



RAILWAY ENERGY MANAGEMENT CO. LTD.

(A JOINT VENTURE OF INDIAN RAILWAYS AND RITES LIMITED)



ANNUAL REPORT 2019 - 2020



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.

CONTENTS

BOARD AND MANAGEMENT REPORTS

2	BOARD OF DIRECTORS & KMP
3	CHAIRMAN'S MESSAGE
5	DIRECTORS' REPORT
18	REPORT ON CORPORATE GOVERNANCE
25	MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL STATEMENTS

45	INDEPENDENT AUDITORS' REPORT
50	BALANCE SHEET
51	STATEMENT OF PROFIT & LOSS
52	STATEMENT OF CHANGES IN EQUITY
53	STATEMENT OF CASH FLOWS
55	SIGNIFICANT ACCOUNTING POLICIES
63	NOTES TO ACCOUNTS
88	COMMENTS BY CAG

BOARD OF DIRECTORS



Mr. Rajeev Mehrotra
Chairman



Mr. Gopi Sureshkumar Varadarajan
Director



Mr. Ajeet Kumar Srivastava
Director



Mr. Shalabh Goel
Director
(Upto 19.11.2019)



Mr. Pradeep Kumawat
Independent Director



Ms. Sheela Koul
Independent Director
(From 25.07.2019)



Mr. Parmod Kumar Narang
Director
(From 01.06.2019)



Mr. Manish Gupta
Director
(From 07.08.2020)



Mr. Anil Ghai
Director
(Upto 31.05.2019)

KEY MANAGERIAL PERSONNEL



Mr. Sudhir Kumar Saxena
Chief Executive Officer
(Upto 20.02.2020)



Mr. Alok Nath Mathur
Chief Executive Officer
(From 21.02.2020 - 27.07.2020)



Mr. Rupesh Kumar
Chief Executive Officer
(From 28.07.2020)



Mr. Sunil Kumar Singh
Chief Financial Officer



Mr. Ranjan Kumar Tiwary
Company Secretary

CHAIRMAN'S MESSAGE

“The grant of **Open Access** and enhancing **Renewable Energy Portfolio** continued to provide **growth** to your Company”



Dear Shareholders,

It gives me immense pleasure in presenting the Annual Report of your Company for the Financial Year 2019-20 in the 7th Annual General Meeting. I extend a very warm welcome to all the shareholders.

The audited accounts of the Company for the financial year 2019-20 along with the Directors' Report, Statutory Auditor's 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 turnover of ₹ 80.96 crore as compared to previous year's turnover of ₹ 83.03 crore. The profit before tax is ₹ 49.74 crore as compared to ₹ 49.46 crore of the previous year.

Result & Progress

During the year, your Company has successfully facilitated about 1457MW of power for Indian Railways (IR) in 13 states/entities (Rajasthan, UP (ISTS), Maharashtra, Gujarat, MP, Karnataka, Jharkhand, DVC command area, Haryana, Delhi, UP, Bihar and Punjab), a rise of approximately 12% over last year. So far, REMCL has facilitated IR in migrating about 73% of their average traction power requirement (2000 MW) from consumer mode to deemed licensee mode. This has resulted in saving of about ₹ 3700 crore during the year and cumulative saving of about ₹ 14000 crore in Railways' electricity bill till March 2020.

In a significant move to add renewal energy generation, your company has secured its largest mandate from Indian Railways to manage the entire process for installation of 3 GW solar plants to be set up on vacant Railway land in 3 phases, thereby working towards the Railways' obligation to use 20% of electricity from renewable sources. Two phases aggregating to 2600 MW are being bid out on developer mode basis whereas one phase of 400 MW is planned to be taken up by your company under investment mode.

With continuing establishment of good presence in Renewable Sector, your company has signed a MoU with Energy & Power Development Ministry of Republic of Zimbabwe for implementation of Renewable Energy Projects on consultancy basis.

Your Company is consistently venturing out in the field of energy efficiency for Indian Railways in order to curtail high energy demand arising due to operational activities/requirements. Your Company is under discussion with Bureau of Energy Efficiency & Ministry of Railways and took up the study for energy efficiency in 5 major production units of Indian Railways through Perform, Achieve & Trade (PAT) scheme.



Chairman of REMCL, signing MoU with Energy and Power Development Ministry of Republic of Zimbabwe

Covid Pandemic Impact

The pandemic has caused unprecedented uncertainty on the economy and disrupted flow of business and economic activities in general, but to the extent possible, your Company has tried to negate the impact through remote working.

However, due to Corona period lock down, Indian Railways had to cancel several passenger train services in the last month of FY 2019-20, which resulted into reduction of total energy consumption of Indian Railways in various open access states. The Company revenue is highly dependent upon traction operations of Indian Railways. Consequent to covid-19, the impact was also felt on the Company's revenue due to loss in generation as well as loss in power procurement of Indian Railways.

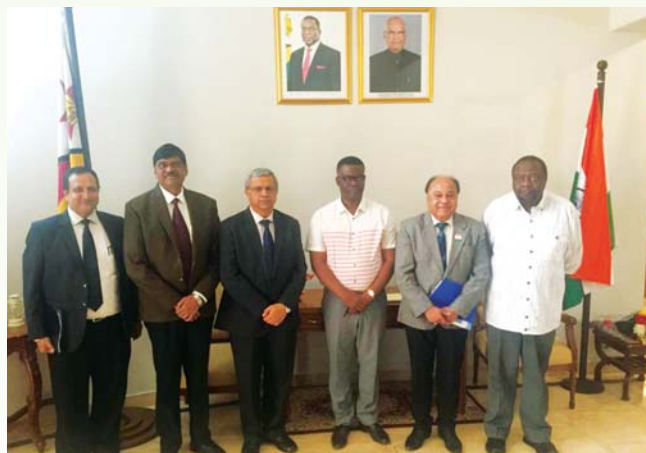
Prioritizing employees' well-being, your Company had carefully planned the normalization of business operations and services. I am sure that our business model and your trust will navigate through difficulties caused by pandemic.

Corporate Governance

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.

Corporate Social Responsibility

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 corporate citizen, your Company has spent ₹ 80.10 Lakh on various CSR activities during the FY 2019-20.



Dividend

To maintain consistency in payment of dividend, your Directors have recommended dividend of ₹ 10.50 crore for the financial year 2019-20 to the shareholders of the company. Your Company is consistent in payment of dividend.

Acknowledgement

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.

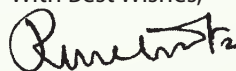
I, on behalf of the Board, would like to place on record sincere thanks for the valuable services rendered by Statutory Auditors, M/s Pawan Puri & Associates, Chartered Accountants.

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: 18th August, 2020

DIRECTORS' REPORT

DISTINGUISHED SHAREHOLDERS

The Directors present 7th Annual Report of the company with audited Financial Statements together with Auditor's Report for the year ended 31st March, 2020.

FINANCIAL HIGHLIGHTS:

The financial performance of the Company for the financial year 2019-20 is given below:

(₹ in Crore)

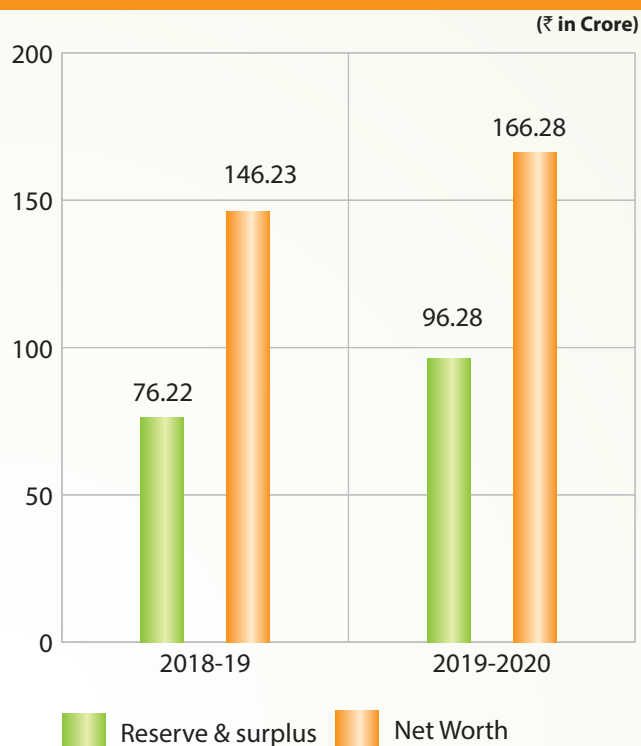
Particulars	2019-20	2018-19
Financial Results:		
Total Income	80.96	83.03
Operating Turnover	78.56	81.48
Operating Expenditure	31.22	33.57
Other Income	2.40	1.55
Profit Before Tax (PBT)	49.74	49.46
Taxes including deferred Tax	14.73	8.12
Profit After Tax (PAT)	35.01	41.34
Appropriations:		
Dividend including Dividend Distribution Tax	14.96	10.96
Transfer to General Reserve	20.05	30.38
Net Worth	166.28	146.23

BUSINESS PERFORMANCE:

The year 2019-20 has proved to be another year of sustained growth, profitability, productivity and value creation. Your company, which has been mandated to handle entire Power procurement under open access for Indian Railways, was successful in facilitating about 1457 MW of power in 13 states/entities (including DVC control Area & UP ISTS) despite of facing stiff resistance from State utilities. Thereby registering a growth of about 12% over previous year. All the efforts made by your company over the past years in the field of power procurement has enabled Indian Railways to cover up 73% of its traction energy requirement through open access resulting in saving of about ₹ 3700 crores during the year and cumulative saving of about ₹ 14,000 crores in Railways' electricity bills till March 2020.

Besides the mandate for power procurement, your company has recently secured its largest mandate from Indian Railways for managing installation of 3 GW solar plants to be set up on vacant Railways land. The continuous

ACHIEVEMENTS



efforts made by Railway Energy Management Company Limited (REMCL) towards developing the sustainable energy infrastructure for Indian Railways has not only reduced its carbon footprints but has also improved its finances substantially. REMCL so far has successfully awarded 248 MW of solar roof top projects, 52 MW of ground mounted projects & 93 MW of wind power projects. REMCL is also working out the energy saving potential in 5 major production units of Indian Railways. Successful implementation of these solar energy projects will reduce the CO₂ emissions by about 40 lakh tonne per year.

Also, REMCL has been diligently expanding its legal counseling capacity by contesting cases in various Central & State Government Commissions 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, implementation of Deviation Settlement Mechanism (DSM) regulation of CERC on IR as deemed licensee etc.

Some of the major highlights for the FY 2019-20 are mentioned below:

- Power flow of about 1457 MW was successfully commenced in 13 entities (including DVC control Area & UP ISTS) under open access for Indian Railways.
- For the first time your company successfully commenced power flow of 35 MW on Long term basis in State of Punjab. REMCL also commenced power flow to Non-traction load in RCF-Kapurthala, Modern Coach Factory (MCF)-Rae Bareilly, DLW-Varanasi & 3 Non-traction points in Delhi.
- Procuring power through IEX (energy exchange) has also commenced in the state of U.P., Delhi and Haryana to meet the peak power requirement of Indian Railways and as an arrangement for back-up power in case of failure of open access generators (107.6 MU purchased during FY 2019-20).
- REMCL for the first time has successfully facilitated purchasing of Renewable Energy Certificates (RECs) for Central & South Western Railways towards the compliance as per their regulatory requirements (1,33,657 REC purchased).

- Successful award of work for solar roof-top projects of about 248 MW and ground mounted projects of about 52 MW. Approximately 3000 MW of ground mounted solar projects are currently under pipeline. The award of these projects will make Indian Railways a Central Govt. organization to implement such a huge quantum of solar ground mounted projects.
- Your company successfully commissioned 66.9 MW of wind power plants in Tamil Nadu and Maharashtra.
- REMCL successfully awarded a pilot project of 2 MW solar ground mounted plant on vacant Railway land along the railway tracks at Diwana near Panipat and is under implementation. This unique way of harnessing solar energy along the railway tracks will unlock the huge potential to generate Green Power along the track.

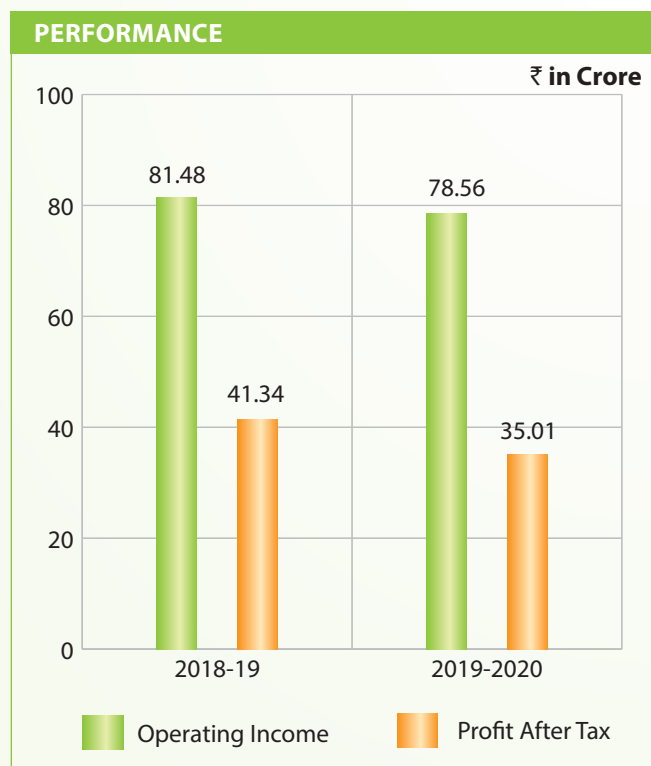
OUTLOOK:

Indian Railways has been promoting development of renewable energy infrastructure with a vision of reducing its dependence on fossil fuel and thus augmenting its decarbonisation process. In this process, your company is helping Indian Railways in accomplishing its solar mission and thus driving its journey towards becoming the world class integrated power player in the sector.

However, some short-term uncertainties have been created due to pandemic and to reduce their impact on business, the company has already placed cost control measures and is now striding towards efficient management of power portfolio of Indian Railways which includes economic power procurement, renewable energy projects (wind & solar), energy efficient projects, transmission projects and legal & regulatory assistance to Indian Railways in rest of the year.

Impact of Coronavirus (Covid-19)

Coronavirus (Covid – 19) outbreak is an unprecedented global situation that the world is dealing with in terms of its human and economic consequences. The pandemic has already forced Government of India to impose some of the stringent lockdowns in order to reduce the impact of this catastrophe on mankind. For the Company, the focus shifted towards ensuring health and well-being of all employees as well as minimizing disruption to services for





our customers. To the extent possible, company has tried to negate the impact through remote working. Company took all the recommended precautions and preventive measures to ensure safety and well-being of its employees. However, due to corona period lock down, Indian Railways had to cancel several passenger train services in the last month of FY 2019-20, which resulted into the reduction of total energy consumption of Indian Railways in various open access States. The impact of which was also felt in the company's revenue due to loss in generation as well as loss in the procurement of power for Indian Railways resulted into reduction of about ₹ 1.90 crore in operating revenue and profit before tax (PBT).

The company resumed its operations only after completion of safety checks and has put in place the mandatory protocols and SOPs for all the employees as per the guidelines stipulated by the Ministry of Home Affairs.

CAPITAL STRUCTURE:

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

DIVIDEND:

Your Directors have recommended a final dividend of ₹ 10.50 crore for the financial year 2019-20 (i.e. ₹ 1.50 per share on 7 crore equity shares) which is 15% of paid up capital of the company, subject to the approval of Shareholders in Annual General Meeting. During the FY

2019-20, the company has paid a final dividend of ₹ 12.41 crore.

DEPOSITS:

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

RESERVES:

During the year, ₹ 20.05 crore has been transferred to General Reserves by appropriation from profits of the company. Reserve and surplus has increased from ₹ 76.23 crore as at end of the previous year (i.e. 31st March 2019) to ₹ 96.28 crore as on 31st March 2020.

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:

Energy efficiency is an emerging field for an efficient and reliable management of one's own energy consumption and thus one's contribution towards risk mitigation of threats posed by global climate changes. Indian Railways being an energy intensive industry is considering to implement energy efficient measures in its infrastructure so that the need for increasing energy demand due to operational requirements can be curtailed. Energy Efficiency is often viewed as a resource base reduction in carbon emission.

Your company is under discussion with the Bureau of Energy efficiency (BEE) and Ministry of Railways has taken up "Study for Energy Efficiency in 5 major production units (PUs) of Indian Railways i.e. ICF, RCF, CLW, DLW & DLMW through Perform, Achieve and Trade (PAT) scheme". The draft Study Report has been submitted by your company to Railway Board and respective PUs for implementation.

IMPLEMENTATION OF RENEWABLE ENERGY PROJECTS:

Your company is continuously adding up to the capacity of Renewable Energy Projects on a large scale thus expanding its generation mix to ensure long-term competitiveness,



mitigation of fuel risks and development of sustainable power infrastructure. REMCL has also initiated various measures to reduce the costs for Indian Railways by providing services in different areas of expertise such as analyzing efficient energy procurement, meeting compliances as per Renewable Purchase Obligation (RPO), expediting & coordinating with Zonal Railways (ZRs), formulating bid documents & related agreements, developing implementation models and awarding 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 Zonal Railways (ZR).

Status of implementation of solar power projects are as under:

i) 248 MW solar roof-top projects:

REMCL successfully awarded 248 MW solar roof top projects on behalf of ZRs with and without Central

Finance Assistance (CFA) till date. The lowest tariff discovered was ₹ 4.15/kWh in the year 2019-20. Tender for 35 MW solar roof top was also floated in the year 2019-20.

ii) 50 MW solar ground mounted project:

Tender for implementing 50 MW solar PV plant on the vacant Railway land was invited under Tariff Based Competitive Bidding through e-bidding with reverse e-auction on 31.08.2018. The discovered tariff of ₹ 2.91/kWh was approved by Railway Board on 03.06.19 and work awarded to the successful Solar Power Developer



Solar panel at Railway Station



Solar Roof Top Projects

on 09.09.19. Scheduled Commissioning Period is 13 months from signing of PPA. The plant is expected to generate approx. 106.25 MU of solar power annually. Power generated from this plant will be evacuated through nearby CTU/PGCIL substation at Raipur and shall be used for traction purpose in different states for partly fulfillment of RPO of IR.

iii) **400 MW solar ground mounted project:**

Indian Railways is planning to source green energy 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 Area & Bihar, 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 Obligations (SPOs) as per MoP requirements.

iv) **2 MW Ground mounted Solar Project:- First Pilot Solar Project of Indian Railways along Railway track.**

Your Company has undertaken development of first ever 2 MW ground mounted solar projects along the

railway tracks as a pilot project for Indian Railways through tariff based competitive e-bidding followed by reverse e-auction. The project is first of its kind to be implemented by Indian Railways. The Solar Power Plant will be designed for feeding at Inter-Connection Point/ Delivery/ Metering Point", where the power from the Solar Power Project will be injected into the 132 KV 3 Ph AC Railways Transmission System. REMCL has awarded this work to the successful bidder in the month of May' 2019 at a discovered tariff of ₹ 3.49/ kWh fixed for a period of 25 years.

Model Bid Document for Ground Mounted Solar Projects:-

During the year, as per the requirement of Railway Board your Company has developed a Model Bid Document (MBD) for ground mounted solar projects under tariff based competitive bidding to be undertaken on Railways vacant land and the Model Bid Document has been approved by Railway Board for future ground mounted solar projects.

Solar Projects Under Planning: - REMCL has recently secured its largest mandate from Indian Railways for managing installation of 3 GW solar plants to be set up on vacant Railways land.

WIND POWER PROJECTS:

Your company is going aggressively in renewable energy by implementing wind power projects for Indian Railways.



Piling and Foundation work at 2 MW solar site at Diwana

So far, it has successfully awarded 93 MW of wind power projects. The FY 2019-20 has been successful in many ways as new projects were implemented and ongoing projects were commissioned.

During the year, your company 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 under EPC mode. This 10.5 MW wind project was successfully commissioned on 08.01.2019, handed over to the client (SR) on 30.05.2019 and O&M Agreement also signed between developer and SR on 30.05.2020. The 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.



Wind Project 10.5 MW, Chennai



POWER PROCUREMENT

Indian Railways, 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 Indian Railways 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 under open access, thereby reducing the electricity bills of Indian Railways which have resulted into huge cost savings.

Status of Deemed Licensee:

The Company's continuous efforts in previous years have already brought 13 entities (including DVC control area and UP-ISTS) under the ambit of Deemed Licensee status of Indian Railways. Similar efforts are being made by your company for the 7 major remaining states of West Bengal, Tamil Nadu, Andhra Pradesh, Chhattisgarh, Odisha, Kerala & Telangana through regulatory intervention as stiff resistance is being faced by Indian Railways in issuance of No Objection Certificate (NOC) and recognition of Railway's status as deemed licensee in these states.

Procurement of power under Open Access:

Your Company successfully facilitated over 1457 MW power in the open access states of Rajasthan, UP(ISTS), Maharashtra, Gujarat, MP, Karnataka, Jharkhand, DVC command area, Haryana, Delhi, Bihar and Punjab in the

FY 2019-20 under open access, a growth of 12% over the previous financial year. So far REMCL has facilitated Indian Railways in migrating about 73% of average traction power requirement (2000 MW) from consumer mode to deemed licensee mode.

Compliance to Renewable Purchase Obligation (RPO):

One of the regulatory requirements for Railways as deemed licensee is compliance to Renewable Purchase Obligations. Your company has assisted Railways in purchasing Renewable Energy Certificates from Energy Exchange. In current financial year, Railways have purchased 1,33,657 Renewable Energy Certificates.

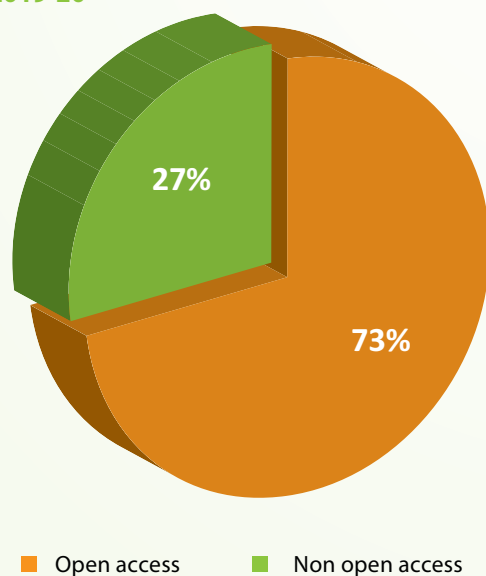
Procurement through Energy Exchange:

Indian Railways has also initiated procurement of energy through collective transaction by bidding of power through trader on energy exchange. Tri-Partite agreements have been executed between Nodal Railway, Trader Member and REMCL. REMCL is regularly advising Railways on bidding guidelines. In current financial year, Railways have purchased about 107.60 MUs of Energy through Exchange.

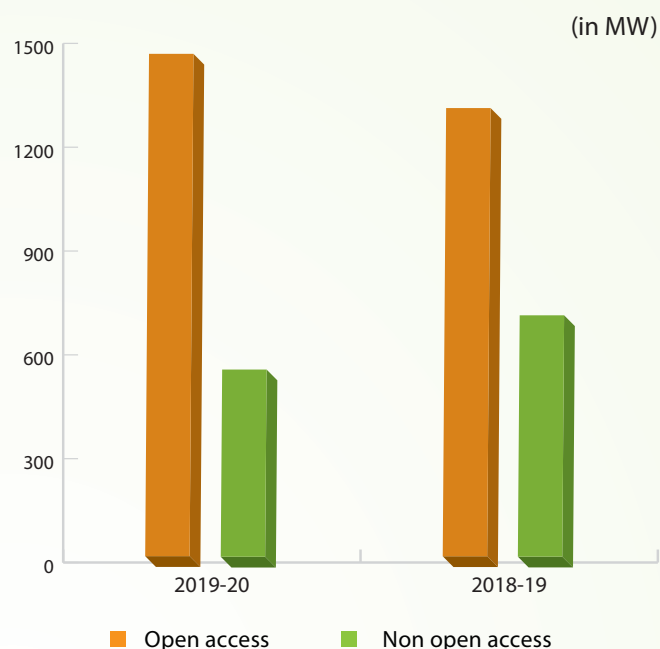
Energy management of BRBCL plant:

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

Power procurement of Indian Railway in FY 2019-20



Total Power Scenario of Indian Railway in last two years



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:

A New Paradigm shift in Railways:

The requirement of traction power is going to increase significantly with 100 % electrification of rail routes of Indian Railways. This will correspondingly increase requirement of power to be purchased through utilities at a higher tariff which will also increase the requirement of Renewable Purchase Obligation (RPO). For meeting RPO obligation, Indian Railways has explored the possibilities

of setting up solar plants on available vacant surplus land parcels or on land along the Railway track for feeding such solar power directly into CTU/STU or the traction system or for non- traction purpose.

Indian Railways has vacant land to the extent of 51000 hectares, with 85 % Land of varying widths alongside the Railway Tracks. It is intended to develop schemes for installing solar power plants on vacant Railway lands and utilize the solar power so generated for feeding to 132 KV 3 Ph. AC Railway Transmission systems. Before proliferation on large scale basis, a pilot project of 2 MW for solar generation was planned to be executed on Delhi-Ambala Section of Northern Railway at Diwana near Panipat. Railway Board has nominated REMCL as one of the implementing agencies along with NR for this project

Your company is being continuously working on this front and successfully awarded the work for 2 MW pilot projects of Railways along the Railway track where connectivity is at 132 KV 3 Phase Railways transmission system in the month of May 2019. Many other projects on the similar lines are under discussion.

REGULATORY MATTERS

Appellate Tribunal for Electricity (APTEL):

REMCL through various legal counselors is facilitating Indian Railways in defending the legal cases filed before Hon'ble APTEL with Railways as Appellant/Respondent by utilizing available expertise in the ongoing cases related to Deemed Licensee status of Indian Railways, resistance in issuance of NOC in state of West Bengal, Tamil Nadu & Chhattisgarh, imposition of various charges (Cross Subsidy Surcharge, additional surcharge, standby charges etc.) by some states on Indian Railways. Your company through these cases is helping Indian Railways in proliferating open access and to reduce financial burden caused due to imposition of such charges.

REMCL has been diligently expanding its legal counseling capacity in contesting the legal cases filed with Railways as Petitioner on behalf of Indian Railways 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, implementation of Deviation Settlement Mechanism (DSM) regulation of CERC on Indian Railways as deemed licensee etc.

Central Electricity Regulatory Commission (CERC):

Your company is facilitating crucial inputs with the help of available expertise in matters regarding termination of Agreement for Power Purchase (APP) with Open Access generator selected by REMCL on behalf of Railway through open competitive bidding in various states and imposition of different claims such as compensation & return of Performance Bank Guarantee (PBG) etc. As regard issues with BRBCL, REMCL on behalf of Indian Railways 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 for BRBCL power and levying of transmission charges in proportion to the quantum of LTA capacity actually utilized by Railways. Railways as deemed licensee is also contesting the matter of applicability of DSM charges and sign change penalty charges as per CERC DSM regulation.

State Electricity Regulatory Commission (SERC):

Your company is also assisting Zonal Railways in defending matters related to issuance of No Objection Certificate (NOC) by state entities, forced arrangement of back-up power supply, imposition of CSS, additional surcharge, imbalance charges, Specific conditions for IR as deemed distribution licensee in the state, applicability of various open access charges as deemed licensee 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):

Corporate Social Responsibility and Sustainability policy demonstrates our commitment to operate in economically, socially and environmentally sustainable manner that is transparent and ethical. It encourages

engagement with the stakeholders in determining their needs and expectations. The stakeholders include employees, shareholders, investors, customers, clients, business associates, civil society groups, Centre/State/local government, communities, environment and society at large. A total of ₹ 80.10 Lakh was spent during the year 2019-20 against the mandatory requirement of ₹ 78.80 Lakh. Good image of the company has been built among the community. The underprivileged and economically weaker sections have also benefitted from the activities.

In order to comply with the provisions of Section 135 of the Companies Act, 2013, and Guidelines on CSR issued by DPE, Board level committee has been constituted to oversee the implementation of CSR activities and to assist the Board of Directors to formulate strategies in this regard. Currently, CSR Committee comprises of Shri Ajeet Kumar Srivastava, Director of the company as Chairman, Dr. Pradeep Kumawat, Smt. Sheela Koul, Independent Directors of the company and Shri Parmod Kumar Narang, Director of the company as members. During the year, three meetings of the CSR Committee were held on 29/04/2019, 19/10/2019 and 31/01/2020.

The CSR projects / activities taken up by the company are in accordance with the sectors as defined in the Schedule VII of Companies Act 2013. Key projects taken up during FY 2019-20 are as follows:

SECTOR: Rural Development

- **Rural Development project:** Your Company has financially supported rural development projects in various villages of Ballia district in UP under its CSR initiative for FY 2018-19 and 2019-20 through construction of sanitation amenities such as community toilets, school toilets and providing solar lights in the FY 2018-19 & 2019-20.

SECTOR: Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.

- **Promoting health care:** Your Company has financially supported for distribution of aids & assistive devices (motorized tricycles with box) to

Divyangjan through Artificial Limbs Manufacture Corporation of India (ALIMCO) in Jaisalmer district.

- **Promoting sanitation:** Your Company has taken up the initiative to promote sanitation by installation of 21 ladies toilets in Government Primary and Secondary Schools situated in urban/tribal areas of Udaipur district, Rajasthan. The project was undertaken by the Rotary Club of Udaipur.

SECTOR: Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects.

- **Promoting education:** Your Company has financially supported for better education of society for upliftment of quality of life through establishment of 13 libraries in Government Schools of Udaipur. The project was undertaken by the Rotary Club of Udaipur.



Inauguration of library set-up in Government School by Mr. Pradeep Kumawat, Independent Director of REMCL

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

FOREIGN EXCHANGE EARNINGS AND OUTGO:

There were no foreign exchange earnings and outgo during the FY 2019-20 & 2018-19.

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 2.28 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

- 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.
- 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.

- Company has robust internal control system and procedure in line with holding company.
- The Risk Management committee reconstituted by the Board of Directors in their 33rd meeting held on 31st January, 2020 comprises of Shri Parmod Kumar Narang, Director as Chairman, Shri Ajeet Kumar Srivastava, Director and Dr. Pradeep Kumawat, Independent Director of the company as members.
- During the year one meeting of Risk Management committee was held on 18/03/2020.

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

The Board of Directors consists of Seven (7) Directors, 2 Directors nominated by Ministry of Railways, 3 Directors nominated by RITES Limited including chairman and two independent Director appointed by Ministry of Railways. The Board met six (6) times during the year for transacting businesses. The following Directors held office during the Financial Year 2019-20:

Sl. No.	Name	Designation
1.	Shri Rajeev Mehrotra	Chairman
2.	Shri Gopi Sureshkumar Varadarajan	Director
3.	Shri Ajeet Kumar Srivastava	Director
4.	Shri Shalabh Goel	Director (Up to 19/11/2019)
5.	Shri Parmod Kumar Narang	Director (From 01/06/2019)
6.	Shri Anil Ghai	Director (Up to 31/05/2019)
7.	Dr. Pradeep Kumawat	Independent Director
8.	Smt Sheela Koul	Independent Director (From 25/07/2019)

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 Rajeev

Mehrotra, Chairman of the company with longest term in the office will retire by rotation and being eligible, offer himself for reappointment.

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

Shri Sudhir Kumar Saxena	Chief Executive Officer (Up to 20/02/2020)
Shri Alok Nath Mathur	Chief Executive Officer (From 21/02/2020)
Shri Sunil Kumar Singh	Chief Financial Officer
Shri Ranjan Kumar Tiwary	Company Secretary

Dates of the meeting and attendance sheet of the Board of Directors meeting during the year 2019-20 is placed at **Annexure-A**.

AUDIT COMMITTEE

The company has constituted Audit committee in line with section 177 of the companies Act, 2013. As on 31st March, 2020 the composition of Audit Committee comprises of Dr. Pradeep Kumawat, Independent Director as chairman, Shri Gopi Suresh Kumar Varadarajan, Shri Ajeet Kumar Srivastava, Shri Parmod Kumar Narang, Directors and Smt. Sheela Koul, Independent Director of the company as members.

During the year six meetings of the Audit Committee were held on 29/04/2019, 25/06/2019, 29/07/2019, 18/10/2019, 31/01/2020 and 18/03/2020.

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 Directors 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) were received.

MEETING OF INDEPENDENT DIRECTOR(S)

During the year one meeting of Independent Directors was held on 31/01/2020.

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

The company has constituted Nomination and Remuneration Committee in line with the requirements of Section 178 of the companies Act, 2013.

As on 31st March, 2020 the Nomination and Remuneration Committee comprises of Smt. Sheela Koul, Independent Director as Chairman, Dr Pradeep Kumawat, Independent Director, Shri Ajeet Kumar Srivastava and 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:

- In the preparation of the annual accounts the applicable accounting standards have been followed and there is no material departure from the same.
- 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;
- 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;
- 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.

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 deployment of experienced expert manpower from the holding company i.e. RITES Ltd

ORGANIZING BUSINESS MEETS, SEMINARS & CONFERENCES:

- Successfully organized seminar on “Capacity building program for procurement of power by Zonal Railways as Deemed Licensee”
 - i. For North Western Railway in Jaipur 06.06.2019.
 - ii. For Central Railway in Mumbai 16.10.2019.
 - iii. For Eastern Railway in Kolkata on 13.12.2019.
 - iv. For Northern Railway in Delhi 17.12.2019.
- Your company has participated in the ELECRAMA 2020 at India Expo Mart, Greater Noida from 18.01.2020 to 22.01.2020 and successfully showcased the Renewable Energy projects as one of the key Business area.



REMCL stall at ELECRAMA 2020 at India-Expo Mart, Greater Noida

- Your company has participated in 13th IREE 2019 held during 22.10.2019 - 24.10.2019 at Aero city (Near Airport), New Delhi & successfully showcased the Infrastructure projects of REMCL.



Inauguration of REMCL stall by Chairman of REMCL at IREE at Aerocity, New Delhi

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.
- Your company has also received an award of being the ‘Most Innovative Player’ in Power Sector from Shri R.K.Singh, Hon’ble Minister of State (Independent charge) Power & MNRE, in a function organized by PTC India Ltd on 15.07.2019.

- In recognition of efforts made by your company in commencement of flow of traction power: 35 MW in Punjab, additional 50 MW in Bihar and additional 10 MW in Rajasthan from BRBCL under Open Access, your company has received a Group Award of ₹ 25,000/- from Shri Rajesh Tiwari, Member Traction, Ministry of Railways, Railway Board on 25.02.2020.

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 2019-20. 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 2019-20. The Secretarial Audit Report for the financial year ended March, 31, 2020 has been placed at **Annexure – VI**.

The secretarial audit report does not contain any qualification, reservation or adverse remark. However, action on observations made by secretarial auditor regarding composition of Audit Committee as per DPE guidelines and registration under Shops and Establishments Act has been taken.

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, 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

Place: Gurugram
Date: 28th July, 2020

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

The Board of Directors of the company comprises of seven (7) Directors viz. 3 Nominee Directors of RITES Ltd including Chairman, two Nominee Directors of Ministry of Railways and two Independent Non-Official Directors.

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:

3.2 Brief Resume of Directors who joined the Board as Whole - time / Part time/ Independent Director during the year 2019-20

Shri Parmod Kumar Narang has joined REMCL as Director w.e.f 01.06.2019. He has joined RITES on 12th November 1986. He has worked in RITES at various positions in finance and having rich and varied experience of working at various capacities and presently working as CFO. He is a commerce graduate from Delhi University and a fellow member of the Institute of Chartered Accountants of India having post qualification experience of over 32 years in various fields including finance, tax, financial matters relating to projects, financial audit, treasury management and statutory compliance from financial perspective etc.

Smt. Sheela Koul is an Educationist and Social worker. She is graduate from Kashmir University. She has experience of more than 35 years in field of education and social service. She is presently appointed as Independent Director on the Board of Directors of REMCL, a Public Sector Undertaking under the Ministry of Railways.

3.3 Number of Board Meetings

The Board of Directors met 6 times during the year 2019-20 to review the working of the company and discuss the future business activities/ plans etc of the Company.

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	Director	1	Nil	1
3.	Shri Shalabh Goel (Up to 19/11/2019)	Director	Nil	Nil	Nil
4.	Shri Ajeet Kumar Srivastava	Director	Nil	Nil	Nil
5.	Shri Anil Ghai (Up to 31/05/2019)	Director	Nil	Nil	Nil
6.	Dr. Pradeep Kumawat	Independent Director	Nil	Nil	Nil
7.	Smt. Sheela Koul (From 25/07/2019)	Independent Director	Nil	Nil	Nil
8.	Shri Parmod Kumar Narang (From 01/06/2019)	Director	1	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.

S No.	Directors	Board of Directors Meetings During the Year		
		Held During their tenure	Attended	Attendance at the AGM held on 29th July, 2019
1.	Shri Rajeev Mehrotra Chairman	6	6	Present
2.	Shri Gopi Sureshkumar Varadarajan	6	6	Present
3.	Shri Ajeet Kumar Srivastava	6	5	Present
4.	Shri Anil Ghai Director (Up to 31/05/2019)	1	1	NA
5.	Shri Shalabh Goel (Up to 19/11/2019)	4	4	Present
6.	Dr. Pradeep Kumawat	6	6	Present
7.	Shri Parmod Kumar Narang (From 01/06/2019)	5	5	Present
8.	Smt. Sheela Koul (From 25/07/2019)	4	4	Present

Note: Dates of the meeting and attendance sheet of the Board of Directors meeting during the year 2019-20 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 Directors for attending Board and Committee meetings 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, 2020.

6. Committees of the Board of Directors

6.1 Audit Committee:

The company's has constituted Audit committee in line with section 177 of the companies Act, 2013. During the year the Board of Directors in their 30th meeting held on 25/06/2019 re-constituted Audit Committee comprising of Dr. Pradeep Kumawat, Independent

Director as Chairman, Shri Gopi Sureshkumar Varadarajan, Shri Ajeet Kumar Srivastava, Shri Parmod Kumar Narang, Directors of the company as members.

Further, the Board of Directors in their 31st meeting held on 29/07/2019 re-constituted Audit Committee comprising of Dr. Pradeep Kumawat, Independent Director as Chairman, Shri Gopi Suresh Kumar Varadarajan, Shri Ajeet Kumar Srivastava, Shri Parmod Kumar Narang Directors and Smt. Sheela Koul, Independent Director of the company as members.

As on 31st March, 2020 the Audit Committee comprised the following Directors:

Name	Position in the Committee	Designation
Dr. Pradeep Kumawat	Chairman	Independent Director
Shri Gopi Suresh Kumar Varadarajan	Member	Director
Shri Ajeet Kumar Srivastava	Member	Director
Smt. Sheela Koul	Member	Independent Director
Shri Parmod Kumar Narang	Member	Director

During the year six meetings of the Audit Committee was held on 29/04/2019, 25/06/2019, 29/07/2019, 18/10/2019, 31/01/2020 and 18/03/2020.

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;
 - 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;
 - i). The adequacy of the internal controls including computerized information system controls and security, and
 - ii). 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 company's has constituted Risk Management Committee in line with companies Act, 2013. The Board of Directors in their 30th meeting held on 25/06/2019 constituted Risk Management Committee comprising of Shri Parmod Kumar Narang, Director as Chairman, Shri Shalabh Goel Director and Dr. Pradeep Kumawat, Independent Director of the company as Members. Further, the Board of Directors in their 33rd meetings held on 31/01/2020 re-constituted Risk Management Committee comprising of Shri Parmod Kumar Narang, Director as Chairman, Shri Ajeet Kumar Srivastava, Director and Dr. Pradeep Kumawat, Independent Director of the company as members. During the year one meeting of Risk Management committee was held on 18/03/2020.

As on 31st March, 2020 the Risk Management Committee comprised the following Directors:

Name	Position in the Committee	Designation
Shri Parmod Kumar Narang	Chairman	Director
Shri Ajeet Kumar Srivastava	Member	Director
Dr. Pradeep Kumawat	Member	Independent Director

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 Dr Pradeep Kumawat, Independent Director of the company as chairman, Shri Shalabh Goel and Shri Parmod Kumar Narang, Directors of the company as members.

The Board of Directors in their 31st meeting held on 29/07/2019 constituted Nomination and Remuneration Committee comprising of Smt Sheela Koul, Independent Director, as Chairman Dr Pradeep Kumawat, Independent Director, Shri Shalabh Goel and Shri Parmod Kumar Narang, Directors of the company as members.

The Board of Directors in their 33rd meeting held on 31/01/2020 constituted Nomination and Remuneration Committee comprising of Smt Sheela Koul, Independent Directors of the company as chairman, Shri Ajeet Kumar Srivastava and Shri Parmod Kumar Narang, Directors of the company as members.

As on 31st March, 2020 the Nomination and Remuneration Committee comprised the following Directors:

Name	Position in the Committee	Designation
Smt. Sheela Koul	Chairman	Independent Director
Shri Ajeet Kumar Srivastava	Member	Director
Dr. Pradeep Kumawat	Member	Independent Director
Shri Parmod Kumar Narang	Member	Director

6.5 Corporate Social Responsibility and Sustainability

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Corporate Social Responsibility and Sustainability policy demonstrates our commitment to operate in economically, socially and environmentally sustainable manner that is transparent and ethical. It encourages engagement with the stakeholders in determining their needs and expectations. The stakeholders include employees, shareholders, investors, customers, clients, business associates, civil society groups, Centre/State/local government, communities, environment and society at large. A total of ₹ 80.10 Lakh was spent during the year 2019-20 against the mandatory requirement of ₹ 78.80 Lakh. Good image of the company has been built among the community. The underprivileged and economically weaker sections have also benefitted from the activities.

In order to comply with the provisions of Section 135 of the Companies Act, 2013, and Guidelines on CSR issued by DPE, Board level committee has been constituted to oversee the implementation of CSR activities and to assist the Board of Directors to formulate strategies in this regard.

The Board of Directors in their 30th meeting held on 25/06/2019 re-constituted CSR Committee comprising of Shri Shalabh Goel, Director as Chairman, Dr. Pradeep Kumawat, Independent Director and Shri Parmod Kumar Narang, Directors of the company as member. Further, the Board of Directors in their 31st meeting held on 29/07/2019 re-constituted CSR Committee comprising of Shri Shalabh Goel, Director as chairman, Dr. Pradeep Kumawat, Independent Director, Smt Sheela Koul, Independent Director and Shri Parmod Kumar Narang, Director of the company as member.

Further, the Board of Directors in their 33rd meeting held on 31/01/2020 reconstituted CSR Committee comprising of Shri Ajeet Kumar Srivastava, Director as chairman, Dr. Pradeep Kumawat, Independent Director, Smt Sheela Koul, Independent Director and Shri Parmod Kumar Narang, Director of the company as members.

During the year, three meetings of the CSR Committee were held on 29/04/2019, 19/10/2019 and 31/01/2020.

As on 31st March, 2020 the Corporate Social Responsibility Committee comprised the following Directors:

Name	Position in the Committee	Designation
Shri Ajeet Kumar Srivastava	Chairman	Director
Dr. Pradeep Kumawat	Member	Independent Director
Smt. Sheela Koul	Member	Independent Director
Shri Parmod Kumar Narang	Member	Director

The CSR projects / activities taken up by the company are in accordance with the sectors as defined in the Schedule VII of Companies Act 2013. Key projects taken up during FY 2019-20 are as follows:

SECTOR: Rural Development

- **Rural Development project:** Your Company has financially supported rural development projects in various villages of Ballia district in UP under its CSR initiative for FY 2018-19 and 2019-20 through construction of sanitation amenities such as community toilets, school toilets and providing solar lights in the FY 2018-19 & 2019-20.

SECTOR: Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.

- **Promoting health care:** Your Company has financially supported for distribution of aids & assistive devices (motorized tricycles with box) to Divyangjan through Artificial Limbs Manufacture Corporation of India (ALIMCO) in Jaisalmer district.
- **Promoting sanitation:** Your Company has taken up the initiative to promote sanitation by installation of 21 ladies toilets in Government Primary and Secondary Schools situated in urban/tribal areas of Udaipur district, Rajasthan. The project was undertaken by the Rotary Club of Udaipur.

SECTOR: Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects.

- **Promoting education:** Your Company has financially supported for better education of society for the upliftment of quality of life through establishment of 13 libraries in Government Schools of Udaipur. The project was undertaken by the Rotary Club of Udaipur.

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
6 th AGM	2018-19	29/07/2019	12:45 HRS	Shangri – La's Eros, Hotel, New Delhi	Nil
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

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 2019-20**

SL. NO.	NAME OF DIRECTORS	34 TH BOD MEETING 18/03/2020	33 RD BOD MEETING 31/01/2020	32 ND BOD MEETING 19/10/2019	31 ST BOD MEETING 29/07/2019	30 TH BOD MEETING 25/06/2019	29 TH BOD MEETING 29/04/2019	TOTAL 6 (SIX) MEETINGS
1.	Shri Rajeev Mehrotra	✓	✓	✓	✓	✓	✓	All
2.	Shri Gopi Sureshkumar Varadarajan	✓	✓	✓	✓	✓	✓	All
3.	Shri Anil Ghai, (up to 31/05/2019)	NA	NA	NA	NA	NA	✓	1(All)
4.	Shri Shalabh Goel (up to 19/11/2019)	NA	NA	✓	✓	✓	✓	4 (All)
5.	Shri Ajeet Kumar Srivastava	✓	✓	✓	✓	•	✓	5 out of 6
6.	Dr. Pradeep Kumawat	✓	✓	✓	✓	✓	✓	All
7.	Smt Sheela Koul (From 25/07/2019)	✓	✓	✓	✓	NA	NA	4(All)
8.	Shri Parmod Kumar Narang (from 01/06/2019)	✓	✓	✓	✓	✓	NA	5(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, 2020 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 audit committee was not having 2/3 of its members as Independent Directors as required under the DPE Guidelines during the period under review.

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

M No.: F10189

CP No: 11372

UDIN: F010189B000475159

Place: New Delhi
Date: 20th July, 2020

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 2019-20. 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 was 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 in Green Energy, in the field of wind and solar for Indian Railways.
- Facilitating cost efficiencies in the energy management for Railways by power procurement through open bidding as well as power trading through power exchanges.
- 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 matters to obtain relief in electricity tariff processing.

1. OUTLOOK AND OPPORTUNITIES

Indian Railways, being a significant consumer of energy sources, needs to identify cost effective options for energy system having least environmental impacts. To reduce dependence on fossil fuels, it is required to expand sourcing of Renewable Energy as per the Railways' mission of transforming Indian Railways into Greener Railways.

"Railway is naturally a Green mode of Transport. We want to make it further Greener by adopting Renewable Energy as a major source of Energy for Railways". Hon'ble Minister of Railways, said while addressing a conference on Solar Energy opportunities in the Rail Sector.

In line to above, your company has taken various initiatives to undertake and implement the projects for Indian Railways related to harnessing of green energy. In FY 2019-20, 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 about 248 MW of solar roof-top projects so far, nearly 35 MW Solar Roof Top projects are under implementation stage, 52 MW of solar ground mounted projects have been awarded successfully. REMCL has recently secured its largest mandate from Indian Railways for managing installation of 3 GW solar plants to be set up on vacant Railways land.

Besides harnessing IR's Renewable energy spectrum for sustaining the growth and reducing the carbon footprints with further economizing the cost of power. Your company is also managing electrical energy portfolio of IR by economic power procurement through long term PPAs and Bilateral collective transaction through Energy Exchanges.

Although Indian Railway (IR) is a bulk consumer, it pays extremely high charges for traction power. To improve Indian Railways financial viability, reversing fuel bill trend was an important goal, as it constituted about 30% of ordinary working expenses. In this regard, realizing potential under deemed licensee status; available to Railways was the first land mark achievement of Railways which reversed increasing trend of electric traction bill of Indian Railways. Your company is facilitating IR in migrating from consumer to deemed licensee mode progressively across the country and is relentlessly working on multiple fronts on the road map to speed up growth of Indian Railways in order to reduce its traction energy bill substantially. In FY 2019- 20, your company has also initiated procurement of energy through collective transaction by bidding of power through trader on energy exchange and has also fulfilled the compliance of Renewable Purchase obligation (RPO) for IR. With all these initiatives, saving of about ₹ 3700 crore during the year and cumulative savings of about ₹14000 crore was accrued upto March'2020. It is further expected that taking actions forward in these areas during the year 2020-21 will increase the annualized saving of Indian Railways substantially.

Impact of Coronavirus (Covid-19)

Coronavirus (Covid – 19) outbreak is an unprecedented global situation that the world is dealing with in terms of its human and economic consequences. The pandemic has already forced Government of India to impose some of the stringent lockdowns in order to reduce the impact

of this catastrophe on mankind. For the Company, the focus shifted towards ensuring health and well-being of all employees as well as minimizing disruption to services for our customers. To the extent possible, company has tried to negate the impact through remote working. Company took all the recommended precautions and preventive measures to ensure safety and well-being of its employees. However, due to corona period lock down, Indian Railways had to cancel several passenger train services in the last month of FY 2020, which resulted into the reduction of total energy consumption of Indian Railways in various open access States. The impact of which was also felt in the company's revenue due to loss in generation as well as loss in the procurement of power for Indian Railways resulted into reduction of about ₹ 1.90 Cr in operating revenue and profit before tax (PBT).

The company resumed its operations only after completion of safety checks and has put in place the mandatory protocols and SOPs for all the employees as per the guidelines stipulated by the Ministry of Home Affairs.

OPPORTUNITIES IN THIS REGARD ARE BEING ENUMERATED AS BELOW:

1.1 POWER PLANNING IN INDIAN RAILWAYS:

Railways has embarked to reduce its operating expenses by adopting various alternatives to draw energy at economical prices. With this innovative approach, in the year 2016-17, your company has assisted Railways to get the status of Deemed Licensee, which enables Indian Railways to directly buy economical energy from generators by paying discovered tariff and applicable regulated charges to central and state transmission system under open access. To diversify into emerging businesses and markets across the power value chain, your company has initiated procurement of energy through collective transaction by bidding of power through trader on energy exchange, also fulfilled the compliance of Renewable Purchase obligation (RPO) for IR.

Till date, 1646 MW power has been tied up for Indian Railways, out of which 1457 MW power has commenced under open access in the states of Rajasthan, UP (ISTS), Maharashtra, Gujarat, MP, Karnataka, Jharkhand, DVC command area, Haryana, Delhi, Punjab and Bihar along with revision of power allocation to various states. An increase of over 12% has been achieved in migration from

consumer to deemed licensees as compared to previous financial year. So far, 73% of average traction power requirement of IR is under open access.

The power flow from various sources viz. 540 MW power from Ratnagiri Gas Power Pvt. Ltd. (RGPPL), 237 MW power from Jindal India Thermal Power Ltd. (JITPL) & 615 MW power from Bhartiya Rail Bijli Company Ltd (BRBCL) is being facilitated by REMCL. During the year REMCL also facilitated operationlization of 205 MW power from BRBCL plant.

Indian Railways has also initiated procurement of energy through collective transaction by bidding of power through trader on energy exchange. Tri-Partite agreements have been executed between Nodal Railway, Trader Member and REMCL. Your company is regularly advising Railways on bidding guidelines. In current financial year, Railways have purchased 107.60 MUs Energy through Exchange.

One of the regulatory requirements for Railways as deemed licensee is compliance to Renewable Purchase Obligations (RPO). Your company has assisted Railways in purchasing Renewable Energy Certificates from Energy Exchange for the same. In current financial year, Railways have purchased 1,33,657 Renewable Energy Certificates.

1.2. HARNESSING RENEWABLE ENERGY:

Indian Railways has targeted to reduce its dependence on fossil fuel by harnessing Renewable Energy sources. In order to achieve the target set by Govt. of India (GoI) to achieve 175GW capacity by 2022, Indian Railways has also envisaged to source around 1,000 MW solar power and 200 MW of wind power by 2021-22 across zonal railways and production units. Several measures in the renewable energy sector such as (i) Guidelines for Tariff Based Competitive Bidding Process for procurement of power from grid connected solar PV and wind power projects, (ii) Solar-wind hybrid policy are intended to create investment opportunities in the sector, (iii) waiver of transmission charges and losses for renewable projects, these, coupled with historic lows in solar and wind tariffs have completely transformed business dynamics in the sector.

Further, the Renewable Purchase Obligations trajectories set by Government of India is likely to enhance the opportunity for capacity growth in renewable energy space.

Your Company has made a target of achieving 1 GW of RE based capacity by 2022 under its long-term Corporate Plan. The variability caused due to integration of renewable energy into the grid has opened up many opportunities for possible energy solutions under the umbrella of ancillary services, such as battery energy storage, efficient ramping up and down of thermal generating units etc.

Till date, the cumulative capacity of awarded solar roof-top, ground mounted solar project and wind projects by REMCL are approximately 248 MW, 52 MW & 93 MW respectively. Status of implementation of solar power projects are as under.

SOLAR POWER PROJECT:

The FY 2019-20 was yet another year in upsurge of harnessing solar Energy. Your company is instrumental in implementation of approximately 248 MW of solar roof top power plants in roof-top spaces of Railway buildings, stations, hospitals etc. and 52 MW of Ground mounted solar projects on vacant Railways land lying with different Zonal Railways. Further, REMCL has recently secured its largest mandate from Indian Railways for managing installation of 3 GW solar plants to be set up on vacant railway land. The brief details of all the solar projects are as under:-

- **Solar Roof Top projects:** Your Company has successfully awarded 248 MW solar roof top projects on behalf of Railways with and without Central Finance Assistance (CFA) till date. The lowest tariff discovered was ₹ 4.15/kWh in the year 2019-20. Further, tender for 35 MW solar roof top projects has also been floated during the year 2019-20.
- **50 MW solar ground mounted project:** Bids were invited for implementing 50 MW solar PV plant on the vacant Railway land through Tariff Based Competitive e-bidding with reverse auction. The discovered tariff of ₹ 2.91/kWh was approved by Railway Board and work awarded to Solar Power Developer in the month of Sep'2019.

Scheduled Commissioning Period is 13 months from signing of PPA. The plant is expected to generate approx. 106.25 MUs of solar power annually. Power generated from this plant will be evacuated through nearby CTU/PGCIL substation at Raipur and shall be used for traction purpose in different states for partly fulfillment of RPO of IR.

- **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 capacities). 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):** Your Company has undertaken a 2 MW ground mounted solar project along the track for IR. The project is the first of its kind of pilot project of Indian Railways through Tariff Based Competitive e-bidding. The Solar Power Plant would be designed for Inter-Connection Point/ Delivery/ Metering Point", where the power from the Solar Power Project will be injected into the 132 KV, 3 Ph AC Railways Transmission System. This work has been awarded to the contractor at a discovered tariff of ₹ 3.49/ kWh in the month of May'2019.

WIND POWER PROJECT:

Your Company has so far facilitated Railways in signing of power purchase agreements (PPAs) and EPC contracts for a capacity of 92.9 MW windmill project as detailed below:

- **10.5 MW wind power project for Southern Railway (SR):** As per approval of Railway Board, the execution of 10.5 MW Wind mill plant for Southern Railway in the state of Tamil Nadu under PMC mode was undertaken by your company. Plant was successfully commissioned in the month of January'2019 under EPC mode, handed over to client (SR) and O&M Agreement signed between developer & SR in month of May'2019.
- **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. Power Purchase Agreement also signed between Central Railway & wind power developer at a discovered wind tariff of ₹ 2.92/kWh (without CFA) fixed for a period of 25 years.
- **26 MW Wind Mill Plant:** The REMCL wind mill plant of 26 MW Capacity in Rajasthan generated about 19.6 MUs of electricity during the year which has been utilized by Railways for traction purpose in the state of Rajasthan.

2. BUSINESS PERFORMANCE:

During the year, your company has made impressive progress in the field of Renewable Energy and Electrical sector. Despite stiff resistance faced by the state utilities, your company has been successful to facilitate IR approximately 1457 MW (73% of total traction power on IR) of power in 13 states during the year as compared to procurement of 1300 MW (65% of total power on IR) of power in 12 states during last financial year.

To tap the potential of Renewable Energy nationwide, Indian Railways has planned various initiatives through your company. With this mission & vision of transforming Indian Railways into “Green Railways” by reducing its carbon footprint and improving finances through reduction in cost of energy, your company has successfully implemented about 248 MW (approx.) of solar roof top projects, 52 MW ground mounted projects and 93 MW of wind projects so far, which will reduce the CO₂ emissions by about 40 lakh tonne per year.

All these initiatives by your company has helped Indian Railways to accrue accumulated savings of about ₹ 14000 crore upto March'2020 by procuring economical power through open access and implementing solar & wind projects. It is further expected that taking actions forward in these areas during the year 2020-21 will increase the annualized saving of Indian Railways substantially.

2.1 NEW DEVELOPMENT:

Pilot Project:

Your company has completed & awarded 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.

3 GW solar Ground Mounted Project: REMCL has recently secured its largest mandate from Indian Railways for managing installation of 3 GW solar plants to be set up on vacant railway land.

Responsibility towards Energy Conservation:

Energy efficiency is an emerging field as it is one of the most efficient and reliable means of mitigating global climate change. Railways being an energy intensive industry and increase in energy demand due to operational requirements and rising energy cost, importance of Energy efficiency has increased in the recent past. Energy Efficiency is often viewed as a resource base and reduction in carbon emission.

Your company is in discussion with the Bureau of Energy efficiency (BEE) and Railway Board, Ministry of Railway and has taken-up “Study for Energy Efficiency in 5 major production units (PUs) of Indian Railways i.e. ICF, RCF, DLW, CLW & DLMW through perform, achieve and trade (PAT) scheme.” The draft Study report has been submitted by your company to Railway Board and relevant PUs.

FUTURE PROJECTS

1. 3 GW solar Ground Mounted projects on vacant land of Railways.
2. Your company in consultation with Railway Board is planning to explore the potential of Wind / hybrid (solar-wind) power plants in developer mode for fulfillment of RPO of IR.

REGULATORY MATTERS

- i. Your company is assisting Zonal Railways in contesting, preparation and filing of petitions at APTEL, CERC and SERC by hiring eminent legal experts.
- ii. Your company is defending the deemed licensee status of IR, direction to the state for grant of NOC to IR in the state, non-applicability of Cross Subsidy Surcharge(CSS) and additional surcharges on IR and issue of sharing of stand by charges by IR before APTEL.

- iii. The matters related to discontinuation of the power by JITPL, approval of tariff of BRBCL, challenging the COD of BRBCL Units, invocation of force majeure clause for BRBCL power, levying of transmission charges in proportion to the quantum of LTA capacity actually utilized by Railways, applicability of DSM charges and sign change penalty charges as per CERC DSM regulation etc. are being contested before CERC.
- iv. Similarly issues related to Back up power supply arrangements, Specific conditions for IR as deemed distribution licensee in the state, levy of Cross Subsidy Surcharge(CSS) and additional surcharges, 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, applicability of various open access charges as deemed licensee etc. are being contested before State Electricity Regulatory Commission.
- v. In the current financial year your company has also assisted in amicably resolving the legal cases through mutual agreement between the Parties. In this respect the ongoing matters between Railways and M/s JITPL for states of Uttar Pradesh, Punjab, Chhattisgarh, Bihar and Orissa have been mutually discussed and a statement towards the same has been filed in CERC to close the related matters.

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.

MAJOR HIGHLIGHTS OF YOUR COMPANY FOR THE FY 2019-20 ARE:

Some of the major highlights for the FY 2019-20 are mentioned below:

- Power flow of about 1457 MW was successfully commenced in 13 Entities (including DVC control Area & UP ISTS) under open access for Indian Railways.
- For the first time your company successfully commenced power flow of 35 MW on Long term basis in State of Punjab. REMCL also commenced power flow to Non-traction load in RCF-Kapurthala Modern Coach Factory (MCF), Rae Bareilly-DLW-Varanasi & 3 Non-traction points in Delhi.
- Procuring power through IEX (energy exchange) has also been commenced in the state of U.P., Delhi and Haryana to meet the peak power requirement of Indian Railways and as an arrangement for back-up power in case of failure of open access generators (107.6 MU purchased during FY 2019-20).
- REMCL for the first time has successfully facilitated purchasing of Renewable Energy Certificates (RECs) for Central & South Western Railways towards the compliance as per their regulatory requirements (1,33,657 REC purchased).
- Successful award of work for solar roof-top projects of about 248 MW and ground mounted projects of about 52 MW. Approximately 3000 MW of ground mounted solar projects are currently under pipeline. The award of these projects will make Indian Railways a Central Govt. organization to implement such a huge quantum of solar ground mounted projects.
- Your company successfully commissioned 66.9 MW of wind power plants in Tamil Nadu and Maharashtra.
- REMCL successfully awarded a pilot project of 2 MW solar ground mounted plant on vacant Railway land along the railway tracks at Diwana near Panipat and is under implementation. This unique way of harnessing solar energy along the railway tracks will unlock the huge potential to generate Green Power along the track.

KEY FINANCIAL RATIOS:

	Particulars	2019-20	2018-19
i)	Debtor Turnover (No of Days)*	84.00	62.00
ii)	Interest Coverage Ratio (Times)**	14.12	12.28

	Particulars	2019-20	2018-19
iii)	Current Ratio (Times)***	2.48	3.37
iv)	Debt Equity Ratio (Times)****	0.24	0.33
v)	Operating Profit Margin (%)	60.26	58.80
vi)	Net Profit Margin (%) (PAT / Total Revenue)#	43.25	49.79
vii)	Return on Net Worth (PAT/Avg. Net worth)#	22.41	31.55

* Due to delay in realization of debtors on account of Covid-19.

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

*** Due to use of own fund for purchase of office space which resulted into reduction of net working capital hence reduction of current ratio.

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

Increase in tax expense has reduced Profit After Tax (PAT), accordingly ratio decrease.

4. STRENGTH:

Your company derives competitive edge from its strengths and is confident of meeting future challenges in the sector.

You company has established itself as a brand name in the Power Sector management in very short span of time. Has adopted state of art technologies to facilitate Railways in reducing its operating expenses 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 your company for Railways.

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 energy bill. In this regard, Scheduling of power, as near to actual load, is a prerequisite for economical purpose. Your Company has already 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 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:

- i. Your company 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.
- ii. Your company 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.
- iii. 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.
 - a) Banking of power may be allowed for Distribution Licensee.
 - b) Requirement of accurate Scheduling and Forecasting.
 - c) 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 have 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, "power trading" will also be a permissible activity which facilitates purchase of power on further competitive tariff rates.
- g) Delay in signing of PPA between developers and respective Zonal Railways.
- h) Issues related with the connectivity of the project to deliver the power at drawl points.

6. INTERNAL CONTROL SYSTEM:

Effective control and audit systems are already in place in your company on the lines of the parent company i.e. RITES Ltd.

7. HUMAN RESOURCES AND INDUSTRIAL RELATIONS:

Your company 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 depending upon the requirement.

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 as on financial year ended on 31st March, 2020

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 31.03.2020
		Fee for services obtained	871.69
		Man-Month Expenses of KMP	153.21
		Reimbursable for Expense & Taxes	25.88
		Other Expense	5.00
		Dividend Paid	632.91
		TOTAL	1688.69
		Ministry of Railways -	(₹ in lakh)
		Particulars	Year Ended 31.03.2020
		Income from Consultancy	6628.61
		Sale of Power Generation	1119.94
		Recoverable	35.37
		TOTAL	7783.92

S. No.	Particulars	Details																							
		<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 (up to 20/02/2020) Shri A.N.Mathur (from 21/02/2020)</p> <p style="text-align: right;">(₹ in Lakh)</p> <table><tr><th>Particulars</th><th>Year Ended 31.03.2020</th></tr><tr><td>Man- Month Charges</td><td>87.15</td></tr><tr><td>TOTAL</td><td>87.15</td></tr></table> <p>CFO – Shri Sunil Kumar Singh</p> <p style="text-align: right;">(₹ in Lakh)</p> <table><tr><th>Particulars</th><th>Year Ended 31.03.2020</th></tr><tr><td>Man- Month Charges</td><td>41.38</td></tr><tr><td>TOTAL</td><td>41.38</td></tr></table> <table><tr><td></td><td></td></tr><tr><td>Company Secretary (CS) – Ranjan Kumar Tiwary</td><td style="text-align: right;">(₹ in Lakh)</td></tr><tr><td>Particulars</td><td>Year Ended 31.03.2020</td></tr><tr><td>Man- Month Charges</td><td>24.68</td></tr><tr><td>TOTAL</td><td>24.68</td></tr></table>	Particulars	Year Ended 31.03.2020	Man- Month Charges	87.15	TOTAL	87.15	Particulars	Year Ended 31.03.2020	Man- Month Charges	41.38	TOTAL	41.38			Company Secretary (CS) – Ranjan Kumar Tiwary	(₹ in Lakh)	Particulars	Year Ended 31.03.2020	Man- Month Charges	24.68	TOTAL	24.68	
Particulars	Year Ended 31.03.2020																								
Man- Month Charges	87.15																								
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Particulars	Year Ended 31.03.2020																								
Man- Month Charges	24.68																								
TOTAL	24.68																								
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> <p>a) West Central Railway (RGPPL) – 22.01.2016 to 31.03.2022</p> <p>b) Central Railway (RGPPL) – 26.11.2015 to 31.03.2022</p> <p>c) Western Railway (RGPPL) – 09.01.2016 to 31.03.2022</p> <p>d) South Eastern Railway (RGPPL) - 17.01.2016 to 31.03.2022</p> <p>e) South Western Railway (RGPPL)- 25.10.2017 to 31.03.2022</p> <p>f) North Central Railway (RGPPL) - 01.04.2017 to 31.03.2022</p> <p>g) West Central Railway, MP (JITPL) – 12.07.2016 to 31.12.2020</p> <p>h) West Central Railway, Rajasthan (JITPL) – 10.01.2017 to 19.01.2021</p> <p>i) Northern Railway, Delhi, (JITPL) – 31.03.2018 to to 28.02.2021</p>																							

		<p>j) Northern Railway, Haryana (JITPL) – 01.10.2017 to 30.06.2021</p> <p>k) BRBCL for 25 years starting from 02nd August, 2017</p> <p>ii. Sale of Renewal Power Generation from 26 MW Wind Mill plant situated at Jaisalmer, Rajasthan.</p> <p>a. 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>BITES 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 ₹ 871.69 Lakhs (excluding applicable taxes).</p> <p>Man-month expenses of KMP – ₹ 153.21 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 – ₹ 6628.61 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 – ₹ 1119.94 Lakhs</p>
e)	Date of approval by the Board	Fees for service obtained – 34th BOD held on 18th March, 2020 and 35th BOD held on 24th June, 2020
f)	Amount paid as advances, if any	Nil

Place : Gurugram
Date : 28th July, 2020



(Rajeev Mehrotra)
Chairman

ANNEXURE - IV

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
As on financial year ended on 31st March, 2020
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	--	85.74
2.	Power Generation	--	14.26

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S No.	Name And Address of The Company	CIN/GIN	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%	
(2)	Foreign									
	a) NRIs-Individual									
	b) Other individuals									
	c) Bodies Corp.									
	d) Banks / FI									
	e) 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									

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	
		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	MITES 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 Gopi Sureshkumar Varadarajan	7			7			
4.	Shri Anil Ghai	7			Nil (Shares have been transferred to Shri Parmod Kumar Narang on 01/06/2019)			
5.	Shri A.K. Mahtha	7			7			
6.	Shri B. S. Bodh	7			7			
7.	Shri Ajeet Kumar Srivastava	7			7			
8.	Shri Parmod Kumar Narang	-			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 Anil Ghai Director	7		01/06/2019	(7)		Nil	Nil
2.	Shri Parmod Kumar Narang	-		01/06/2019	7		7	
3.	Shri Gopi Sureshkumar Varadarajan	7		-	-		7	
4.	Shri Ajeet Kumar Srivastava	7		-	-		7	
	At the end of the year							

V. 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	4759.69	--	--	4759.69
ii)	Interest due but not paid	--	--	--	--
iii)	Interest accrued but not due	36.35	--	--	36.35
Total (i+ii+iii)		4796.04	--	--	4796.04
Change in Indebtedness during the financial year					
* Addition		--	--	--	--
* Reduction		742.22	--	--	742.22
Net Change		742.22	--	--	742.22
Indebtedness at the end of the financial year					
i)	Principal Amount	4024.96	--	--	4024.96
ii)	Interest due but not paid	--	--	--	--
iii)	Interest accrued but not due	28.86	--	--	28.86
Total (i+ii+iii)		4053.82	--	--	4053.82

VI. 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/WTM/ 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 Directors		Total Amount (₹)
1	Independent Directors	Dr. Pradeep Kumawat	Smt Sheela Koul (From 25/07/2019)	
	Fee for attending board/committee meetings	1,15,000/-	70,000/-	1,85,000/-
	Commission	-		-
	Others, please specify	-		-
	Total (1)	1,15,000/-	70,000/-	1,85,000/-
2	Other Non-Executive Directors	NA		NA
	Fee for attending board/committee meetings	-		-
	Commission	-		-
	Others, please specify	-		-
	Total (2)	-		-
	Total (B)=(1+2)			
	Total Managerial Remuneration	-		-
	Overall Ceiling as per the Act	-		-

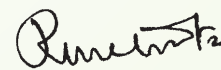
C. Remuneration to key Managerial Personnel other than MD/Manager/WTM: CEO, CFO & Company Secretary are the employees of holding company i.e. RITES Ltd and they have been deputed in the subsidiary company. The salary & other benefits viz. PF, pensions etc. of CEO, CFO & Company Secretary are being paid 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.

SN	Particulars of Remuneration	Key Managerial Personnel				
		Shri Sudhir Kumar Saxena, Chief Executive Officer (Up to 20/02/2020)	Shri A.N.Mathur, Chief Executive Officer (From 21/02/2020)	Shri Sunil Kumar Singh, Chief Finance Officer	Shri Ranjan Kumar Tiwary, Company Secretary	Total (₹ in Lakh)
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	-	-	-	-	-

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCE: NA

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					

Place : Gurugram
Date : 28th July, 2020


(Rajeev Mehrotra)
Chairman

ANNEXURE V

CORPORATE SOCIAL RESPONSIBILITIES (CSR) PROJECTS FOR FY 2019-20

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 ₹ 78.80 Lakh for current financial year. The entire budgeted amount has been spent on CSR activities during the FY 2019-20.
4. **Amount Unspent-** ₹ Nil
5. **Manner in which the amount spent during the financial year is detailed below**

(₹ in Lakhs)

S. No	CSR Projects identified	State and district of Project coverage	Project wise outlay	Amount spent	Cumulative Exp	Direct or through agency
Sector-1 : Rural Development Project						
a.	Rural Development Project of various villages in Ballia District, UP	Ballia, UP	30.25	18.25	30.25	Agency
Sector -2: Eradicating hunger, poverty and malnutrition, "promoting health care including preventive health care" and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation] and making available safe drinking water.						
a.	Distribution of Aids & Assistive Devices (Motorized Tricycles with Box) to Divyangjans in Jaisalmer District, Rajasthan	Jaisalmer, Rajasthan	28.17	28.17	28.17	Agency
b.	Establishment of 21 ladies toilets in Government Primary & Secondary Schools situated in Urban/ Tribal Areas of Udaipur district, Rajasthan	Udaipur, Rajasthan	11.55	11.55	11.55	Agency
Sector-3: Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.						
a.	Establishment of 13 Libraries in Government school of Udaipur	Udaipur, Rajasthan	18.38	18.38	18.38	Agency
Total Outlay on CSR Projects			88.35	76.35	88.35	
Add: 5% towards Administrative Overhead & Capacity Building				3.75		
Total CSR Expenditure during FY 2019-20			88.35	80.10	88.35	

Annexure-1
AVERAGE NET PROFIT OF THE COMPANY OF THE LAST THREE FINANCIAL YEARS

(₹ in Lakh)

S. No	Particulars	2019-20	2018-19	2017-18	2016-17	2015-16
1	Profit Before Tax /(Loss)	4974.12	4946.22	3925.93	2867.24	469.78
2	CSR Expense charged to P&L	80.10	54.94	16.07	-	-
3	Profit before CSR Expense (A)	5054.22	5001.16	3942	2867.24	469.78
4	Total Profit of last three Years (B)	13997.38	11810.4	7279.02	3369.11	501.87
5	Average Profit of last three year profit -(C)-(B/3)	4665.79	3936.8	2426.34	1123.04	167.29
6	2% of C	93.32	78.74	48.53	22.46	3.35
7	Round Off Figures	93.35	78.80	48.55	22.46	3.15
8	FOR	2020-21	2019-20	2018-19	2017-18	N.A*

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

Place : Gurugram
Date : 28th July, 2020



(Rajeev Mehrotra)
Chairman

ANNEXURE VI

Form No. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st March 2020

[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 our 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, 2020 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, 2020 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, checklist and other documents for
 - c. Micro, Small & Medium Enterprises Development (MSMED) Act, 2006
 - d. Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
 - e. Electricity Act, 2003
 - f. 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. Constitution of Audit Committee was as per Companies Act 2013, however audit committee was not having 2/3 of its members as Independent Directors as required under the DPE Guidelines during the period under review. Regarding registration under Shops and Establishment Act, the Company is in the process of obtaining the same.

There was no Executive Director on the Board of the Company. 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

M No.: F10189
CP No: 11372

UDIN: F010189B000475060

Place: New Delhi
Date: 20th July, 2020

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

M No.: F10189
CP No: 11372

UDIN: F010189B000475060

Place: New Delhi
Date: 20th July, 2020

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

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying Standalone Ind AS Financial Statements of **Railway Energy Management Company Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2020, 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 Standalone Ind AS Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Standalone Ind AS Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS Financial Statements give the information required by the Companies Act ("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 statement of affairs of the Company as at 31st March, 2020, its profit including other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Standalone Ind AS Financial Statements 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 (ICAI) 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 ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Standalone Ind AS Financial Statements.

Responsibility of Management for Standalone Ind AS 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 Ind AS 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 Standalone Ind AS 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 Standalone Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone Ind AS 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 Standalone Ind AS 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 standalone Ind AS Financial Statements, including the disclosures, and whether the standalone Ind AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

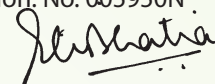
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) 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;
 - (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), Statement of changes in equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of accounts;
 - (d) In our opinion, the aforesaid standalone Ind AS Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) 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;
 - (f) 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
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigation as at 31st March, 2020.

- 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

Place : New Delhi

M. No. 511542

Date : 24th June, 2020 UDIN: 20511542AAAACO8049

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, 2020:

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 Buildings are 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. In our opinion and according to the information and explanation given by the management, Company has not raised any money by way of initial public offer (including debt instruments) and term loan during the year. Accordingly, clause (ix) of paragraph 3 of the Companies (Auditor's Report) Order, 2016 is not applicable to the Company.
10. According to the information and explanations given to us, no fraud by the Company or any fraud on the

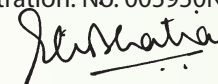
company by its officers/employees has been noticed or reported during the course of our audit.

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 2.28 of Notes to Accounts of financial statements as required by the applicable Indian accounting standards and Companies Act, 2013.
14. According to the information and explanation given to us and based on our examination of the records of the Company, 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

Place : New Delhi

Date : 24th June, 2020 UDIN: 20511542AAAAC08049

M. No. 511542

ANNEXURE - 2 TO THE INDEPENDENT AUDITORS REPORT

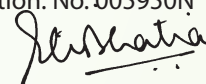
Re.: RAILWAY ENERGY MANAGEMENT COMPANY LIMITED

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

- a) 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.
- b) There are no cases of restructuring of existing loan, waiver/write off of debts, loans/ interest etc. during the year.

- c) 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

Place : New Delhi

Date : 24th June, 2020 UDIN: 20511542AAAAC08049

M. No. 511542

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, 2020 in conjunction with our audit of the Standalone Ind AS 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 (ICAI).

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.

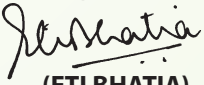
Inherent Limitations of Internal Financial Controls over Financial Reporting

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, 2020, 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

Place : New Delhi

Date : 24th June, 2020 UDIN: 20511542AAAAC08049

M. No. 511542

BALANCE SHEET AS AT 31ST MARCH, 2020

		(₹ in Lakhs)	
PARTICULARS	NOTE NO.	AS AT 31.03.2020	AS AT 31.03.2019
ASSETS			
NON CURRENT ASSETS			
PROPERTY, PLANT AND EQUIPMENT	2.01	17,765.15	13,828.39
RIGHT OF USE ASSETS	2.02	86.48	-
INTANGIBLE ASSETS	2.03	-	0.38
FINANCIAL ASSETS			
OTHER FINANCIAL ASSETS	2.04	1.29	1.23
OTHER NON CURRENT ASSETS	2.05	344.41	401.96
		18,197.33	14,231.96
CURRENT ASSETS			
FINANCIAL ASSETS			
TRADE RECEIVABLES	2.06	2,083.15	1,579.66
CASH AND CASH EQUIVALENTS- OWNED FUND	2.07.1	210.65	1,171.83
CASH AND CASH EQUIVALENTS- CLIENT FUND	2.08.1	1.17	0.16
OTHER BANK BALANCES- OWNED FUND	2.07.2	476.52	1,674.70
OTHER BANK BALANCES- CLIENT FUND	2.08.2	413.64	1,335.73
OTHER FINANCIAL ASSETS	2.09	654.39	703.37
CURRENT TAX ASSETS (NET)	2.10	359.11	-
OTHER CURRENT ASSETS	2.11	14.74	48.77
		4,213.37	6,514.22
TOTAL ASSETS		22,410.70	20,746.18
EQUITY AND LIABILITIES			
EQUITY			
EQUITY SHARE CAPITAL	2.12	7,000.00	7,000.00
OTHER EQUITY	2.13	9,628.12	7,622.66
		16,628.12	14,622.66
LIABILITIES			
NON CURRENT LIABILITIES			
FINANCIAL LIABILITIES			
BORROWING	2.14	3,258.50	3,993.23
DEFERRED TAX LIABILITIES (NET)	2.15	824.74	213.64
		4,083.24	4,206.87
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	2.16	278.81	261.03
OTHER FINANCIAL LIABILITIES	2.17	1,329.34	1,592.13
OTHER CURRENT LIABILITIES	2.18	91.19	63.49
		1,699.34	1,916.65
TOTAL EQUITY AND LIABILITIES		22,410.70	20,746.18
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 Financial Officer
M.No.: ACA 500175


RAJEEV MEHROTRA
Chairman
DIN: 01583143


PARMOD KUMAR NARANG
Director
DIN: 07668869


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

Place : New Delhi
Date : 24th June, 2020

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2020

(₹ in Lakhs)

PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2020	YEAR ENDED 31.03.2019
REVENUE			
REVENUE FROM OPERATIONS	2.19	7,856.15	8,148.33
OTHER INCOME	2.20	240.03	154.97
TOTAL REVENUE		8,096.18	8,303.30
EXPENDITURE			
FEE FOR SERVICE OBTAINED	2.21	1,095.69	894.88
SALARY REIMBURSEMENT	2.28.2.1	153.21	119.64
FINANCE COSTS	2.22	384.08	443.11
GENERATION EXPENSES	2.23 & 2.40	508.46	680.00
DEPRECIATION & AMORTISATION EXPENSES	2.24	634.39	620.87
OTHER EXPENSES	2.25	346.22	598.58
TOTAL EXPENDITURE		3,122.05	3,357.08
PROFIT BEFORE TAX		4,974.13	4,946.22
TAX EXPENSES			
- CURRENT TAX- MAT	2.26	(861.48)	(1,128.50)
- DEFERRED TAX (NET)		(611.10)	316.34
PROFIT AFTER TAX		3,501.55	4,134.06
OTHER COMPREHENSIVE INCOME		-	-
TOTAL OTHER COMPREHENSIVE INCOME (NET OF TAX)		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		3,501.55	4,134.06
EARNING PER SHARE (EQUITY SHARE OF ₹ 10/- EACH) - BASIC & DILUTED	2.29	₹ 5.00	5.91
WEIGHTED AVERAGE NUMBER OF EQUITY SHARES USED IN COMPUTING EARNING PER SHARE		70,000,000	70,000,000

For and on behalf of the Board



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



RAJEEV MEHROTRA
Chairman
DIN: 01583143



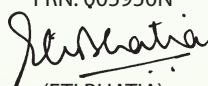
PARMOD KUMAR NARANG
Director
DIN: 07668869



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

As per our report of even date attached

For Pawan Puri & Associates
Chartered Accountants
FRN: Q05950N



(ETI BHATIA)

Partner

M.No.: 511542

Place : New Delhi

Date : 24th June, 2020

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2020

A. EQUITY SHARE CAPITAL - (REFER NOTE NO 2.12)

(₹ in Lakhs)		
BALANCE AS AT 01.04.2019	CHANGES IN EQUITY SHARE CAPITAL DURING THE YEAR	BALANCE AS AT 31.03.2020
7,000.00	-	7000.00
BALANCE AS AT 01.04.2018	CHANGES IN EQUITY SHARE CAPITAL DURING THE YEAR	BALANCE AS AT 31.03.2019
7,000.00	-	7000.00

B. OTHER EQUITY- (REFER NOTE NO 2.13)

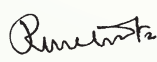
(₹ in Lakhs)				
PARTICULARS	RESERVE AND SURPLUS		OTHER COMPREHENSIVE INCOME	TOTAL
	GENERAL RESERVE	RETAINED EARNINGS		
BALANCE AS AT 01.04.2019	7622.66	-	-	7,622.66
PROFIT FOR THE YEAR	-	3,501.55	-	3,501.55
FINAL DIVIDEND FOR F.Y (2018-19)	-	(1,241.00)	-	(1,241.00)
CORPORATE DIVIDEND TAX	-	(255.09)	-	(255.09)
TRANSFER TO GENERAL RESERVE FROM RETAINED EARNINGS	2,005.46	(2,005.46)	-	-
BALANCE AT 31.03.2020	9,628.12	-	-	9,628.12
FINAL DIVIDEND PER SHARE FOR FY 2018-19 (₹)	1.77		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 AT 01.04.2018	4,584.45	-	-	4,584.45
PROFIT FOR THE YEAR	-	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

For and on behalf of the Board



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



RAJEEV MEHROTRA
Chairman
DIN: 01583143



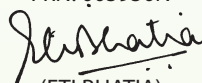
PARMOD KUMAR NARANG
Director
DIN: 07668869



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

Place : New Delhi
Date : 24th June, 2020

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2020

(₹ in Lakhs)

PARTICULARS	YEAR ENDED 31.03.2020	YEAR ENDED 31.03.2019
CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT BEFORE TAX	4,974.13	4,946.22
ADJUSTMENTS FOR:		
- DEPRECIATION AND AMORTIZATION	634.39	620.87
- INTEREST FROM FDs/OTHERS	(122.38)	(152.90)
- FINANCE COST	384.08	443.11
- PROVISION AND IMPAIRMENT EXPENSES (NET)	(44.64)	290.24
OPERATING PROFIT BEFORE CHANGES IN ASSETS AND LIABILITIES	5,825.58	6,147.54
CHANGE IN ASSETS AND LIABILITIES:		
ADJUSTMENTS FOR (INCREASE)/DECREASE IN OPERATING ASSETS:		
- TRADE RECEIVABLES	(458.85)	(945.35)
- OTHER FINANCIAL ASSETS AND OTHER CURRENT ASSETS	(151.63)	(129.17)
ADJUSTMENTS FOR INCREASE/(DECREASE) IN OPERATING LIABILITIES:		
- TRADE PAYABLES	17.78	157.04
- STATUTORY DUES	27.70	(73.15)
- OTHER FINANCIAL LIABILITIES, OTHER CURRENT LIABILITIES AND PROVISIONS	34.05	(359.89)
CASH GENERATED FROM OPERATIONS	5,294.63	4,797.02
- INCOME TAX PAID	(921.10)	(1,202.13)
NET CASH FROM OPERATING ACTIVITIES	4,373.53	3,594.89
CASH FLOWS FROM INVESTING ACTIVITIES		
- PURCHASE/CONSTRUCTION OF FIXED ASSETS	(4,657.25)	(623.53)
- DEPOSITS NOT CONSIDERED AS CASH AND CASH EQUIVALENTS	1,829.91	209.26
- INTEREST ACCRUED NOT CONSIDERED AS CASH AND CASH EQUIVALENTS	16.04	(0.09)
- RECOVERABLE FROM RELATED PARTIES	(23.62)	19.69
- INTEREST INCOME	122.38	152.90
NET CASH FROM INVESTING ACTIVITIES	(2,712.54)	(241.77)
CASH FLOW FROM FINANCING ACTIVITIES		
- REPAYMENT OF TERM LOAN	(734.73)	(772.06)
- INTEREST ACCRUED AND DUE ON BORROWINGS	(7.49)	(19.41)
- FINANCE COST	(384.08)	(443.11)
- DIVIDEND PAID	(1,241.00)	(909.00)
- DIVIDEND TAX PAID	(255.09)	(186.85)
NET CASH FROM FINANCING ACTIVITIES	(2,622.39)	(2,330.43)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(961.40)	1,022.69
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	1,172.05	149.36
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	210.65	1,172.05

RECONCILIATION OF CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2020	YEAR ENDED 31.03.2019
CASH AND CASH EQUIVALENTS- OWNED FUND	2.07.1	210.65	1,171.83
ADD : INTEREST ACCRUED ON BANK DEPOSITS HAVING MATURITY WITHIN 3 MONTHS FROM ACQUISITIONS' DATE	2.09	-	0.22
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		210.65	1,172.05

RECONCILIATION OF FINANCIAL LIABILITIES

(₹ in Lakhs)

PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2020	YEAR ENDED 31.03.2019
LONG TERM BORROWING AT THE BEGINNING OF YEAR	2.14	4,759.69	5,531.75
- CASH FLOWS (REPAYMENT)		(734.73)	(772.06)
- NON CASH CHANGES		-	-
CLOSING LONG TERM BORROWING		4,024.96	4,759.69
INTEREST PAYABLE ON BORROWING AT THE BEGINNING OF THE YEAR	2.17	36.35	55.76
- CASH FLOWS (REPAYMENT)		(391.57)	(457.78)
- NON CASH CHANGES	2.22	384.08	438.37
INTEREST PAYABLE ON BORROWING AT THE END OF THE YEAR	2.17	28.86	36.35

SUPPLEMENTARY INFORMATION:

COMPONENTS OF CASH AND CASH EQUIVALENTS (REFER NOTE 2.07.1) 210.65 1,171.83

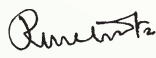
NOTE:

- CASH AND CASH EQUIVALENTS CONSIST OF CASH AND BANK BALANCES INCLUDING FDs & INTEREST ACCRUED HAVING MATURITY WITHIN 3 MONTHS FROM THE DATE OF ACQUISITION.
- THE ABOVE STATEMENT OF CASH FLOWS HAVE BEEN PREPARED UNDER INDIRECT METHOD AS SET OUT IN IND AS 7 STATEMENT OF CAHS 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.
- FIGURES IN BRACKET INDICATE CASH OUTFLOW.

For and on behalf of the Board




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



RAJEEV MEHROTRA
Chairman
DIN: 01583143



PARMOD KUMAR NARANG
Director
DIN: 07668869



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

Place : New Delhi

Date : 24th June, 2020

Company Overview, Significant Accounting Policies and Notes to Accounts form an integral part of the Standalone Ind AS 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 the 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 at Core-I, 12th Floor, SCOPE Minar, Laxmi Nagar, Delhi-110092 (India) and address of its corporate office is RITES Bhawan, Plot No. 1, Sector -29, Gurgaon, 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 upto two decimals except for per share data and as otherwise stated. Previous period figures have been regrouped/recasted/rearranged, wherever necessary.

The Standalone Ind AS Financial Statements are approved by the company's Board of Directors on 24th June, 2020.

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.

(d) Going Concern

Due to spread of Covid-19 and its impact on the business of the Company, management expects to have marginal impact on the Company for the next one year. Further, considering the Company's business plans and the availability of sufficient cash reserves as at March 31, 2020, the management does not foresee any uncertainty in continuing its business operations and meeting its liabilities for the foreseeable future and accordingly, these Financial Statements have continued to be prepared on a going concern basis

1.2 REVENUE RECOGNITION

1.2.1 REVENUE FROM CONTRACTS WITH CUSTOMER

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 the beneficiary.

1.2.1.3 Lease Services

Refer Policy no-1.20:- Leases–Company as lessor

1.2.2 Other Income

1.2.2.1 Interest income

Interest income is recognized using effective interest method.

1.2.2.2 Others

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

1.3 PROPERTY, PLANT AND EQUIPMENT (PPE)

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

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

1.3.1 Depreciation

- (a) Depreciation on property, plant and equipment are provided on straight line method over their estimated useful life determined by 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 prorata 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 derecognized 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 derecognized.

- (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 sated 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 utilized, 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 utilized.

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 PREPAID EXPENSE AND PRIOR PERIOD ADJUSTMENT

1.7.1 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.

1.7.2 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 driving basis 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

- 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.
- Contingent Liabilities are not recognized but are disclosed in the notes in any of the following cases :-
 - 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
 - a reliable estimate of the present obligation cannot be made; or
 - 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

1.19 LEASES:-COMPANY AS A LESSEE

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

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

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

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

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

1.20 LEASES: COMPANY AS A LESSOR

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

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

2.0 NOTES TO ACCOUNTS

First Time Adoption of Ind AS-116:- Leases

The Company has adopted Ind AS 116 "Leases" effective from 1 April 2019, as notified by the Ministry of Corporate Affairs (MCA) in the Companies (Indian Accounting Standard) Amendment Rules, 2019, using the modified retrospective method. The adoption of this standard has resulted in recognition of Right-of-Use assets, but no corresponding lease liability aroused since the entire lease payment was made at the time of initiation of the lease. Further, it did not have any material impact on the profit of the current year.

2.01 PROPERTY PLANT & EQUIPMENT

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

DESCRIPTION	GROSS BLOCK				DEPRECIATION/AMORTISATION					NET BLOCK		
	AS AT 01.04.2019	ADDITIONS DURING THE YEAR	ADJUSTMENT DURING THE YEAR	DELETIONS DURING THE YEAR	TOTAL	AS AT 01.04.2019	FOR THE YEAR	ADJ DURING THE YEAR	ADJ THROUGH RETAINED EARNING	DELETION DURING THE YEAR	TOTAL	AS AT 31.03.2020
LEASED HOLD												
LAND (WIND MILL PLANT AT JAISALMER)*	105.25	-	(105.25)	-	-	14.56	-	(14.56)	-	-	-	-
SUB TOTAL	105.25	-	(105.25)	-	-	14.56	-	(14.56)	-	-	-	-
OTHERS												
PLANT AND EQUIPMENT												
WIND MILL PLANT AT JAISALMER (26 MW)**	15,222.46	-	-	-	15,222.46	2,106.19	608.90	-	-	-	2,715.09	12,507.37
BUILDING	622.59	4,648.28	-	-	5,270.87	5.18	16.96	-	-	-	22.14	5,248.73
OFFICE EQUIPMENT	0.64	-	-	-	0.64	0.24	0.13	-	-	-	0.37	0.27
COMPUTER AND EQUIPMENT	6.85	8.97	-	-	15.82	3.23	3.81	-	-	-	7.04	8.78
SUB TOTAL	15,852.54	4,657.25	-	-	20,509.79	2,114.84	629.80	-	-	-	2,744.64	17,765.15
GRAND TOTAL	15,957.79	4,657.25	(105.25)	-	20,509.79	2,129.40	629.80	(14.56)	-	-	2,744.64	17,765.15

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	DELETION 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	0.94		-	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

**UNDER HYPOTHECATED REFER NOTE NO. 2.14

*UNDER MORTGAGED REFER NOTE NO. 2.14

2.02 RIGHT OF USE ASSETS

FOLLOWING ARE THE CHANGES IN THE CARRYING VALUE OF RIGHT OF USE ASSETS FOR THE YEAR ENDED 31.3.2020

(₹ in Lakhs)

DESCRIPTION	GROSS BLOCK					DEPRECIATION/AMORTISATION					NET BLOCK	
	AS AT 01.04.2019	ADDITI- ONS DURING THE YEAR	RECLASSIF- ICATION DURING THE YEAR	DELETION DURING THE YEAR	TOTAL	AS AT 01.04.2019	FOR THE PERIOD	ADJ DURING THE YEAR	ADJ THROUGH RETAINED EARNING	DELETION DURING THE YEAR	TOTAL	AS AT 31.03.2020
LEASED HOLD												
LAND (WIND MILL PLANT AT JAISALMER)*	-	-	90.69	-	90.69	-	4.21	-	-	-	4.21	86.48
TOTAL	-	-	90.69	-	90.69	-	4.21	-	-	-	4.21	86.48

*UNDER MORTGAGED REFER NOTE NO. 2.14

2.03 INTANGIBLE ASSETS

FOLLOWING ARE THE CHANGES IN THE CARRYING VALUE OF INTANGIBLE ASSETS FOR THE YEAR ENDED 31.3.2020 & 31.03.2019

(₹ 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 31.03.2020	1.55	-	-	-	1.55	1.17	0.38	-	-	-	1.55	-
AS AT 31.03.2019	1.55	-	-	-	1.55	0.78	0.39	-	-	-	1.17	0.38

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

2.04 OTHER NON CURRENT FINANCIAL ASSETS

(₹ in Lakhs)

PARTICULARS	Note No	AS AT 31.03.2020	AS AT 31.03.2019
BANK DEPOSITS HAVING MATURITY OVER 12 MONTHS FROM REPORTING DATE	2.07.3	1.21	1.21
INTEREST ACCRUED - ON BANK DEPOSITS		0.08	0.02
TOTAL		1.29	1.23

2.05 OTHER NON CURRENT ASSETS

(₹ in Lakhs)

PARTICULARS	AS AT 31.03.2020	AS AT 31.03.2019
ADVANCE INCOME TAX (NET OF PROVISION)	132.51	393.52
PREPAID EXPENSES	7.23	8.44
ADVANCES TO SUPPLIERS	83.41	-
SECURITY DEPOSIT CONSIDERED GOODS - UNSECURED	121.26	-
TOTAL	344.41	401.96

2.06 CURRENT TRADE RECEIVABLES

(₹ in Lakhs)

PARTICULARS	AS AT 31.03.2020	AS AT 31.03.2019
UNSECURED		
TRADE RECEIVABLE CONSIDERED GOOD - SECURED	-	-
TRADE RECEIVABLE CONSIDERED GOOD - UNSECURED (RELATED PARTY)	2,083.15	1,579.66
TRADE RECEIVABLE WHICH HAVE SIGNIFICANT INCREASE IN CREDIT RISK	-	-
TRADE RECEIVABLE - CREDIT IMPAIRED (RELATED PARTY)	245.60	290.24
	2,328.75	1,869.90
LESS: ALLOWANCE FOR EXPECTED CREDIT LOSSES	(245.60)	(290.24)
TOTAL	2,083.15	1,579.66

2.07 CASH AND BANK BALANCES- OWNED FUND		(₹ in Lakhs)	
PARTICULARS	AS AT 31.03.2020	AS AT 31.03.2019	
2.07.1 CASH & CASH EQUIVALENTS			
BANK BALANCES IN :			
CURRENT ACCOUNTS	5.43	0.27	
DEPOSITS #	205.22	1,171.56	
TOTAL	210.65	1,171.83	
2.07.2 OTHER BANK BALANCES			
DEPOSITS ##	476.52	1,674.70	
TOTAL	476.52	1,674.70	
2.07.3 BANK BALANCES MORE THAN 12 MONTHS MATURITY (NOTE 2.04)			
DEPOSITS ###	1.21	1.21	
TOTAL	1.21	1.21	
TOTAL CASH & BANK BALANCES- OWNED FUND	688.38	2,847.74	

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.

2.08 CASH AND BANK BALANCES- CLIENT FUND		(₹ in Lakhs)	
PARTICULARS	AS AT 31.03.2020	AS AT 31.03.2019	
2.08.1 CASH & CASH EQUIVALENTS			
BANK BALANCES IN :			
CURRENT ACCOUNTS	1.17	0.16	
DEPOSITS #	-	-	
TOTAL	1.17	0.16	
2.08.2 OTHER BANK BALANCES			
DEPOSITS ##	413.64	1,335.73	
TOTAL	413.64	1,335.73	
TOTAL CASH & BANK BALANCES- CLIENT FUND*	414.81	1,335.89	

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.

* Corresponding client liability amount appears in Note no. 2.17.

2.09 OTHER CURRENT FINANCIAL ASSETS		(₹ in Lakhs)	
PARTICULARS	NOTE NO.	AS AT 31.03.2020	AS AT 31.03.2019
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		12.73	28.83
RECOVERABLE FROM RELATED PARTIES		54.34	30.72
UNBILLED REVENUE	2.41.6	587.32	643.60
TOTAL		654.39	703.37

2.10 CURRENT TAX ASSETS (NET) (₹ in Lakhs)

PARTICULARS	AS AT 31.03.2020	AS AT 31.03.2019
INCOME TAX RECEIVABLES	359.11	-
TOTAL	359.11	-

2.11 OTHER CURRENT ASSETS (₹ in Lakhs)

PARTICULARS	AS AT 31.03.2020	AS AT 31.03.2019
PREPAID EXPENSES	12.89	48.37
STAFF IMPREST	1.85	0.40
TOTAL	14.74	48.77

2.12 EQUITY SHARE CAPITAL (₹ in Lakhs)

PARTICULARS	AS AT 31.03.2020	AS AT 31.03.2019
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2.12.1 AUTHORISED

150,000,000 (PREVIOUS YEAR 1 50,000,000) EQUITY SHARES OF ₹ 10/- EACH	15000.00	15000.00
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2.12.2 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

2.12.3 RECONCILIATION OF NUMBER OF EQUITY SHARES

	No. of Shares	(₹ in Lakhs)	No. of Shares	(₹ in Lakhs)
OPENING BALANCE	70,000,000	7000.00	70,000,000	7000.00
ADD/(LESS) DURING THE YEAR	-	-	-	-
CLOSING BALANCE	70,000,000	7000.00	70,000,000	7000.00

2.12.4 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.

2.12.5 EQUITY SHARES HELD BY HOLDING COMPANY & ITS NOMINEES

	AS AT 31.03.2020 No. of Shares	AS AT 31.03.2019 No. of Shares
rites ltd.	35,700,000	35,700,000

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

	No. of Shares	No. of Shares
rites ltd	35,699,979 (50.99%)	35,699,979 (50.99%)
indian railways	34,299,986 (48.99%)	34,299,986 (48.99%)

2.13 OTHER EQUITY (₹ in Lakhs)

PARTICULARS	AS AT 31.03.2020	AS AT 31.03.2019
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2.13.1 RESERVE & SURPLUS

GENERAL RESERVE*	9,628.12	7,622.66
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2.13.2 OTHER COMPREHENSIVE INCOME

TOTAL	9,628.12	7,622.66
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*THE GENERAL RESERVE REPRESENTS AMOUNT KEPT BY THE COMPANY OUT OF ITS PROFIT FOR FUTURE PURPOSES. IT IS NOT EARMARKED FOR ANY SPECIFIC PURPOSE.

2.14 BORROWINGS (₹ in Lakhs)

PARTICULARS	NOTE NO.	AS AT 31.03.2020	AS AT 31.03.2019
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SECURED TERM LOAN FROM INDIAN BANK *		4,024.96	4,759.69
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LESS: CURRENT MATURITY OF UPTO ONE YEAR FROM REPORTING DATE	2.17	766.46	766.46
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TOTAL		3,258.50	3,993.23
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* 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 date 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.

2.15 DEFERRED TAX LIABILITIES (NET) (₹ in Lakhs)

PARTICULARS	NOTE NO.	AS AT 31.03.2020	AS AT 31.03.2019
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UNABSORBED DEPRECIATION / BUSINESS LOSS (AS PER I.T. ACT, 1961)		-	(702.53)
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EXPECTED CREDIT LOSS OF FINANCIAL ASSETS		(71.52)	(84.52)
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INTEREST ACCRUED ON INCOME TAX REFUND BUT NOT RECEIVED		11.20	-
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DIFFERENCE OF DEPRECIATION AS PER INCOME TAX ACT AND COMPANIES ACT		3641.82	3676.10
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MAT CREDIT ENTITLEMENT		(2756.76)	(2675.41)
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TOTAL		824.74	213.64
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2.16 CURRENT TRADE PAYABLES (₹ in Lakhs)

PARTICULARS	NOTE NO.	AS AT 31.03.2020	AS AT 31.03.2019
CREDITORS FOR SUPPLIES AND SERVICES			
MICRO, SMALL AND MEDIUM ENTERPRISES		-	-
OTHER THAN MICRO, SMALL & MEDIUM ENTERPRISES (RELATED PARTY)		163.29	76.34
OTHER THAN MICRO, SMALL & MEDIUM ENTERPRISES (OTHERS)	2.37	115.52	184.69
TOTAL		278.81	261.03

2.17 OTHER CURRENT FINANCIAL LIABILITIES (₹ in Lakhs)

PARTICULARS	NOTE NO.	AS AT 31.03.2020	AS AT 31.03.2019
INTEREST ACCRUED AND DUE ON BORROWINGS		28.86	36.35
CURRENT MATURITY OF LONG TERM DEBT	2.14	766.46	766.46
PAYABLE TO RELATED PARTY		4.22	13.40
CLIENT DEPOSIT		106.52	425.08
PAYABLE FOR OTHER EXPENSES (INCLUDING MSME VENDORS)	2.37 & 2.38	99.70	53.68
EMD/SECURITY DEPOSIT		15.29	18.08
SECURITY DEPOSIT-CLIENT		308.29	279.08
TOTAL		1,329.34	1,592.13

2.18 OTHER CURRENT LIABILITIES (₹ in Lakhs)

PARTICULARS	NOTE NO.	AS AT 31.03.2020	AS AT 31.03.2019
STATUTORY LIABILITIES		91.19	63.49
TOTAL		91.19	63.49

2.19 REVENUE FROM OPERATIONS (₹ in Lakhs)

PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2020	YEAR ENDED 31.03.2019
SALE OF SERVICES			
CONSULTANCY FEE (GROSS)		7,378.49	6,831.71
LESS: GOODS & SERVICE TAX (GST)		(1,213.38)	(1,122.09)
CONSULTANCY FEE (NET)		6,165.11	5,709.62
CONSULTANCY FEE (UNBILLED REVENUE)	2.41.6	571.10	575.90
POWER GENERATION			
SALE OF ELECTRICAL ENERGY - ELECTICITY	2.40	1,103.72	1,795.10
SALE OF ELECTRICAL ENERGY - ELECTICITY (UNBILLED REVEUNE)	2.41.6	16.22	67.71
TOTAL		7,856.15	8,148.33

2.20 OTHER INCOME (₹ in Lakhs)

PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2020	YEAR ENDED 31.03.2019
INTEREST EARNED ON:			
- DEPOSITS WITH BANK		122.38	151.94
- INCOME TAX REFUND		38.48	0.96
MISCELLANEOUS INCOME*		79.17	2.07
TOTAL		240.03	154.97

* Sale of tender document & reversals of provisions.

2.21 FEE FOR SERVICE OBTAINED (₹ in Lakhs)

PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2020	YEAR ENDED 31.03.2019
MAN-MONTH EXPENSE		868.04	668.57
CONSULTANCY CHARGES- CONTROL ROOM		159.05	60.91
OTHER CONSULTANCY CHARGES		68.60	165.40
TOTAL		1,095.69	894.88

2.22 FINANCE COST (₹ in Lakhs)

PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2020	YEAR ENDED 31.03.2019
ON TERM LOAN		379.06	438.37
INTEREST OTHERS*		5.02	4.74
TOTAL		384.08	443.11

* include interest on Income Tax of ₹ 1.12 Lakhs (P.Y ₹ 0.49 Lakhs)

2.23 GENERATION EXPENSES (₹ in Lakhs)

PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2020	YEAR ENDED 31.03.2019
TRANSMISSION, WHEELING & SLDC CHARGES	2.40	507.85	509.85
OPERATION & MAINTAINANCE		0.61	170.15
TOTAL		508.46	680.00

2.24 DEPRECIATION & AMORTISATION EXPENSES (₹ in Lakhs)

PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2020	YEAR ENDED 31.03.2019
ON PROPERTY PLANT & EQUIPMENTS	2.01	629.80	620.48
ON RIGHT OF USE	2.02	4.21	-
ON INTANGIBLES ASSETS	2.03	0.38	0.39
TOTAL		634.39	620.87

2.25	OTHER EXPENSES			(₹ in Lakhs)
	PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2020	YEAR ENDED 31.03.2019
	LEGAL & PROFESSIONAL EXPENSES		113.77	54.29
	OFFICE EXPENSES		5.65	1.17
	TRAVELLING EXPENSES		22.24	29.79
	AUDITORS' REMUNERATION	2.25.1	4.22	2.16
	AUDITORS' OUT OF POCKET EXPENSES	2.25.1	1.00	0.35
	ADVERTISING EXPENSES		21.29	56.61
	PRINTING & STATIONARY		4.72	3.98
	INSURANCE		10.57	8.07
	RATES & TAXES		18.55	44.35
	INTERNAL AUDIT FEE		0.58	0.60
	BANK CHARGES		0.11	0.10
	CSR EXPENDITURE	2.36	80.10	54.94
	CAR HIRE CHARGES		33.96	26.64
	DIRECTOR'S SITTING FEE		1.85	0.10
	IMPAIRMENT FOR DOUBTFUL DEBTS		-	290.24
	MISCELLANEOUS EXPENSES (COST OF VEHICLE HIRING, SPONSORSHIP, MEETING EXPENSE, ETC.)		27.61	25.19
	TOTAL		346.22	598.58
2.25.1	AUDITORS' REMUNERATION			(₹ in Lakhs)
	PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2020	YEAR ENDED 31.03.2019
	STATUTORY AUDIT FEE		1.30	1.21
	TAX AUDIT FEE		0.72	0.72
	QUARTERLY AUDIT		0.60	-
	GST AUDIT*		1.35	-
	OTHER SERVICES i.e. CERTIFICATION ETC.		0.25	0.23
	TOTAL		4.22	2.16
	AUDITORS' OUT OF POCKET EXPENSES		1.00	0.35
	* include ₹ 60,000/- incurred for earlier year.			
2.26	TAX EXPENSE			(₹ in Lakhs)
	PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2020	YEAR ENDED 31.03.2019
	CURRENT TAX - (MAT)	2.34	861.48	1,128.50
	SUB TOTAL (A)		861.48	1,128.50
	DEFERRED TAX CHARGE		692.46	812.16
	LESS: MAT CREDIT ENTITLEMENT		(81.36)	(1,128.50)
	SUB TOTAL(B)		611.10	(316.34)
	GRAND TOTAL (A)+(B)		1,472.58	812.16

DISCLOSURES AS PER INDIAN ACCOUNTING STANDARDS (IND AS):

2.27 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.

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

- Power Generation
- Consultancy

2.27.2 The company entire operation is within geographical region of India.

2.27.3 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.

2.27.4 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.

2.27.5 Operational Segment for Year Ended 31.03.2020

(₹ in Lakhs)

Description	Year Ended 31.03.2020			Year Ended 31.03.2019		Total
	Power Generation	Consultancy Services	Total	Power Generation	Consultancy Services	
Revenue	1119.94	6736.21	7856.15	1862.81	6285.52	8148.33
Identifiable operating expenses	1529.84	1121.56	2651.40	1921.91	1000.74	2922.65
Segmental profit/(Loss) from operations	(409.90)	5614.65	5204.75	(59.10)	5284.78	5225.68
Add: Interest Income*			160.86			152.90
Add: Other Income **			79.17			2.07
Less: Unallocable Finance Cost			5.02			4.74
Less: Un-allocable other Expenses			465.63			429.69
Net Profit Before Tax			4974.13			4946.22
Less: Income Tax (including Deferred Tax)			1472.58			812.16
Net Profit After Tax			3501.55			4134.06
Additional Information:						
Depreciation & Amortization	613.11	3.81	616.92	613.11	2.58	615.69
Depreciation- Un-allocable			17.47			5.18
Non-cash expenses other than depreciation & Amortization	Nil	Nil	Nil	165.60	124.64	290.24
Reversal of Impairment losses	Nil	44.64	44.64	Nil	Nil	Nil
Segment Assets and Liabilities						
PPE	12507.37	8.78	12516.15	13206.96	4.02	13210.98
Right of Use Assets	86.48	Nil	86.48			

(₹ in Lakhs)

Description	Year Ended 31.03.2020			Year Ended 31.03.2019		Total
	Power Generation	Consultancy Services	Total	Power Generation	Consultancy Services	
Intangible Assets	Nil	Nil	Nil	Nil	0.38	0.38
Other Assets	356.29	2584.82	2941.11	226.94	2074.48	2301.42
Total Segmental Assets	12950.14	2593.60	15543.74	13433.90	2078.88	15512.78
Add: Un allocable Assets-PPE****			5249.00			617.41
Add: Un allocable Assets other than PPE****			1617.96			4615.99
Total Assets			22410.70			20746.18
Non Current Liabilities	3258.50	Nil	3258.50	3993.23	Nil	3993.23
Current Liabilities	882.90	222.29	1105.19	921.64	257.56	1179.20
Total Segmental Liabilities	4141.40	222.29	4363.69	4914.87	257.56	5172.43
Add: Un allocable Liabilities***			1418.89			951.09
Total Liabilities			5782.58			6123.52

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

** Other income includes sale of tender document and reversal of provisions.

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

Note:- No Impairment and its reversal have been recognized in other Comprehensive Income (OCI) during the Year ended 31.03.2020 and Year ended 31.03.2019.

2.27.6 Out of total Operating Revenue of ₹7856.15 (Previous Year ₹8148.33 Lakhs), Revenue of ₹ 7748.55 Lakhs (Previous Year ₹8046.16 Lakhs) is derived from a single customer.

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

2.28.1 Related Party

2.28.1.1 Holding Company

Name	Country	Holding as on	
		31.03.2020	31.03.2019
M/s RITES Limited	India	51%	51%

2.28.1.2 Ministry of Railways

Name	Country	Holding as on	
		31.03.2020	31.03.2019
Indian Railways	India	49%	49%

2.28.1.3 Key Managerial Personnel- RITES LIMITED (Holding Company)

Chairman & Managing Director (Chief Executive Officer)

Shri Rajeev Mehrotra

Whole Time Directors

Shri Gopi Sureshkumar Varadarajan, Director Projects

Shri Anil Viz, Director Technical (From 04.11.2019)

Shri B.P. Nayak, Director Finance (From 07.11.2019)

Shri Ajay Kumar Gaur, Director Finance & Chief Financial Officer (Superannuated on 31.07.2019)

Shri Mukesh Rathore, Director Technical (Superannuated on 31.10.2019)

Government Nominee Directors

Shri Alok Kumar Tewari

Shri Vinay Srivastava

Shri A.P. Dwivedi, Director (Up to 13.11.2019)

Shri Bhupendra Kumar Agarwal, Director (Up to 01.05.2019)

Non-Executive (Independent) Directors

Dr. Pramod Kumar Anand

Shri. Rajendra N Goyal

Ms. Geethakumary

Shri Anil Kumar Goel

Shri Satish Sareen

Chief Financial Officer (CFO)

Shri Parmod Kumar Narang (From 01.08.2019)

Company Secretary

Shri Ashish Srivastava

2.28.1.4 Key Managerial Personnel of the Company

Chairman

Shri Rajeev Mehrotra

Directors

Shri Gopi Sureshkumar Varadarajan

Shri Ajeet Kumar Srivastava

Shri Shalabh Goel (Up to 19.11.2019)

Shri Anil Ghai (Up to 31.05.2019)

Shri Parmod Kumar Narang (From 01.06.2019)

Non-Executive (Independent) Directors

Shri Pradeep Kumawat

Mrs. Sheela Kaul (From 25.07.2019)

Chief Executive Officer (CEO)

Shri Sudhir Kumar Saxena (Up to 20.02.2020)

Shri Alok Nath Mathur (From 21.02.2020)

Chief Financial Officer (CFO)

Shri Sunil Kumar Singh

Company Secretary

Shri Ranjan Kumar Tiwary

2.28.2 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.

2.28.2.1 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 statutory dues e.g. TDS under Income Tax Act, PF under Employee Provident Fund Act etc. For rendering service to subsidiary company, fees are charged at man-month rate basis.

(₹ in Lakhs)

Particulars	Year Ended 31.03.2020	Year Ended 31.03.2019
Man-Month Expense of CEO, CFO and Company Secretary	153.21	119.64
Sitting fee to Non Executive Independent Director	1.85	0.10
TOTAL	155.06	119.74

2.28.3 Transactions with holding company during the year

(₹ in Lakhs)

Particulars	Year Ended 31.03.2020	Year Ended 31.03.2019
Fee for services obtained(Management Contract)	871.69	668.57
Man-Month Expense of CEO, CFO and Company Secretary	153.21	119.64
Other Expense	5.00	7.85
Reimbursable Expense	25.88	13.49
Dividend Paid	632.91	463.59
TOTAL	1688.69	1273.14

Year End Balances

(₹ in Lakhs)

Particulars	Year Ended 31.03.2020	Year Ended 31.03.2019
Trade Payable	88.31	76.34
Unbilled Liability	74.98	-
Reimbursable	4.22	13.40
Equity Share Capital	3570.00	3570.00
TOTAL	3737.51	3569.74

2.28.4 Transactions with Ministry of Railways during the Year

(₹ in Lakhs)

Particulars	Year Ended 31.03.2020	Year Ended 31.03.2019
Revenue		
- Consultancy	6628.61	6183.36
- Power Generation	1119.94	1862.81
Recoverable	35.37	21.02
TOTAL	7783.92	8067.19

Year End Balances

(₹ in Lakhs)

Particulars	Year Ended 31.03.2020	Year Ended 31.03.2019
Trade Receivable		
- Consultancy	1970.38	1478.11
- Power Generation	112.77	101.55
Recoverable	54.34	30.72
Equity Share Capital	3430.00	3430.00
Client Deposit	414.80	704.16
TOTAL	5982.29	5744.54

2.28.5 Government related entities

The Company is a subsidiary of Central Public Sector Undertaking (CPSU) controlled by Central Government by holding majority of shares (refer note no 2.12.6). Pursuant to paragraph 25 & 26 of Indian Accounting Standard 24, entities over which the same Government has control or joint control of, significant influence, then reporting entity and other entities shall be regarded as related party.

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.2.28.4.

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

Particulars		Year Ended 31.03.2020	Year Ended 31.03.2019
A	Net Profit for the year(₹ in Lakhs)	3501.55	4134.06
B	Amount available for Equity Shareholder (₹ in Lakhs)	3501.55	4134.06
C	Weighted average number of Equity Shares(No's)	7,00,00,000	7,00,00,000
D	Earnings Per Share(Basic & Diluted) (B)/(C)	₹5.00	₹5.91
E	Face value per equity share	₹10/-	₹10/-

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

2.30.1 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)for which Company may be contingently liable to Rajasthan state utilities-Refer note No. 2.40.

2.31 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 ₹379.06 Lakhs (Previous Year ₹438.37Lakhs).

2.32 FINANCIAL INSTRUMENTS

2.32.1 Financial Instruments by category:

The carrying value and fair value of financial instruments by categories wise as on 31st March, 2020 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#	1103.19	1103.19	-	-	-	-
Trade Receivables	2083.15	2083.15	-	-	-	-
Other Financial Assets	654.47	654.47	-	-	-	-
Total	3840.81	3840.81	-	-	-	-
Financial Liabilities:						
Trade Payables	278.81	278.81	-	-	-	-
Borrowings	4024.96	4024.96	-	-	-	-
Other Financial Liabilities##	562.88	562.88	-	-	-	-
Total	4866.65	4866.65	-	-	-	-

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	6466.68	-	-	-	-
Financial Liabilities:						
Trade Payables	261.03	261.03	-	-	-	-
Borrowings	4759.69	4759.69	-	-	-	-
Other Financial Liabilities##	825.67	825.67	-	-	-	-
Total	5846.39	5846.39	-	-	-	-

Cash & Bank balance also include funds on behalf of client.

Other financial liabilities also include liabilities on behalf of client.

2.32.2 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 of financial assets & liabilities measure at Amortized cost as on March 31, 2020 are as follows:

(₹ in Lakhs)

Particulars	Carrying Value As on 31.03.2020	Fair Value As on 31.03.2020	Level
Financial Assets			
Trade Receivables*	2083.15	2083.15	III
Other Financial Assets*	654.47	654.47	III
Financial Liabilities:			
Trade Payables*	278.81	278.81	III
Borrowings**	4024.96	4024.96	III
Other Financial Liabilities*	562.88	562.88	III

Fair value of financial assets & liabilities measure at Amortized cost as on March 31, 2019 are as follows:

(₹ in Lakhs)

Particulars	Carrying Value As on 31.03.2019	Fair Value As on 31.03.2019	Level
Financial Assets			
Trade Receivables*	1579.66	1579.66	III
Other Financial Assets*	703.39	703.39	III
Financial Liabilities:			
Trade Payables*	261.03	261.03	III
Borrowings**	4759.69	4759.69	III
Other Financial Liabilities*	825.67	825.67	III

* 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 fair value cost due to their short-term nature.

** Due to use of current borrowing rate to calculate discounted cash flow, the carrying value of loan is to be considered same as fair value.

2.32.3 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

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices such as Currency Risk and Interest rate risk.

- Currency Risk:-** The Company operates within PAN India and all its transactions are in Indian rupees, therefore company does not have exposure to currency risk.
- Interest Rate Risk:-** The Company exposure with interest rate risk is very limited since long term borrowing is based on one year Marginal Cost of Lending Rate (MCLR).

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 Years is from trade receivables amounting to ₹2083.15 Lakhs (Previous Year ₹1579.66 Lakhs) and unbilled revenue amounting to ₹587.32 Lakhs (Previous Year ₹ 643.60 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 ₹Nil (PY ₹ 290.24 Lakhs). All receivables of the company are from Indian Railways & its controlled entities and hence credit risk is bare minimum and Company does not foresee any impact on credit risk of the company due to outbreak of COVID-19.

No significant credit risk on cash and Bank Balances (including client's fund) of ₹1103.19Lakhs (Previous Year ₹4183.63 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 ₹682.95 Lakhs (Previous Year ₹ 2847.47Lakhs) 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 ₹4024.96Lakhs (Previous Year ₹4759.69Lakhs). The installment falling due for re-payment within one year from the reporting date is amounting to ₹766.46Lakhs (Previous Year ₹766.46Lakhs). The company has a working capital of ₹2514.03Lakhs (Previous Year ₹4597.57Lakhs) include cash and bank balances (owned fund) of ₹688.38Lakhs (Previous Year ₹2847.74Lakhs). The company believes that the working capital and other liquid assets are sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived by the Company.

Impact of Covid-19

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

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)					
Particulars	Total Balance as on 31.03.2020	Within 1 Year	1 to 2 Years	2 to 5 years	More than 5 Years
Borrowings*	4024.96	766.46	766.46	2299.37	192.67
Trade Payables	278.81	278.81	-	-	-
Other financial liabilities**	562.88	562.88	-	-	-

(₹ in Lakhs)					
Particulars	Total Balance as on 31.03.2019	Within 1 Year	1 to 2 Years	2 to 5 years	More than 5 Years
Borrowings*	4759.69	766.46	766.46	2299.37	927.40
Trade Payables	261.03	261.03	-	-	-
Other financial liabilities**	825.67	825.67	-	-	-

* Based on monthly fixed repayment of ₹ 63.87 Lakhs.

** Including client fund of ₹414.81Lakhs (PY ₹704.16Lakhs)

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

2.33.1 CHANGES IN ACCOUNTING POLICIES

Ind AS-116- Leases

Ind AS-116 on Leases is applicable w.e.f 1.4.2019. Ind AS-116 has replaced Ind AS-17. Accordingly, policies on Leases have been modified to align with new Ind AS-116 on Leases. There is no material impact on account of change in the said accounting policies.

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

The Company has not opted to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as promulgated by the GOI vide the Taxation Laws (Amendment) Ordinance, 2019 due to available balances of unabsorbed MAT credit and losses on due to un-absorbed depreciation. The turnover of the Company during the FY 2018-19 was less than 400 Cr, accordingly continues to pay tax at the rate of 25% plus surcharge & HEC.

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

(₹ in Lakhs)

Particulars	Year Ended 31.03.2020	Year Ended 31.03.2019
Income Tax Expenses		
- Current Taxes (under MAT provision)	861.48	1128.50
- Deferred Tax(Net of Mat Credit)	611.10	(316.34)
Net Income Tax Expenses	1472.58	812.16

Entire Deferred Tax for the current year ended March 31st, 2020 and Previous Year ended March 31, 2019 relates to origination and reversals of temporary differences.

2.34.2 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 31.03.2020	Year Ended 31.03.2019
Profit Before Income Taxes On Normal Business	4974.13	4946.22
Enacted Tax Rates in India On Normal Income	29.12%	29.12%
Enacted Tax Rates in India On Normal Income (under MAT provision)	17.47%	21.55%
Computed Expected Tax Expense	1448.47	1440.34
Tax Effect due to change in Tax Rate	-	20.16
Effect of Non-Deductible Expenditures (NDE)	24.00	16.57
Tax effect due to non taxable income	-	(664.91)
Tax effect due to re-statement of prior period adjustment	-	-
Tax Reversal and Others	0.11	-
Current Tax Expense	1472.58	812.16

The following table provides the details of income tax assets and liabilities as of March 31, 2020, and March 31, 2019:

(₹ in Lakhs)

Particulars	As at	
	31.03.2020	31.03.2019
Income Tax Assets	453.14	393.52
Current income tax liabilities	(824.74)	(213.64)
Net Current Income Tax Assets/(Liability) at the end	(371.60)	179.88

The gross movement in the current income tax asset/ (liability) for the year current ended March 31, 2020 and previous year ended March 31, 2019 is as follows:

(₹ in Lakhs)

Particulars	As at	
	31.03.2020	31.03.2019
Net current income tax asset/(liability) at the beginning	179.88	(210.08)
Income Tax paid	921.10	1202.13
Current income tax expense	(1472.58)	(812.16)
Net Current Income Tax Asset/(Liability) at the end	(371.60)	179.88

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

(₹ in Lakhs)

Particulars	As at	
	31.03.2020	31.03.2019
Deferred Income Tax Assets:		
Un-Absorbed Depreciation/Business Loss	-	702.53
Provision for expected credit risk	71.52	84.52
Total Deferred Income Tax Assets - I	71.52	787.05
Mat Credit Entitlement	2756.76	2675.41
Total Assets Including Mat Credit	2828.28	3462.46
Differed Income Tax Liabilities:		
Property Plant & Equipment, Furniture & Fixtures, (Depreciation difference)	3641.82	3676.10
Interest accrued on income tax refund but not received	11.20	-
Total Deferred Income Tax Liabilities - II	3653.02	3676.10
Deferred Income Tax Assets after set off	-	-
Deferred Income Tax Liabilities after set off	824.74	213.64

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

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

(₹ in Lakhs)		
Particulars	Year ended 31.03.2020	Year ended 31.03.2019
Net deferred income tax asset/(liability) at the beginning	(213.64)	(529.97)
Credit/(Change) relating to temporary differences	(611.10)	316.33
Net Deferred Income Tax Asset/(Liability) at the end	(824.74)	(213.64)

The composition of deferred liabilities relating to temporary differences during the Year ended March 31, 2020 are primarily on account of property plant and equipment, and interest accrued on income tax refund but not received.

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

2.35.1 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.

2.35.2 Subsequent Event -Dividends

Dividend paid during the financial year 2019-20 is ₹1241.00 Lakhs (i.e. dividend of ₹1.773 per share to 7 Crore equity shares) for the financial year 2018-19.

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 ₹1050.47 Lakhs (₹1.50 per share to 7 Crore equity shares) in respect of the Financial Year 2019-20 subject to approval of shareholders in Annual General Meeting. If approved, the dividend would result into cash outflow of ₹1050.47Lakhs.

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

Other Disclosures:

2.36 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 2019-20 is ₹78.80Lakhs (Previous Year ₹ 54.94 Lakhs)

(c) Expenditure incurred including advances on CSR during the year on

(₹ in Lakhs)						
Particulars	Amount Paid		Amount Yet to paid		Total	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
(i) Construction/acquisition of any assets	Nil	Nil	Nil	Nil	Nil	Nil
(ii) On purposes other than (i) above*	59.73	54.94	20.37	Nil	80.10	54.94
Total	59.73	54.94	20.37	Nil	80.10	54.94

* includes following expenditure on account of administrative overhead and capacity building

(a) Man-Month Expense - ₹ 3.65 Lakhs

(b) Other Expense - ₹0.10 Lakhs

2.37 Reclassifications and comparative figures

Certain reclassifications have been made to the comparative period's financial statements to enhance comparability with the current year's financial statements. As a result, certain line items have been reclassified in the balance sheet, statement of profit & loss, and statement of cash flows, the details of which are as under

Items of Balance Sheet before and after reclassification for the year ended 31st March, 2019.

(₹ In Lakhs)

Particulars	Before Reclassification	Reclassification	After Reclassification
Current Liabilities			
Trade Payable- other than related party	30.11	154.58	184.69
Current financial Liabilities	208.26	(154.58)	53.68

2.38 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 31.03.2020	As at 31.03.2019
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	3.85	1.14
	— 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.

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

2.40 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 was being continuously utilized by Indian Railways through WCR up to 09.01.2017 at three Traction Sub Stations (TSS) (Bharatpur, Hindaun & Ramganj Mandi) in Rajasthan State connected as consumer of Rajasthan DISCOM i.e. Jaipur Vidyut Vitran Nigam limited (JVVNL).

With effect from 10.01.2017, open access status was permitted to Indian Railways as deemed distribution licensee in the state of Rajasthan. Accordingly, Railways started taking power at Six TSS as a deemed distribution licensee through open access route from M/s JITPL which included 3 TSS (Bharatpur, Hindaun & Ramganj) where WCR was taking Wind power from company on consumer mode. With grant of open access collective scheduling and accounting was implemented in accordance with CERC order dated 05.11.2015 in petition no. 197/MP/2015 and accordingly accountal/methodology for utilization of energy generated by Wind Mill Plant had to be changed. One of the conditions for Indian Railways to draw power as deemed distribution licensee is to surrender their existing connection on consumer mode and seek connectivity with State Transmission Utility (RRVNL). Accordingly, the TSSs initially power from 26 MW Wind Power Plant were disconnected as Consumer and connected with RRVNL as licensee and WCR is contesting that payment to REMCL for the month of January'17 to April'17 was withheld as wind energy for the above period has not been set off from the conventional energy drawn from JITPL. The state distribution company (JVVNL) and state transmission utility (RRVNL) terminated the Wheeling and Banking Agreement and Wheeling Agreement with effect from 10.01.2017 respectively which was communicated vide JVVNL letter dated 18.04.2017 and RRVNL letter dt.19.04.2017

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 20.08.2020.

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. 2.30.

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

- 2.41.1 The Company presents revenue net of indirect taxes in its statement of profit & loss.
- 2.41.2 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 practises and category of clients, clauses relating to surcharge for late payment are not being considered by the management.

2.41.3 Company has contracts with customers for different services which are given below:

- i. Sale of Power Generation
- ii. Consultancy Service

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

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

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

2.41.5 Disaggregation Revenue information:

The below presents Disaggregated Revenues from contract with customer for the year ended 31st March 2020 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	
FY 2019-20	6736.21	Nil	1119.94	Nil	7856.15
FY 2018-19	6285.52	Nil	1862.81	Nil	8148.33

2.41.6 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, ₹ 44.64 Lakhs earlier recognized as impairment loss has been reversed.

During the year ended March 31, 2020, ₹ 643.60 Lakhs and March 31, 2019, ₹ 524.23 Lakhs of unbilled revenue as of April 1st, 2019 and April 1st, 2018 has been reclassified to Trade receivables upon billing to customers on completion of milestones.

Balances of Receivables/Contract Assets/Contract Liabilities are as under

(₹ in Lakhs)

Particulars	As on 31.03.2020	As on 31.03.2019
Receivables	2328.75	1869.90
Contract Assets- Unbilled Revenue	587.32	643.60
Contract Liabilities	Nil	Nil

- 2.41.7 Company has not incurred any cost for obtaining contracts except administrative cost required for preparation of offers and the same is charged to statement of profit & loss.
- 2.41.8 Cost incurred in fulfilling contracts is charged to statement of profit & loss if it is not recoverable otherwise the same is part of unbilled revenue and unbilled assets.
- 2.41.9 Company has assessed the impact of COVID-19 on revenue, which may be due to (i) constraints in rendering of services and supply of goods during lock down period, (ii) onerous contracts; (iii) liquidated damages for breaching milestones, and (iv) termination or deferment of contracts by customers. Impact so assessed is insignificant for FY 2019-20.

As on date, company is working primarily for various Zonal Railways of Indian Railways. The company is assisting various Zonal Railways in efficient energy procurement for traction operations as well as meeting in RPO obligations of Indian Railways. The Company revenue is highly dependent upon the traction operations of Indian Railways.

Consequent to global pandemic of Covid-19, Government of India declared lockdown starting from 23rd March, 2020. After initiation of lockdown, the Railways operations were curtailed and Railways operations were limited only up to the carriage of essential activities only e.g. services and goods. Consequently, the performance for the month of March 2020 has been partially impacted.

Further, Company will continue to monitor developments to identify significant uncertainties relating to revenue in future periods

- 2.42** Previous period figures have been regrouped/recasted/rearranged, wherever necessary.

2.43 Disclosure on Leases (Indian Accounting Standard-116) are as follow:-

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases, and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessee and lessor. It introduces a single, on-balance sheet lease accounting model for lessee.

The Company has adopted Ind AS 116-"Leases" effective from 1st April, 2019, applied to all lease contracts existed on April 1, 2019 using modified retrospective method, using cumulative effect method and hence previous period information has not been restated.

2.43.1 Company as Lessee

The Company has taken land on sub-lease for setting up of its 26 MW wind mill plant during the FY 2015-16 for a period of 29 years. INOX Wind Ltd is the developer of entire wind mill plant having total capacity of 554 MW and out of which 26MW i.e. 13 Wind Towers each of 2MW capacity developed on 13 hectares land belongs to REMCL. The entire wind plant was developed under the Rajasthan Wind Policy under which the allotment of land to the Wind Power Developers was done as per the provisions of Rajasthan Land Revenue (Allotment of Land for setting up of Power plant based on Renewable Energy Sources) Rules, 2007 as amended from time to time. The entire payment for such land had been made at the time of initiation of sub-lease agreement and no further payment is required to be made.

On transition, the adoption of this standard has resulted in recognition of 'Right-of-use' assets of ₹90.69 Lakhs but corresponding no lease liability aroused since the entire lease payment was made at the time of initiation of lease.

On application of Ind AS 116, the nature of expenses has changed from depreciation on PPE in previous periods to depreciation cost for the right-to-use asset.

The effect of Implementation of Ind AS-116 is insignificant on the profit before tax, profit for the period and earnings per share.

2.43.1.1 Followings are the changes in the carrying value of right of use assets for the year ended March 31, 2020

(₹ in Lakhs)

Particulars	Category of ROU Assets
	Sub Lease Land
Balance as at April 1, 2019	Nil
Reclassified on account of adoption of Ind AS 116	90.69
Additions	Nil
Deletion	Nil
Depreciation	4.21
Balance as at March 31, 2020	86.48

2.43.1.2 In respect of ROU, an amount of ₹ 4.21 Lakhs has been charged by way of depreciation in the statement of profit and loss account.

2.43.1.3 There are no provisions relating to contingent rent.

2.43.1.4 Company has no commitments towards Leases yet to be commenced as on 31.03.2020.

2.43.2 Company as a lessor

As on date, the Company has not entered into any lease agreement as lessor.

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

2.44 The company has carried out the assessment on impairment of assets in terms of IND AS 36 "Impairment of Assets" and Management does not perceive any impairment in the value of the carrying amount of the PPE.

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, 2020.

The preparation of financial statements of **Railway Energy Management Company Limited** for the period ended 31 March 2020 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The Statutory Auditor 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 24.06.2020.

I, on behalf of the Comptroller and Auditor General of India, have decided not to conduct the supplementary audit of the financial statements of **RAILWAY ENERGY MANAGEMENT COMPANY LIMITED** for the year ended 31 March 2020 under section 143(6)(a) of the Act.

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



(B.R. Mondal)

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

Place: New Delhi

Date: 31st July, 2020

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)

Ph. No.: 91-124-2818 850 / 793, **Fax No.** 91-124-257 1660

Email: remcl@rites.com | **Web:** www.remcl.in

CIN: U93000DL2013GOI256661

AUDITORS

Statutory Auditor

Pawan Puri & Associates
Chartered Accountants

Internal Auditor

Dharam Raj & Co.
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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