

**ANNUAL
REPORT
2016 - 2017**



Railway Energy Management Co. Ltd.
(A Joint Venture of Indian Railways and RITES Limited)




MISSION

Exploring business opportunities in Green Energy, especially in the field of Wind and Solar by installing windmills and solar plants for generating and selling renewable energy, mainly for railways consumption.

Facilitating cost efficiencies in the energy management for Railways by Power Procurement through open bidding as well as trading through power exchanges.

Entering upon the consultancy business in Energy Management Area including both wind and solar energy projects.



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BOARD OF DIRECTORS



Mr. Rajeev Mehrotra
Chairman



Mr. Arbind Kumar
Director



Mr. H.K. Bali
Director (Upto 30.11.2016)



Ms. Niva Singh
Director (Upto 16.02.2017)



Mr. Sudhir Garg
Director



Mr. Anil Ghai
Director (From 01.12.2016)



Ms. Anju Ranjan
Director (From 17.02.2017)

KEY MANAGERIAL PERSONNEL



Mr. Sudhir Kumar Saxena
Chief Executive Officer



Mr. Sunil Kumar Singh
Chief Finance Officer (From 05.01.2017)

CHAIRMAN'S MESSAGE



Despite stiff resistance from State Utilities, your company has been instrumental in commencement of about 825 MW (Approx) power during the year on open access as Deemed Distribution Licensee. This has resulted into a savings of over ₹1500 crore to Railways in their energy bills for the year 2016-17 translating in to annualized savings of ₹ 2200 crore.

Dear Shareholders,

It gives me immense pleasure in presenting the annual report of your company on the occasion of 4th Annual General Meeting; I extend a very warm welcome to all the shareholders.

The audited accounts of the Company for the year 2016-17 along with the Directors' Report, Statutory Auditors Report and comments of Comptroller & Auditor General of India and the audited accounts have already been circulated to you and with your permission, I take them as read.

In Financial Year 2016-17, your Company delivered a robust performance despite considerable challenges. The Company continued to focus on the delivery of consistent, competitive, profitable and responsible growth. This was another year of exciting business solutions, further improvement in execution and sustained focus on operational efficiencies.

It is indeed a pleasure to inform you that during financial year 2016-17 your company has recorded an operating turnover of ₹ 55.67 crore as against ₹17.10 crore during previous year 2015-16. The "Profit After Tax" (PAT) for the financial year 2016-17 is ₹18.36 crore as compared to ₹ 3.14 crore of previous year 2015-16.

Your Company has delivered an outstanding performance during the year 2016-17 and meets parameters for excellent rating in MoU. However, formal communication from DPE in this regard is expected in due course.

It is commendable to say that in a short duration your Company has achieved many landmarks in reducing the ordinary working expenses of Railways by facilitating flow of economical tariff during the year in the states of Rajasthan, UP (ISTS), Maharashtra, Gujarat, MP & Jharkhand.

It is a proud moment to inform that despite stiff resistance from State Utilities, your company has been instrumental in commencement of about 825 MW (Approx) power during the year on open access as Deemed Distribution Licensee. This has resulted into a savings of over ₹1500 crore to Railways in their energy bills for the year 2016-17 translating in to



annualized savings of about ₹ 2200 crore, in line with the pronouncement of Hon'ble Minister of Railways in his Budget Speech 2016-17.

The challenges and stiff resistances from the states in issuance of No Objection Certificate (NOC) required for getting Open Access prohibited Railways in implementing Deemed Distribution Licensee status. For redressal of above challenging task, REMCL led from the front by filing petition through Zonal Railways with various Regulators. REMCL also successfully contested & defended the petitions filed by various discoms on behalf of Railways.

Harnessing of Renewable Energy Resources assumes the top priority for energy security and development of clean energy, also for reducing carbon emission. In line with this, REMCL has made its presence felt in Green Energy Sector as 26 MW Wind Mill plant installed at Jaiselmer, Rajasthan, which has generated approx. 36 MUs during the year. Your company has also invited bids for 100 MW Solar Roof Top project at Railway Building & Roof Top spaces of Railway station on behalf of Railways & Successfully issued LOAs for 48 MW projects. REMCL is also supported Railways in planning further avenues & innovative methods of utilization of solar power.

Your Company also took initiative for implementation of Passenger escalator in Mumbai Area of CR & WR & by engaging working agencies through competitive bidding & awarded the contracts in a record time of six months.

Your Company accords highest importance to transparency, accountability & equity in all facets of



its operations, with the aim of enhancing long term economic value to all the stakeholders & the society at large.

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

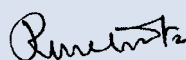
I, on behalf of the Board, would like to place on record sincere thanks for the valuable services rendered by Statutory Auditors, i.e. M/s AB Bansal & Company, Chartered Accountants.

Before I conclude, I must express my sincere thanks to our esteemed shareholders, my colleagues on the Board of Directors, the Ministry of Railways & whole 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

DIRECTORS' REPORT

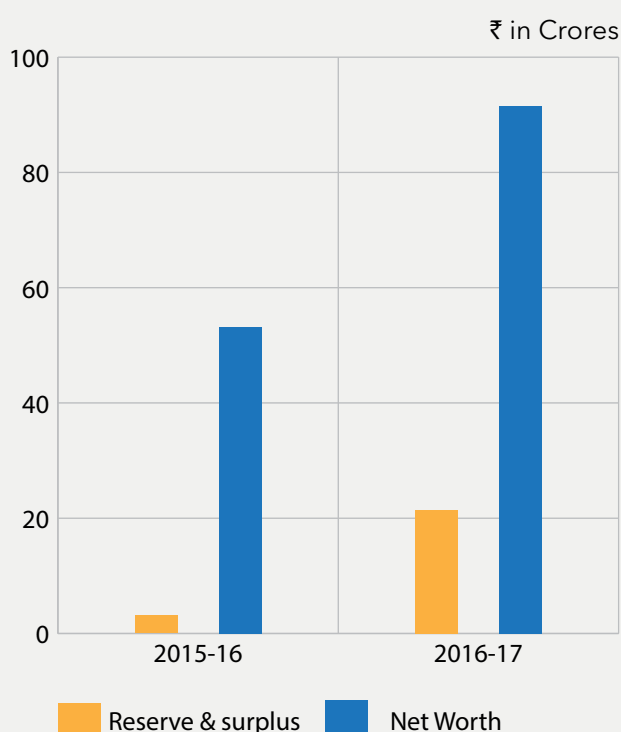
DISTINGUISHED SHAREHOLDERS

The Directors of your company have immense pleasure in presenting the 4th Annual Report of the company together with the audited Financial Statements and Auditors' Report for the year ended 31st March, 2017.

In Financial Year 2016-17, your company delivered a robust performance despite considerable challenges. The business continued to focus on the delivery of consistent, competitive, profitable and responsible growth. This was another year of exciting business solutions, further improvement in execution and sustained focus on operational efficiencies.

It is indeed a pleasure to inform that despite stiff resistance from State Utilities, your Company facilitated flow of power for Railways as Deemed Distribution Licensee (DDL) in the states of Rajasthan & MP besides states of, UP (CTU Point), Maharashtra, Gujarat & Jharkhand where power was being taken since last year. This has resulted into a savings of about ₹ 1500 crore for Railways in their energy bills for the year 2016-17 translating in to annualized savings of ₹ 2200 crore.

ACHIEVEMENTS



Major highlights for the year 2016-17 are:

- Almost entire peak power upto 1980 MW of IR has been tied up from BRBCL, RGPPL, TATA, Adani & JITPL, out of this, 825 MW power has started flowing on open access as Deemed Distribution Licensee.
- Implementation of 100 MW of Solar Roof top project for Zonal Railways have been mandated by Railways, out of which LOA issued for 48 MW for SWR, NR, WR, NCR, RCF & NWR.
- Finalised contracts & issued the LOAs to successful bidders for the Provisions of 33 nos. Passenger escalators in Mumbai Area of CR & WR.
- Tenders under consideration for Selection of technical Consultant for feasibility study of Transmission Line project of MGS-HWH route, Selection of technical Consultant for feasibility study of Transmission Line project of DLI- BH route, Selection of technical Consultant for feasibility study of Transmission project of JHS-NGP-BZA route & Selection of technical Consultant for feasibility study of Transmission project of HWH-NGP-CSTM route (excluding Raigarh to Paniajob).
- Finalised tenders for procurement of 400 MW power on Short Term in Southern Region in the States of Andhra Pradesh (200 MW), Telangana (50 MW), Tamil Nadu (120 MW) and Kerala (30 MW). Although the power could not flow due to non issue of NOC by the respective states.

Budget Announcements By Hon'ble Minister of Railways:

Hon'ble Minister for Railway identified Power procurement & Renewable Energy for Railways as a key Focus areas:

Budget Speech - 2016: "Annualized saving of ₹ 1,300 crore. Further annualized saving of ₹ 1,700 crore during the coming year, taking the total to ₹ 3,000 crore."

Your Company is committed to achieve the vision of Hon'ble MR.

FINANCIAL HIGHLIGHTS

The financial performance of the company for the year 2016-17 is given below.

(₹ In Crore)

Particulars	2016-17	2015-16
Authorized Share Capital	150.00	50.00
Subscribed share Capital	70.00	50.00
Reserves & surplus	21.48	3.12
Total income/Gross sales	58.49	18.04
Total Operating Income	55.67	17.10
Total expenditure	29.82	13.34
Profit/(Loss) Before Tax(PBT)	28.67	4.70
Provision for Taxes including deferred Tax Expenditure	10.31	1.56
Profit/(Loss) after Tax (PAT)	18.36	3.14
Net Worth	91.48	53.12

BUSINESS PERFORMANCE

The commercial operation of its own 26 MW wind mill plant located at Jaisalmer, Rajasthan started from Oct' 2015 and major power procurement for Indian Railways (IR) was started from Jan' 2016 based on bi-partite agreement entered between REMCL and zonal railways, therefore, financial results for the current Year i.e. 2016-17 is not comparable with financial results of previous year on annual basis, since the period of operation was only 5.5 month (appx) during the previous year including stabilization period of two months of Wind Mill. During the year, company has achieved operating turnover of ₹ 55.67 Crore as compared to previous year's operating turnover of ₹ 17.10 Crore. The "Profit After Tax" (PAT) for the financial year 2016-17 is ₹ 18.36 crore as against ₹ 3.14 Crore of the previous year.

OUTLOOK

Indian Railways has been consistently working towards controlling its energy bill and also to reduce its carbon foot prints. A series of initiatives have been planned by Railways through REMCL by adopting multi-prolonged strategies including promotion of procuring power through bi-lateral arrangements,



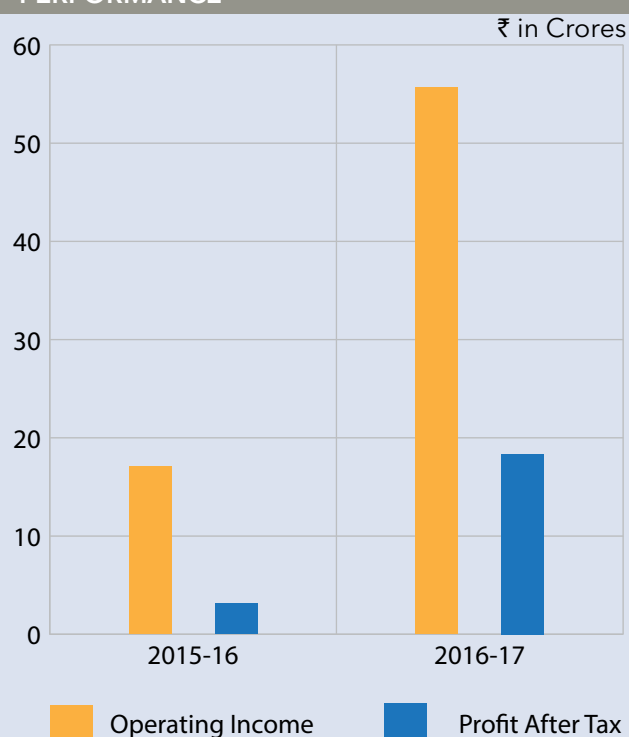
Traction Sub-station

setting up of captive power plants, undertaking power trading activities, harnessing solar and wind energy, energy efficiency measures etc.

The company has achieved many landmarks in terms of reducing the financial burden of Railways by affecting cost efficiencies and reducing energy bills of Railways.

Your Company is focusing on potential business areas of economical power procurement for Indian

PERFORMANCE





Transmission line tower

Railways, harnessing renewable energy, resolving regulatory issues of Railways, facilitating forecasting & Scheduling getting open access etc.

CAPITAL STRUCTURE

During the year considering the substantial growth of the company, the Authorized Share Capital has been enhanced from ₹ 50 Crore to ₹ 150 Crore. During the year, Company has also increased its paid-up share capital from ₹ 50 Crore to ₹ 70 Crore by issue of further equity share in proportion to the existing shareholders

DIVIDEND

The Board of Directors of the company have recommended for the first time a final dividend of ₹ 3.68 crore for the year 2016-17 (i.e. ₹ 0.525 per share to 7 crore equity share) which is 5.26 % of paid up capital of the company, subject to the approval of shareholders in Annual General Meeting.

FIXED DEPOSITS

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

RESERVES

During the year 2016-17, ₹ 18.36 crore has been transferred to General Reserves by appropriation from profits of the company. Reserve and surplus has increased from ₹ 3.12 crore as at end of the previous years to ₹ 21.48 crore as at 31st March, 2017.

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:

PLANNING OF PROCUREMENT & GENERATION FOR ZONAL RAILWAYS:

HARNESSING RENEWABLE ENERGY:

In order to encapsulate the potential of Renewable Energy available in India and addressing the challenges of changes in global climate, Indian Railways is promoting the sustainable development and reducing dependence on fossil fuel.

RAILWAY'S VISION FOR RENEWABLE is to Reduce Carbon Footprint of Indian Railways through Green Energy Utilization. The Company has made big strides in the area of Green Energy and Power Sector, in a Very short span since inception.

Wind Mill

26 MW Wind Mill Power Plant at Jaisalmer generated approx 35 Million Units (MUs) in the previous year. Earlier, this power was being utilized by WCR in consumer mode availing the banking facility at their three TSSs in Rajasthan. WCR has started taking power from M/s Jindal India Thermal Power Ltd (JITPL) at their TSSs in Rajasthan through Short Term Open Assess (STOA) as a 'Deemed Distribution Licensee' (DDL) w.e.f. 10.01.2017 as a result of which the monthly energy bills of 26 MW wind power of REMCL for the



Solar rooftop plant



month of January, February & March 2017 are yet to be paid by WCR. REMCL has been advised to supply this wind power through open access route to WCR as a 'DDL' (instead of their earlier consumer mode) at their 12 TSSs in Rajasthan. Accordingly, action is being taken by REMCL to supply this 26 MW wind power to WCR as a 'DDL' at their 12 TSSs in Rajasthan through open access route without any banking facility.

Railway Board has awarded the PMC work for setting-up of 10.5 MW wind mill plant in Tamil Nadu for SR on EPC mode to REMCL.

Tenders have been invited by REMCL for procurement of 35 MW wind power through tariff based bidding for its consumption by Zonal Railways at their non-traction load as a consumer in the states of Maharashtra, Madhya Pradesh, Andhra Pradesh and Tamil Nadu.

Solar Plants

- REMCL has been mandated to install 100 MW roof top out of 1000 MW by IR, REMCL is also planning to set up solar plant at solar park in the states of Rajasthan & MP.
- LOA issued for 48 MW for SWR, NR, WR, NCR, RCF & NWR. Correspondingly, PPA signed for 25 MW & PPA for balance 23 MW is in process. Tender has been floated for 52 MW roof top solar power plants for Indian Railways.
- Your company is actively involved with IR to set up around 100 MW roof top and 500 MW Ground mounted Solar Projects.

PROCUREMENT OF ENERGY

IR has heavy financial burden of the energy cost, which has touched a figure of ₹ 13000 Crore (approx.) during the year 2015-16. Thus, there was an urgent need for immediate corrective measures to restrict the energy bills. In pursuit of this mission, REMCL has made significant contributions in effecting the savings in traction energy bills of IR. In this persuasion, the brief details of initiatives taken by REMCL are as under.

POWER PROCUREMENT FOR INDIAN RAILWAYS

- Your company tied up a total of about 1980 MW power for Indian Railways out of which about 825 MW (Approx) power commenced during the year 2016-17. Further, existing traction tariff in the states of Chhattisgarh and Andhra Pradesh have been negotiated and pursuant to these negotiations, the per kWh tariffs have been revised to approx. ₹ 4.99 and ₹ 4.71 in the states of Chhattisgarh and Andhra Pradesh respectively.
- The migration process of Railway consumer mode to deemed distribution licensee have been progressively expanded in the states of Maharashtra, Gujarat, MP, UP (ISTS Points), Rajasthan & Jharkhand.

A) MoP Allocated 500 MW - 620 MW Power from RGPPL:

Commencement of 540 MW economical power supply from RGPPL on nomination basis in the states of Maharashtra, Gujarat, MP & Jharkhand at a landed tariff @ ₹ 4.70 pu. allocation upto March 2017.



B) Extension of 100 MW power from M/s Tata Power:

100 MW power has been extended through Bilateral arrangement on short term basis from TATA in Maharashtra at a tariff of ₹ 4.68 p.u.

C) Operationalization of 577 MW power of JITPL :

Agreement for 577 MW Power has been signed with JITPL for procurement of power on Medium Term basis for the states viz. Bihar, Odisha, MP, Chhattisgarh, UP, Punjab, Haryana, Delhi & Rajasthan at a weighted average tariff @ ₹ 3.65 p.u.

Power flow on open access has commenced in the state of Madhya Pradesh, Rajasthan. NOC has also been obtained for Haryana.

D) Finalisation of bids of 400 MW Power on Short Term in Southern Region:

REMCL invited bids for procurement of power on short term in the states of Andhra Pradesh (200 MW), Telangana (50 MW), Tamil Nadu (120 MW) and Kerala (30 MW). Although the tender was

finalised in time and Letter of Award were also issued to the successful bidders, but power flow could not commence as concurrence for open access was not issued by the state authorities.

E) Invitation of bids of 396 MW Power on Medium Term in Southern Region

REMCL invited bids for procurement of power on Medium Term basis in the state of Andhra Pradesh (200 MW), Telangana (50 MW), Tamil Nadu (96 MW), RWF, Karnataka (25 MW) and Kerala (25 MW). RFP was invited for RWF, Karnataka and Letter of Award was issued to the successful bidder. However, MOP has allocated power from RGPPL to RWF Karnataka and traction load of Karnataka.

F) Invitation of Bids of 330 MW of Power on Medium Term in Western & Eastern Region:

REMCL invited bids for procurement of 210 MW power in Western Region (Maharashtra-60 MW, MP-50 MW, Gujarat - 50 MW and Chhattisgarh-50 MW) and 100 MW in Eastern Region (Jharkhand-40 MW and Bihar-60 MW). This tender was invited

in replacement of RGPPL power beyond March 2017 but was discharged upon renewal of power from RGPPL.

G) Invitation of Bids of 180 MW Power on Long Term in the state of Maharashtra:

REMCL invited bids for procurement of 180 MW power on Long term in the state of Maharashtra in replacement of power from RGPPL beyond March, 2017. However, this tender was discharged upon renewal of power from RGPPL.

H) Bhartiya Rail Bijli Company Limited (BRBCL) a Joint venture of NTPC Ltd. & Indian Railways having equity partnership in the ratio of 74% & 26 % , has set up 1000 MW captive thermal power plant for Railways in Nabinagar Bihar. Out of Which 900 MW (Ex BRBCL Bus), 755 (Ex TSS) was allocated to Railways.

TRANSMISSION LINE:

In order to procure economical power supply in long run, it is imperative for IR to construct and own Transmission lines connecting traction drawl points at strategic location with ISTS points. In pursuance to this mission a necessary ground work has been completed and accordingly, tender for selection of Consultant for Delhi-Bharuch had been invited and bids are under evaluation and for Mughal Sarai-Howrah routes tenders have been invited by REMCL, evaluation had been done but fund transfer from Railway Board is required for issue of LOA to the successful bidder & Confirmation regarding connectivity from CEA is also awaited.

Initial Planning: Golden Quadrilateral Routes of 8850 KM.

- Delhi -Mumbai- 1000 km
- Delhi -Howrah- 1400 km
- Howrah-Chennai- 1600 km
- Howrah- Mumbai- 1850 km
- Delhi- Chennai- 1700 km
- Mumbai- Chennai 1300 km

Your company is assisting IR in its plan of Development of Transmission Lines projects for IR having direct connectivity with ISTS Network to Improve Reliability & Reduce Energy cost.

Techno-economic study & related survey of power sourcing arrangements pertaining to Mumbai - Ahmadabad High Speed Rail Line work by REMCL is also under consideration of National High Speed Rail Corporation Ltd.

REGULATORY

In the regulatory space, your company established the status of Indian Railways as 'Deemed Distribution Licensee' under the Railway Act 1989, read in conjunction with Electricity Act 2003 in many states. REMCL is facilitating Railways in successfully contesting the petition filed by WBSEDCL at APTEL. It has also facilitated Northern Railway in contesting petition at Haryana, Punjab and East Coast Railway in Contesting petition at Orissa. Railway has received favourable order from Haryana.

OTHER SERVICES

- Assisting Railways in Regulatory Matters.
- Award of contracts for commissioning of Escalators for Indian Railways.
- Provision of Wind Mill for Railways on EPC route and tariff based bidding route.
- Provision of CT, PT & ABT metering at GSSs & TSSs.

THE STEPS TAKEN OR IMPACT ON CONSERVATION OF ENERGY

In order to fulfill the Indian Railways Solar Mission to reduce dependence on fossil fuels and keeping in



Capacity Building programme for Indian Railways



Capacity Building programme for Indian Railways

line with Budget 2015-16 announcement of Hon'ble MR for setting up of 1000 MW solar power plant in next five years by IR, REMCL has already paved the way towards conservation of Energy by successfully implementing 26 MW wind mill plant at Jaisalmer Rajasthan which has generated over 3.6 crore units of electricity so far. The Electricity generated from the plant is contributing significantly in partly fulfilling the decarbonisation plan of Indian Railways.

- Further, REMCL has been mandated to install 100 MW roof top by IR, Work has been awarded for 48 MW roof top solar power plant for Indian Railways to the successful bidder & Tender has been floated for balance 52 MW roof top solar power plants for Indian Railways.
- Project for around 300-400 MW Ground mounted for IR are also being conceived generally on tariff based bidding route.

TECHNOLOGY UPGRADATION

A unit of energy saved is energy generated. To achieve the vision of Indian Railways in energy conservation, REMCL is exploring the possibilities for implementing Energy Efficient technologies at Railway offices & buildings. Thus, adoption & use of available technologies like provision of LED light, energy efficient ceiling fans, use of star rated equipment, automatic switching, energy audit etc will be some of the recommendations to achieve the above objective.

FOREIGN EXCHANGE EARNING AND OUTGO

During the year under review, there is no foreign exchange earnings and outgo.



Signing of PPA for Power Procurement

PRESIDENTIAL DIRECTIVE

No Presidential Directive was received during the year.

CORPORATE GOVERNANCE & MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

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

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

Your Directors draw attention of the members to Note 2.26 to the financial statement which sets out related party disclosures. **(The detail of contracts entered into with related parties in prescribed format AOC-2 is placed at Ann - 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 are being done by Administrative Ministry. (As per notification issued by Ministry of Corporate Affairs dt 05.06.2015 the provisions of this section shall not apply to a Government Company, in case the directors are evaluated by the Ministry or Department of the Central Government etc.)

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

1. There are no known technological risks associated with the renewable energy wind power project of 26 MW installed in Rajasthan. A long term power purchase agreement with Railways for 25 years is in place ensuring sure flow of income from sale of wind energy.
2. Company does not foresee business risk in providing consultancy for procurement of power for Indian Railways through bilateral agreement arrangement with power producers at economical terms & tariff.
3. Company has robust internal control system and procedure in line of holding company.

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

The Board of Directors consists of five (5) Directors, 2 Directors nominated by Ministry of Railways and 3 Directors nominated by RITES Limited. The Board met six (6) times during the year for transacting businesses.

The following are the Directors of the Company as on date:

Shri Rajeev Mehrotra,	Chairman
Shri Arbind Kumar,	Director
Shri Hari Kumar Bali,	Director (upto 30.11.2016)
Shri Anil Ghai,	Director (w.e.f. 01.12.2016)
Ms Niva Singh,	Director (upto 16.02.2017)
Ms Anju Ranjan,	Director (w.e.f. 17.02.2017)
Shri Sudhir Garg,	Director

KEY MANAGERIAL PERSONNEL (KMP) (section 203 of the companies act, 2013)

Shri Sudhir Kumar Saxena	Chief Executive Officer
Shri Sunil Kumar Singh	Chief Finance Officer (w.e.f. 05.01. 2017)

Attendance of the Board of Directors is disclosed in **Annexure-A**

AUDIT COMMITTEE

As per Section 177 of the Companies Act, 2013, an Audit Committee shall consist of minimum three directors with Independent Directors forming a majority. As there is no independent director on the Board of the company, the Audit Committee will be constituted once the Independent Directors are in position.

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)

There is no Independent Director on the Board of the Company.

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

As per the provisions of the Companies Act 2013 nomination and remuneration committee shall have three or more non executive directors, not less than half being independent. As there is no independent director on the Board of the company, the Committee will be constituted once the Independent Directors are in position.

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

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



DIRECTORS' RESPONSIBILITY STATEMENT UNDER THE COMPANIES ACT, 2013

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

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

such internal financial controls are adequate and are operating effectively and

- (f) The directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

DETAILS ABOUT THE POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON CORPORATE SOCIAL RESPONSIBILITY INITIATIVES TAKEN DURING THE YEAR

During the year 2016-17 provisions of section 135 (1) of the companies Act, 2013 are not applicable. Hence, the corporate social responsibility initiatives will be undertaken in due course of time.

HUMAN RESOURCES AND INDUSTRIAL RELATIONS

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



MEMORANDUM OF UNDERSTANDING

The company 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%). The company meets parameters for 'Excellent' rating in its performance evaluation under the MOU signed with RITES Ltd for the year under consideration (2016-17). However, communication from DPE in this regard is expected in due course.

SCHEDULED CASTE, SCHEDULED TRIBES AND OTHER BACKWARD CLASSES

At present, there is no manpower on the pay roll of the company. All the manpower including CEO & CFO have been deputed by the holding company to conduct day to day operations. All its projects under progress are being executed by Ministry of Railways and RITES Ltd. on behalf of the company.

AUDITORS

The Comptroller & Auditor General of India appointed M/s AB Bansal & Company, Chartered Accountants as Company's Statutory Auditors, to audit the accounts of the company for the year 2016-17. 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 Mr. Akhil Rohatgi, Practicing Company Secretary, to conduct Secretarial Audit for the financial year 2016-17. The Secretarial Audit Report for the financial year ended March, 31, 2017

has been placed at **Annexure - V**.

The observation of Secretarial Auditor and the Management Reply has been placed at **Annexure - VI**

GENERAL

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

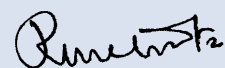
1. Details relating to deposits covered under chapter V of the Companies Act.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. Issue of shares (including sweat equity shares) to employees of the Company under any Scheme save and except ESOS referred to in this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

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

ACKNOWLEDGEMENTS

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

For and on behalf of Board of Directors



Rajeev Mehrotra
Chairman

Place : Gurgaon
Dated : 30.06.2017

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 with 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%). During the year, the Company has increased its Authorised Share Capital from ₹ 50 crore to ₹ 150 crore and Paid-up Share Capital from ₹ 50 crore to ₹ 70 crore, respectively.

3. Board of Directors

As on 31st March, 2017, Company has five (5) Directors namely, Shri Rajeev Mehrotra, Chairman, Shri Arbind Kumar, Shri Anil Ghai, Shri Sudhir Garg, and Ms Anju Ranjan, Directors nominated by RITES Limited and Ministry of Railways respectively.

3.1 Composition of the Board of Directors

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

S No	Directors	Category of Directors (Part Time)	No. of other Directorship*	No. of Committee Membership**	
				As Chairman	As Member
1.	Shri Rajeev Mehrotra	Chairman	1	Nil	Nil
2.	Shri Arbind Kumar	Director	1	Nil	Nil
3.	Shri H.K Bali (upto 30.11.2016)	Director	1	Nil	Nil
4.	Shri Anil Ghai (from 01.12.2016)	Director	Nil	Nil	Nil

S No	Directors	Category of Directors (Part Time)	No. of other Directorship*	No. of Committee Membership**	
				As Chairman	As Member
5.	Ms Niva Singh (upto 16.02.2017)	Director	1	Nil	Nil
6.	Ms Anju Ranjan (from 17.02.2017)	Director	2	Nil	Nil
7.	Shri Sudhir Garg	Director	1	Nil	1

Notes:

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

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

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

3.2 Brief Resume of Directors who joined the Board as Whole - time / Part time Directors during the year 2016-17:

(i) **Ms Anju Ranjan:** She is an IRAS (Indian Railway Accounts Service) Officer of 1989 batch with over 26 years of rich and varied experience. She has done M.Sc. in Botany from University of Delhi. She has worked on various positions in Northern Railway, Railway Board, East Central Railway, Office of Comptroller and Auditor General of India and IRCON International Limited. Having handled such varied portfolios, she has acquired proficiency, in not only Finance and Accounts but also in areas of Budgeting, Establishment matters, Personnel Management and Contract Management. Presently she is serving as Executive Director, Finance Expenditure-II, Railway Board looking after Project Appraisal and Policy Formulation related to Capital Investment.

(ii) **Shri Anil Ghai :** He is a Bachelor of Commerce from the University of Delhi as well as a Chartered Accountant (ICAI). He has been a part of RITES since 1985 and has 31+ years of experience in handling financial management aspects of infrastructure projects, Devising

accounting systems, contracts, tenders, transactions, advisory etc. . He has been on overseas assignments in Uzbekistan, Kenya, Mozambique, Nepal and Iraq. Presently, he is serving as GM/F/ (Privatisation & Concession) in RITES.

3.3 Number of Board Meetings

The Board of Directors met 6 times during the year 2016-17 to discuss and decide about the business activities of the Company.

S No.	Directors	Board Meetings During the Year		
		Held During tenure	Attended	Attendance at the AGM held on 5 th Sept, 2016
1.	Shri Rajeev Mehrotra Chairman	6	6	Present
2.	Shri Arbind Kumar Director	6	5	Present
3.	Shri H.K Bali (upto 30.11.2016) Director	4	4	Present
4.	Shri Anil Ghai (from 01.12.2016) Director	2	2	–
5.	Ms Niva Singh (upto 16.02.2017) Director	5	5	Present
6.	Ms Anju Ranjan (from 17.02.2017) Director	1	1	-
7.	Shri Sudhir Garg Director	6	6	Present

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

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 the part time Directors for attending meetings of Board / committees.

5. Code of Conduct

All Directors of the company are employees of their parent organization. They have been following the Code of Conduct laid down by their

respective organization.

6. Committees of the Board of Directors

6.1 Audit Committee:

As per Section 177 of the Companies Act, 2013, an Audit Committee shall consist of minimum three directors with Independent Directors forming a majority. As there is no independent director on the Board of the company, the Audit Committee will be constituted once the Independent Directors are in position.

6.2 Investment Committee

Investment Committee will be constituted as and when need arises

6.3 Nomination and Remuneration committee

Nomination and Remuneration committee will be constituted once the Independent Directors are in position.

6.4 Corporate Social Responsibility And Sustainability

During the year 2016-17 provisions of section 135 (1) of the companies Act, 2013 are not applicable.

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	Year	Date of holding Meeting	Time	Venue	Special Resolution
EGM	2016-17	17.03.2017	16.00 HRS	Rail Bhawan, Railway Board, NEW DELHI	NIL
3 rd AGM	2015-16	05.09.2016	12:00 HRS	SCOPE MINAR, Laxmi Nagar, Delhi (Registered Office of the Company)	NIL
2 nd AGM	2014-15	07.09.2015	15:00 HRS	SCOPE MINAR, Laxmi Nagar, Delhi (Registered Office of the Company)	NIL
1 st AGM	2013-14	10.09.2014	12.00 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 compliance of the conditions of Corporate Governance as stipulated in the Guidelines is placed as Annexure - B to this report.

Annexure - A

ATTENDANCE OF BOARD OF DIRECTORS MEETING DURING THE YEAR 2016-17

S No.	Name of Directors	15th BOD 28 th April, 2016	16th BOD 11 th July, 2016	17th BOD 28 th July, 2016	18th BOD 29 th Nov, 2016	19th BOD 3 rd Jan, 2017	20 th BOD 27 th March, 2017	Total 6 meetings
1.	Shri Rajeev Mehrotra Chairman	✓	✓	✓	✓	✓	✓	ALL
2.	Shri Arbind Kumar Director	✓	•	✓	✓	✓	✓	5 out of 6
3.	Shri Hari Kumar Bali Director (upto 30.11.2016)	✓	✓	✓	✓	NA	NA	4 out of 4
4.	Shri Anil Ghai Director (from 01.12.2016)	NA	NA	NA	NA	✓	✓	2 out of 2
5.	Ms Niva Singh Director (upto 16.02.2017)	✓	✓	✓	✓	•	NA	4 out of 5
6.	Ms Anju Ranjan Director (from 17.02.2017)	NA	NA	NA	NA	NA	✓	1 out of 1
7.	Shri Sudhir Garg Director	✓	✓	✓	✓	✓	✓	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, 2017 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 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.

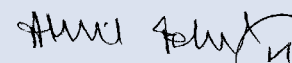
In our opinion and to the best of our knowledge and information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the guidelines on corporate governance issued by the 'Department of Public Enterprises'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

1. There was no Independent Director on the Board of the Company.
2. In the absence of Independent Directors, 'Audit Committee', Nomination and Remuneration Committee have not been duly constituted.
3. The Company is not having Risk Management Plan approved by the Board.
4. There was no company secretary appointed during the financial year. Company has appointed Chief Financial Officer on 05/01/2017.

We further state that the Company has already written to the Ministry of Railways for appointment of Independent Directors on the Board of the Company.

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.



(Akhil Rohatgi)

Company Secretary in Practice

F.C.S: 1600

CP No. 2317

Place : New Delhi

Date : 30/06/2017

MANAGEMENT DISCUSSION AND ANALYSIS

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

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

1. OUTLOOK AND OPPORTUNITIES

Railways identified power procurement & Renewable Energy projects as a key focused area to substantial save at least ₹ 3,000 crore in next few years. During 2015-16, IR consumed over 18 billion energy units for its traction & non traction demand resulting in outgo of ₹ 13,000 crores towards electricity charges.

The pace of energy consumption and recent trend of increase in electricity tariff has necessitated the need of procuring power through alternate modes. To reduce electricity bill, a series of initiatives are being planned by Railways by adopting multi-prolonged strategy including adoption of procuring power through bi-lateral arrangements, undertaking power trading activities, setting up of captive power plans, harnessing wind and solar energy, energy efficiency measure etc. Also in its endeavor to protect the environment, addressing the challenges of changes in global climate, promoting sustainable development and reducing dependence on fossil fuel, Indian railways have taken the initiatives of harnessing wind and solar energy from renewable sources.

Company is taking initiatives to undertake and implement the projects of Indian Railways related to harnessing green energy like windmill and

solar power plants, Power Procurement, efficient coordination in power generation through captive power plant, transmission lines and power evacuation planning, energy conservation initiatives, energy audits etc.

Opportunities in this regard are being undertaken as below:-

1.1 Power Planning for Railways

With the dedicated efforts REMCL has initiated bidding process based on MoP model document for the first time in the country for IR for Medium Term & Short Term. REMCL facilitated 540 MW allocations from MoP & 750 MW from BRBCL plant, 577 MW from JITPL & 100 MW TATA. The Migration process of Railway consumer mode to Deemed Distribution Licensee has already been completed in the states of Maharashtra, Gujarat, MP, Rajasthan, Jharkhand & UP (ISTS Points) and is in process in Odisha, Haryana, Punjab & Karnataka.

1.2. Harnessing Wind Energy

Earlier, the power generated from REMCL's 26 MW Wind Mill Power Plant was being utilized by WCR in consumer mode availing the banking facility at their 3 TSSs in Rajasthan. WCR has started taking power from M/s Jindal India Thermal Power Ltd (JITPL) at their TSSs in Rajasthan through Short Term Open Assess (STOA) as a 'Deemed Distribution Licensee' (DDL) w.e.f. 10.01.2017 as a result of which the monthly energy bills of 26 MW wind power of REMCL for the month of January, February & March 2017 are yet to be paid by WCR.

Railway Board has also awarded the PMC work for setting-up of 10.5 MW wind mill plant in Tamil Nadu for SR on EPC mode to REMCL. Tender has been floated on 07.06.2017.

Tenders have been invited by REMCL for procurement of 35 MW wind power through tariff based bidding for its consumption by zonal railways at their non-traction load as a consumer in the states of Maharashtra, Madhya Pradesh, Andhra Pradesh and Tamil Nadu.

1.3. Harnessing Solar Energy

Further, modalities also being worked out by REMCL and Railways to set-up Solar power plants for IR through tariff based competitive bidding without any investment either from Railways or REMCL.

REMCL has been mandated to 100 MW roof top, out of which, LOA has been issued for 48 MW and bids have been invited for 52 MW roof top solar power for Indian Railways.

Project for around 400 MW Ground Mounted are being conceived generally on tariff based bidding route.

2 BUSINESS PERFORMANCE

Brief of Various business activities are as under.

- REMCL has tied up about 1980 MW power in various states of India through Bi-lateral arrangement, Allocation through MoP, Open Competitive Bidding route and captive power plant of IR.
- The Company has installed 26 MW Wind Mill Plant and has generated 3.6 crores units so far.

2.1 New Development

Mumbai-Ahmedabad High Speed Rail Corridor: Techno-economic study & related survey of power sourcing arrangements pertaining to Mumbai - Ahmedabad High Speed Rail Line work of National High Speed Rail Corporation Ltd. is being considered by REMCL.

Provision of installation of 33 nos. Passenger escalator in Mumbai Area of CR & WR. Bids are under evaluation.

2.2 Regulatory

REMCL has established the status of Indian Railways as 'Deemed Distribution Licensee' under the Railway Act 1989, read in conjunction with Electricity Act 2003 in many states by contesting the case through CR in CERC.

As a result of the constant persuasion with Regulatory Authorities by REMCL, the Indian Railways (IR) could migrate from 'Consumer' mode to the 'Deemed Licensee' mode in the states of Maharashtra, MP, Gujarat, Rajasthan, Jharkhand & UP (ISTS Points) and started taking power directly from Generator in place of State DISCOMs.

The order of CERC was challenged by WBSEDCL and GETCO for stay in APTEL. REMCL facilitated through CR is contesting the case and consequently APTEL did not stay on the CERC order.

Petitions in the state of Odisha, Haryana & Punjab have been filed by respective STUs which have been contested by REMCL on behalf of Zonal Railways. It has also facilitated Northern Railway in contesting petition at Haryana, Punjab and East

Coast Railway in Contesting petition at Orissa. Railway has received favorable order from Haryana.

3 OPERATIONAL PERFORMANCE

REMCL was incorporated in mid 2013 and within such a short period of time, the company has steadily grown and progressed, as furnished below.

- Company has achieved an operating turnover of ₹ 55.67 crores during the year 2016-17 which is mainly due to generation of clean energy from Wind mill plant at Jaisalmer, allocation of 620 MW from Ratnagiri power plant from Ministry of Power and direct power procurement on Short/Medium Term from Generators..
- Net worth of the company has increased from ₹ 53.12 crores to ₹ 91.48 crores due to increase in equity investment and profits earned during the year.
- Profit after Tax for financial year 2016-17 comes to ₹ 18.36 crores, as against ₹ 3.14 crores of previous year.
- M/s Jindal Thermal Power Limited has been engaged for procurement of 585 MW power through competitive bidding for the states of Bihar, Odisha, MP, Chhattisgarh, UP, Punjab, Haryana, Delhi & Rajasthan at a weighted average tariff of ₹ 3.65 per unit in March 2017.

4 STRENGTH

REMCL is facilitating Railway in reducing its ordinary working expenses particularly by reducing the energy cost by sourcing electrical energy at reduced tariff with steady focused efforts, the quantum of power procurement is on increase and a comprehensive Pan-India power procurement plan has been developed by REMCL. Since the Rly. Electrification in the country is a regular process and with the passage of time more electrified tracks to be fed, thus, the economical power procurement will prove to be a stronger tool in limiting the inflated energy bill. In this regard, Scheduling of power, as near to actual load, is a prerequisite for economical purpose. REMCL has set up one Control Room in Dec 2016 for forecasting & scheduling of power for Indian Railways and for this PTC India Ltd has been engaged by REMCL for managing the power portfolio management of IR & advising zonal railways for scheduling & forecasting.

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

5. RISK AND CONCERNS

- i) At present 26 MW Wind Mill plant has been successfully commissioned by REMCL. In this regard, there are no known technological risks associated with the renewable energy wind power project as there is a sizeable installed capacity of windmills in the state of Rajasthan and elsewhere. A long term power purchase agreement (PPA) for 25 years has been signed with Railways for consumption of entire energy by Railways, generated from wind power plant having the captive status. This will ascertain a sure income from the sale of wind energy from Railways. However, as a result of change of West Central Railway (WCR) status from consumer to "Deemed Distribution Licensee" mode in the state of Rajasthan w.e.f. 10.01.2017, the existing power purchase agreement (PPA) entered with West Central Railway may be modified. REMCL's wind power bills for the month of January, February and March 2017 are yet to be paid by WCR.
- ii) Regarding solar energy the following limitations/ constraints are worth considering and need to be addressed to the best interest of the IR.
 - a) Banking of power is not applicable for Distribution Licensee.
 - b) Accurate Scheduling and Forecasting Required.
 - c) The lack of clarity on implementation of MW class or small project.
 - d) Recently Solar power tariff is higher in comparative to conventional power procured through Open bidding.

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

6. OTHER CONCERNS

- PPAs are being signed for 25 years, often below the cost of "brown" power from the

grid. Organizations that sign a PPA can reduce their electricity expenses and gain stability in financial planning as a result. A long-term renewable energy contract represents a real opportunity to hedge against increases in traditional energy costs but even with the promising competitive price trends, predictable prices alone won't guarantee that a renewable energy PPA will produce the valuable financial benefits organizations are seeking.

- Government policies are changing day by day, this may influence the implementation of Renewable as well as power procurement projects and we shall equip ourselves with the latest development in this regard. There is no single comprehensive policy statement for Renewable Energy in the country. The policy framework at the state level is no better. In fact, in many states policies have only created uncertainty for investments in Renewable Energy projects.
- Since REMCL is a JV of Indian Railways and RITES Ltd., Indian Railways is our single client as of now and we are mandated to take up projects pertaining with Renewable Energy, Power procurement, Transmission line etc. in order to facilitate them & it is evident to achieve consistent growth of our company we may seek other opportunities in Power sector.
- **Technology change effecting rates:** Technology up gradation no doubt create a positive impact on the development of renewable energy projects but simultaneously it also affects the price of generation.

7. INTERNAL CONTROL SYSTEM :-

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

8. HUMAN RESOURCES AND INDUSTRIAL RELATIONS

REMCL is in a 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.

ANNEXURE - III
FORM NO. AOC -2

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

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

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

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

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

S. No.	Particulars	Details	
a)	Name (s) of the related party & nature of relationship	RITES Limited - Holding Company (51%) Equity Shareholders	
b)	Nature of contracts/ arrangements/transaction	RITES Limited - (₹ In lakh)	
		Particulars	Year Ended 31.03.2017
		- Fee for services obtained	480.35
		- Reimbursable	48.13
		- Equity Investment	1020.00
			1548.48
		Ministry of Railways - (₹ In lakhs)	
		Particulars	Year Ended 31.03.2017
		- Income from Consultancy	3872.65
		- Sale of Power Generation	1694.27
		- Equity Investment	980.00
		TOTAL	6546.92

Salary & other benefits viz. PF, pension etc of CEO were paid by RITES Ltd. (holding company) after deduction of TDS as per provisions of Income Tax Act, 1961. Gross salary is charged based on advice by the holding company. The details of which are as under:

CEO - Shri Sudhir Kumar Saxena

₹ In Lakhs

Particulars	Year Ended 31.03.2017
-Basic Pay including DA	22.41
-Other Allowances & retiral benefits	12.79
TOTAL	35.20

CFO - During the year 2016-17, Shri Sunil Kumar Singh has been designated as Chief Finance Officer of the company w.e.f. 05.01.2017.

Salary & other benefits viz. PF, pension etc of CFO was paid by RITES Ltd. (holding company) after deduction of TDS as per provisions of Income Tax Act, 1961. Gross salary is charged based on advice by the holding company. The details of which are as under:

Shri Sunil Kumar Singh (From 5th January 2017)

₹ In Lakhs

Particulars	Year Ended 31.03.2017
-Basic Pay including DA	1.69
-Other Allowances & retiral benefits	1.22
TOTAL	2.91

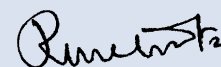
c) Duration of the contracts/arrangements/transaction

RITES LTD. - Services of experts from holding company may be obtained as and when required.

Ministry of Railways

- i. Services for Economic Power Procurement at professional charges of 07 paisa per unit
 - a) North Central Railway (Adani Project) - 01.12.2015 to 31.03.2019
 - b) West Central Railway (RGPPL) - 22.01.2016 to 31.03.2022
 - c) Central Railway (RGPPL) - 26.11.2015 to 31.03.2022
 - d) Western Railway (RGPPL) - 09.01.2016 to 31.03.2022
 - e) South Eastern Railway (RGPPL) - 17.01.2016 to 31.03.2022
 - f) Central Railway (TATA) - 10.02.2016 to July 2017
 - g) West Central Railway, MP (JITPL) - 12.07.2016 to 31.03.2020
 - h) West Central Railway, Rajasthan (JITPL) - 10.01.2014 to 31.03.2020
- ii. Sale of Renewal Power Generation from 26 MW Wind Mill plant situated at Jaisalmer, Rajasthan.
West Central Railway - 25 years PPA w.e.f. 16.10.2015

d)	Salient terms of the contracts or arrangements or transaction including the value, if any	<p>RITES 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 experts services utilized by the company.</p> <p>Transaction Value for fees for services obtained - ₹ 480.35 lakhs (excluding Service Tax).</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 from 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 - ₹ 3872.65 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 - ₹ 1694.27 lakhs</p>
e)	Date of approval by the Board	Fees for Services obtained - 17th BOD - 26th August, 2016, 18th BOD - 29th November, 2016 and 21st BOD - 30 th June, 2017
f)	Amount paid as advances, if any	NIL



Rajeev Mehrotra
Chairman

Place : Gurgaon
Dated : 30.06.2017

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
As on financial year ended on 31st March, 2017
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	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	Consultancy for Economic Power Procurement for Railways	--	69.57
2	Power Generation	--	30.43

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES-

S No.	Name and address of the company	CIN/GLN	Holding Subsidiary/ Associate	% of shares held	Applicable Section
1	BITES Ltd, Scope Minar, Laxmi Nagar	U74899DL1974GOI007227	Holding	51%	2(87) of the Companies Act, 2013
2	Ministry of Railways, Rail Bhawan	--	--	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		24500000		49%		34300000		49%	
c) State Govt(s)									

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	
d) Bodies Corp.		25500000		51%		35700000		51%	
e) Banks / FI									
f) Any other									
Sub-total (A)(1):-		50000000		100%		70000000		100%	
A. Promoters									
(2) Foreign									
a) NRIs-Individual									
b) Other individuals									
c) Bodies Corp.									
c) Banks / FI									
f) Any other									
Sub-total (A)(2):-									
B. Public Shareholding									
1. Institutions									
a) Mutual Funds									
b) Banks / FI									
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
Sub-total (B)(1):-									
2. Non-Institutions									
a) Bodies Corp.									
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh									
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh									
c) Others (specify)									
Sub-total (B)(2):-									
Total Public Shareholding (B)=(B)(1)+ (B)(2)									
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)		50000000				70000000			

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	rites Ltd	25499985	51%		35699979	51%		
2	Ministry of Railways	24499990	49%		34299986	49%		
3	Shri Arbind Kumar	5			7			
4	Shri H.K.Bali (Upto 30.11.2016)	5			Ceased to be director (shares has been transferred to Shri Anil Ghai)			
5	Shri Anil Ghai (Director w.e.f. 1.12.2016)				7			
6	Shri Bimal Prasad	3			Nil (Shares has been transferred to Shri J.C.S Bora)t			
7	Shri J.C.S. Bora (Shares transferred on 09.03.2017)	2			7			
8	Shri Anand Dev	5			7			
9	Ms Niva Singh (Upto 16.02.2017)	5			Ceased to be director (shares has been transferred to Ms Anju Ranjan)			
10	Ms Anju Ranjan (director w.e.f 17.02.2017)				7			
	Total	50000000			70000000			

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	50000000	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.):	31 st March, 2017			
3.	At the end of the year	70000000	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			
	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			

v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name	Shareholding at the beginning of the year		Date	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
1.	Shri Arbind Kumar Director	5		31 st March, 2017	2	Issue of equity shares	7	
2.	Shri H.K.Bali Director (Upto 30.11.2016)	5		-	(5)	Ceased to be director (shares has been transferred to Shri Anil Ghai)	Nil	
3.	Shri Anil Ghai Director (w.e.f. 01.12.2016)	0		31 st March, 2017	7	Issue of equity shares	7	
4.	Ms. Niva Singh Director (Upto 16.02.2017)	5		-	(5)	Ceased to be director (shares has been transferred to Ms. Anju Ranjan)	Nil	
5.	Ms Anju Ranjan Director (from 17.02.2017)	0		31 st March, 2017	7	Issue of equity shares	7	

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

(₹ In lakh)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	12058.55	--	--	12058.55
ii) Interest due but not paid	103.61	--	--	103.61
iii) Interest accrued but not due	--	--	--	--
Total (i+ii+iii)	12162.16			12162.16
Change in Indebtedness during the financial year				
* Addition	--	--	--	--
* Reduction	3731.14	--	--	3731.14
Net Change	3731.14			3731.14
Indebtedness at the end of the financial year				
i) Principal Amount	8342.85	--	--	8342.85
ii) Interest due but not paid	88.17	--	--	88.17
iii) Interest accrued but not due	--	--	--	--
Total (i+ii+iii)	8431.02			8431.02

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

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

B. Remuneration to other directors

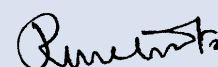
Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
		----	----	----	---	
1	Independent Directors	NA				
	Fee for attending board committee meetings					
	Commission					
	Others, please specify					
	Total (1)					
2	Other Non-Executive Directors	NA				
	Fee for attending board committee 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/WTD

SN	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO (From 05.01.2017 to 31.03.2017)	Total (₹)
1	Gross salary	3519346	-	291536	3810882
	(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	3519346	-	291536	3810882

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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



Rajeev Mehrotra
Chairman

Place : Gurgaon
Dated : 30.06.2017

ANNEXURE - V

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st March 2017
[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2017 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, 2017 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. Electricity Act 2003
 - c. Right to Information Act 2005
 - d. 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 with effect 1st July 2015:

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

1. During the period under scrutiny there was no Independent Director.
2. Due to non appointment of Independent Directors, Audit Committee was not constituted.
3. 'Nomination and Remuneration Committee' was not in position in the absence of Independent Directors.
4. There was no company secretary appointed during the financial year. Company has appointed Chief Financial Officer on 05/01/2017.
5. The Company is not having Risk Management Plan approved by the Board.

We further report that 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. Further, there was no Independent Director on the Board of the Company. We further report that the Company has already written to the Ministry of Railways for appointment of Independent Directors.

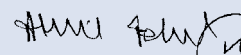
Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation 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 during the period under scrutiny, Company has increased its paid up Share Capital on 31/03/2017 from ₹ 50,00,00,000/- (Rupees fifty Crores) to ₹ 70,00,00,000/- (Seventy Crores) by allotment of 2,00,00,000/- (Two Crores) equity shares to the existing shareholders of the Company in proportion to their current holding.

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

For Akhil Rohatgi & Co.



Akhil Rohatgi
Practicing Company Secretary
FCS No.: 1600
CP No: 2317

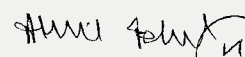
Place: New Delhi
Date: 30/06/2017

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 & Company



Akhil Rohatgi

Practicing Company Secretary

FCS No.: 1600

CP No.: 2317

Place: New Delhi
Date: 30/06/2017

ANNEXURE - VI

MANAGEMENT REPLIES IN RESPECT OF OBSERVATION BY SECRETARIAL AUDITOR

Secretarial Auditors' Observation	Management Reply
1. During the period under scrutiny there was no Independent Director.	Letters dt 26 th February, 2016 and 13 th July, 2016 have been written to Ministry of Railways for appointment of Independent Directors on the Board of the company.
2. Due to non appointment of Independent Directors, Audit Committee was not constituted.	The proposal for appointment of Independent Director is under consideration of Ministry of Railways.
3. 'Nomination and Remuneration Committee' was not in position in the absence of Independent Directors.	The committees will be constituted, once the Independent Directors are in position.
4. Company Secretary has not been appointed in the Company.	As Company has started its Operation from March, 2015. Company Secretary will be appointed in due course of time. Presently, RITES officials are giving required professional support.
5. The Company is not having Risk Management Plan approved by the Board	The Company has started its operational activities from March, 2015. The Risk Management Plan will be documented in due course of time.

Place : Gurgaon
Date : 30.06.2017


Rajeev Mehrotra
Chairman


Anil Ghai
Director

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF RAILWAY ENERGY MANAGEMENT COMPANY LIMITED

REPORT ON THE STANDALONE Ind AS FINANCIAL STATEMENTS

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, 2017, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement, statement of changes in equity for the year ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as ('standalone Ind AS financial statements').

Management's Responsibility for the 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, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with relevant rules issued thereunder.

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 standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit

report under the provisions of the Act and the Rules made there under.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

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

Opinion

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the financial position of the Company as at 31st March, 2017, and its financial performance including other comprehensive income, its cash flows and the changes in the equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central

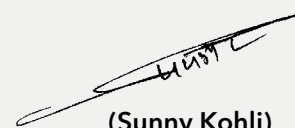
Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the **Annexure '1'** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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, the Cash Flow Statement and the statement of the changes in equity 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 relevant rules issued thereunder.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2017, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (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"**.

- (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 pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - iii. No amounts were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. The company has provided requisite disclosure in the standalone Ind AS financial statement as to holding as well as dealing in specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance in with books of accounts maintained by the company. Refer to Note 2.37 to the standalone Ind AS financial statements.

For A. B. BANSAL & COMPANY
 CHARTERED ACCOUNTANTS
 Firm Registration. No. 010538N



(Sunny Kohli)

Partner

M. No. 513283

Place : New Delhi

Dated : 30-06-2017

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 Ind AS financial statements of the Company for the year ended March 31, 2017:

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 which is only immovable property is in the name of the Company.
2. The nature of business of the Company does not require it to have any inventory. Hence, the requirement of clause (ii) of paragraph 3 of the said Order is not applicable to the Company.
3. 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. Accordingly, the provisions of clause 3 (iii) (a) to (c) of the Order are not applicable to the Company and hence not commented upon.
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.
5. 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.
6. The Central Government has not prescribed the maintenance of cost records under Section 148 (1) of the Companies Act, 2013 for the Company.
7. a) According to the 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, 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 and other statutory dues which have not been deposited.
8. According to the records of the company examined by us and as per the information and explanations given

to us, the company has not defaulted in repayment of dues of term loan availed from Indian bank.

9. According to the records of the company examined by us and as per the information and explanations given to us, term loans taken from Indian bank for setting up Wind Mill plant at Jaisalmer has been applied for the purpose for which it has been sanctioned by bank. Apart from this, the company has not raised any money by way of public issue/follow on offer (including debt document).
10. According to the information and explanations given to us, no fraud by the Company or any fraud on the company by its officers/employees has been noticed or reported during the course of our audit.
11. According to the Information and explanation given to us, the company has not paid any managerial remuneration to its directors.
12. In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
13. All transactions with the related parties are in compliance with sections 188 and 177 of Companies Act, 2013 and the details have been disclosed in the Financial Statements under note 2.26 of Notes to Accounts as required by the applicable accounting standards and Companies Act, 2013;
14. During the year, on 31st March 2017, The Company allotted further equity shares to its existing shareholders in the same proportion. The issue proceeds were kept in fixed deposit with scheduled bank on 31st March 2017 for desired utilisation in the coming future.
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. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
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.

For A. B. BANSAL & COMPANY
CHARTERED ACCOUNTANTS
Firm Registration. No. 010538N



(Sunny Kohli)
Partner
M. No. 513283

Place : New Delhi
Dated : 30-06-2017

ANNEXURE - 2 TO THE INDEPENDENT AUDITORS' REPORT**Re.: RAILWAY ENERGY MANAGEMENT COMPANY LIMITED**

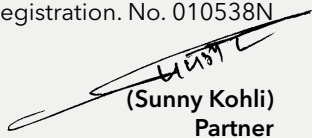
Based on the verification of Records of the Company and information and explanations given to us, we report that:

- a. The Company has sub-lease deed for Sub lease-land situated at Village Kodyasar, Tehsil Fatehgarh, Distt. Jaisalmer.
- b. There are no cases of waiver/write off of debts, loans/ interest etc. during the year.

- c. The Company has no inventory in hand and also with third parties.

For A. B. BANSAL & COMPANY
 CHARTERED ACCOUNTANTS
 Firm Registration. No. 010538N

Place : New Delhi
 Dated : 30-06-2017


 (Sunny Kohli)
 Partner
 M. No. 513283

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, 2017 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. 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, 2017, 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 A. B. BANSAL & COMPANY
CHARTERED ACCOUNTANTS
Firm Registration. No. 010538N

Place : New Delhi
Dated : 30-06-2017


(SUNNY KOHLI)
Partner
M. No. 513283

BALANCE SHEET AS AT 31ST MARCH, 2017


(₹ in Lakhs)

PARTICULARS	NOTE NO.	AS AT 31.03.2017	AS AT 31.03.2016	AS AT 01.04.2015
ASSETS				
NON CURRENT ASSETS				
PROPERTY, PLANT AND EQUIPMENT	2.03	14,433.29	15,046.47	-
CAPITAL WORK IN PROGRESS	2.04	-	-	1,451.82
INTANGIBLE ASSETS	2.05	1.16	-	-
FINANCIAL ASSETS				
OTHER FINANCIAL ASSETS	2.06	435.92	1.02	-
DEFERRED TAX ASSETS (NET)	2.07	-	-	8.34
OTHER NON CURRENT ASSETS	2.08	884.97	96.73	3.89
		<u>15,755.34</u>	<u>15,144.22</u>	<u>1,464.05</u>
CURRENT ASSETS				
FINANCIAL ASSETS				
TRADE RECEIVABLES	2.09	703.10	653.78	33.83
CASH AND CASH EQUIVALENTS	2.10.1	1,296.43	2,006.87	404.15
OTHER BANK BALANCES	2.10.2	2,056.39	773.10	1,154.10
OTHER FINANCIAL ASSETS	2.11	38.92	15.42	28.41
OTHER CURRENT ASSETS	2.12	8.74	14.49	10.45
		<u>4,103.58</u>	<u>3,463.66</u>	<u>1,630.94</u>
TOTAL ASSETS		<u>19,858.92</u>	<u>18,607.88</u>	<u>3,094.99</u>
EQUITY AND LIABILITIES				
EQUITY				
EQUITY SHARE CAPITAL	2.13	7,000.00	5,000.00	3,000.00
OTHER EQUITY	2.14	2,148.44	312.20	(1.31)
		<u>9,148.44</u>	<u>5,312.20</u>	<u>2,998.69</u>
LIABILITIES				
NON CURRENT LIABILITIES				
FINANCIAL LIABILITIES				
BORROWING	2.15	7,576.39	11,053.67	-
DEFERRED TAX LIABILITIES(NET)	2.16	1,178.93	147.93	-
		<u>8,755.32</u>	<u>11,201.60</u>	<u>-</u>
CURRENT LIABILITIES				
FINANCIAL LIABILITIES				
TRADE PAYABLES	2.17	-	134.13	87.41
OTHER FINANCIAL LIABILITIES	2.18	1,836.69	1,852.65	8.74
OTHER CURRENT LIABILITIES	2.19	118.47	11.02	0.15
CURRENT TAX LIABILITIES(NET)		-	96.28	-
		<u>1,955.16</u>	<u>2,094.08</u>	<u>96.30</u>
TOTAL EQUITY AND LIABILITIES		<u>19,858.92</u>	<u>18,607.88</u>	<u>3,094.99</u>
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS FORM AN INTEGRAL PART OF STANDALONE FINANCIAL STATEMENTS		1&2		

For and on behalf of the Board


 ANIL GHAI
 Director
 DIN:07669940


 RAJEEV MEHROTRA
 Chairman
 DIN : 01583143


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

As per our report of even date attached

For A.B. BANSAL & COMPANY
 Chartered Accountants
 FRN :010538N


 (SUNNY KOHLI)
 Partner
 M.No : 513283

Place : New Delhi
 Dated : 30th June, 2017


STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

(₹ in Lakhs)			
PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2017	YEAR ENDED 31.03.2016
REVENUE			
REVENUE FROM OPERATIONS	2.20	5,566.92	1,710.31
OTHER INCOME	2.21	282.10	93.89
TOTAL REVENUE		<u>5,849.02</u>	<u>1,804.20</u>
EXPENDITURE			
FEE FOR SERVICE OBTAINED		506.71	269.04
SALARY REIMBURSEMENT		38.11	34.69
FINANCE COSTS		1,132.69	471.38
TRANSMISSION & WHEELING CHARGES	2.35	373.33	216.59
DEPRECIATION & AMORTISATION EXPENSES	2.03 & 2.05	613.54	281.43
OTHER EXPENSES	2.22	317.41	61.29
TOTAL EXPENDITURE		<u>2,981.79</u>	<u>1,334.42</u>
PROFIT BEFORE TAX		<u>2,867.23</u>	<u>469.78</u>
TAX EXPENSES			
- CURRENT TAX	2.24	-	-
- DEFERRED TAX (NET)		1,030.99	156.27
PROFIT AFTER TAX		<u>1,836.24</u>	<u>313.51</u>
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL OTHER COMPREHENSIVE INCOME (NET OF TAX)		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>1,836.24</u>	<u>313.51</u>
EARNING PER SHARE (EQUITY SHARE OF ₹ 10/- EACH) - BASIC & DILUTED	2.27	₹ 3.67	1.04
WEIGHTED AVERAGE NUMBER OF EQUITY SHARES USED IN COMPUTING EARNING PER SHARE		5,00,54,795	3,00,54,645

For and on behalf of the Board

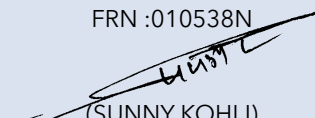

ANIL GHAI
Director
DIN:07669940


RAJEEV MEHROTRA
Chairman
DIN : 01583143


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

As per our report of even date attached

For A.B. BANSAL & COMPANY
Chartered Accountants
FRN :010538N


(SUNNY KOHLI)
Partner
M.No : 513283

Place : New Delhi
Dated : 30th June, 2017

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2017

A. EQUITY SHARE CAPITAL - (REFER NOTE NO 2.13)

(₹ in Lakhs)		
BALANCE AS AT 01.04.2016	CHANGES IN EQUITY SHARE CAPITAL DURING THE PERIOD	BALANCE AS AT 31.03.2017
5,000.00	2000.00	7000.00

(₹ in Lakhs)		
BALANCE AS AT 01.04.2015	CHANGES IN EQUITY SHARE CAPITAL DURING THE PERIOD	BALANCE AS AT 31.03.2016
3,000.00	2000.00	5000.00

B. OTHER EQUITY - (REFER NOTE NO 2.14)

(₹ in Lakhs)				
PARTICULARS	RESERVE AND SURPLUS		OTHER COMPREHENSIVE INCOME	TOTAL
	GENERAL RESERVE*	RETAINED EARNINGS		
BALANCE AS AT 01.04.2016	312.20	-		312.20
PROFIT FOR THE YEAR	-	1,836.24	-	1,836.24
TRANSFER TO GENERAL RESERVE FROM RETAINED EARNINGS	1,836.24	(1,836.24)	-	-
BALANCE AT 31.03.2017	2,148.44	-	-	2,148.44


(₹ in Lakhs)				
PARTICULARS	RESERVE AND SURPLUS		OTHER COMPREHENSIVE INCOME	TOTAL
	GENERAL RESERVE	RETAINED EARNINGS		
BALANCE AS AT 01.04.2015	(1.31)	-		(1.31)
PROFIT FOR THE YEAR	-	313.51	-	313.51
TRANSFER TO GENERAL RESERVE FROM RETAINED EARNINGS	313.51	(313.51)	-	-
BALANCE AT 31.03.2016	312.20	-	-	312.20

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

For and on behalf of the Board


ANIL GHAI
Director
DIN:07669940


RAJEEV MEHROTRA
Chairman
DIN : 01583143


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

As per our report of even date attached

For A.B. BANSAL & COMPANY
Chartered Accountants
FRN :010538N


(SUNNY KOHLI)
Partner
M.No : 513283

Place : New Delhi
Dated : 30th June, 2017

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2017

(₹ in Lakhs)

PARTICULARS	YEAR ENDED 31.03.2017	YEAR ENDED 31.03.2016
CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT BEFORE TAX	2,867.23	469.78
ADJUSTMENTS FOR:		
- DEPRECIATION AND AMORTIZATION	613.54	281.43
- INTEREST FROM FDs/OTHERS	(263.09)	(50.51)
- FINANCE COST	1,132.69	471.38
OPERATING PROFIT BEFORE CHANGES IN ASSETS AND LIABILITIES	4,350.37	1,172.08
CHANGE IN ASSETS AND LIABILITIES:		
ADJUSTMENTS FOR (INCREASE)/DECREASE IN OPERATING ASSETS:		
- TRADE RECEIVABLES	(49.32)	(619.95)
- OTHER FINANCIAL ASSETS AND OTHER CURRENT ASSETS	5.89	(0.15)
ADJUSTMENTS FOR INCREASE/(DECREASE) IN OPERATING LIABILITIES:		
- TRADE PAYABLES	(134.13)	46.72
- STATUTORY DUES		
- OTHER FINANCIAL LIABILITIES, OTHER CURRENT LIABILITIES AND PROVISIONS	177.42	750.91
CASH GENERATED FROM OPERATIONS	4,350.23	1,349.61
- INCOME TAX PAID	(884.52)	(5.07)
NET CASH FROM OPERATING ACTIVITIES	3,465.71	1,344.54
CASH FLOWS FROM INVESTING ACTIVITIES		
- PURCHASE/CONSTRUCTION OF FIXED ASSETS	-	(13,876.08)
- PAYMENT INTANGIBLE COST-ACQUIRED	(1.55)	-
- DEPOSITS NOT CONSIDERED AS CASH AND CASH EQUIVALENTS	(1,703.29)	380.00
- INTEREST ACCRUED NOT CONSIDERED AS CASH AND CASH EQUIVALENTS	(32.71)	15.13
- ADVANCES TO RELATED PARTY	(5.41)	(4.71)
- INTEREST INCOME	263.09	50.51
NET CASH FROM INVESTING ACTIVITIES	(1,479.87)	(13,435.15)
CASH FLOW FROM FINANCING ACTIVITIES		
- PROCEEDS FROM ISSUE OF SHARES	2,000.00	2,000.00
- LOAN TAKEN FROM INDIAN BANK	-	12,058.55
- REPAYMENT OF TERM LOAN	(3,715.70)	-
- INTEREST ACCRUED AND DUE ON BORROWINGS	(15.44)	103.61
- FINANCE COST	(1,132.69)	(471.38)
NET CASH FROM FINANCING ACTIVITIES	(2,863.83)	13,690.78
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(877.99)	1,600.17
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	2,006.87	406.70
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	1,128.88	2,006.87

RECONCILIATION OF CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2017	YEAR ENDED 31.03.2016
CASH AND CASH EQUIVALENTS	2.10.1	1,296.43	2,006.87
ADD : INTEREST ACCRUED ON BANK DEPOSITS HAVING MATURITY WITHIN 3 MONTHS FROM ACQUISITIONS' DATE	2.11	0.42	-
LESS:CHEQUE ISSUED BUT NOT PRESENTED -AXIS BANK	2.18	(167.97)	-
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		<u>1,128.88</u>	<u>2,006.87</u>

SUPPLEMENTARY INFORMATION:


RESTRICTED CASH BALANCE (REFER NOTE 2.10.3)	1.00	1.00
COMPONENTS OF CASH AND CASH EQUIVALENTS (REFER NOTE 2.10.1)	1296.43	2,006.87

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

For and on behalf of the Board


ANIL GHAI
Director
DIN:07669940


RAJEEV MEHROTRA
Chairman
DIN : 01583143


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

As per our report of even date attached

For A.B. BANSAL & COMPANY
Chartered Accountants
FRN :010538N


(SUNNY KOHLI)
Partner
M.No : 513283

Place : New Delhi
Dated : 30th June, 2017

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

Company Overview

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

The Company is incorporated and domiciled in India. The address of its registered office is SCOPE Minar, Laxmi Nagar, Delhi-110092 (India) and address of its corporate office is RITES Bhawan, 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 financial statements are approved for issue by the company's Board of Directors on 30.06.2017.

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.

These financial statements for the year ended 31 March 2017 are the first financial statements which the Company has prepared in accordance with all applicable Ind AS. Note No. 2.01 explains the way the Company adopted Ind AS.

(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 judgements

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

1.2 REVENUE RECOGNITION

1.2.1 Revenue From Operations

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

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

General Parameters

- (a) Revenue is recognized on satisfaction of following conditions:-
 - (i) outcome of the transaction can be estimated or measured reliably.
 - (ii) it is probable that the economic benefits associated with the transaction will flow to the company.
 - (iii) the costs incurred and cost to complete the transaction can be measured reliably.
- (b) When outcome of transaction cannot be estimated reliably, revenue is recognized to the extent of cost incurred which is recoverable else cost incurred is charged to the Statement of Profit and Loss.
- (c) When there is uncertainty as to realisability, recognition of revenue is postponed until such uncertainty is removed.
- (d) Revenue is measured at the fair value of the consideration received or receivable.

1.2.1.1 Consultancy Fee

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

Revenue from rendering of services is recognized on the basis of stage of completion of each transaction using appropriate method.

Physical progress, efforts, cost incurred to date bear to the total estimated cost of the transaction, time spent, service performed or any other method that management considered appropriate are used to measure the stage of completion at the end of the reporting period.

Reimbursable and supplies are accounted for on accrual basis.

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

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

1.2.1.2 Wind Mill Projects (Power Generation)

Revenue from sale of power through wind mill projects is recognized on the basis of certificate from concerned State Electricity Authority for energy fed in kwh (units) in authority's system and as per terms and conditions of the contract with beneficiary.

1.2.2 Other Income

1.2.2.1 Interest income

Interest income is recognized using effective interest method.

1.2.2.2 Others

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

1.3 PROPERTY, PLANT AND EQUIPMENT (PPE)

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

- Incidental expenditure during construction period including interest charges incurred up to the date of completion, net of interest recovered on mobilisation advance, are capitalized.
- 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.
- 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.
- 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

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

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

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

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

- (d) Lease hold land is amortized over the lease term or the useful life of asset built/installed on such land, whichever is shorter.
- (e) In respect of building on lease hold land, depreciation is charged over the period of lease of land or the useful life 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 other than assets specified at (g) above.

1.3.2 Capital Work in Progress

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

1.3.3 Capital Advances

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date 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 other than assets specified at (a) above.

1.4.1 Amortization

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

1.5 INCOME TAXES

1.5.1 Current Income Tax

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

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

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

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

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

Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognized as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realized.

1.5.2 Deferred tax

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

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

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

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

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

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

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

1.6 RATES & TAXES

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

1.7 PREPAYMENTS

Prepayments towards leasehold land and/or buildings, which are in the nature of operating lease, are amortized over the period of the lease agreement.

PREPAID EXPENSES AND PRIOR PERIOD ADJUSTMENTS

Prepaid expenses and prior period adjustments up to ₹ 1,00,000/- in each case are treated as expenditure/ income of the year and accounted for to the natural head of accounts.

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)

The Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on following financial assets - loans, deposits and trade receivables.

Trade/lease receivables outstanding for a period over 3 years are impaired 100% and others which are outstanding for a period of 3 years or less are impaired on a case to case basis, except in cases where amount is considered recoverable as per the management.

For other receivables impairment is made on the basis of expected credit losses model.

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, unrealisability has become certain.

1.13.2 Non Financial Assets

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

1.14 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

1.15 NON-CURRENT ASSETS HELD FOR SALE

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

1.16 DIVIDENDS

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

1.17 FINANCIAL INSTRUMENTS

1.17.1 Initial recognition

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

1.17.2 Subsequent measurement

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

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

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

(c) Financial liabilities

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

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

1.17.3 De-recognition of financial instruments

A financial asset is derecognised when:

- The rights to receive cash flows from the asset have expired, or
- the Company has transferred substantially all the risks and rewards of the asset, or (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.

Notes to standalone Financial Statements for the financial year ended 31st March, 2017

2.01 First time adoption of Ind AS

These financial statements of Railway Energy Management Company Ltd. for the financial year ended 31st March, 2017 have been prepared in accordance with Ind AS. For the purpose of transition to Ind AS, the company has followed guidelines prescribed in Ind AS 101-First time adoption of Indian Accounting Standard, with 1st April, 2015 as transition date and IGAAP as previous GAAP.

The transition to Ind AS has resulted in changes in the presentation of the financial statements, disclosures in the notes thereto and accounting policies and principles. The accounting policies set out in note 1 have been applied in preparing the standalone financial statements for the financial year ended 31st March, 2017 and the comparative information. Exemptions on first time adoption of Ind AS availed in accordance with Ind AS 101 have been set out in note 2.02.

There is no change in financials of previous years due to change in accounting policy and correction of prior period errors. Hence reconciliation between Ind As financial statements and IGAAP statements are not considered necessary.

2.02 Exemptions availed on first time adoption of Ind AS 101

Ind AS 101 allows first time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The company has accordingly applied the following exemptions:-

Deemed Cost of Property, Plant and Equipment (PPE)

There is no change in functional currency of the Company on the date of transition to Ind AS, hence Company has elected to continue with the carrying value for all of its property, plant and equipment (PPE) recognized under Indian GAAP as deemed cost at transition date (i.e. 01.04.2015) in the financial statements.

2.03 PROPERTY PLANT & EQUIPMENT

FOLLOWING ARE THE CHANGES IN THE CARRYING VALUE OF PROPERTY, PLANT & EQUIPMENT FOR THE YEAR ENDED 31.03.2017										(₹ in Lakhs)	
DESCRIPTION	GROSS BLOCK				DEPRECIATION/AMORTISATION					NET BLOCK	
	AS AT 01/04/2016	ADDITIONS/ DURING THE YEAR	ADJUSTMENT DURING THE YEAR	DELETION DURING THE YEAR	TOTAL	AS AT 01/04/2016	FOR THE YEAR	ADJ DURING THE YEAR	ADJ THROUGH RETAINED EARNING	DELETION DURING THE YEAR	TOTAL
LEASED/HOLD											
LAND (WIND MILL PLANT AT JAISALMER)*	105.25	-	-	-	105.25	1.93	4.21	-	-	-	6.14
SUB TOTAL	105.25	-	-	-	105.25	1.93	4.21	-	-	-	6.14
OTHERS											
PLANT AND EQUIPMENT											
WIND MILL PLANT AT JAISALMER (26 MW)**	15,222.46	-	-	-	15,222.46	279.49	608.90	-	-	-	888.39
OFFICE EQUIPMENT	0.19	-	-	-	0.19	0.01	0.04	-	-	-	0.05
SUB TOTAL	15,222.65	-	-	-	15,222.65	279.50	608.94	-	-	-	888.44
GRAND TOTAL	15,327.90	-	-	-	15,327.90	281.43	613.15	-	-	-	14,433.29
FOLLOWING ARE THE CHANGES IN THE CARRYING VALUE OF PROPERTY, PLANT & EQUIPMENT FOR THE YEAR ENDED 31.03.2016											
DESCRIPTION	GROSS BLOCK				DEPRECIATION/AMORTISATION					NET BLOCK	
	AS AT 01/04/2015	ADDITIONS/ TRANSFER FROM CWIP DURING THE YEAR	ADJUSTMENT DURING THE YEAR	DELETION DURING THE YEAR	TOTAL	AS AT 01/04/2015	FOR THE YEAR	ADJ DURING THE YEAR	ADJ THROUGH RETAINED EARNING	DELETION DURING THE YEAR	TOTAL
LEASED/HOLD											
LAND (WIND MILL PLANT AT JAISALMER)*	-	105.25	-	-	105.25	-	1.93	-	-	-	1.93
SUB TOTAL	-	105.25	-	-	105.25	-	1.93	-	-	-	1.93
OTHERS											
PLANT AND EQUIPMENT											
WIND MILL PLANT AT JAISALMER (26 MW)**	-	15,222.46	-	-	15,222.46	-	279.49	-	-	-	279.49
OFFICE EQUIPMENT	-	0.19	-	-	0.19	-	0.01	-	-	-	0.01
SUB TOTAL	-	15,222.65	-	-	15,222.65	-	279.50	-	-	-	279.50
GRAND TOTAL	-	15,327.90	-	-	15,327.90	-	281.43	-	-	-	281.43
*UNDER MORTGAGED REFER NOTE NO. 2.15											
**UNDER HYPOTHECATED REFER NOTE NO. 2.15											

2.04 CAPITAL WORK IN PROGRESS

(₹ in Lakhs)

DESCRIPTION	GROSS BLOCK					DEPRECIATION/AMORTISATION						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	DELETION DURING THE YEAR	TOTAL	
AS AT 31.03.2017	-	-	-	-	-	-	-	-	-	-	-	-
AS AT 31.03.2016	1,451.82	13,875.89	15,327.71	-	-	-	-	-	-	-	-	-
AS AT 01.04.2015	-	-	-	-	-	-	-	-	-	-	-	1,451.82

2.05 INTANGIBLE ASSETS

(₹ in Lakhs)

DESCRIPTION	GROSS BLOCK					DEPRECIATION/AMORTISATION					TOTAL	NET BLOCK
	OPENING	ADDITIONS DURING THE YEAR	ADJ DURING THE YEAR	DELETIONS DURING THE YEAR	TOTAL	OPENING	FOR THE YEAR	ADJ DURING THE YEAR	ADJ THROUGH RETAINED EARNING	DELETIONS DURING THE YEAR		
SOFTWARE (ACQUIRED)												
AS AT 31.03.2017	-	1.55	-	-	1.55	-	0.39	-	-	-	0.39	1.16
AS AT 31.03.2016	-	-	-	-	-	-	-	-	-	-	-	-
AS AT 01.04.2015	-	-	-	-	-	-	-	-	-	-	-	-

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

2.06 OTHER NON CURRENT FINANCIAL ASSETS

(₹ in Lakhs)

PARTICULARS	Note No	AS AT 31.03.2017	AS AT 31.03.2016	AS AT 01.04.2015
INTEREST ACCRUED (INCLUDING ACCRUED BUT NOT DUE) ON BANK DEPOSITS		14.92	0.02	-
BANK DEPOSITS HAVING MATURITY OVER 12 MONTHS FROM REPORTING DATE	2.10.3	421.00	1.00	-
TOTAL		<u>435.92</u>	<u>1.02</u>	<u>-</u>

2.07 DEFERRED TAX ASSETS (NET)

(₹ in Lakhs)

PARTICULARS	AS AT 31.03.2017	AS AT 31.03.2016	AS AT 01.04.2015
PRELIMINARY EXPENSES	-	-	6.35
BUSINESS LOSS (AS PER I.T. ACT, 1961)	-	-	1.99
TOTAL	<u>-</u>	<u>-</u>	<u>8.34</u>

2.08 OTHER NON CURRENT ASSETS

(₹ in Lakhs)

PARTICULARS	AS AT 31.03.2017	AS AT 31.03.2016	AS AT 01.04.2015
ADVANCE INCOME TAX (NET OF PROVISION)	175.93	-	3.89
MAT CREDIT	709.04	96.73	-
TOTAL	<u>884.97</u>	<u>96.73</u>	<u>3.89</u>

2.09	CURRENT TRADE RECEIVABLES	(₹ in Lakhs)		
	PARTICULARS	AS AT 31.03.2017	AS AT 31.03.2016	AS AT 01.04.2015
	UNSECURED			
	CONSIDERED GOOD (RELATED PARTY)	703.10	653.78	33.83
	TOTAL	703.10	653.78	33.83
2.10	CASH AND BANK BALANCES	(₹ in Lakhs)		
	PARTICULARS	AS AT 31.03.2017	AS AT 31.03.2016	AS AT 01.04.2015
2.10.1	CASH & CAHS EQUIVALENTS			
	BANK BALANCES IN :			
	CURRENT ACCOUNTS	1.12	5.97	0.21
	DEPOSITS #	1,295.31	2000.90	403.94
	TOTAL	1,296.43	2,006.87	404.15
2.10.2	OTHER BANK BALANCES			
	DEPOSITS ##	2,056.39	773.10	1,154.10
	TOTAL	2,056.39	773.10	1,154.10
2.10.3	BANK BALANCES MORE THAN 12 MONTHS MATURITY (NOTE 2.06)			
	DEPOSITS ###	421.00	1.00	-
	TOTAL*	421.00	1.00	-
2.10.4	CHEQUE ISSUED BUT NOT PRESENTED ####(NOTE 2.18)	(167.97)	-	-
	TOTAL CASH & BANK BALANCES	3,605.85	2,780.97	1,558.25

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 the reporting date.

Having maturity over 12 months from the reporting date.

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

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

Refer note No-2.37 for disclosure on specified bank notes as defined in MCA notification G.S.R 308(E) dated 31.03.2017.

2.11	OTHER CURRENT FINANCIAL ASSETS	(₹ in Lakhs)		
	PARTICULARS	AS AT 31.03.2017	AS AT 31.03.2016	AS AT 01.04.2015
	INTEREST ACCRUED (INCLUDING ACCRUED BUT NOT DUE) ON:			
	BANK DEPOSITS HAVING MATURITY:			
	WITHIN 3 MONTHS FROM THE DATE OF ACQUISITION	0.42	-	2.55
	OVER 3 MONTHS FROM THE DATE OF ACQUISITION AND UPTO 12 MONTHS FROM REPORTING DATE	28.10	10.71	25.86
	ADVANCES TO RELATED PARTIES	10.12	4.71	-
	OTHER ADVANCE	0.28	-	-
	TOTAL	38.92	15.42	28.41

2.12

OTHER CURRENT ASSETS

(₹ in Lakhs)

PARTICULARS	AS AT 31.03.2017	AS AT 31.03.2016	AS AT 01.04.2015
PREPAID EXPENSES	7.97	8.49	-
STAFF IMPREST	0.02	0.44	-
SERVICE TAX CREDIT	0.75	2.48	7.37
OTHER ADVANCE	-	3.08	3.08
TOTAL	8.74	14.49	10.45

2.13

EQUITY SHARE CAPITAL

(₹ in Lakhs)

PARTICULARS	AS AT 31.03.2017	AS AT 31.03.2016	AS AT 01.04.2015			
2.13.1						
AUTHORISED						
150,000,000 (PREVIOUS YEAR 5,00,00,000) EQUITY SHARES OF ₹ 10/- EACH	15000.00	5000.00	5000.00			
2.13.2						
ISSUED, SUBSCRIBED AND FULLY PAID-UP						
70,000,000 (PREVIOUS YEAR 50,000,000) EQUITY SHARES OF ₹ 10/- EACH	7000.00	5000.00	3000.00			
	7000.00	5000.00	3000.00			
2.13.3						
RECONCILIATION OF NUMBER OF EQUITY SHARES						
	No. of Shares	(₹ in Lakhs)	No. of Shares	(₹ in Lakhs)	No. of Shares	(₹ in Lakhs)
OPENING BALANCE	5,00,00,000	5000.00	3,00,00,000	3000.00	1,00,00,000	1000.00
ADD/(LESS) DURING THE YEAR	2,00,00,000	2,000.00	2,00,00,000	2000.00	2,00,00,000	2000.00
CLOSING BALANCE	7,00,00,000	7000.00	5,00,00,000	5000.00	3,00,00,000	3000.00
2.13.4						
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.						
2.13.5						
EQUITY SHARES HELD BY HOLDING COMPANY & ITS NOMINEES						
	No. of Shares	No. of Shares	No. of Shares			
BITES LTD.	3,57,00,000	2,55,00,000	1,53,00,000			
2.13.6						
EQUITY SHARES HELD BY EACH SHAREHOLDER MORE THAN 5% OF SHARES						
BITES LTD	3,56,99,979	2,54,99,985	1,53,00,000			
	(50.99%)	(50.99%)	(50.99%)			
INDIAN RAILWAYS	3,42,99,986	2,44,99,990	1,46,99,994			
	(48.99%)	(48.99%)	(48.99%)			

2.14 OTHER EQUITY		(₹ in Lakhs)		
PARTICULARS	AS AT 31.03.2017	AS AT 31.03.2016	AS AT 01.04.2015	
2.14.1 RESERVE & SURPLUS				
GENERAL RESERVE	2,148.44	312.20	(1.31)	
2.14.2 OTHER COMPREHENSIVE INCOME	-	-	-	
TOTAL	2,148.44	312.20	(1.31)	

2.15 BORROWINGS		(₹ in Lakhs)		
PARTICULARS	AS AT 31.03.2017	AS AT 31.03.2016	AS AT 01.04.2015	
SECURED TERM LOAN FROM INDIAN BANK *	8,342.85	12,058.55	-	
LESS: CURRENT MATURITY OF UPTO ONE YEAR FROM REPORTING DATE -INCLUDED IN NOTE-2.18	766.46	1,004.88	-	
TOTAL	7,576.39	11,053.67	-	

* 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.
- 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.

2.16 DEFERRED TAX LIABILITIES (NET)		(₹ in Lakhs)		
PARTICULARS	AS AT 31.03.2017	AS AT 31.03.2016	AS AT 01.04.2015	
PRELIMINARY EXPENSES	(2.37)	(4.53)	-	
BUSINESS LOSS (AS PER I.T. ACT, 1961)	(2.22)	(2.13)	-	
UNABSORBED DEPRECIATION (AS PER I.T. ACT, 1961)	(3249.06)	(2263.56)	-	
DIFFERENCE OF DEPRECIATION AS PER INCOME TAX ACT AND COMPANIES ACT	4432.58	2418.15	-	
TOTAL	1178.93	147.93	-	

2.17	CURRENT TRADE PAYABLES			(₹ in Lakhs)
	PARTICULARS	AS AT 31.03.2017	AS AT 31.03.2016	AS AT 01.04.2015
	CREDITORS FOR SUPPLIES AND SERVICES			
	MICRO, SMALL AND MEDIUM ENTERPRISES	-	-	-
	OTHER THAN MICRO, SMALL & MEDIUM ENTERPRISES (RELATED PARTY)	-	134.13	87.41
	TOTAL	<u>-</u>	<u>134.13</u>	<u>87.41</u>
2.18	OTHER CURRENT FINANCIAL LIABILITIES			(₹ in Lakhs)
	PARTICULARS	AS AT 31.03.2017	AS AT 31.03.2016	AS AT 01.04.2015
	ADVANCE AGAINST RENEWAL ENERGY PROJECT (RELATED PARTY)	724.49	724.49	-
	INTEREST ACCRUED AND DUE ON BORROWINGS	88.17	103.61	-
	CURRENT MATURITY OF LONG TERM DEBT- REFER NOTE NO-2.15	766.46	1,004.88	-
	CHEQUE ISSUED BUT NOT PRESENTED-AXIS BANK*	167.97	-	-
	SUNDRY CREDITORS	80.03	19.42	8.49
	EMD/SECURITY DEPOSIT	9.57	0.25	0.25
	TOTAL	<u>1,836.69</u>	<u>1,852.65</u>	<u>8.74</u>
	* Book overdraft due to issuance of cheques, which will be cleared against term deposits available in bank.			
2.19	OTHER CURRENT LIABILITIES			(₹ in Lakhs)
	PARTICULARS	AS AT 31.03.2017	AS AT 31.03.2016	AS AT 01.04.2015
	STATUTORY LIABILITIES	118.47	11.02	0.15
	TOTAL	<u>118.47</u>	<u>11.02</u>	<u>0.15</u>
2.20	REVENUE FROM OPERATIONS			(₹ in Lakhs)
	PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2017	YEAR ENDED 31.03.2016
	SALE OF SERVICES			
	CONSULTANCY FEE (GROSS)	2.36	4,452.57	1,164.54
	LESS: SERVICE TAX		(579.92)	(146.38)
	CONSULTANCY FEE (NET)		3,872.65	1,018.16
	POWER GENERATION			
	SALE OF ELECTRICAL ENERGY - ELECTRICITY	2.35	1,694.27	692.15
	TOTAL		<u>5,566.92</u>	<u>1,710.31</u>
2.21	OTHER INCOME			(₹ in Lakhs)
	PARTICULARS		YEAR ENDED 31.03.2017	YEAR ENDED 31.03.2016
	INTEREST EARNED ON:			
	- DEPOSITS WITH BANK		263.09	50.51
	- INCOME TAX REFUND		-	0.18
	MISCELLANEOUS INCOME*		19.01	43.20
	TOTAL		<u>282.10</u>	<u>93.89</u>
	* Sale of tender document			

2.22	OTHER EXPENSES			(₹ in Lakhs)
	PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2017	YEAR ENDED 31.03.2016
	LEGAL & PROFESSIONAL EXPENSES		6.08	6.47
	OFFICE EXPENSES		2.68	1.45
	TRAVELING EXPENSES		11.77	9.25
	AUDITORS' REMUNERATION	2.23	1.64	1.35
	AUDITORS' OUT OF POCKET EXPENSES	2.23	0.15	0.15
	ADVERTISING EXPENSES		55.46	11.64
	PRINTING & STATIONARY		2.31	1.77
	INSURANCE		13.77	4.13
	RATES & TAXES		3.46	1.11
	CONSULTANCY CHARGES		97.07	8.52
	INTERNAL AUDIT FEE		0.31	-
	ROC FEES FOR INCREASE IN AUTHORISED SHARE CAPITAL		90.00	-
	BANK CHARGES		0.10	-
	MISCELLANEOUS EXPENSES (COST OF VEHICLE HIRING, SPONSORSHIP, MEETING EXPENSE, ETC.)		32.61	15.45
	TOTAL		317.41	61.29
2.23	AUDITORS' REMUNERATION			
	STATUTORY AUDIT FEE		1.04	0.75
	TAX AUDIT FEE		0.60	0.60
	TOTAL		1.64	1.35
	AUDITORS' REMUNERATION		1.64	1.35
	AUDITORS' OUT OF POCKET EXPENSES		0.15	0.15
2.24	TAX EXPENSE			(₹ in Lakhs)
	PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2017	YEAR ENDED 31.03.2016
	CURRENT TAX - (MAT)	2.31	612.31	96.73
	MAT CREDIT ENTITLEMENT		(612.31)	(96.73)
	TOTAL-(A)		-	-
	DEFERRED TAX CHARGE- (B)	2.31	1,030.99	156.27
	TOTAL (A)+(B)		1,030.99	156.27

DISCLOSURES AS PER INDIAN ACCOUNTING STANDARDS (IND AS):
2.25 Disclosures on operating segments (Indian Accounting Standards-108) are as follows:

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

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

- Power Generation
- Consultancy

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

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

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

2.25.5 Operational Segment Year Ended 31.03.2017

(₹ in Lakhs)

Description	Year Ended 31.03.2017			Year Ended 31.03.2016		Total
	Power Generation	Consultancy Services	Total	Power Generation	Consultancy Services	
Revenue	1694.27	3872.65	5566.92	692.15	1018.16	1710.31
Identifiable operating expenses	2168.83	500.42	2669.25	983.74	322.92	1306.66
Segmental profit/(Loss) from operations	(474.56)	3372.23	2897.67	(291.59)	695.24	403.65
Add: Interest Income*			263.09			50.69
Add: Other Income **			19.01			43.20
Less: Un-allocable Expenses			312.54			27.76
Net Profit Before Tax			2867.23			469.78
Less: Income Tax (including Deferred Tax)			1030.99			156.27
Net Profit After Tax			1836.24			313.51
Additional Information:						
Depreciation and amortisation	613.11	0.43	613.54	281.42	.01	281.43
Non-cash expenses other than depreciation and amortization	Nil	Nil	Nil	Nil	Nil	Nil
Impairment losses	Nil	Nil	Nil	Nil	Nil	Nil
Reversal of Impairment losses	Nil	Nil	Nil	Nil	Nil	Nil

(₹ in Lakhs)

Description	Year Ended 31.03.2017			Year Ended 31.03.2016		Total
	Power Generation	Consultancy Services	Total	Power Generation	Consultancy Services	
Assets & Liabilities						
PPE	14433.15	0.14	14433.29	15046.29	0.18	15046.47
Intangible Assets	Nil	1.16	1.16	Nil	Nil	Nil
Current Assets	Nil	713.22	713.22	269.85	400.21	670.06
Total Segmental Assets	14433.15	714.52	15147.67	15316.14	400.39	15716.53
Add: Un allocable Assets****			4711.25			2891.35
Total Assets			19858.92			18607.88
Non Current Liabilities	7576.39	Nil	7576.39	11053.67	Nil	11053.67
Current Liabilities	1579.12	70.50	1649.62	1843.25	131.64	1974.89
Total Segmental Liabilities	9155.51	70.50	9226.01	12896.92	131.64	13028.56
Add: Unallocable Liabilities****			1484.47			267.12
Total Liabilities			10710.48			13295.68

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

** Other income includes sale of tender document.

*** No Impairment and its reversal has been recognized in other Comprehensive Income (OCI) during the year ended 31.03.2017 and 31.03.2016

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

2.25.6 Entire Revenue of ₹ 5566.92 Lakhs (Previous Year ₹1710.31 Lakhs) is derived from a single customer.

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

2.26.1 Related Party

2.26.1.1 Holding Company

Name	Country	Holding as on	
		31.03.17	31.03.16
M/s RITES Ltd	India	51%	51%

2.26.1.2 Ministry of Railways

Name	Country	Holding as on	
		31.03.17	31.03.16
Indian Railways	India	49%	49%

2.26.1.3 Key Managerial Personnel- Holding Company

Chairman & Managing Director (Chief Executive Officer)

Shri Rajeev Mehrotra

Whole Time Directors

Shri Arbind Kumar, Director Projects

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

Shri S.B. Malik, Director Technical (Upto 30.11.2016)

Shri Mukesh Rathore, Director Technical (From 01.12.2016)

Government Nominee Directors

Shri Ravindra Nath Misra, Director (From 31.10.2016)
 Shri A.P. Dwivedi, Director
 Shri Ravi Shanker Kochak, Director (Upto 31.07.2016)

Non-Executive (Independent) Directors

Smt. Vidya Rajiv Yeravdekar (From 01.04.2016)
 Shri Anil Kumar Goel (From 01.04.2016)
 Shri Satish Sareen (From 01.04.2016)

Company Secretary

Shri P.T. Mittal, Company Secretary

2.26.1.4 Key Managerial Personnel of the company
Chairman

Shri Rajeev Mehrotra

Directors

Shri Arbind Kumar
 Shri H. K. Bali, (Upto 30.11.2016)
 Shri Anil Ghai (From 01.12.2016)
 Ms Niva Singh, (Upto 16.02.2017)
 Ms Anju Ranjan, (From 17.02.2017)
 Shri Sudhir Kumar Garg

Chief Executive Officer (CEO)

Shri Sudhir Kumar Saxena

Chief Finance Officer (CFO)

Shri Sunil Kumar Singh, (From 05.01.2017)

2.26.2 Transactions and Balance with Related Parties

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

2.26.2.1 Transactions with Key Management Personnel:

During the current financial year, salary & other benefits viz. PF, pension etc. of CEO & CFO are being paid by RITES Ltd. (holding company) after deduction of TDS as per provisions of Income Tax Act, 1961. Gross salary is charged based on advice provided by the holding company.

(₹ In Lakhs)

Particulars	Year Ended 31.03.2017	Year Ended 31.03.2016
- Basic Pay including DA	24.10	18.29
- Other Allowances & retiral benefit	14.01	19.02
TOTAL	38.11	37.31

2.26.3 Transactions with holding company during the year

(₹ In Lakhs)

Particulars	Year Ended 31.03.2017	Year Ended 31.03.2016
- Fee for services obtained (Management Contract)	480.35	287.07
- Reimbursable Expense	48.13	44.84
- Equity Investment	1020.00	1020.00
- Advance Against Renewable Projects	-	369.49
	1548.48	1721.40

Year End Balances

(₹ In Lakhs)

Particulars	As on 31.03.2017	As on 31.03.2016
- Trade Payable	-	91.52
- Reimbursable (Payable for Expense)	39.61	42.61
- Equity Share Capital	3570.00	2550.00
- Advance against Renewable Project	369.49	369.49
TOTAL	3979.10	3053.62

2.26.4 Transactions with Rites Infrastructure Services Limited (subsidiary of holding company) during the year:

(₹ In Lakhs)

Particulars	Year Ended 31.03.2017	Year Ended 31.03.2016
- Reimbursable (Tax Payment)	2.71	-
	2.71	Nil

Year End Balances

(₹ In Lakhs)

Particulars	As on 31.03.2017	As on 31.03.2016
- Reimbursable (Payable for Tax Payment)	-	-
TOTAL	Nil	Nil

2.26.5 Transactions with Ministry of Railways during the year

(₹ In Lakhs)

Particulars	Year Ended 31.03.2017	Year Ended 31.03.2016
Revenue		
- Consultancy	3872.65	1018.16
- Power Generation	1694.27	692.15
Equity Investment	980.00	980.00
Advance against Renewable Project	-	355.00
TOTAL	6546.92	3045.31

Year End Balances

(₹ In Lakhs)

Particulars	As on 31.03.2017	As on 31.03.2016
Trade Receivable		
- Consultancy	703.10	392.43
- Power Generation	NIL	261.36
Other Receivables(Advances)	10.12	4.70
Equity Share Capital	3430.00	2450.00
Advance against Renewable Project	355.00	355.00
TOTAL	4498.22	3463.49

2.26.6 Government related entities

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

The Company has made various transactions with the Ministry of Railways. The transactions with them are disclosed under Note No.2.26.5.

2.27 Disclosures on Earning Per Share (EPS) (Indian Accounting Standard-112) are as follows:-

	Particulars	Year Ended	
		31.03.2017	31.03.2016
A	Net Profit for the year (₹ in Lakhs)	1836.24	313.51
B	Amount available for Equity Shareholder (₹ in Lakhs)	1836.24	313.51
C	Weighted average number of Equity Shares(Nos)	500,54,795	300,54,645
D	Earnings Per Share(Basic & Diluted) (B)/(C)	₹ 3.67	₹ 1.04
E	Face value per equity share	₹ 10/-	₹ 10/-

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

(a) Claims against the company not acknowledged as debts as certified by the Management are ₹ Nil (previous year ₹ Nil).

(b) Other money for which the company is contingently liable

On account of wheeling & Transmission charges for 26 MW wind mill plant of company at Jaisalmer for the period January 2017 to March 2017 which are payable to Rajasthan state utilities amounting to ₹121.16 Lakhs (Previous Year ₹ Nil)-Refer note No. 2.35.

2.28.2 Capital Commitments

Estimated amount of contracts remaining to be executed on capital account as certified by the management and not provided will be ₹3.07 Lakhs (Previous year ₹ Nil).

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

The company has borrowed term loan of ₹12058.55 Lakhs from Indian Bank for setting up 26 MW Wind Mill plants at Jaisalmer. The entire amount of loan was borrowed during the financial year 2015-16 and

company has incurred interest cost of ₹1132.69 Lakhs (Previous Year ₹580.49 Lakhs) during the current year.

2.30.1 FINANCIAL INSTRUMENTS

2.30.1 Financial Instruments by category

The carrying value and fair value of financial instruments by categories wise as on 31st March, 2017 are as under:

Particulars	₹ in Lakhs					
	Total carrying value	Amortised Cost	Financial assets/liabilities at fair value through profit or loss		Financial assets/liabilities at fair value through OCI	
			Designated upon initial recognition	Mandatory	Designated upon initial recognition	Mandatory
Financial Assets:						
Cash and Bank Balance*	3605.85	-	-	3605.85	-	-
Trade Receivables*	703.10	703.10	-	-	-	-
Other Financial Assets*	53.84	53.84	-	-	-	-
Total	4362.79	756.94	-	3605.85	-	-
Financial Liabilities:						
Trade Payables*	-	-	-	-	-	-
Borrowings*	7576.39	7576.39	-	-	-	-
Other Financial Liabilities*	1668.72	1668.72	-	-	-	-
Total	9245.11	9245.11	-	-	-	-

The carrying value and fair value of financial instruments by categories wise as on 31st March, 2016 are as under:

Particulars	₹ In Lakhs					
	Total carrying value	Amortised Cost	Financial assets/liabilities at fair value through profit or loss		Financial assets/liabilities at fair value through OCI	
			Designated upon initial recognition	Mandatory	Designated upon initial recognition	Mandatory
Financial Assets:						
Cash and Bank Balance*	2780.97	-	-	2780.97	-	-
Trade Receivables*	653.78	653.78	-	-	-	-
Other Financial Assets*	15.44	15.44	-	-	-	-
Total	3450.19	669.22	-	2780.97	-	-
Financial Liabilities:						
Trade Payables*	134.13	134.13	-	-	-	-
Borrowings*	11053.67	11053.67	-	-	-	-
Other Financial Liabilities*	1852.65	1852.65	-	-	-	-
Total	13040.45	13040.45	-	-	-	-

* The carrying amounts of trade receivables, trade payables, cash and cash equivalents, short term loans, other current financial assets and liabilities are considered to be same as their amortized cost due to their short-term nature. As per practice, Security Deposits and Retention money represent source of protection with respect to contract performance rather than a source of financing, hence presented at transaction value.

2.30.2 Fair value hierarchy and valuation technique

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

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

Level 2: Fair value of financial instruments that are not traded in an active markets is determined using valuation techniques and observable Inputs for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the assets or liabilities that are not based on observable market data (observable inputs).

Fair value hierarchies of assets & liabilities as on March 31, 2017 are as follows:

(₹ In Lakhs)

Particulars	As on 31.03.2017	Fair value measurement at end of the reporting period using		
		Level 1	Level 2	Level 3
Financial Assets				
Cash and Bank Balances	3605.85	3605.85	-	-

Fair value hierarchies of assets & liabilities as on March 31, 2016 are as follows:

(₹ In Lakhs)

Particulars	As on 31.03.2016	Fair value measurement at end of the reporting period using		
		Level 1	Level 2	Level 3
Financial Assets				
Cash and Bank Balances	2780.97	2780.97	-	-

2.30.3 Financial Risk Management

Financial Risk Factors

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

Market Risk

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

Credit Risk

Credit Risk refers to the risk of default on its obligation by the counter party resulting in a financial loss. Primarily exposure to the credit risk at the end of current and previous years is from trade receivables amounting to ₹ 703.10Lakhs (Previous Year ₹653.78Lakhs) which are typically unsecured. Credit risk has always is being managed by the company through continuously monitoring the outstanding dues from the customers. All receivables of the company are from various Zonal Railways hence credit risk is bare minimum.

No significant credit risk on cash and Bank Balance of ₹ 3605.85 Lakhs (Previous Year ₹ 2780.97Lakhs) 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 the funds in fixed deposits of ₹3772.70 Lakhs (Previous Year ₹ 2775.00 Lakhs) with Schedule banks with negligible credit risks.

Liquidity Risk

The company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The company has outstanding borrowings including interest accrued from Indian Bank amounting to ₹8431.02 Lakhs (Previous Year ₹12162.16 Lakhs). The instalment falling due for re-payment within one year from the reporting date is amounting to ₹766.46 Lakhs (Previous Year ₹1004.88Lakhs). The company has a working capital of ₹2148.42Lakhs (Previous Year ₹1369.58Lakhs) including cash and bank balances of ₹ 3605.85Lakhs (Previous Year ₹2780.97Lakhs). The company believes that the working capital and other liquid assets are sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived.

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

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

(₹ In Lakhs)

Particulars	Year Ended	
	31.03.2017	31.03.2016
Income Tax Expenses		
- Current Taxes (under MAT provision)	612.31	96.73
- Deferred Tax(Net)	1030.99	156.27
- MAT Credit Entitlement	(612.31)	(96.73)

Entire Deferred Tax for the year ended March 31, 2017 and March 31, 2016 relates to origination and reversals of temporary differences.

2.31.2 A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before income taxes is summarized below:

(₹ In Lakhs)

Particulars	Year Ended	
	31.03.2017	31.03.2016
Profit Before Income Taxes On Normal Business	2867.23	469.78
Enacted Tax Rates in India On Normal Income	34.61%	33.06%
Computed Expected Tax Expense	992.35	155.31
Tax Effect due to change in Tax Rate	7.33	-
Effect of Non-Deductible Expenditures (NDE)	31.31	0.96
Current Tax Expense	1030.99	156.27

The following table provides the details of income tax assets and liabilities as of March 31, 2017, March 31, 2016 and April 1, 2015:

(₹ in Lakhs)

Particulars	As at		
	31.03.2017	31.03.2016	01.04.2015
Income Tax Assets	788.24	5.07	11.80
Current income tax liabilities	612.31	101.35	7.91
Net Current Income Tax Assets/(Liability) at the end	175.93	(96.28)	3.89

The gross movement in the current income tax asset/(liability) for the year ended March 31, 2017 and March 31, 2016 is as follows:

(₹ in Lakhs)

Particulars	Year Ended	
	31.03.2017	31.03.2016
Net current income tax asset/(liability) at the beginning	(96.28)	-
Income Tax paid	884.52	5.07
Current income tax expense (Ref. Note 2.24)	(612.31)	(96.73)
Interest paid under section 234 C under income tax	-	(4.62)
Net Current Income Tax Asset/(Liability) at the end	175.93	(96.28)

(₹ in Lakhs)

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

Particulars	As at		
	31.03.2017	31.03.2016	01.04.2015
Differed Income Tax Assets:			
Preliminary Expense	2.37	4.53	6.35
Business Loss	2.22	2.13	1.99
Un-Absorbed Depreciation	3249.06	2263.56	-
Total Deferred Income Tax Assets - I	3253.65	2270.22	8.34
Differed Income Tax Liabilities:			
Property Plant & Equipment, Furniture & Fixtures, (Depreciation diff)	4432.58	2418.15	-
Total Deferred Income Tax Liabilities - II	4432.58	2418.15	-
Deferred Income Tax Assets after set off	-	-	8.34
Deferred Income Tax Liabilities after set off	1178.93	147.93	-

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

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

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

The gross movement in the deferred income tax account for the year ended March 31, 2017 and March 31, 2016 are as follows:

Particulars	(₹ in Lakhs)	
	Year ended	
	31.03.2017	31.03.2016
Net deferred income tax asset/(liability) at the beginning	(147.93)	8.34
Credit/(Change) relating to temporary differences	(1030.99)	(156.27)
Net Deferred Income Tax Asset/(Liability) at the end	(1178.93)	(147.93)

The composition of deferred liabilities assets relating to temporary differences during the year ended March 31, 2017 are primarily on account of property plant and equipment, Preliminary expenses, Brought forwarded business losses & Un-absorbed depreciation.

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

2.32.1 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.

2.32.2 Subsequent Event -Dividends

Dividends declared by the Company are based on Net Worth or Profits After Tax as reported in the financial statements of the Company and guidelines issued by DPE/Presidential directives. The Board of Directors of the Company have proposed a final dividend of ₹ 0.525 per share to 7 crore equity shares in respect of the year ending 31.03.2017 subject to approval of shareholders in Annual General Meeting. If approved, the dividend would result in a cash outflow of ₹ 442.92Lakhs inclusive of dividend distribution tax of ₹74.92Lakhs.

Other Disclosures

2.33 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 31.03.2017	As at 31.03.2016
a	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year - Principal amount due to micro and small enterprises - Interest due on above	-	-
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 company are mainly for stationery and other administration work through RITES Ltd (Holding Company).

2.34 Sundry creditors, customers advances, amounts recoverable, security deposits receivable/payable are subject to confirmation.

2.35 Deferment of Income & Expense

The company has installed 26 MW Wind Mill plant at Jaisalmer, Rajasthan for utilisation of energy generated from Wind Mill Plant by WCR for a period of 25 years in accordance with Power Purchase Agreement (PPA) signed between West Central Railways (WCR) and REMCL. The Wind mill Plant was commissioned on 16.10.2015 and since then energy generated from Wind Mill Plant is being continuously utilised by WCR up to 09.01.2017 at three Traction Sub Stations (TSS) (Bharatpur, Hindaun & Ramganj Mandi) in Rajasthan as a consumer of Rajasthan DISCOM Jaipur Vidyut Vitran Nigam limited (JVVNL).

With effect from 10.01.2017, status of WCR has been changed from consumer to "deemed distribution licensee" in Rajasthan. WCR started taking power at Six TSS as a deemed distribution licensee through open access route from M/s JITPL which includes 3 TSS (Bharatpur, Hindaun & Ramganj) where WCR was taking Wind power from REMCL. Due to change in status of WCR from consumer to deemed distribution utility licensee, accountal/methodology for utilization of energy generated by Wind Mill Plant have gone underchanged. They (WCR) are contesting that after starting of open access connection

at above mentioned three TSSs, existing connection have been disconnected from M/s JVVNL & final energy bill of M/s JVVNL have been passed with the set-off of wind power up to Dec'16 and thereafter the Kota division has paid the due amount of metered supply during Jan & Feb '17 to M/s JITPL and hence WCR has not been agreed to pay bills for energy generated from Wind Mill Plant for the period from January 2017 to March 17.

In present circumstances, there is uncertainty regarding realisation of revenue. As per Ind AS -18 when there is uncertainty as to realisability, recognition of revenue is postponed until such uncertainty is removed. Therefore revenue amounting to ₹ 450.78 for the period January'17 to March'17 lakhs has been postponed and not recognised during the current financial Year.

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. January 2017 to March 2017 which are payable to Rajasthan state utilities has not been recognized and shown as contingent liability under note no. 2.28.

2.36 Professional charges/consultancy fees amounting to ₹ 57.04 Lakhs for the period January 2016 to March 2016 in respect of professional services provided to South Eastern Railway (SER) is crystallized and due in the month of July 2016 since Bi-Partite agreement for professional charges between SER and REMCL has been signed in July 2016 and therefore accounted the same during current year.

2.37 Detail of specified bank notes or Other Denomination Note (ODN) as defined in the MCA notification G.S.R. 308(E) dated March, 31, 2017 are as under:-

Particulars	SBNs	ODN	Total
Closing cash on hand as on 08.11.2016	Nil	Nil	Nil
(+) Permitted receipts	Nil	Nil	Nil
(-) Permitted payments	Nil	Nil	Nil
(-) Amounts Deposited in Banks	Nil	Nil	Nil
Closing cash on hand as on 30.12.2016	Nil	Nil	Nil

2.38 Recent Accounting Pronouncements

Standard issued but not yet effective

In March 2017, the Ministry of Corporate Affairs issued the Company (Indian Accounting Standards) (Amendment Rules, 2017) notifying amendment to Ind AS, "Statement of cash flows". This amendment is in accordance with the recent amendment made by International Accounting Standards Board (IASB) to IAS 7, "Statement of cash flows". This amendment is applicable to the company from April 1, 2017.

Amendment to Ind AS 7

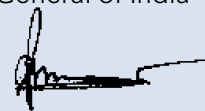
The amendment to IND AS 7 requires the entity to provide disclosures that would enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirements. The company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

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 2017.

The preparation of financial statements of Railway Energy Management Company Limited for the year ended 31 March 2017 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 these 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 30 June 2017.

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 2017 under section 143 (6) (a) of the Act.

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



(B.R. Mondal)

Place : New Delhi

Dated : 24 July, 2017

Principal Director of Audit
Railway Commercial, New Delhi

CORPORATE INFORMATION

REGISTERED OFFICE

SCOPE Minar, Laxmi Nagar, Delhi-110092 (India)

CORPORATE OFFICE

rites Bhawan, Plot No. 1, Sector 29, Gurgaon-122001 (India)

Ph. No.: 91-124-257 1666, **Fax No.** 91-124-257 1660

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

CIN: U93000DL2013GOI256661

AUDITORS

Statutory Auditor

A.B. BANSAL & COMPANY
Chartered Accountants

Internal Auditor

Dinesh Chandra & Associates
Chartered Accountants

Secretarial Auditor

Akhil Rohatgi & Co.
Company Secretary

BANKERS

Indian Bank
Axis Bank



Railway Energy Management Co. Ltd.

(A Joint Venture of Indian Railways and RITES Limited)

Registered Office: SCOPE Minar, Laxmi Nagar, Delhi-110092 (India)

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

Ph. No.: 91-124-257 1666, **Fax No.** 91-124-257 1660

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