

# **RITES' 48th ANNUAL GENERAL MEETING**

## **Chairman & Managing Director's Message**

*Dear Shareholders,*

I take pride and great privilege in being blessed with an opportunity to head this prestigious organisation having an illustrious past, a brand value to bank upon and a strong team that delivers consistent results.

The world has changed and is changing, setting new benchmarks. In the past year, your company has risen to the challenge and lived up to its commitment of not only reaching the pre-Covid levels but also surpassing these. International business revenue saw a substantial jump while your company saw momentum across all sectors in the domestic consultancy segment as well

We achieved a consolidated revenue of ₹2745 crore against ₹2005 crore in FY21, up by 36.9%. The operating revenue, excluding other income, stood at ₹2662 crore against ₹1905 crore in FY21. Also, we had a successful year in registering Profit Before Tax (PBT) and Profit After Tax (PAT) of ₹735 crore as against ₹593 crore in FY21, up by 24.1%, and ₹539 crore as against ₹444 crore in FY21, up by 21.2%, respectively. As targeted, our performance reached our pre-Covid levels with the operating revenue (standalone) of ₹2575 crore which was the highest-ever achieved, being 6.9% higher than the pre-Covid levels of FY20 and Core EBDITA being 6.7% higher than that of FY20.

Encouraged by the performance of the company, your Board of Directors has recommended ₹3.5 per share as a final dividend in addition to the three interim dividends, totalling ₹13.5 per share, which have already been paid during the year. The total dividend of ₹408 crore (₹17 per share) takes the dividend payout (on an accrual basis) of the company to the highest ever and 82.2% of the profits earned.

The employee productivity saw a jump by 43% at ₹0.93 crore/employee, even 14% higher than FY20.

Your company has a healthy order book of ₹4,939 crore as on March 31, 2022, across a diversified business portfolio. It is fully aware of the changing ecosystem wherein competitive bidding is becoming more and more prevalent across sectors and clients. Your company has a concrete action plan in place to ensure tighter controls on expenses, become more cost-effective and continue to bag orders through competitive bidding. While the margins have been appreciable and the Core EBIDTA (standalone) margins rebounded to the pre-Covid levels, your company continues to focus on disciplined execution of turnkey projects as well as taking on more consultancy works in niche areas.

Your company continues to demonstrate the ability to take on various complex projects in the domestic and international arena such as export of customised cape gauge diesel-electric locomotives and coaches to CFM Mozambique, consultancy for a 4-lane national highway in Bangladesh, Final Alignment Design with aerial LiDAR survey for the Delhi-Ahmedabad High-Speed Rail Corridor, Project Management Consultancy for Purvanchal Expressway, Consultancy and Preliminary Design services for Bahrain Metro extension, PMC for Bangalore Metro Line 2A & 2B, Comprehensive Mobility Plan for Guwahati, Feasibility Assessment of Integrated Mass Transit System in Leh & Kargil, to name a few. With an aim to grow and contribute to infrastructure growth, your company has opened its office in Guwahati to expand its operations in the North-East and entered into MoUs with the Mizoram Government and IIT-Guwahati for a spectrum of infrastructure works in the region. With the numerous opportunities provided by the Union Budget 2022-23 with an increased capital outlay for infrastructure projects, it is raring to go and leverage this momentum. Further, your company with its multi-sectoral expertise is fully aligned with the Government of India's National Infrastructure Pipeline, Gati Shakti Mission, National Monetisation Pipeline, National Rail Plan, and other cutting-edge flagship schemes.

Increased thrust is being given on our vision of 'RITES Videsh', consolidating international business revenue in exports of rolling stock and consultancy across sectors. With the world economy opening up, aggressive business development efforts are being undertaken across continents to secure orders both in the line of credit (LoC) and non-LoC modes of funding.

Going forward, your company has laid out a vision document for 'Transforming to GREEN' and has chalked out a roadmap to enable sustainable solutions and accelerate green growth. With the launch of the RITES Sustainability unit, your company is expanding its work in smart city planning, providing urban engineering solutions with sustainability and IT-enabled applications as the backbone. With the increasing thrust on Net-Zero carbon emissions, National Clean Air Programme (NCAP) and ESG compliance, your company will expand its bouquet of services in these areas, leveraging its domain expertise and vast experience.

Your company, uniquely placed to offer smart solutions that can shape Tomorrow's Mobility, has made, being 'Future Ready', its core mission. The use of IT, digitisation, and adoption of cutting-edge technology form the bedrock of all our initiatives moving forward. With our ear to the ground, we will be evolving and changing our business mix in sync with the ever-changing environment. In this endeavour, we will continue to forge partnerships to complement our strengths to take on the best in class.

Your company's Subsidiaries and Joint Ventures - REMCL, SRBWIPL, and RAPL, have contributed ably to the overall performance. REMCL has shown 35% growth in operating revenue and 87% jump in profit and will play an important role in Indian Railways' Mission of Net Zero Carbon Emissions. SRBWIPL is aiming at stepping up production in the coming years. RAPL has recommenced its business operations and is pitching to secure orders across sectors.

We believe that our uniqueness and strength is our Human Resource Capital, having extensive experience across sectors, which, in many ways, is incomparable. Employee-centric initiatives are continuously taken to preserve and leverage this strength. We regularly undertake skill development initiatives to align employees' skillset with evolving organisational needs.

'Changing Lives', our CSR interventions, continues to be a core tenet of your company delivering its commitment to bring about a lasting and holistic impact for enhancing social value, with a contribution of ₹13.59 crore towards CSR activities during FY22. These encapsulate a large gamut including health, women empowerment, and skill development with an emphasis on aspirational districts across the country.

Your company accords the highest importance to transparency, accountability, and responsiveness in all facets of its operations, implementing the precepts of Corporate Governance in letter and spirit.

All the above would not have been possible without the continuous support and guidance of our parent Ministry and our stakeholders for which we are thankful. We assure them of giving our best and that we will continue to channelise our energies on leveraging our distinct brand identity, our endeavour always being to follow the mantra: *'Not just more of the same, but much more of the New'*.