

Chairman's Letter



Going forward your Company would continue to remain focused in the system engineering for the pipeline and storage business where the major focus industries will be Power, Oil & Gas, petrochemicals and other industrial sector.





Dear Shareholders,

The year FY15 that started with a subdued macroeconomic scenario, but high on optimism has shown very initial signs of revival during the end of the year. It would be fair to say that we are still not out of the tunnel but yes, we can now see the light at the end of the tunnel. The year started with a high and sticky inflation at near 6.0% but with the global slump in commodity prices and stern efforts by the Reserve Bank has cooled down significantly in the last quarter of FY15. The Index of Industrial production which was negative in FY14 has marginally revived. The repo rate which stood at 8.0% for the entire calendar year 2014 was reduced by 50bps in Q4 FY15. But banks majorly PSUs already suffering with high delinquencies continues to be reluctant to pass on the entire benefit to the customers. The year has been the first year of the new government taking on the reigns of the nation which is suffering with policy level issues and stalled growth for over the few years now.

Due to the sluggish economic scenario for the last three years your Company was not able to garner adequate orders during FY14 which had its repercussions on the current year's performance. Also your Company remained highly focused towards taking orders that provide good margins and projects awardees paying capabilities. During FY15, the standalone revenue of the Company stood at ₹ 8140.37 lacs against ₹ 14,110.90 lacs in the previous year. The PAT stood at ₹ 424.02 lacs as against ₹ 602.53 Lacs in the last fiscal. The consolidated income of the Company in FY15 stood at ₹ 9947.07 Lacs against ₹ 15,279.25 Lacs in the previous year. The Profit After Tax (PAT) was ₹ 212.67 Lacs against ₹ 326.63 Lacs in the last fiscal. RIL during the year FY15 has been very conservative in selecting projects as timely receivables was the key focus. However, the Company has booked orders worth Rs. 81 crore in FY15.

Recently, the Company has awarded with its first contract with Delhi Metro Rail Corporation Limited for water supply arrangement for underground construction of Line no 8 (From Janak Puri West to Kalindi Kunj Depot) for Phase iii project of DMRC in New Delhi valuing ₹ 25.67 crore. This contract will open new avenues for the Company with DMRC for its ongoing and future projects.

Your Company's subsidiary Xlerate Driveline India Limited (XDIL) has successfully made inroads in the aftermarket segment and is geared up to enter the OEM segment as well. The OEM segment has shown their rising interest in XDIL's operations. Making your subsidiary company a quality trademark company too, is the ambition with which we are moving forward.

Going forward your Company would continue to remain focused in the system engineering for the pipeline and storage business where the major focus industries will be Power, Oil & Gas, petrochemicals and other industrial sector. Also we have started our ground work in terms of exploring global opportunities and are currently analyzing the African market which holds great opportunity.

I would like to take this opportunity to thank all our stakeholders for believing in our growth story and rendering their continuous support to the Company. I would also like to specially thank all the employees of the Company for the immense dedication and teamwork amid the prevailing challenging business environment.

Best Regards,

Surinder P. Kanwar

Chairman & Managing Director