

RITES Limited

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Press Release

RITES Q1FY21 Revenue at ₹ 379 crore, PAT at ₹ 65 crore

Sustained performance in an unprecedented quarter

Gurugram, 11th August 2020: RITES Ltd. (NSE: RITES, BSE: 541556), the leading Transport Infrastructure Consultancy and Engineering firm, reported its standalone and consolidated financial results for the quarter ended on 30th June, 2020.

Highlights for Q1FY21 Standalone Financials

- Total Revenue stands at ₹ 366 crore against ₹ 553 crore in Q1FY20
- EBITDA stands at ₹ 111 crore with margin of 30.4% against ₹ 151 crore in Q1FY20
- Profit After Tax stands at ₹ 60 crore with margin of 16.4% against ₹ 93 crore in Q1FY20
- Revenue and Profits got impacted due to pandemic-induced disruptions and less exports scheduled for this period

Highlights for Q1FY21 Consolidated Financials

- Total Revenue stands at ₹ 379 crore against ₹ 573 crore in Q1FY20
- EBITDA stands at ₹ 121 crore with margin of 31.9% against ₹ 167 crore in Q1FY20
- Profit After Tax stands at ₹ 65 crore with margin of 17.1% against ₹ 102 crore in Q1FY20

Commenting on the results, **Mr. Rajeev Mehrotra, Chairman and Managing Director, RITES Limited** said, “Despite pandemic conditions, the results of the company for the quarter are satisfactory. We quickly resumed operations at various locations which enabled us to maintain revenue streams and margins.”

Revenue and Profit for Q1FY21

Standalone

RITES total standalone revenue has decreased by 33.9% to ₹ 366 crore on account of less exports scheduled for the quarter and impact of restrictions & supply chain disruptions due to pandemic. Similarly, operating revenue, excluding other income, stands at ₹ 323 crore in Q1FY21 against ₹ 519 crore in Q1FY20. EBITDA and PAT stand at ₹ 94 crore and ₹ 60 crore against ₹ 151 crore and ₹ 93 crore, respectively, in Q1FY20. After making adjustment for one-time expenditure on CSR of ₹ 9.92 crore and donations (PM-CARES Fund) of ₹ 7 crore, EBITDA and PAT stand at ₹ 111 crore and ₹ 75 crore, respectively, with improved margins of 30.4% and 20.6% against 27.3% and 16.8% in Q1FY20, respectively. Margins

were sustained as a result of remote working during lockdown, quick resumption of most of operations and implementation of cost control measures.

Consolidated

RITES total consolidated revenue has decreased to ₹ 379 crore as against ₹ 573 crore in Q1FY20. Similarly, operating revenue, excluding other income, stands at ₹ 335 crore in Q1FY21 as against ₹ 538 crore in Q1FY20. EBITDA and PAT stand at ₹ 104 crore and ₹ 65 crore against ₹ 167 crore and ₹ 102 crore, respectively, in Q1FY20. After making adjustment for one-time expenditure on CSR of ₹ 10.15 crore and donations of ₹ 7 crore, EBITDA and PAT stand at ₹ 121 crore and ₹ 80 crore, respectively, with improved margins of 31.9% and 21.1% against 29.1% and 17.9% in Q1FY20, respectively.

Performance of standalone segments

Consultancy business continued to provide highest revenue to the company and achieved a revenue of ₹ 185 crore, down by 20.7% over Q1FY20. But, the margins in consultancy segment were maintained at 44.3%. During this period, in addition to securing more than 60 new projects/contracts including enhanced scope of work, RITES Ltd signed an MOU with Coal India for providing railway infrastructure technical services for 5 years.

Leasing revenue stands at ₹ 24 crore in Q1FY21 as against ₹ 29 crore in Q1FY20. The decline was due to suspension of work at certain sites, ports etc. during the lockdown.

Exports revenue during the Q1FY21 stands at ₹ 0.5 crore against ₹ 129 crore in Q1FY20 as no exports were lined up for Q1FY21. The company has entered into cape gauge markets by securing contract from Mozambique for export of locomotives and coaches, for which supplies are likely to start in H2 FY21. H2FY21 will also see export of coaches and DEMUs to Sri Lanka.

Turnkey revenue during Q1FY21 stands at ₹ 114 crore against ₹ 128 crore in Q1FY20 but we were able to sustain the margins of 4.5%. During this period we have been shortlisted for allotment of work by Indian Railways for railway electrification, civil works, signaling & telecommunication etc. on competition basis among PSUs, for which we will be submitting financial bids by mid of August 2020.

Outlook

Commenting on the outlook, Mr. Mehrotra said, “Despite tough times, we continued to focus on the inclusive growth of the company and our stakeholders. The slowdown in economic activity, supply chain disruptions and travel restrictions impacted the business performance in the first quarter of FY21, however the financial health of the company remains strong. The company is set to regain momentum with further easing of the restrictions. Based on existing order book of ₹ 6157 crore and expecting recovery in business environment in H2, the company may achieve moderate growth in financial year 2020-21 with optimism about the long-term business outlook.”

About RITES Limited:

RITES Limited is a Miniratna (Category – I) Schedule ‘A’ Public Sector Enterprise and a leading player in the transport consultancy and engineering sector in India, having diversified services and geographical reach. Company has an experience spanning 46 years and has undertaken projects in over 55 countries including Asia, Africa, Latin America, South America and Middle East regions. RITES Limited is the only export arm of Indian Railways for providing rolling stock overseas (other than Thailand, Malaysia and Indonesia).

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