

RAILWAY ENERGY MANAGEMENT CO. LTD.

(A JOINT VENTURE OF INDIAN RAILWAYS AND RITES LIMITED)



ANNUAL REPORT 2018 - 2019



GEOLOGY

NATURAL

AIR

ENVIRONMENT

GREEN

ECO

LIFE

MISSION

EXPLORING BUSINESS OPPORTUNITIES IN GREEN ENERGY, ESPECIALLY IN THE FIELD OF WIND AND SOLAR BY INSTALLING WINDMILLS AND SOLAR PLANTS FOR GENERATING AND SELLING RENEWABLE ENERGY, MAINLY FOR RAILWAYS CONSUMPTION.

FACILITATING COST EFFICIENCIES IN THE ENERGY MANAGEMENT FOR RAILWAYS BY POWER PROCUREMENT THROUGH OPEN BIDDING AS WELL AS TRADING THROUGH POWER EXCHANGES.

ENTERING UPON THE CONSULTANCY BUSINESS IN ENERGY MANAGEMENT AREA INCLUDING BOTH WIND AND SOLAR ENERGY PROJECTS.

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BOARD OF DIRECTORS



Mr. Rajeev Mehrotra
Chairman



Mr. Arbind Kumar
Director
(Upto 31.08.2018)



**Mr. Gopi Sureshkumar
Varadarajan**
Director
(From 29.09.2018)



Ms. Anju Ranjan
Director
(Upto 16.07.2018)



Mr. Shalabh Goel
Director



Mr. Ajeet Kumar Srivastava
Director
(From 27.07.2018)



Mr. Anil Ghai
Director
(Upto 31.05.2019)



Mr. Pradeep Kumawat
Independent Director
(From 05.12.2018)



Mr. Parmod Kumar Narang
Director
(From 01.06.2019)

KEY MANAGERIAL PERSONNEL



Mr. Sudhir Kumar Saxena
Chief Executive Officer



Mr. Sunil Kumar Singh
Chief Finance Officer



Mr. Ranjan Kumar Tiwary
Company Secretary
(From 25.01.2019)

CHAIRMAN'S MESSAGE

Dear Shareholders,

It gives me immense pleasure in presenting the Annual Report of your company for the year 2018-19 on the occasion of 6th Annual General Meeting. I extend a very warm welcome to all the shareholders.

The audited accounts of the Company for the financial year 2018-19 along with the Directors' Report, Statutory Auditors Report and comments of Comptroller & Auditor General of India thereon, have already been circulated to you and with your permission, I take them as read.

During the year, company has achieved highest ever turnover of ₹ 83.03 crore as compared to previous year's turnover of ₹ 68.80 crore, higher by 20.68%. The profit before tax is ₹ 49.46 crore as compared to ₹ 39.22 crore of the previous year.

During the year, Railway Energy Management Company Ltd. (REMCL) was able to facilitate flow of about 1300 MW of power in 12 entities across the country as compared to 1160 MW of power in 10 states during last financial year. With a vision to transform Indian Railways into "Green Railways" by reducing its carbon footprint and improving finances through reduction in cost of energy, Indian Railways has planned various initiatives through REMCL. Your company is working in line with IR's vision of "Green Railways" by implementing roof top solar and wind power plants in various phases. REMCL has awarded about 157 MW of solar roof top and 93 MW of wind plant for Railways. The 26 MW wind mill plant installed by REMCL generated about 35.34 MU (Million Units) of green power during the financial year 2018-19. After implementation of these projects, the carbon dioxide emissions would be reduced by about 3.0 lakh tonne / year.

Your Company has successfully facilitated flow of power under Open Access in the states of Rajasthan, UP (CTU Point), Maharashtra, Gujarat, MP, UP, Karnataka, Bihar & Jharkhand, DVC command area, Haryana & Delhi as a deemed licensee which has resulted into a savings of about ₹ 4000 crore to Railways in their energy bills for the year 2018-19. Almost entire power requirement of IR of 2000 MW has been tied up and out of which about 1300 MW power has started flowing for Indian Railways as Deemed Licensee.



Your Company has also provided Project Management Consultancy (PMC) Services for setting up of Wind Farm of 10.5 MW for Southern Railways in the State of Tamil Nadu and this plant has been successfully commissioned in January 2019. Your Company is also working on harnessing 2.0 MW Solar Power along the Track of Indian Railways as a pilot project.

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

Your company meets parameters for 'Excellent' rating in its performance evaluation under the MOU signed with RITES Ltd for the year under consideration (2018-19). However, communication from DPE in this regard is expected in due course.

Your company understands its responsibility towards society and adopted a "Corporate Social responsibility and Sustainability policy" of the holding company, to show its commitment towards operating in economically, socially and environmentally sustainable manner. As a responsible



CEO, REMCL, receiving award from Hon'ble MoS (Independent Charge) of Power and New & Renewable Energy for being "Most Innovative Player" in the field of power sector on 20th Annual Function of PTC.

corporate citizen, your Company has spent about ₹ 54.94 Lakh on various CSR activities during the FY 2018-19.

Your Directors have recommended dividend of ₹ 12.41 crore for the financial year 2018-19 to the shareholders of the company.

I am grateful for the guidance provided by Member (Traction) and co-operation extended by the officers of Indian Railways in conceptualizing and implementing various initiatives taken up by REMCL.

I, on behalf of the Board, would like to place on record sincere thanks for the valuable services rendered by Statutory Auditors, i.e. M/s Pawan Puri & Associates, Chartered Accountants.

Before I conclude, I must express my sincere thanks to our esteemed shareholders, my colleagues on the Board of Directors, officers from Ministry of Railways, Zonal Railways, Divisional Head Quarters, Bankers of the company & REMCL team for their valuable support, advice and co-operation.

I acknowledge that organizations are built on a strong-management stakeholder's relationship, which is a two way channel. I hope the coming years will further strengthen our relationship with all stakeholders for a sustainable growth and performance of the Company.

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

With Best Wishes,


(Rajeev Mehrotra)
Chairman

Date: 29th July, 2019

DIRECTORS' REPORT

DISTINGUISHED SHAREHOLDERS

The Board of Directors of your company are pleased to present the 6th Annual Report of the company along with the Audited Financial Statements and Auditor's Report for the year ended 31st March, 2019.

FINANCIAL HIGHLIGHTS

The financial performance of the Company for the year 2018-19 is given below:

(₹ in Crore)

Particulars	2018-19	2017-18
Financial Results:		
Total Income	83.03	68.80
Operating Turnover	81.48	65.63
Operating Expenditure	33.57	29.57
Other Income	1.55	3.17
Profit Before Tax (PBT)	49.46	39.22
Taxes including deferred Tax	8.12	8.98
Profit After Tax (PAT)	41.34	30.25
Appropriations:		
Dividend including Dividend Distribution Tax	10.96	4.43
Transfer to General Reserve	30.38	25.82
Net Worth	146.23	115.84

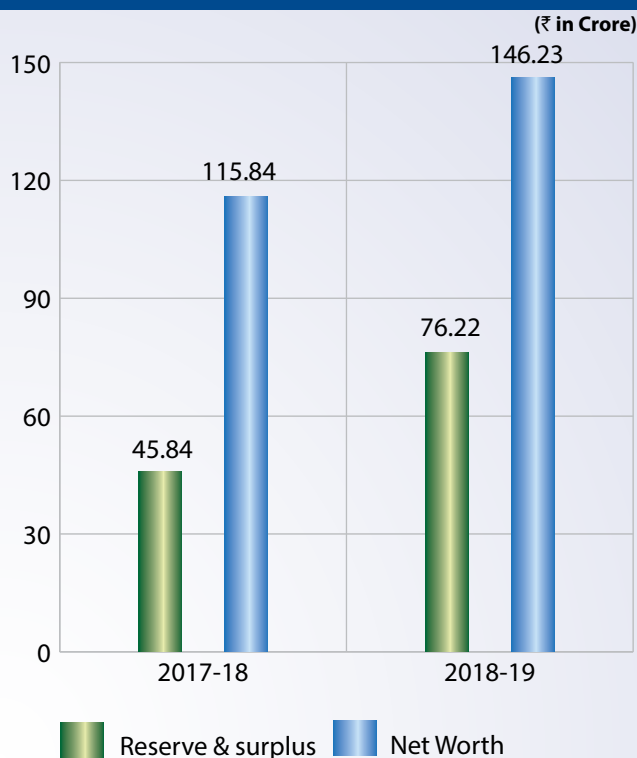
BUSINESS PERFORMANCE

During the year, your company has achieved highest ever turnover of ₹ 83.03 crore as compared to previous year's turnover of ₹ 68.80 crore, higher by 20.68%. The profit before Tax is ₹ 49.46 crore as against ₹ 39.22 crore of the previous year.

The FY 2018-19 proved to be another successful year filled with challenges and achievements for your Company. Despite stiff resistance faced from the state utilities, REMCL was able to facilitate about 1300MW of power in 12 states, a rise of approximately 12% over last year.

The vision to transform Indian Railways (IR) into "Green Railways" by reducing its carbon footprints and improving the finances remains the top priority of your company. To achieve this vision, IR has planned various initiatives through REMCL. Your company is working on implementation of solar rooftop, ground mounted and wind power projects in various phases. The implementation of 157 MW of solar roof top projects and 93 MW of wind projects have been awarded by your company for IR.

ACHIEVEMENTS



Successful implementation of these projects will reduce the CO₂ emissions by about 3.0 lacs tonne per year

Your company has helped IR to accrue an annualised savings of about ₹ 4000 Crore during the FY 2018-19 on business as usual model by procuring economical power through open access and implementing solar & wind projects, an increase of 33% over previous financial year's saving.

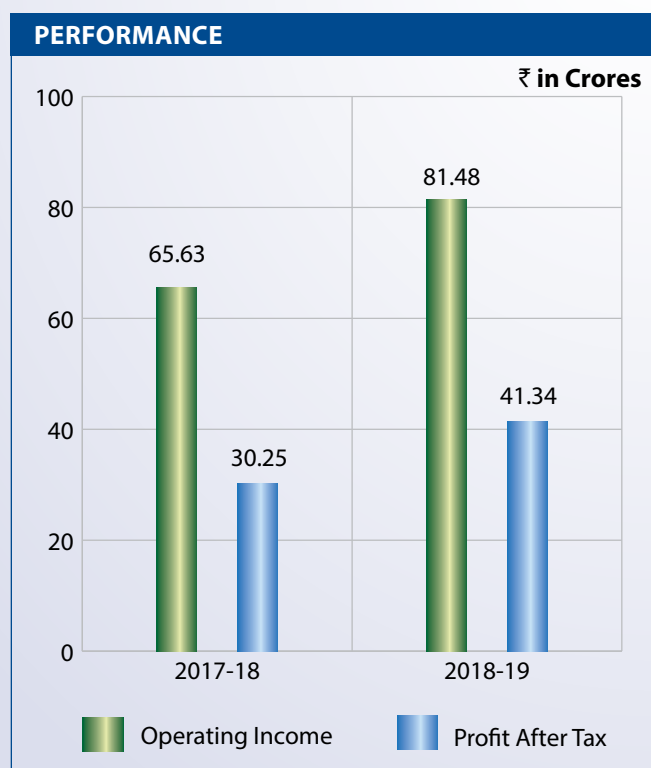
Some of the major highlights for the FY 2018-19 are mentioned below:

- Power flow of about 1300 MW was successfully commenced in 12 states under open access for Indian Railways.
- For the first time your company successfully commenced power flow of 45 MW on short term basis in States of Uttar Pradesh & Haryana.
- Solar roof-top projects of 157 MW (approx.) have been awarded to successful bidder for IR. With the award of above contracts, IR will become the organisation to implement such huge quantum of solar roof-top projects and hence created a brand name among various Central Govt Organisation.

- In the current year, the lowest solar tariff discovered was ₹ 3.24/kWh with 25% Central Financial Assistance (CFA) and ₹ 3.47/kWh without CFA in tender floated for the solar roof top projects.
- Successfully commissioned 66.9 MW of wind power plants in Tamil Nadu and Maharashtra.
- Your company has initiated the pilot project of 2 MW solar ground mounted plant on Railway land along the track. The unique way of harnessing solar energy will unlock the huge potential to generate Green Power along the track.

OUTLOOK

Indian Railways with a vision to reduce its dependence on fossil fuel and cater the need of decarbonisation under the aegis of Indian Railways Solar Mission has been promoting renewable energy in its infrastructure. Your company is helping IR to achieve its solar mission. Railway Energy Management Company Limited (REMCL) is driving IR towards its journey to become world class integrated power major in the sector. REMCL is efficiently managing the power portfolio of Indian Railways which includes traction load, renewable energy (wind and solar), transmission projects, legal & regulatory assistance to IR in power sector etc.



CAPITAL STRUCTURE

The paid-up share capital of the company remained at ₹ 70 Crore as against authorized share capital is ₹150 Crore and the company has not issued any share capital during the year under consideration.

DIVIDEND

Your Directors have recommended final dividend of ₹ 12.41 Crore for the financial year 2018-19 (i.e. ₹ 1.773 per share to 7 Crore equity share) which is 17.73% of paid up capital of the company, subject to the approval of Shareholders in Annual General Meeting.

DEPOSITS

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

RESERVES

During the year 2018-19, ₹ 30.38 Crore has been transferred to General Reserves by appropriation from profits of the company. Reserve and surplus has increased from ₹ 45.84 Crore as at end of the previous year (i.e. 31st March 2018) to ₹ 76.22 Crore as on 31st March 2019.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUT GO:

The details of conservation/generation of energy, technology absorption, foreign exchange earnings and outgo are as follows:

ENERGY CONSERVATION:

The company is in discussion with the Bureau of Energy efficiency (BEE) and Railway Board, Ministry of Railway to take-up "Study for Energy Efficiency in 6 major production units of Indian Railways through perform, achieve and trade (PAT) scheme.

IMPLEMENTATION OF RENEWABLE ENERGY PROJECTS

Your company has been assisting IR in its day to day business by providing services in its various areas of expertise such as analysis for procurement of energy & meeting Renewable Purchase Obligation (RPO) compliances, expediting & coordinating with Zonal Railways (ZRs), formulation of bid documents & related agreements, development of implementation model and award of work after proper due diligence.

Solar Power Projects: Railway Board has planned to install about 1000 MW of solar roof top & ground mounted power plants to harness the untapped potential of roof-top spaces on Railways buildings, stations, hospitals etc. and vacant Railways land lying with different ZR.

Status of implementation of solar power projects are as under:

- a) **70 MW solar roof-top projects:** REMCL successfully awarded 70 MW solar roof top projects on behalf of ZR with and without central Finance Assistance (CFA) during the year. The lowest tariff discovered was ₹ 3.24/kWh with 25% CFA and ₹ 3.47/kWh without CFA.
- b) **50 MW solar ground mounted project:** REMCL, in consultation with IR, is in process of installing 50 MW solar ground mounted plant on the vacant Railway land in Bhillai, Chhattisgarh in developer mode through open competitive bidding. Your company for the first time adopted e-tendering process along with e-reverse auction to make the entire tendering process for solar projects in a more efficient and effective manner.
- c) **400 MW solar ground mounted project:** Indian Railways is planning to source power from upcoming solar park in Madhya Pradesh being developed by Rewa Ultra Mega Solar (RUMS) Ltd, a JV between Solar Energy Corporation of India (SECI) & Madhya Pradesh Urja Vikas Nigam Ltd. (MPUVNL). The proposed capacity of the solar park will be 1500 MW out of which 400 MW power will be supplied to Indian Railways in states of Gujarat, Maharashtra, Rajasthan, UP-ISTS, UP-STU, Haryana, Jharkhand, DVC & Bihar. The power from solar park will be supplied under optimum scheduling method & limited to 207 MW (equivalent to 400 MW solar plant capacity). This proposed state wise distribution of solar power will help Indian Railways to meet its Solar Power Obligation (SPOs) as per MoP targets.
- d) **2 MW solar ground mounted project along the railway track (Delhi-Ambala section):** A pilot project of IR for constructing 2 MW solar ground mounted project is proposed along the railway track on the Delhi-Ambala section. Railway Board has nominated REMCL as a part of working group for setting up this highly innovative scheme. The scheme will produce solar energy and will feed it into the nearby Traction Sub-Station (TSSs) to partially fulfil the demand of traction load. Your company in adherence to the Railway Board

direction has already concluded the bids for the work of this pilot project. The success of the pilot project will help IR to harness the huge potential lying along the railway track.

Wind Power Projects:

Your company has been instrumental in harnessing wind energy by implementing wind power projects for IR. It has successfully awarded about 93 MW of wind power projects till now. The FY 2018-19 has been successful in many ways as new projects were implemented and ongoing projects were commissioned

During the year, REMCL facilitated Railways in signing of power purchase agreements (PPAs) and EPC contracts for a capacity of 66.9 MW windmill project. Out of which, 10.5 MW was for Southern Railway (SR) in Tamil Nadu(TN) under EPC and remaining 56.40 MW was for Central Railway (CR) in Maharashtra through tariff based competitive bidding with reverse auction. The lowest discovered wind tariff has been ₹ 2.92/KwH without CFA & fixed for a period of 25 years.

POWER PROCUREMENT

IR, as a bulk consumer of electricity, was paying tariff as determined by State Electricity Regulatory Commission (SERC) which has been replaced with tariff, determined through competitive bidding/MoP allocation. Your company has assisted IR in obtaining the status of Deemed Licensee as per Section 14 of Electricity Act 2003 read in conjunction with the Railway Act 1989 and ensuring flow of economical power, thereby improving profitability of IR due to cost saving.

Status of Deemed Licensee:

The Company's continuous efforts in previous few financial years have already brought 12 states under the ambit of application of Deemed Licensee status. Similar efforts are being made by your company for the states of West Bengal, Tamil Nadu, Chhattisgarh & Punjab through regulatory intervention as stiff resistance is being faced by IR in issuance of No Objection Certificate (NOC) and recognition of Railway as deemed licensee mainly in these states.

Procurement of power under Open Access:

Your Company successfully facilitated over 1300 MW power in the states of Rajasthan, UP(ISTS), Maharashtra, Gujarat, MP, Karnataka, Jharkhand, DVC command area, Haryana, Delhi and Bihar in the FY 2018-19 under open access, a growth of 12% over the previous financial year. So far



WTG installation at 10.5 MW windmill site in Tamil Nadu

REMCL has facilitated IR migrating about 65% of average traction power requirement (2000 MW) from consumer mode to deemed licensee mode.

Compliance to Renewable Purchase Obligation (RPO):

As deemed licensee, Railways have to meet its RPO targets in states where power is being procured on Open Access. REMCL is also facilitating in harnessing renewable power for IR to meet RPO targets and also to procure renewable energy certificates (RECs) in compliance to shortfall in their RPO targets.

Energy management of BRBCL plant:

Your Company is coordinating the energy management by scheduling power from Nabinagar thermal power plant of BRBCL on daily basis with three units of 250 MW each in operation, surplus power from Railways allocation is being diverted to beneficiary ZRs requiring additional power under un requisitioned surplus (URS). In addition to above, the company is also assisting ZR in sale of excess power through power exchange thereby ensuring that units generated are utilized to the largest extent.

Coordination with state authority:

Your Company has been providing single window service to ZRs for interaction with state and central utilities in obtaining NOC. The company has also coordinated with CTU & RLDCs for revision and Operationalization of Long Term Open Access (LTA) for BRBCL power. The company has also coordinated with Power System Operation Corporation Ltd (POSOCO) on transaction of URS power.

TECHNOLOGY ABSORPTION & UPGRADATION:

The company has prepared a scheme providing solar panel directly on Railway platform structure in place of Tin / Asbestos sheet and it has been submitted to Railway Board in December, 2018 for deciding the further modalities in this regard.

REGULATORY MATTERS

Appellate Tribunal for Electricity (APTEL):

REMCL through various legal counsellors is facilitating IR in defending the legal cases filed with Railways as Respondent before Hon'ble APTEL by utilizing available expertise in the ongoing cases related to Deemed Licensee status of IR, resistance in issuance of NOC in state of Punjab, imposition of various surcharge (imbalance charge, additional surcharge, standby charges etc.) etc. on IR. Your company through these cases is helping IR in proliferating open access and to reduce financial burden caused due to imposition of such charges.

REMCL has been diligently expanding its legal counselling capacity in contesting the legal cases filed with Railways as Petitioner on behalf of IR on various matters such as levy of Cross Subsidy Surcharge (CSS) & Open Access charges, issuance of No Objection Certificate (NOC) by state entities, provision of Back-up power supply, sharing of Stand by charges, applicability of Deviation Settlement Mechanism (DSM) regulation of CERC and implementation of specific condition of deemed licensee etc.

Central Electricity Regulatory Commission (CERC):

Your company is deliberating crucial inputs with the help of available expertise in matters regarding termination of Agreement for Power Purchase (APP) with Jindal India Thermal Power Ltd (JITPL) for the state of Punjab, Bihar, Odisha, Chhattisgarh & UP and imposition of various claims such as compensation & return of Performance Bank Guarantee (PBG). As regard issues with BRBCL, REMCL on behalf of IR is defending the matter regarding, approving/

determining the capital cost and tariff of BRBCL plant, challenging the BRBCL's COD certificates, invoking of Force Majeure clauses and levying of transmission charges in proportion to the quantum of LTA capacity actually utilised by Railways.

State Electricity Regulatory Commission (SERC):

Your company is also assisting ZRs in defending matters related to sharing of stand-by charges, forced arrangement of back-up power supply, imposition of CSS, additional surcharge, imbalance charges, compensation for harmonics, additional manpower etc.

PROMOTION OF MICRO AND SMALL ENTERPRISES (MSES)

REMCL supports and encourages bidders registered under the category Micro, Small and Medium Enterprises by exempting them from paying cost of tender and/ or Earnest Money Deposit (EMD) in accordance to Government Policy.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Board of Directors in their meeting held on 23rd July, 2018, constituted the CSR committee comprised of Shri Shalabh Goel, Director of the company as Chairman and Shri Anil Ghai, Director of the company as member as per the Ministry of Corporate Affairs notification dt.3/01/2018 under the Companies (Amendment) Act, 2017.

With the appointment of one Independent Director on the Board of the company w.e.f. 05/12/2018. The Board of Directors in their 28th meeting held on 25/01/2019 re-constituted the CSR Committee comprising of Shri Shalabh Goel Director of the company as chairman, Shri Anil Ghai, Director of the company and Dr. Pradeep Kumawat, Independent Director of the company as Members.

The Board of Directors in their 30th meeting held on 25/06/2019 Re-constituted CSR Committee comprising of i) Shri Shalabh Goel, Director of the company as Chairman ii) Dr. Pradeep Kumawat, Independent Director of the company and iii) Shri Parmod Kumar Narang, Director of the company as members.

During the year 2018-19, with the approval of the Board of Directors the corporate social responsibility (CSR) projects / activities have been taken up by the Company for i) Rural development projects of various villages in Ballia District of UP for an amount ₹ 30.00 lakh and ii) Promotion of non

conventional resources of energy over Northern Railways for an amount ₹ 38.50 lakh.

Total CSR budget for the year 2018-19 was ₹ 54.84 lakh i.e. 2% of average profit for the last three years plus unspent CSR amount of ₹ 6.39 lakh last financial year 2017-18.

The CSR projects/ activities taken up by the company during the financial year 2018-19 are as under:-

Rural Development: Your Company has sincerely discharged its Corporate Social Responsibility by allocating ₹ 30 Lacs for rural development projects in various villages of Ballia district in UP under its CSR initiative for FY 2018-19. An amount of ₹ 12 Lakhs have already been expensed in the construction of sanitation amenities such as community toilets, school toilets and solar lights. The CSR work is going to be completed in the upcoming FY 2019-20 and will uplift the quality of life of people living in various villages of district Ballia, UP.

Promotion of non-conventional resources: Your Company has also contributed ₹ 38.5 Lacs under another CSR initiative for FY 2018-19 to promote non-conventional resources of renewable energy over Northern Railway. The CSR work will be carried by Delhi Division of Northern Railway.

Contribution to 'Clean Ganga Fund': Your company has also contributed an amount of ₹ 4.44 Lacs in Clean Ganga Fund under another CSR initiative during the FY 2018-19.

A total of ₹ 54.94 lakh was spent on CSR activities during the year 2018-19 against the total amount of ₹ 54.94 lakh.

Detailed report on CSR has been placed at **Annexure- V**.

FOREIGN EXCHANGE EARNINGS AND OUTGO:

The foreign exchange earnings during the year under review were Nil (Previous year Nil) and foreign exchange outgo were ₹ Nil (Previous year ₹ 3.28 lakh) respectively. This resulted in net foreign exchange out go of ₹ Nil (Previous year ₹ 3.28 lakh).

PRESIDENTIAL DIRECTIVE

No Presidential Directive was received during the year.

CORPORATE GOVERNANCE & MANAGEMENT DISCUSSION AND ANALYSIS REPORT

"Corporate Governance Report" and "Management Discussion and Analysis Report" forms integral part of this Directors' Report and have been placed as **Annexure – "I" & "II"** respectively.

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

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

Your Directors draw attention of the members to Note 2.26 to the financial statement which sets out related party disclosures. **(The detail of contracts entered into with related parties in prescribed format AOC-2 is placed at Annexure-III).**

EXTRACT OF THE ANNUAL RETURN AS PROVIDED UNDER SECTION 92(3) OF THE COMPANIES ACT, 2013 IS PLACED AS ANNEXURE -IV

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

During the year the company has not given any loans, guarantees or investment under section 186 of the Companies Act, 2013.

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

Formal Annual Evaluation of the Directors is being done by Administrative Ministry. (As per notification issued by Ministry of Corporate Affairs dt 05.06.2015 the provisions of this section shall not apply to a Government Company, in case the directors are evaluated by the Ministry or Department of the Central Government etc.)

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

1. There are no known technological risks associated with the renewable energy wind power project of 26 MW installed in Rajasthan. A long term power purchase agreement with Railways for 25 years is in place ensuring flow of income from sale of wind energy.
2. Company does not foresee business risk in providing consultancy for procurement of power for Indian Railways through bilateral agreement arrangement with power producers at economical terms & tariff.
3. Company has robust internal control system and procedure in line with holding company.
4. The Board of Directors in their 30th meetings held on 25/06/2019 constituted Risk Management Committee.

BOARD OF DIRECTOR'S & NUMBER OF MEETINGS OF THE BOARD

The Board of Directors consists of Six (6) Directors, 2 Directors nominated by Ministry of Railways, 3 Directors nominated by RITES Limited including chairman and one independent Director appointed by Ministry of Railways. The Board met four (4) times during the year for transacting businesses.

The following Directors held office during the year:

Shri Rajeev Mehrotra	Chairman
Shri Gopi Sureshkumar Varadarajan	Director (From 29/09/2018)
Shri Arbind Kumar	Director (Up to 31/08/2018)
Shri Anil Ghai	Director (Up to 31/05/2019)
Ms Anju Ranjan	Director (Up to 16/07/2018)
Shri Shalabh Goel	Director
Shri Ajeet Kumar Srivastava	Director (From 27/07/2018)
Dr. Pradeep Kumawat	Independent Director (From 05/12/2018)
Shri Parmod Kumar Narang	Director (From 01/06/2019)

RETIREMENT OF DIRECTORS BY ROTATION

As per the Companies Act, 2013, the provision relating to retirement of Directors by rotation is applicable. In view of this, all the directors except Independent Directors, if any, will be liable to retire by rotation. Accordingly, one third of all directors will retire by rotation. Therefore, Shri Shalabh Goel and Shri Ajeet Kumar Srivastava, Directors of the company with longest term in the office will retire by rotation and being eligible, offer themselves for reappointment.

KEY MANAGERIAL PERSONNEL (KMP) (Section 203 of the Companies Act, 2013)

Shri Sudhir Kumar Saxena	Chief Executive Officer
Shri Sunil Kumar Singh	Chief Finance Officer
Shri Ranjan Kumar Tiwary	Company Secretary (From 25/01/2019)

Dates of the meeting and attendance sheet of the Board of Directors meeting during the year 2018-19 is placed at **Annexure-A.**

AUDIT COMMITTEE

As per Section 177 of the Companies Act, 2013, an Audit Committee shall consist of minimum three directors with Independent Directors forming a majority. With the appointment of one Independent Director on the Board of the company w.e.f. 05/12/2018. The Board of Directors in their 28th meeting held on 25/01/2019 constituted the Audit Committee comprising of Dr. Pradeep Kumawat, Independent Director of the company as Chairman, Shri Gopi Sureshkumar Varadarajan, Shri Ajeet Kumar Srivastava and Shri Anil Ghai Directors of the company as Members.

The Board of Directors in their 30th meeting held on 25/06/2019 re-constituted Audit Committee comprising of i) Dr. Pradeep Kumawat, Independent Director of the company as chairman ii) Shri Gopi Suresh Kumar Varadarajan, Director of the company iii) Shri Ajeet Kumar Srivastava, Director of the company and iv) Shri Parmod Kumar Narang, Director of the company as members.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

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

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

During the year Independent Director have met the requirements specified u/s 149 (6) of the companies Act, 2013 for holding the position of "Independent Director" and necessary declaration u/s 149(7) was received.

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

The Board of Directors in their 30th meeting held on 25/06/2019 constituted Nomination and Remuneration Committee comprising of i) Dr Pradeep Kumawat, Independent Director of the company as chairman ii) Shri Shalabh Goel and iii) Shri Parmod Kumar Narang, Directors of the company as members.

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

The Company has no subsidiary, associate and joint venture Company.

DIRECTORS' RESPONSIBILITY STATEMENT UNDER THE COMPANIES ACT, 2013

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

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

HUMAN RESOURCES AND INDUSTRIAL RELATIONS

Your company is in the process of pursuing a very progressive and dynamic manpower policy for sourcing professionals and experts with rich experience, on deputation from Central/State Government and other PSUs apart from RITES. This expertise may be supplemented by induction of qualified and knowledgeable personnel from open market and also through campus recruitment.

MEMORANDUM OF UNDERSTANDING

The company meets parameters for 'Excellent' rating in its performance evaluation under the MOU signed with RITES Ltd for the year under consideration (2018-19). However, communication from DPE in this regard is expected in due course.

SCHEDULED CASTE, SCHEDULED TRIBES AND OTHER BACKWARD CLASSES

All the manpower including CEO, CFO & Company Secretary have been deputed by the holding company to conduct day to day operations. All its projects under progress are being executed by Ministry of Railways and RITES Ltd. on behalf of the company

ORGANIZING BUSINESS MEETS, SEMINARS & CONFERENCES:

1. Successfully organized seminar on **"Capacity building program for procurement of power by Zonal Railways as Deemed Licensee"**
 - i For NR, CR, WR, SECR & IRIEN in Mumbai on 10.04.18
 - ii For NCR, WCR, DLW & CORE in Allahabad on 02.05.18
 - iii For SCR, SR, SWR & RWF in Hyderabad on 22.05.18
 - iv For NR, NER, NWR, RCF, other Railways/PUs in New Delhi on 12.06.18
2. Successfully participated in the **"2nd Global RE-INVEST India-ISA Partnership Renewable Energy Investors Meet & Expo"** organized by Ministry of New & Renewable Energy (MNRE), Govt of India in Noida from 03.10.18 to 05.10.18.



REMCL stall in 2nd Global Re-invest India - ISA Partnership Renewable Energy Investors meet and expo.

AWARDS & RECOGNITIONS:

Your company has received the Special award of Subsidiary / JVs for outstanding performance by recording highest ever operating turnover on the 45th Annual Day of RITES Ltd. The award was presented by Chairman and Managing Director of RITES Ltd. Shri Rajeev Mehrotra to Chief Executive Officer of REMCL Shri Sudhir Kumar Saxena and team on 26.04.19



Receiving special award for excellent performance under subsidiary/joint venture category of RITES Ltd. for the year 2018-19

AUDITORS

The Comptroller & Auditor General of India appointed M/s Pawan Puri & Associates, Chartered Accountants as Company's Statutory Auditors, to audit the accounts of the company for the year 2018-19. The Board would like to place on record their sincere thanks for the valuable services rendered by Statutory Auditors.

SECRETARIAL AUDITOR

The Board has appointed M/s Akhil Rohatgi & Co., Company Secretaries to conduct Secretarial Audit for the financial year 2018-19. The Secretarial Audit Report for the financial year ended March, 31, 2019 has been placed at **Annexure - VI**.

The secretarial audit report does not contained any qualification, reservation or adverse remark.

COST RECORDS AND COST AUDIT

Maintenance of cost records and requirement of cost audit as prescribed under the provisions of section 148(1) of the

Companies Act, 2013 are not applicable for the business carried out by the company.

GENERAL

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

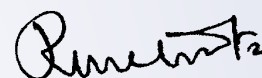
- Details relating to deposits covered under chapter V of the Companies Act.
- Issue of equity shares with differential rights as to dividend, voting or otherwise.
- Issue of shares (including sweat equity shares) to employees of the Company under any Scheme save and except ESOS referred to in this report.
- Neither the Chairman nor the Directors of the Company receive any remuneration or commission from any of its subsidiaries. – Not Applicable
- No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

The company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the year under review, there were no cases filed pursuant to the Sexual Harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013.

ACKNOWLEDGEMENTS

We record our appreciation and thanks to Ministry of Railways and RITES Ltd and other Ministries for their support to the Company, and also the employees of the respective parent companies for their efforts to take the company forward.

For and on behalf of Board of Directors



(Rajeev Mehrotra)
Chairman

Date: 25th June, 2019

Place: Gurugram

REPORT ON CORPORATE GOVERNANCE

1. Company's Philosophy on Corporate Governance

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

2. Incorporation

Railway Energy Management Company Limited was incorporated on 16th August, 2013 as a Joint Venture Company of Ministry of Railways and RITES Limited with equity participation in the ratio of Indian Railways (49%) & RITES Ltd (51%). Authorised Share Capital is ₹ 150 crore and Paid-up Share Capital is ₹ 70 crore.

3. Board of Directors

As on 31st March, 2019, the Board of Directors of the company comprises of six (6) Directors viz. 3 Nominee Directors of RITES Ltd including Chairman, Two Nominee Directors of Ministry of Railways and one Independent Non- Official Director w.e.f. 05/12/2018.

3.1 Composition of the Board of Directors

The names and categories of Directors on the Board, number of Directorships and Committee Chairmanship/Membership held by them in other companies are as under:

S No.	Directors	Category of Directors (Part Time) / Independent	No. of other Directorship*	No. of Committee Membership**	
				As Chairman	As Member
1.	Shri Rajeev Mehrotra	Chairman	1	Nil	Nil
2.	Shri Gopi Sureshkumar Varadarajan. (From 29/9/2018)	Director	1	Nil	Nil
3.	Shri Shalabh Goel	Director	Nil	Nil	Nil
4.	Shri Ajeet Kumar Srivastava (From 27/07/2018)	Director	1	Nil	Nil
5.	Shri Anil Ghai	Director	Nil	Nil	Nil
6.	Dr. Pradeep Kumawat (From 5/12/2018)	Independent Director	Nil	Nil	Nil

Notes:

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

** Does not include Chairmanship / Membership in the Board of Committees other than the Audit Committee and Shareholders'/ Grievance Committees.

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

3.2 Brief Resume of Directors who joined the Board as Whole - time / Part time/ Independent Director during the year 2018-19

Shri Ajeet Kumar Srivastava is an IRAS officer of 1998 civil services examination batch. He is post graduate in Electronics from Banaras Hindu University. He has experience of more than 19 years in field of Indian Railways finance and Accounts. He has worked in field, HQ and is presently working in Railway Board as Executive Director Finance Expenditure.

Shri Gopi Sureshkumar Varadarajan is a Graduate in Civil Engineering from NIT/Tiruchirapalli. He has served for 26 years in IRCON International Limited in various capacities and handled multiple prestigious projects related to Railways and roads infrastructure in different parts of India, Nepal and Bangladesh. Thereafter, he served in Engineering Projects India Limited for 7 years in the position of Executive Director heading Business Development at New Delhi and also as Regional Head at Chennai to conduct business affairs of the company activity for the Southern Region and Sri Lanka wherein multiple projects related water, ports, irrigation, institution, petro chemicals & defence were marketed and executed. He is an Expert in contract management, execution of long span bridges and highway engineering. During his stint in IRCON he was awarded in the year 1998 & 2007 for exemplary achievements by Hon'ble Minister of Railways.

Dr. Pradeep Kumawat is a MA English, M.Ed, MBA Education and PhD in Education. He is a Director of Alok Institution and has been parenting the institution since last 24 years. He is actively involved in many social activities as a change maker of society towards positive direction. He is leading different campaigns and projects towards the benefit of society "Save Girl Child", Environment conservation activities. He is also known for his initiative in the field of health by promoting laughter yoga to make Udaipur citizen aware to cultural heritage of the city. He even went to the extent to making movies Maharana Pratap the great warrior. Dr Pradeep is an example of multi talented and multi personality Individual's works for society have given him a high position in the Rotary Club of Udaipur. His creativity has stayed the spirits hence making him a recipient of a National award in the field of education. Dr Pradeep has even authored books which give message to the masses regarding

water conservation, environment conservation and management. He is also an active cyclist and promotes pollution free environment by cycling daily to a long distance. He is activist in environment protection and plastic free India.

3.3 Number of Board Meetings

The Board of Directors met 4 times during the year 2018-19 to review the working of the company and discuss the future business activities/ plans etc of the Company.

S No.	Directors	Board Meetings During the Year		
		Held During their tenure	Attended	Attendance at the AGM held on 10 th September, 2018
1.	Shri Rajeev Mehrotra Chairman	4	4	Present
2.	Shri Arbind Kumar Director (Up to 31/08/2018)	2	2	NA
3.	Shri Gopi Sureshkumar Varadarajan. (From 29/9/18)	2	2	NA
4.	Shri Anil Ghai Director	4	4	Present
5.	Shri Shalabh Goel	4	4	Present
6.	Ms Anju Ranjan (up to 16/7/2018)	1	1	NA
7.	Shri Ajeet Kumar Srivastava (From 27/07/18)	2	-	Present
8.	Dr. Pradeep Kumawat (From 05/12/2018)	1	1	NA

Note: - Dates of the meeting and attendance sheet of the Board of Directors meeting during the year 2018-19 is placed at **Annexure-A**

4. Remuneration of Directors

Directors, nominated on the Board of Railway Energy Management Company Limited by the respective organization i.e. Ministry of Railways and RITES Limited, do not draw any remuneration from the Company.

No sitting fee is paid to Nominee Directors of Ministry of Railways and RITES Limited for attending Board and Committee Meeting of the Company.

However, sitting fee is paid to Non-official Independent Director for attending Board and Committee meeting of the Company.

5. Code of Conduct

All Board members and senior management personnel have affirmed compliance with code of conduct for the year ended 31st March, 2019.

6. Committees of the Board of Directors

6.1 Audit Committee:

As per Section 177 of the Companies Act, 2013, an Audit Committee shall consist of minimum three directors with Independent Directors forming a majority. With the appointment of one Independent Director on the Board of the company w.e.f. 05/12/2018. The Board of Directors in their 28th meeting held on 25/01/2019 constituted the Audit Committee comprising of Dr. Pradeep Kumawat, Independent Director of the company as Chairman, Shri Gopi Sureshkumar Varadarajan, Shri Ajeet Kumar Srivastava and Shri Anil Ghai Directors of the company as Members.

The Board of Directors in their 30th meeting held on 25/06/2019 re-constituted Audit Committee comprising of i) Dr. Pradeep Kumawat, Independent Director of the company as chairman ii) Shri Gopi Suresh Kumar Varadarajan, Director of the company iii) Shri Ajeet Kumar Srivastava, Director of the company and iv) Shri Parmod Kumar Narang, Director of the company as members.

The Terms of Reference:

- Oversight of the Company's financial reporting process and the disclosures of its financial information to ensure that the financial statements are correct, sufficient and credible;
- Recommending to the Board regarding the fixation of audit fees;
- Approval of payment to statutory auditors for any other services rendered by them;
- Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to;
 - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause(c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - Changes, if any, in accounting policies and practices and reasons for the same;

- iii) Major accounting entries involving estimates based on the exercise of judgment by management;
- iv) Significant adjustments made in the financial statements arising out of audit findings;
- v) Compliance with the legal requirements relating to financial statements;
- vi) Disclosures of any related party transactions; and
- vii) Qualifications in the draft audit report.
- e) Reviewing, with the management, the quarterly 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 (public issue, right issue, preferential issues etc), the statement of funds utilized for the purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of public or right issue and making appropriate recommendations to the Board to take up steps in this matter;
- g) Reviewing, with the management, performance of internal auditors and adequacy of the internal control system;
- h) Reviewing, the adequacy of the internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the officials heading the department, reporting structure coverage and frequency of internal audit.
- i) Discussion with Internal Auditors on any significant findings and follow-up thereon.
- j) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or failure of internal control systems of a material nature and reporting the matter to the Board;
- k) Discussion with the statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any areas of concern;
- l) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- m) To review the functioning of the whistle blower mechanism, in case the same is existing;
- n) To review the follow up action on the audit observations of the C&AG audit;
- o) To review the follow up action taken on the recommendation of committee on public Undertakings ('COPU') of the Parliament;
- p) Provide an open avenue of communication between the independent auditor, internal auditor and the Board of Directors;
- q) Review of all related party transactions in the Company. For this purpose, the Audit Committee may designate a member who shall be responsible for pre-approving related party transactions;
- r) Reviewing with the independent auditor the co-ordination of audit efforts to assure completeness of coverage, reduction of redundant efforts, and the effective use of all audit resources;
- s) Consider and review the following with the independent auditor and the management;
 - a. The adequacy of the internal controls including computerized information system controls and security, and
 - b. Related findings and recommendations of the independent auditor and internal auditor, together with the management responses.
- t) Consider and review the following with the management, internal auditor and the independent auditor;
 - i) Significant findings during the year, including the status of previous audit recommendations.
 - ii) Any difficulties encountered during audit work including any restrictions on the scope of activities or access to required information.
- u) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Powers of Audit Committee:

1. To investigate any activity within its terms of reference
2. To seek information from any employee

3. To obtain outside legal or other professional advice
4. To secure attendance of outsiders with relevant expertise, if it considers necessary
5. To mitigate conflicts of interest by strengthening auditor independence

6.2 Investment Committee

Investment Committee will be constituted as and when need arises.

6.3 Risk Management Committee:

The Board of Directors in their 30th meetings held on 25/06/2019 constituted Risk Management Committee.

6.4 Nomination and Remuneration committee

The Board of Directors in their 30th meeting held on 25/06/2019 constituted Nomination and Remuneration Committee comprising of i) Dr Pradeep Kumawat, Independent Director of the company as chairman ii) Shri Shalabh Goel and iii) Shri Parmod Kumar Narang, Directors of the company as members.

6.5 Corporate Social Responsibility And Sustainability

The Board of Directors in their meeting held on 23rd July, 2018, constituted the CSR committee comprised of Shri Shalabh Goel, Director of the company as Chairman and Shri Anil Ghai, Director of the company as member as per the recent amendment of the Companies (Amendment) Act, 2017. The CSR committee met during the year 2018-19 on 20/09/2018.

With the appointment of one Independent Director on the Board of the company w.e.f. 05/12/2018. The Board of Directors in their 28th meeting held on 25/01/2019 re-constituted the CSR Committee Comprising of Shri Shalabh Goel Director of the company as chairman, Shri Anil Ghai, Director of the company and Dr. Pradeep Kumawat, Independent Director of the company as Members.

The Board of Directors in their 30th meeting held on 25/06/2019 Re-constituted CSR Committee comprising of i) Shri Shalabh Goel, Director of the company as chairman ii) Dr. Pradeep Kumawat, Independent Director of the company and iii) Shri Parmod Kumar Narang, Director of the company as members.

7. General Body Meetings

The details of the last three Annual General Meeting of the Company and Extra Ordinary General Meeting

are as under:

AGM/ EGM	Year	Date of holding Meeting	Time	Venue	Special Resolution
5 th AGM	2017-18	10/09/2018	16:00 HRS	Rail Bhawan, Railway Board, New Delhi	NIL
4 th AGM	2016-17	25/08/2017	12:00 HRS	SCOPE Minar, Laxmi Nagar, Delhi (Registered Office of the Company)	NIL
EGM	2016-17	17/03/2017	16:00 HRS	Rail Bhawan, Railway Board, New Delhi	NIL
3 rd AGM	2015-16	05/09/2016	12:00 HRS	SCOPE Minar, Laxmi Nagar, Delhi (Registered Office of the Company)	NIL

8. Disclosures

- During the year, there has been no materially significant related party transaction with the Directors, Management or their relatives that have a potential conflict with the interest of the company.
- Transactions with related parties as per requirements of IND AS 24 'Related Party Disclosures' are disclosed.
- The company has followed the IND AS in the preparation of financial Statements.
- No penalties imposed or strictures passed against the company by any statutory authorities on any matters related to any guidelines issued by the Government during the year.
- There were no instances of non-compliance by the Company.

9. Means of Communication

All important information pertaining to the Company has been mentioned in the Annual Report of the Company containing inter-alia Audited Accounts, Financial Statements, Directors' Report, Report on Corporate Governance which is being circulated to the members and others entitled thereto. All other communications shall be sent to the members through electronic mail and/or by surface Post.

10. Compliance

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

Annexure - A
**DATE OF THE MEETING AND ATTENDANCE SHEET OF BOARD OF DIRECTORS MEETING
DURING THE YEAR 2018-19**

S No.	Name of Directors	25 th BOD Meeting 3/05/2018	26 th BOD Meeting 23/07/2018	27 th BOD Meeting 26/10/2018	28 th BOD Meeting 25/01/2019	Total 4 Meetings
1.	Shri Rajeev Mehrotra Chairman	✓	✓	✓	✓	All
2.	Shri Arbind Kumar Director (Up to 31/08/2018)	✓	✓	NA	NA	2 out of 2
3.	Shri Gopi Sureshkumar Varadarajan (From 29/09/2018)	NA	NA	✓	✓	2 out of 2
4.	Shri Anil Ghai,	✓	✓	✓	✓	All
5.	Ms Anju Ranjan (Upto 16/07/2018)	✓	NA	NA	NA	1 (All)
6.	Shri Shalabh Goel	✓	✓	✓	✓	All
7.	Shri Ajeet Kumar Srivastava (From 27/07/2018)	NA	NA	•	•	
8.	Dr. Pradeep Kumawat (From 05/12/2018)	NA	NA	NA	✓	1(All)

Note:

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

Annexure - B**CERTIFICATE**

To
The Members of
RAILWAY ENERGY MANAGEMENT COMPANY LIMITED

We have examined the compliance of conditions of Corporate Governance by RAILWAY ENERGY MANAGEMENT COMPANY LIMITED for the period ended on 31st March, 2019 as stipulated in the DPE guidelines on Corporate Governance for Central Public Sector Enterprises issued by the 'Department of Public Enterprises', Ministry of Heavy Industries and Public Enterprises, Government of India.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination, carried out is in accordance with the Corporate Governance (Models of Best practices) issued by the Institute of Company Secretaries of India, was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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

In our opinion and to the best of our knowledge and information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the guidelines on corporate governance issued by the 'Department of Public Enterprises' except:

- (1) Requisite numbers of Independent Directors were not on the Board of the Company. One Independent Director was appointed on 05/12/2018. The Company has already requested to the Ministry of Railways, administrative ministry, to appoint one more Independent Director on the Board of the Company.
- (2) Audit Committee was constituted by the Board of Directors in their meeting held on 25.01.2019 with only one Independent Director as against the requirement of minimum two Independent Directors.
- (3) Nomination and Remuneration Committee was not constituted during the period under review. However, it was constituted by the Board of Directors in their meeting held on 25/06/2019.
- (4) Board of Directors in their meeting held on 25/06/2019 constituted the Risk Management Committee.
- (5) Company Secretary of the Company was appointed on 25/01/2019.

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

**For Akhil Rohatgi & Co.
Company Secretaries**



**Deepak Kumar
Partner**

**FCS No.: 10189
CP No: 11372**

**Date : 26th June, 2019
Place : New Delhi**

MANAGEMENT DISCUSSION AND ANALYSIS

The following management discussion analysis is a review of financial condition and results of operations of your company for the FY 2018-19. The MD&A is intended to understand the dynamics of the Company's business and the key factors underlying its financial results.

About the company:

The Company has been incorporated on 16th August, 2013 as a joint venture company of Indian Railways & RITES Ltd with equity participation in the ratio of Indian Railways (49%) & RITES Ltd (51%) respectively. The main objectives of the Company are:-

- Exploring the business opportunities for Green Energy, in the field of wind and solar for Indian Railways.
- Facilitating cost efficiencies in the electrical energy management for Railways through power trading with power exchanges and other modes.
- Implementation agency for the energy conservation projects owned by Indian Railways.
- Identification and implementation of energy efficient technologies in both electric traction and non traction avenues of Indian Railways
- Coordination with regulatory authorities on regulatory methods to obtain relief in electricity tariff processing.

1. OUTLOOK AND OPPORTUNITIES

Reducing operating expenditure of IR particularly on fuel consumption has been identified as one of the key area by Ministry of Railways as it constitutes a major portion of IR's expenditure.

Indian Railways has been procuring electricity as a consumer for its traction application. Despite being the largest single consumer of electricity, Indian Railways has been paying higher tariff for energy to power distribution companies. In order to reduce the electrical energy bill of IR, an alternate mode of power procurement through open access for Railway as deemed licensee has been commenced. Railway Energy Management Company Limited (REMCL) is facilitating IR in migrating from consumer to deemed licensee mode progressively across the country. REMCL is relentlessly working on multiple fronts on

the road to speed up growth of Indian Railways and to reduce its traction energy bill substantially.

Your company facilitated Indian Railways in establishing its status of Deemed licensee under third proviso to Section 14 of the Electricity Act 2003 read in conjunction with Railway Act 1989. The action has enabled Indian Railways to draw power as deemed licensee in many states. During the year 2018-19, your company facilitated Indian Railways to accrue savings in electrical energy bill of IR of about ₹ 4000 Cr on business as usual model, an increase of over 33% compared to ₹ 3000 Cr for the last financial year and has itself achieved an operating turnover of ₹ 81.48 Crore as compared to previous year operating turnover of ₹ 65.63 Crore, an increase of over 24.15%.

Besides managing electrical energy power portfolio of IR, REMCL is contributing substantially in harnessing green energy for IR for sustaining the growth and reducing the carbon footprints with further economizing the cost of power.

With this objective in view, your company has taken various initiatives to undertake and implement the projects for Indian Railways related to harnessing green energy. In FY 2018-19, new wind power projects of 10.5 MW in Tamil Nadu & 56.4 MW in Maharashtra were commissioned/ available for Southern Railways and Central Railways respectively. Your company has been successful in awarding approximately 70 MW of solar roof-top projects during the year & cumulatively 157 MW Solar Roof Top project so far for Indian Railways.

OPPORTUNITIES IN THIS REGARD ARE BEING ENUMERATED AS BELOW:-

1.1 POWER PLANNING IN INDIAN RAILWAYS:

Indian Railways is a bulk consumer of electricity and it has been paying extremely high charges for drawl of energy for its traction purposes. In order to make the Railways profitable by reducing its operating expenses, IR discovered various alternatives to draw energy at economical prices.

With this innovative approach, Railways got the status of Deemed Licensee with the assistance of REMCL

in the year 2016-17, which enables Indian Railways to directly buy energy from generators by paying applicable charges to central and state transmission system under open access.

Till date, 1640 MW power has been tied for Indian Railways, out of which 1300 MW power has commenced under open access in the states of Rajasthan, UP (ISTS), Maharashtra, Gujarat, MP, Karnataka, Jharkhand, DVC command area, Haryana, Delhi and Bihar in the FY 2018-19. An increase of over 12% has been achieved in migration from consumer to deemed licensees as compared to previous financial year. So far, 65% of average traction power requirement of IR is under open access.

Flow of 1300 MW power from various sources viz. 540 MW power from Ratnagiri Gas Power Pvt. Ltd. (RGPP), 237 MW power from Jindal India Thermal Power Ltd. (JITPL), 50 MW power from Adani Mundra Pvt Ltd. (AMPL) & 430 MW power from Bhartiya Rail Bijli Comp. Ltd. (BRBCL) is being facilitated by REMCL. During the year REMCL also facilitated operationization of 225 MW power from BRBCL plant.

1.2. HARNESSING RENEWABLE ENERGY:

Indian Railways is working to reduce its dependence on fossil fuel and mitigate the carbon emission. Railways operations are energy intensive and the provision of Electricity Act 2003 has given possibilities to explore the ways to reduce its carbon footprints. Indian Railways through REMCL has already taking some initiatives for decarbonisation of its energy envelop. Till date, the cumulative capacity of awarded solar roof-top and wind projects by REMCL are approximately 157 MW & 93 MW respectively. Status of implementation of solar power projects are as under.

Solar Power Project:

Railway Board has targeted to install about 1000 MW of solar roof top & ground mounted power plants to harness the untapped potential in roof-top spaces of Railway buildings, stations, hospitals etc. and vacant Railways land lying with different Zonal Railways over the next few years. The FY 2018-19 has witnessed upsurge in implementing following projects:

- **Solar Roof Top projects:** After successfully issuing the letter of award for 87 MW during the last financial

year, there has been limitation of availability of solar roof top spaces over IR. REMCL requested Zonal Railways to find out further spaces in the Railway building etc. After getting the additional roof top spaces, REMCL invited the bids and issued LOA's for 70 MW Solar roof top plants of which 32 MW issued in May 18 and 38 MW in Feb 19.

So far REMCL has issued LOA's of solar roof top capacity of about 157 MW till date.

- **32 MW solar roof-top project:** The LOA's for 32 MW solar roof-top project with Central Finance Assistance (CFA) was initiated in FY 2017-18 and was successfully concluded in first quarter (Q1) of FY 2018-19 by awarding LOAs with CFA to successful bidder. The lowest tariff discovered was ₹ 3.24/kWh.
- **38 MW solar roof-top project:** The tender for 80 MW solar roof-top project without CFA was floated in August, 2018. The tender was first of its kind without CFA and received a wide participation from bidders. The provision of Tariff Based Competitive Bidding (TBCB) helped in discovering the lowest tariff of ₹ 3.47/kWh without any CFA.
- **50 MW solar ground mounted project:** REMCL, in consultation with SECR, is in process of installing 50 MW solar ground mounted plant on the vacant Railway land in Bhilai, Chhattisgarh. The project is proposed to be implemented in developer mode through open competitive bidding. Your company for the first time incorporated e-tendering process along with e-reverse auction for solar projects and concluded the entire tendering process for solar projects in a more efficient and effective manner.
- **400 MW solar ground mounted project:** Indian Railways is planning to source power from upcoming solar park in Madhya Pradesh being developed by Rewa Ultra Mega Solar (RUMS) Ltd, a JV between Solar Energy Corporation of India (SECI) & Madhya Pradesh Urja Vikas Nigam Ltd. (MPUVNL). The proposed capacity of the solar park will be 1500 MW out of which 400 MW power will be supplied to Indian Railways in states of Gujarat, Maharashtra, Rajasthan, UP-ISTS, UP-STU, Haryana, Jharkhand, DVC & Bihar. The power from solar

park will be supplied under optimum scheduling method & limited to 207 MW (equivalent to 400 MW solar plant capacity). This proposed state wise distribution of solar power will help Indian Railways to meet its Solar Power Obligation (SPOs) as per MoP targets.

- **2 MW solar ground mounted project along the railway track (Delhi-Ambala section):** A pilot project of Indian Railways for constructing 2 MW solar ground mounted project is proposed along the railway track on the Delhi-Ambala section. Railway Board has nominated REMCL as a part of working group for setting up this highly innovative scheme. The scheme will produce solar energy and will feed power at 132 kV into the nearby TSS at Diwana to partially fulfil the demand of traction load. Your company in adherence to the Railway Board direction has already invited the bids for the work of this pilot project. The tender with the provision of tariff based reverse bidding for attracting competition and procuring the power at the lowest possible rates has been concluded. The success of this pilot project will help Indian Railways to harness the huge potential lying along the railway track.

Wind Power Project:

- **10.5 MW wind power project for SR:** As per approval of Railway Board, REMCL undertook the execution of 10.5 MW Wind mill plant for Southern Railway in the state of Tamil Nadu under PMC model. This was completed within a record time of 9 months despite of difficult site conditions particularly water logging at few of the wind mill sites during the monsoon period as well as ROW issues for the transportation of material to the site. The 5 nos. of wind mills were commissioned successfully on 08.01.2019, including obtaining approval of the state authorities for banking and wheeling arrangements.
- **6 MW wind power project:** The plant of 6 MW wind mill plant for Central Railway in Maharashtra for non traction regime on developer mode was successfully commissioned in January, 2019.
- **50.4 MW wind power project:** The work for procurement of 50.4 MW wind power in traction

mode for RPO compliance of Central Railway in Maharashtra was awarded through tariff based e-bidding in December, 2018. Power Purchase Agreement also got signed between Central Railway & wind power developer during FY 2018-19.

- **26 MW Wind Mill Plant:** The REMCL wind mill plant of 26 MW capacity in Rajasthan generated about 35.34 MUs of electricity during the year which has been utilised by Railways for traction purpose in the state of Rajasthan, partly meeting Renewable Purchase Obligation (RPO) requirement in Rajasthan.

1.3 TRANSMISSION LINE PROJECTS:

Focusing on a long term perspective to improve reliability of power, there is a need to have a dedicated transmission line network for Railways. The dedicated transmission network will provide reliable power at a reasonable cost. With this objective Indian Railways will develop an integrated transmission network to feed electrical energy to its TSSs for traction purpose.

Keeping in line with this objective, necessary ground work has been completed and direct connectivity with the CTU network is being established in a phased manner. The route alignment reports for establishing direct connectivity with CTU on Mughal Sarai-Howrah routes and route alignment report along with inception report for establishing direct connectivity with CTU on Mathura-Bharuch section have been finalized. Further directions of Railway Board are awaited to take these projects forward.

2. BUSINESS PERFORMANCE:

The FY 2018-19 proved to be yet another successful year filled with accomplishments and achievements for your Company. Despite stiff resistance faced by the state utilities, REMCL was able to facilitate approximately 1300 MW of power in 12 states as compared to procurement of 1160 MW of power in 10 states during last financial year.

With a vision to transform Indian Railways into "Green Railways" by reducing its carbon footprint and improving finances through reduction in cost of energy, Indian Railways has planned various initiatives through REMCL. The successful implementation of 157

MW (approx.) of solar roof top projects and 93 MW of wind projects awarded by your company will reduce the CO₂ emissions by about 3 lacs tonne per year.

Your company has helped Indian Railways to accrue an annualised savings of about ₹ 4000 Cr for the FY 2018-19 by procuring economical power through open access and implementing solar & wind projects, an increase of over 33% from previous financial year saving.

2.1 NEW DEVELOPMENT:

Pilot Project:

REMCL has concluded the tender for the pilot project of 2 MW solar ground mounted plant to be constructed along the railway track (Delhi-Ambala section). The scheme will produce energy and will feed power at 132 kV into the nearby TSS at Diwana to fulfil part demand of traction load. The success of the pilot project will help Indian Railways to harness the huge potential lying along the railway track.

Responsibility towards Energy Conservation:

Your company is in discussion with the Bureau of Energy efficiency (BEE) and Railway Board, Ministry of Railway to take-up "Study for Energy Efficiency in 6 major production units of Indian Railways through perform, achieve and trade (PAT) scheme.

FUTURE PROJECTS

REMCL is planning to explore the potential of solar-wind hybrid power plants in developer mode for fulfilment of RPO of IR. Preparation of bid document and formulation of hybrid power demand is under progress.

REGULATORY MATTERS

Your company is assisting Zonal Railways in contesting, preparation and filing of petitions at APTEL, CERC and SECRC by hiring eminent legal experts.

1. Your company is defending the deemed licensee status of IR, direction to the state for issue of NOC, non applicability of TSS and open access charges, stand by charges before APTEL.
2. Similarly issues related to Back up power supply arrangements, recovery of annual fixed cost

charges, applicable charges regarding grant of connectivity and open access for intra State T & D system, Financial burden of surplus contracted power, loss of revenue sharing and burden of unsettled orders due to open access of Railway etc are being contested before Electricity regulatory commission.

3. The matters related to discontinue the power by JITPL, approval of tariff of BRBCL, challenging the COD of BRBCL plant, invocation of force majeure clause of BRBCL power, non applicability of LTA charges for the uncommissioned unit etc are being contested before CERC.

3. OPERATIONAL PERFORMANCE:

Indian Railways with a vision to reduce its dependence on fossil fuel and cater the need of decarbonisation under the aegis of Indian Railways Solar Mission has been promoting renewable energy in its infrastructure. Your company is helping IR to achieve its solar mission. REMCL is driving IR towards its journey to become world class integrated power major in the sector. REMCL is efficiently managing the power portfolio of Indian Railways which includes traction load, renewable energy (wind and solar), transmission projects, legal & regulatory assistance to IR etc.

Some of the major highlights for the FY 2018-19 are mentioned below:

- Addition of 225 MW power as licensee totalling to power flow of about 1300 MW was successfully commenced for 12 states under open access for Indian Railways.
- For the first time your company successfully commenced power flow of 45 MW on short term basis.
- Solar roof-top projects of 70 MW (approx.) have been awarded for Indian Railways to successful bidder. With the award of above contracts, Indian Railways has become the organisation to implement such huge quantum of solar roof-top projects and hence left a benchmark for its competitors.
- In the current year the lowest tariff of ₹ 3.24/kWh and ₹ 3.47/kWh were recorded in tender floated for

the solar roof top projects with CFA and without any CFA respectively.

- Successfully commissioned 66.9 MW of wind power plants in Tamil Nadu and Maharashtra.
- Your company has initiated the pilot project of 2 MW solar ground mounted plant in Railway land along the track. The unique way of harnessing solar energy will unlock the huge potential to harness solar energy along the track.
- Overall strong & consistent performance of your company has helped in retaining the “Excellent” rating in the MoU 2017-18, “Score and Ratings of CPSEs” published on 28.12.2018.

Key Financial Ratios:-

Particulars	2018-19	2017-18
(i) Debtor Turnover(No of Days)*	62.00	46.00
(ii) Interest Coverage Ratio (Times)**	10.43	5.40
(iii) Current Ratio (Times)***	3.37	2.67
(iv) Debt Equity Ratio (Times)****	0.33	0.48
(v) Operating Profit Margin (%)	58.80	54.94
(vi) Net Profit Margin (%) (PAT / Total Revenue)	49.79	43.96
(vii) Return on Net Worth (PAT/ Avg. Net worth)	31.55	29.39

* Due to increase in turnover.

** Due to reduction in term loan on account of monthly schedule payment as well as adhoc payment.

*** The current ratio has increased due to increase in turnover which resulted increase in sundry debtors and reduction of interest cost which resulted decrease in current liabilities.

**** Debt equity ratio has decreased mainly due to reduction in term loan on account of monthly schedule repayment as well as adhoc payment.

4. STRENGTH:

REMCL is facilitating Railway in reducing its operating expenses particularly by reducing the energy cost by sourcing electrical energy at reduced tariff with steady focused efforts, the quantum of power procurement is on increase and a comprehensive Pan-India power

procurement plan has been developed by REMCL.

Since the Railways electrification in the country is a regular process and with the passage of time more electrified tracks to be fed, thus, the economical power procurement will prove to be a stronger tool in limiting the inflated energy bill. In this regard, Scheduling of power, as near to actual load, is a prerequisite for economical purpose. REMCL has set up one Control Room in Dec 2016 for forecasting & scheduling of power for Indian Railways and for this PTC India Ltd has been engaged by REMCL for managing the power portfolio management of IR & advising Zonal Railways for scheduling & forecasting.

In addition to this, further possibilities are been explored to harness ‘Renewal Energy’ i.e. wind & solar and tentative plans are being developed.

5. RISK AND CONCERNS:

- REMCL has been contesting cases on behalf of Indian Railways in APTEL/CERC/SERC on various issues related to the status of Deemed Licensee. The decision which is being awaited in aforesaid cases may have impact on business area of the company.
- REMCL has been planning and helping Indian Railways to procure renewable energy to comply with its Renewable Purchase Obligation adhering to the provisions under the Electricity Act 2003 subject to the applicability of Deemed Licensee status in all states. Some states are not accepting the recognition of the Deemed Licensee status given to Indian Railways.
- A synchronized policy of Centre and State will help in harnessing substantial solar power in the Country. However, the following items pertaining to solar energy are worth considering and which will help in harnessing more solar power by IR.
 - Banking of power may be allowed for Distribution Licensee.
 - Requirement of accurate Scheduling and Forecasting.
 - Clarity is required on implementation of projects of small magnitude.

- d) **Upfront Capital Costs:** Solar power has a unique constraint that almost all the costs for the 25 year project has to be incurred in the beginning. This is a challenge, consumers are more comfortable paying per unit tariff of solar power rather than paying the upfront capital cost. With the costs of solar panels coming down, the upfront costs for rooftop solar have indeed come down dramatically, but still it is a fairly costly affair. An alternative model that has emerged in the last few years is the PPA model or the BOOT model.
- e) **Net Metering Implementation:** Net Metering can be a crucial driver for growth of industrial and commercial rooftop solar installations. While a number of states have announced Net Metering policies and regulations (some states even offering good tariffs for power exported to the grid from rooftops), but the actual implementation of these Net Metering schemes has been very slow in some states.

- f) Company does not foresee business risk in providing consultancy for procurement of power for Indian Railways through bilateral agreement arrangement with power producers at economical terms and tariff. Further, "The power trading" will also be a permissible activity which facilitates purchase of power on further competitive tariff rates.

6. INTERNAL CONTROL SYSTEM :-

An effective control and audit systems are already in place in REMCL on the lines of the parent company i.e. RITES Ltd.

7. HUMAN RESOURCES AND INDUSTRIAL RELATIONS:-

REMCL is pursuing a very progressive and dynamic manpower policy for sourcing professionals and experts with rich experience, on deputation from Central/State Government and other PSUs apart from RITES. This expertise may be supplemented by induction of qualified and knowledgeable personnel from open market and also through campus recruitment.

ANNEXURE - III
FORM NO. AOC -2
(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

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

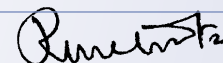
S. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	Nil
b)	Nature of contracts/arrangements/transaction	Nil
c)	Duration of the contracts/arrangements/transaction	Nil
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Nil
e)	Justification for entering into such contracts or arrangements or transactions'	Nil
f)	Date of approval by the Board	Nil
g)	Amount paid as advances, if any	Nil
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	Nil

2. Details of contracts or arrangements or transactions at Arm's length basis.

S. No.	Particulars	Details	
a)	Name (s) of the related party & nature of relationship	RITES Limited – Holding Company (51%) and Ministry of Railways (49%) shareholder of the Company	
b)	Nature of contracts/arrangements/transaction	RITES Limited - (₹ In lakh)	
		Particulars	Year Ended 31.03.2019
		- Fee for services obtained	668.57
		- Reimbursable Expense	133.13
		- Other Expense	7.85
		- Dividend Paid	463.59
		TOTAL	1273.14
		Ministry of Railways - (₹ In lakh)	
		Particulars	Year Ended 31.03.2019
		- Income from Consultancy	6183.36
		- Sale of Power Generation	1862.81
		- Other Receivable(Advances)	19.68
		- Dividend Paid	445.41
		TOTAL	8511.26

		<p>CEO, CFO & Company Secretary are the employee of holding company i.e. RITES Ltd and they have been deputed in the subsidiary company. The salary & other benefits viz. PF, pensions etc. of CEO, CFO & Company Secretary are being paid directly by RITES Ltd. (holding company) after deduction of TDS as per provisions of Income Tax Act, 1961. For rendering service to subsidiary company, fees are charged at man-month rate basis.</p> <p>CEO – Shri Sudhir Kumar Saxena</p> <p style="text-align: right;">₹ in Lakhs</p> <table><tr><th>Particulars</th><th>Year Ended 31.03.2019</th></tr><tr><td>- Man- Month Charges</td><td>78.19</td></tr><tr><td>TOTAL</td><td>78.19</td></tr></table> <p>CFO – Shri Sunil Kumar Singh</p> <p style="text-align: right;">₹ in Lakhs</p> <table><tr><th>Particulars</th><th>Year Ended 31.03.2019</th></tr><tr><td>- Man- Month Charges</td><td>37.69</td></tr><tr><td>TOTAL</td><td>37.69</td></tr></table> <p>Company Secretary – Ranjan Kumar Tiwary (w.e.f 25.01.2019)</p> <p style="text-align: right;">₹ in Lakhs</p> <table><tr><th>Particulars</th><th>Year Ended 31.03.2019</th></tr><tr><td>- Man- Month Charges</td><td>3.76</td></tr><tr><td>TOTAL</td><td>3.76</td></tr></table>	Particulars	Year Ended 31.03.2019	- Man- Month Charges	78.19	TOTAL	78.19	Particulars	Year Ended 31.03.2019	- Man- Month Charges	37.69	TOTAL	37.69	Particulars	Year Ended 31.03.2019	- Man- Month Charges	3.76	TOTAL	3.76
Particulars	Year Ended 31.03.2019																			
- Man- Month Charges	78.19																			
TOTAL	78.19																			
Particulars	Year Ended 31.03.2019																			
- Man- Month Charges	37.69																			
TOTAL	37.69																			
Particulars	Year Ended 31.03.2019																			
- Man- Month Charges	3.76																			
TOTAL	3.76																			
c)	Duration of the contracts/ arrangements/transaction.	<p>RITES LTD. – Services of experts from holding company may be obtained as and when required.</p> <p>Ministry of Railways</p> <p>i. Services for Economic Power Procurement at professional charges of 07 paisa per unit</p> <ul style="list-style-type: none">a) North Central Railway (Adani Project) – 01.12.2015 to 31.03.2019b) West Central Railway (RGPPL) – 22.01.2016 to 31.03.2022c) Central Railway (RGPPL) – 26.11.2015 to 31.03.2022d) Western Railway (RGPPL) – 09.01.2016 to 31.03.2022e) South Eastern Railway (RGPPL) - 17.01.2016 to 31.03.2022f) South Western Railway – RGPPL- 25.10.2017 to 31.03.2022g) West Central Railway , MP (JITPL) – 12.07.2016 to 31.03.2020h) West Central Railway , Rajasthan (JITPL) – 10.01.2014 to 28.02.2020i) Northern Railway, Delhi, (JITPL) – 10.11.2017 to 31.03.2021j) Northern Railway, Haryana (JITPL) – 08.06.2017 to 30.09.2020k) BRBCL for 25 years starting from 02nd August , 2017 <p>ii. Sale of Renewal Power Generation from 26 MW Wind Mill plant situated at Jaisalmer, Rajasthan.</p> <p>West Central Railway – 25 years PPA w.e.f. 16.10.2015</p>																		

d)	Salient terms of the contracts or arrangements or transaction including the value, if any	<p>MITES LTD. – Experts of holding Company will render technical services to company. Holding Company will charge for their experts on the same basis as being charged to other clients. Fees will depend upon the quantum of expert's services utilized by the company.</p> <p>Transaction Value for fees for services obtained – ₹ 668.57 Lakhs (excluding applicable taxes).</p> <p>Ministry of Railways –</p> <p><i>Services for Economic Power Procurement at professional charges of 07 paisa per unit</i></p> <p>Professional charges of 07 paisa per Kwh (unit) of energy purchased for Zonal Railways through Bi-lateral arrangements, Allocation through MoP and Open Competitive Bidding route against services for effective commencement and operationalization of economic power procurement by holding company experts.</p> <p>Total Value of transaction Value – ₹ 6183.36 lakhs</p> <p><i>Sale of Renewal Power Generation from 26 MW Wind Mill plant situated at Jaisalmer, Rajasthan</i></p> <p>Energy produced from captive wind mill plant is being billed on the basis of levelised tariff derived on the basis of PPA entered into with respective zonal railway.</p> <p>Total value of transaction Value – ₹ 1862.81 Lakhs</p>
e)	Date of approval by the Board	Fees for service obtained- 28th BOD meeting held on 25th January, 2019 and 30th BOD meeting held on 25th June 2019
f)	Amount paid as advances, if any	Nil



Date : 25th June, 2019
Place : Gurugram

(Rajeev Mehrotra)
Chairman

ANNEXURE - IV

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN

As on financial year ended on 31st March, 2019

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

I. REGISTRATION & OTHER DETAILS:

1.	CIN	U93000DL2013GOI256661
2.	Registration Date	16 th August, 2013
3.	Name of the Company	Railway Energy Management Company Limited
4.	Category/Sub-category of the Company	Company limited by shares
5.	Address of the Registered office & contact details	Core -1, 12 th Floor, SCOPE Minar, Laxmi Nagar, Delhi-110092, INDIA 011-22024610
6.	Whether listed company Yes/No	NO
7.	Name, Address & contact details of the Registrar & Transfer Agent,	NA

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

S. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1.	Economic Power Procurement for Railways	--	77.14
2.	Power Generation	--	22.86

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES-

S No.	Name And Address Of The Company	CIN/GLN	Holding Subsidiary/ Associate	% Of Shares Held	Applicable Section
1.	MITES Ltd, SCOPE Minar, Laxmi Nagar	L74899DL1974GOI007227	Holding	51%	2(87) of the Companies Act,2013
2.	Ministry of Railways, Rail Bhawan, Delhi	--	--	49%	

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**i) Category-wise Share Holding**

Category of Shareholders		No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	Promoters									
(1)	Indian									
	a) Individual/ HUF									
	b) Central Govt		3,43,00,000		49%		3,43,00,000		49%	
	c) State Govt(s)									
	d) Bodies Corp.		3,57,00,000		51%		3,57,00,000		51%	
	e) Banks / FI									
	f) Any other									
	Sub-total (A)(1):-		7,00,00,000		100%		7,00,00,000		100%	

Category of Shareholders		No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	Promoters									
(2)	Foreign									
	a) NRIs-Individual									
	b) Other individuals									
	c) Bodies Corp.									
	d) Banks / FI									
	f) Any other									
	Sub-total (A)(2):-									
B.	Public Shareholding									
1.	Institutions									
	a) Mutual Funds									
	b) Banks / FI									
	c) Central Govt									
	d) State Govt(s)									
	e) Venture Capital Funds									
	f) Insurance Companies									
	g) FIs									
	h) Foreign Venture Capital Funds									
	i) Others (specify)									
	Sub-total (B)(1):-									
2.	Non-Institutions									
	a) Bodies Corp.									
	i) Indian									
	ii) Overseas									
	b) Individuals									
	i) Individual shareholders holding nominal share capital upto ₹ 1 lakh									
	ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh									
	c) Others (specify)									
	Sub-total (B)(2):-									
	Total Public Shareholding (B)=(B)(1)+ (B)(2)									
	C. Shares held by Custodian for GDRs & ADRs									
	Grand Total (A+B+C)		7,00,00,000				7,00,00,000			

ii) Shareholding of Promoters-

S No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	BITES Ltd	3,56,99,979	51%		3,56,99,979	51%		
2	Ministry of Railways	3,42,99,986	49%		3,42,99,986	49%		
3	Shri Arbind Kumar	7			Shares have been transferred to Shri Gopi Suresh Kumar Varadarajan on 29.09.2018			
4.	Shri Gopi Suresh Kumar Varadarajan	-			7			
5.	Shri Anil Ghai	7			7			
6.	Shri A.K.Mahtha	7			7			
7.	Shri T.N.Kakaji	7			Shares have been transferred to Shri B.S.Bodh on 20.08.2018			
8.	Shri B.S.Bodh	-			7			
9.	Ms Anju Ranjan	7			Shares have been transferred to Shri Ajeet Kumar Srivastava on 13.08.2018			
10.	Shri Ajeet Kumar Srivastava	-			7			
	Total	7,00,00,000			7,00,00,000			

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

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	7,00,00,000	100	7,00,00,000	100
2	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):	-		-	
3	At the end of the year	7,00,00,000	100	7,00,00,000	100

iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):
NIL

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

v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name	Shareholding at the beginning of the year		Date of transfer of shares	Increase/ (Decrease) in shareholding	Reason	Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company				No. of shares	% of total shares of the company
	At the beginning of the year							
1.	Shri Arbind Kumar Director	7		-	(7)		-	
2.	Shri Gopi Sureshkumar Varadarajan	-		29/09/2018	7		7	
3.	Shri Anil Ghai Director	7		-	-		7	
4.	Ms Anju Ranjan Director	7		-	(7)		-	
5.	Shri Ajeet Kumar Srivastava	-		13/08/2018	7		7	
	At the end of the year							

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

(₹ in lakh)

		Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year					
i)	Principal Amount	5531.75	--	--	5531.75
ii)	Interest due but not paid	55.76	--	--	55.76
iii)	Interest accrued but not due	--	--	--	--
Total (i+ii+iii)		5587.51			5587.51
Change in Indebtedness during the financial year					
* Addition		--	--	--	--
* Reduction		791.47	--	--	791.47
Net Change		791.47			791.47
Indebtedness at the end of the financial year					
i)	Principal Amount	4759.69	--	--	4759.69
ii)	Interest due but not paid	36.35	--	--	36.35
iii)	Interest accrued but not due	--	--	--	--
Total (i+ii+iii)		4796.04			4796.04

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

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961					
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961					
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961					
2	Stock Option					
3	Sweat Equity					
4	Commission - as % of profit - others, specify...					
5	Others, please specify					
	Total (A)					
	Ceiling as per the Act					

B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of Director	Total Amount (₹)
1	Independent Directors	Dr. Pradeep Kumawat(from 25/12/2018)	
	Fee for attending board committee meetings	10,000	10,000
	Commission	-	-
	Others, please specify	-	-
	Total (1)	10,000	10,000
2	Other Non-Executive Directors	NA	NA
	Fee for attending board committee meetings	-	-
	Commission	-	-
	Others, please specify	-	-
	Total (2)	-	-
	Total (B)=(1+2)	10,000	10,000
	Total Managerial Remuneration	-	-
	Overall Ceiling as per the Act	-	-

C. Remuneration to key Managerial Personnel other than MD/Manager/WTD:

SN	Particulars of Remuneration	Key Managerial Personnel			
		Shri Sudhir Kumar Saxena Chief Executive Officer	Shri Sunil Kumar Singh Chief Finance Officer	Shri Ranjan Kumar Tiwary Company Secretary (from 25/01/2019)	Total (₹ in Lakhs)
1	Gross salary				
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	78.19	37.69	3.76	119.64
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	Others specify...	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	78.19	37.69	3.76	119.64

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

Date : 25th June, 2019
Place : Gurugram


(Rajeev Mehrotra)
Chairman

ANNEXURE V
CORPORATE SOCIAL RESPONSIBILITIES (CSR) PROJECTS FOR FY 2018-19

- 1 Average net profit of the company of the last three financial years - (Refer Annexure-1)
- 2 Prescribed net Expenditure (two percent of the amount as is item 1 above-(Refer Annexure-1)
- 3 **Detail of CSR expenditure for the current financial Year-** Budgeted amount for expenditure towards CSR activities were ₹ 48.55 Lakh for current financial year. However, company has incurred ₹ 54.94 Laksh towards CSR activities including ₹ 6.39 Lakh carry forwarded unspent amount of FY 2017-18.
- 4 **Amount Unspent-** The entire budgeted amount for current year and unspent carry forwarded amount of FY 2017-18 has been spent towards CSR activities during the current year.
- 5 **Manner in which the amount spent during the financial year is detailed below**

S. No	CSR Projects identified	Sector	State and district of Project coverage	Project wise outlay	Amount spent	Cumulative Exp	Direct or through agency
a.	Rural Development Project of various villages in Baliya District, UP	Rural Development	Baliya, UP	30	12	12	Agency
b.	Promotion of non conventional resources of energy over Northern Railways	Conservation of natural resources	Delhi division of Northern Railway	38.5	38.5	38.5	Agency
c.	Contribution to Clean Ganga Fund	Contribution to Clean Ganga Fund	PAN India	4.44	4.44	4.44	Govt. of India

Annexure-1

Average Net Profit of the company of the last three financial years						
₹ in Lakhs						
S. No	Particulars	2018-19	2017-18	2016-17	2015-16	2014-15
1	Profit Before Tax /(Loss)	4946.22	3925.93	2867.24	469.78	32.09
2	CSR Expense charged to P&L	54.94	16.07	0	0	0
3	Profit before CSR Exps (A)	5001.16	3942	2867.24	469.78	32.09
4	Total Profit of last three Years (B)	11810.4	7279.02	3369.11	501.87	-1.74
5	Average Profit of last three year profit -(C)-(B/3)	3936.8	2426.34	1123.04	167.29	-0.58
6	2% of C	78.74	48.53	22.46	3.35	-0.01
7	Round Off Figures	78.80	48.55	22.46	3.15	0.00
8	FOR	2019-20	2018-19	2017-18	N.A*	N.A*

* Upto financial year 2016-17, Company was not falling under any of the threshold limit prescribed under section 135 (1) of the Company's Act 2013, therefore provision of CSR were not applicable.

Date : 25th June, 2019
Place : Gurugram


(Rajeev Mehrotra)
Chairman

ANNEXURE - VI

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st March 2019
[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
 The Members,
 Railway Energy Management Company Limited
 Scope Minar, Laxmi Nagar
 Delhi-110092

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Railway Energy Management Company Limited for the financial year ended on 31st March, 2019 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Foreign Exchange Management Act, 1999 and the rules and regulations made there under are not applicable.
- (iii) The Securities Contracts (Regulations) Act, 1999 and the rules made thereunder are not applicable as the shares of Company are not listed with any of the Stock Exchanges
- (iv) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder are not applicable as the shares of Company are not registered with any of the depository mentioned under the said Act.
- (v) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') are not applicable as the shares of Company are not listed with any of the Stock Exchanges.
- (vi) Other applicable Laws, rules and Guidelines as mentioned here-in-below:
 - a. DPE guidelines on Corporate Governance for Central Public Sector Enterprises issued by the 'Department of Public Enterprises', Ministry of Heavy Industries and Public Enterprises, Government of India.
 - b. Right to Information Act 2005
 - c. Micro, Small & Medium Enterprises Development (MSMED) Act, 2006
 - d. Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
 - e. Labour Laws as applicable

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by the Institute of Company Secretaries of India.

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

- (1) Requisite numbers of Independent Directors were not on the Board of the Company. One Independent Director was appointed on 05/12/2018. The Company has already requested to the Ministry of Railways, administrative ministry, to appoint one more Independent Director on the Board of the Company.
- (2) Audit Committee was constituted by the Board of Directors in their meeting held on 25.01.2019 with only one Independent Director as against the requirement of minimum two Independent Directors.
- (3) Nomination and Remuneration Committee was not constituted during the period under review. However, it was constituted by the Board of Directors in their meeting held on 25/06/2019.

(4) Board of Directors in their meeting held on 25/06/2019 constituted the Risk Management Committee.

(5) Company Secretary of the Company was appointed on 25/01/2019.

We further report that there was no Executive Director on the Board of the Company. Further, The Board is not constituted with requisite number of Independent Directors. The changes in the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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

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

For Akhil Rohatgi & Co.
Company Secretaries


Deepak Kumar
Partner

FCS No.: 10189
CP No: 11372

Date : 26th June, 2019

Place : New Delhi

To,
The Members,
Railway Energy Management Company Limited
SCOPE Minar, Laxmi Nagar
Delhi-110092

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

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

For Akhil Rohatgi & Co.
Company Secretaries


Deepak Kumar
Partner

FCS No.: 10189
CP No: 11372

Date : 26th June, 2019

Place : New Delhi

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RAILWAY ENERGY MANAGEMENT COMPANY LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **Railway Energy Management Company Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2019, the statement of Profit and Loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2019, and its profit, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibility of Management for Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with relevant rules issued there under.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the **Annexure '1'** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. In terms of section 143(5) of the Companies Act, 2013, we give in the **Annexure '2'** a statement on the directions issued under the aforesaid section by the Comptroller and Auditor General of India.
3. As required by Section 143 (3) of the Act, we report that:

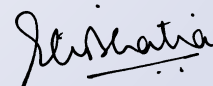
We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

- (a) In our opinion, proper books of account as required by law have been kept by the Company

so far as it appears from our examination of those books;

- (b) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), changes in equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of accounts;
- (c) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014;
- (d) In view of exemption given vide notification no G.S.R. 463 (E) dated 5th June, 2015, issued by Ministry of Corporate Affairs, provisions of section 164 (2) of the Act regarding disqualification of Directors, are not applicable to the Company;
- (e) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure 3**"; and
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigation as at 31st March, 2019 on its financial position in its standalone financial statements, Refer note No 2.28.2 of the notes to accounts of standalone financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - iii. There was no amounts were required to be transferred to the Investor Education and Protection Fund by the Company.

For Pawan Puri & Associates
CHARTERED ACCOUNTANTS
Firm Registration. No. 005950N



(ETI BHATIA)

Partner

M. No. 511542

Date : 29th April, 2019

Place : New Delhi

ANNEXURE - 1 TO THE INDEPENDENT AUDITORS REPORT**Re.: RAILWAY ENERGY MANAGEMENT COMPANY LIMITED**

The Annexure '1' Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the standalone financial statements of the Company for the year ended March 31, 2019:

1. a) The Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
- b) The fixed assets of the Company have been physically verified by the management during the year and no discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and nature of its assets.
- c) The title deeds of sub - lease hold land and Building is in the name of the Company.
2. The nature of business of the Company does not require it to have any inventory. Accordingly, reporting under clause (ii) of paragraph 3 of the Order is not applicable to the Company.
3. According to information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Hence, reporting under clause (a) to (c) of paragraph 3(iii) of the Order is not applicable to the Company.
4. The Company has not granted any loans, guarantee or provide security to Directors or any other person in whom Director is interested covered under provisions of section 185 and 186 of the Companies Act 2013. Therefore the paragraph 3(iv) of the order is not applicable to the company.
5. In our opinion and according to information and explanations given to us, the Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable. Therefore the paragraph 3(v) of the order is not applicable to the company.
6. The Central Government has not prescribed the maintenance of cost records under Section 148 (1) of the Companies Act, 2013 for the Company. Thus reporting under clause (vi) of paragraph 3 of the Order is not applicable to the Company.
7. a) According to information and explanations given to us, the Company is regular in depositing undisputed statutory dues with appropriate authorities including Income Tax, Service Tax, Value Added Tax, Goods & Service Tax (GST) and other statutory dues with the appropriate authorities applicable to the Company.
- b) According to information and explanations given to us, there are no disputed dues of Income Tax, Service Tax, Value added Tax, Goods & Service Tax (GST) and other statutory dues which have not been deposited.
8. According to the records of the company examined by us and as per the information and explanations given to us, the company has not defaulted in repayment of dues of term loan availed from Indian bank.
9. According to the records of the company examined by us and as per the information and explanations given to us, term loans taken from Indian bank for setting up Wind Mill plant at Jaisalmer has been applied for the purpose for which it has been sanctioned by bank. Apart from this, the company has not raised any money by way of public issue/follow on offer (including debt document).
10. According to the information and explanations given to us, no fraud by the Company or any fraud on the company by its officers/employees has been noticed or reported during the course of our audit.
11. In view of exemption given vide notification no G.S.R. 463 (E) dated 5th June, 2015, issued by Ministry of Corporate Affairs, provisions of section 197 read with Schedule V of the Act regarding managerial remuneration are not applicable to the Company.
12. The Company is not a Nidhi Company. Hence, reporting under clause (xii) of paragraph 3 of the Order is not applicable to the Company.
13. All transactions with the related parties are in compliance with sections 188 and 177 of Companies Act, 2013 and the details have been disclosed in the Financial Statements under note 2.26 of Notes to Accounts of financial statements as required by the applicable accounting standards and Companies Act, 2013.
14. According to the information and explanation given to us and based on our examination of the records, Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Therefore, clause (xiv)

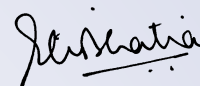
of paragraph 3 of the Order is not applicable to the Company.

15. Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Therefore, clause (xv) of paragraph 3 of the Order is not applicable to the Company.

16. According to the information and explanations given to us and in our opinion the company is not required to be registered under section 45-IA of the Reserve Bank

of India Act, 1934. Therefore, clause (xvi) of paragraph 3 of the Order is not applicable to the Company.

For Pawan Puri & Associates
CHARTERED ACCOUNTANTS
Firm Registration. No. 005950N



(ETI BHATIA)

Partner

M. No. 511542

Date : 29th April, 2019

Place : New Delhi

ANNEXURE - 2 TO THE INDEPENDENT AUDITORS REPORT

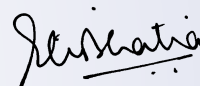
Re.: RAILWAY ENERGY MANAGEMENT COMPANY LIMITED

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

- The Company is using Tally ERP-9 software to process all its accounting transactions. There is no accounting transaction which is processed outside Tally ERP-9 software.
- There are no cases of restructuring of existing loan, waiver/write off of debts, loans/ interest etc. during the year.

- During the year, Company has not received any fund for specific scheme from Central/State agencies.

For Pawan Puri & Associates
CHARTERED ACCOUNTANTS
Firm Registration. No. 005950N



(ETI BHATIA)

Partner

M. No. 511542

Date : 29th April, 2019

Place : New Delhi

ANNEXURE - 3 TO THE INDEPENDENT AUDITORS REPORT

Re.: RAILWAY ENERGY MANAGEMENT COMPANY LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Railway Energy Management Company Limited** ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting

issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the

Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted

accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

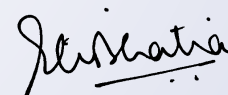
Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

According to the information and explanation given to us, in our opinion, the Company has, in all material aspects, an adequate internal financial control system over financial reporting and such internal financial controls were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Pawan Puri & Associates
CHARTERED ACCOUNTANTS
Firm Registration. No. 005950N



(ETI BHATIA)
Partner
M. No. 511542

Date : 29th April, 2019
Place : New Delhi

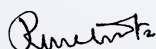
BALANCE SHEET AS AT 31ST MARCH, 2019

PARTICULARS	NOTE NO.	(₹ in Lakhs)	
		AS AT 31.03.2019	AS AT 31.03.2018
ASSETS			
NON CURRENT ASSETS			
PROPERTY, PLANT AND EQUIPMENT	2.01	13,828.39	13,825.34
INTANGIBLE ASSETS	2.02	0.38	0.77
FINANCIAL ASSETS			
OTHER FINANCIAL ASSETS	2.03	1.23	203.23
OTHER NON CURRENT ASSETS	2.04	401.96	330.28
		<u>14,231.96</u>	<u>14,359.62</u>
CURRENT ASSETS			
FINANCIAL ASSETS			
TRADE RECEIVABLES	2.05	1,579.66	924.55
CASH AND CASH EQUIVALENTS- OWNED FUND	2.06.1	1,195.74	149.36
CASH AND CASH EQUIVALENTS- CLIENT FUND	2.07.1	0.16	49.15
OTHER BANK BALANCES- OWNED FUND	2.06.2	1,674.70	2,267.74
OTHER BANK BALANCES- CLIENT FUND	2.07.2	1,335.73	-
OTHER FINANCIAL ASSETS	2.08	703.37	600.17
OTHER CURRENT ASSETS	2.09	48.77	37.76
		<u>6,538.13</u>	<u>4,028.73</u>
TOTAL ASSETS		<u>20,770.09</u>	<u>18,388.35</u>
EQUITY AND LIABILITIES			
EQUITY			
EQUITY SHARE CAPITAL	2.10	7,000.00	7,000.00
OTHER EQUITY	2.11	7,622.66	4,584.45
		<u>14,622.66</u>	<u>11,584.45</u>
LIABILITIES			
NON CURRENT LIABILITIES			
FINANCIAL LIABILITIES			
BORROWING	2.12	3,993.23	4,765.29
DEFERRED TAX LIABILITIES (NET)	2.13	213.64	529.97
		<u>4,206.87</u>	<u>5,295.26</u>
CURRENT LIABILITIES			
FINANCIAL LIABILITIES			
TRADE PAYABLES		-	-
-TOTAL OUTSTANDING DUES OF MICRO ENTERPRISE AND SMALL ENTERPRISES		-	-
-TOTAL OUTSTANDING DUES OTHER THAN MICRO ENTERPRISE AND SMALL ENTERPRISES	2.14	106.45	103.99
OTHER FINANCIAL LIABILITIES	2.15	1,770.62	1,196.08
OTHER CURRENT LIABILITIES	2.16	63.49	207.83
CURRENT TAX LIABILITIES(NET)	2.17	-	0.74
		<u>1,940.56</u>	<u>1,508.64</u>
TOTAL EQUITY AND LIABILITIES		<u>20,770.09</u>	<u>18,388.35</u>
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS FORM AN INTEGRAL PART OF STANDALONE FINANCIAL STATEMENTS	1&2		

For and on behalf of the Board



SUNIL KUMAR SINGH
Chief Finance Officer
M.No.: ACA 500175



RAJEEV MEHROTRA
Chairman
DIN: 01583143



ANIL GHAI
Director
DIN: 07669940



RANJAN KUMAR TIWARY
Company Secretary
M.No.: ACS 28116

As per our report of even date attached

For Pawan Puri & Associates
Chartered Accountants
FRN: 005950N




(ETI BHATIA)
Partner
M.No : 511542

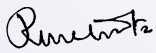
Date : 29th April, 2019
Place : New Delhi

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2019

(₹ in Lakhs)			
PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2019	YEAR ENDED 31.03.2018
REVENUE			
REVENUE FROM OPERATIONS	2.18	8,148.33	6,562.88
OTHER INCOME	2.19	154.97	316.67
TOTAL REVENUE		8,303.30	6,879.55
EXPENDITURE			
FEE FOR SERVICE OBTAINED	2.20	894.88	753.16
SALARY REIMBURSEMENT	2.26.2.1	119.64	101.73
FINANCE COSTS	2.21	438.37	749.90
WIND MILL EXPENSE	2.22 & 2.38	680.00	558.83
DEPRECIATION & AMORTISATION EXPENSES	2.01 & 2.02	620.87	614.73
OTHER EXPENSES	2.23	603.32	178.72
TOTAL EXPENDITURE		3,357.08	2,957.07
PROFIT BEFORE TAX		4,946.22	3,922.48
TAX EXPENSES			
- CURRENT TAX- (MAT)	2.24	(1,128.50)	(837.87)
- DEFERRED TAX (NET)		(812.16)	(897.95)
- LESS: MAT CREDIT ENTITLEMENT		1,128.50	837.87
PROFIT AFTER TAX		4,134.06	3,024.53
OTHER COMPREHENSIVE INCOME		-	-
TOTAL OTHER COMPREHENSIVE INCOME (NET OF TAX)		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		4,134.06	3,024.53
EARNING PER SHARE (EQUITY SHARE OF ₹ 10/- EACH) - BASIC & DILUTED	2.27	₹ 5.91	4.32
WEIGHTED AVERAGE NUMBER OF EQUITY SHARES USED IN COMPUTING EARNING PER SHARE		7,00,00,000.00	7,00,00,000.00

For and on behalf of the Board


SUNIL KUMAR SINGH
Chief Finance Officer
M.No.: ACA 500175

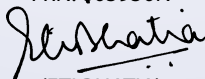

RAJEEV MEHROTRA
Chairman
DIN: 01583143


ANIL GHAI
Director
DIN: 07669940


RANJAN KUMAR TIWARY
Company Secretary
M.No.: ACS 28116

As per our report of even date attached

For Pawan Puri & Associates
Chartered Accountants
FRN: 005950N


(ETI BHATIA)
Partner
M.No.: 511542

Date : 29th April, 2019
Place : New Delhi

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2019

A. EQUITY SHARE CAPITAL - (REFER NOTE NO 2.10)

(₹ in Lakhs)		
BALANCE AS AT 01.04.2018	CHANGES IN EQUITY SHARE CAPITAL DURING THE PERIOD	BALANCE AS AT 31.03.2019
7,000.00	0.00	7000.00

(₹ in Lakhs)		
BALANCE AS AT 01.04.2017	CHANGES IN EQUITY SHARE CAPITAL DURING THE PERIOD	BALANCE AS AT 31.03.2018
7,000.00	0.00	7000.00

B. OTHER EQUITY- (REFER NOTE NO 2.11)

(₹ in Lakhs)				
PARTICULARS	RESERVE AND SURPLUS		OTHER COMPREHENSIVE INCOME	TOTAL
	GENERAL RESERVE*	RETAINED EARNINGS		
RESTATED BALANCE AS AT 01.04.2018	4,584.45	-	-	4,584.45
PROFIT FOR THE PERIOD	-	4,134.06	-	4,134.06
FINAL DIVIDEND FOR F.Y (2017-18)	-	(909.00)	-	(909.00)
CORPORATE DIVIDEND TAX	-	(186.85)	-	(186.85)
TRANSFER TO GENERAL RESERVE FROM RETAINED EARNINGS	3,038.21	(3,038.21)	-	-
BALANCE AT 31.03.2019	7,622.66	-	-	7,622.66
FINAL DIVIDEND PER SHARE FOR FY 2017-18 (₹)	1.298		NO OF SHARE USED IN COMPUTING DIVIDEND PER SHARE	7,00,00,000

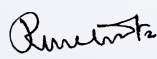
(₹ in Lakhs)				
PARTICULARS	RESERVE AND SURPLUS		OTHER COMPREHENSIVE INCOME	TOTAL
	GENERAL RESERVE*	RETAINED EARNINGS		
BALANCE AS AT 01.04.2017	1,999.39	-	-	1,999.39
ADJUSTMENT FOR PRIOR PERIOD ITEMS	3.45	-	-	3.45
RESTATED BALANCE AT 01.04.2017	2,002.84	-	-	2,002.84
PROFIT FOR THE YEAR	-	3,024.53	-	3,024.53
FINAL DIVIDEND	-	(368.00)	-	(368.00)
CORPORATE DIVIDEND TAX	-	(74.92)	-	(74.92)
TRANSFER TO GENERAL RESERVE FROM RETAINED EARNINGS	2,581.61	(2,581.61)	-	-
BALANCE AT 31.03.2018	4,584.45	-	-	4,584.45

* GENERAL RESERVES CAN BE UTILISED FOR GENERAL PURPOSE OF BUSINESS INCLUDING DISTRIBUTION OF DIVIDEND TO SHAREHOLDERS.

For and on behalf of the Board



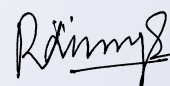
SUNIL KUMAR SINGH
Chief Finance Officer
M.No.: ACA 500175



RAJEEV MEHROTRA
Chairman
DIN: 01583143



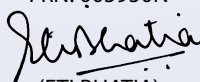
ANIL GHAI
Director
DIN: 07669940



RANJAN KUMAR TIWARY
Company Secretary
M.No.: ACS 28116

As per our report of even date attached

For Pawan Puri & Associates
Chartered Accountants
FRN: 005950N



(ETI BHATIA)
Partner
M.No: 511542

Date : 29th April, 2019
Place : New Delhi

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2019

(₹ in Lakhs)

PARTICULARS	YEAR ENDED 31.03.2019	YEAR ENDED 31.03.2018
CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT BEFORE TAX	4,946.22	3,922.48
ADJUSTMENTS FOR:		
- DEPRECIATION AND AMORTIZATION	620.87	614.73
- INTEREST FROM FDs/OTHERS	(152.90)	(249.28)
- FINANCE COST	438.37	749.90
- PROVISION AND IMPAIRMENT EXPENSES	290.24	-
OPERATING PROFIT BEFORE CHANGES IN ASSETS AND LIABILITIES	6,142.80	5,037.83
CHANGE IN ASSETS AND LIABILITIES:		
ADJUSTMENTS FOR (INCREASE)/DECREASE IN OPERATING ASSETS:		
- TRADE RECEIVABLES	(945.35)	(221.45)
- OTHER FINANCIAL ASSETS AND OTHER CURRENT ASSETS	(129.17)	(713.97)
ADJUSTMENTS FOR INCREASE/(DECREASE) IN OPERATING LIABILITIES:		
- TRADE PAYABLES	2.46	86.14
- STATUTORY DUES	(73.15)	25.21
- OTHER FINANCIAL LIABILITIES, OTHER CURRENT LIABILITIES AND PROVISIONS	(205.31)	(496.81)
CASH GENERATED FROM OPERATIONS	4,792.28	3,716.95
- INCOME TAX PAID	(1,202.13)	(837.13)
NET CASH FROM OPERATING ACTIVITIES	3,590.15	2,879.82
CASH FLOWS FROM INVESTING ACTIVITIES		
- PURCHASE/CONSTRUCTION OF FIXED ASSETS	(623.53)	(6.36)
- DEPOSITS NOT CONSIDERED AS CASH AND CASH EQUIVALENTS	209.26	(39.48)
- INTEREST ACCRUED NOT CONSIDERED AS CASH AND CASH EQUIVALENTS	(0.09)	13.84
- ADVANCES TO RELATED PARTY	19.69	(40.29)
- INTEREST INCOME	152.90	249.28
NET CASH FROM INVESTING ACTIVITIES	(241.77)	176.99
CASH FLOW FROM FINANCING ACTIVITIES		
- REPAYMENT OF TERM LOAN	(772.06)	(2,811.10)
- INTEREST ACCRUED AND DUE ON BORROWINGS	(19.41)	(32.41)
- FINANCE COST	(438.37)	(749.90)
- DIVIDEND PAID	(909.00)	(368.00)
- DIVIDEND TAX PAID	(186.85)	(74.92)
NET CASH FROM FINANCING ACTIVITIES	(2,325.69)	(4,036.33)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	1,022.69	(979.52)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	149.36	1,128.88
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	1,172.05	149.36

RECONCILIATION OF CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2019	YEAR ENDED 31.03.2018
CASH AND CASH EQUIVALENTS- OWNED FUND	2.06.1	1,195.74	149.36
ADD : INTEREST ACCRUED ON BANK DEPOSITS HAVING MATURITY WITHIN 3 MONTHS FROM ACQUISITIONS' DATE	2.08	0.22	-
LESS: BOOK OVERDRAFT	2.15	(23.91)	-
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		1,172.05	149.36

RECONCILIATION OF FINANCIAL LIABILITIES

LONG TERM BORROWING AT THE BEGINNING OF YEAR	2.12	5,531.75	8,342.85
- CASH FLOWS (REPAYMENT)		(772.06)	(2,811.10)
- NON CASH CHANGES		-	-
CLOSING LONG TERM BORROWING		4,759.69	5,531.75

SUPPLEMENTARY INFORMATION:

RESTRICTED CASH BALANCE (REFER NOTE 2.06.2 & 2.06.3)	10.40	1.00
COMPONENTS OF CASH AND CASH EQUIVALENTS (REFER NOTE 2.06.1)	1,195.74	149.36

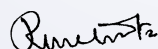
NOTE:

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.
2. THE ABOVE STATEMENT OF CASH FLOWS HAVE BEEN PREPARED UNDER INDIRECT METHOD AS SET OUT IN IND AS 7 STATEMENT OF CASH FLOWS NOTIFIED U/S 133 OF THE COMPANIES ACT,2013) ("ACT") READ WITH RULE 4 OF THE COMPANIES ACT (INDIAN ACCOUNTING STANDARDS) RULES 2015 AND THE RELEVANT PROVISIONS OF THE ACT.
3. FIGURES IN BRACKET INDICATE CASH OUTFLOW.

For and on behalf of the Board



SUNIL KUMAR SINGH
Chief Finance Officer
M.No.: ACA 500175



RAJEEV MEHROTRA
Chairman
DIN: 01583143



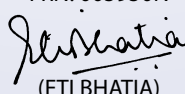
ANIL GHAI
Director
DIN: 07669940



RANJAN KUMAR TIWARY
Company Secretary
M.No.: ACS 28116

As per our report of even date attached

For Pawan Puri & Associates
Chartered Accountants
FRN: 005950N



(ETI BHATIA)
Partner
M.No : 511542

Date : 29th April, 2019
Place : New Delhi

Company Overview, Significant Accounting Policies and Notes to Accounts form an integral part of the Standalone Financial Statements

Company Overview

Providing consultancy in green energy having focus on wind and solar projects, generating and selling renewable energy for railway consumption by installing windmills and solar plants. Procuring power for Indian railway, facilitating open access, bilateral purchases and purchase of exchange traded power, coordination with regulatory authorities to obtain relief on deemed licensee status of Railways. Identification and implementation of energy efficient technologies for non traction avenues of Indian Railways, arranging finances for such projects.

The Company is 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, Plot No. 1, Sector -29, Gurugram, Haryana-122001 (India). The 51% of the shares of the company are held by the RITES Ltd (Holding Company) and their nominees and balance 49% shares are held by the Ministry of Railway and their nominees.

The reporting and functional currency of the company is Indian Rupees (INR). Figures in financial statements are presented in ₹ Lakhs, by rounding off up to two decimals except for per share data and as otherwise stated. Previous period figures have been regrouped/recasted/rearranged, wherever necessary.

The standalone financial statements are approved by the company's Board of Directors on 29th April, 2019.

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 GENERAL

(a) Statement of Compliance

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

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

(b) Basis of preparation

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

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

(c) Use of estimates and judgments

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

1.2 REVENUE RECOGNITION

1.2.1 REVENUE FROM OPERATIONS

Operating revenue is from various streams viz. consultancy fee and Power Generation.

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

General Parameters

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

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

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

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

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

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

1.2.1.1 Consultancy Fee

Revenue from consultancy (advisory services for power procurement) is recognised as per the terms and conditions of the agreement with the beneficiary.

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

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

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

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

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

Reimbursable and supplies are accounted for on accrual basis.

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

1.2.1.2 Wind Mill Projects (Power Generation)

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 contract with beneficiary.

1.2.2 Other Income

1.2.2.1 Interest income

Interest income is recognized using effective interest method.

1.2.2.2 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, up to the date of acquisition/ installation, net of accumulated depreciation and impairment losses, if any.

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

1.3.1 Depreciation

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

Assets	Useful Life (Years)	Depreciation/ Amortization Rate (%)
Furniture	10	10.00
Fixture	5	20.00
Office Equipment	5	20.00
Coolers & Air Conditioners	7	14.29
Air Conditioning Plant	15	6.67
Computer Hardware	3	33.33
Survey and Equipments	10	10.00
Vehicles	8	12.50
Buildings on Freehold land	60	1.67
Windmill plant	25	4.00
Intangible Assets	4	25.00

- (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) Lease hold land is amortized over the lease term or the useful life of asset built/installed on such land, whichever is shorter.
- (e) In respect of building on lease hold land, depreciation is charged over the period of lease of land or the useful life stated above on freehold land, whichever is lower.
- (f) As per company's technical assessment, Fixtures, Coolers & Air Conditioners 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.

Windmill Plants have higher useful life of 25 years than prescribed in part C of schedule II of the Companies Act, 2013 of 22 years. Therefore depreciation is charged at lower rate than prescribed under the Companies Act, 2013.

- (g) Individual low cost assets of value less than ₹ 5,000/- are fully depreciated in the year of acquisition.
- (h) A nominal value of ₹ 1/- is assigned to the fully depreciated assets.

1.3.2 Capital Work in Progress

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

1.3.3 Capital Advances

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is 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 in the year of acquisition

(b) A nominal value of ₹1/- is assigned to the fully amortised assets.

1.4.1 Amortization

Softwares with estimated useful lives of 4 years are amortized on a straight line basis over the period.

1.5 INCOME TAXES

1.5.1 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).

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.

1.5.2 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 utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized 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.

1.6 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.

1.7 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.

1.7.1 Prepaid Expenses and Prior Period Adjustments

1.7.1.1 Prepaid Expenses

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

1.7.1.2 Prior Period Adjustments

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

1.8 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.

1.9 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.

1.10 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.

1.11 IMPAIRMENT OF ASSETS

1.11.1 Financial Assets

(Other than at Fair Value)

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

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

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

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

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

1.11.2 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 in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount and such losses either no longer exists or has decreased. Reversal of impaired loss is recognized in the Statement of Profit & Loss to the extent of previously recognized or balanced impairment loss.

1.12 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.

1.13 WRITE OFF

1.13.1 Financial Assets

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

1.13.2 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.

1.14 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.

1.15 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.

1.16 DIVIDENDS

Final dividends on shares are 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.

1.17 FINANCIAL INSTRUMENTS

1.17.1 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.

1.17.2 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.

1.17.3 De-recognition of financial instruments

A financial asset is derecognized 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 (b) 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.

1.18 Equity Instrument

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Expense relating with increase/decrease in equity instrument and increase in authorised share capital are charged to statement of profit & loss in the year in which incurred.

2.0 NOTES TO ACCOUNTS

First time adoption of Ind AS-115: Revenue from Contracts with Customers:

Company has decided to adopt the Full Retrospective Approach in preparation of its Financial Statements. The adoptions of the standard have no material impact on the financial statements of the Company

2.01 PROPERTY PLANT & EQUIPMENT

FOLLOWING ARE THE CHANGES IN THE CARRYING VALUE OF PROPERTY, PLANT & EQUIPMENT FOR THE YEAR ENDED 31.03.2019

DESCRIPTION	GROSS BLOCK					DEPRECIATION/AMORTISATION					NET BLOCK	
	AS AT 01/04/2018	ADDITIONS DURING THE YEAR	ADJUSTMENT DURING THE YEAR	DELETIONS DURING THE YEAR	TOTAL	AS AT 01/04/2018	FOR THE YEAR	ADJ DURING THE YEAR	ADJ THROUGH RETAINED EARNING	DELETION DURING THE YEAR	TOTAL	AS AT 31.03.2019
LEASED HOLD												
LAND (WIND MILL PLANT AT JAISALMER)*	105.25	-	-	-	105.25	10.35	4.21	-	-	-	14.56	90.69
SUB TOTAL	105.25	-	-	-	105.25	10.35	4.21	-	-	-	14.56	90.69
OTHERS												
PLANT AND EQUIPMENT												
WIND MILL PLANT AT JAISALMER (26 MW)**	15,222.46	-	-	-	15,222.46	1,497.29	608.90	-	-	-	2,106.19	13,116.27
BUILDING	-	622.59	-	-	622.59	-	5.18	-	-	-	5.18	617.41
OFFICE EQUIPMENT	0.59	0.05	-	-	0.64	0.12	0.12	-	-	-	0.24	0.40
COMPUTER AND EQUIPMENT	5.96	0.89	-	-	6.85	1.16	2.07	-	-	-	3.23	3.62
SUB TOTAL	15,229.01	623.53	-	-	15,852.54	1,498.57	616.27	-	-	-	2,114.84	13,737.70
GRAND TOTAL	15,334.26	623.53	-	-	15,957.79	1,508.92	620.48	-	-	-	2,129.40	13,828.39

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

DESCRIPTION	GROSS BLOCK					DEPRECIATION/AMORTISATION					NET BLOCK	
	AS AT 01/04/2017	ADDITIONS DURING THE YEAR	ADJUSTMENT DURING THE YEAR	DELETION DURING THE YEAR	TOTAL	AS AT 01/04/2017	FOR THE YEAR	ADJ DURING THE YEAR	ADJ THROUGH RETAINED EARNING	DELETION DURING THE YEAR	TOTAL	AS AT 31.03.2018
LEASED HOLD												
LAND (WIND MILL PLANT AT JAISALMER)*	105.25	-	-	-	105.25	6.14	4.21	-	-	-	10.35	94.90
SUB TOTAL	105.25	-	-	-	105.25	6.14	4.21	-	-	-	10.35	94.90
OTHERS												
PLANT AND EQUIPMENT												
WIND MILL PLANT AT JAISALMER (26 MW)**	15,222.46	-	-	-	15,222.46	888.39	608.90	-	-	-	1,497.29	13,725.17
OFFICE EQUIPMENT	0.19	0.40	-	-	0.59	0.05	0.07	-	-	-	0.12	0.47
COMPUTER AND EQUIPMENT	-	5.96	-	-	5.96	-	1.16	-	-	-	1.16	4.80
SUB TOTAL	15,222.65	6.36	-	-	15,229.01	888.44	610.13	-	-	-	1,498.57	13,730.44
GRAND TOTAL	15,327.90	6.36	-	-	15,334.26	894.58	614.34	-	-	-	1,508.92	13,825.34

*UNDER MORTGAGED REFER NOTE NO. 2.12

**UNDER HYPOTHECATED REFER NOTE NO. 2.12

2.02 INTANGIBLE ASSETS

(₹ in Lakhs)

DESCRIPTION	GROSS BLOCK					DEPRECIATION/AMORTISATION					TOTAL	NET BLOCK
	OPENING	ADDITIONS DURING THE YEAR	ADJUSTMENT DURING THE YEAR	DELETIONS DURING THE YEAR	TOTAL	OPENING	FOR THE YEAR	ADJ DURING THE YEAR	ADJ THROUGH RETAINED EARNING	DELETIONS DURING THE YEAR		
SOFTWARE (ACQUIRED)												
AS AT 31.03.2019	1.55	-	-	-	1.55	0.78	0.39				1.17	0.38
AS AT 31.03.2018	1.55				1.55	0.39	0.39	-	-	-	0.78	0.77

AGGREGATE DEPRECIATION AND AMORTISATION HAS BEEN INCLUDED UNDER DEPRECIATION AND AMORTISATION EXPENSE IN THE STATEMENT OF PROFIT & LOSS

2.03 OTHER NON CURRENT FINANCIAL ASSETS

(₹ in Lakhs)

PARTICULARS	Note No	AS AT 31.03.2019	AS AT 31.03.2018
BANK DEPOSITS HAVING MATURITY OVER 12 MONTHS FROM REPORTING DATE	2.06.3	1.21	200.00
INTEREST ACCRUED - ON BANK DEPOSITS		0.02	3.23
TOTAL		<u>1.23</u>	<u>203.23</u>

2.04 OTHER NON CURRENT ASSETS

(₹ in Lakhs)

PARTICULARS	AS AT 31.03.2019	AS AT 31.03.2018
ADVANCE INCOME TAX (NET OF PROVISION)	393.52	320.63
PREPAID EXPENSES	8.44	9.65
TOTAL	<u>401.96</u>	<u>330.28</u>

2.05 CURRENT TRADE RECEIVABLES

(₹ in Lakhs)

PARTICULARS	AS AT 31.03.2019	AS AT 31.03.2018
UNSECURED		
CONSIDERED GOOD (RELATED PARTY)	1,579.66	924.55
CONSIDERED DOUBTFUL (RELATED PARTY)	290.24	-
	<u>1,869.90</u>	<u>924.55</u>
LESS: ALLOWANCE FOR EXPECTED CREDIT LOSSES	(290.24)	-
TOTAL *	<u>1,579.66</u>	<u>924.55</u>
<i>* Includes dues from companies where directors are interested</i>	-	-

2.06 CASH AND BANK BALANCES- OWNED FUND

(₹ in Lakhs)

PARTICULARS	AS AT 31.03.2019	AS AT 31.03.2018
2.06.1 CASH & CASH EQUIVALENTS		
BANK BALANCES IN :		
CURRENT ACCOUNTS	0.27	149.36
DEPOSITS #	1,195.47	-
TOTAL	<u>1,195.74</u>	<u>149.36</u>
2.06.2 OTHER BANK BALANCES		
DEPOSITS ##	1,674.70	2,267.74
TOTAL *	<u>1,674.70</u>	<u>2,267.74</u>

(₹ in Lakhs)

PARTICULARS		AS AT 31.03.2019	AS AT 31.03.2018
2.06.3 BANK BALANCES MORE THAN 12 MONTHS MATURITY (NOTE 2.03)			
DEPOSITS ###		1.21	200.00
TOTAL*		1.21	200.00
2.06.4 BOOK OVERDRAFT ####(NOTE 2.15)			
		23.91	-
TOTAL CASH & BANK BALANCES- OWNED FUND		2,847.74	2,617.10
2.07 CASH AND BANK BALANCES- CLIENT FUND		(₹ in Lakhs)	
PARTICULARS		AS AT 31.03.2019	AS AT 31.03.2018
2.07.1 CASH & CASH EQUIVALENTS			
BANK BALANCES IN :			
CURRENT ACCOUNTS		0.16	49.15
DEPOSITS #		-	-
TOTAL		0.16	49.15
2.07.2 OTHER BANK BALANCES			
DEPOSITS ##		1,335.73	-
TOTAL		1,335.73	-
TOTAL CASH & BANK BALANCES- CLIENT FUND		1,335.89	49.15

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

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

Having maturity over 12 months from reporting date.

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

*Includes restricted cash and bank balances of ₹ 10.40 Lakh (PY ₹ 1 Lakh) on account of bank balances held as margin money deposits against the guarantee issued by bank.

2.08	OTHER CURRENT FINANCIAL ASSETS	(₹ in Lakhs)		
PARTICULARS		NOTE NO.	AS AT 31.03.2019	AS AT 31.03.2018
INTEREST ACCRUED ON:				
-	BANK DEPOSITS HAVING MATURITY:			-
	WITHIN 3 MONTHS FROM THE DATE OF ACQUISITION		0.22	
	OVER 3 MONTHS FROM THE DATE OF ACQUISITION AND UPTO 12 MONTHS FROM REPORTING DATE		28.83	25.53
	ADVANCES TO RELATED PARTIES	2.26	30.72	50.41
	UNBILLED REVENUE		643.60	524.23
TOTAL			703.37	600.17
2.09	OTHER CURRENT ASSETS	(₹ in Lakhs)		
PARTICULARS			AS AT 31.03.2019	AS AT 31.03.2018
	PREPAID EXPENSES		48.37	37.71
	STAFF IMPREST		0.40	0.05
TOTAL			48.77	37.76

2.10 EQUITY SHARE CAPITAL (₹ in Lakhs)

PARTICULARS	AS AT 31.03.2019	AS AT 31.03.2018
2.10.1 AUTHORISED		
150,000,000 (PREVIOUS YEAR 1 50,000,000) EQUITY SHARES OF ₹ 10/- EACH	15000.00	15000.00
2.10.2 ISSUED, SUBSCRIBED AND FULLY PAID-UP		
70,000,000 (PREVIOUS YEAR 70,000,000) EQUITY SHARES OF ₹ 10/- EACH	7000.00	7000.00
	7000.00	7000.00

2.10.3 RECONCILIATION OF NUMBER OF EQUITY SHARES

	No. of Shares	(₹ in Lakhs)	No. of Shares	(₹ in Lakhs)
OPENING BALANCE	7,00,00,000	7000.00	7,00,00,000	7000.00
ADD/(LESS) DURING THE YEAR	-	-	-	-
CLOSING BALANCE	7,00,00,000	7000.00	7,00,00,000	7000.00

2.10.4 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.

2.10.5 EQUITY SHARES HELD BY HOLDING COMPANY & ITS NOMINEES

	AS AT 31.03.2019	AS AT 31.03.2018
	No. of Shares	No. of Shares
rites ltd.	3,57,00,000	3,57,00,000

2.10.6 EQUITY SHARES HELD BY EACH SHAREHOLDER MORE THAN 5% OF SHARES

	No. of Shares	No. of Shares
rites ltd	3,56,99,979	3,56,99,979
	(50.99%)	(50.99%)
indian railways	3,42,99,986	3,42,99,986
	(48.99%)	(48.99%)

2.11 OTHER EQUITY (₹ in Lakhs)

PARTICULARS	AS AT 31.03.2019	AS AT 31.03.2018
2.11.1 RESERVE & SURPLUS		
GENERAL RESERVE	7,622.66	4,584.45
2.11.2 OTHER COMPREHENSIVE INCOME	-	-
TOTAL	7,622.66	4,584.45

2.12 BORROWINGS

(₹ in Lakhs)

PARTICULARS	NOTE NO.	AS AT 31.03.2019	AS AT 31.03.2018
SECURED TERM LOAN FROM INDIAN BANK *		4,759.69	5,531.75
LESS: CURRENT MATURITY OF UPTO ONE YEAR FROM REPORTING DATE	2.15	766.46	766.46
TOTAL		3,993.23	4,765.29

* The details of security for the secured term loan borrowed from Indian Bank are as follows:-

- Hypothecation of all the movable assets pertaining to project including but not limited to plant and machinery, machinery spares, tools and accessories
- Hypothecation charge on the Borrower's book debts, operating cash flows, receivables, commissions, revenues of whatsoever nature and wherever arising, present and future, intangibles, goodwill present and future, related to project.
- 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.
- 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

- Repayment of loan to be made in 144 monthly installments started from April 2016. In addition to monthly schedule principal payment, company has also made lumpsum payment towards loan from time to time. Due to lumpsum payments, the entire loan will be repaid before the schedule of Term Loan.
- Repayment of interest on term loan to be made monthly till closure of term loan.
- Term Loan can be prepaid as per the availability of cash generation without any pre-payment charges.

2.13 DEFERRED TAX LIABILITIES (NET)

(₹ in Lakhs)

PARTICULARS	NOTE NO.	AS AT 31.03.2019	AS AT 31.03.2018
UNABSORBED DEPRECIATION / BUSINESS LOSS (AS PER I.T. ACT, 1961)		(702.53)	(1617.41)
EXPECTED CREDIT LOSS OF FINANCIAL ASSETS		(84.52)	0.00
DIFFERENCE OF DEPRECIATION AS PER INCOME TAX ACT AND COMPANIES ACT		3676.10	3694.29
MAT CREDIT ENTITLEMENT		(2675.41)	(1546.91)
TOTAL		213.64	529.97

2.14 CURRENT TRADE PAYABLES

(₹ in Lakhs)

PARTICULARS	NOTE NO.	AS AT 31.03.2019	AS AT 31.03.2018
CREDITORS FOR SUPPLIES AND SERVICES			
MICRO, SMALL AND MEDIUM ENTERPRISES		-	-
OTHER THAN MICRO, SMALL & MEDIUM ENTERPRISES (RELATED PARTY)		76.34	86.14
OTHER THAN MICRO, SMALL & MEDIUM ENTERPRISES (OTHERS)		30.11	17.85
TOTAL		106.45	103.99

2.15 OTHER CURRENT FINANCIAL LIABILITIES (₹ in Lakhs)

PARTICULARS	NOTE NO.	AS AT 31.03.2019	AS AT 31.03.2018
INTEREST ACCRUED AND DUE ON BORROWINGS		36.35	55.76
CURRENT MATURITY OF LONG TERM DEBT	2.12	766.46	766.46
BOOK OVERDRAFT- OWNED FUND*	2.06.4	23.91	-
SUNDRY CREDITORS- RELATED PARTY		13.40	116.99
CLIENT DEPOSIT		425.08	-
SUNDRY CREDITORS-OTHERS (INCLUDING MSME VENDORS)	2.36	208.26	191.23
EMD/SECURITY DEPOSIT		18.08	65.64
SECURITY DEPOSIT-CLIENT		279.08	-
TOTAL		1,770.62	1,196.08

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

2.16 OTHER CURRENT LIABILITIES (₹ in Lakhs)

PARTICULARS	NOTE NO.	AS AT 31.03.2019	AS AT 31.03.2018
STATUTORY LIABILITIES		63.49	136.64
CUSTOMER ADVANCE		-	71.19
TOTAL		63.49	207.83

2.17 CURRENT TAX LIABILITIES (NET) (₹ in Lakhs)

PARTICULARS	NOTE NO.	AS AT 31.03.2019	AS AT 31.03.2018
CURRENT TAX (MAT) PAYABLE FOR THE CURRENT YEAR		-	837.87
LESS: TAXES PAID INCLUDING TAX DEDUCTED AT SOURCE		-	(837.13)
TOTAL		-	0.74

2.18 REVENUE FROM OPERATIONS (₹ in Lakhs)

PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2019	YEAR ENDED 31.03.2018
SALE OF SERVICES			
CONSULTANCY FEE (GROSS)		6,831.71	5,094.78
LESS: SERVICE TAX/GST		(1,122.09)	(766.51)
CONSULTANCY FEE (NET)		5,709.62	4,328.27
CONSULTANCY FEE (UNBILLED REVENUE)	2.39	575.90	524.23
POWER GENERATION			
SALE OF ELECTRICAL ENERGY - ELECTICITY	2.38	1,795.10	1,710.38
SALE OF ELECTRICAL ENERGY - ELECTICITY (UNBILLED REVEUNE)		67.71	-
TOTAL		8,148.33	6,562.88

2.19 OTHER INCOME

(₹ in Lakhs)

PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2019	YEAR ENDED 31.03.2018
INTEREST EARNED ON:			
- DEPOSITS WITH BANK		151.94	249.28
- INCOME TAX REFUND		0.96	0.02
MISCELLANEOUS INCOME*		2.07	67.37
TOTAL		154.97	316.67

* Sale of tender document & forfeiture of bid security.

2.20 FEE FOR SERVICE OBTAINED

(₹ in Lakhs)

PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2019	YEAR ENDED 31.03.2018
MAN-MONTH EXPENSE (RELATED PARTY)		668.57	560.35
OTHER EXPENSE		226.31	192.82
TOTAL-(A)		894.88	753.16

2.21 FINANCE COST

(₹ in Lakhs)

PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2019	YEAR ENDED 31.03.2018
ON TERM LOAN		438.37	687.20
ON ADVANCES- RELATED PARTY	2.31	-	62.70
TOTAL-(A)		438.37	749.90

2.22 WIND MILL EXPENSES

(₹ in Lakhs)

PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2019	YEAR ENDED 31.03.2018
TRANSMISSION, WHEELING & SLDC CHARGES		509.85	483.81
OPERATION & MAINTAINANCE		170.15	75.02
TOTAL		680.00	558.83

2.23 OTHER EXPENSES

(₹ in Lakhs)

PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2019	YEAR ENDED 31.03.2018
LEGAL & PROFESSIONAL EXPENSES		54.29	27.29
OFFICE EXPENSES		1.17	0.66
TRAVELLING EXPENSES		24.08	21.13
AUDITORS' REMUNERATION	2.23.1	2.16	2.96
AUDITORS' OUT OF POCKET EXPENSES	2.23.1	0.35	0.25
ADVERTISING EXPENSES		56.61	16.31
PRINTING & STATIONARY		3.98	5.27
INSURANCE		8.07	10.03
RATES & TAXES		44.35	12.87
INTERNAL AUDIT FEE		0.60	0.45
BANK CHARGES		0.10	0.02
CSR EXPENDITURE	2.34	54.94	16.07
DIRECTOR'S SITTING FEE		0.10	-
IMPAIRMENT FOR DOUBTFUL DEBTS		290.24	-
MISCELLANEOUS EXPENSES (COST OF VEHICLE HIRING, SPONSORSHIP, MEETING EXPENSE, ETC.)		62.28	65.41
TOTAL		603.32	178.72

2.23.1 AUDITORS' REMUNERATION

(₹ in Lakhs)

PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2019	YEAR ENDED 31.03.2018
STATUTORY AUDIT FEE		1.21	1.10
TAX AUDIT FEE		0.72	0.66
QUARTERLY AUDIT		-	1.05
OTHER SERVICES i.e. CERTIFICATION ETC.		0.23	0.15
TOTAL		2.16	2.96
AUDITORS' OUT OF POCKET EXPENSES		0.35	0.25

2.24 TAX EXPENSE

(₹ in Lakhs)

PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2019	YEAR ENDED 31.03.2018
CURRENT TAX - (MAT)	2.32	1128.50	837.87
MAT CREDIT ENTITLEMENT		(1,128.50)	(837.87)
TOTAL-(A)		-	-
DEFERRED TAX CHARGE- (B)		812.16	897.95
TOTAL (A)+(B)		812.16	897.95

DISCLOSURES AS PER INDIAN ACCOUNTING STANDARDS (IND AS):

2.25 Disclosures on operating segments (Indian Accounting Standards-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.

- 2.25.1 Company has identified two operational reportable segments based on operations being carried out which are as under:-
- Power Generation
 - Consultancy
- 2.25.2 The company entire operation is within geographical region of India.
- 2.25.3 The accounting principles used in the preparation of the financial statements are consistently applied to record revenue & expenditure in individual segments, as set out in the note of significant accounting policies.
- 2.25.4 Revenue & direct expenses in relation to segments are allocated based on items that are individually identifiable to that segment while the remaining costs are categorized as unallocated expense as the underlying services are used inter-changeably.
- 2.25.5 Operational Segment for Year Ended 31.03.2019

(₹ in Lakhs)

Description	Year Ended 31.03.2019			Year Ended 31.03.2018		Total
	Power Generation	Consultancy Services	Total	Power Generation	Consultancy Services	
Revenue	1862.81	6285.52	8148.33	1710.38	4852.50	6562.88
Identifiable operating expenses	1921.91	1000.74	2922.65	1890.08	661.10	2551.18
Segmental profit/(Loss) from operations	(59.10)	5284.78	5225.68	(179.70)	4191.40	4011.70
Add: Interest Income*			152.90			249.30
Add: Other Income **			2.07			67.37
Less: Un-allocable Expenses			434.43			405.89
Net Profit Before Tax			4946.22			3922.48
Less: Income Tax (including Deferred Tax)			812.16			897.95
Net Profit After Tax			4134.06			3024.53
Additional Information:						
Depreciation and amortization	613.11	2.58	615.69	613.11	1.62	614.73
Depreciation- Un-allocable			5.18			Nil
Non-cash expenses other than depreciation and amortization	165.60	124.64	290.24	Nil	Nil	Nil
Impairment losses***	Nil	Nil	Nil	Nil	Nil	Nil
Reversal of Impairment losses***	Nil	Nil	Nil	Nil	Nil	Nil
PPE	13206.96	4.02	13210.98	13820.07	5.27	13825.34
Intangible Assets	Nil	0.38	0.38	Nil	0.77	0.77
Current Assets	226.94	2074.48	2301.42	267.22	1466.99	1734.21

(₹ in Lakhs)

Description	Year Ended 31.03.2019			Year Ended 31.03.2018		Total
	Power Generation	Consultancy Services	Total	Power Generation	Consultancy Services	
Total Segmental Assets	13433.90	2078.88	15512.78	14087.29	1473.03	15560.32
Add: Un allocable Assets-PPE****			617.41			Nil
Add: Un allocable Assets other than PPE****			4639.90			2828.03
Total Assets			20770.09			18388.35
Non Current Liabilities	3993.23	Nil	3993.23	4765.29	Nil	4765.29
Current Liabilities	921.64	257.56	1179.20	827.88	325.83	1153.71
Total Segmental Liabilities	4914.87	257.56	5172.43	5593.17	325.83	5919.00
Add: Un allocable Liabilities****			975.00			884.90
Total Liabilities			6147.43			6803.90

* Interest income includes interest on bank deposits and income tax refund etc.

** Other income includes sale of tender document and forfeiture of bid security.

*** No Impairment and its reversal has been recognized in other Comprehensive Income (OCI) during the Year ended 31.03.2019 and Year ended 31.03.2018.

**** Unallocable assets and liabilities including current and non current are common in nature for all and cannot be allocated to a specific segment.

2.25.6 Out of total Operating Revenue of ₹ 8148.33 Lakhs (Previous Year ₹ 6562.88 Lakhs) Revenue of ₹ 8046.16 Lakhs (Previous Year ₹ 6502.47 Lakhs) is derived from a single customer.

2.26 Related Party Disclosures (Indian Accounting Standards-24) are as follows:-

2.26.1 Related Party

2.26.1.1 Holding Company

Name	Country	Holding as on	
		31.03.19	31.03.18
M/s RITES Ltd	India	51%	51%

2.26.1.2 Ministry of Railways

Name	Country	Holding as on	
		31.03.19	31.03.18
Indian Railways	India	49%	49%

2.26.1.3 Key Managerial Personnel- RITES LIMITED (Holding Company)

Chairman & Managing Director (Chief Executive Officer)

Shri Rajeev Mehrotra

Whole Time Directors

Shri Arbind Kumar, Director Projects (Up to 31st August, 2018)

Shri Ajay Kumar Gaur, Director Finance (Chief Finance Officer)

Shri Mukesh Rathore, Director Technical

Shri Gopi Suresh Kumar Varadarajan (From 27th September, 2018)

Government Nominee Directors

Shri A.P. Dwivedi, Director

Shri Bhupendra Kumar Agarwal, Director

Non-Executive (Independent) Directors

Dr. Vidya Rajiv Yeravdekar

Shri Anil Kumar Goel

Shri Satish Sareen

Dr. Pramod Kumar Anand

Ms. Geetha Kumary

Shri. Rajendra N Goyal

Company Secretary & Compliance Officer

Shri Ashish Srivastava

2.26.1.4 Key Managerial Personnel of the company

Chairman

Shri Rajeev Mehrotra

Directors

Shri Arbind Kumar (Up to 31st August, 2018)

Shri Anil Ghai,

Ms Anju Ranjan, (Up to 16th July, 2018)

Shri Shalabh Goel,

Shri Ajeet Kumar Srivastava (From 27th July 2018)

Shri Gopi Suresh Kumar Varadarajan (From 29th September, 2018)

Non-Executive (Independent) Directors

Shri Pradeep Kumawat (From 05th December, 2018)

Chief Executive Officer(CEO)

Shri Sudhir Kumar Saxena

Chief Finance Officer(CFO)

Shri Sunil Kumar Singh

Company Secretary

Shri Ranjan Kumar Tiwary (From 25th January, 2019)

2.26.2 Transactions and Balance with Related Parties

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

2.26.2.1 Transactions with Key Management Personnel:

CEO, CFO & Company Secretary are the employee of holding company i.e. RITES Ltd and they have been deputed in the subsidiary company. The salary & other benefits viz. PF, pensions etc. of CEO, CFO & Company Secretary are being paid directly by RITES Ltd. (holding company) after deduction of TDS as per provisions of Income Tax Act, 1961. For rendering service to subsidiary company, fees are charged at man-month rate basis.

(₹ in Lakhs)

Particulars	Year Ended 31.03.2019	Year Ended 31.03.2018
-Man-Month Expense of CEO, CFO and Company Secretary	119.64	72.39
- Sitting fee to Non Executive Independent Director	0.10	-
TOTAL	119.74	72.39

2.26.3 Transactions with holding company during the year

(₹ in Lakhs)

Particulars	Year Ended 31.03.2019	Year Ended 31.03.2018
Fee for services obtained (Management Contract)	668.57	560.35
Salary reimbursement of CEO, CFO & Company Secretary	119.64	72.39
Other Expense	7.85	-
Reimbursable Expense	13.49	53.81
Interest on Advance	-	106.13
Repayment of Advance	-	369.49
Dividend Paid	463.59	187.68
TOTAL	1273.14	1349.85

Year End Balances

(₹ in Lakhs)

Particulars	As on 31.03.2019	As on 31.03.2018
Trade Payable	76.34	86.14
Reimbursable (Payable for Expense)	13.40	116.99
Equity Share Capital	3570.00	3570.00
TOTAL	3569.74	3773.13

2.26.5 Transactions with Ministry of Railways during the Year

(₹ in Lakhs)

Particulars	Year Ended 31.03.2019	Year Ended 31.03.2018
Revenue		
- Consultancy	6183.36	4792.10
- Power Generation	1862.81	1710.38
Customer Advance	-	71.19
Advances	19.68	40.29
Repayment of advance	Nil	355.00
Interest Payment on Advance	Nil	102.18
Dividend Paid	445.41	180.32
TOTAL	8511.26	7251.46

Year End Balances

(₹ in Lakhs)

Particulars	As on 31.03.2019	As on 31.03.2018
Trade Receivable		
- Consultancy	1478.11	820.29
- Power Generation	101.55	104.26
Customer Advance	-	71.19
Advances	30.72	50.41
Equity Share Capital	3430.00	3430.00
Client Deposit	704.16	-
TOTAL	5744.54	4476.15

2.26.6 Government related entities

Government of India (GOI) is holding 87.4% (PY 100%) equity shares of the holding company (RITES Ltd), which are held by President of India acting through Ministry of Railways and its nominees. GOI controls the holding company through Ministry of Railways.

The Company has made various transactions with the Ministry of Railways and with entities being controlled or jointly controlled or having significant influences of Ministry of Railways. The transactions with them are disclosed under Note No.2.26.5.

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

Particulars	Year Ended 31.03.2019	Year Ended 31.03.2018
A Net Profit for the year (₹ in Lakhs)	4134.06	3024.53
B Amount available for Equity Shareholder (₹ in Lakhs)	4134.06	3024.53
C Weighted average number of Equity Shares (Nos)	7,00,00,000	7,00,00,000
D Earnings Per Share(Basic & Diluted) (B)/(C)	₹5.91	₹ 4.32
E Face value per equity share	₹ 10/-	₹ 10/-

2.28 Disclosures on Provisions, Contingent Liabilities and Contingent Assets (Indian Accounting Standards-37) are as follows:-

2.28.1 Contingent Liabilities

(a) Claim against the company not acknowledge as debt- ₹ Nil

(b) **Other money for which company may be contingently liable:-** On account of wheeling & Transmission charges for 26 MW wind mill plant of company at Jaisalmer, an amount of ₹161.55 Lakhs (Previous Yr ₹161.55 Lakhs) which is payable to Rajasthan state utilities. -Refer note No. 2.38.

2.28.2 Outstanding litigation (Management forsee no contingent liability)

Condition precedent as per Agreement for procurement of power executed between Zonal Railways and one of the generator/supplier could not be fulfilled by the supplier after a substantial time from execution of agreement in the states of Odisha, Bihar, Chhattisgarh and Punjab. Now, generator/supplier has filed petitions in CERC for termination of the agreement and release of their performance bank guarantee by Zonal Railways in the above states and made Company second respondent. Since company has performed all functions and responsibilities on behalf of Zonal Railways till the signing of power purchase agreement (PPA) as per bid document, therefore management does not forsee any liability.

2.29 Disclosure on Borrowing Cost (Indian Accounting Standards-23):-

The company has borrowed term loan of ₹12058.55 Lakhs from Indian Bank for setting up 26 MW Wind Mill plants at Jaisalmer, Rajasthan. The entire amount of loan was borrowed during the financial year 2015-16. During the current year company has incurred interest cost of ₹ 438.37 Lakhs (Previous Year ₹ 687.20 Lakhs).

2.30 FINANCIAL INSTRUMENTS

2.30.1 Financial Instruments by category

The carrying value and fair value of financial instruments by categories wise as on 31st March, 2019 are as under:

₹ in Lakhs

Particulars	Total carrying value	Amortized Cost	Financial assets/liabilities at fair value through profit or loss		Financial assets/liabilities at fair value through OCI	
			Designated upon initial recognition	Mandatory	Designated upon initial recognition	Mandatory
Financial Assets:						
Cash and Bank Balance*	4183.63			4183.63	-	
Trade Receivables*	1579.66	1579.66			-	-
Other Financial Assets*	703.39	703.39				
Total	6466.68	2283.05		4183.63	-	-
Financial Liabilities:						
Trade Payables*	106.45	106.45	-	-	-	-
Borrowings*	4759.69	4759.69	-	-		
Other Financial Liabilities* #	1004.16	1004.16	-	-	-	-
Total	5870.30	5870.30	-	-	-	-

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

₹ in Lakhs

Particulars	Total carrying value	Amortized Cost	Financial assets/liabilities at fair value through profit or loss		Financial assets/liabilities at fair value through OCI	
			Designated upon initial recognition	Mandatory	Designated upon initial recognition	Mandatory
Financial Assets:						
Cash and Bank Balance*	2666.26	-	-	2666.26	-	-
Trade Receivables*	924.55	924.55	-	-	-	-
Other Financial Assets*	603.40	603.40	-	-	-	-
Total	4194.21	1527.95	-	2666.26	-	-
Financial Liabilities:						
Trade Payables*	103.99	103.99	-	-	-	-
Borrowings*	5531.75	5531.75	-	-	-	-
Other Financial Liabilities*	429.62	429.62	-	-	-	-
Total	6065.36	6035.36	-	-	-	-

* 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 amortized 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 presented at transaction value.

Including client fund of ₹ 704.16 Lakhs (PY ₹ Nil)

2.30.2 Fair value hierarchy and valuation technique

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 & liabilities as on March 31, 2019 are as follows:

(₹ in Lakhs)

Particulars	As on 31.03.2019	Fair value measurement at end of the reporting period using		
		Level 1	Level 2	Level 3
Financial Assets				
Cash and Bank Balances	4183.63	4183.63	-	-

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

(₹ in Lakhs)

Particulars	As on 31.03.2018	Fair value measurement at end of the reporting period using		
		Level 1	Level 2	Level 3
Financial Assets				
Cash and Bank Balances	2666.26	2666.26	-	-

2.30.3 Financial Risk Management

Financial Risk Factors

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 in PAN India and company has no transactions in foreign currency, therefore there is no foreign exchange risk.

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 at the end of current year and previous year is from trade receivables amounting to ₹ 1579.66 Lakhs (Previous Year ₹ 924.55 Lakhs) and unbilled revenue amounting to ₹ 643.60 Lakhs (Previous Year ₹ 524.23 Lakhs) which are typically unsecured. Credit risk has always is being managed by the company through continuously monitoring the outstanding dues from the customers. Further, company has impaired as a prudent measure, the traded receivables towards expected credit loss as per company accounting policy to the extent of ₹ 290.24 Lakhs (PY ₹ Nil). All receivables of the company are from Indian Railways & its controlled entities and hence credit risk is bare minimum.

No significant credit risk on cash and Bank Balances (including client's fund) of ₹ 4183.63 Lakhs (Previous Year ₹2666.26 Lakhs) 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 owned funds in fixed deposits of ₹ 2871.38 Lakhs (Previous Year ₹ 2467.74 Lakhs) with Schedule banks with negligible credit risks.

Liquidity Risk

The company's principal sources of liquidity are cash and bank balances and cash flow that is generated from operations. The company has outstanding borrowings from Indian Bank amounting to ₹ 4759.69 Lakhs (Previous Year ₹ 5531.75 Lakhs). The installment falling due for re-payment within one year from the reporting date is amounting to ₹ 766.46 Lakhs (Previous Year ₹ 766.46 Lakhs). The company has a working capital of ₹ 4597.57 Lakhs (Previous Year ₹ 2520.10 Lakhs) include cash and bank balances (owned fund) of ₹ 2847.74 Lakhs (Previous Year ₹ 2617.10 Lakhs). The company believes that the working capital and other liquid assets are sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived.

Maturity profile of Financial Liabilities

The table below analysis of non-derivative financial liabilities of the Company into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows:

(₹ in Lakhs)

As at 31.03.2019	Within 1 Year	1 to 2 Years	2 to 5 years	More than 5 Years
Borrowings*	766.46	766.46	2299.37	927.40
Trade Payables	106.45	-	-	-
Other financial liabilities **	1004.16	-	-	-

(₹ in Lakhs)

As at 31.03.2018	Within 1 Year	1 to 2 Years	2 to 5 years	More than 5 Years
Borrowings*	766.46	766.46	2299.37	1699.46
Trade Payables	103.99	-	-	-
Other financial liabilities	429.62	-	-	-

* Based on monthly fixed repayment of ₹ 63.87 Lakhs per month.

** Including client fund of ₹ 704.16 Lakhs (PY ₹ Nil)

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

2.31.1 CHANGES IN ACCOUNTING POLICIES

(a) Revenue recognition

Ind AS-115 on Revenue from contracts with customers has been applicable w.e.f 1.4.2018. Ind AS-115 has replaced the existing Ind AS-18 & Ind AS-11 on revenue recognition. Accordingly, policies on revenue recognition are to be modified to align with new Ind AS-115 on revenue contract with customers. There is no material impact on account of change in this accounting policy.

(b) Prepaid expenses

Keeping in view size and nature of business limit for prepaid expenses has been enhanced from ₹ 1,00,000 to ₹ 5,00,000 There is no material impact due to change in this accounting policy.

(c) Prior Period Adjustments

Leverage is given in Ind AS 8 to correct/adjust the prior period items based on materiality. Accordingly, policies on Prior Period Adjustments have been revised. Due to change of accounting policy, ₹ 3.45 Lakhs occurred during FY 2017-18 pertaining to previous period. It was earlier treated as prior expense and has been restated in the respective year to which it pertains. Due to change of accounting policy, said amount has been recognized as expense of FY 2017-18 and resulted in reduction of profit and correspondingly reduced EPS of FY 2017-18 by ₹ 0.01.

(d) Impairment of Financial Assets

Accounting policies on Impairment of Financial Assets (Ind AS 109) has been reworded for better understanding and clarity. There is no impact of the same on the financial statements of the company.

2.31.2 Prior Period Transactions are as follows:

₹ in Lakhs

Nature	2018-19	2017-18
Finance Cost- On Advances	Nil	145.61
Total	Nil	145.61

2.31.3 Correction of Prior Period transaction with impact on profit.

2.31.3.1 Impact on Balance Sheet Items is as follows:

₹ in Lakhs

Prior Period for the Year	2018-19	2017-18
Line Item	Impact on 2017-18	Prior to 01.04.2017
Other Financial Liabilities	Nil	145.61
Total Liabilities	Nil	145.61
(Net Equity)	Nil	(145.61)

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

2.32.1 Income tax expense in the statement of profit and loss comprises

(₹ in Lakhs)

Particulars	Year Ended 31.03.2019	Year Ended 31.03.2018
Income Tax Expenses		
- Current Taxes (under MAT provision)	1128.50	837.87
- Deferred Tax(Net)	812.16	897.95
- Less: MAT Credit Entitlement	(1128.50)	(837.87)
Net Income Tax Expenses	812.16	897.95

Entire Deferred Tax for the current year ended 31st March, 2019 and Previous Year ended 31st March, 2018 relates to origination and reversals of temporary differences.

2.32.2 Reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate is summarized below:

(₹ in Lakhs)

Particulars	Year Ended 31.03.2019	Year Ended 31.03.2018
Profit Before Income Taxes On Normal Business	4946.22	3922.48
Enacted Tax Rates in India On Normal Income	29.12%	28.84%
Enacted Tax Rates in India On Normal Income (under MAT provision)	21.55%	21.34%
Computed Expected Tax Expense	1440.34	1132.24
Tax Effect due to change in Tax Rate	20.16	(196.54)
Tax Effect due to change in Tax Rate(MAT)	1128.50	837.87
Tax Effect of MAT Credit c/f	(1128.50)	(837.87)
Effect of Non-Deductible Expenditures (NDE)	16.57	182.48
Tax effect due to non taxable income	(664.91)	(179.73)
Tax effect due to re-statement of prior period adjustment	-	(42.99)
Tax Reversal and Others	-	2.49
Current Tax Expense	812.16	897.95

The following table provides the details of income tax assets and liabilities as of March 31, 2019 and March 31, 2018:

(₹ in Lakhs)

Particulars	As at	
	31.03.2019	31.03.2018
Income Tax Assets	393.52	320.63
Current income tax liabilities	(213.64)	(530.71)
Net Current Income Tax Assets/(Liability) at the end	179.88	(210.08)

The gross movement in the current income tax asset/ (liability) for the year current ended March 31, 2019 and previous year ended March 31, 2018 is as follows:

(₹ in Lakhs)

Particulars	As at	
	31.03.2019	31.03.2018
Net current income tax asset/(liability) at the beginning	(210.08)	(293.96)
Income Tax paid-	1202.13	837.13
TDS FY 2016-17	-	144.70
Current income tax expense	(812.16)	(897.95)
Net Current Income Tax Asset/(Liability) at the end	(179.88)	(210.08)

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

(₹ in Lakhs)

Particulars	As at	
	31.03.2019	31.03.2018
Deferred Income Tax Assets:		
Un-Absorbed Depreciation/Business Loss	702.53	1617.41
Provision for expected credit risk	84.52	-
Total Deferred Income Tax Assets - I	787.05	1617.41
Mat Credit Entitlement	2675.41	1546.91
Total Assets Including Mat Credit	3462.46	3164.32
Deferred Income Tax Liabilities:		
Property Plant & Equipment, Furniture & Fixtures, (Depreciation diff)	3676.10	3694.29
Total Deferred Income Tax Liabilities - II	3676.10	3694.29
Deferred Income Tax Assets after set off	-	-
Deferred Income Tax Liabilities after set off	213.64	529.97

Deferred tax assets and deferred tax 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 periods 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 realize the benefits of

those deductible differences. The amount of deferred income tax assets considered realizable, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

The gross movement in the deferred income tax account for the current year March 31, 2019 and previous year ended March 31, 2018 are as follows:-

(₹ in Lakhs)		
Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Net deferred income tax asset/(liability) at the beginning	(529.97)	(469.89)
Mat credit entitlement	1128.50	837.87
Credit/(Change) relating to temporary differences	(812.16)	(897.95)
Net Deferred Income Tax Asset/(Liability) at the end	(213.64)	(529.97)

The composition of deferred liabilities assets relating to temporary differences during the Year ended March 31, 2019 are primarily on account of property plant and equipment, Preliminary expenses, Brought forwarded business losses & Un-absorbed depreciation.

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

2.33.1 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.

2.33.2 Subsequent Event -Dividends

Dividend paid during the financial year 2018-19 is ₹ 909.00 Lakhs (i.e. dividend of ₹ 1.298 per share to 7 crore equity shares) for the financial year 2017-18.

Dividend declared by the company is based on Net Worth or Profit after Tax as reported in the financial statement of the company and guidelines issued by Department of Public Enterprises (DPE). The Board of Directors of the company proposed a final dividend of ₹ 1241.00 Lakhs (₹ 1.773 per share to 7 crore equity shares) in respect of the Financial Year 2018-19 subject to approval of shareholders in Annual General Meeting. If approved, the dividend would result into cash outflow of ₹ 1496.09 Lakhs inclusive of dividend distribution tax of ₹ 255.09 Lakhs.

2.33.3 Assets and Liabilities are classified between current and non-current considering 12 months period as operating cycle.

Other Disclosures:

2.34 Information on CSR expenditure

(a) Up to Financial Year 2016-17, provision of section 135(1) of the companies Act, 2013 were not applicable

(b) Gross amount required to be spent during the year 2018-19 is ₹ 54.94 Lakhs (Previous Year ₹ 22.46 Lakh) including Previous Year unspent amount of ₹ 6.39 Lakh

(₹ in Lakhs)			
Particulars	Amount Paid during 2018-19	Amount Yet to paid during 2018-19	Total
(i) Construction/acquisition of any assets	Nil	Nil	Nil
(ii) On purposes other than (i) above	54.94	Nil	54.94
Total	54.94	Nil	54.94

2.35 Expenditure in foreign currencies

(₹ in Lakhs)		
Particulars	Year ended	
	31.03.2019	31.03.2018
Travel	-	3.28
Total	Nil	3.28

2.36 Details of dues to micro, small and medium enterprises as defined under the Micro and Small Enterprise Development Act, 2006* are given on the basis of information available with the management.

(₹ in Lakhs)

S. No.	Particulars	As at 31.03.2019	As at 31.03.2018
a	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
	- Principal amount due to micro and small enterprises	0.39	0.09
	- Interest due on above		
b	The amount of interest paid by the buyer in terms of Section 16 of the Micro and Small Enterprise Development Act, 2006, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
c	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro and Small Enterprises Development Act, 2006	-	-
d	The amount of interest due and remaining unpaid at the end of each accounting year	-	-
e	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of Micro and Small Enterprise Development Act, 2006.	-	-

*The company is providing consultancy services accordingly procurement made are mainly for stationery and other administration work through RITES Ltd (Holding Company).

The holding company (RITES Ltd.) has initiated the process of identification of suppliers registered under The Micro, Small and Medium Enterprises Development Act, 2006, by obtaining confirmations from all suppliers. Information has been collected only to the extent of information received.

2.37 Sundry creditors, customer's advances, amounts recoverable, security deposits receivable/payable are subject to confirmation.

2.38 Deferment of Income & Expense

The company has installed 26 MW Wind Mill plant at Jaisalmer, Rajasthan for utilization of energy generated from Wind Mill Plant by WCR for a period of 25 years in accordance with Power Purchase Agreement (PPA) signed between West Central Railways (WCR) and Company. The Wind mill Plant was commissioned on 16.10.2015 and since then energy generated from Wind Mill Plant 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 company. Due to change in status of WCR from consumer to deemed distribution licensee, accountal/methodology for utilization of energy generated by Wind Mill Plant have gone under change. 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 2017 to M/s JITPL and hence WCR has not agreed to pay bills for energy generated from Wind Mill Plant for the period from January 2017 to 26th April 17.

In present circumstances, there is uncertainty regarding realization of revenue. As per company's accounting policies, when there is uncertainty as to realisability, recognition of revenue is postponed until such uncertainty is removed. Therefore revenue amounting to ₹680.64 Lakhs for the period 10.01.2017 to 26.04.2017 has been postponed and not recognized. In this regard, a petition was filed in Rajasthan Electricity Regulatory Commission (RERC) for realization of the wind energy charges during this period (i.e. 10.01.2017 to 26.04.2017) as this power was fed into the state grid. As per RERC order dt.05.11.2018, "The commission is of the considered view that the petitioner (REMCL) is not entitled for Adjustment of energy wheeled from its CPP after termination of WBA". Accordingly petition was disposed off. Now, company has filed as appeal before APTEL on 20.12.2018 against this RERC order. The hearing is due on 25.05.2019

Wheeling and Transmission charges payable to Rajasthan state utilities are directly paid by WCR and deduction for the same is made by WCR in gross bill and only net amount i.e. after deduction towards wheeling & transmission is paid to REMCL on monthly basis. Therefore Wheeling & Transmission charges for the corresponding period i.e. 10.01.2017 to 26.04.2017 which are payable to Rajasthan state utilities has not been recognized and shown as contingent liability under note no. 2.28.

- 2.39** Pending execution of agreements/supplementary agreements, revenue amounting to ₹ NIL (Previous Year ₹ 524.23 Lakhs) pertaining to the current financial year has been recognized as un-billed revenue.

2.40 Disclosures on Revenue from contract with customers (Indian Accounting Standard-115)

The company presents revenue net of indirect taxes in its statement of profit & loss.

Revenue is recognized when (or) as an entity satisfies a performance obligation by transferring control of goods or services to a customer.

In case company satisfied condition of revenue recognition, the method used to determine performance obligation is as per the significant management judgements.

a) Disaggregation Revenue information:

The below presents Disaggregated Revenues from contract with customer for the year ended 31st March 2019 from various streams of revenue. The company believe that this Disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cash flows are affected by industry, market and other economic factor.

(₹ in Lakhs)

Revenue from Contracts with customers	Consultancy Services		Power Generations		Total Revenue
	Domestic	Abroad	Domestic	Abroad	
	6285.52	Nil	1862.81	Nil	8148.33

b) Trade receivable and contract balances

The company classifies the right to consideration in exchange of deliverables as either receivable or unbilled revenue.

Invoicing to the client is based on milestone as defined in the contract. This would result in timing of revenue recognition being different from the timing of billing to the customer. Unbilled revenue is classified as financial asset as contractual right to the consideration is depended on completion of contractual milestone.

Trade receivable and unbilled revenues are presented net of impairment in the Balance sheet.

During the year ended March31, 2019, the company recognized revenue of ₹. 71.19 Lakh arising from opening unearned revenue as of April1, 2018.

During the year ended March 31, 2019, ₹ 524.23 Lakhs of unbilled revenue as of April 1, 2018 has been reclassified to Trade receivables upon billing to customers on completion of milestones.

c) Significant management judgments on Revenue Recognition:

Recognised amounts of contract revenues and related receivables reflect management's best estimate of each contract's outcome and stage of completion which is determined based on physical progress, efforts, cost incurred to date bear to the total estimated cost of the transaction, time spent, service performed or any other method that management considered appropriate. Considering the business practices and category of clients, clauses relating to surcharge for late payment are not being considered by the management.

d) Assets recognised from the cost to obtain or fulfil a contract:

- i. Cost for obtaining the contract: - Cost for obtaining the contract is negligible and charged to Statement of Profit & Loss at the time of incurring of expense.
- ii. Cost for fulfilling the contract: - Cost to fulfilling the contract is charged to Statement of Profit and Loss when it is not recoverable. Wherever cost to fulfilling the contract is recoverable it is recognized as unbilled revenue and assets.

2.41 Previous period figures have been regrouped/recasted/rearranged, wherever necessary.

2.42 Recent Accounting Pronouncement

Ind AS 116 Leases: On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. At present, this Ind AS is not applicable in the company, will be implemented if required.

Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments: On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12.

The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Company is currently considering the selection of method and evaluating the effect of this amendment on the standalone financial statements.

Amendment to Ind AS 12 Income taxes: On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12 'Income Taxes' in connection with AS 12 accounting for dividend distribution taxes.

The amendment clarifies that an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognized those past transactions or events.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the standalone financial statements.

Amendment to Ind AS 19- plan amendment, curtailment or settlement- On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19 'Employee Benefit' in connection with accounting for plan amendment, curtailment or settlement.

The amendments require entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognize in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognized because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the standalone financial statements.

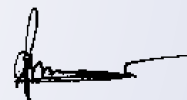
COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF RAILWAY ENERGY MANAGEMENT COMPANY LIMITED FOR THE YEAR ENDED 31 MARCH, 2019.

The preparation of financial statements of **RAILWAY ENERGY MANAGEMENT COMPANY LIMITED** for the year ended 31 March, 2019 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act is responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 29.04. 2019.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of **RAILWAY ENERGY MANAGEMENT COMPANY LIMITED** for the period ended 31 March, 2019 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report under Section 143(6)(b) of the Act.

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

A handwritten signature in black ink, appearing to read 'B.R. Mondal'.

(B.R. Mondal)

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

**Date: 1st July, 2019
Place: New Delhi**

CORPORATE INFORMATION

REGISTERED OFFICE

Core 1, 12th Floor, SCOPE Minar, Laxmi Nagar, Delhi-110092 (India)

CORPORATE OFFICE

RITES Bhawan, Plot No. 1, Sector 29, Gurugram-122001 (India)

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CIN: U93000DL2013GOI256661

AUDITORS

Statutory Auditor

Pawan Puri & Associates
Chartered Accountants

Internal Auditor

Dinesh Chandra & Associates
Chartered Accountants

Secretarial Auditor

Akhil Rohatgi & Co.
Company Secretaries

BANKERS

Indian Bank
Axis Bank



Railway Energy Management Co. Ltd.

(A Joint Venture of Indian Railways and RITES Limited)

Registered Office: Core-1, 12th Floor, SCOPE Minar, Laxmi Nagar, Delhi-110092 (India)

Corporate Office: RITES Bhawan, Plot No. 1, Sector 29, Gurugram -122001 (India)

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