

**NOTICE FOR THE 42<sup>ND</sup> ANNUAL GENERAL MEETING**

Notice is hereby given that the 42<sup>ND</sup> Annual General Meeting of RITES LIMITED will be held in **Committee Room No. 237, 2<sup>nd</sup> Floor, Rail Bhawan, New Delhi - 110001** on Friday the 16<sup>th</sup> September 2016 at 12.00 HRS to transact the following business:

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited financial statements (including consolidated financial statements) of the Company for the financial year ended 31<sup>st</sup> March, 2016 along with Directors' and Auditors' Report thereon.
2. To confirm the payment of interim dividend and declare final Dividend for the year 2015-16

**SPECIAL BUSINESS**

**3. INCREASE IN AUTHORISED CAPITAL AND ISSUE OF BONUS SHARES**

To consider and, if thought fit, to pass with or without modifications, the following Resolutions as an Ordinary Resolution:

- i) ***"RESOLVED THAT pursuant to Section 13 and Section 61 of the Companies Act, 2013 and other applicable provisions, if any, the provisions of the Articles of Association of the Company and the Guidelines issued by the Department of Public Enterprises (DPE), the proposal to increase the authorized share capital from Rs. 150 crores divided into 15 crore equity shares of Rs. 10 each to Rs. 300 crores divided into 30 crore equity shares of Rs. 10 each with respective amendment in Clause V of Memorandum and Articles of Association of the Company be and is hereby approved"***
- ii) ***"FURTHER RESOLVED THAT as recommended by the Board of Directors and in accordance with Section 63 and other applicable provisions of the Companies Act, 2013, if any, or any amendment or re-enactment thereof, the provisions of the Articles of Association of the Company, the Guidelines issued by the Department of Public Enterprises (DPE), a sum of Rs.50,00,00,000/- (Rupees fifty crore only) be capitalized out of the free reserves and surplus of the Company and distributed by way of issuing of 5,00,00,000 (Five crore) shares of Rs.10/- each as Bonus Equity Shares credited as fully paid-up Equity Shares to the holders of the Existing Equity Shares of the Company in the proportion of 1 (one) Bonus Equity Share of Rs. 10/- (Rupees Ten) for every 2 (Two) fully paid-up Equity Share of Rs.10/- (Rupees Ten) each held by them and that the Bonus Shares as and when issued as fully paid up shall rank Pari Passu with the existing shares already issued."***

- iii) "FURTHER RESOLVED THAT the Bonus Shares so allotted shall always be subject to the terms and conditions contained in the Memorandum and Articles of Association of the Company."
- iv) "FURTHER RESOLVED THAT no letter of allotment shall be issued in respect of the Bonus Shares in the case of members who hold equity shares (or opt to receive the Bonus Shares) in dematerialized form, the Bonus Shares shall be credited to the respective beneficiary accounts of the Members with their respective Depository Participants and in the case of members who hold Equity Shares in certificate form, the share certificates in respect of the Bonus Shares shall be dispatched, within such time as prescribed by Law and the relevant authorities."
- v) "FURTHER RESOLVED THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all such acts/deeds, matters and things and give such directions as may be necessary or expedient and to settle any question, difficulty or doubt that may arise in this regard as the Board in its absolute discretion may deem necessary or desirable and its decision shall be final and binding."

BY ORDER OF THE BOARD OF DIRECTORS

  
(PT Mittal)  
Company Secretary & GM (Legal)

Place: New Delhi  
Dated: 22<sup>nd</sup> August, 2016

- To
1. All Members of the Company
  2. All Directors of the Company
  3. Chairman, Audit Committee
  4. Agiwal & Associates  
Chartered Accountants (Statutory Auditor)
  5. Akhil Rohatgi & Company  
Company Secretaries (Secretarial Auditor)

**NOTE:** A member entitled to attend and vote at the meeting is also entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a Member. In order to be effective, proxy forms duly completed should be deposited at the Registered Office of the Company not less than 48 hours before the time of the meeting.

An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of Special Business is annexed.

## ANNEXURE TO NOTICE

### Explanatory Statement pursuant to Section 102 of Companies Act, 2013

#### ITEM NO. 03

rites had started its business with initial paid up equity capital of Rs.1 lakh comprising of 1,000 shares of Rs.100 each in 1974, which was raised to Rs. 10 lakh by contribution from Ministry of Railways in 1975-76. This was enhanced from time to time by issue of bonus shares. At present, the paid up capital of the Company is Rs.100 crore comprising of 10,00,00,000 (10 crore) shares of Rs.10 each. The reserves & surplus of the Company as on 31st March, 2016 are Rs. 1703.30 crore. The Company has been making profit consistently every year and has also continuously paid dividend to its shareholders.

As per Office Memorandum No. F.No.5/2/2016 of Ministry of Finance, Govt. of India dated 27<sup>th</sup> May, 2016 and forwarded by DPE vide letter No. F.No.PP/14(0005/2016) dated 20<sup>th</sup> June, 2016, clause 7 states that every CPSE should look into and analyse / deliberate in their Board meeting, the issue of Bonus Shares, if the reserves and surplus of the company are equal to or more than 5 times of its paid up equity share capital. In case, if it is decided not to issue bonus shares, the Nominee Official Directors shall ensure that the Board analyse the justification for the decision and reasons for the same be recorded. However, every CPSE shall issue Bonus shares if their defined reserves & surplus is equal to or more than 10 times of its paid up equity share capital.

Keeping in view the above guidelines of DPE, Board of Directors in their 222<sup>nd</sup> Meeting held on 26<sup>th</sup> July, 2016 approved the proposal for Issue of Bonus Shares in the ratio of 1:2 (1 bonus shares of Rs. 10/- each for every two shares) held by existing shareholders, by capitalizing the free reserves of the company by issuing 5 crore equity shares of Rs. 10/- each subject to the approval of Shareholders in the General Meeting of the Company. The Bonus shares so issued shall rank pari passu with the existing shares. With this increase, the paid up share capital of the Company will become equal to Authorised share capital.

However, to comply with the guidelines fully, Board of Directors in the said meeting also approved the proposal for increasing the Authorised share capital of the company from Rs. 150 crore to Rs. 300 crore, which will require amendment of Clause V - Capital Clause of Memorandum of Association, subject to the approval of Administrative Ministry and shareholders of the Company.

Thereafter, Ministry of Railways was requested for their administrative approval regarding 'increase in authorised capital' which is still awaited.

None of the Directors of the Company is concerned or interested in the Resolution.

PROXY FORM

I, \_\_\_\_\_ of \_\_\_\_\_

Being a member of RITES LIMITED hereby appoint Shri \_\_\_\_\_  
or failing him Shri \_\_\_\_\_ as my Proxy to vote  
for me and on my behalf at the **42<sup>nd</sup> Annual General Meeting** of the  
Company to be held on Friday the 16<sup>th</sup> September 2016 at 12.00 HRS and  
at any adjournment thereof.

Signed on this \_\_\_\_\_ day of \_\_\_\_\_ 2016.

( \_\_\_\_\_ )

Affix  
Rs.1.00  
Revenue  
Stamp

Folio No. \_\_\_\_\_

No. of shares held \_\_\_\_\_