

DIRECTORS' REPORT

To,

The Members,

The Directors of your company have immense pleasure in presenting the 44th 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
Financial Results:		
Total Income	1603	1507
Operating Turnover	1439	1299
Operating Expenditure	1109	1019
Other Income	164	208
Profit Before Tax (PBT)	494	488
Income Tax including Deferred Tax	(157)	(157)
Profit After Tax (PAT)	337	331
Appropriations:		
Dividend including Dividend Distribution Tax	178	176
Transfer to General Reserve	159	155

BUSINESS PERFORMANCE

During the year, your company has achieved highest ever turnover of ₹ 1603 crore as compared to the previous year's turnover of ₹ 1507 crore, higher by 6.37%. The profit before tax is ₹ 494 crore as against ₹ 488 crore of the previous year.

During the year, company was engaged in a number of prestigious domestic projects, which included setting up of wagon POH facilities at Bikaner workshop, NWR & at Kurduwadi workshop, C.Rly.; setting up of a new wagon POH factory at Dalmianagar, Bihar; setting up of facilities for Refurbishing of LHB coaches at New Bongaigaon Workshop, N.F. Rly, DPR for Construction of ROB's/ Flyover at 6 locations for DDA, DPR for strategically important roads under Bharatmala scheme in Gujarat and West Bengal and BRT in West Bengal, Design of State of Art Extra - dosed Cable stayed Bridge over River Ganga in West Bengal, Detailed



The Integrated Check Post (ICP) at Birgunj, Nepal, implemented by MEA through its PMC consultant M/s RITES, was jointly inaugurated by our Hon. Prime Minister, Shri Narendra Modi and Hon. Prime Minister of Nepal, Shri K.P. Sharma Oli.



Launch of Digital Receipt Note, Receipted Challan & Digital bill submission by Hon'ble Minister of Railways and Coal, Shri Piyush Goyal & Chairman Railway Board, Shri Ashwani Lohani at the Initiatives towards Ease of Doing Business, Digitisation & Transparency conference

Project Reports of Rail Based Mass Transit Systems for Gorakhpur, Allahabad, Chennai, Vijayawada, Jammu, Thane Srinagar, Kolkata, Nagpur, Mumbai & Gurgaon, General Consultancy for Delhi Metro Phase-III, Ahmedabad Metro & Nagpur Metro, Detailed Design Consultancy for Power Supply & Distribution system for Ahmedabad Metro & Bangalore Metro, Independent Quality Monitor agency for NOIDA-Greater NOIDA Metro, 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, Kasaragod, Gaya, Allahabad, IIT at Kharagpur, NIT at Meghalaya (ii) National Automotive Testing and R&D Infrastructure Project (NATRiP) - Ministry of Heavy Industries (iii) Rail Infrastructure for DVC,



Shri Manoj Sinha, Honourable Minister of State for Railways & Minister of Communication (Independent Charge) speaking at the Suppliers' Samvad function

NTPC, CIL and others at different locations (iv) Construction of Integrated check posts at Birgunj, Jogbani and Biratnagar along Indo-Nepal border, at Dawaki along Indo-Bangladesh border and Moreh along Indo - Myanmar border, detailed engineering for construction of ICP at Sonauli and Rupediah, consultancy services for development of Greenfield international airport at Bhiwadi, Rajasthan and Project Management Consultancy for development of airports at Chitrakoot & Kushinagar, Uttar Pradesh (v) Construction of double line electrified track and related infrastructure for Western Dedicated Freight Corridor (1477 km) for Ph-1, Dadri- JNPT.

During the year company has provided wide spectrum of consultancy services in Ropeway projects (i) techno-economic feasibility report for passenger ropeway at Pelling - Sikkim and Kudargarh - Chhattisgarh (ii) project management services for passenger ropeways at Namchi - Sikkim, Jammu - J&K, Rajgir & Banka - Bihar, Sholingur & Ayyarmalai - Tamilnadu, Guwahati - Assam, Bhongir - Telangana and Shri Mata Vaishno Devi (SMVD) shrine - J&K (iii) material ropeway for Shri Mata Vaishno Devi (SMVD) shrine - J&K and successfully commissioned funicular railway system at Nashik, Maharashtra.

In addition to the above, during the year the company has secured / executed following important Railway Projects:

- Construction Projects for new railway lines Gooty-Dharmavaram Doubling in South Central Railway Route length (90.2 kms) and Anuppur - Pendra Road third line in South East Central Railway (50.1 kms) - Ministry of Railways.
- Feasibility Study for high-speed rail corridor for



H.E. Mrs. Fazila Jeewa Daareewoo, Vice President, Mauritius with CMD, Director Finance and senior RITES officials

Mumbai - Chennai route (1300 km) and Final Location Survey and GT Investigations for Mumbai - Ahmedabad route for National High Speed Railway Corporation. In order to expedite field work for topographic data collection Airborne LiDAR surveying technology has been used to facilitate the survey of the 508km corridor.

- Feasibility Studies, Geotechnical investigations and detailed engineering for new railway line for Bilaspur-Manali-Leh, New Broad Gauge railway project covering a distance of about 650 kms, which is one of the four strategic border lines along India - China border.
- Design and designer's association services during construction are being provided for a prestigious project named "Rail cum Road Bridge over river Brahmaputra at Bogibeel near Dibrugarh, Assam" for NF Rly.

During the year, company was also engaged in a number of prestigious international assignments covering export, leasing and consultancy services, which included contract for supply of 18 nos. new YDM 4 Meter Gauge Locomotives with microprocessor control with electronic governor and other modern feature such as remote monitoring of performance & driver control desk with digital TFT based display to Myanmar, leasing & maintenance of locomotives in Mozambique and providing expert service for maintenance of these Locomotives to CFM/Mozambique.

RITES has also provided warranty maintenance and support services for state of art LHB BG passenger coaches supplied to Bangladesh and Senegal, rendered consultancy services for supervision of



Site Visit of GRNW-6 Bridge by the Prime Minister of Mauritius (Shri Pravind Jugnauth). Present officials are Project Director RITES- Shri Arun Kumar Singh and Project Director of L&T- Shri G Vinod

Tshesebe to Masunqa road in Botswana and DPR of East Bank - East Coast road linkage project, Georgetown in Guyana (South America), DPR for project Trident for Government of Mauritius and supervision for implementation of Metro Express Project in Mauritius.

During the year, RITES has secured two major contracts from Sri Lanka Railway for supply 10 Broad Gauge diesel electric locomotives and 6 Broad Gauge diesels multiple unit train (DMU) sets with AC-AC traction. Manufacturing of Diesel electric locomotives and Diesel multiple unit train (DMU) have started at Diesel Locomotive works Varanasi and ICF, Chennai respectively.

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 have 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



Shri Rajen Gohain, Honourable Minister of State for Railways at the formal handing of 18th brand new AC-DC 1350 HP diesel electric locomotives to Myanma Railways, supplied by RITES and manufactured by Diesel Locomotive Works, Varanasi, India . Present at the the ceremony was HE U.Thant Sin Moug, Honourable Minister of Transportation and Communication, Myanmar, HE Vikram Misri, the Indian Ambassador to Myanmar, Mr.U.Thurein Win, Managing Director (Myanma Railways), Mr.Mukesh Rathore, Director Technical (RITES) and Senior Myanma Railways and RITES officials.

expanded its reach through its subsidiaries and JV Companies by venturing into the business of wagon manufacturing and is also planning to develop potential business avenues in the field of power sector including Green Energy etc. The company is also exploring business opportunities in captive railway systems in India through equity participation with other stakeholders, 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 so far leased 41 locomotives to domestic non railway customers. Demand of shunting locomotives on lease by non-railway customers is growing day by



Roof top solar panels at Katra Railway station



The bell ringing to mark the beginning of trading during company's Listing ceremony on July 02, 2018

day. Apart from wet leasing, company was engaged in maintenance of over 130 diesel locomotives & 1400 wagons owned by customers like NTPC, NSPCL, WBPDC, SAIL & APCPL.

As a matter of diversification (i) RITES and Indian Railways promoted a Joint Venture Company, Railway Energy Management Company Ltd. (REMCL) for renewable energy projects, bilateral purchases, power trading and energy efficiency projects etc. Company has successfully implemented open access supply for Railways in 10 States, covering 55% of energy requirement resulting in the annual saving of over ₹ 2,000 crore to Indian Railways (ii) RITES has completed setting up of the state-of-the-Art wagon factory, at Kulti, West Bengal as a 50:50 JVC between RITES and SAIL, a "Make in India" initiative of the Indian Railways. An assured off-take Agreement has also been signed with Railways, arising out of the commitment made by the Ministry of Railways in the year 2010 regarding assured off-take order for manufacture of 1200 wagons/annum and rehabilitation of a minimum of 300 wagons/annum. JVC has shown significant improvement in its second year of operations. It has successfully completed the first order of rehabilitation of 400 wagons within the delivery period, duly adhering to cycle time & quality standards and completed manufacture of 303 new wagons and rehabilitation of 441 wagons (iii) Company has taken up turnkey works for construction and supply, installation and commissioning of machinery & Plant for up gradation / modernization of Railway Workshops.

IPO INITIATIVE

The Government of India announced the divestment in Company's shares in the financial year 2017-18. Accordingly, Department of Investment and Public Asset Management (DIPAM), Ministry of Finance, appointed DSK Legal alongwith Riker Danzig Scherer Hyland & Perretti, LLP as Legal advisors to the issue and Elara Capital, SBI Capital, IDBI Capital and IDFC Bank Limited as Book Running Lead Managers (BRLMs) for disinvestment 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) of shares by the Promoters (i.e Government of India). The Company's public issue was subscribed multiple times and shares got listed on July 2, 2018 on National Stock Exchange of India Limited and BSE Limited.

Listing of equity shares will enhance the company visibility and brand image and provide liquidity to the shareholders. Listing will also provide a public market for the equity shares in India.

CAPITAL STRUCTURE

The Paid-up share capital of the company remained at ₹ 200 crore as against Authorised Share Capital of ₹ 300 crore and the company has not issued any share during the year under consideration.

DIVIDEND

Your Directors have recommended a final dividend of ₹ 40 crore in addition to interim dividend of ₹ 70 crore paid during the year 2017- 18. The total dividend for financial year 2017-18 is ₹ 110 crore



CMD/RITES planting a sapling in support of green initiatives program at RITES office complex

(i.e. ₹ 5.5 per share) which is 55% of paid up share capital of the company. The total dividend payout for the year works out to be ₹ 148 crore which includes ₹ 78 crore final dividend for financial year 2016-17 and ₹ 70 crore interim dividend for the financial year 2017-18.

DEPOSITS

The Company has not accepted any deposits from public during the year under review.

RESERVES

An amount of ₹ 159 crore is proposed to be transferred to General Reserve by appropriation from the profits of the Company for the year 2017-18. Reserves & Surplus will increase from ₹ 1834 crore at end of the previous year to ₹ 1993 crore as at 31st March, 2018.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

CONSERVATION OF ENERGY

As a consultancy organization, RITES is not a major energy consumer and hence our carbon emission is minimum. Yet for the consultancy studies undertaken by RITES, it has been practice to pursue the national goal of energy conservation and accordingly, suggestions are given to our client's for measures and methods to conserve energy.

I. Steps taken or impact on conservation of energy:

For both the buildings, solar power panels have been mounted on roof tops to generate electricity from solar power. RITES Limited has also installed 32.5 KWp Solar photovoltaic Power Plant at Railway Station Gurgaon and 100KWp Solar photovoltaic Power Plant at Jodhpur junction Railway Station under RITES CSR scheme. Project for replacement of fluorescent tube lights of the ROC- I with energy efficient LED tube lights has been initiated, which will lead to substantial conservation of energy.

II. Steps taken by the company for utilizing alternate source of energy:

Railway Energy Management Company limited (REMCL), the subsidiary company of RITES Limited, has successfully commissioned 26 MW windmill in Jaisalmer and has implemented many power procurement contracts for Indian Railways under Open Access policy under the Electricity Act, 2003, resulting in substantial energy savings to Indian Railways.



New locomotive WDS commissioned at Adani Dahej project



A visit of Mr. Mamadou Ibrahim Lo, Director of Cabinet of the Minister of Infrastructure and Transport and Mr. Abdoulaye Lo, Director General, ANCF, Senegal at RITES office

III. The Capital investment on energy conservation equipments:

During the year, Capital investment on energy conservation equipment is NIL.

TECHNOLOGY ABSORPTION

I. The efforts made towards technology absorption:

Being a leading consultancy organization in the field of transportation, RITES keeps itself abreast with the latest technology and knowhow not only in the area of the transportation but also in the technology and technological innovation that bring better efficiency and economic benefits to the sector. To achieve this, the company continuously strives to procure and absorb the best and the latest technological innovations in areas of its business by continuously updating its software and knowledge base by sponsoring and encouraging its employees to become members of National/International Institutions for improving their professional standing and



Engineering the design and construction of Six Lane Cable Stayed Bridge along with Approaches near Santra Market, Nagpur.jpg

commitments, to compete with the domestic and international competitors, to improve the quality of service to the client and to actively participate in national and international seminars and conferences, perusal of information and technological updates available on internet, study of periodicals, etc.

II. The benefits derived like product improvement, cost reduction, product development or import substitution:

Optimized and environment friendly rolling stock designs being developed by the company will benefit the sector in many ways such as weight reduction, reduced manufacturing cost, reduced track load density and track wear, increased speed, higher carrying capacity and lowered emission. This will also lead to reduced fuel consumption. This has helped the industry in developing rolling stock components by developing and standardizing their specification which were being imported so far.

III. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):

- a. The details of technology imported:
 - Not applicable
- b. The year of import:
 - Not applicable.
- c. Whether the technology been fully absorbed:
 - Not applicable.
- d. If not fully absorbed, areas where absorption has not been taken place, and the reasons thereof:
 - Not applicable.

IV. The expenditure incurred on Research & Development.

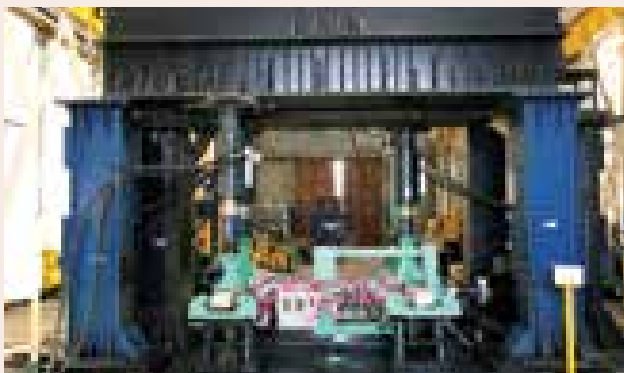
RITES has received Consultancy Contract for Study of Emission from Diesel Locomotives and setting up of Emission Standards. This is a complex technological study which has not been done earlier in India. This study will comprise setting up of locomotive emission standards for India and preparing a roadmap for Indian Railway with identification of emission reduction technologies for achieving these standards.



H.E Eng. Carlos Mesquita, Honourable Minister of Transport & Communications, Republic of Mozambique with RITES CMD, Functional Directors and senior officials at RITES office

During the year, RITES has undertaken the work of providing technical consultancy to M/s BEML for Static and Fatigue Testing of the Bogie Frame. These tests conducted as per International European UIC standards. These tests are mandatory for newly designed Bogie Frame or any Bogie Frame being manufactured by a new manufacturer. The real challenge was to ensure the point of application of loads and their direction that would emulate the forces the way they would occur in field under actual operation/usage. RITES has now proven experience for testing of Bogies as per International Standards.

Under the Guidance of Prime Minister's "स्वच्छ भारत अभियान" with directives from Railway Board, RITES has prepared a technical feasibility report for best suitable technologies to handle MSW in environment friendly stations of Indian Railways. Segregation of degradable & non-degradable waste and Biomethanation process is recommended for processing of



Static and fatigue test of RS13 Metro bogie frame as per UIC 615-4 requirements for DMRC at BEML R&D Facility by RITES.



H.E. Dr. Abdulla Belhaif Al Nuaimi, Minister of Infrastructure Development and Chairman, Federal Transport Authority - Land & Maritime with Mr.M.K.Gupta, Member Engineering, Railway Board, Mr.Rajeev Mehrotra, CMD RITES and senior officials from RITES, IRCON and Indian Embassy at Middle East Rail event, Dubai

biodegradable waste in this report which is recommended by MoUD. Based on these recommendations Railway Board awarded work on the bid process and project management for setting up of solid waste management plants at various stations to RITES.

FOREIGN EXCHANGE EARNINGS AND OUTGO

The Foreign Exchange earned and the Foreign Exchange outgo in terms of actual inflows/ outflows during the year is as under:

Total foreign exchange earnings during the year under review were ₹ 307.50 crore (previous year ₹ 422.03 crore) and foreign exchange outgo were ₹ 21.25 crore (previous year ₹ 31.84 crore) respectively. This resulted in net foreign exchange earnings of ₹ 286.25 crore (previous year ₹ 390.19 crore).

PRESIDENTIAL DIRECTIVE

Ministry of Railways vide its letter no. 2018/PL/45/1 dated 09/01/2018 has conveyed its decision of disinvestment of its shareholding in the Company through Initial Public Offering. Accordingly, Company has disinvested 12.6% (25,200,000 equity shares) of its shareholding by way of Initial Public Offering in June 2018 and the company was listed with BSE Ltd. and National Stock Exchange of India Ltd. on 02/07/2018.

VIGILANCE

The objective of RITES Vigilance Cell is to facilitate an environment enabling people to work with integrity, efficiency and in a transparent manner, upholding highest ethical standards for the organization. To



Release of a Special booklet on 'Case Studies' in the presence of CMD RITES, Functional Directors and the Chief Vigilance Officer

achieve this objective, the Vigilance Cell carries out preventive, proactive and punitive actions with greater emphasis on the preventive and proactive functions. Following activities were undertaken during the Financial Year 2017-18:

- Preventive checks were conducted regularly in vulnerable areas of the Company. Total of 26 surprise checks in the field of material inspection and 3 preventive checks at project sites including documents scrutiny and Joint Checks were conducted at Kolkata, Mumbai, Silvasa, Chandigarh, Ludhiana, Delhi, Ghaziabad, Faridabad etc.
- Vigilance provides vital inputs to the technical authorities for improving the prevailing systems for bringing about more transparency and plugging out loop holes. Accordingly, nineteen System Improvements were recommended by Vigilance and implemented by technical authorities.
- 5 CTE type Examinations were taken up at Bankura (W.B.), Kasargod (Kerala), Tuticorin -2 nos. (Tamilnadu), Pondicherry (Puducherry). During these Intensive Examinations, high value procurement / contracts were scrutinized and checked comprehensively and necessary recommendations were forwarded to concerned authorities for implementing suggestions for improvement.
- In order to share the experiences gained during the various checks by vigilance, interactive sessions on common irregularities during project implementation and material inspection were held by CVO with officials of regional project and inspection offices in Kolkata and Delhi.
- RITES Vigilance has scrutinized Annual Property Return files of 418 executive and non-executive employees during 2017-18.
- As per the Guidelines of Central Vigilance Commission, Vigilance Awareness Week was observed in RITES with a theme of 'My Vision: Corruption Free India' during 30th October to 4th November, 2017. On the opening day i.e. 30th October 2017, Integrity pledge was administered to the employees at Corporate Office. During this week, a Vigilance Bulletin on Common Irregularities in Project Execution and Inspection of Materials, Systemic Improvements and various articles related to Eradication of Corruptions were published for bringing awareness amongst employees. A Special Cover was released on the theme of 'My Vision: Corruption Free India, by Superintendent of Post Office, Gurugram. A 'Gram Sabha' was organized at Khanpur Ghati Village, District- Nuhu (Haryana) for awareness amongst villagers about anti-corruption measures. An Elocution competition on the theme was also organized amongst students of various Government / private schools located at Gurugram on the topic 'Corruption Free India'.



Shri Manoj Sinha, Honourable Minister of State for Railways and Minister of Communication (IC) addressing the gathering at RITES Clients' Meet

Detailed report on observance of Vigilance Awareness Week- 2017 has been sent to CVC. All employees of RITES were also administered the e-pledge on Integrity floated by CVC.

- Vendors' Meet was organized at Kolkata, Delhi, and Noida to develop awareness for eradication of corruption amongst vendors/contractors. Programme was chaired by Chief Vigilance Officer.

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 No. 2.39 to the financial statement which sets our related party disclosures. (The details of contracts entered into with related parties in prescribed format AOC-2 is placed at **Annexure -I**).

JVS AND SUBSIDIARIES

The Company has two Indian Subsidiaries i.e. (i) Railway Energy Management Company Limited incorporated on 16th August, 2013 in Joint Venture with Ministry of Railways for taking up various assignments/tasks to develop potential business avenues in the field of power sector including Green Energy, power trading etc.; (ii) RITES Infrastructure

Services Limited incorporated on 27.04.2010 with the main object of construction, operation and maintenance of Multi-functional Complexes in the vicinity of Railway land. The Board of Directors of RISL decided to initiate the process of winding up during the year 2016-17 and the company is currently under liquidation;

The Company also has a joint venture with SAIL namely SAIL RITES Bengal Wagon Industries Private Limited (a 50:50 JV Company). Further, the Company has two subsidiary companies abroad namely (i) RITES AFRIKA (PTY) Limited, Botswana; and (ii) RITES Mohwarean Arabia Company Limited (RMAC), Saudi Arabia. RMAC, a local JV Company was formed for carrying out the O&M work of North South Railway network of Saudi Railway. The operation contract has been foreclosed in June, 2011 and the Company is under liquidation.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013

Particulars of loans, guarantees given or investments made along with the purpose for which the loan is proposed to be utilized by the recipients are provided in the standalone financial statement (Please refer to Note 2.6, 2.7, 2.8, 2.15, & 2.16 of the standalone financial statement).

PARTICULARS OF EMPLOYEES

As per the provisions of sec 197(12) of Companies Act, 2013 read with rule 5 of Companies

(Appointment and Remuneration of Managerial Personnel) Rules, 2014, every listed company is required to disclose the ratio of the remuneration of each Director to the median employee's remuneration and details of employees receiving remuneration exceeding limit as prescribed from time to time in the Director's Report. However, as per notification dated June 5th, 2015 issued by MCA, Government Companies are exempted from complying with the provisions of Sec 197 of Companies Act, 2013. Therefore, such particulars have not been included as a part of Director's Report.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS/COURTS/TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

No significant or material order has been passed by the Regulators or Courts or Tribunals impacting the going concern status of the Company and its operations in future.

RISK MANAGEMENT

The company has a risk management committee comprising of Directors Shri Anil Kumar Goel, Shri Satish Sareen, Shri Ajay Kumar Gaur, Dr. Pramod Kumar Anand and Shri. A.P. Dwivedi.

The company has a sound currency risk management policy in place for risk identification and its mitigation. The execution of foreign projects gives rise to currency variation risk. For this purpose, company regularly monitors exchange fluctuations to mitigate this risk, Policy covers various aspects of currency risk management, benchmarking, hedging and risk appetite, permissible Instruments, hedging policy, structure of the risk management committee and treasury group, reporting procedures etc.

In this respect Company has also constituted Treasury Risk Management Committee and assistance is also taken from an external consultant/ economist as and when required. During the year one meeting of the Risk Management Committee was held on 21st March, 2018.

PROPAGATION OF HINDI (RAJBHASHA)

In pursuance of Official Language policy of the Govt. of India (Ministry of Home Affairs, Deptt. of Official Language) and the directions received from Railway Board from time to time, all round efforts



CMD RITES, CMD Wapcos Ltd and other officers in discussion during Town Official Language Implementation Committee meeting

were made to accelerate the progressive use of Hindi in official work of the Company. Important documents, such as Annual Report, MOU, minutes of various meetings, Circulars, Office Orders and Questionnaire of Committees of Parliament were prepared and issued in bilingual form. Rajbhasha Fortnight was organized smoothly in RITES corporate office from 14th September to 28th September, 2017. 'HINDI DIWAS' message by CMD/RITES was issued timely to all the officials of RITES located all over India. Competitions like; Noting and Drafting, Essay and Elocution were organized during this period and Hindi workshop, Table Training and inspections of different departments were also conducted. 27 winners of different competitions were awarded cash award and certificates by CMD/RITES. Rajbhasha Fortnight was organized in various project and inspection offices also. CMD RITES delivered his speeches on various occasions in Hindi.

During the year inspections regarding Progressive use of Hindi and workshops/table training in



Ms S D Mandotia, Asst (MCS) receiving Raj Bhasha award from CMD



Parliamentary Committee (OBC) at Kolkata with CMD/RITES and its officials



different Departments/Offices were conducted. Various incentive schemes regarding the use of Hindi were implemented. 50% Hindi books were purchased in the library. The quarterly meetings of Official Language Implementation Committee were held regularly in which progress of various items of Annual Programme of the Deptt. of Official Language, Ministry of Home Affairs were discussed and reviewed. CMD and Representative of RITES also participated in OLIC, Railway Board and Town Official Language Implementation Committee, Gurgaon.

RITES bagged 'Rajbhasha Promotion Award -2017 for excellence in implementation of Rajbhasha policy and Rajbhasha activities. The award was given by Shri Prabhas Kumar Jha, Secy. Deptt of Official Language, Ministry of Home Affairs in 'Rajbhasha cum Prize distribution function' organized by Town Official Language Implementation Committee, Gurgaon.

MEMORANDUM OF UNDERSTANDING

The company meets parameters of 'Excellent' rating in its performance evaluation under the MOU signed with the Ministry of Railways for the year under consideration (2017-18). However, communication from Department of Public Enterprises in this regard is expected in due course. Company has also signed Memorandum of Understanding with Ministry of Railways for the year 2018-19.

SCHEDULED CASTE, SCHEDULED TRIBES AND OTHER BACKWARD CLASSES

The company continued to give utmost importance to implementation of the policies and directives of the Government of India in matters relating to reservations in employment of candidates belonging to SC/ST/OBC and differently abled categories. During the year 2017-18, 47 employees were inducted against regular post (including 13

absorption cases), out of which 20 belong to SC/ST/OBC/differently abled category. Similarly during the year, 181 employees were inducted against contractual position, out of which 96 belong to SC/ST/OBC/ differently abled category.

In the year 2017-18, pre promotion training has been given to employees belonging to these categories. To ensure the welfare of such employees, the company has appointed Liaison officers for SC/ST/OBC and differently abled employees.

The infrastructure of company is well built and caters to the needs of differently abled employees.

ISO 9001-2008 CERTIFICATION

To ensure quality in its operations, the Company maintains an Excellent Quality Management System which conforms to ISO 9001:2008 and is certified by NVTQC (under ANAB accreditation). The certification covers all the activities and Divisions of the Company.

Also, RITES is empanelled with BEE as a Grade -I Energy Service Company (ESCO). This grading indicates "Very High" ability of RITES to carry out energy efficiency audits and implement the energy saving projects in ESCO Mode.



Inspection of locos supplied by RITES at DLW, Varanasi by Myanmar Railways' team



CMD received Dainik Bhaskar Group's initiative India Pride Award 2016-17 in the PSU category of transport sector from Shri Manoj Sinha, Honourable Minister of State for Railways and Minister of Communication (IC).

CORPORATE GOVERNANCE REPORT AND GREEN INITIATIVE

Your Company believes in the principle that good Corporate Governance establishes a positive organizational culture and it is evident by responsibility, accountability, consistency, fairness and transparency towards its stakeholders. As required under the DPE guidelines on Corporate Governance, a separate report on Corporate Governance practices followed by the Company forms part of this Report placed at **Annexure-A**.

In support of the "Green Initiative" measure taken by Ministry of Corporate Affairs, Government of India, New Delhi, enabling electronic delivery of documents and also in line with circular issued by Securities and Exchange Board of India (SEBI) dated November 05, 2011 and as prescribed under the relevant provisions under the Companies Act, 2013 and the Rules made thereunder, Company has sent Annual Reports in Electronic Mode to the shareholders who have registered their E-mail IDs either with the Registrar and Transfer Agents or with the depositories. However, an option is available to the shareholders to continue to receive the physical copies of the documents/ Annual Reports by making a specific request to Company or to R & T Agents.

MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis" covering Division-wise Performance forms part of the Directors' Report has been placed at **Annexure - B**.

ANNUAL RETURN

Annual Return as per Section 92(3) of the Companies Act, 2013 will be available on the website of the Company i.e. www.rites.com (**Annexure -II**). Annual Return is also placed as Annexure II of this report.

INTERNAL CONTROL SYSTEMS AND ITS ADEQUACY

RITES have an effective internal control and audit systems for maintaining efficiency of operations and compliances of applicable laws and regulations. The organization has well structured policies and guidelines which are well-documented with pre-defined authorities. Detailed Manual is in place to guide and strengthen the internal checks and controls. Regular and exhaustive internal audits are being conducted by experienced firms of Chartered Accountants, appointed by the Management and in-house internal audit team headed by a qualified and experienced professional. The internal control and audit systems are being reviewed periodically by the Management and the Audit Committee. Corrective measures, whenever necessary are being taken up from time to time as a part of continuous improvement system.



CMD in panel discussion at India Corporate Governance and Sustainability Vision Summit

FORMAL ANNUAL EVALUATION OF DIRECTORS UNDER SECTION 134 (3) (P) OF THE COMPANIES ACT, 2013

Formal Annual evaluation of Chairman & Managing Director and Directors, being a Govt. Company are done by Administrative Ministry. Further, as per Notification issued by Ministry of Corporate Affairs dated 5/06/2015, the provisions of the said section shall not apply to Govt Company, in case the Directors are evaluated by the Ministry or Department of the Central Govt. etc.

BOARD OF DIRECTORS AND NUMBER OF MEETINGS OF THE BOARD

As on 31st March, 2018, Company has twelve Directors comprising of four Functional Directors, two Government Nominees Directors and six Independent Directors. The Board met ten (10) times during the year 2017-18.



Shri Rajeev Mehrotra, CMD (RITES) received Export Excellence award from Shri Satya Dev Pachauri, Hon'ble Minister of MSME & Export Promotion, (UP) in Engineering Services, large enterprises category from EEPC India Northern Region,



Mr. Mukesh Rathore, Director (Technical) and Mr. Virendra Singh, ED (Expotech) receiving the EPCC Gold Trophy for the best export performance for the year 2015-16 in Merchant Exporter category from Honourable Chief Minister of Uttarakhand, Shri Trivendra Singh Rawat

The following Directors held office during the year:

Whole-time Directors:

Shri Rajeev Mehrotra*	Chairman and Managing Director
Shri Arbind Kumar	Director Projects
Shri Ajay Kumar Gaur **	Director Finance
Shri Mukesh Rathore	Director Technical

Government Nominee Directors:

Shri R.N. Misra	Director (up to 31/08/2017)
Shri B.K. Agarwal	Director (from 26/09/2017)
Shri A.P. Dwivedi	Director

Independent Directors:

Dr. Vidya Rajiv Yeravdekar	
Shri Anil Kumar Goel	
Shri Satish Sareen	
Dr. P.K. Anand	(From 19/09/2017)
Ms. Geethakumary	(From 15/03/2018)
Dr. R.N. Goyal	(From 15/03/2018)

KEY MANAGERIAL PERSONNEL (KMP) (SECTION 203 OF THE COMPANIES ACT, 2013)

Shri Rajeev Mehrotra	Chairman & Managing Director and Chief Executive Officer
Shri Arbind Kumar	Director (Projects)
Shri Ajay Kumar Gaur	Director (Finance) and Chief Finance Officer
Shri Mukesh Rathore	Director (Technical)
Shri P.T. Mittal	Company Secretary & GM (Legal) (Upto 31.03.2018)
Shri Ashish Srivastava	Company Secretary (From 01.04.2018)

* The term of Shri Rajeev Mehrotra, Chairman and Managing Director has been extended by the Ministry of Railways for a period w.e.f 11.10.2017 till 30.06.2021 i.e the date of his superannuation.

** The term of Shri Ajay Kumar Gaur, Director Finance has been extended by the Ministry of Railways for a period w.e.f. 02.09.2018 till 31.07.2019 i.e. the date of his superannuation.

RETIREMENT OF DIRECTORS BY ROTATION

As per the Companies Act, 2013 the provisions in respect of retirement of Directors by rotation is applicable. In view of this, all the directors, except Independent Directors and Chairman & Managing Director (As per Article 56(h) of the Articles of Association, CMD is a non-retiring Director) will be liable to retire by rotation. Accordingly, one third among all other directors will retire by rotation. Accordingly, Shri Ajay Kumar Gaur and Shri A.P Dwivedi will retire by rotation and being eligible, offer themselves for reappointment.

DECLARATION BY INDEPENDENT DIRECTORS

During the year all Independent Directors have met the requirements specified u/s 149(6) of Companies Act, 2013 for holding the position of "Independent Director" and necessary declaration from each Independent Director u/s 149(7) was received.

COMMITTEES OF THE BOARD

Company has Audit Committee, CSR Committee and other Committees are in place. The Composition and scope of the Committees are provided in the report of Corporate Governance.

A report on Corporate Governance together with the certificate thereon, form the part of this report in **Annexure-A**.

DIRECTORS' RESPONSIBILITY STATEMENT UNDER THE COMPANIES ACT, 2013

In pursuance of Section 134 (5) of the Companies Act, 2013, The Director hereby confirms that:



Shri Ajay Gaur, Director Finance, (RITES) received Dainik Bhaskar India Pride Award 2017-18 for excellence in performance and services from Shri. Dharmendra Pradhan, Honourable Union Minister of Petroleum and Natural Gas, Minister of Skill Development and Entrepreneurship, Shri. Shivraj Singh Chouhan, Honourable Chief Minister of Madhya Pradesh

- (a) In the preparation of the annual accounts the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (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;
- (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.

PERFORMANCE AND FINANCIAL POSITION OF EACH OF SUBSIDIARIES, ASSOCIATE AND JOINT VENTURE COMPANIES

A report on the performance and financial position of each subsidiaries, associates and Joint Ventures

companies as per the provisions of Section 129 (3) of the Companies Act, 2013 in prescribed format AOC-1 is provided as Annexure to the consolidated financial statements and hence not repeated here for sake of brevity.

KNOWLEDGE MANAGEMENT SYSTEM

Knowledge Management has been implemented in RITES as a module of ERP SAP in order to identify, capture, evaluate, retrieve and share enterprise information. The system consolidates important information of its employees and their knowledge for being available at a glance to SBU Heads. It provides information of experts regarding their qualification, experience, sector and sub-sector, projects handled etc in various job roles & specialisation, projects in various sectors and disciplines, thus reducing effort and helping them in business development process.

To keep the system relevant and contemporary, regular updation of the content is done by updating information on projects secured and additional expertise gained by employees. Regular reviews and diagnostic processes of the knowledge base are conducted to ensure a valuable and effective Knowledge Management System is in place.

ENVIRONMENTAL PROTECTION

The Company has long been integrating sustainability in its operations systematically with best practices. On the lookout for sustainable development, sets in clean and green surroundings. All the offices of the Company commit to maintain environmental friendly work processes and strongly believe that environmental sustainability results in providing safe and healthy work conditions to the employees which in turn enhances the productivity. The company sets objectives in compliance to DPE guidelines, further approaches towards adopting breakthrough technology for enhancing environmental protection. It has been the practice in all offices of the Company to follow conservation of natural resources like energy conservation, water conservation and reduction in waste generation is inculcated as a routine approach. The Company looks beyond obvious opportunities. In rendering consultancy to its clients, the Company ensures that rules pertaining to the environmental protection are being followed in the projects.

The Company has installed sewerage treatment plants in both the office buildings at Gurgaon and



CMD (RITES) received the Governance now PSU Award 2016 for business diversification

the recycled water is used for horticulture. Rain water harvesting system has been installed to recharge the ground water. Reducing carbon footprints is one of the main motives of the Company. REMCL, a subsidiary company of the Company has been working continuously for generating solar energy for Railways. Apart from that the Company has installed roof top solar energy plant to generate to meet its energy requirements. The Company is also socially active in propagating green corridors in the society and has undertaken the maintenance of greenery in the pavements near its corporate office. It also endeavours to impart environmental awareness among the masses.

Cleanliness drive was carried out at Gurgaon Railway Station to remove pile of plastic waste. This was followed up by planting of saplings at the same site for protection of environment.

CORPORATE SOCIAL RESPONSIBILITY AND 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, Centre/State/local government, communities, environment and society at large. A total of ₹ 9.90 crore was spent during 2017-18 against the annual budget of ₹ 9.90 crore. Good image of RITES has been generated among the community. The underprivileged and economically weaker sections have also benefited from the activities.

In order to comply with the Guidelines on CSR issued by DPE and provisions of Section 135 of the Companies Act, 2013, Board level committee headed by an Independent Director has been constituted to oversee the implantation of CSR & Sustainability policy and to assist the Board of Directors to formulate suitable policies & strategies in this regard.

CSR Committee comprising of Shri Satish Sareen, Independent Director as Chairman, Dr. Vidya Rajiv Yeravdekar, Independent Director, Shri Anil Kumar Goel, Independent Director, Shri A.P Dwivedi, Govt Nominee Director, Ms. Geethakumary, Independent Director and Shri Ajay Kumar Gaur, Director Finance as members.

A report on CSR projects for the financial year 2017-18 is attached as **Annexure - III**.

The CSR projects / activities taken up by RITES are in accordance with the sectors as defined in the Schedule VII of Companies Act, 2013. Key projects taken up during the financial year 2017-18 are as



Swachh Bharat Abhiyan campaign





CMD RITES inaugurating the Skill Development and Vocational Training Centre at Mewat, Haryana

follows:

SECTOR: Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.

1. Setting up of infrastructure facilities by providing Machinery, equipments for extending outreach and securing livelihood for Skill Development Training Programme for disadvantaged rural women by establishing Training cum Production centre.

RITES has provided infrastructure facilities like Machinery, equipments for setting up Skill development training Centre at Mewat Haryana with the objective of socio-economic upliftment of economically weaker sections and rural community through Skill Development and Vocational Training programmes.

This centre will help to generate alternative employment opportunity for Rural Women and Youth. Focus will be on training and skill development resulting in meaningful employment.

2. Construction of Vocational training/skill development institute for under privileged children of rural areas (Vrindavan / Mathura, UP).

RITES has contributed for part construction of Vocational Training & Skill Development Institute in Vrindavan, Mathura, U.P. Objective of setting up the Institute is to promote vocational training & skill development to children of the economically backward and under privileged

children belonging to rural areas of the BPL/OBC/SC/ST category. On yearly basis, more than 5000 men and women are estimated to be provided with vocational training in order to enable them to be employed or self employed for a happy and fulfilling life.

3. Setting up of infrastructure facilities by providing Computers, Furniture, Sewing Machines etc. For running Skill development training Programmes at Skill Development Centre in Dr. B.R. Ambedkar Foundation Campus, Jaipur, Rajasthan.

RITES has contributed for infrastructure facilities like Computers, Furniture, Sewing Machines etc. for running Skill development training Programmes. Due to lack of skill, poverty, socio-economic conditions youths are deprived of job opportunity, especially in rural areas.



Self employed tailor training program

The main objective of this project is to enable the SC/ST, OBC and women candidates overcome the difficulties and get employment after Skill training.

4. Skill Development training Programme by Apparel, Made ups & Home furnishing Sectors Skill Council (AMHSSC) under National Skill Development Corporation (NSDC) under Ministry of Skill Development & Entrepreneurship, Govt of India.

RITES has contributed for Skill Development training Programme of Self Employed Tailor and In-Line Checker in line with Pradhan Mantri Kaushal Vikas Yojana (PMKVY).

Beneficiaries of training in Self Employed Tailor and In-Line Checker can start their small business of stitching and start earning basic livelihood or



Children of SOS village at Greenfields with Mr Ajay Gaur
Director Finance, RITES

alternatively can get employment in this field. Objective of the trainings is to encourage self-employment leading to reduction in migration of people from villages to the urban areas.

5. Empowering children/women through Self-Defense Training programs in National Capital Region by Jwala Mahila Samiti, Indore, Madhya Pradesh.

RITES has contributed for Self-Defense Training Programme for women & children. During the training women/ children were taught the skills to as to verbally respond to a potential sexual threat, strike vulnerable areas, escape from choke holds and body grabs, and execute defense techniques. Self-defense training has equipped the beneficiary women/ children with the tools to identify and prevent violence and sexual abuse.

6. Sponsorship of 2 Children's homes and 25 youths for employment linked higher education to children of SOS Children's Villages of India.

RITES has taken initiative for Sponsoring 2 children's homes in Greenfields, Faridabad and 25 youth for employment linked higher education to Children of SOS Children's Villages of India in Faridabad, Bawana Delhi and Bhubneshwar Orissa.

RITES also distributed Woolen Jackets to Children and Sarees to the assigned mothers of these orphan Children.

Beneficiaries are the parentless children of SOS Children's Village who will get all the logistic support to attend school, college education and vocational training.

SECTOR: Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.

7. Provision of Health Care facilities for women during pregnancy in Dr. B.R. Ambedkar Foundation Campus, Jaipur, Rajasthan.

RITES has contributed for medical assistance, regular medical check up and provision of Healthy diet and nutrition to women during pregnancy.

Healthy diet and nutrition is required for all human beings, especially women during pregnancy. Unhealthy diet during pregnancy is a major cause which results in premature birth and also increases pre natal mortality risks.

The objective of the project is to keeps both the mother and child healthy with the healthy diet like Milk products rich in calcium and protein that protects from anaemia, weakness, infections and keeps the immune system strong.

8. Construction of One 5 seated Community Toilet in Kanpur, U.P.

RITES has set up a Community Toilet at Fazalganj, Kanpur through SULABH International. The



Health check-up and supply of milk products to pregnant women

project will help overcoming open defecation by public in Fazalganj area of Kanpur city, which was earlier affected by poor sanitation due to inadequate infrastructure. The project will also reduce the incidences of health issues leading to healthy community and overall development of the people living in and visiting this area.

9. Supply and Installation of Hand pumps for Drinking Water in villages of District Hathras, U.P.

RITES has installed Hand pumps in villages of District Hathras U.P. Objective of the project is to provide safe drinking water to the villagers. Water is a fundamental human need, and an average human being requires 20 to 50 liters of clean & safe water every day for drinking, cooking, etc. Presently they are fetching water from very far away places. Installation of Hand pumps will benefit villagers in meeting their basic need of water.

10. Surgery for Congenital Heart Disease for children

RITES have joined hands with Balaji Heart Hospital & Diagnostic centre, Mumbai, Maharashtra in noble cause of Paediatric Cardiac Surgery for infants born with Congenital Heart Disease. About 78,000 infants born with congenital heart disease in India die every year because of inadequate health care facilities in the country. RITES provided funds for Cardiac Surgery of four children. By this Initiative of RITES, four lives have been saved bringing smiles on the faces of the relatives and parents of the patients.

SECTOR: Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro-forestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga.

11. Solar Street Lighting System in villages of Ghazipur, Bhadohi, Shrawasti, Mirzapur, Shahjahanpur & Sultanpur District of UP and Pali District of Rajasthan.

RITES has installed Solar Street Lighting Systems in villages of Ghazipur, Bhadohi, Shrawasti,



Solar street lighting systems

Mirzapur, Shahjahanpur & Sultanpur District of UP and Pali District of Rajasthan.

Objective of the Project is to provide solar powered street lighting system to the villages, where power outages are very high. The village streets are ill lit due to which villagers are at a constant danger of mis-happenings in night. Installation of solar street lights will benefit the villagers.

12. Setting up Rain Water Harvesting System at Government schools in Jaipur, Rajasthan

RITES has contributed for Setting up Rain Water Harvesting System at Government schools in Jaipur, Rajasthan. This project would facilitate in replenishing the ground water table and thus contribute to environmental sustainability.

13. Procurement of Composting Machine for execution of Biomass Gas at National Academy of Indian Railways (NAIR) at Vadodra, Gujrat.

RITES has contributed for Procurement of Composting Machine for execution of Biomass Gas at National Academy of Indian Railways (NAIR) at Vadodra, Gujrat.

SECTOR: Rural Development Project.

14. Farmer & Agriculture Awareness Program in five Villages of Tehsil Kishangarh, District Ajmer, Rajasthan.

RITES has taken initiative for Farmer & Agriculture Awareness Program through an NGO WARDS.

The objective is to create awareness about Govt. Policies for farmers, welfare measures announced from time to time, newer trends in agricultural reforms, weather forecasts, Implementation of Kisaan Beema, etc., use of computers and Internet, and encouraging the farmers for Saving Habits, etc among farmers of villages in Kishangarh Tahsil of District Ajmer, Rajasthan.



Farmer and Agriculture Awareness Program in Kishangarh Tahsil, Ajmer (Rajasthan)

HUMAN RESOURCES AND INDUSTRIAL RELATIONS

Being a premier consulting organization, RITES is constantly enhancing the knowledge and professional pool by inducting the desired professionals in its team every year. The Human Resource department is committed and focused to achieve deliverables in terms of talent acquisition, employee engagement, talent retention, career progression and development of the human capital.

A pool of experienced professionals is already part of RITES team and their strength is multiplying every year. The focus is on inducting enriched professionals at various levels including fresh



Mr.Yogesh Sharma, Manager (RES), Employee of the Year with CMD, CVO and GGM (Pers) at RITES Annual Day

incumbents such as Graduate Engineer Trainees and Management Trainees. RITES boasts of its rich talent pool comprising of experienced and fresh graduates hired from IITs, NITs, IIMs, XLRI and MDI etc. During the financial year 2017-18, RITES inducted more than 225 employees either on regular pay scale, contract with pay scale and on fixed tenure contract on lump sum remuneration.

Talent acquisition thus is a continuous exercise round the year in the Company. In order to meet its continuous need for trained and experienced manpower from Railway, Road, Port and Metro sectors, RITES has been hiring experienced, skilled manpower from Indian Railways on deputation basis which gets rotated every 3/5 years. In the current year 49 deputationists have joined as per the requirements of the Company.

In-house training programs aimed at improving the functional and technical skills across all levels of employees were organized throughout the year. Also professional programs, workshops and seminars conducted by reputed and prestigious agencies were carefully identified in line with business needs of RITES and suitable officers were nominated for such programs. RITES has provided 9784 days of training to its employees during the current year. In order to build a strong leadership base, customized multiple week-long workshops were organized through IIM Lucknow, for 80 officers across the country. Succession planning for critical roles has also been undertaken to ensure business continuity and long term organization sustainability. Other key areas in which training were imparted includes Project Management, Contract Management and arbitration, Risk Management etc. Employees were sensitized on labour law



CMD addressing the employees and the guests at RITES Annual Day

compliances through appropriate programs/workshops to comply with statutory obligations. Employee physical and financial wellness programs covering stress management, lifestyle diseases and financial planning were among the other awareness programs organized during the year.

Newly recruited GETs and other employees were given structured induction training for seamless assimilation into the organization, duly understanding the organizational culture.

Special focus was laid on developing a capacity building plan to bring in structured intervention for employees at specific stages of their career. In line with GOI initiative of promoting cashless society, trainings were organized to educate and sensitize various employee groups to use digital modes of payments. RITES has adopted online PMS system and extensive trainings were organized across offices to align employees with the new system.

Knowledge forum was revived to facilitate knowledge exchange in subject domain of Technology and Management. Sessions were organized under the aegis of knowledge forum to broaden the knowledge horizon of RITES employees. The scheme for membership of National and International Institutions has been introduced, for all regular employees in order to keep the knowledge updated and abreast with latest development across the globe.

In order to ensure data and information security as well, fostering the idea of business continuity, the HR function has taken a leap forward to keep the records in digitized format. The personnel files along with other important files have been scanned and

kept in digitized format. Transparency in the process along with the ease of operation is one of the key objectives. Electronic Performance Management System has been successfully executed, enabling paperless and transparent system of filling the Annual performance Appraisal reports online with quality and in a defined time period.

RITES has adopted best practices to ensure equal opportunity and provide harmonious environment for advancement and growth of women employees by conducting several programmes on gender issues, sexual harassment and conducive working conditions. At the same time, opportunities are given to women employees to participate in meetings, project works, and committees etc to foster the need of equal opportunity without any gender bias. RITES women employees are the backbone of the company who not only mark a significant presence in the human capital but also play a significant role in the development of company's image. Crèche facility has also been introduced during the current year to take care of their children.

IMPLEMENTATION OF RIGHT TO INFORMATION (RTI) ACT, 2005

Right to Information (RTI) Act, living up to the expectation of being one of the most progressive and friendly legislation, through 13 years of its existence, has empowered the Indian citizens, who until this time had no way of securing information from the Government, to access information under the control of the public authorities, thereby promoting transparency and accountability to the working of the authorities.



RITES Sports Day

A provision for submission of RTI applications/ First Appeals online coupled with payment of application/additional fees through internet banking, debit/credit cards and RuPay cards, has been provided on RITES website, which enabled the citizens to file their applications/first appeals with ease and receive information faster, cutting on the cost of postal dispatch and time of postal transit.

During the year 2017-18, office of the Public Information Officer (PIO) received 441 new applications seeking information under the RTI Act, 2005, as against 273 during the previous year, an increase of 61.54%, which can be attributed to user friendly resource for submission of RTI applications online, whereas the office of the First Appellate Authority (FAA) received only 78 first appeals as against 70 during the previous year, which illustrates a decrease of approx. 8% in first appeals to application ratio. RITES also complied with the decision of the Hon'ble Central Information Commission in the sole second appeal, as against four second appeals filed during the last financial year, thereby a decrease of 75% in the second appeals as against the previous year.

Every effort is made to provide the information within the stipulated time. Tracking and rigorous follow-up is done for each application for its timely disposal. RTI portal is used effectively for dissemination of information. Categories of information frequently sought, have been identified, catalogued and organized in a retrievable user-friendly database, which is being used effectively for proactive disclosure of information through RITES portal."

EXHIBITIONS AND AWARDS

Exhibitions

RITES participated in specialized domestic and overseas exhibitions to interface with business delegations, policy makers and potential clients. It provided a platform to display RITES multifarious capabilities and to further explore business opportunities. It enhanced a better understanding, strategic cooperation and multilateral relationships with visiting stakeholders.

These various expositions provided an opportunity to share ideas and latest technologies with prospective clients in the new global scenario. This was beneficial for future business development.

The company participated in various expositions such as:

- i. The India Engineering Exhibition (INDEE) Bangladesh from November 2-4, 2017, Dhaka and International Industrial exhibition at Ekaterinburg, Russia (July 10-13, 2017 organised by EEPCC, (Ministry of Commerce).
- ii. Middle East Rail Exhibition-2018, Dubai, UAE (March 12-13, 2018).
- iii. Global Exhibition on Services (GES) 2017 - Railway Pavilion organized by The Confederation of Indian Industry (CII) held on 17-20 April 2017 at India Expo Mart, Greater Noida.
- iv. Integrated Transport and Logistics Summit 2017, May 3-5, 2017 at Vigyan Bhawan organized by FICCI / Ministry of Road Transport Highways and the Indian Railways.
- v. 'New India- We Resolve to Make' exhibition cum cultural programmes at Ranikothi, Civil Line, Nagpur from September 6-10, 2017 organised by Ministry of Parliamentary Affairs in association with RITES.
- vi. Exhibition on CSR works at Ghazipur (U.P.) on 27th May, '2017.

- vii. The International Railway Equipment Exhibition (IREE)- (Oct 11-13,2017) at Pragati Maidan organised by The Confederation of Indian Industry (CII).
- viii. Maritime India Summit and Exhibition (November 22-24, 2017 Mumbai) organised by CII.
- ix. Asean-India Investment Meet & Expo 2018, Ashoka Hotel, Delhi (Jan 22-23,2018) organized by Project Exports Promotion Council of India (Ministry of Commerce).

Awards

Company received following awards for its performance during the year 2017-18:

- i. EEPC Top Exporters Silver Award for 2013-14 under the merchandise category for foreign exchange, (EEPC, Ministry of Commerce).
- ii. Dun & Bradstreet PSU Award 2017 for Industrial Development & Technical Consultancy Services.



Exhibition & Cultural events on "Sankalp Se Siddhi: Naya Bharat Hum Kar Ke Rahenge (New India We Resolve to Make)" organised by RITES Ltd at Nagpur from 06-10 Sep 2017. The Exhibition was inaugurated by Hon'ble Mayor of Nagpur Ms Nanda Jichkar in august presence of Hon'ble MP Dr Vikas Mahatme.

- iii. Silver Trophy for Star Performer for Export of Engineering Services (Large Enterprise) for 2014-15 - EEPC India.
- iv. Rajbhasha Gaurav Purushkar- Pratham for 2016-17.
- v. Governance Now PSU Award for Business Diversification (Miniratna I) for 2017.
- vi. Dainik Bhaskar India Pride Award 2017-18.

Auditors

The Comptroller & Auditor General of India appointed the following as Statutory and Branch Auditors for the year 2017-18.



CMD (RITES) was felicitated by the Indian Chamber of Commerce for his leadership and contribution in the field of transport, infrastructure & related technologies consultancy at the 7th Conclave on India Public Sector in New Delhi.

M/s Agiwal & Associates, Delhi	Statutory Auditors
M/s Pratap B Sheth & Co., Mumbai	Branch Auditors for Western Region
M/s S.K. Bhattachariya & Co., Kolkata	Branch Auditors for Eastern Region
M/s Venkat & Vasan, Chennai	Branch Auditors for Southern Region

The Board would like to place on record their sincere thanks for the valuable services rendered by Statutory Auditors and the Branch Auditors.

SECRETARIAL AUDITOR

The Board has appointed Akhil Rohatgi & Co., Practising 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 - IV**.

The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

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 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 and Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiaries.
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.

APPRECIATION

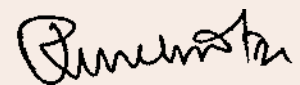
The Directors take this opportunity to express their sincere thanks to the esteemed Clients in India & abroad, Shareholders, Central and State Governments for their consistent support to the Company and look forward to the continuance of the mutually supportive relationship in future. The Directors also wish to place on record their appreciation of the hard work, dedication and commitment of the employees. The enthusiasm and

unstinting efforts of the employees have enabled the Company to touch new heights during the year.

ACKNOWLEDGEMENTS

Your Directors would like to express their appreciation for the assistance and co-operation received from the Ministries of Railways, Road Transport and Highways, External Affairs, Finance, Commerce, Urban Development, and other ministries, departments and agencies, office of Comptroller & Auditor General, Reserve Bank of India, Bankers of the Company, Indian Embassies & Missions abroad and Foreign Missions & Embassies in India, EXIM Bank without whose active support the achievements of the Company during the year under review would not have been possible.

For and on behalf of Board of Directors



(Rajeev Mehrotra)
Chairman & Managing
Director and
Chief Executive Officer

Place: Gurgaon

Dated: 30th July, 2018