

REPORT ON CORPORATE GOVERNANCE

RITES is a Mini-ratna Company and has established a sound framework of Corporate Governance. Its commitment to following the good Corporate Governance practices is based upon transparency, fairness, conscience, team work, professionalism and accountability paving the way for following the best standards and building confidence among all the stakeholders which is necessary to achieve its objectives.

The company got recently listed and is adhering to the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; it is also following Guidelines on Corporate Governance issued by Department of Public Enterprises (DPE), Ministry of Heavy Industries and Public Enterprises, Government of India. The particulars of Company's report on Corporate Governance are as under:

1. Company's Philosophy on the code of Governance

The philosophy of the Company in relation to Corporate Governance is to ensure transparency in all its operations, make disclosures and reporting that conforms fully with laws, rules, regulations and guidelines and to promote ethical conduct throughout the organization with the primary objective of enhancing shareholders value.

Corporate Governance is critical for enhancing and retaining investor trust. Corporate Governance facilitates efficient and effective management and is all about maintaining a valuable relationship with stakeholders. Corporate Governance is a journey incorporating sustainable value creation and maximizing stakeholder value. Corporate Governance also provides competitive edge in the dynamic environment and establishes a climate of trust and creativity among its various constituents by making all necessary disclosures, complying with all the laws of land and creation of wealth legally and ethically.

RITES believes in promoting the principles of sound Corporate Governance and its essential character is shaped by high standard of transparency, trust and integrity, performance orientation, responsibility, accountability,

professionalism, social responsiveness and ethical business practices. RITES lay special emphasis in conducting its affairs within the framework of policies, internal and external regulations in a transparent manner. Corporate Governance has indeed been an integral part of the way we have done business for several years. This emanates from our strong belief that strong governance is integral to creating value on a sustainable basis.

2. Board of Directors:

The Board of Directors is the highest governance body of RITES. The Board of Directors consists of professionals drawn from diverse fields having rich knowledge and experience in the industry and related sectors for providing strategic guidance and directions to the Company.

The Board of Directors of the Company comprises of 12 Directors viz 4 functional Directors including Chairman & Managing Director, 2 Government Nominee Directors and 6 Independent Non-Official Directors. The composition of the Board is in consonance with the Guidelines issued by DPE.

As on 31st March, 2018, Company has Twelve (12) Directors including four (4) Whole Time Directors, two (2) Government Nominee Directors and six (6) Independent Directors.

Whole Time Directors:

S.No	Name	Designation
1.	Shri Rajeev Mehrotra (DIN:01583143)	Chairman & Managing Director
2.	Shri Arbind Kumar (DIN:05343323)	Director Projects
3.	Shri Ajay Kumar Gaur (DIN:05333257)	Director Finance
4.	Shri Mukesh Rathore (DIN:07669150)	Director Technical

Government Nominees Directors:

1.	Shri R.N. Misra (DIN:07647530)	Director (up to 31/08/2017)
2.	Shri A.P. Dwivedi (DIN:07122333)	Director
3.	Shri B.K. Agarwal (DIN:07956187)	Director (From 26/09/2017)

Independent Directors:

1.	Dr. Vidya Rajiv Yeravdekar (DIN:02183179)	Director
2.	Shri Anil Kumar Goel (DIN:00672755)	Director
3.	Shri Satish Sareen (DIN:01874068)	Director
4.	Dr. Pramod Kumar Anand (DIN:00298962)	Director (From 19/09/2017)
5.	Smt. Geethakumary (DIN:08087165)	Director (From 15/03/2018)
6.	Dr. R.N.Goyal (DIN:08087148)	Director (From 15/03/2018)

The quantum and quality of information supplied by the Management to the Board goes well beyond the requirement stipulated in the SEBI (LODR) Regulations.

The information being provided to the Board *inter-alia* includes the following:

- a. Quarterly results for the company.
- b. Minutes of meetings of audit committee and other committees of the board.
- c. Capital and Revenue budgets and any updates.
- d. Status of on-going Arbitration cases.
- e. Status of risk management and mitigation plans.
- f. Status of major statutory and commercial claims on the Company.
- g. Particulars of Related Party transactions.
- h. Any issue, which involves possible public or product liability claims of substantial nature, including any judgment or order involving substantial amounts and which may have passed strictures on the conduct of the company.
- i. Half yearly statements of write off of outstanding payments of ₹ 2 lakhs & above from clients
- j. Sale of material nature of investments, subsidiaries, assets, which is not in normal course of business.
- k. Major investments, formation of subsidiaries and Joint Ventures, Strategic Alliances, etc.
- l. Quarterly Report on Investment of Funds.
- m. Compliance of various laws by the company.
- n. Action taken report on matters desired by the Board.
- o. Changes in significant accounting policies and practices and reasons for the same.
- p. Disclosure of interests made by directors to the Company.
- q. major orders secured and bids lost on quarterly basis.
- r. All other information required to be presented to the Board for information or approval .

No Director of the Company holds office at the same time as director in more than twenty (20) Companies. No Director of the company is a member in more than ten (10) committees or is a Chairman of more than five (5) committees across all Companies in which he/she is a director. During the year, company held 10 Board meetings as below:

Board Meeting No.	Board Meeting Dates
228	25.05.2017
229	04.07.2017
230	19.07.2017
231	28.08.2017
232	04.10.2017
233	03.11.2017
234	20.11.2017
235	11.12.2017
236	12.01.2018
237	21.03.2018

2.1 Composition of the Board of Directors

During the year under review, due to induction / cessation, the composition of the Board has undergone changes. The names and categories of Directors on the Board, number of Directorships and Committee Chairmanship/ Membership held by them in other companies are as under:

S. No.	Name and Designation	Category of Directors	No. of other Directorship *	No. of Committee Membership**	
				As Chairman	As Member
1.	Shri Rajeev Mehrotra Chairman & Managing Director	Whole Time	1 (Chairman, REMCL)	Nil	Nil
2.	Shri Arbind Kumar Director Projects	Whole Time	1 Nominee Director, REMCL	Nil	Nil
3.	Shri Ajay Kumar Gaur Director Finance	Whole Time	Nil	Nil	Nil
4.	Shri Mukesh Rathore Director Technical	Whole Time	Nil	Nil	Nil
5.	Shri AP Dwivedi Director	Govt. Nominee	1	Nil	1
6.	Shri B.K. Agarwal Director (from 26/09/2017)	Govt. Nominee	Nil	Nil	Nil
7.	Shri R.N. Misra Director (up to 31/08/2017)	Govt. Nominee	Nil	Nil	Nil
8.	Dr. Vidya Rajiv Yeravdekar Director	Independent Director	Nil	Nil	Nil
9.	Shri Anil Kumar Goel Director	Independent Director	Nil	Nil	Nil
10.	Shri Satish Sareen Director	Independent Director	Nil	Nil	Nil
11.	Dr. P.K. Anand Director (from 19/09/2017)	Independent Director	Nil	Nil	Nil
12.	Ms Geethakumary Director (from 15/03/2018)	Independent Director	Nil	Nil	Nil
13.	Dr. R.N.Goyal Director (from 15/03/2018)	Independent Director	Nil	Nil	Nil

* Does not include Directorship in Private Companies, Section 8 Companies and Foreign Companies.

** Does not include Chairmanship/ Membership in Committees other than Audit Committee and Stakeholder Relationship Committee.

The above number of directorship and membership in committees is as per the companies Act, 2013 and SEBI (LODR) Regulations, 2015.

2.2 Brief Resume of Directors who joined the Board as Whole - time / Part - time Directors during the year 2017-18:

Mr. Bhupendra Kumar Agarwal, is a Govt. nominee director on the Board of our Company. He holds a certificate in metallurgical and electrical engineering from the Institute of Engineers (India) and is presently working as Additional Member (Production Unit), Railway Board. He has over 36 years of experience. He joined Board of RITES on September 26, 2017.

Dr. Pramod Kumar Anand is an Independent Director of our Company. He is a retired IAS officer of the Rajasthan cadre and holds a doctorate degree in Social Science from University of Rajasthan. He has in the past held positions as Joint Secretary, Ministry of Rural Development and as Senior Adviser, Planning Commission. He has been associated with our Company since September 19, 2017 and has over 30 years of experience.

Dr. Rajendra N. Goyal is an Independent Director of our Company. He is an Emeritus Professor at I.I.T Roorkee and holds a doctorate of science degree from Agra University and a doctorate of philosophy from Roorkee University. He has in the past held positions as faculty member, head of department in chemistry department and Dean Research at I.I.T Roorkee. He has been associated with our Company since March 15, 2018 and has over 42 years of experience.

Ms. Geethakumary is an Independent Director of our Company. She is a practicing lawyer registered with the Bar Council of Kerala and holds a bachelors' degree in law from Mahatma Gandhi University, Kottayam. She has been the government pleader for Kerala State Insurance Department in Motor Accidents Claim Tribunal, Ernakulum. She has been associated with our Company since March 15, 2018 and has over 20 years of experience.

2.3 Number of Board Meetings: The Board met ten (10) times during the year 2017-18 to review the working of the Company and discuss the future plans etc.

S No.	Name and Designation	Board Meetings During the Year 2017-18		Attendance at the last AGM held on 28 th August, 2017
		Held During tenure	Attended	Present / Not Present /Not Applicable (NA)
1.	Shri Rajeev Mehrotra Chairman & Managing Director	10	10	Present
2.	Shri Arbind Kumar Director Projects	10	10	Present
3.	Shri Ajay Kumar Gaur Director Finance	10	10	Present
4.	Shri Mukesh Rathore Director Technical	10	10	Present
5.	Shri A.P. Dwivedi, Director	10	10	Present
6.	Shri B.K. Agrawal, Director (from 26/09/2017)	05	04	NA
7.	Shri R.N. Misra, Director (up to 31/08/2017)	04	04	Absent
8.	Dr. Vidya Rajiv Yeravdekar Director	10	04	Not Present
9.	Shri Anil Kumar Goel, Director	10	10	Present
10.	Shri Satish Sareen, Director	10	10	Present
11.	Dr. P.K. Anand, Director (from 19/09/2017)	05	05	NA
12.	Ms Geethakumary, Director (from 15/03/2018)	01	01	NA
13.	Dr. R.N.Goyal, Director (from 15/03/2018)	01	01	NA

Note: - Dates of the meeting and attendance of the Directors in the meeting are placed as **Annexure- 1** to this report

3. Code of Conduct:

RITES Code of Conduct for Board Members and Senior Management Personnel as recommended by Corporate Governance is a comprehensive code that applies to all Directors and Senior Management Personnel. The Code of Conduct is available on the website of the Company i.e www.rites.com.

All Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for the year ended 31st March, 2018 and a declaration to this effect signed by

the Chairman and Managing Director is placed as **Annexure - 2** to this report.

3.1 Code of Insider Trading

Board has laid down "The Code of internal procedures and conduct for prohibition of insider trading in dealing with the securities" in pursuance of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, with an aim that 'Designated Persons' shall not derive any benefit or assist others to derive any benefit from the access to and possession of Unpublished Price Sensitive Information about the Company which is not in the public domain and thus constitutes insider information. Company Secretary has been designated as Compliance Officer for this Code.

4. Committees of the Board of Directors:

4.1 Audit Committee:

The company has constituted the audit committee in line with the section 177 of Companies Act, 2013 and the SEBI (LODR) Regulations, 2015. The committee was re-constituted by the Board of Directors in its 234th meeting held on November 20, 2017 which comprised of Shri Anil Kumar Goel, Independent Director as Chairman, Dr. Vidya Rajiv Yeravdekar, Independent Director, Shri Satish Sareen, Independent Director, Shri Pramod Kumar Anand, Independent Director and Shri Arbind Kumar, Director Projects as members in order to align the terms of reference of the audit committee with the provisions of the SEBI Listing Regulations and the Guidelines on Corporate Governance for Central Public Sector Enterprises issued by the Department of Public Enterprises.

Further, the Board in its 237th meeting held on March 21, 2018 re-constituted the Audit Committee. As on 31st March, 2018, the Audit Committee comprised of the following Directors:

Name	Position in the Committee	Designation
Shri Anil Kumar Goel	Chairman	Independent Director
Shri Satish Sareen	Member	Independent Director
Dr. Vidya Rajiv Yeravdekar	Member	Independent Director

Name	Position in the Committee	Designation
Shri Arbind Kumar	Member	Director (Projects)
Ms Geethakumary (from 15/03/2018)	Member	Independent Director
Shri Rajendra Nath Goyal (from 15/03/2018)	Member	Independent Director
Shri Pramod Kumar Anand	Member	Independent Director

Terms of Reference:

The terms of reference of the Audit Committee is in accordance with Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (LODR) Regulations, 2015 except to the extent that the statutory auditors are appointed by CAG as RITES, being a Government Company. Terms of Reference are as under:

- a) oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- b) recommendation to the Board for fixation of remuneration to the auditors;
- c) approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- d) reviewing, with the management, the annual financial statements and auditors' report thereon before submission to the Board for approval, with particular reference to:
 - i. matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - ii. changes, if any, in accounting policies and practices and reasons for the same;
 - iii. major accounting entries involving estimates based on the exercise of judgement by management;
 - iv. significant adjustments made in the financial statements arising out of audit findings;
 - v. compliance with listing and other legal requirements relating to financial statements;
 - vi. disclosure of any related party transactions;
 - vii. modified opinion(s) in the draft audit report.
- e) reviewing, with the management, the quarterly/half yearly financial statements before submission to the Board for approval;
- f) reviewing with the management, the statement of uses/application of funds raised through an issue (i.e. public issue, rights issue, preferential issue etc.) the statement of funds utilised for purposes other than those stated in the offer document/prospectus, notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in these matters;
- g) reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- h) approval or any subsequently modification of transactions of the Company with related parties;
- i) scrutiny of inter-corporate loans and investments;
- j) valuation of undertakings or assets of the Company wherever it is necessary;
- k) evaluation of internal financial controls and risk management systems;
- l) reviewing with the management, performance of Internal Auditors, adequacy of the internal control systems;
- m) reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- n) discussion with internal auditors of any significant findings and follow up there on;
- o) review the findings of any internal investigations by the internal auditors into matters where there is a suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- p) review observations of statutory, internal and government auditors and provide recommendations based on the same;
- q) to review the follow up action on the audit observations of the C&AG audit;

- r) discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- s) to look into the reasons for substantial defaults in the payment of the depositors, debenture holders, shareholders (in case of non-payment of declared dividend and creditors);
- t) to review the functioning of the whistle blower mechanism;
- u) approval of appointment of chief financial officer after assessing the qualifications, experience and background etc. of the candidate;
- v) review and monitor the auditor's independence and performance and effectiveness of audit process;
- w) examination of the financial statements and auditor's report thereon;
- x) Carrying out any other function or matter that may be referred to the Audit Committee by the Board from time to time.

Meetings of Audit Committee:

The Audit Committee met six (6) times during the financial year 2017-18 on 21st March, 2018, 12th January, 2018, 11th December, 2017, 4th October, 2017, 4th July, 2017 and 25th May, 2017. The attendance of each member at Audit Committee meetings is as under:

Member	Position in the Committee	Audit Committee meeting held during the year 2017-18	
		Meetings held (during their respective tenures)	Meetings attended
Shri Anil Kumar Goel	Chairman	06	06
Shri Satish Sareen	Member	06	06
Dr. Vidya Rajiv Yeravdekar	Member	06	03
Dr. P.K. Anand (from 19/09/2017)	Member	03	03
Ms Geethakumary (from 15/03/2018)	Member	NA	NA
Dr. R.N. Goyal (from 15/03/2018)	Member	NA	NA
Shri Arbind Kumar	Member	06	06

Powers of Audit Committee:

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.
5. To mitigate conflicts of interest by strengthening auditor independence.

4.2 Nomination and Remuneration Committee:

ITES, being a Government Company, its Directors are appointed by the President of India through Ministry of Railways, draw remuneration as determined by the Government and as per the terms and conditions of their appointment and as amended from time to time.

The Company has constituted Nomination and Remuneration Committee in line with the requirements of Section 178 of the Companies Act, 2013. In order to align the terms of reference of the nomination and remuneration committee with the provisions of the SEBI Listing Regulations and the Guidelines on Corporate Governance for Central Public Sector Enterprises issued by the Department of Public Enterprises, the Board of Directors in its meeting held on November 20, 2017 reconstituted nomination and remuneration committee comprising of Shri Satish Sareen, Chairman, Dr. Vidya Rajiv Yeravdekar and Shri Anil Kumar Goel, Members. Further, committee has been reconstituted by the Board of Directors in their meeting held on March 21, 2018, comprising of Shri Satish Sareen, Chairman, Dr. Vidya Rajiv Yeravdekar, Shri Anil Kumar Goel, and Shri Rajendra Nath Goyal as Members.

Performance Evaluation of Directors:

The requirement of performance evaluation of Directors under Section 178(2) of the Companies Act, 2013 has been done away with for Government Companies vide Ministry of Corporate Affairs' (MCA) Notification dt. 5th June 2015. Further, MCA vide its notification dated 05th July, 2017 has made an amendment in the Schedule IV of the Act, whereby it has exempted Government Companies

from complying with the requirement of performance evaluation by the Independent Director of Non-Independent Directors and Chairman and performance evaluation of the independent Directors by the Board, if the concerned departments or ministries have specified these requirements.

Composition of Nomination and Remuneration Committee:

As on 31st March, 2018, the Nomination and Remuneration Committee comprised the following Directors:

Name	Position in the Committee	Designation
Shri Satish Sareen	Chairman	Independent Director
Dr. Vidya Rajiv Yeravdekar	Member	Independent Director
Shri Anil Kumar Goel	Member	Independent Director
Shri Rajendra Nath Goyal (from 15/03/2018)	Member	Independent Director

Terms of reference:

The terms of reference of Nomination and Remuneration Committee are as per Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, Section 178 of the Companies Act, 2013 and in accordance with applicable regulations prescribed by the Securities and Exchange Board of India. Terms of reference of the Nomination and Remuneration Committee are as under:

- To identify persons who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal;
- To recommend to the Board a policy, relating to the remuneration for the key managerial personnel and other employees;
- Decide on the annual bonus/ performance pay/variable pay pool and policy for its distribution across the executives;
- Formulation and modification of schemes for providing perks and allowances for executives;

- Any new scheme of compensation to executives and non-executives as the case may be;
- Framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:
 - The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as and when the same come into force; or
 - The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003; and
- Perform such other activities as may be delegated by the Board and/or are statutorily prescribed under any law to be attended to by the Nomination and Remuneration committee.

Meetings of Nomination and Remuneration Committee:

During the year 2017-18 two meetings of Nomination and Remuneration Committee were held on August 28, 2017 and January 12, 2018 respectively.

The attendance of the each member of Nomination and Remuneration Committee is as under:

Name	Status	Held during their tenure	Attended
Shri Satish Sareen	Chairman	2	2
Dr. Vidya Rajiv Yeravdekar	Member	2	1
Shri Anil Kumar Goel	Member	2	2
Shri R.N. Misra (up to 31/08/2017)	Member	1	1
Shri Rajendra Nath Goyal (from 15/03/2018)	Member	NA	NA

Details of Remuneration of Functional Directors of the Company during the year 2017-18 are as under:

Name of Director	Salary (₹)	Benefits (₹)	Bonus/ Commission/ Ex-gratia (₹)	Performance linked incentives (₹)	Stock option during the year (₹)	Total (₹)
Shri Rajeev Mehrotra Chairman & Managing Director	4697560	1379884	-	464615	-	6542059
Shri Arbind Kumar Director Projects	4249290	991541	-	324980	-	5565811
Shri Ajay Kumar Gaur Director Finance	4067536	767286	-	303705	-	5138527
Shri Mukesh Rathore Director Technical	3415553	1110880	-	141422	-	4667855

During the year 2017-18 the Independent Directors were paid sitting fee of ₹ 20,000/- for attending Committee meetings and ₹ 30,000 for attending Board meeting.

Total sitting fees paid to Independent Directors during the Year 2017-18.

S. No.	Name	Amount (₹)
1.	Dr. Vidya Rajiv Yeravdekar	2,80,000
2.	Shri Anil Kumar Goel	7,20,000
3.	Shri Satish Sareen	7,20,000
4.	Dr. Pramod Kumar Anand (From 19/09/2017)	2,90,000
5.	Smt. Geethakumary (From 15/03/2018)	50,000
6.	Dr. R.N.Goyal (From 15/03/2018)	50,000

4.3 Risk Management Committee:

The company has constituted Risk Management Committee in line with requirement of SEBI (LODR) Regulations, 2015. The committee was re-constituted by the Board of Directors in its meeting held on November 20, 2017 in compliance with Regulation 21 of the SEBI Listing Regulations.

Composition of Risk Management Committee:

As on 31st March, 2018, the Risk Management Committee comprised the following Directors:

Name	Position in the Committee	Designation
Shri. Anil Kumar Goel	Chairman	Independent Director
Shri. Satish Sareen	Member	Independent Director
Shri. Ajay Kumar Gaur	Member	Director (Finance)
Dr. Pramod Kumar Anand (From 19/09/2017)	Member	Independent Director
Shri. A.P. Dwivedi	Member	Government Nominee Director

Terms of Reference:

The terms of reference of the Risk Management Committee are to overcome the problem associated with currency fluctuations, the Company designed a policy on Currency Risk Management covering aspects namely risk identification, currency risk management approach, bench marking, hedging and risk appetite, permissible instruments, hedging policy, structure of risk management committee and treasury group and the reporting procedures.

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.

Meetings of Risk Management Committee:

Risk Management Committee met once during the year on March 21 2018. The attendance of the each member of Risk Management Committee is as under:

Name	Position in the Committee	Held during their tenure	Attended
Shri Anil Kumar Goel	Chairman	1	1
Shri Satish Sareen	Member	1	1
Dr. Pramod Kumar Anand	Member	1	1
Shri A.P. Dwivedi	Member	1	1
Shri. Ajay Kumar Gaur	Member	1	1

4.4 Project Investment Committee:

The board has constituted this committee of directorsto consider investmentsanction for new projects and to revise cost estimate proposals of ongoing projects as may be required from the board. The Project Investment Committee was re-constituted as and when there has been a change in independent directors.

Composition of Project Investment Committee:

As on 31st March, 2018, the Project Investment Committee comprised the following Directors:

Name	Position in the Committee	Designation
Dr. Vidya Rajiv Yeravdekar,	Chairperson	Independent Director
Dr. P.K. Anand	Member	Independent Director

Name	Position in the Committee	Designation
Shri Anil Kumar Goel	Member	Independent Director
Shri Satish Sareen	Member	Independent Director
Shri A.P Dwivedi	Member	Government Nominee Director
Shri Arbind Kumar	Member	Director (Projects)
Shri Ajay Kumar Gaur	Member	Director (Finance)

Meetings of Project Investment Committee:

Project Investment Committee met two times during the year on January 12, 2018 and March 21, 2018.

The attendance of the each member of Project Investment Committee is as under:

Name	Position in the Committee	Held during their tenure	Attended
Dr. Vidya Rajiv Yeravdekar,	Chairperson	2	1
Dr. P.K. Anand	Member	2	2
Shri Anil Kumar Goel	Member	2	2
Shri Satish Sareen	Member	2	2
Shri A.P Dwivedi	Member	2	2
Shri Arbind Kumar	Member	2	2
Shri. Ajay Kumar Gaur	Member	2	2

4.5 Corporate Social Responsibility Committee:

The company has constituted a CSR Committee in line with the requirement of Companies Act, 2013 and Department of Public Enterprises The Corporate Social Responsibility committee of the Board of Directors was re-constituted by the Board of Directors in their meeting held on March 21, 2018, in compliance with Section 135 of the Companies Act, 2013 comprising of Shri Satish Sareen, Chairman, Dr. Vidya Rajiv Yeravdekar, Shri Anil Kumar Goel, Shri Amar Prakash Dwivedi, Ms. Geethakumary and Shri Ajay Kumar Gaur as Members.

Composition of Corporate Social Responsibility Committee:

As on 31st March, 2018, the Corporate Social Responsibility Committee comprised the following Directors:

Name	Position in the Committee	Designation
Shri Satish Sareen	Chairman	Independent Director
Shri Anil Kumar Goel	Member	Independent Director
Dr. Vidya Rajiv Yeravdekar	Member	Independent Director
Shri A. P. Dwivedi	Member	Government Nominee Director
Ms. Geethakumary	Member	Independent Director
Shri. Ajay Kumar Gaur	Member	Director (Finance)

The terms of reference, powers, quorum, and other matters in relation to the Corporate Social Responsibility Committee are as per Section 135 of the Companies Act, 2013 and the applicable rules there under.

Meetings of Corporate Social Responsibility Committee:

During the year 2017-18 seven meetings of CSR Committee were held on, April 21, 2017, May 25, 2017, August 28, 2017, October 4, 2017, November 20, 2017, January 12, 2018 and March 21, 2018 respectively. The attendance of each member of CSR Committee is as under:

Name	Position in the Committee	Held during their tenure	Attended
Shri Satish Sareen	Chairman	7	7
Dr. Vidya Rajiv Yeravdekar	Member	7	3
Shri Anil Kumar Goel	Member	7	7
Shri A.P. Dwivedi	Member	7	7
Shri Ajay Kumar Gaur	Member	7	7
Ms. Geethakumary	Member	NA	NA

4.6 Stakeholders' Relationship Committee:

The Company has constituted Stakeholders' Relationship Committee in line with the provisions of Section 178(5) of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 on November 20, 2017. The scope and function of the Stakeholders' Relationship Committee is in line with the provisions of Section 178 (5) of the Companies Act, 2013 and Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. During the year no meeting was required to be held.

Composition of Stakeholders' Relationship Committee:

As on 31st March, 2018, the Stakeholders' Relationship Committee comprised the following Directors:

S. No	Directors	Position in the Committee	Designation
1.	Dr. Pramod Kumar Anand	Chairman	Independent Director
2.	Shri. Satish Sareen	Member	Independent Director
3.	Shri. Anil Kumar Goel	Member	Independent Director
4.	Shri Amar Prakash Dwivedi	Member	Government Nominee Director
5.	Shri Ajay Kumar Gaur	Member	Director (Finance)

Terms of reference:

Redressal of shareholders'/investors' grievances related to:

Allotment or transfer of shares, approval of transfer or transmission of shares, debentures or any other securities including non-receipt of share certificates and review of cases for refusal of transfer/transmission of shares and debentures and assisting with quarterly reporting of such complaints;

Non-receipt of declared dividends, annual reports balance sheets of the Company, etc. of the Company or any other documents or information to be sent by the Company to its shareholders.

Carrying out any other function as prescribed under applicable law.

5. Separate Meeting of Independent Directors:

The separate meeting of independent directors was held on March 21, 2018 to inter alia assess the quality, quantity and timelines of flow of information between the management of the company and the board of directors that is necessary for the board to effectively and reasonably perform their duties.

The attendance of each member of Separate Committee is as under:

S. No.	Name	Attended the meeting
1.	Shri Anil Kumar Goel, Chairman	Present
2.	Shri Satish Sareen, Member	Present
3.	Dr. Vidya Rajiv Yeravdekar, Member	Absent
4.	Dr. P.K.Anand, Member	Present
5.	Ms Geethakumary, Member	Present
6.	Shri R.N.Goyal, Member	Present

6. Familiarization programme for Independent Directors:

The Company familiarizes the independent Directors with the activities and functioning of the company and their roles, rights, responsibilities in the company, nature of the industry in which the company operates, business model of the company, etc., through various programmes and presentations. The details of such familiarization programmes are disclosed on the company's website.

7. Name and designation of Compliance Officer:

Shri Ashish Kumar Srivastava, Company Secretary is the Compliance Officer in terms of SEBI (Listing Obligations and Disclosure requirements') Regulations, 2015.

8. General Body Meeting:

The Annual General Meetings and Extra Ordinary General Meeting of the company are held at New Delhi where the registered office of the company is situated. The details of the last three Annual General Meetings and Extra Ordinary General Meeting of the Company are as under:

AGM/EGM	Year	Date of holding Meeting	Time	Venue	Special Resolution
EGM	2017-18	9 th November, 2017	17:00 HRS	Railway Board, Rail Bhawan, New Delhi	Yes
43 rd AGM	2016-17	28 th August, 2017	12:00 HRS	Railway Board, Rail Bhawan, New Delhi	Nil
EGM	2016-17	21 st March, 2017	16:00 HRS	Railway Board, Rail Bhawan, New Delhi	Nil
42 nd AGM	2015-16	16 th September, 2016	12:00 HRS	Railway Board, Rail Bhawan, New Delhi	Nil
41 st AGM	2014-15	10 th September, 2015	11:45 HRS	Railway Board, Rail Bhawan, New Delhi	Nil

8.1 Resolutions passed E-voting/Postal ballot:

Since the company was not listed as on 31.03.2018 the requirement regarding E-voting/Postal ballot was not applicable

9. Subsidiary Companies:

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. and (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 has decided to initiate the process of winding up during the year 2016-17 and the same has also been approved by the Holding Company)* - The Company is under liquidation.

Further, the Company has two subsidiary companies abroad namely (i) RITES AFRICA (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 Company, but due to insurmountable differences with the client, the operation contract has been foreclosed in June, 2011. The Company is under liquidation.

Under the Guidelines on Corporate Governance for Central Public Sector Enterprises 2010, issued by Department of Public Enterprises in May, 2010, Subsidiary Company means only those subsidiaries, whose turnover or net worth is not less than 20% of the turnover or net worth of the holding company. No subsidiary of RITES comes under the ambit of above mentioned definition of Subsidiary Company. Hence, the corporate governance requirement as per Reg.24 of SEBI (LODR), 2015 with respect to subsidiary companies is not applicable on the company.

10. General Shareholders' Information:

i) Annual General Meeting Date :

19th September, 2018

Time: 10:00 AM

Venue: Air Force Auditorium, Subroto Park, New Delhi-110010

ii) Financial Year

The Company's Financial Year is from 1st April to 31st March.

iii) Book Closure

The Register of Members and Share Transfer Books of the Company will remain closed from 13th September, 2018 to 19th September, 2018 (both days inclusive).

iv) Payment of 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 (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.

v) The record date for the payment of Dividend is 12th September, 2018.

Dividend History

Financial Year	Total paid-up Capital (₹ in crore)	Total Amount of Dividend (₹ in crore) excluding DDT
2012-13	100	50
2013-14	100	53
2014-15	100	62
2015-16	100	77
2016-17	200	146
2017-18	200	148

vi) Listing on Stock Exchange:

Company equity shares are listed on the following Stock Exchanges w.e.f. 02.07.2018.

1. National Stock Exchange of India Limited.

Exchange Plaza, plot No. C/1,G Block, Bandra-Kurla Complex, Bandra E), Mumbai - 400 051
Scrip code: RITES
Stock Code: ISIN-INE320J01015

2. BSE Limited

Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001
Scrip Code: 541556

vii) RITES's Shares Market Price

As the shares of the Company were listed on July 2nd, 2018, the share market price information is not applicable.

viii) Registrar and Transfer Agents:

Link Intime India Private Limited
44, Community Centre, 2nd Floor,
Naraina Ind. Area Ph.- I, New Delhi-110028
Ph: +91 1141410592; Fax: +91 11 41410591
Website: www.linkintime.co.in
E-mail: swapann@linkintime.co.in
Contact Person: Mr. Swapan Kumar Naskar
SEBI Registration No.: INR000004058

ix) Share Transfer System:

The share transfer system consists of activities like receipt of shares along with transfer deed from transferee's, its verification, preparation of memorandum of transfer etc. Since all the shares of the company were in holding of President of India and nominees, there was no requirement of share transfer system.

x) a) Distribution of shareholding according to size % of holding as on 31st March, 2018

As entire shareholding of Company was held by President of India and his nominees as on date therefore the requirement of distribution of shareholding does not apply.

b) Shareholding as on 31st March, 2018

S. No.	Category	Total shares*	% to equity
1.	President of India and nominees	20,00,00,000	100
2.	FII's/FCB/FPI	-	-
3.	Mutual Funds	-	-
4.	Indian public	-	-
5.	Bodies corporate	-	-
6.	Insurance Companies	-	-
7.	Banks & FIs	-	-
8.	NRI's/OCBs	-	-
9.	Others	-	-

*as on today, entire promoters holding is under lock-in in terms of SEBI (ICDR) Regulations, 2009.

xi) Dematerialization of Shares

The shares of the Company are in compulsory dematerialized mode and are available for trading on of both National Securities Depository

Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

Number of shares held in dematerialization and physical mode (as on 31.03.2018):

S. No.	Physical/demat	Number of holders	Number of Shares	% of total issued capital
1.	Physical	-	-	-
2.	Held in dematerialized form in NSDL	7	20,00,00,000	100
	Total	7	20,00,00,000	100

xii) Address for correspondence:

	Registered Office	Corporate Office
Address	RITES Limited, Scope Minar, Laxmi Nagar, Delhi - 110 092, India	RITES Bhavan, No. 1, Sector 29, Gurugram- 122001, India
Telephone	+91 11 22024610	+91 124 2571665
Fax	+91 11 22024660	+91 124 2571187
Contact Person	Mr. Ashish Kumar Srivastava, Company Secretary and Compliance Officer;	
E-mail	cs@rites.com;	
Website	www.rites.com	
Corporate Identification Number:	U74899DL1974GOI007227	

xiii) Location of Plants:

Company has no plants as it is in the business of Consultancy, leasing & trading.

xiv) Disclosures with respect to demat suspense/unclaimed suspense account: None**xv) Foreign Exchange Risk and Hedging Activities:**

The 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.

11. Disclosures:

- During the year, there has been no materially significant related party transaction with the Directors, Management or their relatives that have a potential conflict with the interest of the company. The policy relating to related party transaction is uploaded on website of

company.

- Details of related party transactions are included in the Notes to Accounts as Indian Accounting Standards -Ind AS-24 notified by Central Government (Note 2.46).
- The company has followed the IND AS in the preparation of financial Statements.
- No penalties imposed or strictures passed against the company by any statutory authorities on any matters related to any guidelines issued by the Government during the last three years.
- There were no instances of non-compliance by the Company.
- We have a corporate policy on materiality for disclosure of events to the stock Exchanges. The web link of which is as follows:
- The compliance with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 have been made.

12. Means of Communication:

All important information pertaining to the Company is mentioned in the Annual Report of the Company containing inter-alia Audited Accounts, Directors' Report, Report on Corporate Governance which is circulated to the members and others entitled thereto for each financial year. The annual accounts of the Company are made available on the website of the Company i.e www.rites.com. Compliance report of Corporate Governance is also being sent to Ministry of Railways on quarterly basis/ yearly basis for onward submission to DPE.

13. Training of Board Members:

New Directors appointed by the President of India are given formal induction and orientation

with respect to Company's vision, strategic directions, core values including ethics, financial matters and business operations and risk profile of the business of the Company. The normal practice is to furnish a set of documents / booklets to a director on his/her joining the Board. This includes data about the company including its Brochure, Annual Report, MOU Targets & achievements, Memorandum and Articles of Association, Board Charter, CPSE guidelines on Corporate Governance etc.

14. CEO/CFO Certification:

The certification by Chairman and Managing Director (Chief Executive Officer) and Director Finance (Chief Financial Officer) was placed before the Board of Directors at the meeting held on 30th July, 2018 (placed as **Annexure-3** to this report).

15. Whistle Blower Policy

The Company has separate Vigilance Department which deals with fraud or suspected fraud involving employees/representatives of suppliers, contractors, consultants, service provider or any other party doing business with RITES. Whistle Blower and Fraud Prevention Policy have been approved by the Board of Directors and the same has been uploaded on the website of RITES.

16. Compliance

The Company complies with the requirements of the Guidelines on Corporate Governance for CPSEs 2010.

Certificate obtained from a Practicing Company Secretary regarding compliance of the conditions of Corporate Governance as stipulated in the Guidelines is placed as **Annexure - 4** to this report.