

No. RITES/SECY/NSE

Date: May 30, 2024

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| To Listing Department, National Stock Exchange of India Limited, 'Exchange Plaza', C-1, Block G, Bandra - Kurla Complex, Bandra (E), Mumbai – 400051 | To Corporate Relationship Department, BSE Limited, Rotunda Building, P J Towers, Dalal Street, Fort, Mumbai - 400 001 |
| Scrip Code- RITES | Scrip Code- 541556 |

Sub: Annual Secretarial Compliance Report for the year ended March 31, 2024

Dear Sir/Madam,

Pursuant to Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Annual Secretarial Compliance Report of the Company for the year ended March 31, 2024 issued by Practicing Company Secretaries, M/s Akhil Rohatgi & Company.

This is for your kind information and record please.

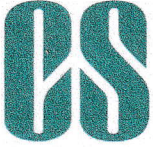
Thanking You.

Yours faithfully,
For **RITES Limited**

Ashok Mishra
Company Secretary & Compliance Officer
Membership No.: F6411

Encl: As above.

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AKHIL ROHATGI & COMPANY

Company Secretaries

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GST No: 07ABTFA2714K127

**SECRETARIAL COMPLIANCE REPORT
OF**

RITES LIMITED

FOR THE YEAR ENDED 31st MARCH, 2024

[Pursuant to Regulation 24A(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

We, **Akhil Rohatgi & Co.**, Practicing Company Secretaries, have examined:

- (a) all the documents and records made available to us and explanation provided by **RITES Limited** ("the listed entity/Company" or "RITES"),
- (b) the filings/ submissions made by the listed entity to the stock exchanges,
- (c) website of the listed entity,
- (d) any other document/ filing, as may be relevant, which has been relied upon to make this certification,

for the year ended **31st March, 2024** ("Review Period") in respect of compliance with the provisions of:

- (a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
- (b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include: -

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; [Not applicable on the Company during review period]
- (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; [Not applicable on the Company during review period]
- (e) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; [Not applicable on the Company during review period]
- (f) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; [Not applicable on the Company during review period]
- (g) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (h) Securities and Exchange Board of India (Depositories & Participants) Regulations, 2018; and circulars/ guidelines issued thereunder;



and based on the above examination, we hereby report that, during the Review Period:

- (a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below: -

| Sr. No. | Compliance Requirement (Regulations/ circulars/ guidelines including specific clause) | Regulation/ Circular No. | Deviations | Action Taken by | Type of Action | Details of Violation | Fine Amount | Observations / Remarks of the Practicing Company Secretary | Management Response | Remarks |
|---------|--|---|--|--|----------------|--|--|--|---|--|
| 1. | The Listed Company shall have an optimum combination of executive and non-executive directors and not less than 50% comprising of non-executive directors. Where the listed entity does not have regular | Regulation 17(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 | The Company did not have requisite number of Independent Directors during the period under review. | National Stock Exchange of India Limited ("NSE") & BSE Limited ("BSE") | Fine | The Company did not have requisite number of Independent Directors during the period under review. | NSE & BSE each levied a fine of Rs. 5,36,900.00 for the quarter ended 30.06.2023 and Rs. 5,42,800.00 for each quarter ended 30.09.2023 & 31.12.2023. | The Company did not have requisite number of Independent Directors during the period under review. | RITES being a Government Company, the power to appoint directors, including independent directors, lies with the Ministry of Railways (MOR). Accordingly, RITES has been in constant communication with the MOR requesting for appointment of requisite number of independent directors so as to ensure compliance with Corporate Governance norms. | As informed by the Management, RITES being a Government Company, the appointment/ nomination of all directors including independent directors is done by the Government of India. Further, the Company has communicated to the Government of India for appointment of requisite number of independent directors on its Board in order to comply with the provisions of the SEBI Listing Regulations. In our opinion also, the non-compliance with regard to the composition of the Board by RITES due to non-appointment of sufficient number of independent directors is not due to any negligence/ default by the Company as the same is not under the control of the Company. |



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| non-executive chairpersons, at least half of the Board shall comprise of Independent Directors. | | | | | | | | | | |
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(b) The listed entity has taken the following actions to comply with the observations made in previous reports:

| Sr. No. | Compliance Requirement (Regulations/circulars/guidelines including specific clause) | Regulation/Circular No. | Deviations | Action Taken by | Type of Action | Details of Violation | Fine Amount | Observations of the practicing Company secretary in the previous reports | Observations made in the secretarial compliance report for the year ended | Comments of the practicing company secretary on the actions taken by the listed entity | Remedial actions, if any, taken by the listed entity | Management Response | Remarks |
|---------|---|---|--|---|--|---|--|---|---|---|---|---|---|
| 1. | Optimum combination of executive and non-executive directors with requisite number of Independent Directors | Regulation 17 (1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), 2015 | The Company did not have requisite number of independent directors on its Board during the period from 01.04.2022 to 31.03.2023. | BSE Limited (BSE) and National Stock Exchange of India (NSE) for the quarter ended June 2022. | Each Stock Exchange imposed fine of Rs. 21,53,500 for the FY 2022-23 | The Company did not have requisite number of independent directors on its Board during the period from 30.05.2022 to 31.03.2023 | Each Stock Exchange imposed fine of Rs. 21,53,500 for the FY 2022-23 | The Company did not have requisite number of Independent Directors during the period under review | 31.03.2023 | As informed by the Management, RITES Ltd. being a Government Company, the appointment/nomination of all independent directors including independent directors is done by the Government of India. The Company is in constant communication with Government of India for appointment of requisite number of independent directors in order to comply with the provisions of the SEBI | RITES Ltd. is in constant communication with the Government of India requesting for appointment of requisite number of independent directors. The matter of filling up of these vacancies is under process at the end of Government of India. | RITES being a Government Company, the power to appoint directors, including independent directors, lies with the Ministry of Railways (MOR). Accordingly, RITES has been in constant communication with the MOR requesting for appointment of requisite number of independent directors so as to ensure compliance with Corporate | As informed by the Management, RITES being a Government Company, the appointment/nomination of all independent directors, is done by the Government of India for Further, the Company has communicated to the Government of India for |



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| | | | | | | | | | <p>Listing Regulations. In our opinion also, the non-compliance with regard to the composition of the Board by RITES Ltd. due to non-appointment of sufficient number of independent directors is not due to any negligence/default by the Company as the same is not under the control of the Company</p> | <p>Governance norms.</p> | <p>appointment of requisite number of independent directors on its Board in order to comply with the provisions of the SEBI Listing Regulations. In our opinion also, the non-compliance with regard to the composition of the Board by RITES due to non-appointment of sufficient number of independent directors is not due to any</p> |
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(c) We hereby report that, during the review period the compliance status of the listed entity with the following requirements:

| Sr. No. | Particulars | Compliance Status (Yes/No/NA) | Observations/Remarks by PCS |
|---------|---|-------------------------------|---|
| 1. | <u>Secretarial Standards:</u> The compliances of the listed entity are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries of India (ICSI) | Yes | None |
| 2. | <u>Adoption and timely updation of the Policies:</u> <ul style="list-style-type: none"> • All applicable policies under SEBI Regulations are adopted with the approval of board of directors of the listed entities • All the policies are in conformity with SEBI Regulations and has been reviewed & timely updated as per the regulations/circulars/guidelines issued by SEBI | Yes Yes | None None |
| 3. | <u>Maintenance and disclosures on Website:</u> <ul style="list-style-type: none"> • The Listed Entity is maintaining a functional website • Timely dissemination of the documents/ information under a separate section on the website • Web-links provided in annual corporate governance reports under Regulation 27(2) are accurate and specific which re-directs to the relevant document(s)/ section of the website | Yes Yes Yes | None None None |
| 4. | <u>Disqualification of Director:</u> None of the Director of the Company are disqualified under Section 164 of Companies Act, 2013 as confirmed by the listed entity. | Yes | None |
| 5. | <u>Details related to Subsidiaries of listed entities:</u> (a) Identification of material subsidiary companies (b) Requirements with respect to disclosure of material as well as other subsidiaries | Yes Yes | None |
| 6. | <u>Preservation of Documents:</u> The listed entity is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per Policy of Preservation of Documents and Archival Policy prescribed under the SEBI LODR Regulations, 2015 | Yes | None |
| 7. | <u>Performance of Evaluation:</u> The listed entity has conducted performance evaluation of the Board, Independent Directors and the Committees at the start of every financial year as prescribed in SEBI Regulations | Yes | The Company has stated that the Directors of the Company are appointed/nominated by the |



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| | | <p>Government of India and the performance evaluation is also done by Government of India, being appointing authority. In this regard, as per Ministry of Corporate Affairs' (MCA) notification dated 05.06.2015 Government Companies are exempted from complying with the provisions with respect to performance evaluation of the Board and its Committees, in case performance evaluation of Directors is done by the Ministry or Department of the Central Government, which is administratively in charge of the Company, as per its own evaluation methodology. Further, MCA notification dated 05.07.2017 also prescribes that the provisions relating to review of performance of Independent Directors and evaluation mechanism prescribed in Schedule IV of the Companies Act, 2013, is not applicable to Government Companies.</p> |
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| 8. | <p><u>Related Party Transactions:</u></p> <p>(a) The listed entity has obtained prior approval of Audit Committee for all Related party transactions</p> <p>(b) In case no prior approval obtained, the listed entity shall provide detailed reasons along with confirmation whether the transactions were subsequently approved/ ratified/ rejected by the Audit Committee</p> | <p>Yes</p> <p>NA</p> | <p>None</p> <p>NA</p> |
| 9. | <p><u>Disclosure of events or information:</u></p> <p>The listed entity has provided all the required disclosure(s) under Regulation 30 along with Schedule III of the SEBI LODR Regulations within the time limits prescribed thereunder</p> | <p>Yes</p> | <p>None</p> |
| 10. | <p><u>Prohibition of Insider Trading:</u></p> <p>The listed entity is in compliance with Regulation 3(5) & 3(6) of SEBI (Prohibition of Insider Trading) Regulations, 2015</p> | <p>Yes</p> | <p>None</p> |
| 11. | <p><u>Actions taken by SEBI or Stock Exchange(s), if any:</u></p> <p>No actions taken against the listed entity/ its promoters/ directors/ subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars/ guidelines issued thereunder</p> | <p>Yes</p> | <p>Mentioned in table (a) above.</p> |
| 12. | <p><u>Resignation of statutory auditors from the listed entity or its material subsidiaries</u></p> <p>In case of resignation of statutory auditor from the listed entity or any of its material subsidiaries during the financial year, the listed entity and/ or its material subsidiary(ies) has/ have complied with paragraph 6.1 and 6.2 of section V-D of chapter V of the Master Circular on compliance with the provisions of the LODR Regulations by listed entities</p> | <p>Yes</p> | <p>Being a Government Company, appointment of Statutory/ Branch Auditors of the Company has been done by the office of the Comptroller and Auditor General of India (C&AG). The appointment letter also contains terms of appointment of the Auditors. Since, terms of appointment were communicated by the C&AG, compliance by the listed entity with paragraph 6.1 and 6.2 of section V-D of chapter V of the Master Circular on</p> |

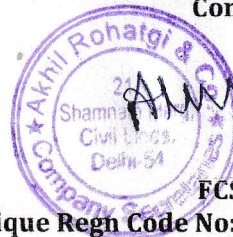


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| | | | compliance with the provisions of the LODR Regulations is not applicable. Further, though for them the C&AG is the appointing authority, there is no case of resignation by any of these Auditors appointed by C&AG. |
| 13. | <u>Additional non-compliances observed:</u> No, additional non-compliance observed for any of the SEBI regulation/ circular/ guidance note etc. except as reported above | Yes | None |

Assumptions & Limitation of scope and Review:

1. Compliance of the applicable laws and ensuring the authenticity of documents and information furnished, are the responsibilities of the management of the listed entity.
2. Our responsibility is to report based upon our examination of relevant documents and information. This is neither an audit nor an expression of opinion.
3. We have not verified the correctness and appropriateness of financial Records and Books of Accounts of the listed entity.
4. This Report is solely for the intended purpose of compliance in terms of Regulation 24A (2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is neither an assurance as to the future viability of the listed entity nor of the efficacy or effectiveness with which the management has conducted the affairs of the listed entity.

**For Akhil Rohatgi & Co.
Company Secretaries**



**CS Akhil Rohatgi
FCS: 1600, COP:2317**

ICSI Unique Regn Code No: P1995DE072900

Peer Review No. 1152/2021

UDIN No: F001600F000456626

**Place: New Delhi
Date: 27.05.2024**