

RITES

ANNUAL REVIEW ON THE PERFORMANCE / ACTIVITIES FOR THE YEAR 2018-19

BACKGROUND, PERFORMANCE AND 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.

The Company continued to provide specialized, integrated services under single roof in transportation infrastructure sector and export packages for supply of locomotives, coaches, wagons, spare parts and modernization of workshops. The Company has expanded its reach through its subsidiaries and JV Companies by venturing into the business of wagon manufacturing and is also developing potential business avenues in the field of power sector including Green Energy etc.

FINANCIAL HIGHLIGHTS:

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

(₹ in Crore)

Particulars:	Standalone		Consolidated	
	2018-19	2017-18	2018-19	2017-18
Financial Results:				
Total Income	2164	1587	2240	1651
Operating Turnover	1969	1434	2048	1497
Other Income	195	153	192	154
Operating Expenditure	1487	1102	1518	1130
Profit Before Tax (PBT):	677	485	730*	519*
Income Tax including Deferred Tax	232	153	240	162
Profit After Tax (PAT)	445	332	490	357

Appropriations:					
Dividend including Distribution Tax	Dividend	258	178	259	178
Transfer to General Reserve		-	104	-	114

**including Net Profit/ (Loss) of share in Joint Ventures*

BUSINESS PERFORMANCE:

During the year, company was engaged in a number of prestigious domestic projects, which included:

Execution of Railway Workshop projects on turnkey basis including setting up of Wagon POH facilities at Bikaner workshop, N.W.Rly, Kurduwadi Workshop, C.Rly.; new Wagon POH workshop at Dalmianagar, E.C.Rly.; Facilities for Refurbishment of LHB coaches at New Bongaigaon Workshop, N.F.Rly., Freight train maintenance facility at Sarla, E.Co.Rly., DMU/MEMU maintenance depot at Lumding, N.F.Rly and facilities for LHB coaches at Jodhpur workshop, NW Rly besides Supply and commissioning of M&P for Flash Butt Welding plant & Bridge Workshop at Sabarmati, and for Central Periodic Overhauling workshop for track machines at Vatva for National High Speed Rail Corporation Limited (NHSRCL).

DPR for strategically important roads under Bharatmala scheme in Gujarat, West Bengal, Punjab & Haryana, Authority Engineer for construction of Vijayawada – Machilipatnam section of NH-9 in AP & Baharagora - Singhara section of NH-6 in Odisha, DPR & PMC Services for 373 RCC bridge construction and Redevelopment of Kalighat Temple complex in West Bengal, Consultancy Services for development of Greenfield international airport at Bhiwadi, Rajasthan and development of airports at Chitrakoot & Kushinagar, Uttar Pradesh.

Detailed Project Reports of Rail Based Mass Transit Systems for Gorakhpur, Allahabad, Chennai, Vijayawada, Jammu, Srinagar, Thane, Nagpur, Mumbai, Kanpur and Agra, General Consultancy for Metro Rail System of Delhi, Ahmedabad, Nagpur & Pune, Detailed Design Consultancy for Power Supply & Distribution system for Ahmedabad Metro & Bangalore Metro phase-II, Independent Quality Monitoring agency for Noida Metro Rail Corporation Ltd.

Maintenance of Rolling Stock & Workshop Equipment of MGR system at various locations of NTPC like Rihand, Singrauli, Sipat, Talcher, Kahalgaon & Farakka.

Project Management Consultancy services for (i) Central university at Pondicherry, Gulbarga, Kasargod, Gaya, Allahabad, IIT Kharagpur, NIT Meghalaya (ii) Railway Station Development project – Ayodhya and Varanasi (iii) National Automotive Testing and R&D Infrastructure Project (NATRiP) - Ministry of Heavy Industries (iv) Rail Infrastructure for DVC, NTPC, CIL and others at different locations (v) Construction of Integrated check posts at Biratnagar along Indo-Nepal border and Moreh along Indo - Myanmar border, (vi) Construction supervision of Srinagar (J&K) airport (vii) Independent Engineer Services for Paradip Port Trust, (viii) Construction of double line electrified track with Signalling and Telecommunication system and related infrastructure for Western Dedicated Freight Corridor (1477-km) from Dadri to JNPT Mumbai. (ix) Detailed design consultancy and construction supervision of Railway Tunnels on Jiribam – Tupal section of New Railway line project in Manipur, N.F.Rly (x) Consultancy for capacity enhancement through Semi – High speed and High Speed Railway Line for Railway Board, (xi) Detailed design of alignment for Delhi – Ghaziabad – Meerut Line for RRTS Corridor for NCRTC.

During the year, RITES has successfully commissioned Passenger Ropeways at Shri Mata Vaishno Devi (SMVD) shrine at Bhawan, J&K and Passenger Ropeway at Namchi, Sikkim besides providing project management services for Ropeway projects at Jammu (J&K), Rajgir &

Banka (Bihar), Sholingur & Ayyarmalai (Tamilnadu) and Guwahati (Assam), all of which are at an advanced stage of completion.

RITES continued to provide its services for the various projects on turnkey construction basis for Indian Railways:

- Construction of doubling of track between Gooty and Dharmavaram section, South Central Railway, Route length (90.20 kms) and Anuppur to Pendra Road, third line in South East Central Railway, Route length (50.10 Kms).
- Railway electrification work of Sawai Madhopur – Jaipur – Ringas Section of North Western Railway, Route length (188 kms) and Vijaypur - Maksi section of West Central Railway, Route length (188 kms) including S&T and civil works.
- Redevelopment of Varanasi Railway Station at Varanasi (UP), including planning ,designing & construction of Station Building (extension), FOBs, platform improvement, Lifts, Escalators, & face lifting of existing Station Building etc.
- Construction of New Railway Station building, FOBs, HVAC system, Solar Panel, staff quarter etc at Ayodhya.
- Setting up of Wagon POH workshops at Bikaner Dalmianagar and Kurduwadi.
- Provision of facilities for LHB coaches at New Bongaigaon & Jodhpur.
- Setting up of DEMU car shed at Lumding and setting up of ROH Depot at Sarla.

During the year company has completed other important projects also namely: (i) Design and designer's association & services during construction for " state of Art 4.94 km long "Rail cum Road Bridge across river Brahmaputra at Bogibeel near Dibrugarh, Assam" for NF RIY which has been commissioned on 25th December, 2018 by the Hon'ble Prime Minister and (ii) Feasibility Study of Mumbai - Chennai High Speed Railway line (1300 km) and Final Location Survey and GT Investigations for Mumbai - Ahmedabad High Speed Railway line (508 km) for National High Speed Railway Corporation (NHRCL), using Aerial LiDAR survey (iii) Final Alignment Design and GAD of critical bridge of Mumbai – Ahmedabad High Speed Railway Line for JIC led Japanese Consortium.

During the year, company was also engaged in a number of prestigious international assignments covering export, leasing and consultancy services, which included supply of two sets of DEMU (26 coaches) and two locomotives to Sri Lanka Railways against contracts secured last year to manufacture and supply 6 sets of DEMUs and 10 Broad Gauge AC-AC Diesel Electric Locomotives, Detailed Design Consultancy Services for a standard Gauge Railway line between Tema and Akosombo, in Ghana; Feasibility Study of a diversion on proposed Tema-Akosombo Standard Gauge Railway line in Ghana; Detailed Project Report of East Bank – East Coast road linkage project, Georgetown in Guyana (South America), Construction Supervision of Tshesebe to Masunqa Road in Botswana, finalisation of Detailed Project Report for Trident port for National Coast Guard, Mauritius and Construction Supervision Services for Metro Express project for Govt. of Mauritius.

RITES is providing warranty Services for YDM 4 Meter Gauge Locomotives supplied to Myanma Railways, warranty maintenance and support services for state of art LHB BG passenger coaches supplied to Bangladesh and expert services for maintenance of Locomotives supplied to CFM/Mozambique. During the year, company has secured new business for supply of 160 Broad Gauge passenger coaches to Sri-Lanka and Locomotives spares to Myanmar Railways.

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 so far leased 52 locomotives to domestic non railway customers. Demand of shunting locomotives on lease by non-railway customers is growing day by day. Apart from wet leasing, company was engaged in maintenance of over 139 diesel locomotives & 1539 wagons owned by customers like NTPC, NSPCL, WBPCL, SAIL & APCPL.

As a matter of diversification (i) RITES has expanded its operations in emerging sectors and is currently undertaking projects in renewable energy, power procurement through its subsidiary Railway Energy Management Company Limited (REMCL) - a Joint Venture Company of RITES and Indian Railways. REMCL has successfully implemented power procurement through open access for Railways in 12 entities across the country, covering 65% of energy requirement resulting in the annualized saving of about ₹ 4000 crore to Indian Railways. REMCL is working out energy saving potential in the 6 production units of Indian Railways. Railway Energy Management Company Limited has also provided PMC services for setting up of wind farm of 10.5 MW of Southern Railway in the state of Tamil Nadu and this plant has been commissioned in January, 2019. Further, REMCL is working on harnessing 2 MW Solar Power along the track of Indian Railways as a pilot project. (ii) SAIL RITES Bengal Wagon Industry Pvt. Ltd. - joint venture on 50:50 basis (SRBWIPL) has shown significant improvement in its operation and achieved the milestone of utilizing the full capacity of manufacturing 100 wagons per month by producing 101 new BOXNHL wagons in January 2019; SRBWIPL manufactured 696 new BOXNHL wagons and rehabilitated 313 BOXNR wagons during current financial year and (iii) Company has taken up execution of workshop projects on turnkey basis besides supply, installation and commissioning of Machinery & Plant for upgradation / modernization of Railway Workshops.

IPO AND LISTING OF SHARES:

The Government of India announced the divestment of 25,200,000 equity shares i.e. 12.6% of RITES paid up equity share capital of the Company through Initial Public Offering (IPO). The Company's public issue received an overwhelming response and was subscribed multiple times. The shares got listed on July 2, 2018 on National Stock Exchange of India Limited and BSE Limited. The offer price of the issue was ₹ 185/- per share (Retail investors and employees were given a discount of ₹ 6/- per share.)

Listing of equity shares will help to enhance the company's visibility and brand image and provide liquidity to the shareholders. Listing has also provided public an opportunity to own the equity shares of the company and infrastructure growth in India.

DIVIDEND:

The company has paid a final dividend of ₹ 80 crore in addition to interim dividends of ₹ 175 crore paid during the year 2018- 19. The total dividend for financial year 2018-19 is ₹ 255 crore (i.e. ₹ 12.75 per share) which 127.5% is of paid up share capital of the company.

ORDER BOOK:

The Company has ended FY 2018-19 with its highest ever order book of ₹ 6,097 crore, recording an increase of 27% over FY 2017-18.

CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABILITY:

A total of ₹ 10.23 crore was spent during 2018-19 against the mandatory requirement of ₹ 10.10 crore.
