATION

- a) The SEBI ICDR Regulations, 2009 specify the allocation or Allotment that may be made to various categories of Bidders/Applicants in an Issue depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Issue size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the RHP / Prospectus. For details in relation to allocation, the Bidder/Applicant may refer to the RHP / Prospectus.
- b) Under-subscription in Retail category is allowed to be met with spill-over from any other category or combination of categories at the discretion of the Issuer and the Selling shareholder and in consultation with the BRLMs and the Designated Stock Exchange and in accordance with the SEBI ICDR Regulations, 2009. Unsubscribed portion in QIB category is not available for subscription to other categories.
- c) In case of under subscription in the Net Issue, spill-over to the extent of such under-subscription may be permitted from the Reserved Portion to the Net Issue. For allocation in the event of an under-subscription applicable to the Issuer, Bidders/Applicants may refer to the RHP.

d) Illustration of the Book Building and Price Discovery Process

Bidders should note that this example is solely for illustrative purposes and is not specific to the Issue; it also excludes bidding by Anchor Investors.

Bidders can bid at any price within the Price Band. For instance, assume a Price Band of ₹20 to ₹24 per share, Issue size of 3,000 Equity Shares and receipt of five Bids from Bidders, details of which are shown in the table below. The illustrative book given below shows the demand for the Equity Shares of the Issuer at various prices and is collated from Bids received from various investors.

Bid Quantity	Bid Amount (₹)	Cumulative Quantity	Subscription
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.67%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the Issuer is able to Issue the desired number of Equity Shares is the price at which the book cuts off, i.e., ₹22.00 in the above example. The Issuer, in consultation with the BRLMs, may finalise the Issue Price at or below such Cut-Off Price, i.e., at or below ₹22.00. All Bids at or above this Issue Price and cut-off Bids are valid Bids and are considered for allocation in the respective categories.

e) Alternate Method of Book Building

In case of FPOs, Issuers may opt for an alternate method of Book Building in which only the Floor Price is specified for the purposes of bidding (“**Alternate Book Building Process**”).

The Issuer may specify the Floor Price in the RHP or advertise the Floor Price at least one Working Day prior to the Bid/Issue Opening Date. QIBs may Bid at a price higher than the Floor Price and the Allotment to the QIBs is made on a price priority basis. The Bidder with the highest Bid Amount is allotted the number of Equity Shares Bid for and then the second highest Bidder is Allotted Equity Shares and this process continues until all the Equity Shares have been allotted. RIIs, NIIs and Employees are Allotted Equity Shares at the Floor Price and allotment to these categories of Bidders is made proportionately. If the number of Equity Shares Bid for at a price is more than available quantity then the allotment may be done on a proportionate basis. Further, the Issuer may place a cap either in terms of number of specified securities or percentage of issued capital of the Issuer that may be allotted to a single Bidder, decide whether a Bidder be allowed to revise the bid upwards or downwards in terms of price and/or quantity and also decide whether a Bidder be allowed single or multiple bids.

SECTION 6: ISSUE PROCEDURE IN FIXED PRICE ISSUE

Applicants may note that there is no Bid cum Application Form in a Fixed Price Issue. As the Issue Price is mentioned in the Fixed Price Issue therefore on filing of the Prospectus with the RoC, the Application so submitted is considered as the application form.

Applicants may only use the specified Application Form for the purpose of making an Application in terms of the Prospectus which may be submitted through Syndicate Members/SCSB and/or Bankers to the Issue or Registered Broker.

ASBA Applicants may submit an Application Form either in physical form to the Syndicate Members or Registered Brokers or the Designated Branches of the SCSBs or in the electronic form to the SCSB or the Designated Branches of the SCSBs authorising blocking of funds that are available in the bank account specified in the Application Form only (“**ASBA Account**”). The Application Form is also made available on the websites of the Stock Exchanges at least one day prior to the Bid/Issue Opening Date.

In a fixed price Issue, allocation in the net offer to the public category is made as follows: minimum fifty per cent to Retail Individual Investors; and remaining to (i) individual investors other than Retail Individual Investors; and (ii) other Applicants including corporate bodies or institutions, irrespective of the number of specified securities applied for. The unsubscribed portion in either of the categories specified above may be allocated to the Applicants in the other category.

For details of instructions in relation to the Application Form, Bidders/Applicants may refer to the relevant section of the GID.

SECTION 7: ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT

The allotment of Equity Shares to Bidders/Applicants other than Retail Individual Investors and Anchor Investors may be on proportionate basis. For Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to RHP/Prospectus. No Retail Individual Investor is will be allotted less than the minimum Bid Lot subject to availability of shares in Retail Individual Investor Category and the remaining available shares, if any will be allotted on a proportionate basis. The Issuer is required to receive a minimum subscription of 90% of the Issue (excluding any Offer for Sale of specified securities). However, in case the Issue is in the nature of Offer for Sale only, then minimum subscription may not be applicable.

7.1 ALLOTMENT TO RIIs

Bids received from the RIIs at or above the Issue Price may be grouped together to determine the total demand under this category. If the aggregate demand in this category is less than or equal to the Retail Category at or above the Issue Price, full Allotment may be made to the RIIs to the extent of the valid Bids. If the aggregate demand in this category is greater than the allocation to in the Retail Category at or above the Issue Price, then the maximum number of RIIs who can be Allotted the minimum Bid Lot will be computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot (“**Maximum RII Allottees**”). The Allotment to the RIIs will then be made in the following manner:

- a) In the event the number of RIIs who have submitted valid Bids in the Issue is equal to or less than Maximum RII Allottees, (i) all such RIIs shall be Allotted the minimum Bid Lot; and (ii) the balance available Equity Shares, if any, remaining in the Retail Category shall be Allotted on a proportionate basis to the RIIs who have received Allotment as per (i) above for the balance demand of the Equity Shares Bid by them (i.e. who have Bid for more than the minimum Bid Lot).
- b) In the event the number of RIIs who have submitted valid Bids in the Issue is more than Maximum RII Allottees, the RIIs (in that category) who will then be allotted minimum Bid Lot shall be determined on the basis of draw of lots.

1.1 ALLOTMENT TO NIIs

Bids received from NIIs at or above the Issue Price may be grouped together to determine the total demand under this category. The allotment to all successful NIIs may be made at or above the Issue Price. If the aggregate demand in this category is less than or equal to the Non-Institutional Category at or above the Issue Price, full allotment may be made to NIIs to the extent of their demand. In case the aggregate demand in this category is greater than the Non-Institutional Category at or above the Issue Price, allotment may be made on a proportionate basis up to a minimum of the Non-Institutional Category.

1.2 ALLOTMENT TO QIBs

For the Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to the SEBI ICDR Regulations, 2009 or RHP / Prospectus. Bids received from QIBs bidding in the QIB Category (net of Anchor Portion) at or above the Issue Price may be grouped together to determine the total demand under this category. The QIB Category may be available for allotment to QIBs who have Bid at a price that is equal to or greater than the Issue Price. Allotment may be undertaken in the following manner:

- a) In the first instance allocation to Mutual Funds for up to 5% of the QIB Category may be determined as follows: (i) In the event that Bids by Mutual Fund exceeds 5% of the QIB Category, allocation to Mutual Funds may be done on a proportionate basis for up to 5% of the QIB Category; (ii) In the event that the aggregate demand from Mutual Funds is less than 5% of the QIB Category then all Mutual Funds may get full allotment to the extent of valid Bids received above the Issue Price; and (iii) Equity Shares remaining unsubscribed, if any and not allocated to Mutual Funds may be available for allotment to all QIBs as set out at paragraph 7.4(b) below;
- b) In the second instance, allotment to all QIBs may be determined as follows: (i) In the event of oversubscription in the QIB Category, all QIBs who have submitted Bids above the Issue Price may be Allotted Equity Shares on a proportionate basis for up to 95% of the QIB Category; (ii) Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIBs; and (iii) Under-subscription below 5% of the QIB Category, if any, from Mutual Funds, may be included for allocation to the remaining QIBs on a proportionate basis.

7.4 ALLOTMENT TO ANCHOR INVESTOR (IF APPLICABLE)

- a) Allocation of Equity Shares to Anchor Investors at the Anchor Investor Issue Price will be at the discretion of the issuer in consultation with the Selling Shareholder and the BRLMs subject to compliance with the following requirements:
 - i. not more than 60% of the QIB Portion will be allocated to Anchor Investors;
 - ii. one-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors; and
 - iii. allocation to Anchor Investors shall be on a discretionary basis and subject to:
 - a maximum number of two Anchor Investors for allocation up to ₹100 million;

- a minimum number of two Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than ₹100 million and up to ₹2,500 million subject to minimum allotment of ₹5 million per such Anchor Investor; and
 - a minimum number of five Anchor Investors and maximum number of 25 Anchor Investors for allocation of more than ₹250 million subject to minimum allotment of ₹5 million per such Anchor Investor.
- b) A physical book is prepared by the Registrar on the basis of the Bid cum Application Forms received from Anchor Investors. Based on the physical book and at the discretion of the issuer in consultation with the BRLMs, selected Anchor Investors will be sent a CAN and if required, a revised CAN.
- c) In the event that the Issue Price is higher than the Anchor Investor Issue Price: Anchor Investors will be sent a revised CAN within one day of the Pricing Date indicating the number of Equity Shares allocated to such Anchor Investor and the pay-in date for payment of the balance amount. Anchor Investors are then required to pay any additional amounts, being the difference between the Issue Price and the Anchor Investor Issue Price, as indicated in the revised CAN within the pay-in date referred to in the revised CAN. Thereafter, the Allotment Advice will be issued to such Anchor Investors.
- d) In the event the Issue Price is lower than the Anchor Investor Issue Price: Anchor Investors who have been Allotted Equity Shares will directly receive Allotment Advice.

7.5. BASIS OF ALLOTMENT FOR QIBs (OTHER THAN ANCHOR INVESTORS), NIIs AND RESERVED CATEGORY IN CASE OF OVER-SUBSCRIBED ISSUE

In the event of the Issue being over-subscribed, the Issuer may finalise the Basis of Allotment in consultation with the Designated Stock Exchange in accordance with the SEBI ICDR Regulations, 2009.

The allocation may be made in marketable lots, on a proportionate basis as explained below:

- a) Bidders may be categorized according to the number of Equity Shares applied for;
- b) The total number of Equity Shares to be Allotted to each category as a whole may be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio;
- c) The number of Equity Shares to be Allotted to the successful Bidders may be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio;
- d) In all Bids where the proportionate allotment is less than the minimum bid lot decided per Bidder, the allotment may be made as follows: the successful Bidders out of the total Bidders for a category may be determined by a draw of lots in a manner such that the total number of Equity Shares Allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above; and each successful Bidder may be Allotted a minimum of such Equity Shares equal to the minimum Bid Lot finalised by the Issuer;
- e) If the proportionate allotment to a Bidder is a number that is more than the minimum Bid lot but is not a multiple of one (which is the marketable lot), the decimal may be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5 it may be rounded off to the lower whole number. Allotment to all bidders in such categories may be arrived at after such rounding off; and
- f) If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares Allotted to the Bidders in that category, the remaining Equity Shares available for allotment may be first adjusted against any other category, where the Allotted Equity Shares are not sufficient for proportionate allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment may be added to the category comprising Bidders applying for minimum number of Equity Shares.

7.6. DESIGNATED DATE AND ALLOTMENT OF EQUITY SHARES

- a) **Designated Date:** On the Designated Date, the Escrow Collection Banks shall transfer the funds represented by allocation of Equity Shares (other than ASBA funds with the SCSBs) from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account with the Bankers to the Issue. The balance amount after transfer to the Public Issue Account shall be transferred to the Refund Account. Payments of refund to the Bidders shall also be made from the Refund Account as per the terms of the Escrow Agreement and the RHP.
- b) **Issuance of Allotment Advice:** Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall upload the same on its website. On the basis of the approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the Allotment and credit of Equity Shares. Bidders/Applicants are advised to instruct their Depository Participant to accept the Equity Shares that may be allotted to them pursuant to the Issue.
- Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Bidders/Applicants who have been Allotted Equity Shares in the Issue.
- c) The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract.
- d) Issuer will ensure that: (i) the Allotment of Equity Shares; and (ii) credit of shares to the successful Bidders/Applicants Depository Account will be completed within 6 Working Days of the Bid/ Issue Closing Date. The Issuer also ensures the credit of shares to the successful Applicant's depository account is completed within two Working Days from the date of Allotment, after the funds are transferred from the Escrow Account to the Public Issue Account on the Designated Date.

SECTION 8: INTEREST AND REFUNDS

1.1. COMPLETION OF FORMALITIES FOR LISTING & COMMENCEMENT OF TRADING

The Issuer may ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges are taken within 6 Working Days of the Bid/Issue Closing Date. The Registrar to the Issue may give instructions for credit to Equity Shares the beneficiary account with DPs, and dispatch the Allotment Advice within 6 Working Days of the Bid/Issue Closing Date.

1.2. GROUNDS FOR REFUND

1.2.1. NON RECEIPT OF LISTING PERMISSION

An Issuer makes an application to the Stock Exchange(s) for permission to deal in/list and for an official quotation of the Equity Shares. All the Stock Exchanges from where such permission is sought are disclosed in RHP/Prospectus. The Designated Stock Exchange may be as disclosed in the RHP/Prospectus with which the Basis of Allotment may be finalised.

If the Issuer fails to make application to the Stock Exchange(s) and obtain permission for listing of the Equity Shares, in accordance with the provisions of Section 40 of the Companies Act, 2013, the Issuer may be punishable with a fine which shall not be less than ₹0.50 million but which may extend to ₹5 million and every officer of the Issuer who is in default shall be punishable with imprisonment for a term which may extend to one year or with fine which shall not be less than ₹50,000 but which may extend to ₹0.30 million, or with both.

If the permissions to deal in and for an official quotation of the Equity Shares are not granted by any of the Stock Exchange(s), the Issuer may forthwith repay, without interest, all moneys received from the Bidders/Applicants in pursuance of the RHP/Prospectus.

If such money is not repaid within the prescribed time after the Issuer becomes liable to repay it, then the Issuer and every director of the Issuer who is an officer in default may, on and from such expiry of such period, be liable to repay the money, with interest at such rate, as disclosed in the RHP/Prospectus.

1.2.2. NON RECEIPT OF MINIMUM SUBSCRIPTION

If the Issuer does not receive a minimum subscription of 90% of the Net Issue (excluding any offer for sale of specified securities), including devolvement to the Underwriters, within 60 days from the Bid/Issue Closing Date, the Issuer may forthwith, without interest refund the entire subscription amount received. In case the Issue is in the nature of Offer for Sale only, then minimum subscription may not be applicable.

If there is a delay beyond the prescribed time, then the Issuer and every director of the Issuer who is an officer in default may be liable to repay the money, with interest at the rate of 15% per annum.

1.2.3. MINIMUM NUMBER OF ALLOTTEES

The Issuer may ensure that the number of prospective Allottees to whom Equity Shares may be allotted may not be less than 1,000 failing which the entire application monies may be refunded forthwith.

1.2.4. IN CASE OF ISSUES MADE UNDER COMPULSORY BOOK BUILDING

In case an Issuer not eligible under Regulation 26(1) of the SEBI ICDR Regulations, 2009 comes for an Issue under Regulation 26(2) of SEBI (ICDR) Regulations, 2009 but fails to allot at least 75% of the Net Issue to QIBs, in such case full subscription money is to be refunded.

1.3. MODE OF REFUND

- a) In case of ASBA Bids/Applications: Within 6 Working Days of the Bid/Issue Closing Date, the Registrar to the Issue may give instructions to SCSBs for unblocking the amount in ASBA Account on unsuccessful Bid/Application and also for any excess amount blocked on Bidding/Application.
- b) In case of Anchor Investor Bid/Applications: Within 6 Working Days of the Bid/Issue Closing Date, the Registrar to the Issue may dispatch the refund orders for all amounts payable to unsuccessful Anchor Investors.
- c) In case of Anchor Investors Bidders/Applicants, the Registrar to the Issue may obtain from the depositories the Bidders/Applicants' bank account details, including the MICR code, on the basis of the DP ID, Client ID and PAN provided by the Bidders/Applicants in their Bid cum Application Forms for refunds. Accordingly, Bidders/Applicants are advised to immediately update their details as appearing on the records of their DPs. Failure to do so may result in delays in dispatch of refund orders or refunds through electronic transfer of funds, as applicable, and any such delay may be at the Bidders/Applicants' sole risk and neither the Issuer, the Registrar to the Issue, the Escrow Collection Banks, or the Syndicate, may be liable to compensate the Bidders/Applicants for any losses caused to them due to any such delay, or liable to pay any interest for such delay. Please note that refunds shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank.
- d) In the case of Bids from Eligible NRIs, FIIs and FPIs, refunds, if any, may generally be payable in Indian Rupees only and net of bank charges and/or commission. If so desired, such payments in Indian Rupees may be converted into U.S. Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and may be dispatched by registered post. The Issuer may not be responsible for loss, if any, incurred by the Bidder/Applicant on account of conversion of foreign currency.

1.3.1. Mode of making refunds for Bidders/Applicants other than ASBA Bidders/Applicants

The payment of refund, if any, may be done through various modes as mentioned below:

- a) **NECS**—Payment of refund may be done through NECS for Bidders/Applicants having an account at any of the centers specified by the RBI. This mode of payment of refunds may be subject to availability of complete bank account details including the nine-digit MICR code of the Bidder/Applicant as obtained from the Depository;
- b) **NEFT**—Payment of refund may be undertaken through NEFT wherever the branch of the Bidders/Applicants' bank is NEFT enabled and has been assigned the Indian Financial System Code ("**IFSC**"), which can be linked to the MICR of that particular branch. The IFSC Code may be obtained from the website of RBI as at a date prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Bidders/Applicants have registered their nine-digit MICR number and their

bank account number while opening and operating the demat account, the same may be duly mapped with the IFSC Code of that particular bank branch and the payment of refund may be made to the Bidders/Applicants through this method. In the event NEFT is not operationally feasible, the payment of refunds may be made through any one of the other modes as discussed in this section;

- c) **Direct Credit**—Bidders/Applicants having their bank account with the Refund Banker may be eligible to receive refunds, if any, through direct credit to such bank account;
- d) **RTGS**—Bidders/Applicants having a bank account at any of the centers notified by SEBI where clearing houses are managed by the RBI, may have the option to receive refunds, if any, through RTGS; and
- e) For all the other Bidders/Applicants, including Bidders/Applicants who have not updated their bank particulars along with the nine-digit MICR code, the refund orders may be dispatched through speed post or registered post for refund orders. Such refunds may be made by cheques, pay orders or demand drafts drawn on the Refund Bank and payable at par at places where Bids are received.

Please note that refunds through the abovementioned modes shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank.

For details of levy of charges, if any, for any of the above methods, Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centers etc. Bidders/Applicants may refer to RHP/Prospectus.

1.3.2. Mode of making refunds for ASBA Bidders/Applicants

In case of ASBA Bidders/Applicants, the Registrar to the Issue may instruct the controlling branch of the SCSB to unblock the funds in the relevant ASBA Account for any withdrawn, rejected or unsuccessful ASBA Bids or in the event of withdrawal or failure of the Issue.

1.4. INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND

The Issuer may pay interest at the rate of 15% per annum if refund orders are not dispatched or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner and/or demat credits are not made to Bidders/Applicants or instructions for unblocking of funds in the ASBA Account are not dispatched within the 6 Working days of the Bid/Issue Closing Date.

The Issuer may pay interest at 15% per annum for any delay beyond 15 days from the Bid/ Issue Closing Date, if Allotment is not made.

SECTION 9: GLOSSARY AND ABBREVIATIONS

Unless the context otherwise indicates or implies, certain definitions and abbreviations used in this document may have the meaning as provided below. References to any legislation, act or regulation may be to such legislation, act or regulation as amended from time to time.

Term	Description
Allotment/ Allot/ Allotted	The allotment of Equity Shares pursuant to the Issue to successful Bidders/Applicants
Allottee	An Bidder/Applicant to whom the Equity Shares are Allotted
Allotment Advice	Note or advice or intimation of Allotment sent to the Bidders/Applicants who have been allotted Equity Shares after the Basis of Allotment has been approved by the designated Stock Exchanges
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in SEBI ICDR Regulations, 2009.
Anchor Investor Portion	Up to 60% of the QIB Category which may be allocated by the Issuer in consultation with the BRLMs, to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion is reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to Anchor Investors
Application Form	The form in terms of which the Applicant should make an application for Allotment in case of issues other than Book Built Issues, includes Fixed Price Issue
Application Supported by Blocked Amount/ (ASBA)/ASBA	An application, whether physical or electronic, used by Bidders/Applicants to make a Bid authorising an SCSB to block the Bid Amount in the specified bank account maintained with such SCSB
ASBA Account	Account maintained with an SCSB which may be blocked by such SCSB to the extent of the Bid Amount of the ASBA Bidder/Applicant
ASBA Bid	A Bid made by an ASBA Bidder
ASBA Bidder/Applicant	Prospective Bidders/Applicants in the Issue who Bid/apply through ASBA
Banker(s) to the Issue/ Escrow Collection Bank(s)/ Collecting Banker	The banks which are clearing members and registered with SEBI as Banker to the Issue with whom the Escrow Account(s) may be opened, and as disclosed in the RHP/Prospectus and Bid cum Application Form of the Issuer
Basis of Allotment	The basis on which the Equity Shares may be Allotted to successful Bidders/Applicants under the Issue
Bid	An indication to make an offer during the Bid/Issue Period by a prospective Bidder pursuant to submission of Bid cum Application Form or during the Anchor Investor Bid/Issue Period by the Anchor Investors, to subscribe for or purchase the Equity Shares of the Issuer at a price within the Price Band, including all revisions and modifications thereto. In case of issues undertaken through the fixed price process, all references to a Bid should be construed to mean an Application
Bid /Issue Closing Date	The date after which the Syndicate, Registered Brokers and the SCSBs may not accept any Bids for the Issue, which may be notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Applicants/bidders may refer to the RHP/Prospectus for the Bid/ Issue Closing Date
Bid/Issue Opening Date	The date on which the Syndicate and the SCSBs may start accepting Bids for the Issue, which may be the date notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Applicants/bidders may refer to the RHP/Prospectus for the Bid/ Issue Opening Date
Bid/Issue Period	Except in the case of Anchor Investors (if applicable), the period between the Bid/Issue Opening Date and the Bid/Issue Closing Date inclusive of both days and during which prospective Bidders/Applicants (other than Anchor Investors) can submit their Bids, inclusive of any revisions thereof. The Issuer may consider closing the Bid/ Issue Period for QIBs one working day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulations, 2009. Applicants/bidders may refer to the RHP/Prospectus for the Bid/ Issue Period

Term	Description
Bid Amount	The highest value of the optional Bids indicated in the Bid cum Application Form and payable by the Bidder/Applicant upon submission of the Bid (except for Anchor Investors), less discounts (if applicable). In case of issues undertaken through the fixed price process, all references to the Bid Amount should be construed to mean the Application Amount
Bid cum Application Form	The form in terms of which the Bidder/Applicant should make an offer to subscribe for or purchase the Equity Shares and which may be considered as the application for Allotment for the purposes of the Prospectus, whether applying through the ASBA or otherwise. In case of issues undertaken through the fixed price process, all references to the Bid cum Application Form should be construed to mean the Application Form
Bidder/Applicant	Any prospective investor (including an ASBA Bidder/Applicant) who makes a Bid pursuant to the terms of the RHP/Prospectus and the Bid cum Application Form. In case of issues undertaken through the fixed price process, all references to a Bidder/Applicant should be construed to mean an Bidder/Applicant
Book Built Process/ Book Building Process/ Book Building Method	The book building process as provided under the SEBI ICDR Regulations, 2009, in terms of which the Issue is being made
Broker Centres	Broker centres notified by the Stock Exchanges, where Bidders/Applicants can submit the Bid cum Application Forms/Application Form to a Registered Broker. The details of such broker centres, along with the names and contact details of the Registered Brokers are available on the websites of the Stock Exchanges.
BRLM(s)/ Book Running Lead Manager(s)/Lead Manager/ LM	The Book Running Lead Manager to the Issue as disclosed in the RHP/Prospectus and the Bid cum Application Form of the Issuer. In case of issues undertaken through the fixed price process, all references to the Book Running Lead Manager should be construed to mean the Lead Manager or LM
Business Day	Monday to Friday (except public holidays)
CAN/Confirmation of Allotment Note	The note or advice or intimation sent to each successful Bidder/Applicant indicating the Equity Shares which may be Allotted, after approval of Basis of Allotment by the Designated Stock Exchange
Cap Price	The higher end of the Price Band, above which the Issue Price and the Anchor Investor Issue Price may not be finalised and above which no Bids may be accepted
Client ID	Client Identification Number maintained with one of the Depositories in relation to demat account
Cut-off Price	Issue Price, finalised by the Issuer in consultation with the Book Running Lead Manager(s), which can be any price within the Price Band. Only RIIs, Retail Individual Shareholders and employees are entitled to Bid at the Cut-off Price. No other category of Bidders/Applicants are entitled to Bid at the Cut-off Price
DP	Depository Participant
DP ID	Depository Participant's Identification Number
Depositories	National Securities Depository Limited and Central Depository Services (India) Limited
Demographic Details	Details of the Bidders/Applicants including the Bidder/Applicant's address, name of the Applicant's father/husband, investor status, occupation and bank account details
Designated Branches	Such branches of the SCSBs which may collect the Bid cum Application Forms used by the ASBA Bidders/Applicants applying through the ASBA and a list of which is available on http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html
Designated Date	The date on which funds are transferred by the Escrow Collection Bank(s) from the Escrow Account or the amounts blocked by the SCSBs are transferred from the ASBA Accounts, as the case may be, to the Public Issue Account or the Refund Account, as appropriate, after the Prospectus is filed with the RoC, following which the board of directors may Allot Equity Shares to successful Bidders/Applicants in the fresh Issue may give delivery instructions for the transfer of the Equity Shares constituting the Offer for Sale
Designated Stock Exchange	The designated stock exchange as disclosed in the RHP/Prospectus of the Issuer
Discount	Discount to the Issue Price that may be provided to Bidders/Applicants in accordance with the SEBI ICDR Regulations, 2009.

Term	Description
Draft Prospectus	The draft prospectus filed with SEBI in case of Fixed Price Issues and which may mention a price or a Price Band
Employees	Employees of an Issuer as defined under the SEBI ICDR Regulations, 2009 and including, in case of a new company, persons in the permanent and full time employment of the promoting companies excluding the Promoter and immediate relatives of the promoter. For further details Bidder/Applicant may refer to the RHP/Prospectus
Equity Shares	Equity shares of the Issuer
Escrow Account	Account opened with the Escrow Collection Bank(s) and in whose favour the Bidders/Applicants (excluding the ASBA Bidders/Applicants) may Issue cheques or drafts in respect of the Bid Amount when submitting a Bid
Escrow Agreement	Agreement to be entered into among the Issuer, the Registrar to the Issue, the Book Running Lead Manager(s), the Syndicate Member(s), the Escrow Collection Bank(s) and the Refund Bank(s) for collection of the Bid Amounts and where applicable, remitting refunds of the amounts collected to the Bidders/Applicants (excluding the ASBA Bidders/Applicants) on the terms and conditions thereof
Escrow Collection Bank(s)	Refer to definition of Banker(s) to the Issue
FCNR Account	Foreign Currency Non-Resident Account
First Bidder/Applicant	The Bidder/Applicant whose name appears first in the Bid cum Application Form or Revision Form
FII(s)	Foreign Institutional Investors as defined under the SEBI (Foreign Institutional Investors) Regulations, 1995 and registered with SEBI under applicable laws in India
Fixed Price Issue/Fixed Price Process/Fixed Price Method	The Fixed Price process as provided under the SEBI ICDR Regulations, 2009, in terms of which the Issue is being made
Floor Price	The lower end of the Price Band, at or above which the Issue Price and the Anchor Investor Issue Price may be finalised and below which no Bids may be accepted, subject to any revision thereto
FPIs	Foreign Portfolio Investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
FPO	Further public offering
Foreign Venture Capital Investors or FVCIs	Foreign Venture Capital Investors as defined and registered with SEBI under the SEBI (Foreign Venture Capital Investors) Regulations, 2000
IPO	Initial public offering
Issue	Public Issue of Equity Shares of the Issuer including the Offer for Sale if applicable
Issuer/ Company	The Issuer proposing the initial public offering/further public offering as applicable
Issue Price	The final price, less discount (if applicable) at which the Equity Shares may be Allotted in terms of the Prospectus. The Issue Price may be decided by the Issuer in consultation with the Book Running Lead Manager(s)
Maximum RII Allottees	The maximum number of RIIs who can be allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot.
MICR	Magnetic Ink Character Recognition - nine-digit code as appearing on a cheque leaf
Mutual Fund	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
Mutual Funds Portion	5% of the QIB Category (excluding the Anchor Investor Portion) available for allocation to Mutual Funds only, being such number of equity shares as disclosed in the RHP/Prospectus and Bid cum Application Form
NECS	National Electronic Clearing Service
NEFT	National Electronic Fund Transfer
NRE Account	Non-Resident External Account
NRI	NRIs from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the RHP/Prospectus constitutes an invitation to subscribe to or purchase the Equity Shares
NRO Account	Non-Resident Ordinary Account
Net Issue	The Issue less reservation portion

Term	Description
Non-Institutional Investors or NIIs	All Bidders/Applicants, including sub accounts of FIIs registered with SEBI which are foreign corporate or foreign individuals and FPIs which are Category III foreign portfolio investors, that are not QIBs or RIBs and who have Bid for Equity Shares for an amount of more than ₹200,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Category	The portion of the Issue being such number of Equity Shares available for allocation to NIIs on a proportionate basis and as disclosed in the RHP/Prospectus and the Bid cum Application Form
Non-Resident	A person resident outside India, as defined under FEMA and includes Eligible NRIs, FIIs, FPIs, QFIs and FVCIs
OCB/Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA
Offer for Sale	Public offer of such number of Equity Shares as disclosed in the RHP/Prospectus through an offer for sale by the Selling Shareholder
Other Investors	Investors other than Retail Individual Investors in a Fixed Price Issue. These include individual applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for.
PAN	Permanent Account Number allotted under the Income Tax Act, 1961
Price Band	Price Band with a minimum price, being the Floor Price and the maximum price, being the Cap Price and includes revisions thereof. The Price Band and the minimum Bid lot size for the Issue may be decided by the Issuer in consultation with the Book Running Lead Manager(s) and advertised, at least five working days in case of an IPO and one working day in case of FPO, prior to the Bid/ Issue Opening Date, in English national daily, Hindi national daily and regional language at the place where the registered office of the Issuer is situated, newspaper each with wide circulation
Pricing Date	The date on which the Issuer in consultation with the Book Running Lead Manager(s), finalise the Issue Price
Prospectus	The prospectus to be filed with the RoC in accordance with Section 60 of the Companies Act, 1956 after the Pricing Date, containing the Issue Price, the size of the Issue and certain other information
Public Issue Account	An account opened with the Banker to the Issue to receive monies from the Escrow Account and from the ASBA Accounts on the Designated Date
Qualified Foreign Investors or QFIs	<p>Non-Resident investors, other than SEBI registered FIIs or sub-accounts or SEBI registered FVCIs, who meet 'know your client' requirements prescribed by SEBI and are resident in a country which is (i) a member of Financial Action Task Force or a member of a group which is a member of Financial Action Task Force; and (ii) a signatory to the International Organisation of Securities Commission's Multilateral Memorandum of Understanding or a signatory of a bilateral memorandum of understanding with SEBI.</p> <p>Provided that such non-resident investor shall not be resident in country which is listed in the public statements issued by Financial Action Task Force from time to time on: (i) jurisdictions having a strategic anti-money laundering/combating the financing of terrorism deficiencies to which counter measures apply; (ii) jurisdictions that have not made sufficient progress in addressing the deficiencies or have not committed to an action plan developed with the Financial Action Task Force to address the deficiencies</p>
QIB Category	The portion of the Issue being such number of Equity Shares to be Allotted to QIBs on a proportionate basis
Qualified Institutional Buyers or QIBs	As defined under the SEBI ICDR Regulations, 2009
RTGS	Real Time Gross Settlement

Term	Description
Red Herring Prospectus/ RHP	The red herring prospectus issued in accordance with Section 32 of the Companies Act, 2013, which does not have complete particulars of the price at which the Equity Shares are offered and the size of the Issue. The RHP may be filed with the RoC at least three days before the Bid/Issue Opening Date and may become a Prospectus upon filing with the RoC after the Pricing Date. In case of issues undertaken through the fixed price process, all references to the RHP should be construed to mean the Prospectus
Refund Account(s)	The account opened with Refund Bank(s), from which refunds (excluding refunds to ASBA Bidders/Applicants), if any, of the whole or part of the Bid Amount may be made
Refund Bank(s)	Refund bank(s) as disclosed in the RHP/Prospectus and Bid cum Application Form of the Issuer
Refunds through electronic transfer of funds	Refunds through NECS, Direct Credit, NEFT, RTGS or ASBA, as applicable
Registered Broker	Stock Brokers registered with the Stock Exchanges having nationwide terminals, other than the members of the Syndicate
Registrar to the Issue/RTI	The Registrar to the Issue as disclosed in the RHP/Prospectus and Bid cum Application Form
Reserved Category/ Categories	Categories of persons eligible for making application/bidding under reservation portion
Reservation Portion	The portion of the Issue reserved for category of eligible Bidders/Applicants as provided under the SEBI ICDR Regulations, 2009
Retail Individual Investors / RIIs	Investors who applies or bids for a value of not more than ₹200,000.
Retail Individual Shareholders	Shareholders of a listed Issuer who applies or bids for a value of not more than ₹200,000.
Retail Category	The portion of the Issue being such number of Equity Shares available for allocation to RIIs which shall not be less than the minimum bid lot, subject to availability in RII category and the remaining shares to be allotted on proportionate basis.
Revision Form	The form used by the Bidders in an issue through Book Building process to modify the quantity of Equity Shares and/or bid price indicates therein in any of their Bid cum Application Forms or any previous Revision Form(s)
RoC	The Registrar of Companies
SEBI	The Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992
SEBI ICDR Regulations, 2009	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
Self Certified Syndicate Bank(s) or SCSB(s)	A bank registered with SEBI, which offers the facility of ASBA and a list of which is available on http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html
Specified Locations	Refer to definition of Broker Centers
Stock Exchanges/ SE	The stock exchanges as disclosed in the RHP/Prospectus of the Issuer where the Equity Shares Allotted pursuant to the Issue are proposed to be listed
Syndicate	The Book Running Lead Manager(s) and the Syndicate Member
Syndicate Agreement	The agreement to be entered into among the Issuer, and the Syndicate in relation to collection of the Bids in this Issue (excluding Bids from ASBA Bidders/Applicants)
Syndicate Member(s)/SM	The Syndicate Member(s) as disclosed in the RHP/Prospectus
Underwriters	The Book Running Lead Manager(s) and the Syndicate Member(s)
Underwriting Agreement	The agreement amongst the Issuer, and the Underwriters to be entered into on or after the Pricing Date
Working Day	All days other than a Sunday or a public holiday on which commercial banks are open for business, except with reference to announcement of Price Band and Bid/Issue Period, where working day shall mean all days, excluding Saturdays, Sundays and public holidays, which are working days for commercial banks in India

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA and the regulations, circulars and notifications issued thereunder. Unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment.

The Consolidated FDI Policy consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DIPP that were in force and effect prior to August 28, 2017. The Government typically updates the consolidated circular on FDI Policy once every year and therefore, Consolidated FDI Policy will be valid until the DIPP issues an updated circular. Subject to the provisions of the Consolidated FDI Policy, FDI is allowed under the automatic route for the activities that our Company is engaged in.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the relevant Ministry / Department of the Government or the RBI, provided that (i) the activities of the investee company are under the automatic route under the Consolidated FDI Policy; (ii) the non-resident shareholding is within the sectoral limits under the Consolidated FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI and the RBI.

As per existing regulations, OCBs cannot participate in the Issue.

The Equity Shares have not been, and will not be, registered with the United States Securities and Exchange Commission under the Securities Act of 1933, as amended (the "U.S. Securities Act") or any state securities laws in the United States and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold: (i) within India, to Indian institutional, non-institutional and retail investors in accordance with SEBI ICDR Regulations and pursuant to the requirements of Regulation S ("Regulation S") under the United States Securities Act of 1933, as amended (the "Securities Act"); and (ii) outside the United States and India to institutional investors in offshore transactions and otherwise pursuant to the requirements of Rule 903 and 904 of Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales occur

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholder and the Book Running Lead Managers are not liable for any amendments, modification, or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

SECTION IX – MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

Pursuant to the Companies Act and the SEBI ICDR Regulations the main provisions of our Articles of Association relating to, among others, voting rights, dividend, lien, forfeiture, restrictions on transfer and transmission of Equity Shares or debentures and/or on their consolidation/splitting are detailed below. Please note that each provision herein below is numbered as per the corresponding article number in our Articles and capitalised/defined terms herein have the same meaning given to them in our Articles. Subject to our Articles, any words or expression defined in the Companies Act shall, except so where the subject or context forbids; bear the same meaning in these Articles.

Article No.	Article	Particulars
2	Table “F” not to apply	The Regulations in Table ‘F’ in the First Schedule to the Act, shall not apply to the Company except so far as the same are repeated or contained in or expressly made applicable by these Articles or by the Act.
5	Capital	The Authorized Share Capital of the Company shall be such amount and be divided into such shares as may, from time to time, be provided in clause V of Memorandum of Association payable in the manner as may be determined by the Directors, from time to time, with power to increase, reduce, sub-divide or to repay the same or to divide the same into several classes and to attach thereto any right and to consolidate or subdivide or re-organize the shares subject to the provisions of the Act.
7	Increase of capital by the Company	Subject to the applicable law(s) and approval of the Shareholders in the general meeting the Board may, from time to time, increase the capital by creation of new shares.
8	Calls on Shares/ Debentures	<p>(i) The Board may from time to time, make calls upon the Members or Debenture holders or holders of securities issued by the Company in respect of any moneys unpaid on their shares or debentures or securities and specify the time or time of payments and each Member or Debenture holder or the holder or he securities shall pay to the Company at the time or times so specified the amount called on his shares/debentures/securities.</p> <p>Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call.</p> <p>(ii) Each member shall, subject to receiving at least fourteen days’ notice specifying the time or time and place of payment, pay to the Company, at the time or time and place so specified, the amount called on his shares.</p> <p>(iii) The Board of Directors may from time to time at their discretion extend the time fixed for the payment of any call.</p>
9	When interest on calls payable	If the sum payable in respect of any call be not paid on or before the day appointed for payment thereof, the holder for the time being or allottee of the Share/Debenture/Securities in respect of which a call shall have been made, shall pay interest on the same @10% pa or such lower rate if any as the Board of Directors shall fix, from the day appointed for the payment thereof to the day of actual payment, but the Board of Directors may waive payment of such interest without the sanction of the Company in the General Meeting by way of Special Resolution.
10	Calls paid in advance	The Directors may, if they think fit, subject to the provisions of Section 50 of the Act, agree to and receive from any Member willing to advance the same whole or any part of the money due upon the shares held by him beyond the sums actually called for, and upon the amount so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the Board of Directors may decide to pay interest not exceeding @12% pa unless

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		<p>the Company in general meeting shall otherwise direct.</p> <p>Provided that money paid in advance of calls shall not confer a right to participate in profits or dividend. The Directors may decide at any time to repay the amount so advanced.</p> <p>The Members shall not be entitled to any voting rights in respect of the moneys so paid by them until the same would but for such payment, become presently payable.</p>
12	Partial Payment not to preclude forfeiture	Neither the receipt by the Company of a portion of any money which shall from time to time be due from any Member/ Debenture holder/holder of securities to the Company in respect of his Shares/ Debentures/ securities, either by way of principal or interest nor any indulgence granted by the Company in respect of the payment of any such money shall preclude the Company from thereafter proceeding to enforce a forfeiture of such Shares/ Debentures/ securities as provided in these Articles.
15	Payment of Underwriting	Subject to the provisions of 76 of the Act, and subject to provision of Section 40 of the Act and the Rules made thereunder and subject to the applicable SEBI Guidelines, the Company may at any time pay a commission out proceeds of the issue or profit or both to any person in consideration of his subscribing or agreeing to subscribe for any Shares or Debentures or securities of the Company, or underwriting or procuring or agreeing to procure subscriptions for Shares, Debentures, securities of the Company but so that the commission shall not exceed in case of Shares, five percent of the price at which the Shares are issued. Such commission may be satisfied by payment of cash or allotment of fully or partly paid Shares/ Debentures/ Securities or partly in one way and partly in the other.
16	Payment of Brokerage	The Company may subject to applicable law pay a reasonable and lawful sum of brokerage to any intermediary out of proceeds of the issue or profit or both, in consideration of their services and at such dates as maybe fixed by the Board within the overall limit prescribed under the Act or SEBI Act, 1992.
17	Company's lien on Shares and Debentures	The Company shall have a first and paramount lien upon all the Shares/ Debentures (other than fully paid up Shares/ Debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all monies (whether presently payable or not) called or payable at a fixed time in respect of such Shares/ Debentures and no equitable interest in any Share shall be created except upon the footing and condition that this Article will have full effect, and such lien shall extend to all dividends and bonuses from time to time, declared in respect of such Shares/ Debentures. Unless otherwise agreed, the registration of a transfer or Shares/ Debentures shall operate as a waiver of a Company's lien if any, on such Shares/ Debentures. The Directors may at any time declare any Shares/ Debentures wholly or in part to be exempt from the provisions of this clause.
17A	The Company's right to deal with Shares/ Debentures on which lien has been marked	<p>The Company may sell, in such manner as the Board thinks fit, any Shares or Debentures on which the Company has a lien provided that no sale shall be made –</p> <p>(i) Unless a sum in respect of which the lien exists is presently payable, or</p> <p>(ii) Until the expiration of 14 days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable has been given to the registered holder for the Time being of the Share or Debenture or the person entitled thereto by reason of his death or insolvency.</p>
17B	The Company's right to deal with Shares/	(i) To give effect to any such sale, the Board may authorize some person to transfer the Shares or Debentures sold to the purchaser thereof.

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	Debentures on which lien has been marked	(ii) The purchaser shall be registered as the holder of the Shares of Debentures comprised in any such transfer.
17C	The Company's right to deal with Shares/ Debentures on which lien has been marked	(i) The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which lien exists as is presently payable. (ii) The residue, if any, shall be subject to a like lien for sums not presently payable as existed upon the Shares or Debentures before the sale, be paid to the person entitled to the Shares of Debentures at the date of the sale.
18	Forfeiture of Shares or Debentures	(i) If a Member or Debenture-holder fails to pay any call or the allotment money which was deferred or kept as term deposit as a condition of subscription or instalment of a call on the day appointed for payment thereof, the Board may, at any Time thereafter during such time as any part of the call or allotment money or instalment remains unpaid serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued. (ii) A forfeited Share or Debenture may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit. (iii) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.
18A	Effect of forfeiture	(i) A person whose Share or Debenture have been forfeited shall cease to be a Member or holder in respect of the forfeited Shares or Debentures, but shall, notwithstanding the forfeiture, were presently payable by him to the Company in respect of the Share or Debenture and all the expenses that may have been incurred by the Company by reason of such non-payment. (ii) The liability of such person shall cease if and when the Company shall have received payment in full of all such moneys in respect of the Shares or Debentures.
19	Company may buy back its own Securities	Notwithstanding any provision to the contrary in these Articles, the Company may buy back its own securities subject to the provisions contained in Sections 68 to 70 of the Act and other applicable laws as prescribed by SEBI as amended from time to time.
20	Surrender of Shares/Debentures/ Securities	Subject to the applicable provisions of the law, the Board may accept from any Shareholder/Debenture/ Securities holder on such terms and conditions as shall be agreed a surrender of all or any of his Shares/Debentures/ Securities.
22	Transfer and Transmission of Shares or Debentures or other securities	(a) Subject to the provision of the SEBI LODR and the listing agreement entered between the Company and the Stock Exchanges, in the event that the proper documents have been lodged, the Company shall register the transfer of Securities in the name of the transferee except: (i) When the transferee is, in exceptional circumstances, not approved by the Board of Directors in accordance with the provision contained herein (ii) When any statutory prohibition or any attachment or prohibitory order of a competent authority restraint the Company from transferring the Securities out of the name of the transferor. (iii) When the transferor objects to the transfer provided he serves on the Company within a reasonable time and prohibitory order of a court of competent jurisdiction (b) Subject to the provision of Section 56 of the Act or such Rules and Regulations, the Board may refuse, in the interest of the Company, to

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		<p>register the transfer or the transmission by operation of law of the right to, any Shares or interest of a Member in or Debentures of the Company.</p> <p>(c) The Board may, subject to the right appeal conferred by Section 58 of the Act and other Applicable Law decline to register:</p> <p>(i) The transfer of a Share, not being fully paid Share, to a person of whom they do not approve: or</p> <p>(ii) Any transfer of Shares on which the Company has a lien.</p> <p>(d) The Board may decline to recognize any instrument of transfer unless-</p> <p>(i) The instrument of transfer is accompanied by the certificate of the Shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer and</p> <p>(ii) The instrument of transfer is in respect of only one class of shares</p> <p>(e) The Company shall not register the transfer of its securities in the name of the transferee(s) when the transferor(s) objects to the transfer.</p> <p>Provided that the transferor serves on the Company, within sixty working days of raising the objection, a prohibition orders of a court of competent jurisdiction.</p> <p>(f) The Board of Directors of the Company may delegate the power of transfer of securities to a committee or to compliance officer or to the registrar to an issue and/or Share transfer agent(s).</p>
25	Nomination	<p>(i) Every Share/ Debenture/ Securities holder and a depositor under the Company's Public Deposit Scheme (Depositor) of the Company may at any time, nominate in the prescribed manner, a person to whom his Share/ Debenture/ Securities or deposits in the Company standing in his name shall vest in the event of his death.</p> <p>(ii) Where the Shares/ Debentures/ Securities or deposits in the Company are held by more than one person jointly, the joint holder may together nominate, in the prescribed manner, a person to whom all the rights in the shares or debentures or securities or deposits in the Company, as the case may be shall vest in the event of death of all the joint holders.</p> <p>(iii) Notwithstanding anything contained in any other law for the time being in force or in disposition, whether testamentary or otherwise, in respect of such Share/ Debenture/ Securities or deposits in the Company, where a nomination made in the prescribed manner purport to confer on any person the right to vest the Share/ Debenture/ Securities or deposits in the Company, the nominee shall on the death of the Share/ Debenture/ Securities holder or Depositor or on the death of the joint holders as the case may be, become entitled to all the rights in such Share/ Debenture/ Securities or deposits, as the case may be, all the joint holders in relation to such Share/ Debenture/ Securities or deposits, to the exclusion of all persons, unless the nomination is varies, cancelled in the prescribed manner</p> <p>(iv) Where the nominee is a minor, it shall be lawful for the holder of the Share/ Debenture/ Securities or deposits, to make the nomination to appoint, in the prescribed manner, any person to become entitled to Share/ Debenture/ Securities or deposits in the Company, in the event of his death, during the minority.</p>
26	Transmission of Securities by	A nominee, upon production of such evidence as may be required by the Board and subject as hereinafter provided, elect either.

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	Nominee	<p>(i) To be registered himself as holder of the Share/ Debenture/ Securities or deposits as the case may be; or</p> <p>(ii) To make such transfer of the Share/ Debenture/ Securities or deposits, as the case may be, as deceased Share/ Debenture/ Securities holder or Depositor could have made.</p> <p>(iii) If the nominee elects to be registered as holder of the Share/ Debenture/ Securities or deposits, himself, as the case may be shall deliver or send to the Company a notice in writing signed by him stating that he so elects and such notice shall be accompanied with the death certificate of the deceased Share/ Debenture/ Securities holder or Depositor, as the case may be.</p> <p>(iv) A nominee shall be entitled to the same dividends and other disadvantages to which he would be entitled to, if he were the registered holder of the Share/ Debenture/ Securities or Deposits</p>
35	Increase, Reduction and Alteration of Capital: Increase of Capital	Subject to the provisions of the Act, the Company in General Meeting, may increase the Share capital by such sum to be divided into Shares of such amount, as the Resolution shall prescribe.
37	On what condition new Shares may be issued	New Shares shall be issued upon terms and conditions with such rights and privileges annexed thereto as the General Meeting resolving upon the creation whereof shall direct and, if no direction be given, as the Directors shall determine, and in particular, whether such Share may be preference Share or not. Provided that no Shares (not being preference Shares) shall be issued carrying voting rights or rights in the Company as to dividend, capital or otherwise, which are disproportionate to the rights attaching to the holders of the other Shares (not being preference Shares).
38	Issue of Shares	<p>a) New Shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the Board of Directors may decide, provided that, no Shares (not being preference Share) shall be issued carrying voting rights or rights in the Company as to dividend, capital or otherwise, which are disproportionate/ superior to the rights attached to the holders of other shares (not being preference shares).</p> <p>b) Subject to the provisions of section 62 of the Act, where at any time it is proposed to increase the subscribed capital of the Company by allotment of further shares, then;</p> <p>(i) Such further share shall be offered to the persons who on the date of the offer are holders of the equity shares of the Company, in proportion as nearly as circumstances admit, to the capital paid-up on those shares at the date.</p> <p>(ii) Such offer shall be made by notice specifying the number of shares offered and limiting a time not less than fifteen days and not exceeding thirty days from the date within which the offer, if not accepted, shall be deemed to have been declined.</p> <p>(iii) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person</p> <p>(iv) After the expiry of the time specified in the aforesaid notice or on the receipt of earlier information from the person to whom such notice is given that he declines of them in such manner as they think most beneficial to the interest of the Company.</p>
39	Capitalization of Profit	<p>(i) The Company in general meeting may, upon the recommendation of the Board, resolve-</p> <p>a) That it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the Company's reserve accounts</p>

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		<p>or to the credit of the profit and loss account, or otherwise available for distribution; and</p> <p>b) That such sum be accordingly set free for distribution in the manner specified in clause (ii) amongst the Members who would've been entitled thereto, if distributed by way of dividend and in the same proportions.</p> <p>(ii) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in Article 40 either in or towards-</p> <p>a) Paying up any amounts for the time being unpaid on any Shares held by such members respectively;</p> <p>b) Paying up in full, unissued Shares of the Company to be allotted and distributed, credited as fully paid –up to and amongst such members in the proportions aforesaid;</p> <p>c) Partly in the way specified in sub-clause (a) and partly in that specified in sub-clause (b)</p> <p>d) Securities premium account and a capital redemption reserve account may, for the purposes of this regulation be applied in the paying up of unissued Shares to be issued to Members of the Company as fully paid bonus Shares;</p> <p>e) The Board shall give effect to the resolution passed by the Company in pursuance of this regulation.</p>
41	Reduction of capital	Subject to the provisions of Section 66 of the Act, the Company may, from time to time, by Special resolution, reduce its capital by paying off capital or cancelling capital which has been lost or is unrepresented by available assets or is superfluous or by reducing the liability on the Shares or otherwise as may seem expedient, and capital may be paid off upon the footing that it may be called upon, again or otherwise, and the Board may, subject to the provisions of the Act, accept surrender of Shares.
41	Sub-Division and consolidations of Shares	Subject to the provision of the Act, the Company in a General Meeting from time to time sub-divide or consolidate its Shares or any of them and exercise any of the other powers conferred by Section 61 of the Act, and shall file with the Registrar such notice in exercise of any such powers as may be required by the Act.
44	Power to borrow	Subject to the provisions of Section 73, 179 and 180 of the Act and Government Guidelines issued from time to time, the Board may by means of a resolution passed at the meeting of the Board, from time to time, borrow or secure the payment of any sum or sums of money for the purpose of the Company on such terms and conditions as may be approved by the Board, subject, however, that the Board shall not without the sanction of the Company in a General Meeting borrow any sum of money which together with the money borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate for the time being of the Paid up Capital of the Company and its free reserves, that is to say reserves not set aside for any specific purpose.
46	Notice of General Meeting	<p>a) At least twenty one clear days' notice in writing, specifying the place, date day, and hour of General Meeting, with a statement of the business to be transacted at the meeting shall be served in writing or through electronic mode to every member or legal representative of any deceased member or the assignee of an insolvent member, every auditors and Director of the Company.</p> <p>However, any General Meeting may be called after giving shorter notice than that specified in clause (a) of this Article if consent is accorded there to by not less than Ninety-five percent of such part of the paid-up capital of the Company as gives a right to vote at the meeting as per Section 101 Of the Act.</p>

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48	Quorum	<p>(i) No business shall be transacted at any General Meeting unless a quorum of Members is present at time such General Meeting commences.</p> <p>(ii) Save as otherwise provided therein, the quorum for the General Meeting shall be:</p> <p>(a) Five members personally present if the number of members as on the date of meeting is not more than one thousand.</p> <p>(b) Fifteen members personally present if the number of members as on the date of meeting is more than one thousand but upto five thousand.</p> <p>(c) Thirty members personally present if the numbers as on the date of the meeting exceeds five thousand.</p> <p>(iii) If at the expiration of half an hour from the time appointed for holding a meeting of the Company, a quorum is not present, the meeting, if convened by or upon the requisition of members shall stand cancelled.</p>
49	Chairman of General Meeting	<p>No business shall be conducted at any General Meeting except the election of a Chairman, while the chair is vacant.</p> <p>The President so long he is a Shareholder of the Company, may from time to time appoint such person as he thinks fit (who need not be a member or members of the Company) to represent him at all or any meetings of the Company.</p>
50	Chairman's decision conclusive	The Chairman of any Meeting shall be the sole judge of the validity of every vote tendered at such meeting. The Chairman present at the time of taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.
51	Votes	<p>a) No member shall be entitled to vote either personally or by proxy, at any General Meeting or meeting of a class of Shareholders in respect of any Shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has exercised any right of lien.</p> <p>Subject to any right or restrictions for the time being attached to any class or classes of Shares;</p> <p>i) In a show of hands, every Member present in person shall have one vote;</p> <p>ii) In poll, the voting rights of Members shall be in proportion to his share in the paid up Equity Share Capital of the Company;</p> <p>iii) A Person who has voted through e-voting mechanism shall not be debarred from the participation in the General Meeting physically but he shall not be able to vote in the meeting again and his earlier vote (cast through e-means) shall be treated as final.</p> <p>b) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.</p> <p>c) Any person entitled under the transmission clause to transfer any shares may vote at General Meeting in respect thereof as if he was the registered holder of such shares provided that at least seventy two hours before the time of holding the meeting or adjourned meeting as the case may be at which proposes to vote he shall satisfy the Directors of his right to vote at such meeting in respect thereof.</p>
52	Postal Ballot	Notwithstanding anything contained in the Articles of the Company, as per section 110 of the Act and as per SEBI Act, adopt the mode of passing resolutions by the Members of the Company by means of Postal Ballot (which includes voting by electronic mode) instead of transacting such business in a General Meeting of the Company subject to compliances with the procedure

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		for such Postal Ballot and/or other requirements prescribed in the aforesaid Act and relevant rules in this regard.
54	Proxy	<p>a) Subject to the provisions of these Articles, votes may be given either personally or by proxy. A body corporate being a member may vote by a representative duly authorized.</p> <p>b) The instrument appointing the proxy and the Power of Attorney or other authority, if any, under which it is signed or a notarized copy of that power or authority, shall be deposited at the registered office of the Company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote or in case of poll not less than 24 (twenty four) hours before the time appointed for taking of poll and in default, the instrument of proxy shall not be treated as valid.</p> <p>c) <ul style="list-style-type: none"> (i) A Member present by proxy shall be entitled to vote only on a poll except where applicable law provides otherwise (ii) The proxy so appointed shall not have any right to speak at meeting (iii) Vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy is given. Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used. </p>
56	Board of Directors	<p>a) The number of Directors of the Company which shall be not less than 3 and not more than 15. These Directors may be either whole time functional Directors or part time Directors. The Directors are not required to hold any qualification shares.</p> <p>b) The President shall have the power to appoint an additional Director provided the number of Directors and additional Director together shall not at any time exceed the maximum strength fixed for the Board by these Articles. Such person shall hold office only upto the date of the next Annual General Meeting of the Company as a Director at that Meeting subject to the provisions of the Act.</p> <p>c) A Nominee Director may at any time be removed from the office by the appointing authority, who may from the time of such removal or in case of death or resignation of person, appoint any other or others in his place. Any such appointment or removal shall be in writing, signed by the appointer and served on the Company, Such Director need not hold any qualification shares.</p> <p>d) Company may have an individual as Chairman and Managing Director (CMD)</p> <p>e) The Chairman/ CMD/ Managing Director/ CEO of the Company shall be appointed by the President and the terms and conditions of his appointment shall be determined by the President as the Chairman of the Company as well as the Managing Director or Chief Executive Officer of the Company at the same time. Such person shall preside at all meetings of the Board as well as General Meeting of the Company.</p> <p>f) The President shall also appoint Whole-time functional Directors and other Directors.</p>

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		<p>g) Subject to the provision of the Act, the Directors who are liable to retire by rotation will be appointed in the General Meeting in accordance with the provisions of the Act. These may even include some Whole-time Functional Directors, subject to the provisions of the Act and other applicable law but excluding Independent Directors. Chairman/CMD is a non-retiring Director.</p> <p>h) Not less than two third of the total number of the Directors shall be persons whose period of office is liable to determination by retirement of Directors by rotation except Independent Directors.</p> <p>At every Annual General Meeting of the Company one-third of the Directors liable to retire by rotation or if their number is not three or a multiple of three then the number nearest to one-third shall retire from office.</p> <p>i) The Director to retire by rotation shall be those who have been longest in office since their last appointment, but as between persons who became Director on the same day, those, who are to retire shall be determined by the President in consultant with the Chairman of the Company.</p> <p>j) (i) Subject to the provision of section 161(2) of the Act, the President may appoint an Alternate Director not being a person holding any alternate Directorship for any other Director in the Company, to Act for a Director (herein after called the original Director) during his absence for a period of not less than three months from India.</p> <p>k) The President shall have right to fill any vacancy in the office of the Chairman, CMD, CEO, Managing Director or Whole time Directors and Government Nominees caused by retirement, removal, resignation, death or otherwise, subject to the provisions of the Act.</p> <p>l) The President shall have the power to appoint requisite number of Independent Director to comply with the Act as well as listing agreement as amended from time to time.</p> <p>m) The Company shall have at least one woman on the Board.</p> <p>n) Director may resign from his office by giving a notice in writing to the Company and Board. A Nominee Director shall not give any notice of resignation except through the nominating person.</p> <p>o) The resignation of a Director shall take effect from the date on which the notice is received by the Company or the date if any specified by the Director in the notice, whichever is later.</p> <p>p) Any Director of the Company, except the one appointed by the national Company law tribunal, may be removed by way of ordinary resolution before the expiry of his term of office,</p>
57	Payment of sitting fee to Directors	The independent / non-official part-time Directors shall be paid such amount of sitting fee for attending meetings of Board of Directors, subject to the maximum ceiling prescribed by the Act from time to time in this regard.
60	Powers of Board of Directors Subject to the approval of President	<p>The Powers of Board of Directors in relation to the following shall, however, be subject to the approval of the President:</p> <p>i. Sale, lease or disposal otherwise of the Whole or substantially the Whole of the Company and</p> <p>ii. The formation of a subsidiary Company abroad and opening of offices</p>

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62	Proceedings of Board Meetings	<p style="text-align: center;">abroad</p> <p>a) The Director may meet together as a Board from time to time for the conduct of the business of the Company, adjourn or otherwise regulate its meetings as it thinks fit.</p> <p>b) A meeting of the Board shall be called by giving not less than seven days' notice in writing to every Director at his address registered with the Company and such notice shall be sent by hand delivery or by post or by electronic means.</p> <p>c) The notice of the meeting shall inform the Directors regarding the option available to them to participate through electronic mode and shall provide all the necessary information to enable the Director to participate through such electronic mode.</p> <p>d) A meeting of the Board may be called at shorter notice to transact urgent business subject to the condition that at least one independent Director, if any shall be present at the meeting or in case of absence of Independent Directors from such meeting of the Board, decisions taken at such a meeting shall be circulated to all the Directors and shall be final only on ratification thereof by at least one Independent Director.</p> <p>e) The Board shall hold a minimum of four meetings in every financial year in such a manner that not more than 120 days shall intervene between two consecutive meetings of the Board.</p> <p>f) Every Director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose. The names of Directors who have participated in Board Meeting through electronic mode shall be entered and initiated by the Company Secretary, stating the manner in which the Director so participated.</p> <p>g) The Chairman, CMD, Managing Director or a Director or the Company Secretary on the requisition of a Director shall with the approval of Chairman/ CMD summons a meeting of the Board.</p> <p>h) CMD/Chairman shall preside at all meetings of the Board as well as general meetings. If an individual is appointed or reappointed by the President as the Chairman of the Company as well as the Managing Director or Chief Executive Officer of the Company at same time, in that case, such person shall preside at all meetings of the Board may elect a Chairman, and determine the period for which he is to hold office. The Managing Director may also be appointed by the Board as the Chairman.</p> <p>i) If no such Chairman is elected or if at any meeting the Chairman is not present within five minutes after the time appointed for holding the meeting, the Directors present may choose one of their members to be the Chairman of the meeting.</p> <p>j) The quorum for a meeting of the Board shall be determined from time to time in accordance with provision of the section 174 of the Act, if a quorum is not present within fifteen minutes from time appointed for holding a meeting of the Board it shall be adjourned until such date and time as the Chairman of the Board shall decide.</p> <p>k) The Board shall from time to time constitute such Committee(s) of the Directors as are statutorily required under the provisions of the</p>

Article No.	Article	Particulars
		<p>Companies Act, 2013, the SEBI LODR, listing agreement or any other applicable Act, rules, regulations, guidelines</p> <p>l) Subject to the provisions of Section 175 of the Act and rule made thereunder and applicable laws, a resolution in writing signed by majority of Directors shall be as valid and effectual as if it had been passed at a meeting of the Directors duly called and constituted.</p> <p>Provided that, where not less than 1/3rd of the total number of Directors of the Company for the time being required that any resolution under circulation must be decided at a meeting, the Chairman shall put the resolution that has been put to vote at a Board meeting, the consent or dissent of the Directors obtained by way of resolution by circulation shall be rendered void.</p> <p>m) (i) The Company shall cause minutes of proceedings of every meeting of the Board and Committee thereof to be kept in such form by making within 30 (thirty) days of the conclusion of every such meeting, entries thereof in the books kept for that purpose.</p> <p>(ii) Each page of every such group shall be initialed or signed and the last page of the record proceeding of each meeting in such books shall be dated by the Chairman of the said meeting or Chairman of the next succeeding.</p> <p>n) The meeting of the Board may be held at the Registered Office or anywhere else if it is the interest of the Company</p>
71	Reserve Fund	<p>The Directors may, before recommending any dividend set apart out of the profits of the Company such sums as they think proper as a reserve fund to meet contingencies or for equalizing dividends, or for Special dividends, or for repairing, improving and maintaining any of the property of the Company, and for amortization of capital and for Such other purposes as the Board of Directors shall in their absolute discretion think conducive to the interest of the Company, and may invest the several sums so set aside upon such investments (other than Shares of the Company) as they may think fit from time to time, deal with and vary Such investments, and dispose of all or any part thereof for the benefit of the Company, and may divide the reserve fund into such special funds as they think fit and employ the reserve funds or any part thereof in the business of the Company and that without being bound to keep the same separate from the other assets.</p>
72	Dividends	<p>The profits of the Company available for payment of dividend subject to any Special rights relating thereto created or authorized to be created by These presents and subject to the provisions of These present is as to the reserve fund and amortization of capital shall with the approval of the Members of the Company be divisible among the Members in proportion to the amount of capital paid up by them respectively. Provided always that (subject as aforesaid) any capital paid up on a Share during the period in respect of which dividend is declared shall only entitle the holder of such Share to an apportioned amount of such dividend as from the date of payment.</p>
72(a)	Declaration of Dividends	<p>The Company in General Meeting may declare a dividend to be paid to the Members according to their rights and interests in the profits but no dividend shall exceed the amount recommended by the Board of Directors.</p> <p>The Company may capitalize the reserve and profits by issue of fully paid bonus Shares to the Shareholders of the Company subject to the provisions of the Act.</p>
72(b)	Interim dividend	<p>The Directors may from time to time, pay the members Such interim dividends as in their judgement the position of the Company justifies.</p>

Article No.	Article	Particulars
72(c)	Unpaid or Unclaimed dividend	<p>Where the Company has declared a dividend but which has not been paid or the dividend warrant in respect thereof has not been posted within 30 (thirty) days from the date of declaration to any Shareholder entitled to the payment of the dividend, the Company shall within 7 (seven) days from the date of expiry of the said period of 30 (thirty) days, open a Special account in that behalf in any scheduled bank, to be called the "RITES LIMITED Unpaid Dividend Account" and transfer to the said account, the total amount of dividend which remains unpaid or in relation to which no dividend warrant has been posted.</p> <p>Any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of seven years from the date of such transfer shall be transferred by the Company to a Fund known as Investor Education and Protection Fund established under Section 125 of the Act.</p> <p>No unclaimed or unpaid dividend shall be forfeited by the Board.</p>
73	Dividends out of profits only and not to carry interest	<p>No dividend shall be declared or paid by the Company for any, financial year except out of profits of the Company for that year arrived at after providing for the depreciation in accordance with the provisions of section 123 of the Act or out of profits of the Company for any previous financial year or years arrived at after providing for the depreciation in accordance with those provisions and remaining undistributed or out of both or out of moneys provided by the Government for the payment of dividend in pursuance of a guarantee given by the Government. No dividend shall carry interest against the Company. For the purpose of this Article. The declaration of the Directors as to the amount of the profits of the Company shall be conclusive.</p>
75	Dividends to joint holders	<p>Any of the several persons who are registered as the joint holders of any Share, may give effectual receipts for all dividends and payments on account of dividend in respect of such Shares.</p>
77	Notice of dividends	<p>Notice of the declaration of any dividend, whether interim or otherwise, shall be given to the holders of registered Shares in the manner hereinafter provided.</p>
88	Rights of the President	<p>Notwithstanding anything contained in any of these Articles but subject to the provisions of the Act, the President may, from time to time, issue such other directives or instructions as he may consider necessary in regard to the conduct of the affairs of the Company and to attain the objects of the Company and in like manner may vary and annul any Such directive. The Board of Directors shall give immediate effect to directives or instructions so issued. Under this Article the President has the right:</p> <ol style="list-style-type: none"> a) To give such directions to the enterprise as to the exercise and performance of its functions in matters involving National Security or substantial public interest and to ensure that the enterprise gives effect to such directions; and b) to call for such returns, accounts and other information with respect to the Property and Activities of the enterprise and its constituent units as may be required from time to time.
98	Winding up: Distribution of assets on winding up	<p>If the Company shall be wound up and the assets available for distribution among the members as Such shall be insufficient to repay the Whole of the paid up capital, Such assets shall be distributed so that nearly as may be the losses shall be borne by the members in proportion to the capital paid up or which ought to have been paid up at the commencement of the winding up, on the Shares held by them respectively. And if in a winding up, the assets available for distribution among the members shall be more than sufficient to repay the Whole of the capital paid up the excess shall be distributed amongst the members in proportion to the capital paid up or which ought to have been paid up on the Shares held by them respectively. But this clause is to be without prejudice to the rights of the holders of Shares issued upon Special terms and conditions.</p>

Article No.	Article	Particulars
101	Indemnity and Responsibility: Indemnity	Subject to the provisions of Section 197 of the Act, every Director, Manager, Auditor, Secretary and other Officer or servant of the Company shall be indemnified by the Company against, and it shall be the duty of the Board of Directors out of the funds of the Company to pay all costs losses and expenses which any such officer or servant may incur or become liable to by reason of any contract entered into, or Act or thing done by him as such officer or servant or in any way in the discharge of his duties; and the amount for which such indemnity is provided shall immediately attach as a lien on the property of the company and have priority as between the members over all other claims.
102	Individual responsibility of Directors	No Director or other officer of the Company shall be liable for the Act, receipts, neglect or defaults of any other Director or officer of the Company or for joining in any receipt or other Act for conformity or for any loss or expenses happening to the Company through the insufficiency or deficiency of title to any property acquired by the order of the Board of Directors for or on behalf of the Company, or for the sufficiency or deficiency of any Securities in or upon which any of the moneys of the Company shall be invested or for any loss or damage arising from the bankruptcy, insolvency or tortuous Act of any person with whom any moneys, securities or effects shall be deposited or for any loss occasioned by any error of judgement or oversight on his part or for any other loss, damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto unless the same happens through his own negligence, default, misfeasance, breach of duty or breach of trust.

SECTION X: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two (2) years before the date of filing of the Red Herring Prospectus) which are or may be deemed material have been entered or are to be entered into by our Company. These contracts, copies of which will be attached to the copy of this Red Herring Prospectus will be delivered to the RoC for registration and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of our Company located at [•], from 10.00 a.m. to 5.00 p.m. on all Working Days (Monday to Friday) from the date of filing the Red Herring Prospectus until the Bid / Offer Closing Date:

A. Material Contracts for the Offer

1. Offer Agreement dated January 12, 2018 entered amongst our Company, the Selling Shareholder and the BRLMs.
2. Registrar Agreement dated January 12, 2018 entered amongst our Company, the Selling Shareholder and the Registrar to the Offer.
3. Tripartite Agreement dated March 6, 2018 amongst CDSL, our Company and the Registrar to the Offer.
4. Tripartite Agreement dated February 27, 2018 amongst NSDL, our Company and the Registrar to the Offer.
5. Syndicate Agreement dated June 04, 2018 among our Company, the Selling Shareholder, the BRLMs and the Syndicate Members.
6. Underwriting Agreement dated [•] among our Company, the Selling Shareholder, the BRLMs, and the Syndicate Members.
7. Public Offer Account Agreement dated June 04, 2018 among the Selling Shareholder, our Company, the BRLMs, the Banker(s) to the Offer and the Registrar to the Offer.
8. Share Escrow Agreement dated June 04, 2018 among our Company, the Selling Shareholder and the share escrow agent.

B. Material Documents

1. Certified copies of our Memorandum of Association and Articles of Association, as amended from time to time.
2. Certificate of incorporation dated April 26, 1974 issued by the then Registrar of Companies, Delhi & Haryana in the name of "*Rail India Technical and Economic Services Private Limited*".
3. Endorsement on the certificate of incorporation by the RoC on February 17, 1976 consequent to change in name on conversion to a public limited company pursuant to Section 43A of the Companies Act, 1956.
4. A fresh certificate of incorporation by RoC dated March 28, 2000 approving the change of name of the Company to RITES Limited.
5. A fresh certificate of incorporation by RoC dated February 5, 2008 approving the change of name of the Company to RITES Limited pursuant to conversion of our Company from a private company to a public company in reliance of Section 44 of the Companies Act, 1956.
6. Resolutions of our Board dated January 12, 2018 authorising the Offer.
7. Resolutions of the Board dated January 12, 2018 approving the Draft Red Herring Prospectus and the IPO Committee has approved this Red Herring Prospectus pursuant to its resolution dated January 15, 2018.

8. Resolutions of the Board dated June 04, 2018 approving this Red Herring Prospectus
9. Letter dated January 12, 2018, from the Selling Shareholder conveying the consent for inclusion of 24,000,000 Equity Shares as part of the Net Offer.
10. Letter dated May 29, 2018, from the Selling Shareholder conveying the consent for inclusion of 1,200,000 Equity Shares as part of the Employee Reservation Portion.
11. Copies of annual reports of our Company for Financial Years 2017, 2016, 2015, 2014 and 2013.
12. Copy of the audited financial statements of our Company for the nine month period ended December 31, 2017.
13. Examination reports of the Statutory Auditor dated March 21, 2018 on the Restated Consolidated Financial Information and the Restated Standalone Financial Information included in this Red Herring Prospectus.
14. Statement of special tax benefits from Statutory Auditor dated January 12, 2018.
15. Written consent of the Statutory Auditor, to include their name as required under Section 26(1)(a)(v) of the Companies Act, 2013 in this Red Herring Prospectus and as an “expert” as defined under Section 2(38) of the Companies Act, 2013 in respect of their: (a) reports dated March 21, 2018 on the Restated Standalone Financial Information and the Restated Consolidated Financial Information; and (b) report dated January 12, 2018 on the statement of tax benefits available for our Company and the Shareholders.
16. Consents of the Bankers to our Company, BRLMs, Syndicate Members, Registrar to the Offer, Directors of our Company, Company Secretary and Compliance Officer, Chief Financial Officer, Banker(s) to the Offer, IRR Advisory and legal counsels, in their respective capacities.
17. Letter (bearing reference no. 2018/PL/45/1) issued by the MoR (on behalf of the President of India), dated January 09, 2018 approving the divestment of 12% of the Equity Share capital of our Company, *i.e.*, 24,000,000 Equity Shares, through the Offer.
18. In-principle listing approval letters each dated January 30, 2018 from BSE and NSE.
19. SEBI observation letter SEBI/HO/CFD/DIL-II/OW/5394/2018 dated February 20, 2018 and our in-seriatim reply to the same dated May 30, 2018.
20. SEBI exemption letter dated January 15, 2018.
21. Due diligence Certificate dated January 15, 2018 addressed to SEBI from the BRLMs.

Any of the contracts or documents mentioned in this Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

We hereby certify and declare that all relevant provisions of the Companies Act, 1956, the Companies Act, 2013 and the rules/guidelines/regulations issued by the GoI or the guidelines/regulations issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, 1956, the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulations issued thereunder, as the case may be. We further certify that all statements in this Red Herring Prospectus are true and correct.

Signed by the Directors of our Company

Mr. Rajeev Mehrotra
Chairman & Managing Director

Mr. Ajay Kumar Gaur
Director (Finance)

Mr. Arbind Kumar
Director (Projects)

Mr. Mukesh Rathore
Director (Technical)

Mr. Bhupendra Kumar Agarwal
Government Nominee Director

Mr. Amar Prakash Dwivedi
Government Nominee Director

Dr. Vidya Rajiv Yeravdekar
Independent Director

Mr. Satish Sareen
Independent Director

Mr. Anil Kumar Goel
Independent Director

Dr. Pramod Kumar Anand
Independent Director

Dr. Rajendra N. Goyal
Independent Director

Ms. Geethakumary
Independent Director

SIGNED BY CHIEF FINANCIAL OFFICER

Mr. Ajay Kumar Gaur
Chief Financial Officer

Date: June 04, 2018
Place: New Delhi

DECLARATION

On behalf of the Selling Shareholder, I certify that the statements and undertakings made in this Red Herring Prospectus about or in relation to the Selling Shareholder and the Equity Shares offered pursuant to the Offer for Sale are true and correct.

Signed by the Selling Shareholder

Name:

Designation:

On behalf of the President of India, Acting through the MoR, Government of India

Date: June 04, 2018

Place: New Delhi