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REVIEW OF ANNUAL REPORT AND AUDITED ACCOUNTS OF RITES LIMITED
FOR THE YEAR 2013-14

OUTLOOK

Over the years, RITES, as one of the leading transport infrastructure consulting companies in Public Sector in the Country, has been playing a pivotal role in the development of transport and infrastructure sectors viz., Railways, Highways, Ports, Airports, Waterways, Ropeways, Urban Transport, Urban Engineering, Container Depots, Institutional Buildings, and Railway Electrification etc. RITES has eventually diversified into providing multidisciplinary services from concept to commissioning for efficient and economic implementation of the projects.

In the FY 2013 – 14 the Company continued to provide specialized, integrated services under a single roof in transportation infrastructure sector and export packages for supply of locomotives, coaches, wagons, spare parts and modernization of workshops. The Company is expanding its reach by venturing into the business of wagon manufacturing and is also planning to develop potential business avenues in power sector including Green Energy etc. The company is also exploring business opportunities in captive railway systems in India through equity participation with other stake-holders, with the main focus on providing total transportation solution as against pure consultancy assignments.

During the year, the business of offering shunting locomotives on wet lease including operation & maintenance continued to be well received by domestic Non-Railway clients.

The Company has diversified into: (i) turnkey works for construction and supply, installation and commissioning of Machinery & Plant for upgradation / modernization of Railway Workshops (ii) renewable energy projects through Railway Energy Management Company Ltd. (REMCL), a joint venture with Indian Railways, to explore business opportunities in power sector, including Green Energy, especially in the field of Wind and Solar by installing windmills and solar plants for generating and selling renewable energy.

CAPITAL STRUCTURE

The Paid-up share capital of the company remained at Rs. 100 crore as against Authorised Share Capital of Rs. 150 crore.

RESERVES

An amount of Rs. 202 crore is proposed to be transferred to General Reserve by appropriation from the profits of the Company for the year 2013-14. Reserves & Surplus will increase from Rs. 1,095 crore at end of the previous year to Rs. 1,297 crore as at 31st March, 2014.

ENERGY CONSERVATION

As a consultancy organization, RITES is not a major energy consumer and hence our carbon emissions are minimum. Yet, in the consultancy studies undertaken by RITES, in the design and project proposals and specifications, it has been the practice of RITES to pursue the national goal of energy conservation and accordingly, suggest to our clients measures and methods to conserve energy. In Gurgaon, RITES is housed in two large buildings (ROC-I&II) where energy saving measures have been implemented and energy audits conducted regularly for energy conservation. For both the buildings, solar power panels have been mounted on roof tops to generate electricity from solar power. Conventional sodium vapor lamps have been replaced by LED lamps for street lighting in RITES colony in Ashok Vihar, Delhi which has resulted in substantial energy savings.

FINANCIAL HIGHLIGHTS

The financial performance of the Company for the year 2013-14 is given below:

Particulars	(Rs. in Crore)	
	2013 - 14	2012 - 13
Financial Results:		
Total Income	1,246	1,076
Operating Turnover	1,093	953
Operating Expenditure	860	731
Other Income	153	123
Profit Before Tax (PBT)	386	345
Income /Deferred Tax	(122)	(100)
Profit After Tax (PAT)	264	245
Dividend including Interim Dividend	53	50

Particulars 2013-14 2012-13

FOREIGN EXCHANGE EARNINGS AND OUTGO

Total foreign exchange earnings during the year under review were Rs. 446.51 crore (previous year Rs. 342.14 crore) and foreign exchange outgo were Rs. 40.03 crore (previous year Rs. 24.67 crore) respectively. This resulted in net foreign exchange earnings of Rs. 406.48 crore (previous year Rs. 317.47 crore).

PROPAGATION OF HINDI

In pursuance of Official Language policy of the Govt. of India (Ministry of Home Affairs, Official Language Department) and the directions received from Railway Board from time to time, all round efforts were made to accelerate the progressive use of Hindi in official work of the Company. Important documents, such as Annual Report, MOU, Circulars, Office Orders and Minutes of various meetings were prepared and issued in bilingual form.

Rajbhasha Fortnight was organized from 12th September to 25th September, 2013. Competitions like Noting and Drafting, Essay, Elocution and Typing on Computer were organized during this period, in which 68 officers and employees participated. Hindi books exhibition was held in library and Hindi workshop, Table Training and inspections of different departments were also conducted. On 25.09.2013, 24 winners of various competitions and 83 winners of other incentive and reward schemes of Rajbhasha were awarded cash prizes and certificates. In addition to the head office, RITES' various regional inspection offices also organized Rajbhasha Fortnight.

During the year, 05 inspections regarding Progressive use of Hindi and 06 workshops in different Departments/Offices were conducted. Hindi books of substantial value were purchased. The quarterly meetings of Official Language Implementation Committee were held regularly in which progress of various items of Annual Programme of the Official Language Department, Ministry of Home Affairs were discussed and reviewed. Officers of RITES also participated in meeting of Official Language Implementation Committee (OLIC), Railway Board, Railway Hindi advisory committee and Town Official Language Implementation Committee (TOLIC).

On the basis of overall rating by Town Official Language Implementation Committee (TOLIC), Gurgaon, the Secretary, Department of Official Language, Ministry of Home Affairs awarded

shields and certificates to RITES Ltd for excellent work done in the implementation of Official Language policy of the Government of India for the year 2011-12 and 2012-13.

MEMORANDUM OF UNDERSTANDING

The company meets all the parameters for 'Excellent' rating in its performance evaluation under the MOU signed with the Ministry of Railways for the year under consideration (2013-14). However, communication from DPE in this regard is expected in due course.

AWARDS

Company received following awards for its performance during the year 2013-14:

1. Golden Peacock Award for Corporate Social Responsibility, as Special Commendation for the year 2013 during a function held at Bengaluru on the occasion of '8th International Conference on Corporate Social responsibility-2014'.
2. "Bronze Plate Award" for commendable contribution towards the cause and care of the under-privileged elderly persons on occasion of International Day of Older Persons on October 1, 2013.
3. "BT-STAR PSU Excellence Award 2013" on June 19, 2013 for the "Best Performing PSU" in Mini-Ratna Category.

CORPORATE SOCIAL RESPONSIBILITY & SUSTAINABILITY

Corporate Social Responsibility and sustainability policy is our commitment to operate in economically, socially and environmentally sustainable manner that is transparent and ethical. It encourages engagement with the stakeholders in determining their needs and expectations. The stakeholders include employees, shareholders, investors, customers, clients, business associates, civil society groups, Center/State/local government, communities, environment and society at large.

During the year, the following projects have been taken up as part of RITES CSR and Sustainability initiatives:

1. Setting up Vocational cum Skill Development Training Center For Rural Youth And Women from Backward area Of Southern Rajasthan
2. Construction of a Youth Facility House (Residential) for SOS Children's Villages of India near Anangpur Village, Faridabad, Haryana
3. Aged Day Care and Wellness Centre - Residential Facility, Village Rongla, Patiala, Punjab - (Phase B)
4. Khanpur Ghati Girl's Hostel Complex, Mewat
5. 25kwp Grid Interactive Solar Power Plant at Gurgaon Railway Station, Gurgaon, Haryana
6. Jetty on the River Haldia for Ferry Crossing from Nandigram (Kendumari Ghat) to Haldia in district of East Midnapore, West Bengal
7. Construction of Building of Asian Institute of Transport Development (AITD) at Dwarka, New Delhi
8. Maintenance of Central Verge, Gurgaon, Haryana
9. Contribution to Chief Minister's Relief Fund Natural Calamity in Uttarakhand
10. Enrolment of Voluntary Blood Donors for Safe Blood Transfusion, in the Backward District of West Bengal
