

ANNUAL REPORT 2017 - 2018



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.

Contents

BOARD AND MANAGEMENT REPORTS

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

STANDALONE FINANCIAL STATEMENTS

- 36 INDEPENDENT AUDITORS' REPORT
- 41 BALANCE SHEET
- 42 STATEMENT OF PROFIT & LOSS
- 43 STATEMENT OF CHANGE IN EQUITY
- 44 CASH FLOW STATEMENT
- 46 SIGNIFICANT ACCOUNTING POLICIES
- 54 NOTES TO ACCOUNTS
- 74 COMMENTS BY CAG

BOARD OF DIRECTORS



Mr. Rajeev Mehrotra
Chairman



Mr. Sudhir Garg
Director (Upto 17.01.2018)



Mr. Arbind Kumar
Director (Upto 31.08.2018)



Ms. Anju Ranjan
Director (Upto 16.07.2018)



Mr. Shalabh Goel
Director (From 01.02.2018)



Mr. Anil Ghai
Director



Mr. Ajeet Kumar Srivastava
Director (From 27.07.2018)

KEY MANAGERIAL PERSONNEL



Mr. Sudhir Kumar Saxena
Chief Executive Officer



Mr. Sunil Kumar Singh
Chief Finance Officer

CHAIRMAN'S MESSAGE

Dear Shareholders,

It gives me immense pleasure in presenting the Annual Report of your company on the occasion of 5th Annual General Meeting. I extend a very warm welcome to all the shareholders.

The audited accounts of the Company for the year 2017-18 along with the Directors' Report, Statutory Auditors Report and comments of Comptroller & Auditor General of India thereon, have already been circulated to you and with your permission, I take them as read.

During the year, company has achieved highest ever turnover of ₹ 68.80 crore as compared to previous year's turnover of ₹ 58.49 crore, an increase of 17.63%. The profit before tax is ₹ 39.26 crore as compared to ₹ 27.94 crore of the previous year.

During the year REMCL was able to facilitate flow of 1160 MW of power in 10 states as compared to 825 MW of power in 6 states during last financial year. With a vision to transform Indian Railways into "Green Railways" by reducing its carbon footprint and improving finances through reduction in cost of energy, Indian Railways has planned various initiatives through REMCL. Your company is working in line with IR's vision of "Green Railways" by implementing roof top solar and wind power plants in various phases. REMCL has awarded 120 MW of solar roof top and 42 MW of wind plant for Railways. The 26 MW windmill plant installed by REMCL generated 34 MUs (million units) of green power during the financial year 2017-18. After implementation of these projects, the carbon dioxide emissions would be reduced by 1.98 Lakhs tonne/year.

Your Company has successfully facilitated the flow of power under Open Access in the states of Rajasthan, UP (CTU Point), Maharashtra, Gujarat, MP, Karnataka, RWF & Jharkhand, DVC command area, Haryana & Delhi as a deemed licensee which has resulted into a savings of over ₹ 3000 crores to Railways in their energy bills for the year 2017-18. Almost entire power of 2000 MW of IR has been tied up and out of which 1160 MW power has started flowing for Indian Railways as Deemed Distribution Licensee.



Your Company has also successfully awarded the work for Techno-Economic Study and related survey of power sourcing arrangements for Mumbai-Ahmedabad High Speed Rail Corridor project and Consultancy for Preparation of Feasibility Report for Establishing Direct Connectivity with CTU Network for Mughalsarai – Howrah Section and Mathura-Bharuch Section.

Your Company meets parameter for 'Excellent' rating in its performance evaluation under the MoU signed with RITES Limited for the year under consideration (2017-18). However, formal communication from DPE in this regard is expected in due course.

During the Year 2017-18 company has taken CSR initiative / activities and successfully installed an innovative and unique 16kwp solar roof top plant at railway platform in place of asbestos sheet for the first time under CSR activity at Sahibabad Railway Station.

Your Directors have recommended dividend of ₹ 9.09 crore for the financial year 2017-18.

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



Receiving special award for excellence performance under subsidiary/joint venture category of RITES Ltd. for the year 2017-18

the aim of enhancing long term economic value of all the stakeholders & the society at large.

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

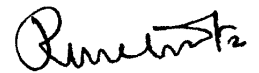
I, on behalf of the Board, would like to place on record sincere thanks for the valuable services rendered by Statutory Auditors, i.e. M/s AB Bansal & Company, Chartered Accountants.

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

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

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

With Best Wishes



Rajeev Mehrotra
Chairman

Dated: 10th September, 2018

DIRECTORS' REPORT

DISTINGUISHED SHAREHOLDERS

The Directors of your company have immense pleasure in presenting the 5th Annual Report of the company together with the audited Financial Statements and Auditors' Report for the year ended 31st March, 2018.

FINANCIAL HIGHLIGHTS

The financial performance of the company for the year 2017-18 is given below.

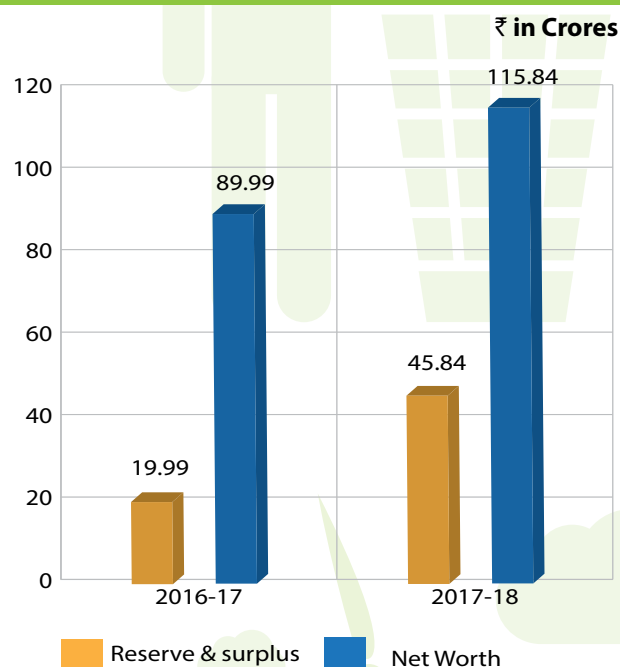
(₹ in crore)

Particulars	2017-18	2016-17
Authorized Share Capital	150	150
Paid Up share Capital	70	70
Reserves & surplus	45.84	19.99
Total Income/Gross sales	68.80	58.49
Operating Income	65.63	55.67
Operating expenditure	29.54	30.55
Other Income	3.17	2.82
Profit/(Loss) Before Tax(PBT)	39.26	27.94
Income Taxes including deferred Tax	8.98	10.31
Profit/(Loss) after Tax (PAT)	30.28	17.63
Net Worth	115.84	89.99

BUSINESS PERFORMANCE:

Progressing on the path of growth and excellence, the financial year 2017-18 proved to be yet another successful

ACHIEVEMENTS



year filled with accomplishments and achievements. During the year, company has achieved highest ever turnover of ₹ 68.80 crore as compared to previous year's turnover of ₹ 58.49 crore, higher by 17.63%. The profit before tax is ₹ 39.26 crore as against ₹ 27.94 crore of the previous year.

During the year REMCL was able to facilitate 1160 MW of power in 10 states as compared to procurement of 825 MW of power in 6 states in last financial year. With a vision to transform Indian Railways into "Green Railways"



REMCL took part in international conference on Green Energy Initiative and Railways electrification

by reducing its carbon footprint and improving finances through reduction in cost of energy, Indian Railways (IR) has planned various initiatives through REMCL. Your company is working in line with IR's vision of "Green Railways" by implementing roof top solar and wind power plants in various phases. After implementation of 120 MW of solar roof top and 42 MW of wind plant out of which 40 MW has been commissioned, the carbon-di-oxide emissions will be reduced by 1.98 Lakhs tonne/year.

Some of the major highlights for the FY 2017-18 are mentioned below:

- **Flow of Power through Open Access:** Your Company successfully facilitated the flow of power in the states of Rajasthan, UP (CTU Point), Maharashtra, Gujarat, MP, Karnataka, RWF & Jharkhand, DVC command area, Haryana & Delhi which has resulted into a savings of over ₹ 3000 crores to Railways in their energy bills for the year 2017-18.
- **Deemed Distribution Licensee:** Almost entire power of 1995 MW of IR has been tied up and out of which 1160 MW power has started flowing for Indian Railways as Deemed Distribution Licensee.
- **Award of Projects:** Successfully awarded 120 MW of Solar Roof top projects for Zonal Railways. Further, Bids were invited for 32 MW of Solar Rooftop projects.
- **Future Solar Projects of 323 MW and 450 MW:** Mandate has been given for installation of 323 MW Solar Rooftop projects & 450 MW of Solar Ground Mounted Projects for Indian Railways.
- **National High Speed Rail Corridor (NHSRC) Project:** Successfully awarded the work for Techno-Economic Study and related survey of power sourcing arrangements for Mumbai-Ahmedabad High Speed Rail Corridor project and provide vital inputs and advice to NHSRC for procuring power as deemed distribution licensee.
- **Preparation of Feasibility Report:** Successfully awarded the work for Consultancy for Preparation of Feasibility Report for Establishing Direct Connectivity with CTU Network for Mughalsarai – Howrah Section. A major portion of preliminary survey work completed.
- **Preparation of Feasibility Report:** Successfully awarded the work for Consultancy for Preparation of Feasibility Report for Establishing Direct Connectivity with CTU Network for Mathura – Bharuch Section. A major portion of preliminary survey work completed.

- **Corporate social Responsibility (CSR):** Successfully installed an innovative and unique 16 kwp solar roof top plant under CSR activity at Sahibabad Railway Station for the first time at platform shed in replacement of tin/asbestos roof.

OUTLOOK

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

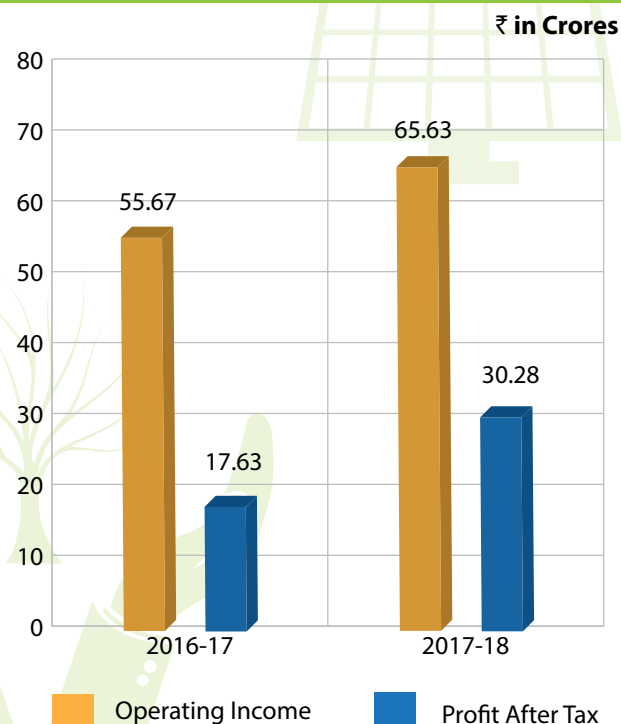
CAPITAL STRUCTURE

The Authorized Share Capital of REMCL is ₹ 150 Crore and its paid-up share capital is ₹ 70 Crore.

DIVIDEND

Your Directors have recommended final dividend of ₹ 9.09 crore for the year 2017-18 (i.e. ₹1.298 per share to 7 crore

PERFORMANCE



equity share) which is 12.986 % 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 2017-18, ₹ 25.85 crore has been transferred to General Reserves by appropriation from profits of the company. Reserve and surplus has increased from ₹ 19.99 crore as at end of the previous year to ₹ 45.84 crore as at 31st March, 2018.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO:

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

MoU has been signed between REMCL and M/s EESL (Energy Efficiency Services Limited) for implementation of various energy efficiency works of Indian Railway.

POWER PROCUREMENT & PLANNING:

Indian Railways is a bulk consumer of electricity; it used to pay extremely high charges for drawl of energy for its traction purposes. In order to make the railways profitable

by reducing its operating expenses, IR has to find a way to draw energy at economical prices.

Deemed Distribution Licensee (DDL) status enables Indian Railways to directly buy energy from generators by paying applicable charges to central and state transmission system under open access.

Operationalization of deemed licensee status has given an unprecedented opportunity to IR to address the high cost of traction energy which is a key variable cost. Successful reduction in this cost will help in improving the financial performance of IR. After successful procurement of traction energy through open access in Maharashtra, Gujarat, Madhya Pradesh, Jharkhand, Rajasthan, Uttar Pradesh, Haryana, Karnataka & Delhi; it has been established that there is a great potential for substantial savings through these routes. Accordingly, IR through REMCL has tied up about 585 MW for consumption in Odisha, Bihar, Uttar Pradesh, Punjab, Haryana, Delhi, Rajasthan and Chhattisgarh at an average tariff of ₹ 3.65 per unit at railway consumption point (i.e TSS). In addition to this 540 MW power from RGPPL has been tied up at an average tariff of ₹ 5.50 per unit for the consumption in Maharashtra, Gujarat, Madhya Pradesh, Jharkhand, UP-ISTS and Karnataka.

Total Power on Open Access during Financial Year 2017-18 (in MW) – Adani - (50MW), BRBCL- (330 MW), RGPPL- (540 MW) & JITPL- (240 MW).





Out of about 2000 MW power planned for Indian Railways, 1160 MW power flowed under Open access during the year 2017-18. Based on the fact the existing traction tariffs in Chhattisgarh and Andhra Pradesh have been negotiated and pursuant to these negotiations the new tariff has been revised to ₹ 4.39 per unit and ₹ 4.71 per unit in Chhattisgarh and Andhra Pradesh respectively. 58% of total traction power requirement of Railway has been migrated from consumer mode to deemed distribution licensee in the states of Maharashtra, Gujarat, Madhya Pradesh, Uttar Pradesh. (ISTS), Rajasthan, Jharkhand, DVC control area, Haryana, Karnataka & Delhi.

Total ex-plant bus power tied for Indian Railways (in MW): Adani - (50MW), RGPPL- (540 MW), JITPL- (585 MW) & BRBCL- (820 MW).

MoP Allocation of 540 MW from RGPPL:

Commencement of 540 MW power flow from RGPPL on allocation basis in the states of Maharashtra, Gujarat, Madhya Pradesh, Jharkhand, UP-ISTS and Karnataka at a fixed tariff of ₹ 5.50 per unit at Railway end till March 2022.

585 MW power through competitive bidding route:

Out of 585 MW power tied up from JITPL on medium term basis for Bihar, Odisha, Madhya Pradesh, Chhattisgarh, Uttar Pradesh, Punjab, Haryana, Delhi & Rajasthan at a landed tariff of ₹ 3.65 per unit, power flow of 240 MW commenced in Haryana, Delhi, Rajasthan & Madhya Pradesh & U.P.

820 MW power from BRBCL (**JV of Indian Railways & NTPC**):

Bharatiya Rail Bijli Company Ltd. (BRBCL), a JV of NTPC Limited and Indian Railways having equity partnership in the ratio of 74% and 26%, is setting up a 1000 MW (4x250 MW) captive thermal power plant for Railways in Nabinagar, District Aurangabad, Bihar:

- Two units have been commercially operationalized.
- Power from BRPCL plant is being utilized in Maharashtra, DVC control area, MP and UP-ISTS.

GENERATION OF ENERGY:

Harnessing Renewable Energy: Indian Railways is planning to reduce its dependence on fossil fuel and cater the need of decarbonisation as per its Solar Mission. REMCL has already paved the way by successfully implementing 26 MW windmill plant in Rajasthan and awarded contract for 10.5 MW in Tamil Nadu for Southern Railway & 6 MW in Maharashtra for Central Railway. LOAs have been awarded for 120 MW solar roof top plants. Also implementation of and 323 MW solar roof top plants and 450 MW ground mounted plants are under pipeline.

Railway's Vision for Renewable:

Railways operations are energy intensive and the provision of Electricity Act 2003 has given possibilities to explore the ways to reduce its carbon footprints. Indian Railways is taking initiatives towards decarbonisation of its energy envelop through REMCL.

Following are the major projects that have been taken up by REMCL so far:

- **26 MW Wind Mill Plant:** The plant is situated in Rajasthan and generated about 34 MU (Million Units) during financial year 2017-18.

Earlier, the power generated by the plant was being utilized by West Central Railway (WCR) in consumer mode for availing the banking facility at their 3 TSSs in Rajasthan. WCR started taking power from M/s Jindal India Thermal Power Ltd. (JITPL) at these TSSs through Short Term Open Access (STOA) as a Deemed Distribution Licensee (DDL) w.e.f. 10.01.2017. In accordance with above decision, REMCL is supplying the power of 26 MW wind mill plant to WCR as DDL at their 12 TSSs in Rajasthan, through short term open access route without any banking facility. This has resulted into saving of about 41,000 tonnes of Carbon-Dioxide per annum.

- **10.5 MW Wind Mill Plant:** Railway Board has awarded the PMC work for setting up 10.5 MW wind mill plant for Southern Railway in Tamil Nadu on EPC mode. The work has been awarded to wind power developer through open competitive bidding. Upon commissioning, this will result into saving of about 18,000 tonnes of Carbon-Dioxide per annum.
- **6 MW Wind Mill Plant:** REMCL has awarded the work of 6 MW wind mill plant for Central Railway in Maharashtra to the wind power developer through tariff based competitive bidding. Upon commissioning, this will result into saving of about 9,500 tonnes of Carbon-Dioxide per annum.
- **Solar Roof Top Plant:**

In order to harness the untapped potential of solar roof top at railway buildings, stations, hospitals etc. Railway Board has decided to install 500 MW solar roof top power plants. REMCL is the bid process coordinator for the designated task and has awarded contracts for 120 MW of solar roof top projects in phases for SWR, NR, WR, NCR, DLW, SECR, NER, SR, ECR, CR, NFR ECoR, ER, SCR, Metro, CLW, SER, WCR & NWR Railways. Upon commissioning, this will result into saving of about 1,30,000 tonnes of Carbon-Dioxide per annum.

TECHNOLOGY ABSORPTION & UPGRADATION:

REMCL has devised a unique scheme for providing solar panels directly on Railways Platform structure in place of tin/asbestos sheet. In this regard, a 16 KWp of solar roof top plant at Sahibabad Railway Station under CSR activity has



been commissioned on 17.10.2017. This is the first project of REMCL executed under CSR activity. The successful implementation of this project will pave the way for future in harnessing solar energy in a big way.

Capacity Building Programme: REMCL is undertaking capacity building programme for IR's personnel in power sector including renewable energy.

TRANSMISSION LINE PROJECTS:

Focusing on a long term perspective to improve reliability of power, there is a need to have a dedicated transmission line network for Railways. The dedicated transmission network will provide reliable power at a reasonable cost. With this objective Indian Railways will develop an integrated transmission network to feed electrical energy to its TSSs for traction purpose. It is estimated that under Phase-I, approximately 8000 km of transmission line would be required to give the much needed resilience and supply security for golden quadrilateral.

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



Keeping in line with this objective, a necessary ground work has been completed and direct connectivity with the CTU network is being planned to be established in a phased manner. Accordingly, in the current FY 17-18, tender for selection of consultants for Delhi-Bharuch & Mughal Sarai -Howrah routes had been invited and correspondingly, work awarded to Successful bidders.

REMCL has finalized a scheme for transmission line having direct connectivity from railway's TSSs with CTU network for one section. Implementation of this project will result in obtaining power directly through Central Grid.

National High Speed Rail Corridor:

National High Speed Rail Corporation (NHRCL) has awarded consultancy contract for conducting a "Techno-Economic Study along with related Survey for Exploring Power Sourcing Options for its Mumbai-Ahmadabad Bullet Train Project" on 24.08.2017.

The project is envisaged in two phases. In the Phase I of the project various power supply options are to be analyzed and a viable techno-economic option is to be suggested, which should be consistent with regulations/rules/codes / standards.

The detailed survey, technical specifications, socio-economic study including cost estimates etc. are planned for second phase of the project. The report on the first phase has already been submitted for the finalization.

NHSRCL with the assistance of REMCL has already started applying for grid connectivity as deemed licensee as per the draft report.

NEW PARADIGM IN SOLAR ROOF TOP SPACE AT RAILWAY STATION:

The 16 kwp of solar roof top plant at Sahibabad Railway Station at platform shed in place of tin/asbestos sheet under CSR activity has been commissioned on 17.10.2017. The grid connected solar array of the solar photovoltaic power plant has been installed on the existing shed of platform No.1 at Sahibabad Railway station. The modules have been mounted on the roof of the existing shed with the help of specially designed structures. The generation of the Solar Power Plant is being fed into the grid substation and consumed internally.

REGULATORY ISSUES:

Your company has been able to establish the status of Indian Railways as 'Deemed Distribution Licensee' in Karnataka, DVC Command Area, Haryana and Delhi states during the FY 2017-18.

Your company is assisting Zonal Railways in contesting, preparation and filing of petitions at APTEL, central and state Regulatory Commissions by hiring eminent legal experts.

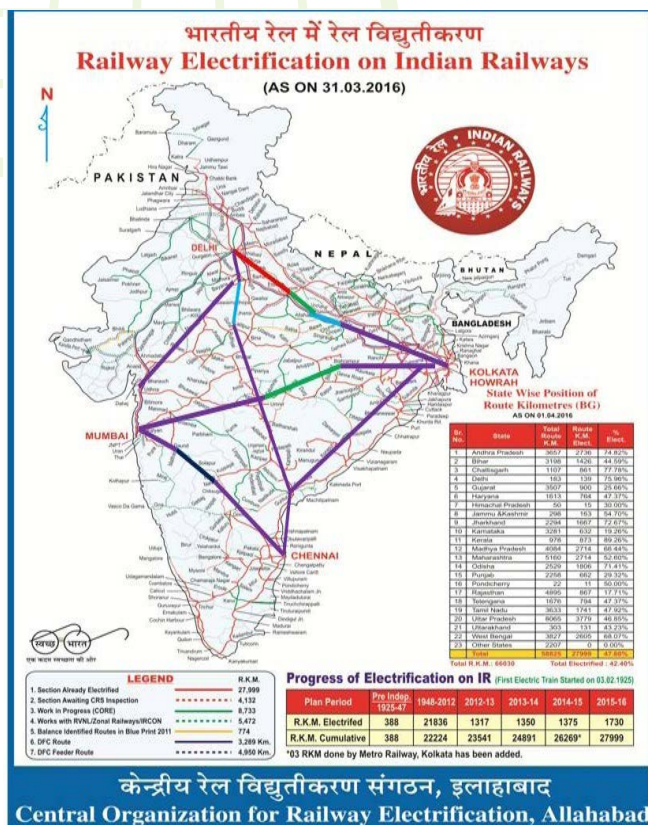
DHBVNL filed a petition at HERC for seeking clarification on various applicable charges regarding grant of connectivity and open access for intra-state T&D system to be levied on NR for availing MTOA. Meanwhile metering infrastructure up gradation work at TSS/GSS at Haryana has been completed in September, 2017. Subsequently, open access has been granted and flow power through open access has been started at Haryana.

BRBCL filed a petition at CERC for approval of tariff of NTPP (4*250 MW) for the anticipated period. REMCL has been assisting Railways for this matter at CERC.

WBSEDCL filed a petition at APTEL for challenging CERC orders dt. 05.11.15 regarding clarification of DDL status of IR. REMCL contesting on behalf of Railways on this matter.

Petition filed by REMCL at RERC for adjustment of units generated by 26 MW Windmill Plant. REMCL assisting WCR in contesting the matter at RERC.

Petition filed by OPTCL at OERC regarding seeking various reliefs allegedly in pursuance to the CERC order in favour of IR. Matter is under consideration at OERC.



Petition filed by MPERC for allowing billing/recovery of transmission charges in respect of control period FY 2016-17 to FY 2018-19 and beyond from Long Term Open Access customers, on the basis of capacity recorded beyond allocated capacity, subject to true up, with a view to remove difficulties in judicious allocation of capacity.

Petition filed at BERC for availing open access and issue of NOC to IR. BERC has issued favourable order on 03.04.2018 to railways for taking power under open access.

Petition filed at RERC by WCR for connectivity charges collected by RRVNPL. Matter is under consideration at RERC.

PSPCL filed petition in PSERC against NR for imposing necessary conditions regarding open access (i.e. to determine terms and conditions of allowing STOA & MTOA and to recover necessary charges). PSERC issued an order in the matter on 28.02.2018, directed to PSPCL to process the application of Railway for issuance of NOC for availing MTOA and STOA as per the provisions contained in CERC/PSERC regulations.

FUTURE PROJECTS:

SOLAR ROOFTOP POWER PLANTS:

323 MW Solar Roof Top:

Railway board has directed to float tender for 323 MW of rooftop solar projects of IR at various offices, station buildings and PUs. In this regard, tender has been floated for appointing a consultant for carrying out this project. Further, in the first phase, 100 MW of solar rooftop project is under process of execution.

SOLAR GROUND-MOUNTED POWER PLANTS:

400 MW Solar Power Project through RUMS:

Reva Ultra Mega Solar (RUMS-a JV of Govt. of M.P. & SECI) is coming up with 1500 MW Solar Power Park in M.P. Solar power to Indian Railways shall be supplied through Innovative "Optimum Scheduling" mode wherein 757 MUs of solar energy (equivalent to 400 MW Solar power) with transmission capacity of 207 MW during solar hours. This unique arrangement of optimum scheduling shall enable to draw maximum energy keeping the LTOA requirement to the minimum thereby resulting in reduction of Tariff. Day time supply through existing arrangement can be replaced by economical solar power from proposed plant. Also, power from this solar plant shall be made available at CTU which will save transmission charges to Railways and better utilisation of transmission corridor. Solar power from this plant shall be utilised in various states for compliance of Renewable Power Obligation.

50 MW Solar power plant on Railway Land at Bhilai:

50 MW Solar power plant is being developed on vacant 122 Hectare Railway land of SECR at Bhilai through tariff based bidding through Solar Power Developer (SPD). Solar power generated from this plant shall be evacuated at CTU through nearby Power grid GSS from where it will be utilised in various states for traction application. Railway will enter in long term Power Purchase Agreement with SPD for utilization of solar power at a fixed tariff. Beside decarbonization of Indian Railways, this initiative will enable Railways to fulfill its Renewable Power Obligation.

WIND POWER PLANT:

REMCL has invited a tender to meet the NSPO compliance of Central Railway (Maharashtra), for procurement of wind power approximate to 100 MUs equivalent to 54 MW on behalf of Central Railway.



REMCL took part in international conference on Green Energy Initiative and Railways electrification

RESPONSIBILITY TOWARDS ENERGY CONSERVATION:

Your company is in discussion with the Bureau of Energy efficiency (BEE) to take up base line verification of energy data for 6 production units of Railways through perform, achieve and trade (PAT) scheme.

OTHER SERVICES:

Assisting Railways in Regulatory Matters

- Energy Efficiency Projects for IR.
- Provision of Wind Mill for Railways on EPC route and tariff based bidding route.
- Provision of CT, PT & ABT metering at GSSs & TSS.

FOREIGN EXCHANGE EARNING AND OUTGO

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

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

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

1. There are no known technological risks associated with the renewable energy wind power project of 26 MW installed in Rajasthan. A long term power purchase agreement with Railways for 25 years is in place ensuring 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 four (4) 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 (upto 31.08.2018)
Shri Anil Ghai,	Director
Ms Anju Ranjan,	Director (upto 16.07.2018)
Shri Sudhir Garg,	Director (up to 17.01.2018)
Shri Shalabh Goel	Director (from 01.02.2018)
Shri Ajeet Kumar Srivastava	Director (from 27.07.2018)

RETIREMENT OF DIRECTORS BY ROTATION

As per the Companies Act, 2013, the provision relating to retirement of Directors by rotation is applicable. In view of this, all the directors except Independent Directors, if any, will be liable to retire by rotation. Accordingly, one third of all directors will retire by rotation. Therefore, Shri Rajeev Mehrotra, Chairman and Shri Anil Ghai, Director of the company holding longest term in the office will retire by rotation and being eligible, offer themselves for reappointment.

Shri Arbind Kumar, Director (Projects), RITES Ltd was appointed as nominee Director on the Board of Railway Energy Management Company by RITES Ltd (Holding Company), dt. 16/08/2013. He is retiring on 31st August,

2018 on reaching the age of superannuation as Director (Projects) of RITES Ltd. On account of his superannuation, he is not eligible to retire by rotation, although he is senior to Shri Anil Ghai, one of the Director of the company.

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

Dates of the meeting and attendance sheets of the Board of Directors meeting during the year 2017-18 is placed at **Annexure-A**.

AUDIT COMMITTEE

As per Section 177 of the Companies Act, 2013, an Audit Committee shall consist of minimum three directors with Independent Directors forming a majority. 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.

CORPORATE SOCIAL RESPONSIBILITY INITIATIVES TAKEN DURING THE YEAR 2017-18

During the year 2017-18, for the first time corporate social responsibility (CSR) projects/ activities have been taken up by the Company for setting up of 16KWp SPV power plants at roof top of Platform No.1, Sahibabad Railway Station, Ghaziabad without base sheet. Since, the company was not getting covered under any of the threshold limit prescribed under section 135(1) of Companies Act, 2013 relating to CSR activities up to the financial year 2016-17.

Being the first year, an amount of ₹ 16.07 lakh had been spent on CSR activities during the year 2017-18 against the total amount of ₹ 22.46 lakh (i.e. 2% of average profit for the last three years) and balance amount of ₹ 6.39 lakh remains unspent due to non-availability of eligible project in hand. The unspent amount will be utilised on CSR activities in the next financial year 2018-19. Detailed report on CSR has been placed at Annexure- V

The Board of Directors in their meeting held on 23/07/2018 constituted Corporate Social Responsibility (CSR) committee, comprised of Shri Shalabh Goel, Director of the company as Chairman and Shri Anil Ghai, Director of the company as member as per the Ministry of Corporate Affairs notification dt. 3/01/2018 under the Companies (Amendment) Act, 2017.

HUMAN RESOURCES AND INDUSTRIAL RELATIONS

Your company is in the process of pursuing a very progressive and dynamic manpower policy for sourcing

professionals and experts with rich experience, on deputation from Central/State Government and other PSUs apart from RITES. This expertise may be supplemented by induction of qualified and knowledgeable personnel from open market and also through campus recruitment.

MEMORANDUM OF UNDERSTANDING

The company meets parameters for 'Excellent' rating in its performance evaluation under the MOU signed with RITES Ltd for the year under consideration (2017-18). However, communication from DPE in this regard is expected in due course.

SCHEDULED CASTE, SCHEDULED TRIBES AND OTHER BACKWARD CLASSES

At present, there is only three manpower has been hired by 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.

ORGANIZING BUSINESS MEETS AND SEMINARS & CONFERENCES:

- Successfully organized exhibition of REMCL at "India Integrated Transport Logistics Summit" in 2017 at Vigyan Bhawan, New Delhi from 03.05.17 to 05.05.17.
- Successfully organized exhibition of REMCL at "12th International Railway Equipment Exhibition (IREE)" at Pragati Maidan from 11.10.17 to 13.10.17.
- Successfully organized exhibition of REMCL at "ELECTRAMA 2018" at Indian Expo Mart, Greater Noida from 10.03.18 to 14.03.18.

AWARDS & RECOGNITIONS:

On the 44th Annual Day of RITES Ltd., your company has received the Special award of Subsidiary / JVs for outstanding performance in the field of Renewable energy & power procurement. The award was presented by Chairman and Managing Director of RITES Ltd. Shri Rajeev Mehrotra to Chief Executive Officer of REMCL Shri Sudhir Kumar Saxena and team on 26.04.18

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 2017-18. 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 2017-18. The Secretarial Audit Report for the financial year ended March, 31, 2018 has been placed at **Annexure – VI.**

The observation of Secretarial Auditor and the Management Reply has been placed at **Annexure – VII.**

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:

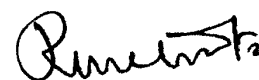
1. Details relating to deposits covered under chapter V of the Companies Act.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. Issue of shares (including sweat equity shares) to employees of the Company under any Scheme save and except ESOS referred to in this 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

Dated: 23rd July, 2018
Place: Gurgaon

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%). Authorised Share Capital is ₹ 150 crore and Paid-up Share Capital is ₹ 70 crore.

3. Board of Directors

As on 31st March, 2018, Company has five (5) Directors namely, Shri Rajeev Mehrotra, Chairman, Shri Arbind Kumar, Shri Anil Ghai, Ms Anju Ranjan and Shri Shalabh Goel, 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 Anil Ghai	Director	Nil	Nil	Nil
4.	Ms Anju Ranjan	Director	1	Nil	Nil
5.	Shri Sudhir Garg (Upto 17/01/2018)	Director	Nil	Nil	Nil
6.	Shri Shalabh Goel (From 01/02/2018)	Director	1	Nil	Nil

Notes:

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

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

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

3.2 Brief Resume of Directors who joined the Board as Whole - time / Part time Directors during the year 2017-18:

Shri Shalabh Goel is an IRSEE officer of 1989 examination batch. He has done his graduation in Electrical Engineering from University of Roorkee (now IIT Roorkee) and Masters in energy Management from IIT Delhi. He has a vast experience of more than 26 years of various field postings over CORE, Central Railway, Northern Railway, DMRC and Ministry of Railways. He has worked in various streams of Railways and metro involving Railway Electrification, Traction Distribution, Electric Locomotive maintenance and operation, MEMU and EMU maintenance and operation, Electrical General services and Energy Management. This inter-alia involved policy formulation, complete planning and successful execution in the field. He has worked as Director, Railway Electrification, Ministry of Railways and presently posted as Executive Director (Electrical energy Management) in the Ministry of Railways.

3.3 Number of Board Meetings

The Board of Directors met 6 times during the year 2017-18 to discuss and decide about the business activities of the Company.

S No.	Directors	Board Meetings During the Year		
		Held During their tenure	Attended	Attendance at the AGM held on 25 th August, 2017
1.	Shri Rajeev Mehrotra Chairman	4	4	Present
2.	Shri Arbind Kumar Director	4	4	Present
3.	Shri Anil Ghai Director	4	4	Present
4.	Ms Anju Ranjan Director	4	4	Present
5.	Shri Sudhir Garg Director (Up to 17/01/2018)	3	3	Present
6.	Shri Shalabh Goel Director (From 01/02/2018)	1	1	NA

Note: - Dates of the meeting and attendance sheet of Board of Directors meeting during the year 2017-18 is placed at **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

The Board of Directors in their meeting held on 23rd July, 2018, constituted the CSR committee comprise of Shri Shalabh Goel, as Chairman and Shri Anil Ghai as member as per the recent amendment of the companies (Amendment) Act, 2017.

7. General Body Meetings

The details of the last three Annual General Meeting of the Company and Extra Ordinary General Meeting are as under:

AGM/ EGM	Year	Date of holding Meeting	Time	Venue	Special Resolution
4 th AGM	2016-17	25/08/2017	12:00 HRS	SCOPE MINAR, Laxmi Nagar, Delhi (Registered Office of the Company)	NIL
EGM	2016-17	17/03/2017	16:00 HRS	Rail Bhawan, Railway Board, NEW DELHI	NIL
3 rd AGM	2015-16	05/09/2016	12:00 HRS	SCOPE MINAR, Laxmi Nagar, Delhi (Registered Office of the Company)	NIL
2 nd AGM	2014-15	07/09/2015	15:00 HRS	SCOPE MINAR, Laxmi Nagar, Delhi (Registered Office of the Company)	NIL

8. Disclosures

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

9. Means of Communication

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

10. Compliance

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

Annexure - A

**DATE OF THE MEETING AND ATTENDANCE SHEET OF BOARD OF DIRECTORS MEETING
DURING THE YEAR 2017-18**

S No.	Name of Directors		21 st BOD Meeting 30/06/2017	22 nd BOD Meeting 25/09/2017	23 rd BOD Meeting 17/11/2017	24 th BOD Meeting 05/02/2017	Total 4 Meetings
1.	Shri Rajeev Mehrotra	Chairman	✓	✓	✓	✓	All
2.	Shri Arbind Kumar	Director	✓	✓	✓	✓	All
3.	Ms Anju Ranjan	Director	✓	✓	✓	✓	All
4.	Shri Sudhir Garg	Director (Up to 17/01/2018)	✓	✓	✓	NA	3 out of 4
5.	Shri Shalabh Goel	Director (From 01/02/2018)	NA	NA	NA	✓	1 out of 4

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, 2018 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.

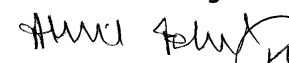
We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of certification and have been provided with such records, documents, certification, etc. as had been required by us.

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.

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 : 23rd July, 2018

MANAGEMENT DISCUSSION AND ANALYSIS

The following management discussion analysis is a review of financial condition and results of operations of your company for the FY 2017-18. The MD&A is intended to assist readers in understanding the dynamics of the Company's business and the key factors underlying its financial results.

About the company

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

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

1. OUTLOOK AND OPPORTUNITIES

Reforming Indian Railways has been identified as one of the key priority area. The total energy cost of Indian Railways was ₹ 12300 cr towards train operations, supply of electrical energy to various offices, workshops and railway stations etc.

IR has been procuring electricity as a consumer despite being the largest single consumer of electricity in India. Accordingly, IR has been paying higher tariff for energy to power distribution companies. Thus, Railways identified power procurement & Renewable Energy as a key focused area for their substantial growth and reduce cost of electricity. In line to this, REMCL is relentlessly working on multiple fronts to speed up growth of Indian Railways and to improve its financial health.

Your company facilitated Indian Railways in attaining the status of Deemed Distribution licensee under third

proviso to section 14 of the Electricity Act. With this action, IR is drawing power as deemed licensee in many states and during the year 2017-18, your company has facilitated Indian Railways to accrue an annualized savings of ₹3000 Cr in their energy bills for the FY 2017-18 which has increased by 50% as compared to ₹ 2000 Cr for the last financial year and has itself achieved an operating turnover of ₹ 65.63 crores as compared to previous years' operating turnover of ₹ 55.67 crores.

In addition, your company is taking various initiatives to undertake and implement the projects for Indian Railways related to harnessing green energy like windmill and solar power plants. Your company has successfully installed 26 MW wind mill plant at Jaiselmer, Rajasthan and awarded the 16.5 MW windmill plant installation work to successful bidders and 120 MW of solar roof top projects to successful developers.

OPPORTUNITIES IN THIS REGARD ARE BEING UNDERTAKEN AS BELOW:

1.1 Power Planning for Railways

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

With this innovative approach, Railways got Deemed Distribution Licensee (DDL) status with the assistance of REMCL in the year 2016-17, which enables Indian Railways to directly buy energy from generators by paying applicable charges to central and state transmission system under open access.

Out of about 2000 MW power for Indian Railways, 1160 MW power commenced during the year 2017-18 through open access. Based on this, existing traction tariff in Chhattisgarh and Andhra Pradesh have been negotiated and pursuant to these negotiations the new tariff has been revised to ₹ 4.39 per unit and ₹ 4.71 per unit in Chhattisgarh and Andhra Pradesh respectively.

About, 58% of total traction power requirement of Railway has been migrated from consumer mode to deemed distribution licensee in the states of

Maharashtra, Gujrat, Madhya Pradesh, Uttar Pradesh (ISTS), Rajasthan, Jharkhand, DVC control area, Haryana, Karnataka & Delhi.

1.2. Harnessing Solar and Wind Energy

Harnessing Renewable Energy: Indian Railways is keenly focusing to reduce its dependence on fossil fuel and mitigate the carbon emission. Railways operations are energy intensive and the provision of Electricity Act 2003 has given possibilities to explore the ways to reduce its carbon footprints. Indian Railways has already taking initiatives towards decarbonisation of its energy envelop through REMCL. In order to turn Indian Railways into Green Railways, REMCL has successfully implemented 26 MW windmill plant in Rajasthan and 10.5 MW windmill plant for Southern Railway in Tamil Nadu and 6 MW windmill for Central Railway in Maharashtra are under installation. LOAs have been awarded for 120 MW solar roof top plants. Also, implementation of 323 MW solar roof top plants and 450 MW ground mounted plants are under pipeline.

2 BUSINESS PERFORMANCE

The FY 2017-18 proved to be another successful year filled with accomplishments and achievements for your Company. Despite of stiff resistance faced by the state utilities, REMCL was able to facilitate 1160 MW (5903 MUs) of power in 10 states as compared to procurement of 825 MW (5523 MUs) of power in 6 states in last financial year.

With a vision to transform Indian Railways into "Green Railways" by reducing its carbon footprint and improving finances through reduction in cost of energy, Indian Railways has planned various initiatives through REMCL. Your company is working in line with IR's vision of "Green Railways" by implementing roof top solar and wind power plants in various phases. The implementation of 120 MW of solar roof top and 42 MW of wind plant has reduced the carbon-di-oxide emissions by 1.98 lakhs tonne/year.

As a result of which your company has helped Indian Railways to accrue an annualised savings of ₹ 3000 Cr for the FY 2017-18 which has increased by 50% as compared to ₹ 2000 Cr for the last financial year and has achieved operating turnover of ₹ 65.63 crores as compared to previous years' operating turnover of ₹ 55.67 crores. The Profit after tax (PAT) for the financial

year 2016-17 is ₹ 30.28 crores as against ₹ 17.63 crores of the previous year.

2.1 New Development

Adoption Of New Technology In Solar Roof Top Space At Railway Station

REMCL has devised a unique scheme for providing Solar panels directly on Railways Platform structure in place of Asbestos sheet. In this regard, a 16 kWp of solar roof top plant at Sahibabad Railway Station under CSR activity has been commissioned on 17.10.2017.

This is the first project of REMCL executed under CSR activity. The grid connected solar array of the solar photo-voltaic power plant has been installed on the existing shed of platform No.1 at Sahibabad Railway station. The modules have been mounted on the roof of the existing shed with the help of specially designed structures. The generation of the Solar Power Plant is being fed into the grid substation and consumed internally.

National High Speed Rail Corridor

National High Speed Rail Corporation (NHSRCL) has awarded consultancy contract for conducting a "Techno-Economic Study along with related Survey for Exploring Power Sourcing Options for its Mumbai-Ahmadabad Bullet Train Project" on 24.08.2017.

The project is envisaged in two phases. In the Phase I of the project various power supply options are to be analyzed and a viable techno-economic option is to be suggested, which should be consistent with regulations/rules/codes /standards.

The detailed survey, technical specifications, socio-economic study including cost estimates etc. are planned for second phase of the project. The report on the first phase has already been submitted for the finalization. However, NHSRCL has already started applying for grid connectivity as per the suggestions made in the draft report.

Regulatory issues

Your company has been able to establish the status of Indian Railways as 'Deemed Distribution Licensee' in Karnataka, DVC Command Area, Haryana and Delhi states during the FY 2017-18.

Your company is assisting Zonal Railways in contesting, preparation and filing of petitions at APTEL, central

and state Regulatory Commissions by hiring eminent legal experts.

DHBVNL filed a petition at HERC for seeking clarification on various applicable charges regarding grant of connectivity and open access for intra-state T&D system to be levied on NR for availing MTOA. Meanwhile metering infrastructure up gradation work at TSS/GSS at Haryana has been completed in September, 2017. Subsequently, open access has been granted and flow power through open access has been started at Haryana.

BRBCL filed a petition at CERC for approval of tariff of NTTP (4*250 MW) for the anticipated period. REMCL has been assisting Railways for this matter at CERC.

WBSEDCL filed a petition at APTEL for challenging CERC orders dt. 05.11.15 regarding clarification of DDL status of IR. REMCL contesting on behalf of Railways on this matter.

Petition filed by REMCL at RERC for adjustment of units generated by 26 MW Windmill Plant. REMCL assisting WCR in contesting the matter at RERC.

Petition filed by OPTCL at OERC regarding seeking various reliefs allegedly in pursuance to the CERC order in favour of IR. Matter is under consideration at OERC.

Petition filed by MPERC for allowing billing/recovery of transmission charges in respect of control period FY 2016-17 to FY 2018-19 and beyond from Long Term Open Access customers, on the basis of capacity recorded beyond allocated capacity, subject to true up, with a view to remove difficulties in judicious allocation of capacity.

Petition filled at BERC for availing open access and issue of NOC to IR. BERC has issued favourable order on 03.04.2018 to Railways for taking power under open access.

Petition filed at RERC by WCR for connectivity charges collected by RRVNPL. Matter is under consideration at RERC.

PSPCL filed petition in PSERC against NR for imposing necessary conditions regarding open access (i.e. to determine terms and conditions of allowing STOA & MTOA and to recover necessary charges). PSERC issued an order in the matter on 28.02.2018, directed to PSPCL to process the application of Railway for issuance of

NOC for availing MTOA and STOA as per the provisions contained in CERC/PSERC regulations.

3 OPERATIONAL PERFORMANCE

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

Some of the major highlights for the FY 2017-18 are mentioned below:

- **Flow of Power through Open Access:** Your Company successfully facilitated the flow of power in the states of Rajasthan, UP (CTU Point), Maharashtra, Gujarat, MP, Karnataka, RWF & Jharkhand, DVC command area, Haryana & Delhi which has resulted into a savings of about ₹ 3000 crores to Railways in their energy bills for the year 2017-18.
- **Deemed Distribution Licensee:** Almost entire power of 2000 MW of IR has been tied up and out of which 1160 MW power has started flowing for Indian Railways as Deemed Distribution Licensee.
- **Award of Projects:** Successfully awarded 120 MW of Solar Roof top projects for Zonal Railways. Further, Bids were invited for 32 MW of Solar Rooftop projects.
- **Installation of 323 MW and 450 MW:** Mandate has been given for installation of 323 MW Solar Rooftop projects & 450 MW of Solar Ground Mounted Projects for Indian Railways.
- **National High Speed Rail Corridor (NHSRC) Project:** Successfully awarded the work for Techno-Economic Study and related survey of power sourcing arrangements for Mumbai-Ahmedabad High Speed Rail Corridor project and provided vital inputs and advice to NHSRC for procuring power as deemed distribution licensee.
- **Preparation of Feasibility Report:** Successfully awarded the work for Consultancy for Preparation

of Feasibility Report for Establishing Direct Connectivity with CTU Network for Mughalsarai – Howrah Section. A major portion of preliminary survey was completed.

- **Preparation of Feasibility Report:** Successfully awarded the work for Consultancy for Preparation of Feasibility Report for Establishing Direct Connectivity with CTU Network for Mathura – Bharuch Section. A major portion of preliminary survey was completed.
- **Corporate Social Responsibility (CSR):** Successfully installed an innovative and unique 16kwp solar roof top plant under CSR activity at Sahibabad Railway station for the first time at platform shed in replacement of tin/asbestos roof.

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 'Renewable 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 WCR's status from consumer to "Deemed Distribution Licensee" mode in the state of Rajasthan w.e.f. 10.01.2017, REMCL's wind power bills for the period 1st January, 2017 to 26th April, 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) Upfront Capital Costs Solar power has a unique constraint in that almost all the costs for the 25 year project is right in the beginning. This is a challenge, consumer are more comfortable paying as they go rather than pay up money up front. With the costs of solar panels coming down, the upfront costs for rooftop solar have indeed come down dramatically, but it still is a fairly costly affair. An alternative model that has emerged in the last few years is that is called the PPA model or the BOOT model.
 - e) Lack of Clarity in Rooftop Solar Policies While some states have come up with rooftop solar policies, there is significant lack of clarity in many of these policies.
 - f) **Net Metering Implementation Delay:** As mentioned earlier, Net Metering can be a crucial driver for growth of industrial and commercial rooftop solar installations. While a number of states have announced Net Metering policies and regulations (with some states such as Karnataka even offering handsome tariffs for power exported to the grid from rooftops), but the actual

implementation of these Net Metering schemes has been very slow in many states.

- g) 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.
- h) **Subsidy Implementation Delay:** Capital subsidies for rooftop solar power were mentioned earlier. It was also mentioned that in many cases the disbursal of capital subsidy, specifically those from the centre, was delayed severely.

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%) and Ministry of Railways (49%) shareholder of the Company																														
b)	Nature of contracts/arrangements/ transaction	<div>RITES Limited - (₹ In lakh)</div> <table><tr><th>Particulars</th><th>Year Ended 31.03.2018</th></tr><tr><td>- Fee for services obtained</td><td>554.44</td></tr><tr><td>- Reimbursable Expense</td><td>126.20</td></tr><tr><td>- Equity Investment</td><td>-</td></tr><tr><td>- Interest Payment on Advance</td><td>106.13</td></tr><tr><td>- Repayment of Advance</td><td>369.49</td></tr><tr><td>TOTAL</td><td>1156.26</td></tr></table> <div>Ministry of Railways - (₹ In lakh)</div> <table><tr><th>Particulars</th><th>Year Ended 31.03.2018</th></tr><tr><td>- Income from Consultancy</td><td>4792.10</td></tr><tr><td>- Sale of Power Generation</td><td>1710.38</td></tr><tr><td>- Equity Investment</td><td>-</td></tr><tr><td>- Other Receivable(Advances)</td><td>40.29</td></tr><tr><td>- Interest Payment on Advance</td><td>102.18</td></tr><tr><td>- Repayment of Advance</td><td>355.00</td></tr><tr><td>TOTAL</td><td>6999.95</td></tr></table>	Particulars	Year Ended 31.03.2018	- Fee for services obtained	554.44	- Reimbursable Expense	126.20	- Equity Investment	-	- Interest Payment on Advance	106.13	- Repayment of Advance	369.49	TOTAL	1156.26	Particulars	Year Ended 31.03.2018	- Income from Consultancy	4792.10	- Sale of Power Generation	1710.38	- Equity Investment	-	- Other Receivable(Advances)	40.29	- Interest Payment on Advance	102.18	- Repayment of Advance	355.00	TOTAL	6999.95
Particulars	Year Ended 31.03.2018																															
- Fee for services obtained	554.44																															
- Reimbursable Expense	126.20																															
- Equity Investment	-																															
- Interest Payment on Advance	106.13																															
- Repayment of Advance	369.49																															
TOTAL	1156.26																															
Particulars	Year Ended 31.03.2018																															
- Income from Consultancy	4792.10																															
- Sale of Power Generation	1710.38																															
- Equity Investment	-																															
- Other Receivable(Advances)	40.29																															
- Interest Payment on Advance	102.18																															
- Repayment of Advance	355.00																															
TOTAL	6999.95																															

Salary & other benefits viz. PF, pension etc of CEO 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 provided by the holding company. The details of which are as under:

CEO – Shri Sudhir Kumar Saxena

₹ In Lakhs

Particulars	Year Ended 31.03.2018
- Basic Pay including DA	25.30
- Other Allowances & retiral benefits	21.86
TOTAL	47.16

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 provided by the holding company. The details of which are as under:

CFO – Shri Sunil Kumar Singh

₹ In Lakhs

Particulars	Year Ended 31.03.2018
- Basic Pay including DA	11.62
- Other Allowances & retiral benefits	13.61
TOTAL	25.23

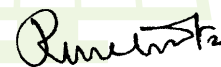
c) Duration of the contracts/ arrangements/transaction.

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 paise 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) South Western Railway – RGPPL- 25.10.2017 to 31.03.2022
 - h) West Central Railway, MP (JITPL) – 12.07.2016 to 31.03.2020
 - i) West Central Railway, Rajasthan (JITPL) – 10.01.2014 to 31.03.2020
 - j) Northern Railway, Delhi, (JITPL) – 10.11.2017 to 28.02.2021
 - k) Northern Railway, Haryana (JITPL) – 08.06.2017 to 31.05.2020
 - l) Northern Central Railway (UP-STU), (JITPL) – 10.01.2014 to 31.03.2020
 - m) BRBCL for 25 years starting from 02nd August, 2017
- 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>BITES LTD. – Experts of holding Company will render technical services to company. Holding Company will charge for their experts on the same basis as being charged to other clients. Fees will depend upon the quantum of expert's services utilized by the company.</p> <p>Transaction Value for fees for services obtained – ₹ 554.44 Lakhs (excluding applicable taxes).</p> <p>Ministry of Railways –</p> <p><i>Services for Economic Power Procurement at professional charges of 07 paisa per unit</i></p> <p>Professional charges of 07 paisa per Kwh (unit) of energy purchased 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 Value – ₹ 4792.10 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 – ₹ 1710.38 Lakhs</p>
e)	Date of approval by the Board	Fees for service obtained- 25th BOD Meeting held on 03.05.2018.
f)	Amount paid as advances, if any	Nil



Rajeev Mehrotra
Chairman

Place : Gurgaon
Dated : 23rd July, 2018

ANNEXURE - IV

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN

As on financial year ended on 31st March, 2018

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 (REMCL)
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	Economic Power Procurement for Railways	--	73.94
2	Power Generation	--	26.06

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES-

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

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

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

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

ii) Shareholding of Promoters-

S No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	RITES Ltd	3,56,99,979	51%		3,56,99,979	51%		
2	Ministry of Railways	3,42,99,986	49%		3,42,99,986	49%		
3	Shri Arbind Kumar	7			7			
4	Shri Anil Ghai	7			7			
5	Shri J.C.S. Bora	7			Nil (shares has been transferred to Shri A.K. Mahtha			
6	Shri A.K.Mahtha (Shares transferred on 03.02.2018)	-			7			
7	Shri Anand Dev	7			Nil (shares has been transferred to Shri T.N. Kakaji)			
8	Shri T.N.Kakaji (Shares transferred on 16.08.2017)	-			7			
9	Ms Anju Ranjan	7			7			
	Total	7,00,00,000			7,00,00,000			

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

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

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

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

v) Shareholding of Directors and Key Managerial Personnel:

S. 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)	7		-	-		7	
2.	Shri Anil Ghai (Director)	7		-	-		7	
3.	Ms Anju Ranjan (Director)	7		-	-		7	

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

(₹ In lakh)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	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
Change in Indebtedness during the financial year				
* Addition	--	--	--	--
* Reduction	2843.51	--	--	2843.51
Net Change	2843.51			2843.51
Indebtedness at the end of the financial year				
i) Principal Amount	5531.75	--	--	5531.75
ii) Interest due but not paid	55.76	--	--	55.76
iii) Interest accrued but not due	--	--	--	--
Total (i+ii+iii)	5587.51			5587.51

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

S. 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:

S. 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/WTB:

SN	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total (₹)
1	Gross salary				
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	47,15,953	-	25,23,089	72,39,042
(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	47,15,953	-	25,23,089	72,39,042

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENSES :

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

Place: Gurgaon
Dated: 23rd July, 2018


(Rajeev Mehrotra)
Chairman

ANNEXURE V
CORPORATE SOCIAL RESPONSIBILITIES (CSR) PROJECTS FOR FY 2017-18

- 1 Average net profit of the company of the last three financial years - (Refer Annexure-1).
- 2 Prescribed net Expenditure (two percent of the amount as is item 1 above-(Refer Annexure-1).
- 3 **Detail of CSR expenditure for the current financial Year-** During the current financial year, ₹16.07 Laksh was spent for setting up of 16 kwp SPV power plant at roof top of Platform No.1, Sahibabad Railway Station, Ghaziabad without base sheet.
- 4 **Amount Unspent-** BOD has approved an amount of ₹ 22.50 Laksh towards the CSR project for FY 2017-18 subject to 2% of the average profit for the last three years. As against the required amount of ₹ 22.46 Lakhs (i.e. 2% of average profit for the last three years), ₹ 16.07 Lakhs spent towards CSR activities and balance amount of ₹ 6.39 Lakhs remain unspent due to non-availability of eligible projects in hand. However unspent amount of ₹ 6.39 Lakhs will be spent on CSR activities for the financial year 2018-19.

Annexure-1

AVERAGE NET PROFIT OF THE COMPANY OF THE LAST THREE FINANCIAL YEARS						
						₹ in Lakhs
S.No	Particulars	2017-18	2016-17	2015-16	2014-15	2013-14
1	Profit Before Tax /(Loss)	3925.93	2867.24	469.78	32.09	(33.83)
2	CSR Expense charged to P&L	16.07	0	0	0	0
3	Profit before CSR Exps (A)	3942	2867.24	469.78	32.09	(33.83)
4	Total Profit of last three Years (B)	7279.02	3369.11	468.04	(1.74)	(33.83)
5	Average Profit of last three year profit -(C)-(B/3)	2426.34	1123.04	156.01	(0.58)	(11.28)
6	2% of C	48.53	22.46	3.12	(0.01)	(0.23)
7	Round Off Figures	48.55	22.46	3.15	0.00	0.00
8	FOR	2018-19	2017-18	N.A*	N.A*	N.A*

***The Company was not getting covered under any of the threshold limit prescribed under section 135(1) of the Companies Act, 2013, relating to CSR activities upto the financial year 2016-17.**



Place: Gurgaon
Dated: 23rd July, 2018

(Rajeev Mehrotra)
Chairman

ANNEXURE - VI

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, 2018 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, 2018 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 not applicable.
- (iii) The Securities Contracts (Regulations) Act, 1999 and the rules made thereunder are not applicable as the shares of Company are not listed with any of the Stock Exchanges
- (iv) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder are not applicable as the shares of Company are not registered with any of the depository mentioned under the said Act.
- (v) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') are not applicable as the shares of Company are not listed with any of the Stock Exchanges.
- (vi) Other applicable Laws, rules and Guidelines as mentioned here-in-below:
 - a. DPE guidelines on Corporate Governance for Central Public Sector Enterprises issued by the 'Department of Public Enterprises', Ministry of Heavy Industries and Public Enterprises, Government of India.
 - b. Right to Information Act 2005
 - c. Micro, Small & Medium Enterprises Development (MSMED) Act, 2006
 - d. Labour Laws as applicable

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

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

1. 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.
5. The Company is not having Risk Management Plan approved by the Board.

We further report that there were no Executive and Independent Directors on the Board of the Company. The changes in the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

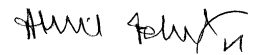
Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation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

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

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

Place: New Delhi
Date: 23rd July, 2018

For Akhil Rohatgi & Co.



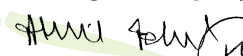
Akhil Rohatgi
Practicing Company Secretary
FCS No.: 1600
CP No: 2317

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: 23rd July, 2018

ANNEXURE - VII

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. The proposal for appointment of Independent Director is under consideration of Ministry of Railways.
2. Due to non appointment of Independent Directors, Audit Committee was not constituted.	The committees will be constituted, once the Independent Directors are in position.
3. 'Nomination and Remuneration Committee' was not in position in the absence of Independent Directors.	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.
4. Company Secretary has not been appointed in the Company.	The Company has started its operational activities from March, 2015. The Risk Management Plan will be documented in due course of time.
5. The Company is not having Risk Management Plan approved by the Board.	

Place : Gurgaon

Date : 23rd July, 2018


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, 2018, 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 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 there under.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 Ind AS standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India (including the Ind AS), of the financial position of the Company as at 31st March, 2018, 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 rule 7 of the Companies (Accounts) Rules, 2014;
- (e) In view of exemption given vide notification no G.S.R. 463 (E) dated 5th June, 2015, issued by Ministry of Corporate Affairs, provisions of section 164 (2) of the Act regarding disqualification of Directors, are not applicable to the Company;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 3"; and

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigation as at 31st March, 2018 on its financial position in its standalone financial statements, Refer note No 2.27.1 and 2.37 of the notes to accounts of standalone Ind AS Financial Statements.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
- iii. No amounts were required to be transferred to the Investor Education and Protection Fund by the Company.

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

Place : New Delhi
Dated : 23rd July, 2018


(Sunny Kohli)
Partner
M. No. 513283

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, 2018:

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, Goods & Service Tax (GST) and other statutory dues with the appropriate authorities applicable to the Company.
- b) According to information and explanations given to us, there are no disputed dues of Income Tax, Service Tax, Value added Tax, Goods & Service Tax (GST) and other statutory dues which have not been deposited.
8. According to the records of the company examined by us and as per the information and explanations given to us, the

company has not defaulted in repayment of dues of term loan availed from Indian bank.

9. According to the records of the company examined by us and as per the information and explanations given to us, term loans taken from Indian bank for setting up Wind Mill plant at Jaisalmer has been applied for the purpose for which it has been sanctioned by bank. Apart from this, the company has not raised any money by way of public issue/follow on offer (including debt document).
10. According to the information and explanations given to us, no fraud by the Company or any fraud on the company by its officers/employees has been noticed or reported during the course of our audit.
11. In view of exemption given vide notification no G.S.R. 463 (E) dated 5th June, 2015, issued by Ministry of Corporate Affairs, provisions of section 197 read with Schedule V of the Act regarding managerial remuneration are not applicable to the Company.
12. 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 2.25 of Notes to Accounts of Ind AS financial statements as required by the applicable accounting standards and Companies Act, 2013.
14. According to the information and explanation given to us and based on our examination of the records of the Company, Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
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 : 23rd July, 2018

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

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

- The Company has sub-lease deed for Sub lease-land situated at Village Kodiyasar, Tehsil Fatehgarh, Distt. Jaisalmer.
- There are no cases of waiver/write off of debts, loans/ interest etc. during the year.
- The Company has no inventory in hand and also with third parties.

Place : New Delhi
Dated : 23rd July, 2018

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


(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, 2018 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.

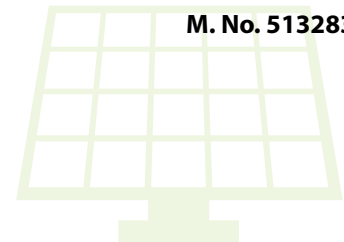
Opinion

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, 2018, 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 : 23rd July, 2018


(Sunny Kohli)
Partner
M. No. 513283



BALANCE SHEET AS AT 31ST MARCH, 2018

PARTICULARS	NOTE NO.	AS AT 31.03.2018	AS AT 31.03.2017	AS AT 01.04.2016
(₹ in Lakhs)				
ASSETS				
NON CURRENT ASSETS				
PROPERTY, PLANT AND EQUIPMENT	2.01	13,825.34	14,433.29	15,046.47
INTANGIBLE ASSETS	2.02	0.77	1.16	-
FINANCIAL ASSETS				
OTHER FINANCIAL ASSETS	2.03	203.23	435.92	1.02
OTHER NON CURRENT ASSETS	2.04	1,867.54	884.97	96.73
		<u>15,896.88</u>	<u>15,755.34</u>	<u>15,144.22</u>
CURRENT ASSETS				
FINANCIAL ASSETS				
TRADE RECEIVABLES	2.05	924.55	703.10	653.78
CASH AND CASH EQUIVALENTS- OWNED FUND	2.06.1	149.36	1,296.43	2,006.87
CASH AND CASH EQUIVALENTS- CLIENT FUND	2.07.1	49.15	-	-
OTHER BANK BALANCES- OWNED FUND	2.06.2	2,267.74	2,056.39	773.10
OTHER FINANCIAL ASSETS	2.08	600.17	38.92	15.42
OTHER CURRENT ASSETS	2.09	54.45	8.74	14.49
		<u>4,045.42</u>	<u>4,103.58</u>	<u>3,463.66</u>
TOTAL ASSETS		<u>19,942.30</u>	<u>19,858.92</u>	<u>18,607.88</u>
EQUITY AND LIABILITIES				
EQUITY				
EQUITY SHARE CAPITAL	2.10	7,000.00	7,000.00	5,000.00
OTHER EQUITY	2.11	4,584.45	1,999.39	236.24
		<u>11,584.45</u>	<u>8,999.39</u>	<u>5,236.24</u>
LIABILITIES				
NON CURRENT LIABILITIES				
FINANCIAL LIABILITIES				
BORROWING	2.12	4,765.29	7,576.39	11,053.67
DEFERRED TAX LIABILITIES (NET)	2.13	2,076.88	1,178.93	147.93
		<u>6,842.17</u>	<u>8,755.32</u>	<u>11,201.60</u>
CURRENT LIABILITIES				
FINANCIAL LIABILITIES				
TRADE PAYABLES	2.14	86.14	-	134.13
OTHER FINANCIAL LIABILITIES	2.15	1,285.12	1,985.74	1,928.61
OTHER CURRENT LIABILITIES	2.16	143.68	118.47	11.02
CURRENT TAX LIABILITIES(NET)	2.17	0.74	-	96.28
		<u>1,515.68</u>	<u>2,104.21</u>	<u>2,170.04</u>
TOTAL EQUITY AND LIABILITIES		<u>19,942.30</u>	<u>19,858.92</u>	<u>18,607.88</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
ANIL GHAI
 Director
 DIN:07669940

Rajeev Mehrotra
RAJEEV MEHROTRA
 Chairman
 DIN : 01583143

Sunil Kumar Singh
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
(SUNNY KOHLI)
 Partner
 M.No : 513283

Place : New Delhi
 Dated : 23rd July, 2018

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2018

PARTICULARS	NOTE NO.	(₹ in Lakhs)	
		YEAR ENDED 31.03.2018	YEAR ENDED 31.03.2017
REVENUE			
REVENUE FROM OPERATIONS	2.18	6,562.88	5,566.92
OTHER INCOME	2.19	316.67	282.10
TOTAL REVENUE		6,879.55	5,849.02
EXPENDITURE			
FEE FOR SERVICE OBTAINED		693.19	506.71
SALARY REIMBURSEMENT		101.73	38.11
FINANCE COSTS	2.20	749.90	1,204.02
TRANSMISSION & WHEELING CHARGES	2.37	480.36	375.09
DEPRECIATION & AMORTISATION EXPENSES	2.01 & 2.02	614.73	613.54
OTHER EXPENSES	2.21	313.71	317.41
TOTAL EXPENDITURE		2,953.62	3,054.88
PROFIT BEFORE TAX		3,925.93	2,794.14
TAX EXPENSES			
- CURRENT TAX- (MAT)	2.23	(837.87)	(612.31)
- DEFERRED TAX (NET)		(897.95)	(1,030.99)
- LESS: MAT CREDIT ENTITLEMENT		837.87	612.31
PROFIT AFTER TAX		3,027.98	1,763.15
OTHER COMPREHENSIVE INCOME		-	-
TOTAL OTHER COMPREHENSIVE INCOME (NET OF TAX)		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		3,027.98	1,763.15
EARNING PER SHARE (EQUITY SHARE OF ₹10/- EACH) - BASIC & DILUTED	2.26	₹ 4.33	3.52
WEIGHTED AVERAGE NUMBER OF EQUITY SHARES USED IN COMPUTING EARNING PER SHARE		7,00,00,000.00	5,00,54,795.00

For and on behalf of the Board

Anil Ghai
 ANIL GHAI
 Director
 DIN:07669940

Rajeev Mehrotra
 RAJEEV MEHROTRA
 Chairman
 DIN : 01583143

Sunil Kumar Singh
 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
 (SUNNY KOHLI)
 Partner
 M.No : 513283

Place : New Delhi
 Dated : 23rd July, 2018

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2018

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

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

B. OTHER EQUITY- (REFER NOTE NO 2.11)

				(₹ in Lakhs)
PARTICULARS	RESERVE AND SURPLUS		OTHER	TOTAL
	GENERAL RESERVE*	RETAINED EARNINGS	COMPREHENSIVE INCOME	
BALANCE AS AT 01.04.2017	1999.39	-	-	1,999.39
CHANGES IN ACCOUNTING POLICY OR PRIOR PERIOD ERRORS		-	-	-
RESTATEMENT OF DIVIDEND AND TAX THEREON				-
RESTATED BALANCE AT THE BEGINNING OF THE REPORTING PERIOD	1,999.39	-	-	1,999.39
PROFIT FOR THE PERIOD	-	3,027.98	-	3,027.98
FINAL DIVIDEND FOR F.Y (2016-17)	-	(368.00)	-	(368.00)
CORPORATE DIVIDEND TAX	-	(74.92)	-	(74.92)
TRANSFER TO GENERAL RESERVE FROM RETAINED EARNINGS	2,585.06	(2,585.06)	-	-
BALANCE AT 31.03.2018	4,584.45	-	-	4,584.45
FINAL DIVIDEND PER SHARE FOR FY 2016-17 (₹)	0.525	NO OF SHARE USED IN COMPUTING DIVIDEND PER SHARE		7,00,00,000

				(₹ in Lakhs)
PARTICULARS	RESERVE AND SURPLUS		OTHER	TOTAL
	GENERAL RESERVE*	RETAINED EARNINGS	COMPREHENSIVE INCOME	
BALANCE AS AT 01.04.2016	312.20	-	-	312.20
ADJUSTMENT FOR PRIOR PERIOD ITEMS	(75.96)	-	-	(75.96)
RESTATED BALANCE AT 01.04.2016	236.24	-	-	236.24
PROFIT FOR THE YEAR	-	1,763.15	-	1,763.15
INTERIM DIVIDEND	-	-	-	-
FINAL DIVIDEND	-	-	-	-
CORPORATE DIVIDEND TAX	-	-	-	-
TRANSFER TO GENERAL RESERVE FROM RETAINED EARNINGS	1,763.15	(1,763.15)	-	-
BALANCE AT 31.03.2017	1,999.39	-	-	1,999.39

* 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
ANIL GHAI
Director
DIN:07669940

Rajeev Mehrotra
RAJEEV MEHROTRA
Chairman
DIN : 01583143

Sunil Kumar Singh
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
(SUNNY KOHLI)
Partner
M.No : 513283

Place : New Delhi
Dated : 23rd July, 2018

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2018

(₹ in Lakhs)

PARTICULARS

CASH FLOW FROM OPERATING ACTIVITIES

NET PROFIT BEFORE TAX

ADJUSTMENTS FOR:

- DEPRECIATION AND AMORTIZATION
- INTEREST FROM FDs/OTHERS
- FINANCE COST

OPERATING PROFIT BEFORE CHANGES IN ASSETS AND LIABILITIES

CHANGE IN ASSETS AND LIABILITIES:

ADJUSTMENTS FOR (INCREASE)/DECREASE IN OPERATING ASSETS:

- TRADE RECEIVABLES
- OTHER FINANCIAL ASSETS AND OTHER CURRENT ASSETS

ADJUSTMENTS FOR INCREASE/(DECREASE) IN OPERATING LIABILITIES:

- TRADE PAYABLES
- STATUTORY DUES
- OTHER FINANCIAL LIABILITIES, OTHER CURRENT LIABILITIES AND PROVISIONS

CASH GENERATED FROM OPERATIONS

- INCOME TAX PAID

NET CASH FROM OPERATING ACTIVITIES

CASH FLOWS FROM INVESTING ACTIVITIES

- PURCHASE/CONSTRUCTION OF FIXED ASSETS
- PAYMENT FOR INTANGIBLE ASSETS-ACQUIRED
- DEPOSITS NOT CONSIDERED AS CASH AND CASH EQUIVALENTS
- INTEREST ACCRUED NOT CONSIDERED AS CASH AND CASH EQUIVALENTS
- ADVANCES TO RELATED PARTY
- INTEREST INCOME

NET CASH FROM INVESTING ACTIVITIES

CASH FLOW FROM FINANCING ACTIVITIES

- PROCEEDS FROM ISSUE OF SHARES
- REPAYMENT OF TERM LOAN
- INTEREST ACCRUED AND DUE ON BORROWINGS
- FINANCE COST
- DIVIDEND PAID
- DIVIDEND TAX PAID

NET CASH FROM FINANCING ACTIVITIES

NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS

CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR

CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR

YEAR ENDED 31.03.2018	YEAR ENDED 31.03.2017
3,925.93	2,794.14
614.73	613.54
(249.30)	(263.09)
749.90	1,204.02
5,041.26	4,348.61
(221.45)	(49.32)
(713.97)	5.89
86.14	(134.13)
25.21	107.45
(500.24)	143.06
3,716.95	4,421.56
(837.13)	(884.52)
2,879.82	3,537.04
(6.36)	-
-	(1.55)
9.65	(1,703.29)
13.84	(32.71)
(40.29)	(5.41)
249.30	263.09
226.14	(1,479.87)
-	2,000.00
(2,811.10)	(3,715.70)
(32.41)	(15.44)
(749.90)	(1,204.02)
(368.00)	-
(74.92)	-
(4,036.33)	(2,935.16)
(930.37)	(877.99)
1,128.88	2,006.87
198.51	1,128.88

RECONCILIATION OF CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2018	YEAR ENDED 31.03.2017
CASH AND CASH EQUIVALENTS- OWNED FUND	2.06.1	149.36	1,296.43
CASH AND CASH EQUIVALENTS- CLIENT FUND	2.07.1	49.15	-
ADD : INTEREST ACCRUED ON BANK DEPOSITS HAVING MATURITY WITHIN 3 MONTHS FROM ACQUISITIONS' DATE	2.08	-	0.42
LESS: CHEQUE ISSUED BUT NOT PRESENTED -AXIS BANK	2.15	-	(167.97)
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		198.51	1,128.88

RECONCILIATION OF FINANCIAL LIABILITIES

LONG TERM BORROWING AT THE BEGINNING OF YEAR	2.12	8,342.85	12,058.55
- CASH FLOWS (REPAYMENT)		(2,811.10)	(3,715.70)
- NON CASH CHANGES		-	-
CLOSING LONG TERM BORROWING		5,531.75	8,342.85

SUPPLEMENTARY INFORMATION:

RESTRICTED CASH BALANCE (REFER NOTE 2.06.3)	1.00	1.00
COMPONENTS OF CASH AND CASH EQUIVALENTS (REFER NOTE 2.06.1 & 2.07.1)	198.51	1,296.43

NOTE:

1. CASH AND CASH EQUIVALENTS CONSIST OF CASH AND BANK BALANCES INCLUDING FDs & INTEREST ACCRUED HAVING MATURITY WITHIN 3 MONTHS FROM THE DATE OF ACQUISITION.
2. THE ABOVE STATEMENT OF CASH FLOWS HAVE BEEN PREPARED UNDER INDIRECT METHOD AS SET OUT IN IND AS 7 STATEMENT OF CAHS FLOWS NOTIFIED U/S 133 OF THE COMPANIES ACT,2013) ("ACT") READ WITH RULE 4 OF THE COMPANIES ACT (INDIAN ACCOUNTING STANDARDS) RULES 2015 AND THE RELEVANT PROVISIONS OF THE ACT.
3. FIGURES IN BRACKET INDICATE CASH OUTFLOW.

For and on behalf of the Board

Anil Ghai

ANIL GHAI
Director
DIN:07669940

Rajeev Mehrotra

RAJEEV MEHROTRA
Chairman
DIN : 01583143

Sunil Kumar Singh

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 : 23rd July, 2018

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

Company Overview

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

The Company is incorporated and domiciled in India. The address of its registered office is SCOPE Minar, Laxmi Nagar, Delhi-110092 (India) and address of its corporate office is RITES Bhawan, Plot No. 1, Sector -29, 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 up to two decimals except for per share data and as otherwise stated. Previous period figures have been regrouped/recasted/rearranged, wherever necessary.

The standalone financial statements are approved by the company's Board of Directors on 23rd July, 2018.

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 GENERAL

(a) Statement of Compliance

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

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

(b) Basis of preparation

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

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

(c) Use of estimates and judgments

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

1.2 REVENUE RECOGNITION

1.2.1 REVENUE FROM OPEARTIONS

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.

1.3.2 Capital Work in Progress

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

1.3.3 Capital Advances

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets.

1.4 INTANGIBLE ASSETS

Intangible assets acquired/ developed are measured on recognition at cost less accumulated amortisation and impairment losses, if any.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

- (a) Software of value less than ₹ 100,000/- is fully amortized in the year of acquisition
- (b) A nominal value of ₹1/- is assigned to the fully amortised assets.

1.4.1 Amortization

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

1.5 INCOME TAXES

1.5.1 CURRENT INCOME TAX

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

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

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

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

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

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

1.5.2 Deferred tax

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

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

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

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

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

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

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

1.6 RATES & TAXES

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

1.7 PREPAYMENTS

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

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, unreliability has become certain.

1.13.2 Non Financial Assets

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

1.14 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

1.15 NON-CURRENT ASSETS HELD FOR SALE

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

1.16 DIVIDENDS

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

1.17 FINANCIAL INSTRUMENTS

1.17.1 Initial recognition

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

1.17.2 Subsequent measurement

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

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

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

- (c) Financial liabilities

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

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

1.17.3 De-recognition of financial instruments

A financial asset is derecognized when:

- The rights to receive cash flows from the asset have expired, or
- the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

A financial liability or a part of financial liability is de-recognised from the Balance Sheet when the obligation specified in the contract is discharged, cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

1.18 Equity Instrument

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

2.01 PROPERTY PLANT & EQUIPMENT

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

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

FOLLOWING ARE THE CHANGES IN THE CARRYING VALUE OF PROPERTY, PLANT & EQUIPMENT FOR THE YEAR ENDED 31.03.2017

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	ADJ.DURING THE YEAR	ADJ THROUGH RETAINED EARNING	DELETION DURING THE YEAR	AS AT 31.03.2017
LEASEDHOLD										
LAND (WIND MILL PLANT AT JAISALMER)*	105.25	-	-	-	105.25	1.93	4.21	-	-	99.11
SUB TOTAL	105.25	-	-	-	105.25	1.93	4.21	-	-	99.11
OTHERS										
PLANT AND EQUIPMENT										
WIND MILL PLANT AT JAISALMER (26 MW)**	15,222.46	-	-	-	15,222.46	279.49	608.90	-	-	14,334.04
OFFICE EQUIPMENT	0.19	-	-	-	0.19	0.01	0.04	-	-	0.14
SUB TOTAL	15,222.65	-	-	-	15,222.65	279.50	608.94	-	-	14,334.18
GRAND TOTAL	15,327.90	-	-	-	15,327.90	281.43	613.15	-	-	14,433.29

*UNDER MORTGAGED REFER NOTE NO. 2.12

**UNDER HYPOTHECATED REFER NOTE NO. 2.12

2.02 INTANGIBLE ASSETS

(₹ in Lakhs)

DEPRECIATION/AMORTISATION												NET BLOCK
DESCRIPTION	OPENING	ADDITIONS DURING THE YEAR	GROSS BLOCK			OPENING	FOR THE YEAR	ADJ DURING THE YEAR	ADJ THROUGH RETAINED EARNING	DELETIONS DURING THE YEAR	TOTAL	
			ADJUSTMENT DURING THE YEAR	DELETIONS DURING THE YEAR	TOTAL							
SOFTWARE (ACQUIRED)												
AS AT 31.03.2018	1.55	-	-	-	1.55	0.39	0.39	-	-	-	0.78	0.77
AS AT 31.03.2017		1.55			1.55	-	0.39	-	-	-	0.39	1.16

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

2.03 OTHER NON CURRENT FINANCIAL ASSETS

(₹ in Lakhs)

PARTICULARS	Note No	AS AT 31.03.2018	AS AT 31.03.2017	AS AT 01.04.2016
BANK DEPOSITS HAVING MATURITY OVER 12 MONTHS FROM REPORTING DATE	2.06.3	200.00	421.00	1.00
INTEREST ACCRUED - ON BANK DEPOSITS		3.23	14.92	0.02
TOTAL		203.23	435.92	1.02

2.04 OTHER NON CURRENT ASSETS

(₹ in Lakhs)

PARTICULARS	AS AT 31.03.2018	AS AT 31.03.2017	AS AT 01.04.2016
ADVANCE INCOME TAX (NET OF PROVISION)	-	175.93	-
INCOME TAX REFUND RECEIVABLE AY 2017-18	320.63	-	-
MAT CREDIT	1546.91	709.04	96.73
TOTAL	1867.54	884.97	96.73

2.05 CURRENT TRADE RECEIVABLES

(₹ in Lakhs)

PARTICULARS	AS AT 31.03.2018	AS AT 31.03.2017	AS AT 01.04.2016
UNSECURED			
CONSIDERED GOOD (RELATED PARTY)	924.55	703.10	653.78
TOTAL	924.55	703.10	653.78

2.06 CASH AND BANK BALANCES- OWNED FUND

(₹ in Lakhs)

PARTICULARS	AS AT 31.03.2018	AS AT 31.03.2017	AS AT 01.04.2016
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2.06.1 CASH & CASH EQUIVALENTS

BANK BALANCES IN :			
CURRENT ACCOUNTS	149.36	1.12	5.97
DEPOSITS #	-	1,295.31	2000.9
TOTAL	149.36	1,296.43	2006.87

2.06.2 OTHER BANK BALANCES

DEPOSITS ##	2267.74	2,056.39	773.10
TOTAL	2,267.74	2,056.39	773.10

2.06.3 BANK BALANCES MORE THAN 12 MONTHS MATURITY (NOTE 2.03)

DEPOSITS ###	200.00	421.00	1.00
TOTAL *	200.00	421.00	1.00

2.06.4 CHEQUE ISSUED BUT NOT PRESENTED ####(NOTE 2.15)

	-	(167.97)	-
TOTAL CASH & BANK BALANCES- OWNED FUND	2,617.10	3,605.85	2,780.97

2.07 CASH AND BANK BALANCES- CLIENT FUND

(₹ in Lakhs)

PARTICULARS	AS AT 31.03.2018	AS AT 31.03.2017	AS AT 01.04.2016
2.07.1 CASH & CASH EQUIVALENTS			
BANK BALANCES IN :			
CURRENT ACCOUNTS	49.15	-	-
DEPOSITS #	-	-	-
TOTAL CASH AND BANK BALANCE - CLIENT FUND	49.15	-	-

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

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

Having maturity over 12 months from reporting date.

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

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

2.08 OTHER CURRENT FINANCIAL ASSETS

(₹ in Lakhs)

PARTICULARS	NOTE NO.	AS AT 31.03.2018	AS AT 31.03.2017	AS AT 01.04.2016
INTEREST ACCRUED ON:				
BANK DEPOSITS HAVING MATURITY:				
WITHIN 3 MONTHS FROM THE DATE OF ACQUISITION		-	0.42	-
OVER 3 MONTHS FROM THE DATE OF ACQUISITION AND UPTO 12 MONTHS FROM REPORTING DATE		25.53	28.10	10.71
ADVANCES TO RELATED PARTIES		50.41	10.12	4.71
OTHER ADVANCE		-	0.28	-
UNBILLED REVENUE	2.38	524.23	-	-
TOTAL		600.17	38.92	15.42

2.09 OTHER CURRENT ASSETS

(₹ in Lakhs)

PARTICULARS	AS AT 31.03.2018	AS AT 31.03.2017	AS AT 01.04.2016
PREPAID EXPENSES	47.36	7.97	8.49
STAFF IMPREST	0.05	0.02	0.44
SERVICE TAX CREDIT	-	0.75	2.48
OTHER ADVANCE	-	-	3.08
GST INPUT	7.04	-	-
TOTAL	54.45	8.74	14.49

2.10 EQUITY SHARE CAPITAL

(₹ in Lakhs)

PARTICULARS	AS AT 31.03.2018	AS AT 31.03.2017	AS AT 01.04.2016
2.10.1 AUTHORISED			
150,000,000 (PREVIOUS YEAR 1 50,000,000) EQUITY SHARES OF ₹ 10/- EACH	15000.00	15000.00	5000.00
2.10.2 ISSUED, SUBSCRIBED AND FULLY PAID-UP			
70,000,000 (PREVIOUS YEAR 70,000,000) EQUITY SHARES OF ₹ 10/- EACH	7000.00	7000.00	5000.00
	7000.00	7000.00	5000.00

2.10.3 RECONCILIATION OF NUMBER OF EQUITY SHARES

	No. of Shares	(₹ in Lakhs)	No. of Shares	(₹ in Lakhs)	No. of Shares	(₹ in Lakhs)
OPENING BALANCE	7,00,00,000	7000.00	5,00,00,000	5000.00	3,00,00,000	3000.00
ADD/(LESS) DURING THE YEAR	-	-	2,00,00,000	2000.00	2,00,00,000	2000.00
CLOSING BALANCE	7,00,00,000	7000.00	7,00,00,000	7000.00	5,00,00,000	5000.00

2.10.4 RIGHTS, PREFERENCES AND RESTRICTIONS ATTACHED TO EQUITY SHARES

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

2.10.5 EQUITY SHARES HELD BY HOLDING COMPANY & ITS NOMINEES

	No. of Shares	No. of Shares	No. of Shares
BITES LTD.	3,57,00,000	3,57,00,000	2,55,00,000

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

	No. of Shares	No. of Shares	No. of Shares
BITES LTD	3,56,99,979	3,56,99,979	2,54,99,985
	(50.99%)	(50.99%)	(50.99%)
INDIAN RAILWAYS	3,42,99,986	3,42,99,986	2,44,99,990
	(48.99%)	(48.99%)	(48.99%)

2.11 OTHER EQUITY**PARTICULARS**

	AS AT 31.03.2018	AS AT 31.03.2017	AS AT 01.04.2016
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2.11.1 RESERVE & SURPLUS

GENERAL RESERVE	4,584.45	1,999.39	236.24
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2.11.2 OTHER COMPREHENSIVE INCOME

TOTAL	4,584.45	1,999.39	236.24
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2.12 BORROWINGS**PARTICULARS**

	NOTE NO.	AS AT 31.03.2018	AS AT 31.03.2017	AS AT 01.04.2016
SECURED TERM LOAN FROM INDIAN BANK *		5,531.75	8,342.85	12,058.55
LESS: CURRENT MATURITY OF UPTO ONE YEAR FROM REPORTING DATE	2.15	766.46	766.46	1,004.88
TOTAL		4,765.29	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

2.13 DEFERRED TAX LIABILITIES (NET)

(₹ in Lakhs)

PARTICULARS	NOTE NO.	AS AT 31.03.2018	AS AT 31.03.2017	AS AT 01.04.2016
PRELIMINARY EXPENSES		0.00	(2.37)	(4.53)
BUSINESS LOSS (AS PER I.T. ACT, 1961)		0.00	(2.22)	(2.13)
UNABSORBED DEPRECIATION / BUSINESS LOSS (AS PER I.T. ACT, 1961)		(1617.41)	(3249.06)	(2263.56)
DIFFERENCE OF DEPRECIATION AS PER INCOME TAX ACT AND COMPANIES ACT		3694.29	4432.58	2418.15
TOTAL		2076.88	1178.93	147.93

2.14 CURRENT TRADE PAYABLES

(₹ in Lakhs)

PARTICULARS	NOTE NO.	AS AT 31.03.2018	AS AT 31.03.2017	AS AT 01.04.2016
CREDITORS FOR SUPPLIES AND SERVICES				
MICRO, SMALL AND MEDIUM ENTERPRISES		-	-	-
OTHER THAN MICRO, SMALL & MEDIUM ENTERPRISES (RELATED PARTY)		86.14	-	134.13
TOTAL		86.14	-	134.13

2.15 OTHER CURRENT FINANCIAL LIABILITIES

(₹ in Lakhs)

PARTICULARS	NOTE NO.	AS AT 31.03.2018	AS AT 31.03.2017	AS AT 01.04.2016
ADVANCE AGAINST RENEWAL ENERGY PROJECT (RELATED PARTY)		-	724.49	724.49
CUSTOMER ADVANCE		71.19	-	-
INTEREST ACCRUED AND DUE ON BORROWINGS		55.76	88.17	103.61
CURRENT MATURITY OF LONG TERM DEBT	2.12	766.46	766.46	1,004.88
CHEQUE ISSUED BUT NOT PRESENTED-AXIS BANK*	2.06.4	-	167.97	-
SUNDRY CREDITORS- RELATED PARTY		116.99	188.66	95.38
SUNDRY CREDITORS-OTHERS (INCLUDING MSME VENDORS)	2.35	209.08	40.42	-
EMD/SECURITY DEPOSIT		64.55	9.57	0.25
SECURITY DEPOSIT		1.09	-	-
TOTAL		1,285.12	1,985.74	1,928.61

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

2.16 OTHER CURRENT LIABILITIES

(₹ in Lakhs)

PARTICULARS	NOTE NO.	AS AT 31.03.2018	AS AT 31.03.2017	AS AT 01.04.2016
STATUTORY LIABILITIES		143.68	118.47	11.02
TOTAL		143.68	118.47	11.02

2.17 CURRENT TAX LIABILITIES (NET)

(₹ in Lakhs)

PARTICULARS	NOTE NO.	AS AT 31.03.2018	AS AT 31.03.2017	AS AT 01.04.2016
CURRENT TAX (MAT) PAYABLE FOR THE CURRENT YEAR		837.87	-	101.35
LESS: TAXES PAID INCLUDING TAX DEDUCTED AT SOURCE		(837.13)	-	(5.07)
TOTAL		0.74	-	96.28

2.18 REVENUE FROM OPERATIONS

(₹ in Lakhs)

PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2018	YEAR ENDED 31.03.2017
SALE OF SERVICES			
CONSULTANCY FEE (GROSS)	5,094.78	4,452.57	
LESS: SERVICE TAX/GST	(766.51)	(579.92)	
CONSULTANCY FEE (NET)		4,328.27	3,872.65
CONSULTANCY FEE (UNBILLED REVENUE)	2.38	524.23	-
POWER GENERATION			
SALE OF ELECTRICAL ENERGY - ELECTRICITY	2.37	1,710.38	1,694.27
TOTAL		6,562.88	5,566.92

2.19 OTHER INCOME

(₹ in Lakhs)

PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2018	YEAR ENDED 31.03.2017
INTEREST EARNED ON:			
- DEPOSITS WITH BANK		249.28	263.09
- INCOME TAX REFUND		0.02	-
MISCELLANEOUS INCOME*		67.37	19.01
TOTAL		316.67	282.10

* Sale of tender document & forfeiture of bid security.

2.20 FINANCE COST

(₹ in Lakhs)

PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2018	YEAR ENDED 31.03.2017
ON TERM LOAN		687.20	1,132.69
ON ADVANCES- RELATED PARTY	2.30	62.70	71.33
TOTAL-(A)		749.90	1,204.02

2.21 OTHER EXPENSES

(₹ in Lakhs)

PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2018	YEAR ENDED 31.03.2017
LEGAL & PROFESSIONAL EXPENSES		27.29	6.08
OFFICE EXPENSES		0.66	2.68
TRAVELLING EXPENSES		21.13	11.77
AUDITORS' REMUNERATION	2.22	2.96	1.64
AUDITORS' OUT OF POCKET EXPENSES	2.22	0.25	0.15
ADVERTISING EXPENSES		16.31	55.46
PRINTING & STATIONARY		5.27	2.31
INSURANCE		10.03	13.77
RATES & TAXES		12.87	3.46
CONSULTANCY CHARGES		59.97	97.07
INTERNAL AUDIT FEE		0.45	0.31
ROC FEES FOR INCREASE IN AUTHORISED SHARE CAPITAL		-	90.00
BANK CHARGES		0.02	0.10
CSR EXPENDITURE	2.33	16.07	-
OPERATION & MAINTAINANCE- WIND MILL		75.02	-
MISCELLANEOUS EXPENSES (COST OF VEHICLE HIRING, SPONSORSHIP, MEETING EXPENSE, ETC.)		65.41	32.61
TOTAL		313.71	317.41

2.22 AUDITORS' REMUNERATION

(₹ in Lakhs)

PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2018	YEAR ENDED 31.03.2017
STATUTORY AUDIT FEE		1.10	1.04
TAX AUDIT FEE		0.66	0.60
QUARTERLY AUDIT		1.05	-
OTHER SERVICES i.e. CERTIFICATION ETC.		0.15	-
TOTAL		2.96	1.64
AUDITORS' REMUNERATION		2.96	1.64
AUDITORS' OUT OF POCKET EXPENSES		0.25	0.15

2.23 TAX EXPENSE

(₹ in Lakhs)

PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2018	YEAR ENDED 31.03.2017
CURRENT TAX - (MAT)	2.31	837.87	612.31
MAT CREDIT ENTITLEMENT		(837.87)	(612.31)
TOTAL-(A)		-	-
DEFERRED TAX CHARGE- (B)	2.31	897.95	1,030.99
TOTAL (A)+(B)		897.95	1,030.99

DISCLOSURES AS PER INDIAN ACCOUNTING STANDARDS (IND AS):**2.24 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.

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

- Power Generation
- Consultancy

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

2.24.3 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.

2.24.4 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.

2.24.5 Operational Segment for Year Ended 31.03.2018

(₹ in Lakhs)

Description	Year Ended 31.03.2018			Year Ended 31.03.2017		Total
	Power Generation	Consultancy Services	Total	Power Generation	Consultancy Services	
Revenue	1710.38	4852.50	6562.88	1694.27	3872.65	5566.92
Identifiable operating expenses	1887.87	571.85	2459.72	2170.59	500.42	2671.01
Segmental profit/(Loss) from operations	(177.49)	4280.65	4103.16	(476.32)	3372.23	2895.91
Add: Interest Income*			249.30			263.09
Add: Other Income **			67.37			19.01
Less: Un-allocable Expenses			493.90			383.87
Net Profit Before Tax			3925.93			2794.14
Less: Income Tax (including Deferred Tax)			897.95			1030.99
Net Profit After Tax			3027.98			1763.15
Additional Information:						
Depreciation and amortization	613.11	1.62	614.73	613.11	0.43	613.54
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
PPE	13820.07	5.27	13825.34	14433.15	0.14	14433.29
Intangible Assets	Nil	0.77	0.77	0	1.16	1.16
Current Assets	267.22	1466.54	1733.76	Nil	713.22	713.22

(₹ in Lakhs)

Description	Year Ended 31.03.2018			Year Ended 31.03.2017		Total
	Power Generation	Consultancy Services	Total	Power Generation	Consultancy Services	
Total Segmental Assets	14087.29	1472.58	15559.87	14433.15	714.52	15147.67
Add: Un allocable Assets****			4382.43			4711.25
Total Assets			19942.30			19858.92
Non Current Liabilities	4765.29	Nil	4765.29	7576.39	Nil	7576.39
Current Liabilities	904.75	421.31	1326.06	1582.57	70.50	1653.07
Total Segmental Liabilities	5670.04	421.31	6091.35	9158.96	70.50	9229.46
Add: Un allocable Liabilities****			2266.50			1630.07
Total Liabilities			8357.85			10859.53

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

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

*** No Impairment and its reversal has been recognized in other Comprehensive Income (OCI) during the Year ended 31.03.2018 and Year ended 31.03.2017.

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

2.24.6 Out of total Operating Revenue of ₹ 6562.88 (Previous Year ₹ 5566.92 Lakhs, Revenue of ₹ 6502.47 Lakhs (Previous Year ₹ 5566.92 Lakhs) is derived from a single customer.

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

2.25.1 Related Party

2.25.1.1 Holding Company

Name	Country	Holding as on	
		31.03.18	31.03.17
M/s RITES Ltd	India	51%	51%

2.25.1.2 Ministry of Railways

Name	Country	Holding as on	
		31.03.18	31.03.17
Indian Railways	India	49%	49%

2.25.1.3 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 Mukesh Rathore, Director Technical

Government Nominee Directors

Shri A.P. Dwivedi, Director
 Shri Ravindra Nath Mishra, Director (Up to 31st August, 2017)
 Shri B. K. Agarwal, Director (From 26th September, 2017)

Non-Executive (Independent) Directors

Dr. Vidya Rajiv Yeravdekar
 Shri Anil Kumar Goel
 Shri Satish Sareen
 Dr. Pramod Kumar Anand (From 19th September, 2017)
 Smt. Geetha Kumary (From 15th March, 2018)
 Dr. Rajendra N Goyal (From 15th March, 2018)

Company Secretary

Shri P.T. Mittal, Company Secretary & GM(Legal)- (Up to 31st March, 2018)
 Shri Ashish Srivastava, Company Secretary (From 1st April, 2018)

2.25.1.4 Key Managerial Personnel of the company**Chairman**

Shri Rajeev Mehrotra

Directors

Shri Arbind Kumar,
 Shri Anil Ghai,
 Ms Anju Ranjan,
 Shri Sudhir Kumar Garg (up to 17.01.2018)
 Shri Shalabh Goel (from 01.02.2018)

Chief Executive Officer (CEO)

Shri Sudhir Kumar Saxena

Chief Finance Officer (CFO)

Shri Sunil Kumar Singh

2.25.2 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.

2.25.2.1 Transactions with Key Management Personnel:

During the current financial year 2017-18, 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 31.03.2018	Year Ended 31.03.2017
-Basic Pay including DA	36.92	24.10
-Other Allowances & Retiral benefit	35.47	14.01
TOTAL	72.39	38.11

2.25.3 Transactions with holding company during the year

(₹ in Lakhs)

Particulars	Year Ended 31.03.2018	Year Ended 31.03.2017
- Fee for services obtained(Management Contract)	554.44	480.35
- Reimbursable Expense	126.20	48.13
- Equity Investment	-	1020.00
- Interest on Advance	106.13	-
- Repayment of Advance	369.49	-
TOTAL	1156.26	1548.48

Year End Balances

(₹ in Lakhs)

Particulars	As on 31.03.2018	As on 31.03.2017
- Trade Payable	86.14	-
- Reimbursable (Payable for Expense)	116.99	39.61
- Equity Share Capital	3570.00	3570.00
- Advance against Renewable Project	Nil	369.49
TOTAL	3773.13	3979.10

2.25.4 Transactions with RITES Infrastructure Services Limited (Subsidiary of holding company) during the year

(₹ in Lakhs)

Particulars	Year Ended 31.03.2018	Year Ended 31.03.2017
- Reimbursable Expense	-	2.71
TOTAL	-	2.71

2.25.5 Transactions with Ministry of Railways during the Year

(₹ in Lakhs)

Particulars	Year Ended 31.03.2018	Year Ended 31.03.2017
Revenue		
- Consultancy	4792.10	3872.65
- Power Generation	1710.38	1694.27
Equity Investment	-	980.00
Other Receivables(Advances)	40.29	5.42
Repayment of advance	355.00	-
Interest Payment on Advance	102.18	-
TOTAL	6999.95	6552.34

Year End Balances

(₹ in Lakhs)

Particulars	As on 31.03.2018	As on 31.03.2017
Trade Receivable		
- Consultancy	820.29	703.10
- Power Generation	104.26	NIL
Other Receivables(Advances)	50.41	10.12
Equity Share Capital	3430.00	3430.00
Advance against Renewable Project	-	355.00
TOTAL	4404.96	4498.22

2.25.6 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.2.25.5.

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

Particulars		Year Ended	
		31.03.2018	31.03.2017
A	Net Profit for the year (₹ in Lakhs)	3027.98	1763.15
B	Amount available for Equity Shareholder (₹ in Lakhs)	3027.98	1763.15
	Weighted average number of Equity Shares(Nos)	7,00,00,000	500,54,795
D	Earnings Per Share(Basic & Diluted) (B)/(C)	₹4.33	₹ 3.52
E	Face value per equity share	₹ 10/-	₹10/-

2.27 Disclosures on Provisions, Contingent Liabilities and Contingent Assets (Indian Accounting Standards-37) are as follows:-**2.27.1 Contingent Liabilities**

On account of wheeling & Transmission charges for 26 MW wind mill plant of company at Jaisalmer, an amount of ₹161.55 Lakhs which is payable to Rajasthan state utilities, out of which ₹40.39 Lakhs pertains to current period and ₹121.16 Lakhs pertains for the period of January 2017 to March 2017 of previous financial year-Refer note No. 2.37.

2.27.2 Capital Commitments

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

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

The company has borrowed term loan of ₹12058.55 Lakhs from Indian Bank for setting up 26 MW Wind Mill plants at Jaisalmer, Rajasthan. The entire amount of loan was borrowed during the financial year 2015-16. During the current year company has incurred interest cost of ₹ 687.20 Lakhs (Previous Year ₹1132.69 Lakhs).

2.29 FINANCIAL INSTRUMENTS

2.29.1 Financial Instruments by category

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

(₹ in Lakhs)						
Particulars	Total carrying value	Amortized Cost	Financial assets/liabilities at fair value through profit or loss		Financial assets/liabilities at fair value through OCI	
			Designated upon initial recognition	Mandatory	Designated upon initial recognition	Mandatory
Financial Assets:						
Cash and Bank Balance*	2666.25			2666.25	-	
Trade Receivables*	924.55	924.55			-	-
Other Financial Assets*	603.41	603.41				
Total	4194.21	1527.96		2666.25	-	-
Financial Liabilities:						
Trade Payables*	86.14	86.14	-	-	-	-
Borrowings*	5531.75	5531.75	-	-	-	-
Other Financial Liabilities*	518.66	518.66	-	-	-	-
Total	6136.55	6136.55	-	-	-	-

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

(₹ in Lakhs)						
Particulars	Total carrying value	Amortized Cost	Financial assets/liabilities at fair value through profit or loss		Financial assets/liabilities at fair value through OCI	
			Designated upon initial recognition	Mandatory	Designated upon initial recognition	Mandatory
Financial Assets:						
Cash and Bank Balance*	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*	8342.85	8342.85	-	-	-	-
Other Financial Liabilities*	1219.28	1219.28	-	-	-	-
Total	9562.13	9562.13	-	-	-	-

* 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.

2.29.2 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, 2018 are as follows:

(₹ in Lakhs)

Particulars	As on 31.03.2018	Fair value measurement at end of the reporting period using		
		Level 1	Level 2	Level 3
Financial Assets				
Cash and Bank Balances	2666.25	2666.25	-	-

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	-	-

2.29.3 Financial Risk Management

Financial Risk Factors

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

Market Risk

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

Credit Risk

Credit Risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. Primarily exposure to the credit risk at the end of current Year and previous Years is from trade receivables amounting to ₹ 924.55 Lakhs (Previous Year ₹ 703.10 Lakhs) and unbilled revenue amounting to ₹ 524.23 Lakhs (Previous Year ₹ Nil) 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 Indian Railways hence credit risk is bare minimum.

No significant credit risk on cash and Bank Balances including clients' fund of ₹ 2666.25 Lakhs (Previous Year ₹ 3605.85 Lakhs) is expected as company parks surplus funds with Schedule Banks having good credit adequacy ratio and least NPA as determined by RBI and guidelines of the company. Company has parked the funds in fixed deposits of ₹ 2467.74 Lakhs (Previous Year ₹ 3772.70 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 ₹ 5587.51 Lakhs (Previous Year ₹ 8431.02 Lakhs). The instalment falling due for re-payment within one year from the reporting date is amounting to ₹ 766.46 Lakhs (Previous Year ₹ 766.46 Lakhs). The company has a working capital of ₹ 2529.75 Lakhs (Previous Year ₹ 1999.37 Lakhs) include cash and bank balances (owned fund) of ₹ 2617.10 Lakhs (Previous Year ₹ 3605.85 Lakhs). The company believes that the working capital and other liquid assets are sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived.

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

2.30.1 Prior Period Transactions are as follows:

(₹ in Lakhs)

Nature	2017-18	2016-17
Finance Cost- On Advances	145.61	-
Transmission & Wheeling Charges	3.44	-
Total	149.05	Nil

2.30.2 Correction of Prior Period transaction with impact on profit

2.30.2.1 Impact on Balance Sheet Items is as follows:

(₹ in Lakhs)

Prior Period for the Year	2016-17	2015-16	Total
Line Item			
Other Financial Liabilities	73.09	75.96	149.05
Total Liabilities	73.09	75.96	149.05
(Net Equity)	(73.09)	(75.96)	(149.05)

2.30.2.2 Impact on Statement of Profit & Loss Items is as follows:

(₹ in Lakhs)

Prior Period for the year 2017-18	
Line Item	Impact on 2016-17
Revenue	Nil
Finance Cost- On advances	71.33
Transmission & Wheeling Charges	1.76
Total Expenditure	73.09
Profit Before Tax	(73.09)

Prior period items have been re-stated for the year ended 31.03.2018 and year ended 31.03.2017, however there is no impact of provision for taxation on account of prior period re-statement.

Aforesaid prior period figures are crystallized during the year 2017-18 though these are prior period transactions and tax benefit on such transactions is available in year 2017-18.

However, these figures are re-stated as per IND AS 8 to the respective years on which no tax benefit is available on these respective years due to the reason given above. The tax impact on such transaction is of ₹ 21.08 Lakhs which is not considered in EPS calculation for the same reason as stated above.

2.30.3 Correction of Prior Period Errors in Earning Per Share (Basic & Diluted):

Particulars	Year 2016-17
Impact on Profit attributable to Equity Share Holders (₹ In Lakh)	(73.09)
Weighted average no of Equity Shares	5,00,54,795
Impact on Earnings Per Share (Basic & Diluted)	(₹ 0.15)

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 31.03.2018	Year Ended 31.03.2017
Income Tax Expenses		
- Current Taxes (under MAT provision)	837.87	612.31
- Deferred Tax(Net)	897.95	1030.99
- Less: MAT Credit Entitlement	(837.87)	(612.31)
Net Income Tax Expenses	897.95	1030.99

Entire Deferred Tax for the current year ended March 31st, 2018 and Previous Year ended March 31st, 2017 relates to origination and reversals of temporary differences.

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

(₹ in Lakhs)

Particulars	Year Ended 31.03.2018	Year Ended 31.03.2017
Profit Before Income Taxes On Normal Business	3925.93	2794.14
Enacted Tax Rates in India On Normal Income	28.84%	34.61%
Enacted Tax Rates in India On Normal Income (under MAT provision)	21.34%	21.34%
Computed Expected Tax Expense	1132.24	967.05
Tax Effect due to change in Tax Rate	(196.54)	7.33
Tax Effect due to change in Tax Rate(MAT)	837.87	612.31
Tax Effect of MAT Credit c/f	(837.87)	(612.31)
Effect of Non-Deductible Expenditures (NDE)	182.48	244.14
Tax effect due to non taxable income	(179.73)	(2116.26)
Tax effect due to re-statement of prior period adjustment	(42.99)	-
Tax effect due to benefit of accelerated depreciation	-	1901.54
Tax Reversal and Others	2.49	27.19
Current Tax Expense	897.95	1030.99

The following table provides the details of income tax assets and liabilities as of March 31, 2018, and March 31, 2017:

(₹ in Lakhs)

Particulars	As at	
	31.03.2018	31.03.2017
Income Tax Assets	1867.54	884.97
Current income tax liabilities	(2077.62)	(1178.93)
Net Current Income Tax Assets/(Liability) at the end	(210.08)	(293.96)

The gross movement in the current income tax asset/ (liability) for the year current ended March 31, 2018 and previous year ended March 31, 2017 is as follows:

(₹ in Lakhs)

Particulars	As at	
	31.03.2018	31.03.2017
Net current income tax asset/(liability) at the beginning	(293.96)	(147.49)
Income Tax paid-	837.13	884.52
TDS FY 2016-17	144.70	Nil
Current income tax expense	(897.95)	(1030.99)
Net Current Income Tax Asset/(Liability) at the end	(210.08)	(293.96)

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

(₹ in Lakhs)

Particulars	As at	
	31.03.2018	31.03.2017
Deferred Income Tax Assets:		
Preliminary Expense	-	2.37
Business Loss	-	2.22
Un-Absorbed Depreciation/Business Loss	1617.41	3249.06
Total Deferred Income Tax Assets - I	1617.41	3253.65
Deferred Income Tax Liabilities:		
Property Plant & Equipment, Furniture & Fixtures, (Depreciation diff)	3694.29	4432.58
Total Deferred Income Tax Liabilities - II	3694.29	4432.58
Deferred Income Tax Assets after set off	-	-
Deferred Income Tax Liabilities after set off	2076.88	1178.93

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 current year March 31, 2018 and previous year ended March 31, 2017 are as follows:-

(₹ in Lakhs)

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
Net deferred income tax asset/(liability) at the beginning	(1178.93)	(147.93)
Credit/(Change) relating to temporary differences	(897.95)	(1030.99)
Net Deferred Income Tax Asset/(Liability) at the end	(2076.88)	(1178.93)

The composition of deferred liabilities assets relating to temporary differences during the Year ended March 31, 2018 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

Dividend paid during the financial year 2017-18 is ₹ 368.00 Lakhs (i.e. dividend of ₹ 0.525 per share to 7 crore equity shares) for the financial year 2016-17.

Dividend declared by the company is based on Net Worth or Profit after Tax as reported in the financial statement of the company and guidelines issued by Department of Public Enterprises (DPE). The Board of Directors of the company proposed a final dividend of ₹ 909.00 Lakhs (₹ 1.298 per share to 7 crore equity shares) in respect of the Financial Year 2017-18 subject to approval of shareholders in Annual General Meeting. If approved, the dividend would result into cash outflow of ₹ 1095.85 Lakhs inclusive of dividend distribution tax of ₹ 186.85 Lakhs.

Other Disclosures:

2.33 Information on CSR expenditure

- Up to Financial Year 2016-17, provision of section 135(1) of the companies Act, 2013 were not applicable
- Gross amount required to be spent including advances given during the year 2017-18 ₹ 22.46 Lakhs (Previous Year ₹ Nil as explained above).
- Unspent amount of ₹ 6.39 Lakhs shall be carry forward to next financial year which will be spent on CSR activities.

(₹ in Lakhs)

Particulars	Amount Paid during 2017-18	Amount Yet to paid during 2017-18	Total
(i) Construction/acquisition of any assets	Nil	Nil	Nil
(ii) On purposes other than (i) above	16.07	Nil	16.07
Total	16.07	Nil	16.07

2.34 Expenditure in foreign currencies

(₹ in Lakhs)

Particulars	Year ended	
	31.03.2018	31.03.2017
Travel	3.28	-
Total	3.28	-

2.35 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 31.03.2018	As at 31.03.2017
a	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
	- Principal amount due to micro and small enterprises	0.09	1.23
	- Interest due on above	-	-
b	The amount of interest paid by the buyer in terms of Section 16 of the Micro and Small Enterprise Development Act, 2006, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
c	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro and Small Enterprises Development Act, 2006	-	-
d	The amount of interest due and remaining unpaid at the end of each accounting year	-	-
e	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of Micro and Small Enterprise Development Act, 2006.	-	-

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

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

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

2.37 Deferment of Income & Expense

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

With effect from 10.01.2017, status of WCR has been changed from consumer to "deemed distribution licensee" in Rajasthan. WCR started taking power at Six TSS as a deemed distribution licensee through open access route from M/s JITPL which includes 3 TSS (Bharatpur, Hindaun & Ramganj) where WCR was taking Wind power from REMCL. Due to change in status of WCR from consumer to deemed distribution utility licensee, accountal/methodology for utilization of energy generated by Wind Mill Plant have gone 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 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 realization 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 ₹ 229.86 Lakhs for the period 01.04.2017 to 26.04.2017 (Previous period from January '17 to March '17 of ₹ 450.78 Lakhs) has been postponed and not recognized during the current period. In this regard, a petition has been filed in Rajasthan Electricity Regulatory Commission (RERC) for realization of the wind energy charges during this period (i.e. 10.01.2017 to 26.04.2017) as this power was fed into the state grid.

Wheeling and Transmission charges payable to Rajasthan state utilities are directly paid by WCR and deduction for the same is made by WCR in gross bill and only net amount i.e. after deduction towards wheeling & transmission is paid to REMCL on monthly basis. Therefore Wheeling & Transmission charges for the corresponding period i.e. from 01.04.2017 to 26.04.2017 (previous year from January 2017 to March 2017) which are payable to Rajasthan state utilities has not been recognized and shown as contingent liability under note no. 2.27.

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

2.39 During the year, the company adopted the amendment to Ind AS-7 which require entities to provide disclosure that enable user of financial statements to evaluate the 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 Balance Sheet from financing activities, to meet the disclosure requirement.

The requisite disclosure has been given in Statement of Cash Flows.

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, 2018.

The preparation of financial statements of **RAILWAY ENERGY MANAGEMENT COMPANY LIMITED** for the year ended 31 March, 2018 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act are responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with 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 23.07. 2018.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of **RAILWAY ENERGY MANAGEMENT COMPANY LIMITED** for the period ended 31 March, 2018 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

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

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



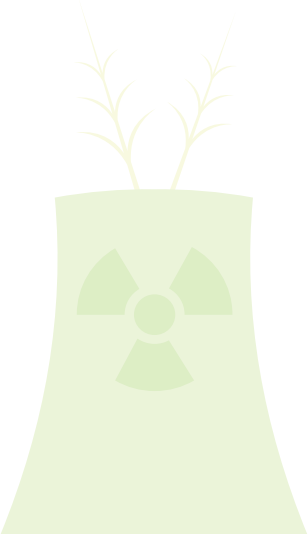
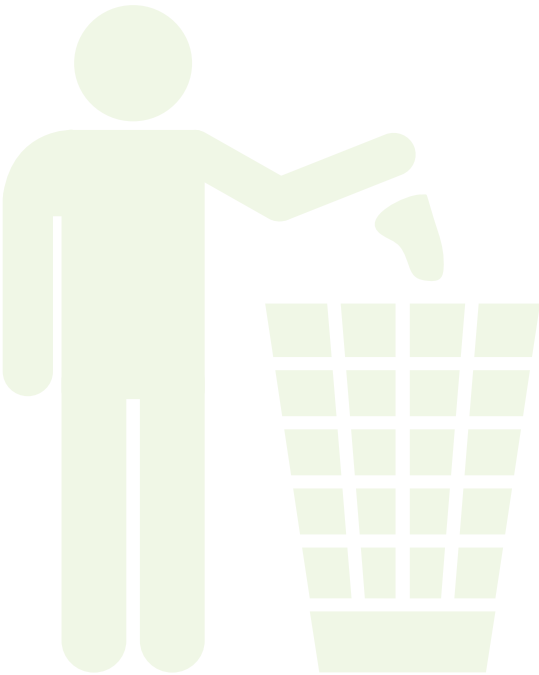
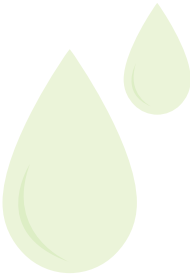
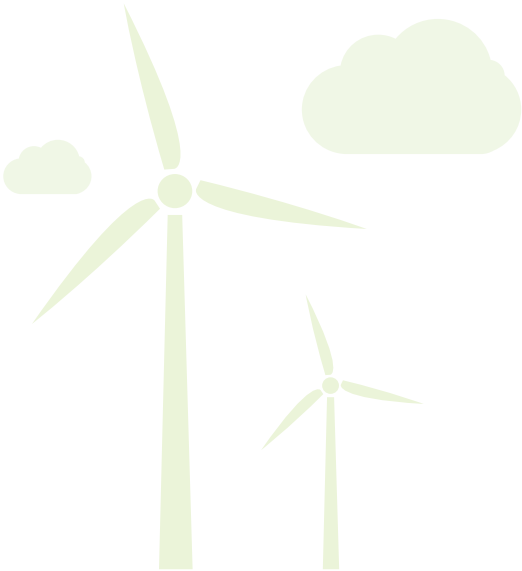
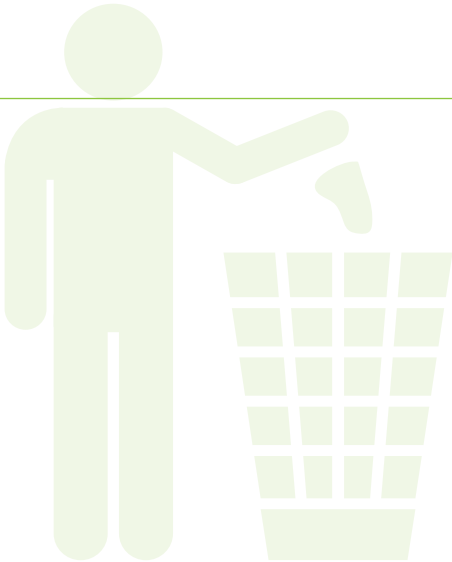
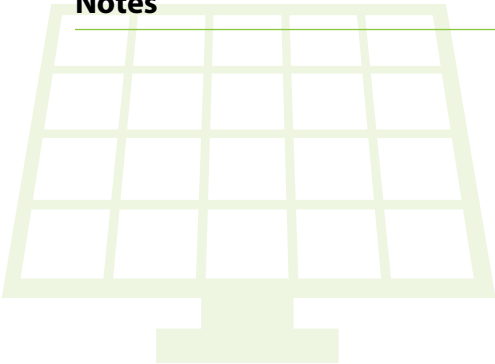
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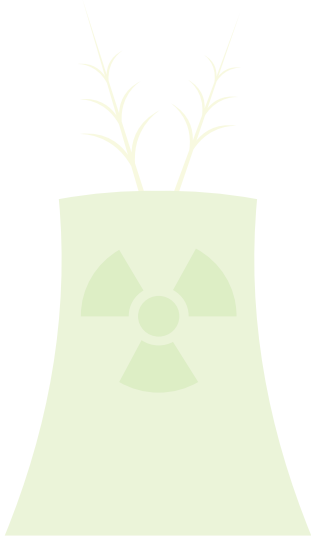
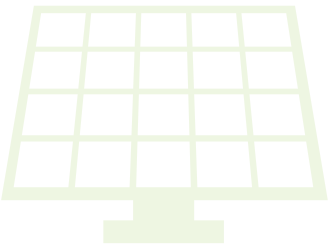
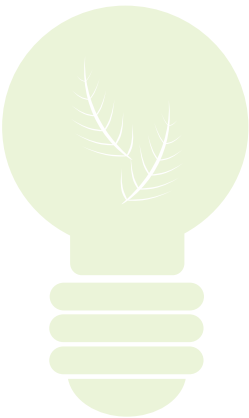
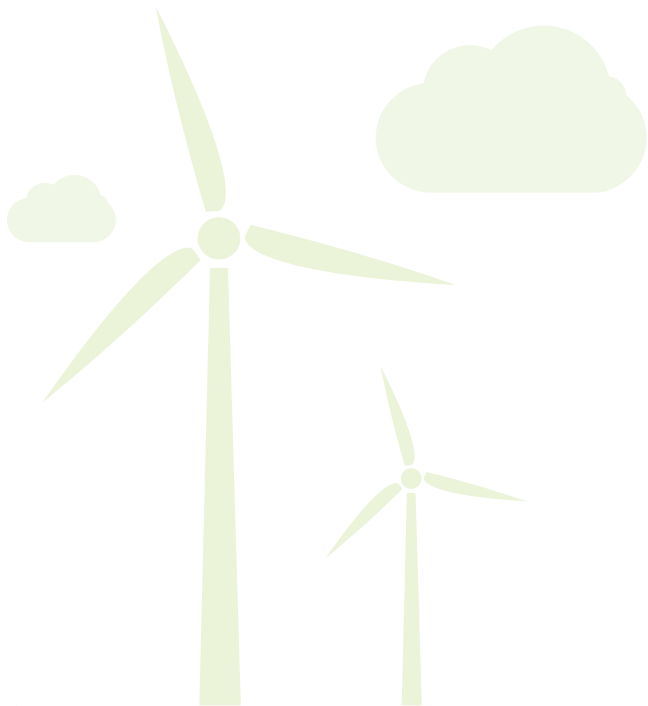
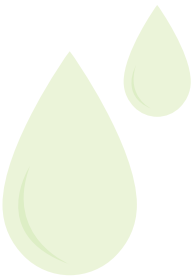
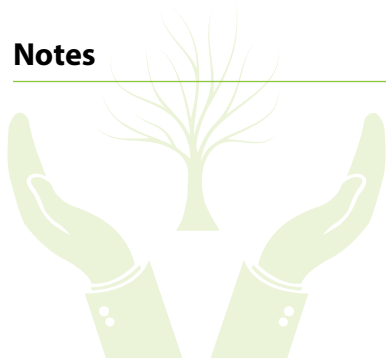
**Principal Director of Audit
Railway Commercial, New Delhi**

Place: New Delhi

Dated: 7th September, 2018

Notes







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

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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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