

## DRAFT LETTER OF OFFER

### THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Draft Letter of Offer is being sent to you, being an Eligible Shareholder of RITES Limited (the “Company”) as on the Record Date in accordance with Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018, as subsequent amendments thereof. If you require any clarifications about the action to be taken, you may consult your stockbroker or investment consultant or the Manager to the Buyback Offer i.e. IDBI Capital Markets & Securities Limited or the Registrar to the Buyback Offer i.e. Link Intime India Private Limited. Please refer to the section on ‘Definitions’ for the definition of the capitalized terms used herein.



### RITES LIMITED

(Schedule ‘A’ Enterprise of Govt. of India)

CIN: L74899DL1974G01007227

Registered Office: SCOPE Minar, Laxmi Nagar, Delhi-110092, India

Tel.: +91 11 2202 4610, Fax: +91 11 2202 4660

Corporate Office: RITES Bhavan, No. 1, Sector 29, Gurugram, Haryana, India-122001, India

Tel.: +91 12 4257 1665, Fax: +91 12 4257 1187

E-mail: cs@rites.com | Website: www.rites.com

**CASH OFFER FOR BUYBACK OF NOT EXCEEDING 96,98,113 (NINETY SIX LAKH NINETY EIGHT THOUSAND ONE HUNDRED THIRTEEN) FULLY PAID-UP EQUITY SHARES OF FACE VALUE RS.10 EACH, REPRESENTING 3.88% OF THE TOTAL NUMBER OF EQUITY SHARES IN THE ISSUED, SUBSCRIBED AND PAID-UP EQUITY SHARE CAPITAL OF THE COMPANY, FROM ALL THE EXISTING SHAREHOLDERS/ BENEFICIAL OWNERS OF EQUITY SHARES OF THE COMPANY AS ON THE RECORD DATE i.e. WEDNESDAY, SEPTEMBER 30, 2020 ON A PROPORTIONATE BASIS, THROUGH THE “TENDER OFFER” PROCESS AT A PRICE OF RS. 265 (RUPEES TWO HUNDRED SIXTY FIVE ONLY) PER FULLY PAID-UP EQUITY SHARE FOR AN AGGREGATE CONSIDERATION NOT EXCEEDING RS.257 CRORE (RUPEES TWO HUNDRED FIFTY SEVEN CRORE ONLY)**

- 1) The Buyback is in accordance with the provisions of Sections 68, 69, 70 and all other applicable provisions of the Companies Act, 2013, as amended, the Companies (Share Capital and Debentures) Rules, 2014, as amended to the extent applicable and in accordance with Article 19 of the Articles of Association of the Company and in accordance with Regulation 4(iv)(a) and other applicable provisions contained in the Buyback Regulations and subject to such other approvals, permissions and sanctions as may be necessary, from time to time from statutory, regulatory or governmental authorities under applicable laws including but not limited to SEBI, the Stock Exchanges and Reserve Bank of India etc.
- 2) The Buyback Offer Size which is not exceeding Rs. 257 Crore (Rupees Two Hundred Fifty Seven Crore Only) which represents 9.97% and 9.76% of the aggregate of the Company’s fully paid-up equity share capital and free reserves as per the audited standalone and consolidated financial statements of the Company, respectively for the financial year ended March 31, 2020 (i.e. the last audited financial statements available as on the date of the Board Meeting approving the Buyback) and is within the statutory limits of 10% of the aggregate of the fully paid-up equity share capital and free reserves as per standalone and consolidated audited financial statements of the Company under the Board of Directors approval route as per the provisions of the Companies Act, 2013.
- 3) The Letter of Offer will be sent to the Eligible Shareholders as on the Record Date i.e. Wednesday, September 30, 2020 in accordance with Buyback Regulations and such other circulars or notifications as may be prescribed by SEBI, if applicable.
- 4) The procedure for acceptance is set out in paragraph 20 (*Procedure for Tender Offer and Settlement*) on page 34, of this Draft Letter of Offer. The Tender Form is enclosed together with this Draft Letter of Offer.
- 5) For mode of payment of cash consideration to the Eligible Shareholders, please refer to paragraph 20(bb) (*Method of Settlement*) on page 41 of this Draft Letter of Offer.
- 6) A copy of the Public Announcement published on September 22, 2020 and this Draft Letter of Offer (including Tender Form) is available on the website of the Company - www.rites.com and is also expected to be made available on website of SEBI - www.sebi.gov.in
- 7) Eligible Shareholders are advised to refer to paragraph 17 (*Details of Statutory Approvals*) on page 30 of this Draft Letter of Offer and paragraph 21 (*Note on Taxation*) on page 43 of this Draft Letter of Offer before tendering their Equity Shares in the Buyback.

**BUYBACK OPENS ON: [•],[•]**

**BUYBACK CLOSES ON: [•],[•]**

**(LAST DATE/TIME OF RECEIPT OF COMPLETED APPLICATION FORMS AND OTHER SPECIFIED DOCUMENTS INCLUDING PHYSICAL SHARE CERTIFICATES BY THE REGISTRAR: [•],[•], BY [•] P.M.**

**MANAGER TO THE BUYBACK OFFER**

**REGISTRAR TO THE BUYBACK OFFER**



**IDBI CAPITAL MARKETS & SECURITIES LIMITED**

6th Floor, IDBI Tower, WTC Complex, Cuffe Parade,  
Mumbai – 400 005, Maharashtra, India

**Contact person:** Chandresh Sharma

**Tel.:** +91 (22) 2217 1700

**Fax:** 91 (22) 2215 1787

**Email:** ritesbuyback@idbicapital.com

**Website:** www.idbicapital.com

**SEBI Registration No.:** INM000010866

**Validity Period:** Permanent

**CIN:** U65990MH1993GOI075578



**LINK INTIME INDIA PRIVATE LIMITED**

C-101, 1st Floor, 247 Park, Lal Bhadur Shastri Marg,  
Vikhroli (West), Mumbai 400 083

**Contact Person:** Mr. Sumeet Deshpande

**Tel.:** +91 022 49186200

**Fax.:** +91 022 49186195

**Email:** rites.buyback2020@linkintime.co.in

**Website:** www.linkintime.co.in

**SEBI Registration Number:** INR000004058

**Validity Period:** Permanent

**CIN:** U67190MH1999PTC118368

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## 1. SCHEDULE OF THE ACTIVITIES FOR THE BUYBACK OFFER

Activity	Date	Day
Date of Board Meeting approving the proposal of the Buyback	September 18, 2020	Friday
Date of Public Announcement for Buyback	September 21, 2020	Monday
Date of publication of the Public Announcement for the Buyback	September 22, 2020	Tuesday
Record Date for determining the Buyback Entitlement and the names of Eligible Shareholders	September 30, 2020	Wednesday
Date of Opening of the Buyback Offer	[•]	[•]
Date of Closing of the Buyback Offer	[•]	[•]
Last date of receipt of the completed Tender Forms and other specified documents including Physical Share certificates (if and as applicable) by the Registrar	[•]	[•]
Last date of verification of Tender Forms by the Registrar	[•]	[•]
Last date of intimation regarding acceptance / non- acceptance of tendered Equity Shares by the Registrar	[•]	[•]
Last date of settlement of bids on the Stock Exchange	[•]	[•]
Last date of dispatch of share certificate(s) by RTA/ payment to shareholders/ return of unaccepted demat shares by Stock Exchanges to Shareholder Broker/ Eligible Shareholders	[•]	[•]
Last date of extinguishment of Equity Shares	[•]	[•]

## 2. DEFINITION OF KEY TERMS

*This Draft Letter of Offer uses certain definitions and abbreviations which, unless the context otherwise indicates or implies or specified otherwise, shall have the meaning as provided below. References to any legislation, act, regulation, rules, guidelines or policies shall be to such legislation, act, regulation, rules, guidelines or policies as amended, supplemented, or re-enacted from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.*

*The words and expressions used in this Draft Letter of Offer, but not defined herein shall have the meaning ascribed to such terms under the Buyback Regulations, the Companies Act, 2013, the Depositories Act, and the rules and regulations made thereunder.*

Term	Description
Acceptance	Acceptance of Equity Shares, tendered by Eligible Shareholders in the Buyback Offer
Acquisition Window	The facility for acquisition of Equity Shares through mechanism provided by the Designated Stock Exchange in the form of a separate window in accordance with the SEBI Circulars
Additional Shares / Additional Equity Shares	Additional Equity Shares tendered by an Eligible Shareholder over and above the Buyback Entitlement of such Equity Shareholder upto the Eligible Equity Shares
Articles/ AOA	Articles of Association of the Company
Board Meeting	Meeting of the Board of Directors held on September 18, 2020 approving the proposal for the Buyback Offer
Board/ Board of Directors/ Director(s)	Board of directors of the Company (which term shall, unless repugnant to the context or meaning thereof, be deemed to include a duly authorized 'Committee' thereof)
BSE	BSE Limited
Buyback/ Buyback Offer/ Offer/ Buyback Offer Size	Buyback of not exceeding 96,98,113 (Ninety Six Lakh Ninety Eight Thousand One Hundred Eighteen) fully paid-up Equity Shares of face value of Rs. 10 each at a price of Rs. 265 (Rupees Two Hundred Sixty Five only) per Equity Share for an aggregate consideration not exceeding Rs. 257 Crore (Rupees Two Hundred Fifty Seven Crore only), on a proportionate basis, from the Eligible Shareholders, as on Record Date by way of a tender offer process through the stock exchange mechanism in terms of the Buyback Regulations read with SEBI Circulars
Buyback Committee/Committee	The Buyback Committee of the Board, constituted and authorized for the purposes of the Buyback by way of a resolution of the Board dated September 18, 2020

<b>Term</b>	<b>Description</b>
Buyback Entitlement	The number of Equity Shares that an Eligible Shareholder is entitled to tender in the Buyback Offer, based on the number of Equity Shares held by such Eligible Shareholder on the Record Date and the ratio/percentage of Buyback applicable in the category to which such Eligible Shareholder belongs
Buyback Closing Date	[●]
Buyback Opening Date	[●]
Buyback Period	The Buyback period, as defined under Regulation 2(i)(d) of the Buy-back Regulations
Buyback Regulations	Securities and Exchange Board of India (Buy back of Securities) Regulations, 2018 as amended from time to time
CAGR	Compound annual growth rate
CDSL	Central Depository Services (India) Limited
Clearing Corporation / NCL	NSE Clearing Limited
Company/RITES/ “we”	RITES Limited, unless the context states otherwise
Companies Act, 1956	The Companies Act, 1956, as amended (to the extent applicable)
Companies Act, 2013	The Companies Act, 2013, as amended
Company’s Broker	IDBI Capital Markets & Securities Limited
Corporate Office	The corporate office of the Company, located at RITES Bhavan, No. 1, Sector 29, Gurugram, Haryana, India–122001, India
CPSE	Central Public Sector Enterprises
Demat Share(s)	Equity Share(s) of the Company in dematerialised form
Depositories	Collectively, NSDL and CDSL
Depositories Act	The Depositories Act, 1996
Designated Stock Exchange	The designated stock exchange for the Buyback, being, NSE
DIN	Director Identification Number
Director	Director(s) of the Company
Draft Letter of Offer/ Offer Document/ DloF	This draft letter of offer dated [September 28], 2020
DP	Depository Participant
DTAA	Double Taxation Avoidance Agreement
Eligible Equity Shares	Eligible Equity Shares means the lower of: (i) Total number of Equity Shares held by an Eligible Shareholder as on the Record Date; or (ii) Total number of Equity Shares tendered by an Eligible Shareholder.
Equity Shares/ Shares	Fully paid-up equity shares of face value Rs 10 each of the Company
Equity Shareholders/ Shareholders	Holders of the Equity Shares of the Company and includes beneficial owner(s) thereof
Eligible Shareholder(s)	All shareholders / beneficial owner(s) of Equity Shares of the Company as on Record Date i.e. Wednesday, September 30, 2020.
Escrow Account	The escrow account titled “[●]” opened with the Escrow Agent in terms of the Escrow Agreement
Escrow Agent	[●]
Escrow Agreement	The escrow agreement dated [●] entered into between the Company, Escrow Agent and the IDBI Capital Markets & Securities Limited
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999, as amended
FII(s)	Foreign Institutional Investor(s)
FPI(s)	Foreign Portfolio Investor(s)
Form / Tender Form	Form of Acceptance-cum-Acknowledgement to be filled in by the Eligible Shareholders to participate in the Buyback
Financial Year/Fiscal/FY	Period of 12 months ended March 31 of that particular year
FVCI	Foreign Venture Capital Investors (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000) registered with the SEBI
GoI	Government of India
HUF	Hindu Undivided Family
Income Tax Act	The Income Tax Act, 1961, as amended
Letter of Offer	The letter of offer dated [●] to be filed with SEBI containing disclosures in relation to the Buyback as specified in the Buyback Regulations, including comments received from SEBI on the Draft Letter of Offer

<b>Term</b>	<b>Description</b>
LTCG	Long-term Capital Gains
Ltd.	Limited
Manager / Manager to the Buyback Offer / IDBI	IDBI Capital Markets & Securities Limited
MoR	Ministry of Railways
Non-Resident Shareholders	Includes Non-Resident persons and bodies corporate, Non-Resident Indians (NRI), FII(s), FPI(s) and erstwhile OCBs holding equity shares in the Company
NRE	Non Residents External
NRI	Non Resident Indian
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCB	Overseas Corporate Bodies
Offer Period / Tendering Period	Period of 10 working days from the date of opening of the Buyback Offer till its closure (both days inclusive)
Offer Price / Buyback Offer Price/ Buyback Price	Price at which Equity Shares will be bought back from the Eligible Shareholders i.e. Rs.265 (Rupees Two Hundred Sixty Five only) per Equity Share, payable in cash
PAN	Permanent Account Number
Physical Shares	Equity Share(s) of the Company in physical form
Promoters/ Promoter Group	The President of India acting through Ministry of Railways, Government of India
Public Announcement / PA	The public announcement, made in accordance with the Buyback Regulations, dated September 21, 2020, published on September 22, 2020 in all editions of the Business Standard (English and Hindi National daily) (Hindi being the regional language of Delhi wherein the registered office of the Company is located)
Ratio of Buyback	The ratio of the Buy-back: (i) in case of Small Shareholders, [●] Equity Shares for every [●] Equity Shares held by such Small Shareholder on the Record Date; and (ii) for Eligible Shareholders other than Small Shareholders, [●] Equity Shares for every [●] Equity Shares held by such Eligible Shareholder on the Record Date
RBI	Reserve Bank of India
Record Date	The date for the purpose of determining the entitlement and the names of the Equity Shareholders, to whom the Letter of Offer and Tender Form will be sent and who are eligible to participate in the Buyback Offer in accordance with Buyback Regulations. This date shall be Wednesday, September 30, 2020
Registered Office	The registered office of the Company, located at SCOPE Minar, Laxmi Nagar, Delhi-110092, India
Registrar to the Buyback Offer/ Registrar	Link Intime India Private Limited
REMCL	Railway Energy Management Company Limited
SEBI	Securities and Exchange Board of India
SEBI Circulars	Tendering of Equity Shares by Shareholders and settlement of the same, through the stock exchange mechanism as specified by SEBI in the circular bearing number CIR/ CFD/POLICYCELL/1/2015 dated April 13, 2015 and circular no. CFD/DCR2/CIR/P/2016/131 dated December 09, 2016 and circular bearing number SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018
SEBI Listing Regulations	The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
SEBI Relaxation Circulars	SEBI circular bearing number SEBI/CIR/CFD/DCR1/CIR/P/2020/83 dated May 14, 2020 and SEBI/HO/CFD/DCR2/CIR/P/2020/139 dated July 27, 2020
SEBI Takeover Regulations	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended
Shareholder Broker	A stock broker (who is a member of the BSE and/or NSE) of an Eligible Shareholder, through whom the Eligible Shareholder wants to participate in the Buyback
Small Shareholder	An Eligible Shareholder, who holds Equity Shares of market value not more than two lakh rupees, on the basis of closing price on the recognized stock exchange registering the highest trading volume, as on Record Date i.e.

Term	Description
	Wednesday, September 30, 2020
STCG	Short-term Capital Gains
Stock Exchanges	BSE and NSE, being the stock exchanges where the Equity Shares of the Company are listed
Tender Form	Form of Acceptance-cum-Acknowledgement to be filled in and sent to the Registrar by the Eligible Shareholders to participate in the Buy-back
Tender Offer	Method of buyback as defined in Regulation 2(i)(q) of the Buyback Regulations
TRS	Transaction Registration Slip
U.S.	United States
Working Day	Working day shall have the meaning ascribed to it under the Buyback Regulations

### 3. DISCLAIMER CLAUSE

As required, a copy of this Draft Letter of Offer has been submitted to the SEBI.

It is to be distinctly understood that submission of the Draft Letter of Offer to SEBI should not, in any way be deemed/construed that the same has been cleared or approved by SEBI. SEBI does not take any responsibility either for the financial soundness of the Company to meet the Buyback commitments or for the correctness of the statements made or opinions expressed in the Draft Letter of Offer. The Manager to the Buyback Offer i.e. IDBI Capital Markets & Securities Limited, certifies that the disclosures made in this Draft Letter of Offer are generally adequate and are in conformity with the provisions of the Companies Act and the Buyback Regulations. This requirement is to facilitate Eligible Shareholders to take an informed decision for tendering their Shares in the Buyback.

It should also be clearly understood that while the Company is primarily responsible for the correctness, adequacy and disclosure of all relevant information in this Draft Letter of Offer, the Manager to the Buyback is expected to exercise due diligence to ensure that the Company discharges its duty adequately in this behalf and towards this purpose, the Manager to the Buyback has furnished to SEBI a Due Diligence Certificate dated September 28, 2020 in accordance with Buyback Regulations, which reads as follows:

*“We have examined various documents and materials contained in the annexure to the Draft Letter of Offer, as part of the due-diligence carried out by us in connection with the finalization of the Public Announcement dated September 21, 2020 and the Draft Letter of Offer. On the basis of such examination and the discussions with the Company, we hereby state that:*

- *The Public Announcement and the Draft Letter of Offer are in conformity with the documents, materials and papers relevant to the Buyback offer.*
- *All the legal requirements connected with the said Buyback including SEBI (Buy-Back of Securities) Regulations, 2018, as amended, have been duly complied with.*
- *The disclosures in the Public Announcement and the Draft Letter of Offer are, to the best of our knowledge, true, fair and adequate in all material respects for the Eligible Shareholders of the Company to make a well informed decision in respect of the Buyback.*
- *Funds used for Buyback shall be as per the provisions of the Companies Act, 2013, as amended”*

The filing of the Draft Letter of Offer with SEBI does not, however, absolve the Company from any liabilities under the provisions of the Companies Act, 2013 or from the requirement of obtaining such statutory or other clearances as may be required for the purpose of the proposed Buyback.

The Promoter/Directors declare and confirm that no information/material likely to have a bearing on the decision of investors has been suppressed/withheld and/or incorporated in the manner that would amount to mis-statement/mis-representation and in the event of it transpiring at any point of time that any information/material has been suppressed/ withheld and/or amounts to a mis-statement/misrepresentation, the Promoter/Directors and the Company shall be liable for penalty in terms of the provisions of the Companies Act and the Buyback Regulations.

The Promoter/Directors also declare and confirm that funds borrowed from banks and financial institutions will not be used for the Buyback.

There are no directions subsisting or proceedings pending against the Company, the Manager to the Buy-back and the Registrar to the Buy-back under the Securities and Exchange Board of India Act, 1992 and the regulations made thereunder.

**Disclaimer for U.S. Persons:**

The Buyback is being made for securities of an Indian company and is subject to the laws of India. It is important for U.S. Shareholders to be aware that this Draft Letter of Offer is subject to tender offer laws and regulations in India that are different from those in the U.S. and has been prepared in accordance with Indian law, format and style, which differs from customary U.S. format and style. This Draft Letter of Offer does not in any way constitute an offer to sell, or an invitation to sell, any securities in the United States of America or in any other jurisdiction in which such offer or invitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. Potential users of the information contained in this Draft Letter of Offer are requested to inform themselves about and to observe any such restrictions.

NEITHER THE U.S. SECURITIES AND EXCHANGE COMMISSION NOR ANY U.S. STATE SECURITIES COMMISSION OR REGULATORY BODY HAS APPROVED OR DISAPPROVED OF THIS OFFER, PASSED UPON THE FAIRNESS OR MERITS OF THIS DRAFT LETTER OF OFFER OR DETERMINED WHETHER THIS DRAFT LETTER OF OFFER IS ACCURATE OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE IN THE UNITED STATES.

**Important Notice to All Shareholders**

This Draft Letter of Offer has not been filed, registered or approved in any jurisdiction outside India. This Draft Letter of Offer has been prepared for the purposes of compliance with the Buyback Regulations. Accordingly, the information disclosed may not be the same as that which would have been disclosed if this document had been prepared in accordance with the laws and regulations of any jurisdiction outside of India. Except as otherwise required by applicable law, the Company and the Manager to the Buyback Offer are under no obligation to update the information contained herein at any time after the date of this Draft Letter of Offer.

This Draft Letter of Offer does not in any way constitute an offer to sell, or an invitation to sell, any securities in any jurisdiction in which such offer or invitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation would subject the Company or the Manager to the Offer to any new or additional requirements or registrations. The Letter of Offer shall be sent by e-mail only to all Shareholders whose names appear on the register of members of the Company, as of the Record Date, as per SEBI Relaxation Circulars. However, receipt of the Letter of Offer by any Shareholders in a jurisdiction in which it would be illegal to make this Offer, or where making this Offer would require any action to be taken (including, but not restricted to, registration of the Letter of Offer under any local securities laws), shall not be treated by such Shareholders as an offer being made to them. Potential users of the information contained in this Draft Letter of Offer are requested to inform themselves about and to observe any applicable legal requirement or restrictions. Any Eligible Shareholder who tenders his, her or its Equity Shares in the Buyback shall be deemed to have declared, represented, warranted and agreed that he, she or it is authorized under the provisions of any applicable local laws, rules, regulations and statutes to participate in the Buyback.

**Forward Looking Statement:**

This Draft Letter of Offer contains certain forward-looking statements. These forward-looking statements generally can be identified by words or phrases such as 'aim', 'anticipate', 'believe', 'expect', 'estimate', 'intend', 'objective', 'plan', 'project', 'will', 'will continue', 'will pursue' or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward looking statements. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

Actual results may differ materially from those suggested by forward-looking statements due to risks or uncertainties associated with expectations relating to, inter alia, regulatory changes pertaining to the industries in India and abroad in which we operate and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in the countries we operate which have an impact on its business activities or investments, the monetary and fiscal policies, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of

the financial markets in India and globally, changes in domestic laws, regulations and taxes and changes in competition in the industries in which we operate.

#### **Currency and Unit of Presentation**

In this Draft Letter of Offer, references to “Rs.” and “Rupees” are to Indian Rupees i.e. the legal currency of India. Further, all data related to financials are given in Rs. crore, unless otherwise stated.

#### **4. TEXT OF THE RESOLUTION PASSED AT THE BOARD MEETING**

The Buyback through Tender Offer was considered and approved by the Board of Directors of the Company at their meeting held on Friday, September 18, 2020. The extracts of the Board Resolutions are as follows:

**“RESOLVED THAT** pursuant to the provisions of Section 68, 69, 70 and all other applicable provisions, if any, of the Companies Act, 2013 as amended (the **“Companies Act”**), and in accordance with Article 19 of the Articles of Association of the Company, the Companies Act, 2013, as amended and the rules made thereunder (the **“Companies Act”**), the Companies (Share Capital and Debentures) Rules, 2014 (the **“Share Capital Rules”**), the Companies (Management and Administration) Rules, 2014, to the extent applicable, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ( the **“Listing Regulations”**)and in compliance with the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018as amended(the **“Buyback Regulations”**), and any statutory modification(s) or re-enactment thereof, for the time being in force and, subject to such other approvals, permissions and sanctions of Securities and Exchange Board of India (**“SEBI”**), Ministry of Corporate Affairs/ Registrar of Companies, Delhi (the **“ROC”**) and/ or other authorities, institutions or bodies (the **“Appropriate Authorities”**), as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions which may be agreed to by the Board of Directors of the Company (the **“Board”** which expression shall include any committee constituted by the Board to exercise its powers, including the powers conferred by this resolution), the Board hereby approves the buy-back of not exceeding **96,98,113 (Ninety Six Lakh Ninety Eight Thousand One Hundred Thirteen)** fully paid-up equity shares of face value of Rs. 10 each (representing **3.88%** of the total number of equity shares in the paid-up share capital of the Company) at a price of **Rs. 265 (Rupees Two Hundred Sixty Five only)** per equity share (the **“Buy Back Offer Price”**) payable in cash for an aggregate consideration not exceeding **Rs. 257 Crore (Rupees Two Hundred Fifty Seven Crore only)** (the **“Buyback Offer Size”**) (excluding transaction costs viz. brokerage, advisor's fees, intermediaries fees, public announcement publication fees, filing fees, turnover charges, applicable taxes inter alia including buyback taxes, securities transaction tax, goods and services tax, stamp duty and other incidental and related expenses) being 9.97% & 9.76% of the aggregate of the fully paid-up equity share capital and free reserves as per the audited standalone and consolidated financial statements of the Company, respectively, for the financial year ended March 31, 2020 and is within the statutory limits of 10% (Ten Percent) of the aggregate of the fully paid-up equity share capital and free reserves under the Board of Directors approval route as per the provisions of the Companies Act, 2013 from the equity shareholders of the Company, as on the record date, on a proportionate basis, through the **Tender Offer** route as prescribed under the Buyback Regulations (hereinafter referred to as the **“Buyback”**).

**RESOLVED FURTHER THAT** the Buyback Size does not include any expenses incurred or to be incurred for the Buyback like filing fees payable to the Securities and Exchange Board of India, advisors fees, public announcement publication expenses, printing and dispatch expenses and other incidental and related expenses.

**RESOLVED FURTHER THAT** the Company, to the extent legally permissible, implement the Buyback using the “Mechanism for acquisition of shares through Stock Exchange” notified by SEBI vide circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 read with circular CFD/DCR2/CIR/P/2016/131 dated December 09, 2016 and circular SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, including subsequent amendments or statutory modifications thereof.

**RESOLVED FURTHER THAT** such Buyback shall be made out of the Company’s free reserves and / or such other sources, and on such terms and conditions as the Board or a duly constituted committee thereof may decide from time to time, as may be permitted by law through “Tender Offer” route and as required by the Buyback Regulations and the Companies Act, the Company may buyback equity shares from all the existing members holding equity shares of the Company on a proportionate basis, provided 15% (fifteen percent) of the number of equity shares which the Company proposes to buyback or number of equity shares entitled as per the shareholding of small shareholders as on the record date, whichever is higher, shall be reserved for the small shareholders, as prescribed under the Buyback Regulations.



**RESOLVED FURTHER THAT** all of the shareholders of the Company, as on the record date, including the promoters and members of the promoter group, will be eligible to participate in the Buy-back, except any shareholders who may be specifically prohibited under the Buy-back Regulations or any other applicable laws.

**RESOLVED FURTHER THAT** confirmation is hereby made by the Board of Directors that:

- a) all equity shares of the Company are fully paid up;
- b) the Company has not undertaken a Buyback of any of its securities during the period of one year immediately preceding the date of this Board meeting;
- c) the Company shall not issue and allot any shares or other specified securities including by way of bonus, till the date of closure of this Buyback;
- d) the Company shall not raise further capital for a period of one year from the closure of the Buyback offer, except in discharge of its subsisting obligations.
- e) the Company shall not Buy back its equity shares from any person through negotiated deal whether on or off the stock exchanges or through spot transactions or through any private arrangement in the implementation of the Buyback;
- f) There are no defaults subsisting in the repayment of deposits, interest payment thereon, redemption of debentures or interest payment thereon or redemption of preference shares or payment of dividend due to any shareholder, or repayment of any term loans or interest payable thereon to any financial institution or banking company.
- g) Company shall not use borrowed funds from Banks and Financial Institutions for paying the consideration to the equity shareholders who have tendered their equity shares in the Buyback
- h) As per the provisions of Section 68(8) of the Companies Act, 2013, the Company will not issue same kind of shares within a period of 6 months after the completion of the Buyback except by way of bonus issue
- i) the Company shall not Buyback the locked-in equity shares or other specified securities, if any and non-transferable equity shares or other specified securities, if any, till the pendency of the lock-in or till the equity shares or other specified securities become transferable;
- j) the ratio of the aggregate of secured and unsecured debts owed by the Company shall not be more than twice the paid-up capital and free reserves after the Buyback, based on standalone and consolidated financial statements of the Company, as prescribed under the Companies Act, 2013 and rules made thereunder and Buyback Regulations;
- k) the consideration for the Buyback shall be paid only by way of cash;
- l) the aggregate amount of the Buy-back i.e. **Rs. 257 Crore (Rupees Two Hundred Fifty Seven Crore only)** i.e. 9.97% & 9.76% of the total paid-up Equity Share capital and free reserves of the Company is as per the latest audited standalone and consolidated financial statements of the Company for the financial year ended March 31, 2020 and that the maximum number of Equity Shares proposed to be purchased under the Buy-back i.e. **96,98,113 (Ninety Six Lakh Ninety Eight Thousand One Hundred Thirteen)** Equity Shares does not exceed 25% of the total number of Equity Shares of the paid-up Equity Share Capital of the Company;
- m) there is no pendency of any scheme of amalgamation or compromise or arrangement pursuant to the provisions of the Companies Act, 2013, as on date.”

**“RESOLVED FURTHER THAT** as required by Clause (x) of Schedule I under Regulation 5 of the Buyback Regulations, the Board hereby confirms that the Board of Directors have made a full enquiry into the affairs and prospects of the Company and that based on such inquiry, the Board of Directors has formed an opinion that:

- a) Immediately following the date of this Board meeting, there will be no grounds on which the Company could be found unable to pay its debts;
- b) As regards the Company’s prospects for the year immediately following the date of this Board meeting, and having regard to the Board’s intention with respect to the management of Company’s business during that year and to the amount and character of the financial resources which will in the Board’s view be available to the Company during that year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from the date of this Board meeting; and
- c) In forming an opinion as aforesaid, the Board has taken into account the liabilities, as if the Company was being wound up under the provisions of the Companies Act, 1956 or Companies Act, 2013 or Insolvency and Bankruptcy Code 2016, as the case may be, including prospective and contingent liabilities.”

**“RESOLVED FURTHER THAT** the proposed Buyback be implemented from the existing shareholders including the Promoter(s) of the Company as have been disclosed under the shareholding pattern filings made by the Company from time to time under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (**“SEBI LODR Regulations”**) and Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations 2011, as amended (**“SEBI Takeover Regulations”**) as the Board may consider appropriate, from out of its free reserves and/or Surplus in the statement of profit and loss and/or such other sources or by such mechanisms as may be permitted by Law, and on such terms and conditions as the Board may decide from time to time, and in the absolute discretion of the Board, as it may deem fit.”

**“RESOLVED FURTHER THAT** the draft of the Declaration of Solvency prepared in the prescribed form and supporting affidavit, placed before the meeting be and is hereby approved and Chairman & Managing Director and Director (Finance) be and are hereby authorized to finalise and sign the same, for and on behalf of the Board, and Company Secretary be and is hereby authorised to file the same with the ROC and the SEBI.”

**“RESOLVED FURTHER THAT** the Buyback from shareholders who are persons resident outside India including the Foreign Institutional Investors, Overseas Corporate Bodies, if any, shall be subject to such approvals, if, and to the extent necessary or required including approvals from Reserve Bank of India under Foreign Exchange Management Act, 1999 as amended and the rules and regulations framed there under, if any.”

**“RESOLVED FURTHER THAT** no information / material likely to have a bearing on the decision of the investors has been suppressed/ withheld and/ or incorporated in the manner that would amount to mis-statement/ misrepresentation and in the event of it transpiring at any point of time that any information/ material has been suppressed/ withheld and/ or amounts to mis-statement/ misrepresentation, the Board and the Company shall be liable for penalty in terms of the provisions of the Companies Act and Buyback Regulations.”

**“RESOLVED FURTHER THAT** the approval of Board be and is hereby accorded for appointment of IDBI Capital Markets & Securities Limited as Manager and Broker to the Buyback and for other services related to the Buyback at a fee and on the terms& conditions as mutually agreed with them.”

**“RESOLVED FURTHER THAT** approval of the Board be and is hereby accorded for constitution of a Committee comprising of Chairman& Managing Director, Director Projects and Director Finance (**“Buyback Committee”**) to do all such acts, deeds, matters and things as it may, in its absolute discretion deem necessary, expedient, usual or proper, as the Buyback Committee may consider to be in the best interests of the shareholders, including but not limited to:

- a) appoint any intermediaries / agencies / persons as may be required for the purposes of the Buyback and decide, settle and vary the remuneration for all such intermediaries / agencies/ persons, including by the payment of commission, brokerage, fee, charges etc.
- b) entering into escrow arrangements as required in terms of the Buy-back Regulations;
- c) opening, operation and closure of all necessary accounts including bank accounts, escrow bank account, special escrow bank account, depository accounts (including escrow account), trading account with the Merchant Banker / Broker / Manager to the Buyback, for the purpose of payment and authorizing persons to operate the said accounts;
- d) approving the Buyback public announcement, draft letter of offer/ letter of offer;
- e) deciding the designated stock exchange;
- f) approving the date of opening and closing of Buyback, acceptances of shares tendered by the shareholders in the Buyback;
- g) approving extinguishment of dematerialized shares and physical destruction of share certificates as required under applicable law;
- h) sign and execute such other documents, deeds and writings as may be necessary for the implementation of the Buyback and delegate the power to any officer of the company to sign such documents,
- i) to give such directions as may be necessary or desirable and to settle any questions or difficulties whatsoever that may arise in relation to the Buyback.
- j) to delegate all or any of the authorities conferred on them to any Director(s)/ Officer(s)/ Authorized Signatory(ies)/ Representative(ies) of the Company
- k) to settle all such questions, difficulties or doubts that may arise in relation to the implementation of the Buy-back; and

- l) to do all such acts as it may, in its absolute discretion deem necessary, expedient or proper for the implementation of the Buyback.

The Company Secretary shall act as the Secretary to the Buyback Committee.”

“**RESOLVED FURTHER THAT** approval of the Board be and is hereby accorded for fixing September 30, 2020 (EoD) as the Record Date for ascertaining the eligibility of the Shareholders to participate in the Buyback of equity shares of the Company.”

“**RESOLVED FURTHER THAT** in terms of Regulation 24(iii) of the Buyback Regulations, Company Secretary be and is hereby appointed as the Compliance Officer for the Buyback.”

“**RESOLVED FURTHER THAT** nothing contained herein shall confer any right on any shareholder to offer and/ or any obligation on the Company or the Board or the Buyback Committee to Buyback any shares and / or impair any power of the Company or the Board or the Buyback Committee to terminate any process in relation to such Buyback, if so permissible by Law.”

“**RESOLVED FURTHER THAT** the Company shall maintain a register of shares bought back wherein details of equity shares bought back, consideration paid for the equity shares bought back, date of cancellation of equity shares and date of extinguishing and physically destroying of equity shares and such other particulars as may be prescribed, shall be entered and that the Company Secretary of the Company be and is hereby authorised to authenticate the entries made in the said register.”

“**RESOLVED FURTHER THAT** Chairman and Managing Director be and is hereby authorised to nominate any officer of the Company for negotiating, signing and executing necessary documents, undertaking, documents, letters, offers, agreements etc. for an on behalf of the company.”

“**RESOLVED FURTHER THAT** any of the Directors of the Company and /or the Company Secretary, be and are hereby severally authorized to file necessary e-forms with the Ministry of Corporate Affairs / Registrar of Companies, Delhi and any other statutory authority and to do all such acts, deeds and things as may be necessary to give effect to the above resolutions.”

## 5. DETAILS OF PUBLIC ANNOUNCEMENT

In accordance with the provisions of Regulation 7(i) of the Buyback Regulations, the Company has made a Public Announcement dated September 21, 2020 in relation to the Buyback which was published on September 22, 2020 in the following newspapers. The Public Announcement was issued within two working days from the date of the passing of the resolution in the meeting of Board of Directors for the Buyback i.e., September 18, 2020.

Publication	Language	Editions
Business Standard	English	All
Business Standard	Hindi	All

A copy of the Public Announcement is available on the website of the Company i.e. [www.rites.com](http://www.rites.com), the website of SEBI i.e., [www.sebi.gov.in](http://www.sebi.gov.in) and on the websites of Stock Exchanges, i.e., [www.bseindia.com](http://www.bseindia.com), and [www.nseindia.com](http://www.nseindia.com).

## 6. DETAILS OF THE BUYBACK

The Board of Directors of RITES Limited on September 18, 2020 passed a resolution to buy-back Equity Shares of the Company not exceeding 96,98,113 (Ninety Six Lakh Ninety Eight Thousand One Hundred Thirteen) fully paid-up Equity Shares of face value Rs. 10 each from all the existing shareholders / beneficial owners of Equity Shares of the Company as on Record Date, on a proportionate basis, through the “**Tender Offer**” process, at a price of Rs. 265/- (Rupees Two Hundred Sixty Five only) per Equity Share payable in cash, for an aggregate consideration not exceeding of Rs 257 Crore (Rupees Two Hundred Fifty Seven Crore Only)

The Buyback is in accordance with the provisions of Article 19 of the Articles of Association of the Company, Section 68, 69, 70 and all other applicable provisions if any, of the Companies Act, 2013, as amended, (the “**Companies Act**”), the Companies (Share Capital and Debentures) Rules, 2014 (the “**Share Capital Rules**”) and the provisions contained in the Buyback Regulations.

The Buyback is subject to approvals, permissions and sanctions, as may be necessary, from time to time from statutory authorities including but not limited to SEBI and Stock Exchanges.

The Buyback Offer Size represents 9.97% and 9.76% of the aggregate of the Company's fully paid-up equity share capital and free reserves as per the audited standalone and consolidated financial statements of the Company for the financial year ended March 31, 2020 (the last audited financial statements available as on the date of the Board Meeting approving the Buyback) and is within the statutory limits of 10% of the aggregate of the fully paid-up equity share capital and free reserves as per standalone and consolidated audited financial statements of the Company under the Board of Directors approval route as per the provisions of the Companies Act, 2013. The maximum number of Equity Shares proposed to be bought back represents 3.88% of the total number of Equity Shares in the total paid-up equity share capital of the Company.

The maximum amount required by the Company for the said Buyback will not exceed Rs 257 Crore (Rupees Two Hundred Fifty Seven Crore Only) and is within permitted limits.

The funds for the Buyback will be met out of internally generated cash resources of the Company. The Company shall transfer from its free reserves a sum equal to the nominal value of the Equity Shares bought back through the Buyback to the Capital Redemption Reserve Account and the details of such transfer shall be disclosed in its subsequent audited balance sheet. The Company confirms that as required under Section 68(2) (d) of the Companies Act, 2013, the ratio of the aggregate of secured and unsecured debts owed by the Company shall not be more than twice the paid-up capital and free reserves after the Buyback.

The Buyback shall be on a proportionate basis from all the Equity Shareholders of the Company through the "Tender Offer" process, as prescribed under Regulation 4(iv)(a) of the Buyback Regulations. Additionally, the Buyback shall be, subject to applicable laws, facilitated by tendering of Equity Shares by such Shareholders and settlement of the same, through the stock exchange mechanism as specified in SEBI Circulars.

The Buyback Offer Size does not include any expenses incurred or to be incurred for the Buyback like filing fees payable to the Securities and Exchange Board of India, advisors fees, public announcement publication expenses, printing and dispatch expenses, taxes inter alia including buy back taxes, securities transaction tax, goods and services tax, stamp duty and other incidental and related expenses.

The aggregate shareholding of the Promoter of the Company as on the date of publication of Public Announcement (i.e. September 22, 2020) is as follows:

Name of shareholder	No. of Equity Shares held	No. of Equity Shares held in dematerialized form	Percentage of issued Equity Share capital
President of India, acting through Ministry of Railways, Government of India	18,00,47,174	18,00,47,174	72.02%
<b>Total</b>	<b>18,00,47,174</b>	<b>18,00,47,174</b>	<b>72.02%</b>

No Shares or other specified securities in the Company were either purchased or sold by the Promoters during a period of six months preceding the date of the Board Meeting at which the Buyback was approved.

In terms of the Buyback Regulations, under the Tender Offer route, the promoter and promoter group of the Company have an option to participate in the Buyback. In this regard, the President of India acting through Ministry of Railways, Government of India, vide their letter dated September 21, 2020 intended to participate in the Buyback and tender up to 96,98,113 (Ninety Six Lakh Ninety Eight Thousand One Hundred Thirteen) Equity Shares or less as required in compliance with the Buyback Regulations.

Pursuant to the proposed Buyback and depending on the response to the Buyback, the voting rights of the Promoters in the Company may increase or decrease from the existing 72.02% holding in the total paid-up equity share capital of the Company as on date of the Board Meeting i.e. September 18, 2020. The Promoters of the Company is already in control over the Company and therefore such increase/decrease in voting rights of the Promoters will not result in any change in control over the Company.

Post Buyback, the non-promoter shareholding of the Company shall not fall below minimum level required as per SEBI Listing Regulations.

The Company, in compliance with regulation 4(v) of the Buyback Regulations, is not undertaking this Buyback so as to delist its Equity Shares or other specified securities from the stock exchanges.

## **7. AUTHORITY FOR THE BUYBACK**

The Buyback is in accordance with the provisions of Article 19 of the Articles of Association of the Company, Section 68, 69, 70 and all other applicable provisions if any, of the Companies Act, 2013 as amended, the Companies (Share Capital and Debenture) Rules, 2014 and the provisions contained in the Buyback Regulations.

The Buyback is subject to approvals as may be necessary, from time to time from statutory authorities including but not limited to SEBI and Stock Exchanges.

The Board of Directors at their meeting on September 18, 2020 passed a resolution approving buyback of Equity Shares of the Company.

## **8. NECESSITY OF THE BUYBACK**

Buyback is the acquisition by a company of its own shares. Buyback is an efficient form of returning surplus cash to the members holding equity shares of the Company, inter-alia, for the following reasons:

- i. The Buyback will help the Company to return surplus cash to its members holding equity shares broadly in proportion to their shareholding, thereby, enhancing the overall return to members;
- ii. The Buyback, which is being implemented through the Tender Offer route as prescribed under the Buyback Regulations, would involve allocation of higher of number of shares as per their entitlement or 15% of the number of shares to be bought back, reserved for the small shareholders. The Company believes that this reservation of 15% for small shareholders would benefit a large number of public shareholders, who would get classified as “small shareholder”;
- iii. The Buyback would help in improving return on equity, by reduction in the equity base, thereby leading to long term increase in shareholders’ value; and
- iv. The Buyback gives an option to the members holding equity shares of the Company, who can choose to participate and get cash in lieu of Equity Shares to be accepted under the Buyback offer or they may choose to not participate and enjoy a resultant increase in their percentage shareholding, post the Buyback offer, without additional investment.

After considering several factors and benefits to the shareholders holding Equity Shares of the Company, the Board decided to recommend Buyback not exceeding 96,98,113 (Ninety Six Lakh Ninety Eight Thousand One Hundred Thirteen) Equity Shares representing 3.88% of the total paid-up equity capital of the Company at a price of Rs. 265 (Rupees Two Hundred Sixty Five only) per Equity Share, payable in cash, for an aggregate maximum amount not exceeding Rs. 257 Crore (Rupees Two Hundred Fifty Seven Crore only) excluding filing fees payable to the Securities and Exchange Board of India, advisors fees, public announcement publication expenses, printing and dispatch expenses, taxes inter alia including buy back taxes, securities transaction tax, goods and services tax, stamp duty and other incidental and related expenses, which represents 9.97% and 9.76% of the aggregate of the Company’s fully paid-up equity share capital and free reserves as per the audited standalone and consolidated financials of the Company, respectively for the financial year ended March 31, 2020.

## **9. MANAGEMENT DISCUSSION AND ANALYSIS OF THE LIKELY IMPACT OF BUYBACK ON THE COMPANY**

9.1 The Company believes the Buyback is not likely to cause any material impact on the profitability/ earnings of the Company except for the cost of financing the Buyback, being a reduction in the treasury income that the Company could have otherwise earned on the funds deployed. Assuming there is full response to the Buyback to the extent of 100%, the funds deployed by the Company towards the Buyback would be Rs 257 Crore (Rupees Two Hundred Fifty Seven Crore Only). This shall impact the investment income earned by the Company, on account of reduced amount of funds available for investments.

9.2 The Company believes the Buyback will not in any manner impair the ability of the Company to pursue growth opportunities or meet its cash requirements for business operations. The Buyback is expected to contribute to the overall enhancement of shareholder value and result in an increase in the return on equity of the Company. The Buyback is being undertaken, *inter alia*, for helping the Company to return surplus cash to the Eligible Shareholders broadly in proportion to their shareholding, thereby, enhancing the overall return to the shareholders.

9.3 The Buyback will not result in a change in control or otherwise affect the existing management structure of the Company.

9.4 In terms of the Buyback Regulations, under the Tender Offer route, the promoter and promoter group of the Company have an option to participate in the Buyback. In this regard, the President of India acting through Ministry of Railway, Government of India, *vide* their letter dated September 21, 2020 intended to participate in the Buyback and tender up to 96,98,113 (Ninety Six Lakh Ninety Eight Thousand One Hundred Thirteen) Equity Shares or less as required in compliance with the Buyback Regulations.

9.5 Since the entire shareholding of the Promoter is in the demat mode, the details of the date and price of acquisition/ sale of entire Equity Shares that the Promoter has acquired/sold till date as per the information provided by the Promoter *vide* its letter dated September 21, 2020, are set-out below

Date of Transaction	No. of Equity Shares	Acquisition/ Sale Consideration (Rs.)	Nature of Transaction/Consideration
August 16, 1975	1,002	100,200	Initial Subscription to memorandum by Government of India (GoI) and its nominees.
November 17, 1975	8,998	899,800	Further issue to the President of India, represented by the Chairman, Railway Board
June 1, 1984	40,000	Other than Cash	Bonus Issue in the ratio 4 Equity Shares for 1 Equity Shares held
June 22, 1987	50,000	Other than Cash	Bonus Issue in the ratio 1 Equity Shares for 1 Equity Shares held
August 19, 1997	100,000	Other than Cash	Bonus Issue in the ratio 1 Equity Shares for 1 Equity Shares held
June 10, 2003	200,000	Other than Cash	Bonus Issue in the ratio 1 Equity Shares for 1 Equity Shares held
November 30, 2007	Split of 400,000 Equity Shares of ₹100 each already issued into 4,000,000 Equity Shares of ₹10 each		
February 20, 2008	36,000,000	Other than Cash	Bonus Issue in the ratio 9 Equity Shares for 1 Equity Shares held
October 25, 2012	60,000,000	Other than Cash	Bonus Issue in the ratio 6 Equity Shares for 4 Equity Shares held
November 25, 2016	50,000,000	Other than Cash	Bonus Issue in the ratio 1 Equity Shares for 2 Equity Shares held
March 24, 2017	50,000,000	Other than Cash	Bonus Issue in the ratio 1 Equity Shares for 3 Equity Shares held

Date of Transaction	No. of Equity Shares	Acquisition/ Sale Consideration (Rs.)	Nature of Transaction/Consideration
June 28, 2018	(25,200,000)	4,605,140,688	Initial Public Offering
August 14, 2019	43,700,000	Other than Cash	Bonus Issue in the ratio 1 Equity Share for 4 Equity Shares held
November 22, 2019	(22,144,523)	(Refer Note 1)	Offer for Sale
November 25, 2019	(2,858,244)	(Refer Note 1)	Offer for Sale
December 11, 2019	(31,985)	(Refer Note 2)	Employee Offer for Sale
February 27, 2020	(13,199,881)	(Refer Note 3)	Offer for Sale
February 28, 2020	(218,193)	(Refer Note 3)	Offer for Sale
<b>Total Current Holding</b>	<b>180,047,174</b>		

**Notes:**

1. Pursuant to the Offer for Sale (OFS), the President of India acting through Ministry of Railways, Government of India), the Promoter of RITES Limited sold Equity Shares aggregating to 25,002,767 on November 22, 2019 & November 25, 2019 representing 10% of the paid up Equity Share capital of the Company at floor price of Rs.293.50 per Equity Share. The gross proceeds received from the Offer for Sale was Rs.7,302,512,312.82/-. Retail category was offered a discount of 5% on the cut off price of Rs.293.50 per Equity Share
  2. Pursuant to the Employee OFS, the President of India acting through Ministry of Railways, Government of India), the Promoter of RITES Limited sold 31,985 Equity Shares on December 11, 2019 representing 0.01% of the paid up Equity Share capital of the Company at 5% discount on cut-off price of Rs.293.50 per Equity Share. The gross proceeds received from the Employee OFS was Rs.8,918,384.90/-
  3. Pursuant to the Offer for Sale (OFS), the President of India acting through Ministry of Railways, Government of India), the Promoter of RITES Limited sold Equity Shares aggregating to 13,418,074 on February 27, 2020 & February 28, 2020 representing 5.37% of the paid up Equity Share capital of the Company at floor price of Rs.298 per Equity Share. The gross proceeds received from the Offer for Sale was Rs. 3,996,862,276.30/-. Retail category was offered a discount of Rs.8 per share on the cut off price of Rs.298 per Equity Share
- 9.6 Assuming that the Promoter i.e. President of India acting through Ministry of Railways, Government of India, tenders 96,98,113 (Ninety Six Lakh Ninety Eight Thousand One Hundred Thirteen) Equity Shares in the Buyback (in accordance with the declaration provided by them) and if
- All the public Shareholders participate upto their entitlement (full acceptance), then the aggregate shareholding of the Promoters, post Buyback will increase from 72.02% (i.e. as on Record Date) to [●]% and the aggregate shareholding of the public in the Company shall decrease from 27.98% to [●]% of the post Buyback equity share capital of the Company; or
  - None of the public shareholders participate, then the aggregate shareholding of the Promoters, post Buyback will decrease from 72.02% (i.e. as on Record Date) to [●]% and the aggregate shareholding of the public in the Company shall increase from 27.98% (i.e. as on Record Date) to [●]% of the post Buyback equity share capital of the Company.
- 9.7 Consequent to the Buyback and based on the number of Equity Shares bought back from the Non-Resident Shareholders, FIIs, FPIs, Indian financial institutions, banks, mutual funds and the public including other bodies corporate, the shareholding pattern of the Company would undergo a change. The FIIs/ FPIs are advised to ensure that their investment in the Company continue to be within the limit prescribed under applicable laws, post completion of the Buyback

The debt-equity ratio post Buyback will be compliant with the permissible limit of 2:1 prescribed by Section 68 of the Companies Act, even if the response to the Buyback is to the extent of 100% (full acceptance).

- 9.8 In compliance with regulation 24(i)(b) of the Buyback Regulations the Company shall not issue any equity shares or other securities (including by way of bonus) till the date of closure of the Buyback.
- 9.9 The Company shall not raise further capital for a period of one year from the closure of Buyback Offer except in discharge of its subsisting obligations
- 9.10 In furtherance to the Regulation 24(i)(e) of the SEBI Buyback Regulations, the promoter and members of promoter group, and their associates, shall not deal in the Equity Shares or other specified securities of the Company either through the stock exchanges or off-market transactions (including inter-se transfer of Equity Shares among the promoter and members of promoter group) from the date of Board Meeting approving the Buyback till the closing of the Buyback.
- 9.11 Salient financial parameters consequent to the Buyback based on the standalone and consolidated audited financial statements as on March 31, 2020 of the Company are as under:

Parameters	Standalone		Consolidated	
	Pre-Buyback	Post-Buyback*	Pre-Buyback	Post-Buyback*
Net worth (Rs in Crores)	2576.62	2319.62	2632.57	2375.57
Return on Net worth (%)	23.15	25.71	23.40	25.93
Earnings Per Share (of Rs10 each)	23.86	24.82	24.64	25.64
Book Value per Share (Rs)	103.06	96.53	105.30	98.86
P/E as per the latest audited financial results	10.31	9.92	9.99	9.60
Total Debt/ Equity Ratio	NA	NA	0.02	0.02

\*The post buy-back numbers are calculated by reducing the net worth by the proposed buy-back of ` Rs.257 crore (assuming full acceptance of Equity Shares in the Buyback Offer in the ratio of Buyback) without factoring in any other impact to the net worth.

**Note:**

- 1 Net worth = Equity Capital + Reserves & Surplus – Miscellaneous Expenditure – Foreign Currency Translation Reserve
- 2 Total Debt = Long Term Borrowing + Short Term Borrowings + Current Maturities of Long Term Borrowings.

The key ratios have been computed as below:

**Key Ratios Basis**

Earnings per Share – Basic (Rs.)	Net Profit attributable to equity shareholders / Weighted average number of Shares outstanding during the year
Book value per Share (Rs.)	(Paid up Equity Share Capital + Reserves and Surplus) / No of Equity Shares Subscribed
Return on Net Worth excluding revaluation reserves ( % )	Net Profit After Tax / Net Worth excluding revaluation reserves
Debt-Equity Ratio	Total Debt / Net Worth
P/E ratio	Closing price on NSE as on 31.03.2020* (i.e. Rs. 246.10) / Earnings per share

\*Last trading day in Financial Year 2020

**10. BASIS OF CALCULATING BUYBACK PRICE**



- 10.1 The Buyback Offer Price of Rs 265 (Rupees Two Hundred Sixty Five Only) per Equity Share has been arrived at after considering various factors such as the average closing prices of the Equity Shares on the Stock Exchanges where the Equity Shares of the Company are listed, the net-worth of the Company and the impact of the Buyback on the key financial ratios of the Company.
- 10.2 The Buyback Offer Price of Rs 265 (Rupees Two Hundred Sixty Five only) per Equity Share represents (i) a premium of 5.91% on BSE and 5.77% on NSE over the volume weighted average price of the Equity Shares on BSE and NSE respectively for 2 months preceding September 14, 2020, being the date of intimation to the Stock Exchanges for the Board Meeting to consider the proposal of the Buyback (“**Intimation Date**”); (ii) premium of 8.18% on BSE and 7.98% on NSE over the volume weighted average price of the equity Shares on BSE and NSE respectively for 2 weeks preceding the Intimation Date; (iii) premium of 5.37% on BSE and 5.41% on NSE over the closing market price of the Equity Shares on BSE and NSE on the Intimation Date.
- 10.3 For financial ratios and trends in the market price of the Equity Shares, please refer to paragraph 15 and 16 of this Draft Letter of Offer.
- 10.4 The closing market price of the Equity Shares as on the date of intimation to the BSE and NSE for the Board Meeting for considering the Buyback i.e. September 14, 2020, was Rs. 251.50 and Rs. 251.40 on BSE and NSE, respectively.

## **11. SOURCES OF FUNDS FOR THE BUYBACK**

- 11.1 Assuming full acceptance, the funds that would be employed by the Company for the purpose of the Buyback of 96,98,113 (Ninety Six Lakh Ninety Eight Thousand One Hundred Thirteen) Equity Shares at a price of Rs. 265/- (Rupees Two Hundred Sixty Five Only) per Equity Share would be Rs. 257 Crore (Rupees Two Hundred Fifty Seven Crore Only) excluding filing fees payable to the Securities and Exchange Board of India, excluding transaction costs viz. brokerage, advisor’s fees, intermediaries fees, public announcement publication fees, turnover charges, applicable taxes inter alia including buyback taxes, securities transaction tax, goods and services tax, stamp duty and other incidental and related expenses.
- 11.2 The Buyback shall be made out of the free reserves of the Company as at March 31, 2020 (i.e. the last audited standalone and consolidated financial statements available as on the date of Board Meeting recommending the proposal of the Buyback). The Company shall transfer from its free reserves a sum equal to the nominal value of the Equity Shares bought back through the Buyback to the Capital Redemption Reserve Account and the details of such transfer shall be disclosed in its subsequent audited balance sheet.
- 11.3 The funds for the Buyback will be met out of internally generated cash resources of the Company. The Company does not intend to raise additional debt for the explicit purposes of the Buyback. Accordingly, borrowed funds will not be used for the Buyback. However, if required, the Company may borrow funds in the ordinary course of its business.
- 11.4 This Buyback is not likely to cause any material impact on the earnings of the Company, except for the cost of financing the Buyback, being a reduction in the treasury income that the Company could have otherwise earned on the funds deployed.

## **12. DETAILS OF THE ESCROW ACCOUNT AND THE AMOUNT TO BE DEPOSITED THEREIN**

- 12.1 In accordance with Regulation 9 (xi) of the Buyback Regulations, on [●], 2020, an Escrow Agreement has been entered into amongst the Company, the Manager to the Buyback and the Escrow Agent.
- 12.2 In accordance with the Buyback Regulations, the Company proposed to open an Escrow Account in the name and style “[●]” bearing account number [●] with the Escrow Agent, namely, [●] having its registered office situated at [●]. The Company will deposit Rs [●] in the Escrow Account, in terms of the Buyback Regulations. The Manager to the Buyback will be empowered to operate the Escrow Account in accordance with the Buyback Regulations.
- 12.3 The Company has adequate cash and firm financial resources to fulfill the obligations under the Buyback and the same has been certified by Mr. Anshuman Mallick (Membership No.: 547705),

Partner at J.C. Bhalla & Co., Chartered Accountants (Firm Regn. No. 001111N), having its head office at B-17, Maharani Bagh, New Delhi - 110065, vide their certificate dated September 24, 2020.

- 12.4 Based on the above certificate, the Manager to the Buyback Offer has satisfied itself about the ability of the Company to implement the Buyback Offer in accordance with the Buyback Regulations.

### 13. CAPITAL STRUCTURE AND SHAREHOLDING PATTERN

- 13.1 Capital structure of the Company, is as follows:

Particulars	Aggregate value at face value (Rs in Crore)
<b>Authorised share capital</b>	
30,00,00,000 Equity Shares of Rs 10 each	300.00
<b>Issued, subscribed and paid up share capital before the Buyback</b>	
25,00,00,000 Equity Shares of Rs 10 each, fully paid up	250.00
<b>Issued, subscribed and paid up share capital after the Buyback*</b>	
24,03,01,887 Equity Shares of Rs 10 each, fully paid up	240.30

\*Assuming full acceptance of Equity Shares in the Buyback Offer in the Ratio of Buyback

- 13.2 The Company has not undertaken any buyback in the last 3 years from the date of this Draft Letter of Offer:
- 13.3 As on the date of this Draft Letter of Offer, there are no outstanding preference shares, partly paid-up Equity Shares or outstanding convertible instruments or calls in arrears
- 13.4 The shareholding pattern of the Company pre-Buyback, as on record date i.e. Wednesday, September 30, 2020, as well as the post Buyback (assuming full acceptance of the Buyback) shareholding, is as shown below:

Particulars	Pre Buyback		Post Buyback*	
	No. of Equity Shares	% of the existing Equity Share Capital	No. of Equity Shares	% of the post Buyback Equity Share Capital
Promoters	[●]	[●]	[●]	[●]
Foreign Investors (including Non Resident Indians, FIIs, FPIs and Foreign Mutual Funds)	[●]	[●]	[●]	[●]
Financial Institutions/ Banks/ Mutual Funds promoted by Banks/ Institutions	[●]	[●]		
Other (public, public bodies corporate etc.)	[●]	[●]		
<b>Total</b>	[●]	[●]	[●]	[●]

\*Assuming full acceptance of Equity Shares in the Buyback Offer in the Ratio of Buyback

- 13.5 Assuming President of India acting through Ministry of Railways, Government of India, tenders upto 96,98,113 (Ninety Six Lakh Ninety Eight Thousand One Hundred Thirteen) Equity Shares in the Buyback (in accordance with the declaration provided by them), the aggregate shareholding of the Promoters, post Buyback will increase to [●]% of the post Buyback equity share capital of the Company, if all the public Shareholders participate upto their entitlement (full acceptance) and will reduce to [●]% of the post Buyback equity share capital of the Company if none of the public shareholders participate in the Buyback Offer.
- 13.6 No Equity Shares or other specified securities in the Company were either purchased or sold by the Promoters during the period of six months preceding the date of the Board Meeting at which the Buyback was approved i.e. September 18, 2020.

Subsequent to the date of Board Meeting, till the date of this Draft Letter of Offer, the Promoters of the Company has not entered into any transactions in relation to the Equity Shares of the Company.

13.7 Except as disclosed below, no Equity Shares have been purchased/ sold/ transferred by the Promoters of the Company during the period of twelve months preceding the date of publication of the Public Announcement (i.e. September 22, 2020).

Aggregate number of Equity Shares purchased or sold	Nature of Transaction	Maximum Price (Rs.)	Date of Maximum Price	Minimum Price (Rs.)	Date of Minimum Price
(25,002,767)	Offer for Sale	293.50 <sup>(1)</sup>	November 22, 2019	278.83 <sup>(1)</sup>	November 25, 2019
(31,985)	Employee Offer for Sale	278.83 <sup>(2)</sup>	December 11, 2019	278.83 <sup>(2)</sup>	December 11, 2019
(13,418,074)	Offer for Sale	298.00 <sup>(1)</sup>	February 27, 2020	290.00 <sup>(1)</sup>	February 28, 2020

Notes:

(1) Maximum price is the Floor Price in OFS and Minimum price is the discounted price on cut-off price offered to Retail category

(2) Equity Shares in Employee OFS were sold at 5% discount on cut-off price.

13.8 There is no pending scheme of amalgamation or compromise or arrangement pursuant to any provisions of the Companies Act, 2013.

13.9 The Company shall not issue any Equity Shares including by way of bonus, from the date of publication of the Public Announcement till the date of closure of this Buyback.

#### 14. BRIEF INFORMATION ABOUT THE COMPANY

14.1 The Company was incorporated on April 26, 1974 as a private limited company under the name of 'Rail India Technical and Economic Services Private Limited'. The word 'private' was deleted from the name of our Company pursuant to section 43A of the Companies Act, 1956 on February 17, 1976. Subsequently, in accordance with section 21 of the Companies Act, 1956, the name of our Company was changed to our present name, RITES Limited, consequent to which the Registrar of Companies, Delhi and Haryana issued a fresh certificate of incorporation dated March 28, 2000. Subsequently, our Company was converted into a public limited company pursuant to a fresh certificate of incorporation dated February 5, 2008 issued by the Registrar of Companies, National Capital Territory of Delhi and Haryana. The Registered Office of the Company is situated at SCOPE Minar, Laxmi Nagar, Delhi-110092, India.

14.2 The Company was granted the status of "Category – I Miniratna Company" in March 2006. Company has also been conferred the status of 'Schedule A - Public Sector Enterprise' by the MoR in July 2007.

14.3 The Equity Shares of the Company are listed on BSE and NSE since July 02, 2018 and are traded under the trading code '541556' and 'RITES' respectively. The ISIN of the Company is INE320J01015

##### Overview of the business of the Company:

14.4 RITES Limited is a multidisciplinary engineering and consultancy organization providing diversified and comprehensive array of services from concept to commissioning in all facets of transport infrastructure and related technologies. Company has an experience spanning over 46 years and has undertaken projects in over 55 countries including Asia, Africa, Latin America, South America and Middle East regions. Company is the only export arm of Indian Railways for providing rolling stock overseas (other than Thailand, Malaysia and Indonesia).

14.5 The Company has significant presence as a transport infrastructure consultancy organization in the railway sector. However, Company also provide consultancy services across other infrastructure and energy market sectors including urban transport, roads and highways, ports, inland waterways, airports, institutional buildings, ropeways, power procurement and renewable energy. Over the years, Company has served various public sector undertakings, government agencies and instrumentalities and large private sector corporations, both in India and abroad.

14.6 Since inception, Company has evolved from its origins of providing transport infrastructure consultancy and quality assurance services and has developed expertise in:

- a) Design, engineering and consultancy services in transport infrastructure sector with focus on railways, urban transport, roads and highways, ports, inland waterways, airports and ropeways;
- b) Leasing, export, maintenance and rehabilitation of locomotives and rolling stock;
- c) Undertaking turnkey projects on engineering, procurement and construction basis for railway line, railway electrification, up gradation workshops and railway stations, and construction of institutional/ residential/ commercial buildings; and
- d) Renewable energy generation, power procurement for Indian Railways, Wagon manufacturing and Station Development through our collaborations by way of subsidiaries, joint venture arrangements, or consortium arrangements.

**Growth of the business of the Company:**

- 14.7 The Company's diversified sector portfolio in consultancy services in the transport infrastructure sector enables to access sectors with growth potential according to changing macroeconomic trends and also enables to expand the operations in the sectors in which it already have significant presence.
- 14.8 Over the years, the Company has established a consistent track record of strong financial performance and growth. Our revenue from operations on consolidated basis has increased at a CAGR of 28.55% from Rs. 1497.45 crore in the Financial Year 2018 to Rs.2474.41 crore in the Financial Year 2020 and our profit after tax has increased at a CAGR of 33.26% from Rs.356.59 crore in Financial Year 2018 to Rs.633.26 crore in the Financial Year 2020.
- 14.9 Similarly, our consolidated Earnings Per Share has increased at a CAGR of 34.11% from Rs. 13.70 in the Financial Year 2018 to Rs. 24.64 in the Financial Year 2020 and book value per share has increased at a CAGR of 9.07% from Rs.88.51 in the Financial Year 2018 to ₹105.30 in the Financial Year 2020. On consolidated basis, we have an order book of Rs. 6157 crore as on June 30, 2020.
- 14.10 Company is a debt free Company as per our Audited Standalone Financial Information. However, one of our subsidiaries, Railways Engery Management Company Limited has borrowings of an amount of Rs.38.28 crore as per unaudited limited reviewed financial results for three months period ended June 30, 2020.
- 14.11 Details of changes in share capital of the Company since incorporation are as follows:

Date of Allotment	Number of Equity Shares	Cumulative number of shares	Face Value (Rs)	Issue Price (Rs)	Consideration	Equity Share Capital (Rs)	Cumulative Paid-up Capital (Rs)
August 16, 1975	1,002	1,002	100	100	Initial subscription to the memorandum*	100,200	100,200
November 17, 1975	8,998	10,000	100	100	Further issue to the President of India, represented by the Chairman, Railway Board	899,800	1,000,000
June 1, 1984	40,000	50,000	100	-	Other than Cash - Bonus Issue in the ratio 4 Equity Shares for 1 Equity Shares held	4,000,000	5,000,000

Date of Allotment	Number of Equity Shares	Cumulative number of shares	Face Value (Rs)	Issue Price (Rs)	Consideration	Equity Share Capital (Rs)	Cumulative Paid-up Capital (Rs)
July 22, 1987 <sup>(1)</sup>	50,000	100,000	100	-	Other than Cash - Bonus Issue in the ratio 1 Equity Shares for 1 Equity Shares held	5,000,000	10,000,000
August 19, 1997	100,000	200,000	100	-	Other than Cash - Bonus Issue in the ratio 1 Equity Shares for 1 Equity Shares held	10,000,000	20,000,000
June 10, 2003	200,000	400,000	100	-	Other than Cash - Bonus Issue in the ratio 1 Equity Shares for 1 Equity Shares held	20,000,000	40,000,000
November 30, 2007	Split of 400,000 Equity Shares of ₹100 each already issued into 4,000,000 Equity Shares of ₹10 each						
February 20, 2008	36,000,000	40,000,000	10	-	Other than Cash - Bonus Issue in the ratio 9 Equity Shares for 1 Equity Shares held	360,000,000	400,000,000
October 25, 2012	60,000,000	100,000,000	10	-	Other than Cash - Bonus Issue in the ratio 6 Equity Shares for 4 Equity Shares held	600,000,000	1,000,000,000
November 25, 2016	50,000,000	150,000,000	10	-	Other than Cash - Bonus Issue in the ratio 1 Equity Shares for 2 Equity Shares held	500,000,000	1,500,000,000
March 24, 2017	50,000,000	200,000,000	10	-	Other than Cash - Bonus Issue in the ratio 1 Equity Shares for 3 Equity Shares held	500,000,000	2,000,000,000
August 14, 2019	50,000,000	250,000,000	10	-	Other than Cash - Bonus Issue in the ratio 1 Equity Shares for 4 Equity Shares held	500,000,000	2,500,000,000

*\*Includes initial subscription by two shareholders, Mr. M. N. Bery, Chairman, Railway Board and ex-officio Principal Secretary to Government of India in the Ministry of Railways and K.S. Bhandari, Financial Commissioner, Railway Board and ex-officio secretary to Government of India in the Ministry of Railways, being nominees of the Promoter*

14.12 The Board of Directors of the Company as on the date of publication of Public Announcement (i.e. September 22, 2020) was as under:

S. No.	Name, Qualification, Occupation, Age and DIN	Designation	Director on the Board since:	Other Directorships
1.	Name: Shri Rajeev Mehrotra Qualification: CMA Degree in Accountancy and Business Statistics Occupation: Service Age: 59 Years DIN: 01583143	Chairman & Managing Director	12.10.2007	Railway Management Limited Energy Company
2.	Name: Shri Gopi Sureshkumar Varadarajan Qualification: BE (Civil) Occupation: Service Age: 58 Years DIN: 08241385	Director Projects	27.09.2018	Railway Management Limited Energy Company
3.	Name: Shri Anil Vij Qualification: Graduate qualification in three disciplines of engineering – Mechanical, Electrical and Electronics & Communications, MBA Occupation: Service Age: 57 Years DIN: 07145875	Director Technical	04.11.2019	Nil
4.	Name: Shri Bibhu Prasad Nayak Qualification: Cost Accountant and B.Tech. in Metallurgy Occupation: Service Age: 57 Years DIN: 08197975	Director Finance	07.11.2019	Nil
5.	Name: Shri Vinay Srivastava Qualification: Mechanical Engineering, Master Degree in Public Administration Occupation: Service Age: 49 Years DIN: 08638850	Government Nominee Director	13.12.2019	<ul style="list-style-type: none"> <li>• Rail Vikas Nigam Limited</li> <li>• Konkan Railway Corporation Limited</li> <li>• Rail Tel Corporation of India Limited</li> <li>• Indian Railway Catering and Tourism Corporation Limited</li> </ul>
6.	Name: Dr. Rajendra Nath Goyal Qualification: Doctorate of Science and Philosophy Occupation: Service Age: 69 Years DIN: 08087148	Independent Director	15.03.2018	Nil
7.	Name: Ms. Geethakumary Qualification: Bachelors in Law Occupation: Service Age: 55 Years DIN: 08087165	Independent Director	15.03.2018	Nil

14.13 The details of changes in the Board of Directors during the last 3 years from the date of the publication of the Public Announcement (i.e. September 22, 2020) are as under:

S. No.	Name of the Director	Appointment/ Cessation	Date of Appointment/ Change/ Cessation	Reason
1.	Shri. Bhupendra Kumar Agarwal	Appointment	September 26, 2017	Appointment by Government of India
2.	Shri. Rajendra N. Goyal	Appointment	March 15, 2018	Appointment by Government of India
3.	Ms. Geethakumary	Appointment	March 15, 2018	Appointment by Government of India
4.	Shri. Arbind Kumar	Cessation	August 31, 2018	End of Term
5.	Shri. Gopi Sureshkumar Vardarajan	Appointment	September 27, 2018	Appointment by Government of India
6.	Dr. Vidya Rajiv Yeravdekar	Cessation	March 31, 2019	End of Term
7.	Shri. Anil Kumar Goel	Cessation	March 31, 2019	End of Term
8.	Shri. Satish Sareen	Cessation	March 31, 2019	End of Term
9.	Shri. Bhupendra Kumar Agarwal	Cessation	April 30, 2019	Superannuation
10.	Shri. Alok Kumar Tewari	Appointment	May 30, 2019	Appointment by Government of India
11.	Shri Anil Kumar Goel	Appointment	July 12, 2019	Appointment by Government of India
12.	Shri. Satish Sareen	Appointment	July 12, 2019	Appointment by Government of India
13.	Shri. Ajay Kumar Gaur	Cessation	July 31, 2019	End of Term
14.	Shri. Mukesh Rathore	Cessation	October 31, 2019	Superannuation
15.	Shri. Anil Vij	Appointment	November 04, 2019	Appointment by Government of India
16.	Shri Bibhu Prasad Nayak	Appointment	November 07, 2019	Appointment by Government of India
17.	Shri A.P. Dwivedi	Cessation	November 13, 2019	Cessation
18.	Shri Vinay Srivastava	Appointment	December 13, 2019	Appointment by Government of India
19.	Shri Satish Sareen	Cessation	March 31, 2020	End of Term
20.	Shri Anil Kumar Goel	Cessation	March 31, 2020	End of Term
21.	Shri Alok Kumar Tewari	Cessation	August 31, 2020	Superannuation
22.	Shri Pramod Kumar Anand	Cessation	September 19, 2020	Superannuation

14.14 The Buyback will not result in any benefit to the Directors of the Company/ Promoters and person in control of the Company/ group companies except to the extent of their intention to participate in the Buyback and actual participation in the Buyback and the change in their shareholding as per the response received in the Buyback, as a result of the extinguishment of Equity Shares which will lead to reduction in the Equity Share Capital post Buyback.

None of the directors of the Company hold any Equity Shares as on the date of publication of the Public Announcement (i.e. September 22, 2020)

## 15. FINANCIAL INFORMATION ABOUT THE COMPANY

- a) The salient financial information of the Company extracted from the audited standalone financial statement for last three years being March 31, 2020, March 31, 2019 and March 31, 2018 and unaudited limited reviewed financial results for three months period ended June 30, 2020 are given below:

(Rs. in Crores)

Key Financials	For three months Period ended June 30, 2020	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2018
	(Limited Review)	(Audited)	(Audited)	(Audited)
Revenue from Operations	322.48	2400.57	1968.97	1433.85
Other Income	43.31	264.48	195.19	152.50
<b>Total Income</b>	<b>365.79</b>	<b>2665.05</b>	<b>2164.16</b>	<b>1586.35</b>
Total Expenses (excluding interest & depreciation)	271.44	1798.47	1451.68	1068.71
Interest	0.72	3.04	3.58	2.71
Depreciation	10.96	40.93	32.18	30.18
Exceptional Items: Expense / (Income)	-	-	-	-
Profit Before Tax	82.67	822.61	676.72	484.75
Provisions for Tax (including Deferred Tax)	22.54	226.22	232.07	153.04
Profit/(Loss) discontinuing operation	-	-	-	-
Profit/ (Loss) After Tax	60.13	596.39	444.65	331.71
Paid-up Equity Share Capital	250.00	250.00	200.00	200.00
Reserve & Surplus, excluding revaluation reserves & Misc. expenditures to the extent not written off	2384.98	2326.62	2183.83	1999.11
Net worth, excluding revaluation reserves & Misc. expenditures to the extent not written off	2634.98	2576.62	2383.33	2199.11
Total Debt, excluding working capital loans	-	-	-	-

Financial Ratios are as under:

Particulars	For three months Period ended June 30, 2020 (Limited Review)	For the year ended March 31, 2020 (Audited)	For the year ended March 31, 2019 (Audited)	For the year ended March 31, 2018 (Audited)
Earnings per Share (Rs.)*	2.41	23.86	17.79	13.27
Debt/ Equity Ratio	NA	NA	NA	NA
Book Value (Rs. per Share)*	105.40	103.06	95.33	87.96
Return on Net worth (%)	2.28	23.15	18.66	15.08
Total Debt/ Net worth (%)	NA	NA	NA	NA

\*Earnings per Share & Book Value for all the periods presented has been computed on the basis of 25 crore equity shares of Rs. 10/- each, i.e. number of shares after bonus issued on 14th August 2019.

**Notes:**

1. Net worth = Equity Capital + Reserves & Surplus – Miscellaneous Expenditure.
2. Total Debt = Long Term Borrowings + Short Term Borrowings + Current Maturities of Long Term Borrowings.

**Key Ratios basis:**

Earnings per Share- Basic (Rs)	Net profit attributable to the equity shareholders / Weighted average number of Shares outstanding during the year
Book Value per Share (Rs.)	(Paid up Equity Share Capital + Reserves and Surplus) / No. of Equity Shares Subscribed



Return on Net worth excluding revaluation reserves (%)	Net Profit After Tax/ Net Worth excluding revaluation reserves
Debt- Equity Ratio	Total Debt/ Net Worth

b) Salient financial parameters consequent to the Buyback based on the latest audited standalone financial statements for the financial year ended March 31, 2020 are as under:

Parameters	Pre-Buyback	Post- Buyback*
Net worth (Rs. In Crores)	2576.62	2319.62
Return on Net worth (%)	23.15	25.71
Earnings Per Share (of Rs.10 each)	23.86	24.82
Book Value per Share (Rs.)	103.06	96.53
P/E as per the latest audited financial results	10.31	9.92
Total Debt/ Equity Ratio	NA	NA

\*The post buy-back numbers are calculated by reducing the net worth by the proposed buy-back of Rs.257 crore (assuming full acceptance of Equity Shares in the Buyback Offer in the ratio of Buyback) without factoring in any other impact to the net worth.

**Note:**

1. Net worth = Equity Share Capital + Reserves& Surplus – Miscellaneous Expenditure.
2. Total Debt = Long Term Borrowing + Short Term Borrowings + Current Maturities of Long Term Borrowings.

The key ratios have been computed as below:

**Key Ratios Basis**

Earnings per Share – Basic (Rs.)	Net Profit attributable to equity shareholders / Weighted average number of Shares outstanding during the year
Book value per Share (Rs.)	(Paid up Equity Share Capital + Reserves and Surplus) / No of Equity Shares Subscribed
Return on Net Worth excluding revaluation reserves ( % )	Net Profit After Tax / Net Worth excluding revaluation reserves
Debt-Equity Ratio	Total Debt / Net Worth
P/E ratio	Closing price on NSE as on 31.03.2020* (i.e. Rs.246.10) / Earnings per share

\*Last trading day in Financial Year 2020

c) The salient financial information of the Company extracted from the audited consolidated financial statement for last three years being March 31, 2020, March 31, 2019 and March 31, 2018 and unaudited limited reviewed financial results for three months period ended June 30, 2020 are given below:

(Rs. in Crores)

Key Financials	For three months Period ended June 30, 2020	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2018
	(Limited Review)	(Audited)	(Audited)	(Audited)
Revenue from Operations	335.47	2474.41	2047.45	1497.45
Other Income	43.57	260.10	192.17	153.53
<b>Total Income</b>	<b>379.04</b>	<b>2734.51</b>	<b>2239.62</b>	<b>1650.98</b>
Total Expenses (excluding interest & depreciation)	275.52	1813.63	1471.39	1082.60
Interest	1.54	6.92	8.01	11.34
Depreciation	12.72	47.27	38.39	36.34

Exceptional Items: Expense / (Income)	-	-	-	-
Share of Net Profit/(Loss) of Joint Ventures	0.25	7.66	8.22	(2.07)
Profit Before Tax	89.51	874.35	730.05	518.63
Provisions for Tax (including Deferred Tax)	24.52	241.09	240.28	162.04
Profit/(Loss) discontinuing operation	-	-	-	-
Profit/ (Loss) After Tax	64.99	633.26	489.77	356.59
Profit for the Year attributable to the Equity Share holders of the Company	62.76	616.10	469.51	342.48
Paid-up Equity Share Capital	250.00	250.00	200.00	200.00
Reserve & Surplus, excluding revaluation reserves, foreign currency translation reserve & Misc. expenditures to the extent not written off	2443.56	2382.57	2221.37	2012.74
Net worth, excluding revaluation reserves, foreign currency translation reserve & Misc. expenditures to the extent not written off	2693.56	2632.57	2421.37	2212.74
Total Debt, excluding working capital loans	38.28	40.55	47.96	55.88

Financial Ratios are as under:

Particulars	For three months Period ended June 30, 2020 (Limited Review)	For the year ended March 31, 2020 (Audited)	For the year ended March 31, 2019 (Audited)	For the year ended March 31, 2018 (Audited)
Earnings per Share (Rs.)*	2.51	24.64	18.78	13.70
Debt/ Equity Ratio	0.01	0.02	0.02	0.03
Book Value (Rs. per Share)*	107.74	105.30	96.85	88.51
Return on Net worth (%)	2.33	23.40	19.39	15.48
Total Debt/ Net worth (%)	1.42	1.54	1.98	2.53

\*Earnings Per Share & Book Value for all the periods presented has been computed on the basis of 25 crore equity shares of Rs. 10/- each, i.e. number of shares after bonus issued on 14th August 2019.

**Notes:**

1. Net worth = Equity Capital + Reserves & Surplus – Miscellaneous Expenditure – Foreign Currency Translation Reserve
2. Total Debt = Long Term Borrowings + Short Term Borrowings + Current Maturities of Long Term Borrowings.

**Key Ratios basis:**

Earnings per Share- Basic (Rs.)	Net profit attributable to the equity shareholders / Weighted average number of Shares outstanding during the year
Book Value per Share (Rs.)	(Paid up Equity Share Capital + Reserves and Surplus) / No. of Equity Shares Subscribed
Return on Net worth excluding revaluation reserves (%)	Net Profit After Tax/ Net Worth excluding revaluation reserves

Debt- Equity Ratio	Total Debt/ Net Worth
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d) Salient financial parameters consequent to the Buyback based on the latest audited consolidated financial statements for the financial year ended March 31, 2020 are as under:

Parameters	Pre-Buyback	Post- Buyback*
Net worth (Rs. in Crores)	2632.57	2375.57
Return on Net worth (%)	23.40	25.93
Earnings Per Share (of Rs.10 each)	24.64	25.64
Book Value per Share (Rs.)	105.30	98.86
P/E as per the latest audited financial results	9.99	9.60
Total Debt/ Equity Ratio	0.02	0.02

\*The post buy-back numbers are calculated by reducing the net worth by the proposed buy-back of Rs. 257 crore (assuming full acceptance of Equity Shares in the Buyback Offer in the ratio of Buyback) without factoring in any other impact to the net worth.

**Note:**

- 1 Net worth = Equity Capital + Reserves & Surplus – Miscellaneous Expenditure – Foreign Currency Translation Reserve
- 2 Total Debt = Long Term Borrowing + Short Term Borrowings + Current Maturities of Long Term Borrowings.

The key ratios have been computed as below:

**Key Ratios Basis**

Earnings per Share – Basic (Rs.)	Net Profit attributable to equity shareholders / Weighted average number of Shares outstanding during the year
Book value per Share (Rs.)	(Paid up Equity Share Capital + Reserves and Surplus) / No of Equity Shares Subscribed
Return on Net Worth excluding revaluation reserves ( % )	Net Profit After Tax / Net Worth excluding revaluation reserves
Debt-Equity Ratio	Total Debt / Net Worth
P/E ratio	Closing price on NSE as on 31.03.2020* (i.e. Rs. 246.10) / Earnings per share

\*Last trading day in Financial Year 2020

## 16. STOCK MARKET DATA

16.1 The Company's Equity Shares are listed on BSE and NSE. The maximum volume of trading in the Equity Shares of the Company is recorded on NSE. The high, low and average market prices in preceding three financial years (April to March period) and the monthly high, low and average market prices for the six months preceding the date of publication of the Public Announcement (i.e. September 22, 2020) from March 2020 to August 2020 and the corresponding volumes on the BSE and NSE is as follows:

**For NSE:**

Period	High* *(Rs.)	Date of High	Number of Shares traded on that date	Low** (Rs.)	Date of Low	Number of shares traded on that date	Average Price* * (Rs.)	Total volume of traded in the period (Shares)
Preceding 3 years								

Period	High* (Rs.)	Date of High	Number of Shares traded on that date	Low** (Rs.)	Date of Low	Number of shares traded on that date	Average Price* (Rs.)	Total volume of traded in the period (Shares)
April 01, 2019 - August 07, 2019	314.65	July 05, 2019	16,57,480	225.50	May 16, 2019	1,28,236	271.06	3,60,78,962
August 08, 2019*** - March 31, 2020	331.00	January 29, 2020	19,81,209	190.65	March 24, 2020	3,27,282	276.04	9,86,76,403
July 02, 2018* - March 31, 2019	326.00	August 17, 2018	1,21,32,714	190.00	July 02, 2018	4,96,63,840	252.83	22,28,21,441
Preceding 6 months								
August, 2020	268.00	August 18, 2020	16,06,541	236.40	August 03, 2020	2,62,122	250.48	1,53,78,301
July, 2020	292.00	July 02, 2020	81,26,008	237.30	July 31, 2020	2,38,356	251.05	2,56,65,913
June, 2020	254.80	June 08, 2020	8,80,363	228.00	June12, 2020	2,67,210	239.85	1,70,88,457
May, 2020	246.85	May 13, 2020	3,33,617	220.00	May 06, 2020	4,22,893	229.68	75,79,898
April, 2020	272.30	April 17, 2020	7,29,263	229.15	April 30, 2020	16,88,041	245.39	1,18,28,818
March, 2020	302.00	March 02, 2020	4,46,814	190.65	March 24, 2020	3,27,282	254.95	1,04,20,354

Source: [www.nseindia.com](http://www.nseindia.com)

\* Equity Shares of the Company are listed on July 02, 2018

\*\*High and Low price for the period are based on intra-day prices and Average Price is based on average of closing price.

\*\*\*Ex-date of Bonus Issue of (1:4) on August 08, 2019

**For BSE:**

Period	High* (Rs.)	Date of High	Number of Shares traded on that date	Low** (Rs.)	Date of Low	Number of shares traded on that date	Average Price* (Rs.)	Total volume of traded in the period (Shares)
Preceding 3 years								

Period	High* (Rs.)	Date of High	Number of Shares traded on that date	Low** (Rs.)	Date of Low	Number of shares traded on that date	Average Price* (Rs.)	Total volume of traded in the period (Shares)
April 01, 2019 - August 07, 2019	314.50	July 05, 2019	1,38,709	226.05	May 16, 2019	11,514	271.05	26,64,202
August 08, 2019*** - March 31, 2020	331.00	January 29, 2020	1,41,228	191.00	March 24, 2020	19,474	276.01	73,76,266
July 02, 2018* - March 31, 2019	326.55	August 17, 2018	21,35,120	190.00	July 02, 2018	55,66,077	252.68	3,24,65,909
Preceding 6 months								
August, 2020	268.00	August 18, 2020	96,328	236.00	August 3, 2020 & August 4, 2020	65,619****	250.38	8,80,439
July, 2020	292.90	July 02, 2020	3,81,773	237.10	July 31, 2020	16,398	250.92	14,46,581
June, 2020	254.70	June 08, 2020	47,348	228.70	June 12, 2020	11,789	239.79	8,15,672
May, 2020	246.00	May 13, 2020	24,965	220.40	May 06, 2020	22,166	229.59	4,78,321
April, 2020	272.00	April 17, 2020	48,464	229.20	April 30, 2020	64,639	245.41	12,44,145
March, 2020	301.85	March 02, 2020	24,005	191.00	March 24, 2020	19,474	254.95	9,61,577

Source: www.bseindia.com

\* Equity Shares of the Company are listed on July 02, 2018

\*\*High and Low price for the period are based on intra-day prices and Average Price is based on average of closing price.

\*\*\*Ex-date of Bonus Issue of (1:4) on August 08, 2019

\*\*\*\*Out of total 65,619 Equity Shares, 16,670 Equity Shares were traded on August 03, 2020 and 48,949 Equity Shares were traded on August 04, 2020

#### 16.2 The closing market price of the Equity Shares of the Company:

- As on September 17, 2020 i.e. the trading day before September 18, 2020, being the date of Board Meeting approving the Buyback was Rs. 252.45 per Equity Share on BSE and Rs. 253.00 per Equity Share on NSE.
- As on September 18, 2020, i.e. the date of Board Meeting approving the Buyback was Rs. 255.25 per Equity share on BSE and Rs. 255.40 per Equity share on NSE.

- (c) As on September 21, 2020, i.e. the day immediately after September 18 2020, being the date of Board Meeting approving the Buyback was Rs. 246.60 per Equity Share on BSE and Rs. 246.60 per Equity Share on NSE.
- (d) As on September 22, 2020, i.e., the date of publication of Public Announcement was issued was Rs. 238.90 per Equity Share on BSE and Rs. 238.60 per Equity Share on NSE.

## 17. DETAILS OF STATUTORY APPROVALS

- 17.1 The Buyback Offer is subject to approval, if any required, under the provisions of the Companies Act, 2013, FEMA, the Buyback Regulations, SEBI and/ or the BSE, and the NSE, and/or such other applicable rules and regulations in force for the time being.
- 17.2 Non-Resident Shareholders (excluding OCBs) permitted under the automatic process prescribed under applicable FEMA and the rules and regulations framed thereunder read with the consolidated Foreign Direct Investment policy issued by the Government of India, are not required to obtain approvals from RBI, subject to the adherence to pricing guidelines, documentation and reporting requirements for such transfers as specified by RBI.
- 17.3 By agreeing to participate in the Buyback, the NR and NRI shareholders give the Company the authority to make, sign, execute, deliver, acknowledge and perform all applications to file regulatory reportings, if required, including FC-TRS form, if necessary and undertake to provide assistance to the Company for such regulatory reporting, if required by the Company
- 17.4 Erstwhile OCB are required to obtain specific prior approval from RBI for tendering Equity Shares in the Buyback Offer. The Company shall not accept Equity Shares from OCB Shareholders in respect of whom such RBI approval is required and copies of such approvals are not submitted.
- 17.5 As on date, there are no other statutory or regulatory approvals required to implement the Buyback Offer, other than that indicated above. If any statutory or regulatory approval becomes applicable subsequently, the Buyback Offer will be subject to such statutory or regulatory approval(s). In the event of any delay in receipt of any statutory / regulatory approvals, changes to the proposed timetable of the Buyback Offer, if any, shall be intimated to the Stock Exchanges.
- 17.6 The Buyback has been approved by the Board of Directors in their meeting held on September 18, 2020.

## 18. DETAILS OF REGISTRAR TO THE BUYBACK OFFER

Eligible Shareholders holding Shares are required to send the Tender Form, TRS, and other requisite documents by super scribing the envelope as “**RITES Limited Buyback 2020**” to the Registrar to the Buyback Offer either by registered post/courier or hand delivery at their below office, so that the same are received within 2 (two) days from the Buyback Closing Date i.e. [●]:



### **Link Intime India Private Limited**

C-101, 1st Floor, 247 Park, Lal Bhadur Shastri Marg, Vikhroli (West), Mumbai 400 083

**Tel:** +91 022 49186200; **Fax:** +91 022 49186195;

**Contact Person:** Mr. Sumeet Deshpande

**E-mail:** rites.buyback2020@linkintime.co.in; **Website:** [www.linkintime.co.in](http://www.linkintime.co.in);

**SEBI Registration No.:** INR000004058; **Validity Period:** Permanent

**CIN:** U67190MH1999PTC118368

**TENDER FORM, TRS AND OTHER RELEVANT DOCUMENTS SHOULD NOT BE SENT TO THE COMPANY OR TO THE MANAGER TO THE BUYBACK OFFER.**

**ELIGIBLE SHAREHOLDERS ARE ADVISED TO ENSURE THAT THE TENDER FORM, TRS AND OTHER RELEVANT DOCUMENTS ARE COMPLETE IN ALL RESPECTS; OTHERWISE THE SAME ARE LIABLE TO BE REJECTED.**

## 19. PROCESS AND METHODOLOGY FOR THE BUYBACK

- 19.1 The Company proposes to buyback not exceeding exceeding 96,98,113 (Ninety Six Lakh Ninety Eight Thousand One Hundred Thirteen) Equity Shares from the Eligible Shareholders of the Company, on a

proportionate basis, through the Tender Offer process at a price of Rs 265/- (Rupees Two Hundred Sixty Five only) per Equity Share, payable in cash for an aggregate consideration not exceeding of Rs 257 Crore (Rupees Two Hundred Fifty Seven Crore Only). The maximum number of Equity Shares proposed to be bought back represents 3.88% of the total number of Equity Shares in the total paid-up share capital of the Company. The Buyback is in accordance with the provisions of Section 68, 69, 70 and all other applicable provisions, if any, of the Companies Act 2013 and rules made thereunder, in accordance with Article 19 of the Articles of Association of the Company and the Buyback Regulations and subject to such other approvals, permissions and sanctions as may be necessary, from time to time from statutory authorities including but not limited to SEBI, Stock Exchanges, RBI etc. The Buyback Offer Size represents 9.97% and 9.76% of the aggregate of the Company's fully paid-up equity share capital and free reserves as per the audited standalone and consolidated financial statements of the Company for the financial year ended March 31, 2020 (the last audited standalone and consolidated financial statements available as on the date of the Board Meeting approving the Buyback).

- 19.2 The aggregate shareholding of the Promoters as on Record Date is 18,00,47,174 Equity Shares, which represents 72.02% of the existing Equity Share capital of the Company. In terms of the Buyback Regulations, under the Tender Offer route, the promoter and the promoter group of the company has the option to participate in the Buyback. In this regards, the President of India acting through Ministry of Railways, Government of India, Promoter of the Company has expressed their intention, *vide* its letter dated September 21, 2020 to participate in the Buyback and propose to tender up to 96,98,113 (Ninety Six Lakh Ninety Eight Thousand One Hundred Thirteen) Equity Shares.
- 19.3 Assuming that the President of India acting through Ministry of Railway, Government of India, tenders 96,98,113 (Ninety Six Lakh Ninety Eight Thousand One Hundred Thirteen) Equity Shares, in the Buyback (in accordance with the declaration provided by them), the aggregate shareholding of the Promoters, post Buyback will increase to [●]% of the post Buyback equity share capital of the Company, if all the public Shareholders participate upto their entitlement (full acceptance) and will reduce to [●]% of the post Buyback equity share capital of the Company if none of the public shareholders participate in the Buyback Offer.
- 19.4 Record Date, Ratio of the Buyback and entitlement of each Shareholder
- a) The Board of Directors in its meeting held on September 18, 2020 announced Wednesday, September 30, 2020 as the Record Date for the purpose of determining the Buyback Entitlement and the names of the Shareholders, who are eligible to participate in the Buyback Offer.
  - b) The Equity Shares proposed to be bought back by the Company shall be divided in two categories:
    - Reserved category for Small Shareholders (“**Reserved Category**”); and
    - General category for all Eligible Shareholders other than Small Shareholders (“**General Category**”)
  - c) As defined in the Buyback Regulations, a “**Small Shareholder**” is a shareholder who holds Equity Shares having market value, on the basis of closing price on the stock exchanges in which the highest trading volume as on Record Date, of not more than Rs 2,00,000 (Rupees Two Lakh only). As on the Record Date, the volume of Shares traded on NSE was [●] Equity Shares and on BSE was [●] Equity Shares. Accordingly, [●] being the exchange with highest turnover, the closing price was Rs. [●] and hence all Shareholders holding not more than [●] Equity Shares as on the Record Date are classified as ‘Small Shareholders’ for the purpose of the Buyback Offer.
  - d) Based on the above definition, there are [●] Small Shareholders with aggregate shareholding of [●] Shares, as on Record Date, which constitutes [●]% of the outstanding paid up equity share capital of the Company and [●]% of the number of [●] Equity Shares which are proposed to be bought back as part of this Buyback Offer.
  - e) In compliance with Regulation 6 of the Buyback Regulations, the reservation for the Small Shareholders, will be [●] Equity Shares which is higher of:
    - i. Fifteen percent of the number of Equity Shares which the Company proposes to Buyback i.e. 15% of [●] Equity Shares which works out to [●] Equity Shares; or
    - ii. The number of Equity Shares entitled as per their shareholding as on Record Date (i.e.  $([●]/[●]) \times [●]$ ) which works out to [●] Equity Shares.

All the outstanding Equity Shares have been used for computing the entitlement of Small Shareholders since the Promoter i.e. (the President of India, acting through Ministry of Railways, Government of India) also intends to offer Equity Shares held by them in the Buyback.

In case the total number of Equity Shares held by the Small Shareholders on the Record Date is [●], which is less than [●] (higher of (i) and (ii) above) the maximum number of Equity Shares reserved for Small Shareholders will be restricted to the total number of Equity Shares held by the Small Shareholders as on Record Date.

- f) Based on the above and in accordance with Regulation 6 of the Buyback Regulations, [●] Equity Shares will be reserved for Small Shareholders. Accordingly, General Category shall consist of [●] Equity Shares.
- g) Based on the above entitlements, the Ratio of Buyback for both categories is decided as below:

Category	Ratio of Buyback
<b>Reserved Category</b>	[●] Equity Shares out of every [●] fully paid-up Equity Shares held on the Record Date
<b>General Category</b>	[●] Equity Shares out of every [●] fully paid-up Equity Shares held on the Record Date

#### 19.5 Fractional Entitlements

If the Buyback Entitlement, after applying the above mentioned ratios to the Equity Shares held on Record Date, is not a round number (i.e. not in the multiple of 1 (one) Equity Share) then the fractional entitlement shall be ignored for computation of Buyback Entitlement to tender Equity Shares in the Buyback Offer, for both categories of Eligible Shareholders.

On account of ignoring the fractional entitlement, those Small Shareholders who hold [●] or less Equity Shares as on Record Date will be dispatched a Tender Form with zero entitlement. Such Small Shareholders are entitled to tender Additional Equity Shares as part of the Buyback Offer and will be given preference in the Acceptance of one Equity Share, if such Small Shareholders have tendered for Additional Equity Shares. The Company shall make best efforts subject to Buyback Regulations in accepting Equity Shares tendered by such Eligible Shareholder to the extent possible and permissible.

#### 19.6 Basis of Acceptance of Equity Shares validly tendered in the Reserved Category

Subject to the provisions contained in this Draft Letter of Offer, the Company will accept the Shares tendered in the Buyback Offer by the Small Shareholders in the Reserved Category in the following order of priority:

- a) Full acceptance (i.e. 100%) of Shares from Small Shareholders in the Reserved Category who have validly tendered their Shares, to the extent of their Buyback Entitlement, or the number of Shares tendered by them, whichever is less.
- b) Post the acceptance as described in paragraph 19.6 (a) above, in case, there are any Shares left to be bought back from Small Shareholders in the Reserved Category, the Small Shareholders who were entitled to tender zero Shares (on account of ignoring the fractional entitlement), and have tendered Additional Shares, shall be given preference and one Equity Share each from the Additional Shares tendered by these Small Shareholders shall be bought back in the Reserved Category.
- c) Post the acceptance as described in paragraph 19.6 (a) and (b) above, in case, there are any validly tendered unaccepted Shares in the Reserved Category (“**Reserved Category Additional Shares**”) and Shares left to be bought back in Reserved Category, the Reserved Category Additional Shares shall be accepted in a proportionate manner and the acceptances shall be made in accordance with the Buyback Regulations, i.e. valid acceptances per Shareholder shall be equal to the Reserved Category Additional Shares tendered by the Shareholder divided by the total Reserved Category Additional Shares and multiplied by the total number of Shares remaining to be bought back in Reserved Category. For the purpose of this calculation, the Reserved Category Additional Shares taken into account for such Small Shareholders, from whom one Equity Share has been accepted in accordance with paragraph 19.6 (b) above, shall be reduced by one.



- d) Adjustment for fractional results in case of proportionate acceptance, as described in paragraph 19.6 (c) above, will be made as follows:
- For any Small Shareholder, if the number of Additional Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 and the fractional acceptance is greater than or equal to 0.50, then the fraction would be rounded off to the next higher integer.
  - For any Small Shareholder, if the number of Additional Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 and the fractional acceptance is less than 0.50, then the fraction shall be ignored.

#### 19.7 Basis of Acceptance of Equity Shares validly tendered in the General Category

Subject to the provisions contained in this Draft Letter of Offer, the Company will accept the Shares tendered in the Buyback Offer by Eligible Shareholders (other than Small Shareholders) in the General Category in the following order of priority:

- a) Full Acceptance (i.e. 100%) of Shares from Eligible Shareholders in the General Category who have validly tendered their Shares, to the extent of their Buyback Entitlement, or the number of Shares tendered by them, whichever is less.
- b) Post the acceptance as described in paragraph 19.7 (a) above, in case, there are any validly tendered unaccepted Shares in the General Category (“**General Category Additional Shares**”) and Shares left to be bought back in General Category, the General Category Additional Shares shall be accepted in a proportionate manner and the acceptances shall be made in accordance with the Buyback Regulations, i.e. valid acceptances per Eligible Shareholder shall be equal to the General Category Additional Shares validly tendered by the Eligible Shareholders divided by the total General Category Additional Shares and multiplied by the total number of Shares remaining to be bought back in General Category.
- c) Adjustment for fractional results in case of proportionate acceptance, as described in paragraph 19.7 (b) above, will be made as follows:
- For any Eligible Shareholder, if the number of Additional Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 (one) and the fractional acceptance is greater than or equal to 0.50, then the fraction would be rounded off to the next higher integer.
  - For any Eligible Shareholder, if the number of Additional Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 (one) and the fractional acceptance is less than 0.50, then the fraction shall be ignored.

#### 19.8 Basis of Acceptance of Shares between Categories

- a) After acceptances of tenders, as mentioned in 19.6 and 19.7 above, in case, there are any Shares left to be bought back in one category (‘**Partially filled Category**’), and there are additional unaccepted validly tendered Shares (‘**Further Additional Shares**’) in the second Category (‘**Over Tendered Category**’), then the Further Additional Shares in the Over Tendered Category shall be accepted in a proportionate manner i.e. valid Acceptances per Shareholder shall be equal to the Further Additional Shares validly tendered by an Eligible Shareholder in the Over Tendered Category divided by the total Further Additional Shares in the Over Tendered Category and multiplied by the total Shares left to be bought back in the Partially filled Category.
- b) If the Partially Filled Category is the General Category and the Over Tendered Category is the Reserved Category, then any Small Shareholder who has tendered Additional Shares shall be eligible for priority acceptance of one Equity Shares before acceptance in paragraph 19.8(a) above out of the Shares left to be bought back in the Partially Filled Category, provided no acceptance could take place from such Shareholder in accordance with paragraph 19.6.
- c) Adjustment for fraction results in case of proportionate acceptance, as defined in paragraph 19.8(a) above:
- For any Eligible Shareholder, if the number of Further Additional Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 and the fractional acceptance is greater than or equal to 0.50, then the fraction would be rounded off to the next higher integer.

- For any Eligible Shareholder, if the number of Further Additional Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 and the fractional acceptance is less than 0.50, then the fraction shall be ignored.
- 19.9 For avoidance of doubt, it is clarified that the Shares accepted under the Buyback Offer from each Eligible Shareholder, in accordance with above clauses, shall be lower of the following:
- the number of Shares tendered by the respective Shareholder, and
  - the number of Shares held by the respective Shareholder, as on the Record Date.
- 19.10 For the avoidance of doubt, it is clarified that the Equity Shares tendered by any Eligible Shareholder over and above the number of Shares held by such Eligible Shareholder as on the Record Date shall not be considered for the purpose of Acceptance in accordance with above clauses.
- 19.11 Clubbing of Entitlement


In order to ensure that the same shareholders with multiple demat accounts/ folios do not receive a higher entitlement under the Small Shareholder category, the Company will club together the Equity Shares held by such shareholders with a common PAN for determining the category (Small Shareholder or General) and entitlement under the Buyback. In case of joint shareholding, the Company will club together the Equity Shares held in cases where the sequence of the PANs of the joint shareholders is identical. In case of Eligible Shareholders holding physical shares, where the sequence of PANs is identical and where the PANs of all joint shareholders are not available, the Registrar will check the sequence of the names of the joint holders and club together the Equity Shares held in such cases where the sequence of the PANs and name of joint shareholders are identical. The shareholding of institutional investors like mutual funds, pension funds / trusts, insurance companies, etc. with a common PAN will not be clubbed together for determining the category and will be considered separately where these Equity Shares are held for different schemes and have a different demat account nomenclature based on information prepared by the Registrar as per the shareholder records received from the Depositories. Further, the Equity Shares held under the category of “clearing members” or “corporate body margin account” or “corporate body – broker” as per the beneficial position data as on Record Date with common PAN are not proposed to be clubbed together for determining their entitlement and will be considered separately, where these Equity Shares are assumed to be held on behalf of clients.

## **20. PROCEDURE FOR TENDER OFFER AND SETTLEMENT**

- (a) The Buyback is open to all Eligible Shareholders of the Company holding either Physical Shares or Demat Shares as on the Record Date as per the records made available to the Company by the Depositories/registrar as on the Record Date. The Company proposes to implement the Buyback through the tender offer process, on a proportionate basis. The Letter of Offer and Tender Form, outlining the terms of the Buyback and additional disclosures as specified in the SEBI Buyback Regulations, will be emailed to Eligible Shareholders whose names appear on the register of members of the Company, or who are beneficial owners of Equity Shares as per the records on the Record Date.
- (b) The Eligible Shareholder(s) who have registered their Email IDs with the depositories / the Company shall be mailed the Letter of Offer only as per the SEBI Relaxation Circulars. The Letter of Offer will also be made available on the website of the Company at [www.rites.com](http://www.rites.com); the Stock Exchanges at [www.nseindia.com](http://www.nseindia.com) and [www.bseindia.com](http://www.bseindia.com); Registrar to the Buyback at [www.linkintime.co.in](http://www.linkintime.co.in) and Manager to the Buyback at [www.idbicapital.com](http://www.idbicapital.com). However, on the receipt of the request from the Eligible Shareholder for the physical copy, Registrar to the Buyback, Manger to the Buyback and Company shall undertake the reasonable steps to send the Letter of Offer and the Tender Form in the physical form either by courier/registered post or any other permissible mode. In case of non-receipt of Letter of Offer and the Tender Form, please follow the procedure as mentioned in point no (m) of the paragraph “Procedure for tender offer and Settlement”
- (c) The non-receipt of Letter of Offer by, or accidental omission to mailed the Letter of Offer to any person who is eligible to receive the same to participate in the Buyback, shall not invalidate the Buyback Offer in any way.
- (d) The Company will not accept any Equity Shares offered for Buyback where there exists any restraint order of a Court for transfer / disposal/ sale or where loss of share certificates has been notified to the Company or where the title to the Equity Shares is under dispute or otherwise not clear or where any other restraint subsists.

- (e) The Company shall comply with Regulation 24(v) of the Buyback Regulations which states that the Company shall not buyback the locked-in Equity Shares and non-transferable Equity Shares till the pendency of the lock-in or till the Equity Shares become transferrable.
- (f) Eligible Shareholders' participation in Buyback will be voluntary. Shareholders can choose to participate, in part or in full, and get cash in lieu of the Shares accepted under the Buyback or they may choose not to participate and enjoy a resultant increase in their percentage shareholding, post Buyback, without additional investment. Shareholders may also tender a part of their Buyback Entitlement. Shareholders also have the option of tendering Additional Shares (over and above their Buyback Entitlement) and participate in the shortfall created due to non-participation of some other Shareholders, if any. Acceptance of any Shares tendered in excess of the Buyback Entitlement by the Shareholder, shall be in terms of procedure outlined in paragraph 19 (*Process and Methodology for the Buyback*) of this Draft Letter of Offer.
- (g) The Company shall accept all the Equity Shares validly tendered for the Buyback by Eligible Shareholders, on the basis of their Buyback Entitlement as on the Record Date and also Additional Equity Shares, if any tendered by Eligible Shareholders will be accepted as per paragraphs 19.6, 19.7 and 19.8.
- (h) Eligible Shareholders will have to transfer the Equity Shares from the same demat account in which they were holding the Equity Shares as on the Record Date and in case of multiple demat accounts, Eligible Shareholders are required to tender the applications separately from each demat account. In case of any changes in the demat account in which the Equity Shares were held as on Record Date, such Eligible Shareholders should provide sufficient proof of the same to the Registrar, and the such tendered shares may be accepted subject to appropriate verification and validation by the Registrar.
- (i) As elaborated under Paragraph 19.4(b) above, the Equity Shares proposed to be bought as a part of the Buyback is divided into two categories:
  - a) Reserved Category for Small Shareholders; and
  - b) the General Category for other Eligible Shareholders, and the Buyback Entitlement of an Eligible Shareholder in each category shall be calculated accordingly.
- (j) After accepting the Equity Shares tendered on the basis of Buyback Entitlement, Equity Shares left to be bought as a part of the Buyback, if any, in one category shall first be accepted, in proportion to the Equity Shares tendered, over and above their Buyback Entitlement, by Eligible Shareholders in that category, and thereafter, from Eligible Shareholders who have tendered over and above their Buyback Entitlement, in other category.
- (k) The Buyback shall be implemented by the Company using the "Mechanism for acquisition of shares through Stock Exchange" notified by SEBI vide circular no. CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 and circular no. CFD/DCR2/CIR/P/2016/131 dated December 9, 2016 following the procedure prescribed in the Companies Act and the Buyback Regulations and as may be determined by the Board (including the committee authorized to complete the formalities of the Buyback) and on such terms and conditions as may be permitted by law from time to time.
- (l) The maximum tender under the Buyback by any Eligible Shareholder cannot exceed the number of Equity Shares held by the Eligible Shareholder as on the Record Date.
- (m) **In case of non-receipt of Letter of Offer and Tender Form**
  - (i) If Eligible Shareholder(s) holding Equity shares in dematerialized form, who have been sent the Letter of Offer through electronic means wish to obtain a physical copy of the Letter of Offer, they may send a request in writing to the Company or Registrar at the address or email ID mentioned at the cover page of the Letter of Offer stating name, address, number of Equity Shares held on Record Date, client ID number, DP name / ID, beneficiary account number, and upon receipt of such request, the Company shall undertake reasonable steps to send the Letter of Offer and the Tender Form either physically by an expedited commercial courier service/ registered post or by any other permissible mode of communication (to the extent possible). An Eligible Shareholder may participate in the Offer by downloading the Letter of Offer and the Tender Form from the website of the Company at [www.rites.com](http://www.rites.com), the Stock Exchanges at [www.nseindia.com](http://www.nseindia.com) and [www.bseindia.com](http://www.bseindia.com), the Registrar to the Buyback at [www.linkintime.co.in](http://www.linkintime.co.in) and the Manager to the Buyback at [www.idbicapital.com](http://www.idbicapital.com), in accordance with the SEBI Relaxation Circulars or send an application in writing on plain paper signed by all Eligible Shareholders (in case of joint holding),

stating name and address of Shareholder(s), number of Equity Shares held as on the Record Date, Client ID number, DP Name/ID, beneficiary account number, number of Equity Shares tendered for the Buyback.

- (ii) An Eligible Shareholder holding Equity Shares in physical form, may participate in the Buyback by downloading the Letter of Offer and Tender Form from the website of the Company at [www.rites.com](http://www.rites.com), the Stock Exchanges at [www.nseindia.com](http://www.nseindia.com) and [www.bseindia.com](http://www.bseindia.com) the Registrar to the Buyback at [www.linkintime.co.in](http://www.linkintime.co.in) and the Manager to the Buyback at [www.idbicapital.com](http://www.idbicapital.com), in accordance with the SEBI Relaxation Circulars or by providing their application in writing on plain paper signed by Eligible Shareholder or all Eligible Shareholders (in case Equity Shares are in joint name) stating name, address, folio number, number of Equity Shares held, share certificate number, number of Equity Shares tendered for the Buyback and the distinctive numbers thereof, bank account details together with the original share certificate(s), copy of Eligible Shareholders PAN card(s) and executed Form SH-4 in favour of the Company. The transfer form (SH-4) can be downloaded from the Company's website at [www.rites.com](http://www.rites.com). Eligible Shareholders must ensure that the Tender Form, along with the TRS and requisite documents (as mentioned in below), reach the Registrar to the Buyback not later than 2 (two) days from the Buyback Closing Date (by 5:00 p.m.). If the signature(s) of the Eligible Shareholders provided in the plain paper application differs from the specimen signature(s) recorded with the Registrar to the Buyback or the Company or are not in the same order (although attested), the Company or the Registrar to the Buyback shall have a right to reject such applications. For further process, please refer to section titled as "Procedure for Tender Offer and Settlement" for the procedure to be followed by Eligible Shareholders holding Equity Shares in physical form on page 34 of this Draft Letter of Offer.
- (iii) Please note that Eligible Shareholder(s) who intend to participate in the Buyback will be required to approach their respective Shareholder Broker (along with the complete set of documents for verification procedures) and have to ensure that their bid is entered by their respective Shareholder Broker or broker in the electronic platform to be made available by the Designated Stock Exchange before the Buyback Closing Date, otherwise the same are liable to be rejected.
- (n) The Company shall accept the Equity Shares validly tendered by the Eligible Shareholder(s) in the Buyback on the basis of their shareholding as on the Record Date and the Buyback Entitlement. Eligible Shareholder(s) who intend to participate in the Buyback using the "plain paper" option as mentioned above are advised to confirm their Buyback Entitlement from the Registrar to the Buyback, before participating in the Buyback.
- (o) For implementation of the Buyback, the Company has appointed IDBI Capital Markets & Securities Limited as the registered broker to the Company (the "**Company's Broker**") through whom the purchases and settlements on account of the Buyback would be made by the Company. The contact details of the Company's Broker are as follows
-   
**IDBI Capital Markets & Securities Limited**  
6<sup>th</sup> Floor, IDBI Tower, WTC Complex, Cuffe Parade, Mumbai - 400005  
**Contact Person:** Ms. Charushila Parkar  
**Tel No.:** +91 (22) 2217 1700; **Fax No.:** +91 (22) 2215 1787;  
**Email:** [charushila.parkar@idbicapital.com](mailto:charushila.parkar@idbicapital.com); **Website:** [www.idbicapital.com](http://www.idbicapital.com)  
**SEBI Registration Number:** INZ000007237  
**Corporate Identity Number:** U65990MH1993GOI075578
- (p) The Company will request NSE to provide a separate Acquisition Window to facilitate placing of sell orders by the Eligible Shareholders who wish to tender Equity Shares in the Buyback. NSE would be the Designated Stock Exchange for this Buyback Offer. All Eligible Shareholders may place orders in the Acquisition Window, through their respective stock brokers ("**Shareholder Broker**") during normal trading hours of the secondary market.
- (q) In the event Shareholder Broker(s) of Eligible Shareholder is not registered with NSE then that Eligible Shareholder can approach any NSE registered stock broker and can make a bid by using quick Unique Client Code ("**UCC**") facility through that NSE registered stock broker after submitting the details as may be required by that stock broker to be in compliance with the SEBI regulations. In case Eligible Shareholder is not able to bid using quick UCC facility through any other NSE registered stock broker then the Eligible Shareholder may approach Company's Broker to bid by using quick UCC facility.

- (r) The Eligible Shareholder approaching NSE registered stock broker (with whom he does not have an account) may have to submit following details:

**(a) In case of Eligible Shareholder being an Individual or HUF**

*(i) If Eligible Shareholder is registered with KYC Registration Agency (“KRA”):*

A. Forms required:

- Central Know Your Client (CKYC) form
- Know Your Client (KYC) form

B. Documents required (all documents self-attested):

- Bank details (cancelled cheque) 36
- Demat details only if Equity Shares are in demat mode (Demat Master /Latest Demat statement)

*(ii) If Eligible Shareholder is not registered with KRA:*

A. Forms required:

- CKYC form
- KRA form
- KYC form

B. Documents required (all documents self-attested):

- PAN card copy
- Address proof
- Bank details (cancelled cheque)
- Demat details only if Equity Shares are in demat mode (Demat master /Latest Demat statement)

It may be noted that other than submission of above forms and documents in person verification may be required.

**(b) In case of Eligible Shareholder other than Individual and HUF:**

*(i) If Eligible Shareholder is KRA registered:*

A. Form required:

- KYC form

B. Documents required (all documents certified true copy):

- Bank details (cancelled cheque)
- Demat details only if Equity Shares are in demat mode (Demat master /Latest Demat statement)
- Latest list of directors/authorised signatories/partners/trustees
- Latest shareholding pattern
- Board resolution
- Details of ultimate beneficial owner along with PAN card and address proof
- Last 2 years financial statements

*(ii) If Eligible Shareholder is not KRA registered:*

A. Forms required:

- KRA form
- KYC form

B. Documents required (all documents certified true copy):

- PAN card copy of company/ firm/trust
- Address proof of company/ firm/trust
- Bank details (cancelled cheque)
- Demat details only if Equity Shares are in demat mode (Demat Master /Latest Demat statement)
- Latest list of directors/authorised signatories /partners/trustees
- PAN card copies & address proof of directors/authorised signatories/partners/trustees
- Latest shareholding pattern
- Board resolution/partnership declaration
- Details of ultimate beneficial owner along with PAN card and address proof
- Last 2 years financial statements
- MOA/Partnership deed /trust deed

Additionally, registered Equity Shareholders holding Equity Shares in Physical form must also provide the documents mentioned in paragraph 20.

It may be noted that above mentioned list of documents is an indicative list. The requirement of documents and procedures may vary from broker to broker.

- (s) At the beginning of the Tendering Period, the order for buying Equity Shares shall be placed by the Company through the Company's Broker. During the Tendering Period, the order for selling the Shares will be placed in the Acquisition Window by Eligible Shareholders through their respective Shareholder Broker during normal trading hours of the secondary market. In the tendering process, the Company's Broker may also process the orders received from the Shareholders.
- (t) Modification / cancellation of orders and multiple bids from a single Eligible Shareholder will be allowed during the Tendering Period of the Buyback offer. Multiple bids made by single Eligible Shareholder for selling the Shares shall be clubbed and considered as 'one' bid for the purposes of Acceptance.
- (u) The cumulative quantity tendered shall be made available on NSE website- [www.nseindia.com](http://www.nseindia.com) throughout the trading session and will be updated at specific intervals during the Tendering Period.
- (v) The acceptance of the Offer for Buyback made by the Company is entirely at the discretion of the Eligible Shareholders. The Company does not accept any responsibility for the decision of the Eligible Shareholder to either participate or to not participate in the Buyback. The Company will not be responsible in any manner for any loss of documents during transit. All documents sent by Eligible Shareholders will be at their own risk. Eligible Shareholders are advised to safeguard adequately their interests in this regard.
- (w) **Procedure to be followed by Eligible Shareholders holding Demat Shares:**

Eligible Shareholders holding Demat Shares who desire to tender their Equity Shares in the Buyback would have to do so through their respective Shareholder Broker by indicating to the concerned Shareholder Broker, the details of Equity Shares they intend to tender under the Buyback

The Shareholder Broker would be required to place an order/bid on behalf of the Shareholders who wish to tender Equity Shares in the Buyback using the acquisition window of the NSE. Before placing the order/bid, the Eligible Shareholder would require to transfer the number of Equity Shares tendered to the special account of NSE Clearing Limited ("Clearing Corporation" / "NCL"), by using the early pay in mechanism as prescribed by NSE or Clearing Corporation prior to placing the bid by the Shareholder Broker. This shall be validated at the time of order/ bid entry.

The details of the settlement number for the Buyback will be provided in separate circular which shall be issued at the time of issue opening by Designated Stock Exchange/ Clearing Corporation

For custodian participant orders for Demat Shares, early pay-in is mandatory prior to confirmation of order/bid by custodians. The custodian shall either confirm or reject the orders not later than the closing of trading hours on the last day of the tendering period (i.e. date of closing of the Buyback offer). Thereafter, all unconfirmed orders shall be deemed to be rejected. For all confirmed custodian participant orders, any order modification shall revoke the custodian confirmation and the revised order shall be sent to the custodian again for confirmation.

Upon placing the bid, the Shareholder Broker shall provide a Transaction Registration Slip (“TRS”) generated by the stock exchange bidding system to the Eligible Shareholder on whose behalf the bid has been placed. TRS will contain details of order submitted like bid ID No., DP ID, client ID, No. of Equity Shares tendered etc.

Eligible Shareholders who have tendered their Equity Shares in the Buyback may deliver the Tender Form duly signed (by all Shareholders in case shares are in joint names) in the same order in which they hold the shares, along with the TRS generated by the exchange bidding system either by registered post or courier or hand delivery to the Registrar to the Buyback Offer at the address mentioned on the cover page of this Letter of Offer) not later than 2 (two) days from the Closing Date i.e. [●] (by 5 PM). The envelope should be superscribed as “**RITES Limited Buyback 2020**”. In case of non-receipt of the completed Tender Form and other documents, but receipt of Shares in the special account of the Clearing Corporation and a valid bid in the exchange bidding system, the Buyback shall be deemed to have been accepted, for demat Shareholders.

The Eligible Shareholders who have tendered their Demat Shares in the Buyback will have to ensure that they keep the DP Account active and unblocked to receive credit in case of return of Equity Shares due to rejection or partial acceptance. Further, the Eligible Shareholders will have to ensure that they keep the bank account attached with the DP Account active and updated to receive credit remittance due to acceptance of Buyback of Equity Shares.

Excess Demat Shares or unaccepted Demat Shares, if any, tendered by the Eligible Shareholders would be returned to them by Clearing Corporation. If the securities transfer instruction is rejected in the depository system, due to any issue then such securities will be transferred to the Shareholder Broker’s depository pool account for onward transfer to the Eligible Shareholder. In case of custodian participant orders, excess Demat Shares or unaccepted Demat Shares, if any, will be returned to the respective custodian depository pool account.

Eligible Shareholders shall also provide all relevant documents, which are necessary to ensure transferability of the Equity Shares in respect of the Tender Form to be sent. Such documents may include (but not be limited to):

- i. Duly attested power of attorney, if any person other than the Eligible Shareholder has signed the Tender Form;
- ii. Duly attested death certificate and succession certificate/ legal heirship certificate, in case any Eligible Shareholder has expired; and
- iii. In case of companies, the necessary certified corporate authorizations (including board and/ or general meeting resolutions).

**(x) Procedure to be followed by Eligible Shareholders holding Physical Shares:**

In accordance with SEBI vide its Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/144, dated July 31, 2020 the physical shareholders are allowed to tender their shares in the Buyback through Tender Offer route. However, such tendering shall be as per the provisions of the Buyback Regulations.

Eligible Shareholders who are holding Physical Shares and intend to participate in the Buyback will be required to approach their respective Shareholder Broker along with the complete set of documents for verification procedures to be carried out before placement of the bid. Such documents will include the (i) Tender Form duly signed by all Eligible Shareholders (in case shares are in joint names, in the same order in which they hold the shares), (ii) original share certificate(s), (iii) valid share transfer form(s)/Form SH-4 duly filled and signed by the transferors (i.e. by all registered Shareholders in same order and as per the specimen signatures registered with the Company) and duly witnessed at the appropriate place authorizing the transfer in favour of the Company, (iv) self-attested copy of PAN Card(s) of all Eligible Shareholders, (v) any other relevant documents such as power of attorney, corporate authorization (including board resolution/specimen signature), notarized copy of death certificate and succession certificate or probated will, if the original shareholder is deceased, etc., as applicable. In addition, if the address of the Eligible Shareholder has undergone a change from the address registered in the register of members of the Company, the Eligible Shareholder would be required to submit a self-attested copy of address proof consisting of any one of the following documents: valid Aadhar card, voter identity card or passport.

Based on these documents, the concerned Shareholder Broker shall place an order/ bid on behalf of the Eligible Shareholders holding Equity Shares in physical form who wish to tender Equity Shares in the Buyback, using the Acquisition Window of NSE. Upon placing the bid, the Shareholder Broker shall provide a TRS generated by the exchange bidding system to the Eligible Shareholder. TRS will contain the details of order submitted like folio no., certificate no., distinctive no., no. of Equity Shares tendered etc.

Any Shareholder Broker/Eligible Shareholder who places a bid for Physical Shares, is required to deliver the original share certificate(s) & documents (as mentioned above) along with TRS generated by exchange bidding system upon placing of bid, either by registered post, speed post or courier or hand delivery to the Registrar to the Buyback i.e. Link Intime India Private Limited (at the address mentioned on cover page) not later than 2 (two) days from the offer closing date. The envelope should be super scribed as "RITES Limited Buyback 2020". One copy of the TRS will be retained by Registrar to the Buyback and it will provide acknowledgement of the same to the Shareholder Broker in case of hand delivery.

The Eligible Shareholders holding Physical Shares should note that Physical Shares will not be accepted unless the complete sets of documents are submitted. Acceptance of the Physical Shares for Buyback by the Company shall be subject to verification as per the Buyback Regulations and any further directions issued in this regard. The Registrar to the Buyback will verify such bids based on the documents submitted on a daily basis and till such verification, NSE shall display such bids as 'unconfirmed physical bids'. Once Registrar to the Buyback confirms the bids, they will be treated as 'confirmed bids'.

In case any Eligible Shareholder has submitted Equity Shares in physical form for dematerialisation, such Eligible Shareholders should ensure that the process of getting the Equity Shares dematerialized is completed well in time so that they can participate in the Buyback before the closure of the tendering period of the Buyback.

**(y) Additional requirements in respect of tenders by Non-resident shareholders**

- a) While tendering their Equity Shares under the Buyback Offer, all Eligible Shareholders being Non-resident Shareholders should provide relevant confirmations/ declarations vide the duly filled-in and signed (by all shareholders in case the Equity Shares are held in joint names) Tender Forms (including a copy of the permission received from RBI wherever applicable). In the event relevant confirmations / declarations are not provided in the Tender Forms or there is ambiguity in the information provided, the Company reserves the right to reject such Tender Forms.
- b) FII/FPI shareholders should also enclose a copy of their SEBI registration certificate.
- c) In case the Equity Shares are held on repatriation basis, the Non-Resident Shareholders should enclose documents in support of the same. Such documents should include:
  - a copy of the permission received by them from RBI at the time of the original acquisition of Shares
  - a letter from the Shareholder's authorized dealer/bank confirming that at the time of acquiring the said Equity Shares, payment for the same was made by the Non-resident shareholder from the appropriate account as specified by RBI in its approval.
  - Any other document which evidences repatriability of sale proceeds in respect of the tendered Shares.

In case the Non-resident shareholder is not in a position to produce supporting documents towards enabling repatriation, the Shares would be deemed to have been acquired on non-repatriation basis and in that case the Non-Resident Shareholder shall submit a consent letter addressed to the Company, allowing the Company to make the payment on a non-repatriation basis in respect of the valid Shares accepted under the Offer i.e. by way of credit to a non-repatriation bank account or issuance of Rupee demand draft.

- d) If any of the above stated documents, as applicable, are not enclosed along with the Tender Form, the Equity Shares tendered under the Buyback Offer are liable to be rejected.
- (z) The instructions and authorizations contained in the Tender Form constitute an integral part of the terms of this Buyback Offer.**



**(aa) Acceptance of orders**

The Registrar shall provide details of order Acceptance to Clearing Corporation within specified timelines.

**(bb) Method of Settlement**

Upon finalization of the basis of acceptance as per Buyback Regulations:

- (i) The Company will transfer the funds pertaining to the Buyback to the Company's Broker bank account, who will transfer the funds pertaining to the Buyback to the Clearing Corporation's bank account as per the prescribed schedule. For Equity Shares accepted under the Buyback, the Equity Shareholders will receive funds pay-out in their bank account from the Clearing Corporation.
- (ii) The Equity Shares bought back in the demat form would be transferred directly to the escrow account of the Company opened for the Buyback (the "**Demat Escrow Account**") provided it is indicated by the Company's Broker or it will be transferred by the Company's Broker to the Demat Escrow Account on receipt of the Equity Shares from the clearing and settlement mechanism of the NSE.
- (iii) The Eligible Shareholders of the Demat Shares will have to ensure that they keep the depository participant ("**DP**") account active and unblocked to receive credit in case of return of Equity Shares, due to rejection or due to non-acceptance.
- (iv) If the securities transfer instruction is rejected in the depository system, due to any issue then such securities will be transferred to the Shareholder Broker's depository pool account for onward transfer to the Shareholder. In case of custodian participant orders, excess Demat Shares or unaccepted Demat Shares, if any, will be returned to the respective custodian participant. Excess Demat Shares or unaccepted Demat Shares, if any, tendered by the Eligible Shareholders would be returned to them by Clearing Corporation. Any excess Physical Shares pursuant to proportionate acceptance/rejection will be returned back to the concerned Eligible Shareholders directly by the Registrar to the Buyback. The Company is authorized to split the share certificate and issue new consolidated share certificate for the unaccepted Physical Shares, in case the Physical Shares accepted by the Company are less than the Physical Shares tendered by the shareholder in the Buyback.
- (v) In case of certain shareholders viz., NRIs, non-residents etc. (where there are specific regulatory requirements pertaining to funds payout including those prescribed by the RBI) who do not opt to settle through custodians, the funds payout would be given to their respective Shareholder Broker's settlement accounts for releasing the same to such shareholder's account.
- (vi) The Shareholder Broker would issue contract note to the Eligible Shareholders tendering Equity Shares in the Buyback. The Company's Broker would also issue a contract note to the Company for the Equity Shares accepted under the Buyback.
- (vii) The settlements of fund obligation for Demat and Physical Shares shall be affected as per the SEBI circulars and as prescribed by NSE and Clearing Corporation from time to time. For Demat Shares accepted under the Buyback, such beneficial owners will receive funds payout in their bank account as provided by the depository system directly to the Clearing Corporation and in case of Physical Shares, the Clearing Corporation will release the funds to the Shareholder Broker(s) as per secondary market payout mechanism. If such shareholder's bank account details are not available or if the funds transfer instruction is rejected by the Reserve Bank of India ("**RBI**")/ bank(s), due to any reasons, then the amount payable to the concerned shareholders will be transferred to the Shareholder Broker for onward transfer to such shareholders.
- (viii) Eligible Shareholders who intend to participate in the Buyback should consult their respective Shareholder Broker for any cost, applicable taxes, charges and expenses (including brokerage) that may be levied by the Shareholder Broker upon the selling Eligible Shareholders for tendering Equity Shares in the Buyback (secondary market transaction). The Buyback consideration received by the selling Shareholders, in respect of accepted Equity Shares, could be net of such costs, applicable taxes, charges and expenses (including brokerage) and the Company accepts no responsibility to bear or pay such additional cost, charges and expenses (including brokerage) incurred solely by the selling Eligible Shareholders.

(vii) The Equity Shares lying to the credit of the Demat Escrow Account will be extinguished in the manner and following the procedure prescribed in the Buyback Regulations.

(cc) Settlement of Funds/Payment Consideration

The settlements of fund obligation for dematerialised Equity Shares shall be effected as per the SEBI circulars and as prescribed by Exchange and Clearing Corporation from time to time.

For Equity Shares accepted under the Buyback, the Eligible Shareholders holding Equity Shares in dematerialised form will receive funds payout in the Shareholder's bank account as provided by the Depository system from Clearing Corporation and in case of physical shares the Clearing Corporation will release the funds to the Shareholder Broker(s) as per secondary market pay out mechanism. If Eligible Shareholders' bank account details are not available or if the funds transfer instruction is rejected by RBI/Bank, due to any issue then such funds will be transferred to the concerned Shareholder Brokers' settlement bank account for onward transfer to their respective Eligible Shareholders.

(dd) Special Account opened with the Clearing Corporation

The details of transfer of the dematerialised Equity Shares to the special account by trading member or custodians shall be informed in the issue opening circular that will be issued by the NSE or Clearing Corporation.

(ee) Rejection Criteria

The Equity Shares tendered by Eligible Shareholders holding Demat Shares would be liable to be rejected on the following grounds:

- a. the Shareholder is not a Eligible Shareholder of the Company as on the Record Date; or
- b. if there is a name mismatch in the dematerialised account of the Shareholder; or
- c. in the event of non-receipt of the completed Tender Form and other documents from the Eligible Shareholders who were holding Physical Shares as on the Record Date and have placed their bid in demat form; or
- d. Where there exists any restraint order of a Court/any other competent authority for transfer/disposal/sale or where loss of share certificates has been notified to the Company or where the title to the Equity Shares is under dispute or otherwise not clear or where any other restraint subsists.

The Equity Shares tendered by Eligible Shareholders holding Physical Shares would be liable to be rejected on the following grounds:

- a. The documents mentioned in the Tender Form for Eligible Shareholders holding Equity Shares in physical form are not received by the Registrar on or before the close of business hours on [●], 2020; or
- b. If there is any other company's share certificate enclosed with the Tender Form instead of the share certificate of the Company; or
- c. If the transmission of Equity Shares is not completed, and the Equity Shares are not in the name of the Eligible Shareholders; or
- d. If the Eligible Shareholders bid the Equity Shares but the Registrar does not receive the physical Equity Share certificate; or
- e. In the event the signature in the Tender Form and Form SH-4 do not match as per the specimen signature recorded with Company or Registrar to the Buyback; or
- f. The documents mentioned in the Tender Form for physical Equity Shareholders are not received by the Registrar before the close of business hours to the Registrar on or before [●] by 5:00 p.m.; or
- g. Where there exists any restraint order of a Court/any other competent authority for transfer/disposal/sale or where loss of share certificates has been notified to the Company or where the titles to the

Equity Share is under dispute or otherwise not clear or where any other restraint subsists.

## **21. NOTE ON TAXATION**

**THE SUMMARY OF THE TAX CONSIDERATIONS IN THIS SECTION ARE BASED ON THE CURRENT PROVISIONS OF THE TAX LAWS OF INDIA AND THE REGULATIONS THEREUNDER, THE JUDICIAL AND THE ADMINISTRATIVE INTERPRETATIONS THEREOF, WHICH ARE SUBJECT TO CHANGE OR MODIFICATION BY SUBSEQUENT LEGISLATIVE, REGULATORY, ADMINISTRATIVE OR JUDICIAL DECISIONS. ANY SUCH CHANGES COULD HAVE DIFFERENT TAX IMPLICATIONS ON THESE TAX CONSIDERATIONS.**

**IN VIEW OF THE PARTICULARIZED NATURE OF TAX CONSEQUENCES, SHAREHOLDERS ARE REQUIRED TO CONSULT THEIR TAX ADVISORS FOR THE APPLICABLE TAX PROVISIONS INCLUDING THE TREATMENT THAT MAY BE GIVEN BY THEIR RESPECTIVE TAX OFFICERS IN THEIR CASE, AND THE APPROPRIATE COURSE OF ACTION THAT THEY SHOULD TAKE.**

**THE COMPANY DOES NOT ACCEPT ANY RESPONSIBILITY FOR THE ACCURACY OR OTHERWISE OF THIS TAX SUMMARY AND THERE CAN BE NO LIABILITY ON THE COMPANY IF ANY ACTION IS TAKEN BY THE SHAREHOLDER SOLELY BASED ON THIS TAX SUMMARY. THEREFORE, SHAREHOLDERS CANNOT RELY ON THIS ADVICE AND THE SUMMARY TAX IMPLICATIONS RELATING TO THE TREATMENT OF INCOME TAX IN THE CASE OF BUYBACK OF EQUITY SHARES LISTED ON THE STOCK EXCHANGE SET OUT BELOW SHOULD BE TREATED AS INDICATIVE AND FOR GUIDANCE PURPOSES ONLY.**

Disclosures in this paragraph are based on expert opinion sought by the Company.

With reference to the captioned subject, given below is a broad summarization of the applicable sections of the Income Tax Act, 1961, ("Income Tax Act") relating to treatment of income-tax in case of buyback of listed equity shares on the stock exchange, which shall form part of the disclosure in the Draft Letter of Offer, Letter of Offer or any other document in relation to the Buyback of the Company.

### **1. GENERAL**

The Indian tax year runs from April 1 to March 31 of subsequent year. The basis of charge of Indian income-tax depends upon the residential status of the taxpayer during a tax year. A person who is a tax resident of India is liable to taxation in India on his worldwide income, subject to certain prescribed tax exemptions provided under the Income Tax Act, 1961 ("ITA").

A person who is treated as a non-resident for Indian tax purposes is generally liable to tax in India only on his/her Indian sourced income or income received by such person in India. Vide Finance Act, 2020, certain non-resident individuals are deemed to be resident in India upon triggering of certain conditions. Deemed residents would be liable to pay tax in India only on their Indian sourced income or income from business or professional controlled in India.

In case of shares of a company, the source of income from shares would depend on the "situs" of the shares. As per ITA and Judicial precedents, generally the "situs" of the shares is where company is "incorporated" and where its shares can be transferred. Accordingly, since the Company is incorporated in India, the shares of the Company would be "situated" in India and any gains arising to a non-resident on transfer of such shares should be taxable in India under the ITA subject to any specific exemption in this regard. Further, the non-resident can avail the beneficial tax treatment prescribed under the Double Taxation Avoidance Agreement ("DTAA"), as modified by the Multilateral Instrument (MLI), if the same is applicable to the relevant DTAA between India and the respective country of which the said shareholder is tax resident. The above benefit may be available subject to satisfying relevant conditions prescribed under ITA including but not limited to availability of Tax Residency Certificate, non-applicability of General Anti-Avoidance Rule ("GAAR") and providing and maintaining necessary information and documents as prescribed under ITA as well as satisfying the relevant conditions under the respective DTAA including anti-abuse measures under the MLI, if applicable.

### **2. CLASSIFICATION OF SHAREHOLDERS**

Section 6 of the ITA, determines the residential status of an assessee. Accordingly, shareholders can be classified broadly in two categories as below:

**A. Resident Shareholders being:**

- Individuals, Hindu Undivided Family (HUF), Association of Persons (AOP) and Body of Individuals (BOI), Firm, LLP
- Others (corporate bodies):
  - Company
  - Other than Company

B. Deemed Resident Shareholder –an individual being a citizen of India who is not liable to tax in any other country or territory by reason of domicile, residence or any other criteria of similar nature and has total income other than foreign sourced income exceeding Rs 15 lakh during the tax year.

**C. Non-Resident Shareholders being:**

- Non-Resident Indians (NRIs)
- Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors (FPIs)
- Others:
  - Company
  - Other than Company

**3. BUYBACK OF SHARES**

Section 115QA of the ITA introduced w.e.f. June 1, 2013 contains provisions for taxation of a domestic company in respect of buy-back of shares (within the meaning of Sec. 68 of the Companies Act). In effect, the incidence of tax stands shifted completely to the Company and not the recipient of the buyback proceeds.

Before the enactment of Finance Act (No 2), 2019, this section was not applicable to shares listed on a recognized stock exchange. The Finance Act (No 2), 2019 has amended section 115QA of the ITA with effect from 5th July, 2019 extending its provisions to cover distributed income on buy-back of equity shares of a company listed on a recognized stock exchange as well.

Section 10(34A) of the ITA provided for exemption to a shareholder in respect of income arising from buy-back of shares w.e.f. April 1, 2014 (i.e. Assessment year 2014-15). The Finance Act (No. 2), 2019 has also made consequential changes to section 10(34A) of the ITA extending the benefit of exemption of income from buy-back to shareholders in respect of shares listed on recognized stock exchange as well.

Thus, the tax implications to the following categories of shareholders are as under:

**A. Resident Shareholders or Deemed Resident Shareholders**

Income arising to the shareholder on account of buy-back of shares as referred to in section 115QA of the ITA is exempt from tax under the provisions of the amended section 10(34A) of the ITA with effect from July 5, 2019.

**B. Non-Resident Shareholders**

While the income arising to the shareholder on account of buy back of shares as referred to in section 115QA of the ITA is exempt from tax under the provisions of the amended section 10(34A) with effect from July 5, 2019 in the hands of a Non-resident as well, the same may be subject to tax in the country of residence of the shareholder as per the provisions of the tax laws of that country. The credit of tax may or may not be allowed to such Non- resident shareholder to be claimed in the country of residence in respect of the buy-back tax paid by the company in view of Sec 115QA (4) and (5) of the ITA. Non-resident shareholders need to consult their tax advisors with regard to availability of such a tax credit.

**4. TAX DEDUCTION AT SOURCE**

Currently, there are no provisions for tax deduction at source in respect of income earned from transfer/ buy-back of shares in case of resident shareholders/ deemed resident shareholders.

Given that income arising on account of the buy-back of shares is exempt from tax under Section 10(34A) of ITA, the same would not be subject to tax deduction at source for non-resident shareholders.

***Caveat:***

The summary of the tax considerations as above is based on the current provisions of the tax laws of India, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.

In view of the specific nature of tax consequences, shareholders who are not tax residents of India are required to consult their tax advisors for the applicable tax and the appropriate course of action that they should take considering the provisions of the relevant Country or State tax law and provisions of DTAA where applicable.

## **5. SECURITIES TRANSACTION TAX**

Since the Buyback of shares shall take place through the settlement mechanism of the Stock Exchange, Securities Transaction Tax at 0.1% of the value of the transaction will be applicable.

## **22. DECLARATION BY THE BOARD OF DIRECTORS**

Declaration as required under clause (ix) and clause (x) of Schedule I to the Buyback Regulations read with Regulation 5(iv)(b) of the Buyback Regulations:

- i. The Board of Directors of the Company confirms that no defaults have been made or subsisting in the repayment of deposits accepted either before or after the commencement of the Companies Act, 2013, interest payment thereon, redemption of debentures or interest payment thereon redemption of preference shares or payment of dividend to any shareholder, or repayment of any term loans or interest payable thereon to any financial institutions or banking company.
- ii. The Board of Directors of the Company confirms that it has made a full enquiry into the affairs and prospects of the Company and has formed an opinion that:
  - a. Immediately following the date of the Board Meeting on September 18, 2020 and the date of this Draft Letter of Offer, there will be no grounds on which the Company can be found unable to pay its debts;
  - b. As regards the Company's prospects for the year immediately following the date of the Board Meeting and the date of this Draft Letter of Offer, having regard to the Board's intentions with respect to the management of the Company's business during the said year and to the amount and character of the financial resources which will in the Board's view be available to the Company during the said year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from the date of the Board Meeting approving the Buyback and within a period of one year from the date of this Draft Letter of Offer, as the case may be;
  - c. In forming an opinion as aforesaid, the Board has taken into account the liabilities as if the Company were being wound up under the provisions of the Companies Act, 1956 or Companies Act, 2013 or Insolvency and Bankruptcy Code 2016, as the case may be, including prospective and contingent liabilities.

This declaration is made and issued by the Buyback committee (under the authority of the Board of Directors) in terms of the resolution passed at its meeting held on September 18, 2020.

For and on behalf of the **Board of Directors of Company**

Sd/- Rajeev Mehrotra Chairman and Managing Director (DIN: 01583143)	Sd/- Bibhu Prasad Nayak Director Finance (DIN: 08197975)
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## 23. AUDITORS CERTIFICATE

The text of the report dated September 18, 2020 received from M/s. J.C. Bhalla & Co., Chartered Accountants, Statutory Auditors of the Company addressed to the Board of Directors of the Company is reproduced below:

### Quote:

#### **Auditors' Report on buy back of shares pursuant to the requirement of Schedule I to the Securities and Exchange Board of India (Buy -Back of Securities) Regulations, 2018, as amended**

**To,**  
**The Board of Directors,**  
**RITES Limited**  
Scope Minar  
Laxmi Nagar  
Delhi - 110092

1. This report is issued in accordance with the terms of our engagement dated September 18, 2020.
2. In connection with the proposal of the Company to buy back its equity shares in pursuance of the provisions of Section 68, 69 and 70 of the Companies Act, 2013 (the "Act") and Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018, as amended (the "Buyback Regulations"), and in terms of the resolution passed by the directors of the Company in their meeting held on September 18, 2020, we have been engaged by the Company to perform a reasonable assurance engagement on the statement of determination of the amount permissible capital payment (the "Statement") , which we have initialled for identification purposes only.

#### **Board of Directors Responsibility for the Statement**

3. The preparation of the statement in accordance with Section 68 (2) of the Act and in compliance of the Buyback Regulations, is the responsibility of the Management of the Company, including the computation of the amount of permissible capital payment the, preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.
4. The Board of Directors are responsible to make a full inquiry into the affairs and prospectus/ offer document of the Company and to form an opinion that the Company will be able to pay its debts from the date of Board meeting and will not be rendered insolvent within a period of one year from the date of board meeting at which the proposal for buyback was approved by the Board of Directors of the Company and informing the opinion, it has taken into account the liabilities (including prospective and contingent liabilities) as if the Company were being wound up under the provisions of the Act or the Insolvency and Bankruptcy Code 2016. Further, a declaration is required to be signed by at least two directors of the Company in this respect in accordance with the requirements of the section 68 (6) of the Companies Act and the Buyback Regulations.

#### **Auditor's Responsibility**

5. Pursuant to the requirements of the Regulations, it is our responsibility to provide reasonable assurance on the following "Reporting Criteria":
  - (i) Whether the amount of capital payment for the buy-back as stated in Annexure A has been determined considering the Audited financial statements for the year ended March 31, 2020 and is within the permissible limit and computed in accordance with the provisions of Section 68 of the Act;
  - (ii) Whether the Board of Directors in their meeting held on September 18, 2020 have formed their opinion, as specified in Clause (x) of Schedule I to the Regulations, on a reasonable grounds that the Company having regard to its state of affairs will not be rendered insolvent within a period of one year from date aforesaid date; and
  - (iii) Whether we are aware of anything to indicate that the opinion expressed by the Directors in the

declaration as to any of the matters mentioned in the declaration is unreasonable in circumstances as at the date of declaration.

6. The Standalone and Consolidated financial statements of the Company for the year ended March 31, 2020 have been audited by us on which we issued an unmodified audit opinion vide our report dated June 30, 2020. Our audits of these financial statements were conducted in accordance with the Standards on Auditing as specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.
7. We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
8. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
9. A reasonable assurance engagement involves performing procedures to obtain sufficient appropriate evidence on the reporting criteria mentioned in paragraph 5 above. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated with the Reporting Criteria.

We have performed the following procedures in relation to the Statement:

- i) We have inquired into the state of affairs of the Company in relation to its audited financial statements for the year ended March 31, 2020;
- ii) Examined authorization for buy back from the Articles of Association of the Company;
- iii) Examined that the amount of capital payment for the buy-back as detailed in Annexure A is within permissible limit computed in accordance with section 68 of the Act;
- iv) Examined that the ratio of debt owned by the Company, is not more than twice the capital and its free reserve after such buy-back;
- v) Examined that all shares for buy-back are fully paid-up;
- vi) Examined resolutions passed in the meetings of the Board of Directors;
- vii) Examined Director's declarations for the purpose of buy back and solvency of the Company;
- viii) Obtained necessary representations from the management of the Company.

### **Opinion**

10. Based on our examination as above, and the information and explanations given to us, in our opinion:
  - (i) the Statement of permissible capital payment towards buyback of equity shares, as stated in Annexure A, is in our view properly determined in accordance with Section 68 of the Act; and
  - (ii) the Board of Directors, in their meeting held on September 18, 2020, have formed the opinion, as specified in clause (x) of Schedule I of the Regulations, on reasonable grounds, that the Company will not, having regard to its state of affairs, be rendered insolvent within a period of one year from date of board meeting and we are not aware of anything to indicate that the opinion expressed by the Directors in the declaration as to any of the matters mentioned in the declaration is unreasonable in circumstances as at the date of declaration.

### **Restriction on Use**

11. The certificate is addressed to and provided to the Board of Directors of the Company pursuant to the requirements of the Regulations solely to enable them to include it (a) in the public announcement to be made by the Company, (b) in the draft letter of offer and letter of offer to be filed with the Securities and Exchange Board of India, the stock exchanges, the Registrar of Companies as required under the Regulations, the National Securities Depository Limited, the Central Depository Securities (India) Limited and providing to the parties including manager to the offer in connection with buyback and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

**For J.C. Bhalla & CO.**  
**Chartered Accountants**  
**FRN 001111N**

**Sd/-**  
Anshuman Mallick  
**Partner**  
**M. No 547705**  
**UDIN: 20547705AAAAAP3648**

Place - Gurugram  
Date – 18th September, 2020

#### ANNEXURE A

##### Statement of permissible capital payment

The amount of permissible capital payment towards buy-back of equity shares (including premium) in question as ascertained below in our view has been properly determined in accordance with Section 68(2) of the Companies Act, 2013 and Regulation 4 of Buyback Regulations:

Particulars	Amount (Rs. in crore) As on March 31, 2020	
	Standalone	Consolidated
<b>Issued, subscribed and fully paid up equity shares:</b>		
25,00,00,000 Equity Shares of Rs. 10/- each, fully paid up	250.00	250.00
<b>Total- A</b>	<b>250.00</b>	<b>250.00</b>
<b>Free Reserves</b>		
General reserve	1901.85	1916.00
Retained Earnings	424.77	*466.57
<b>Total- B</b>	<b>2326.62</b>	<b>2382.57</b>
<b>Total C= A+B</b>	<b>2576.62</b>	<b>2632.57</b>
Maximum amount permissible for the Buy-back i.e.10% of the aggregate fully paid-up equity share capital and free reserves pursuant to Section 68(2) of the Act requiring Board Resolution.	<b>257.66</b>	<b>263.26</b>
Amount approved by the Board of Directors for buy-back in the meeting held on September 18, 2020	<b>257.00</b>	

\*Excluding Foreign Currency Translation Reserve.

**For J.C. Bhalla & CO.**  
**Chartered Accountants**  
**FRN 001111N**

**Sd/-**  
Anshuman Mallick  
**Partner**  
**M. No 547705**

Place: Gurugram  
Date: September 18, 2020

Unquote

#### 24. DOCUMENTS FOR INSPECTION

The following material documents are available for inspection by shareholders of RITES Limited at the **Registered Office**: SCOPE Minar, Laxmi Nagar, Delhi – 110092, India, from 10.00 a.m. to 5.00 p.m. on any day, except Saturdays, Sundays and public holidays, during the Tendering Period.



- i. Copy of the Certificate of Incorporation;
- ii. Memorandum and Articles of Association of RITES Limited;
- iii. Copy of the annual reports RITES Limited for the last three financial years ended March 31, 2020, March 31, 2019 and March 31, 2018 and unaudited financial results approved by Board of Directors for the three months ended June 30, 2020;
- iv. Certified true copy of the resolution passed by the Board of Directors at the meeting held on September 18, 2020 approving proposal for Buyback;
- v. Copy of Report dated September 18, 2020 received from M/s. J.C. Bhalla & Co., Chartered Accountants, the Statutory Auditors of the Company, in terms of clause (xi) of Schedule I of the Buyback Regulations;
- vi. Copy of Declaration of solvency and an affidavit verifying the same in Form SH-9, as prescribed under section 68(6) of the Companies Act, 2013;
- vii. SEBI Comments vide letter no. [●] dated [●];
- viii. Copy of Escrow Agreement dated [●] between RITES Limited, [●] and IDBI Capital Markets & Securities Limited;
- ix. Copy of the certificate from M/s. J.C. Bhalla & Co., Chartered Accountants, the Statutory Auditors of the Company, dated September 24, 2020 certifying that the Company has adequate funds for the purposes of Buyback;
- x. Copy of Public Announcement dated September 21, 2020 published in the newspapers on September 22, 2020 regarding Buyback of Equity Shares;
- xi. Opinion dated September 28, 2020 obtained by the Company on taxation.

## 25. DETAILS OF COMPLIANCE OFFICER

Shri Ashish Kumar Srivastava,  
 Company Secretary and Compliance Officer  
 RITES Bhawan, No. 1, Sector 29,  
 Gurugram –122001, Haryana, India.  
**Tel:** +91 12 4257 1665, **Fax:** +91 12 4257 1187  
**Email:** cs@rites.com;  
**Website:** www.rites.com

Investor may contact the Compliance Officer for any clarification or to address their grievances, if any, during office hours i.e. 10:00 a.m. IST to 5:00 p.m. IST on all working days except Saturday, Sunday and public holidays

## 26. DETAILS OF THE REMEDIES AVAILABLE TO THE SHAREHOLDERS/ BENEFICIAL OWNERS

- i. In case of any grievances relating to the Buyback (i.e. non-receipt of the Buyback consideration, Share certificate, demat credit, etc.) the investor can approach the Compliance Officer and/or Manager to the Buyback and/or Registrar to the Buyback for redressal thereof.
- ii. If the Company makes any default in complying with the provisions of Section 68, 69, 70 of the Companies Act, 2013, or the rules made thereunder, the Company or any officer of the Company who is in default shall be punishable with imprisonment for a term and its limit, or with a fine and its limit or with both in terms of the Companies Act, 2013.
- iii. The address of the concerned office of the Registrar of Companies is as follows:

The Registrar of Companies (National Capital Territory of Delhi & Haryana)  
 4th Floor, IFCI Tower, 61,  
 Nehru Place, New Delhi 110 019, India

## 27. DETAILS OF INVESTOR SERVICE CENTRE

In case of any query, the shareholders may contact the Registrar & Transfer Agent on any day except Sunday and Public Holiday from 10:00 a.m. IST to 5:00 p.m. IST i.e. Monday to Friday and from 10:00 a.m. IST to 1:00 p.m. IST on Saturday, at the following address:



**Link Intime India Private Limited**

C-101, 1st Floor, 247 Park, Lal Bhadur Shastri Marg, Vikhroli (West), Mumbai 400 083

**Tel:** +91 022 49186200; **Fax:** +91 022 49186195;

**Contact Person:** Mr. Sumeet Deshpande

**E-mail:** rites.buyback2020@linkintime.co.in; **Website:** www.linkintime.co.in;

**SEBI Registration No.:** INR000004058; **Validity Period:** Permanent

**CIN:** U67190MH1999PTC118368

**28. MANAGER TO THE BUYBACK OFFER**



**IDBI Capital Markets & Securities Limited**

6th floor, IDBI Tower, WTC Complex, Cuffe Parade, Mumbai 400 005

**Tel No.:**+91 (22) 2217 1700; **Fax No.:** +91 (22) 2215 1787;

**Contact Person:** Chandresh Sharma

**Email:** ritesbuyback@idbicapital.com; **Website:** www.idbicapital.com

**SEBI Registration Number:** INM000010866; **Validity Period:** Permanent

**Corporate Identity Number:** U65990MH1993GOI075578

**29. DECLARATION BY THE DIRECTORS REGARDING AUTHENTICITY OF THE INFORMATION IN THE DRAFT LETTER OF OFFER**

As per Regulation 24(i)(a) of the Buyback Regulations, the Board of Directors of the Company accept full responsibility for the information contained in this Draft Letter of Offer and confirms that this Draft Letter of Offer contains true, factual and material information and does not contain any misleading information. The Draft Letter of Offer is issued under the authority of the Board of Directors by the Buyback Committee through Resolution passed by the Buyback Committee meeting held on September 28, 2020.

For and on behalf of the Board of Directors of  
**BITES Limited**

Sd/-  
Rajeev Mehrotra  
Chairman and Managing Director  
(DIN: 01583143)

Sd/-  
Bibhu Prasad Nayak  
Director Finance  
(DIN: 08197975)

Sd/-  
Ashish Kumar Srivastava  
Company Secretary and  
Compliance Officer  
FCS- 5325

Date: September 28, 2020

Place: Gurugram

**ANNEXURE I - TENDER FORM FOR ELIGIBLE SHAREHOLDERS HOLDING DEMAT SHARES  
FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT**

BUYBACK OPENS ON:	[●]
BUYBACK CLOSES ON:	[●]
<b>For Registrar use</b>	
Inward No.	Date
	Stamp

Bid Number:  
Date:

Status: Please tick appropriate box					
<input type="checkbox"/>	Individual	<input type="checkbox"/>	Foreign Institutional Investors/ Foreign Portfolio Investors	<input type="checkbox"/>	Insurance Company
<input type="checkbox"/>	Foreign Company	<input type="checkbox"/>	Non Resident Indian / OCB	<input type="checkbox"/>	FVCI
<input type="checkbox"/>	Body Corporate	<input type="checkbox"/>	Bank / Financial Institution	<input type="checkbox"/>	Pension/ PF
<input type="checkbox"/>	VCF	<input type="checkbox"/>	Partnership/ LLP	<input type="checkbox"/>	Others (specify)

**India Tax Residency Status: Please tick appropriate box**

Resident in India  Non-Resident in India  Resident of \_\_\_\_\_ (Shareholder to fill the country of residence)

**Route of Investment (For NR Shareholders only)**

Portfolio Investment Scheme  Foreign Investment Scheme

To,  
**The Board of Directors**  
**RITES Limited**  
SCOPE Minar,  
Laxmi Nagar,  
Delhi - 110092

Dear Sirs,

**Sub: Letter of Offer dated [●] to Buyback not exceeding 96,98,113 Equity Shares of RITES Limited (the “Company”) at a price of Rs 265 (Rupees Two Hundred Sixty Five Only) per Equity Share (“Buyback Offer Price”), payable in cash (“Buyback”)**

- I/We having read and understood the Letter of Offer dated [●] hereby tender / offer my / our Equity Shares in response to the Buyback on the terms and conditions set out below and in the Letter of Offer.
- I / We authorise the Company to Buyback the Equity Shares offered (as mentioned below) and to issue instruction(s) to the Registrar to the Buyback to extinguish the Equity Share.
- I / We hereby affirm and warrant that the Equity Shares comprised in this tender / offer are offered for Buyback by me / us are free from all liens, equitable interest, charges and encumbrance.
- I / We declare and warrant that there are no restraints / injunctions or other order(s)/ covenants of any nature which limits / restricts in any manner my / our right to tender Equity Shares for Buyback and that I / We am / are legally entitled to tender/ offer the Equity Shares for the Buyback.
- I/We agree that the Company will pay the Buyback Offer Price only after due verification of the validity of the documents and that the consideration will be paid as per secondary market mechanism. The Eligible Shareholders will have to ensure that they keep the DP Account active and unblocked to receive credit in case of return of Equity Shares due to rejection or due to the Buyback being on a proportionate basis in terms of the Ratio of Buyback.
- Eligible Shareholders to whom the Buyback is made are free to tender Equity Shares to the extent of their Buyback Entitlement in whole or in part or in excess of their entitlement.
- I / We agree that the consideration for the accepted Equity Shares will be paid to the Eligible Shareholder as per the provisions of Buyback Regulations and circulars issued by SEBI.
- I/We agree that the excess demat Shares or unaccepted demat Shares, if any, tendered would be returned to the Eligible Shareholder as per the provision of Buyback Regulations and circulars issued by SEBI.
- I / We undertake to return to the Company any Buyback consideration that may be wrongfully received by me / us.
- I / We undertake to execute any further documents and give any further assurances that may be required or expedient to give effect to my / our tender / offer and agree to abide by any decision that may be taken by the Company to effect the Buyback in accordance with the Companies Act, 2013 and rules made thereunder and the Buyback Regulations.
- Details of Equity Shares held and tendered / offered for Buyback Offer:

	In Figures	In Words
Number of Equity Shares held as on Record Date (September 30, 2020)		
Number of Equity Shares entitled for Buyback (Buyback Entitlement)		
Number of Equity Shares offered for Buyback (including Additional Shares, if any)		

Note: An Eligible Shareholder may tender Equity Shares over and above his / her Buyback Entitlement. Number of Equity Shares validly tendered by any Eligible Shareholder up to the Buyback Entitlement of such Eligible Shareholder shall be accepted to the full extent. The Equity Shares tendered by any Eligible Shareholder over and above the Buyback Entitlement of such Eligible Shareholder shall be accepted in accordance with Paragraph 19 of the Letter of Offer. Equity Shares tendered by any Eligible Shareholder over and above the number of Equity Shares held by such Eligible Shareholder as on the Record Date shall not be considered for the purpose of Acceptance.

-----**Tear along this line**-----  
**Acknowledgement Slip: RITES Limited – Buyback Offer**  
(to be filled by the Eligible Shareholder) (subject to verification)

**Folio No./DP ID:** \_\_\_\_\_

**Client ID** \_\_\_\_\_

Received from Shri./ Smt. \_\_\_\_\_

Form of Acceptance-cum-Acknowledgement, Original TRS along with:

No. of Equity Shares offered for Buyback (In Figures) \_\_\_\_\_ (In Words) \_\_\_\_\_

Please quote Client ID No. & DP ID No. for all future correspondence

<b>STAMP OF BROKER</b>

10. Details of Account with Depository Participant (DP):

Name of the Depository (tick whichever is applicable)	<input type="checkbox"/> NSDL <input type="checkbox"/> CDSL
Name of the Depository Participant	
DP ID No.	
Client ID with the Depository Participant	

11. Equity Shareholders Details:

	First/Sole Holder	Joint Holder 1	Joint Holder 2	Joint Holder 3
Full Name(s) of the Shareholder(s)				
Signature(s)*				
PAN No.				
Address of the Sole/First Equity Shareholder				
Telephone No. / Email ID of the Sole/First Equity Shareholder				

\*Corporate must affix rubber stamp and sign

Applicable for all Non- resident Shareholders-

- I / We undertake to pay income taxes in India on any income arising on such Buyback in accordance with prevailing income tax laws in India within 7<sup>th</sup> day of the succeeding month in which the Equity Shares are bought back by the Company. I / We also undertake to indemnify the Company against any income tax liability on any income earned on such Buyback of shares by me / us.
- I/We, being a Non-Resident Shareholder, agree to obtain and submit all necessary approvals, if any and to the extent required from the concerned authorities including approvals from the RBI under FEMA and any other the rules and regulations, for tendering Equity Shares in the Buyback, and also undertake to comply with the reporting requirements, if applicable, and any other rules, regulations and guidelines, in regard to remittance of funds outside India.

**INSTRUCTIONS**

This Tender Form has to be read along with the Letter of Offer and is subject to the terms and conditions mentioned in the Letter of Offer and this Tender / Offer Form

- This Buyback offer will open on [●] and close on [●].
- The Equity Shares tendered in the Buyback shall be rejected if (i) the tenderer is not a Eligible Shareholder of the Company as on the Record Date; or (ii) if there is a name mismatch in the demat account of the Shareholder; or (iii) if the Eligible Shareholder has made a duplicate bid.
- Eligible Shareholder is required to transfer the Equity Shares under the Buyback Offer to Clearing Corporation, by using the settlement number through the early pay-in mechanism of depositories. This shall be validated by the Shareholder Broker at the time of order/bid entry. The details of the settlement number for the Buyback will be provided in a separate circular which shall be issued at the time of issue opening by Clearing Corporation/ NSE.
- Eligible Shareholders who have tendered their Equity Shares in the Buyback may deliver the Tender Form duly signed (by all Shareholders in case shares are in joint names) in the same order in which they hold the shares, along with the TRS generated by the exchange bidding system either by registered post or courier or hand delivery to the Registrar to the Buyback Offer not later than 2 (two) days from the Buyback Closing Date i.e. [●]. The envelope should be superscribed as "RITES Limited Buyback 2020". In case of non-receipt of the completed Tender Form and other documents, but receipt of Equity Shares in the special account of the Clearing Corporation and a valid bid in the exchange bidding system, the Buyback shall be deemed to have been accepted, for demat Eligible Shareholders.
- The Eligible Shareholders will have to ensure that they keep the DP Account active and unblocked to receive credit in case of return of Equity Shares due to rejection or partial acceptance. Excess demat Equity Shares or unaccepted demat Equity Shares, if any, tendered by the Eligible Shareholders would be returned to them by Clearing Corporation. If the securities transfer instruction is rejected in the depository system, due to any issue then such securities will be transferred to the Shareholder Broker's depository pool account for onward transfer to the Eligible Shareholder. In case of custodian participant orders, excess demat Shares or unaccepted demat Shares, if any, will be returned to the respective custodian participant.
- The Tender Form and TRS is not required to be submitted to the Company, Manager or the Registrar. After the receipt of the demat Equity Shares by the Clearing Corporation and a valid bid in the exchange bidding system, the Buyback shall be deemed to have been accepted for the Eligible Shareholders holding Equity Shares in demat form.
- For the procedure to be followed by Eligible Shareholders for tendering in the Buyback, please refer to "Procedure for Tender Offer and Settlement" on page [●] of the Letter of Offer.
- In case of non-receipt of the Letter of Offer, Eligible Shareholders holding Equity Shares may participate in the offer by providing their application in plain paper in writing signed by such Eligible Shareholder, stating the name of the Eligible Shareholder, address of the Equity Shareholder, number of Equity Shares held, Client ID number, DP name, DP ID number and number of Equity Shares tendered. Eligible Shareholders have to ensure that their bid is entered in the electronic platform to be made available by the NSE before the closure of the Buyback.
- In case any registered entity has merged with another entity and the merger has been approved and has come into effect but the process of getting the successor company as the registered shareholder is still incomplete, then such entity along with the Tender Form, shall file a copy of the following documents: (i) approval from the appropriate authority for such merger, (ii) the scheme of merger, and (iii) the requisite form filed with MCA intimating the merger.
- Eligible Shareholders to whom the Buyback offer is made are free to tender Equity Shares to the extent of their Buyback Entitlement in whole or in part or in excess of their Buyback Entitlement, but not exceeding their holding as on the Record Date.
- All documents sent by Eligible Shareholders will be at their own risk. Eligible Shareholders are advised to safeguard adequately their interests in this regard.
- By agreeing to participate in the Buy-back the Non-resident Shareholders give the Company the unconditional and irrevocable authority and power to make, sign, execute, deliver, acknowledge and perform all applications to file regulatory reportings, if required, including FC-TRS form, if necessary and undertake to provide assistance to the Company for such regulatory reporting, if required by the Company.
- Non-Resident Shareholders must obtain all approvals required to tender the Equity Shares held by them in this Buyback (including without limitation the approval from the RBI).
- Eligible Sellers have to fill up the EVENT number issued by the depository in the column for settlement details along with the market type as "Buyback", ISIN Quantity of shares and CM BP ID of broker and execution date in the Delivery Instruction Slips (DIS) so that Equity Shares can be tendered in the Buyback.
- All capitalised items shall have the meaning ascribed to them in the Letter of Offer.

-----Tear along this line-----

ALL FUTURE CORRESPONDENCE IN CONNECTION WITH THIS BUYBACK, IF ANY, SHOULD BE ADDRESSED TO REGISTRAR TO THE BUYBACK AT THE FOLLOWING ADDRESS QUOTING YOUR CLIENT ID AND DP ID:

**Investor Service Centre, RITES Limited - Buyback offer**  
**Link Intime India Private Limited**

C-101, 1st Floor, 247 Park, Lal Bhadur Shastri Marg, Vikhroli (West), Mumbai 400 083

**Contact Person:** Mr. Sumeet Deshpande

**Tel:** +91 022 49186200; **Fax:** +91 022 49186195; **E-mail:** rites.buyback2020@linkintime.co.in; **Website:** www.linkintime.co.in

**SEBI Registration Number:** INR000004058; **Validity Period:** Permanent; **CIN:** U67190MH1999PTC118368

**ANNEXURE II - TENDER FORM FOR ELIGIBLE SHAREHOLDERS HOLDING PHYSICAL SHARES  
FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT**

Bid Number:  
Date:

BUYBACK OPENS ON:	[●]
BUYBACK CLOSES ON:	[●]
<b>For Registrar use</b>	
Inward No.	Date
	Stamp

Status: Please tick appropriate box					
<input type="checkbox"/>	Individual	<input type="checkbox"/>	Foreign Institutional Investors/ Foreign Portfolio Investors	<input type="checkbox"/>	Insurance Company
<input type="checkbox"/>	Foreign Company	<input type="checkbox"/>	Non Resident Indian / OCB	<input type="checkbox"/>	FVCI
<input type="checkbox"/>	Body Corporate	<input type="checkbox"/>	Bank / Financial Institution	<input type="checkbox"/>	Pension/ PF
<input type="checkbox"/>	VCF	<input type="checkbox"/>	Partnership/ LLP	<input type="checkbox"/>	Others (specify)

**India Tax Residency Status: Please tick appropriate box**

Resident in India  Non-Resident in India  Resident of \_\_\_\_\_ (Shareholder to fill the country of residence)

**Route of Investment (For NR Shareholders only)**

Portfolio Investment Scheme  Foreign Investment Scheme

To,  
**The Board of Directors**  
**RITES Limited**  
SCOPE Minar,  
Laxmi Nagar,  
Delhi - 110092

Dear Sirs,

**Sub: Letter of Offer dated [●] to Buyback not exceeding 96,98,113 Equity Shares of RITES Limited (the “Company”) at a price of Rs 265 (Rupees Two Hundred Sixty Five Only) per Equity Share (“Buyback Offer Price”), payable in cash (“Buyback”)**

- I/We having read and understood the Letter of Offer dated [●] hereby tender / offer my / our Equity Shares in response to the Buyback on the terms and conditions set out below and in the Letter of Offer.
- I / We authorise the Company to Buyback the Equity Shares offered (as mentioned below) and to issue instruction(s) to the Registrar to the Buyback to extinguish the Equity Share.
- I / We hereby affirm and warrant that the Equity Shares comprised in this tender / offer are offered for Buyback by me / us are free from all liens, equitable interest, charges and encumbrance.
- I / We declare and warrant that there are no restraints / injunctions or other order(s)/ covenants of any nature which limits / restricts in any manner my / our right to tender Equity Shares for Buyback and that I / We am / are legally entitled to tender/ offer the Equity Shares for the Buyback.
- I/We agree that the Company will pay the Buyback Offer Price only after due verification of the validity of the documents and that the consideration will be paid as per secondary market mechanism.
- Eligible Shareholders to whom the Buyback is made are free to tender Equity Shares to the extent of their Buyback Entitlement in whole or in part or in excess of their entitlement
- I / We agree that the consideration for the accepted Equity Shares will be paid to the Eligible Shareholder as per the provisions of Buyback Regulations and circulars issued by SEBI.
- I/ We agree that the Company is not obliged to accept any Equity Shares offered for Buyback where loss of share certificates has been notified to the Company.
- I / We undertake to return to the Company any Buyback consideration that may be wrongfully received by me / us.
- I / We undertake to execute any further documents and give any further assurances that may be required or expedient to give effect to my / our tender / offer and agree to abide by any decision that may be taken by the Company to effect the Buyback in accordance with the Companies Act, 2013 and rules made thereunder and the Buyback Regulations.
- Details of Equity Shares held and tendered / offered for Buyback Offer:

	In Figures	In Words
Number of Equity Shares held as on Record Date (September 30, 2020)		
Number of Equity Shares entitled for Buyback (Buyback Entitlement)		
Number of Equity Shares offered for Buyback (including Additional Shares, if any)		

Note: An Eligible Shareholder may tender Equity Shares over and above his / her Buyback Entitlement. Number of Equity Shares validly tendered by any Eligible Shareholder up to the Buyback Entitlement of such Eligible Shareholder shall be accepted to the full extent. The Equity Shares tendered by any Eligible Shareholder over and above the Buyback Entitlement of such Eligible Shareholder shall be accepted in accordance with Paragraph 19 of the Letter of Offer. Equity Shares tendered by any Eligible Shareholder over and above the number of Equity Shares held by such Eligible Shareholder as on the Record Date shall not be considered for the purpose of Acceptance.

-----Tear along this line -----  
**Acknowledgement Slip: RITES Limited – Buyback Offer**  
(to be filled by the Eligible Shareholder) (subject to verification)

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

Received from Shri./ Smt. \_\_\_\_\_

Form of Acceptance-cum-Acknowledgement, Original TRS along with:

No. of Equity Shares offered for Buyback (In Figures) \_\_\_\_\_ (In Words) \_\_\_\_\_

Please quote Folio No. for all future correspondence

<b>STAMP OF BROKER</b>

10. Details of Share Certificate(s) enclosed: \_\_\_\_\_ Total No. of Share Certificate Submitted: \_\_\_\_\_

Sr. No.	Folio No.	Share Certificate No.	Distinctive Nos.		No. of Shares
			From	To	
1.					
2.					
<b>Total</b>					

In case the number of folios and Equity Share certificates enclosed exceed four, please attach a separate sheet giving details in the same format as above

11. Details of other documents (Please ✓ as appropriate, if applicable) enclosed:

	Power of Attorney – RITES Limited		Previous RBI approvals for acquiring the Equity Shares of RITES Limited tendered in the Buyback
	Corporate authorizations		Death Certificate
	Succession Certificate		Self attested copy of Permanent Account Number (PAN Card)
	TRS		Others (please specify):

12. Details of the bank account of the sole or first Shareholder to be incorporated in the consideration warrant (to be mandatorily filled):

Name of the Bank	Branch and City	IFSC and MICR Code	Account Number (indicate type of account)

13. Equity Shareholders Details:

Particulars	First/ Sole Shareholder	Joint Shareholder 1	Joint Shareholder 2	Joint Shareholder 3
Full Name(s) of the Shareholder				
Signature(s)*				
PAN No.				
Address of the First/ Sole Shareholder				
Telephone No. / Email ID				

\* Corporate must affix rubber stamp and sign under valid authority. The relevant corporate authorization should be enclosed with the application from submitted.

Applicable for all Non- resident Shareholders-

- I / We undertake to pay income taxes in India on any income arising on such Buyback in accordance with prevailing income tax laws in India within 7<sup>th</sup> day of the succeeding month in which the Equity Shares are bought back by the Company. I / We also undertake to indemnify the Company against any income tax liability on any income earned on such Buyback of shares by me / us.
- I/We, being a Non-Resident Shareholder, agree to obtain and submit all necessary approvals, if any and to the extent required from the concerned authorities including approvals from the RBI under FEMA and any other the rules and regulations, for tendering Equity Shares in the Buyback, and also undertake to comply with the reporting requirements, if applicable, and any other rules, regulations and guidelines, in regard to remittance of funds outside India.

#### INSTRUCTIONS

This Tender Form has to be read along with the Letter of Offer and is subject to the terms and conditions mentioned in the Letter of Offer and this Tender / Offer Form

- This Buyback offer will open on [●] and close on [●].
- Eligible Shareholders who wish to tender their Equity Shares in response to this Buyback should submit the following documents to their Shareholder Broker. The Eligible Shareholders / Shareholder Broker in turn would deliver the said documents along with the Transaction Registration Slip (TRS) to the Registrar; the documents should be sent to the Registrar only after the placement of a valid bid; non-submission of the below mentioned documents by 5:00 p.m. on [●] directly to the Registrar shall result in the rejection of the tendered Equity Shares: (i) the Tender Form duly signed (by all Equity Shareholders in case shares are in joint names) in the same order in which they hold the Equity Shares; (ii) original share certificates; (iii) valid share transfer form(s) (Form SH-4) duly filled and signed by the transferors (i.e. by all registered Shareholders in same order and as per the specimen signatures registered with the Company/Registrar) and duly witnessed at the appropriate place authorizing the transfer in favour of the Company; (iv) self-attested copy of the Shareholder's PAN Card; (v) any other relevant documents such as (but not limited to) (a) duly attested Power of Attorney if any person other than the Equity Shareholder has signed the relevant Tender Form; (b) notarized copy of death certificate and succession certificate or probated will, as applicable, if the original Shareholder has deceased; and (c) necessary corporate authorisations, such as board resolutions etc., in case of companies; (vi) In addition to the above, if the address of the Shareholder has undergone a change from the address registered in the Register of Members of the Company, the Shareholder would be required to submit a self-attested copy of address proof consisting of any one of the following documents: valid Aadhar Card, Voter Identity Card or Passport.
- Eligible Shareholders to whom the Buyback is made are free to tender Equity Shares to the extent of their entitlement in whole or in part or in excess of their entitlement, but not exceeding the number of Shares held by them as on Record Date.
- Eligible Shareholders should also provide all relevant documents in addition to the above documents, which include but are not limited to: (i) Duly attested power of attorney registered with the Registrar, if any person other than the Eligible Shareholder has signed the relevant Tender Form; (ii) Duly attested death certificate / succession certificate in case any Eligible Shareholder is deceased; and (iii) Necessary corporate authorisations, such as Board Resolutions etc., in case of companies.
- In case of non-receipt of the Letter of Offer, Eligible Shareholders holding Equity Shares may participate in the offer by providing their application in plain paper in writing signed by all Eligible Shareholders (in case of joint holding), stating name, address, folio number, number of Equity Shares held, Equity Share certificate number, number of Equity Shares tendered for the Buyback and the distinctive numbers thereof, enclosing the original Equity Share certificate(s), copy of Eligible Shareholder's PAN card(s) and executed share transfer form in favour of the Company. Eligible Shareholders must ensure that the Tender Form, along with the TRS and requisite documents, reach the Registrar to the Buyback not later than 2 (two) days from the Buy- back Closing Date i.e. [●] by 5.00 pm.
- In case any registered entity that has merged with another entity and the merger has been approved and has come into effect but the process of getting the successor company as the registered shareholder is still incomplete, then such entity along with the Tender Form should file a copy of the following documents: (i) Approval from the appropriate authority for such merger; (ii) the scheme of merger; and (iii) the requisite form filed with MCA intimating the merger.
- Eligible Shareholders to whom the Buyback offer is made are free to tender Equity Shares to the extent of their Buyback Entitlement in whole or in part or in excess of their Buyback Entitlement, but not exceeding their holding as on the Record Date.
- All documents sent by Eligible Shareholders will be at their own risk. Eligible Shareholders are advised to safeguard adequately their interests in this regard.
- All documents as mentioned above, shall be enclosed with the valid Tender Form, otherwise the Equity Shares tendered will be liable for rejection. The Equity Shares shall be liable for rejection on the following grounds amongst others: (i) If there is any other company's equity share certificate enclosed with the Tender Form instead of the Equity Share certificate of the Company; (ii) If the transmission of Equity Shares is not completed, and the Equity Shares are not in the name of the Eligible Shareholder; (iii) If the Eligible Shareholders tender Equity Shares but the Registrar does not receive the Equity Share certificate; (iv) In case the signature on the Tender Form and Form SH 4 doesn't match as per the specimen signature recorded with Company/Registrar.
- The Equity Shares tendered in the buyback shall be rejected if (i) the Shareholder is not a Eligible Shareholder of the Company on the Record Date; (ii) if there is a name mismatch in the share certificate of the Shareholder; or (iii) the documents mentioned in the Tender Form for Eligible Shareholders holding Equity Shares in physical form are not received by the Registrar on or before the close of business hours of [●] by 5:00 p.m.
- By agreeing to participate in the Buy-back the Non-resident Shareholders give the Company the unconditional and irrevocable authority and power to make, sign, execute, deliver, acknowledge and perform all applications to file regulatory reportings, if required, including FC-TRS form, if necessary and undertake to provide assistance to the Company for such regulatory reporting, if required by the Company.
- Non-Resident Shareholders must obtain all approvals required to tender the Equity Shares held by them in this Buyback (including without limitation the approval from the RBI).
- All capitalised items shall have the meaning ascribed to them in the Letter of Offer.

-----Tear along this line-----

ALL FUTURE CORRESPONDENCE IN CONNECTION WITH THIS BUYBACK, IF ANY, SHOULD BE ADDRESSED TO REGISTRAR TO THE BUYBACK AT THE FOLLOWING ADDRESS QUOTING YOUR FOLIO NO.:

**Investor Service Centre, RITES Limited - Buyback offer**  
**Link Intime India Private Limited**

C-101, 1st Floor, 247 Park, Lal Bhadur Shastri Marg, Vikhroli (West), Mumbai 400 083

**Contact Person:** Mr. Sumeet Deshpande

**Tel:** +91 022 49186200; **Fax:** +91 022 49186195; **E-mail:** rites.buyback2020@linkintime.co.in; **Website:** www.linkintime.co.in

**SEBI Registration Number:** INR000004058; **Validity Period:** Permanent; **CIN:** U67190MH1999PTC118368

**Form No. SH-4**

Securities Transfer Form

[Pursuant to section 56 of the Companies Act, 2013 and sub-rule (1) of rule 11 of the  
Companies (Share Capital and Debentures) Rules 2014]

Date of execution.....

**FOR THE CONSIDERATION** stated below the "Transferor(s)" named do hereby transfer to the "Transferee(s)" named the securities specified below subject to the conditions on which the said securities are now held by the Transferor(s) and the Transferee(s) do hereby agree to accept and hold the said securities subject to the conditions aforesaid.

CIN: L74899DL1974G01007227

Name of the company (in full): RITES Limited

Name of the Stock Exchange where the company is listed, if any: BSE Limited and National Stock Exchange of India Limited

**DESCRIPTION OF SECURITIES:**

Kind/Class of securities (1)	Nominal value of each unit of security (2)	Amount called up per unit of security (3)	Amount paid up per unit of security (4)

No. of Securities being Transferred		Consideration Received (Rs)	
In Figures	In Words	In words	In figures

Distinctive Number	From				
	To				
Corresponding Certificate Nos:					

**TRANSFEROR'S PARTICULARS**

Registered Folio Number	
Name(s) in full	Signature (s)
1.	
2.	
3.	

I, hereby confirm that the Transferor has signed before me.

Signature of the Witness	
Name of the Witness	
Address of Witness	

**TRANSFeree'S PARTICULARS**

	1	2	3
<b>Name in full</b>			
<b>Father's/ Mother's/ Spouse Name</b>			
<b>Address,  Mobile/Ph. No. E-mail ID Pin Code</b>			
<b>Occupation</b>			
<b>Existing folio no., if any</b>			
<b>PAN No.</b>			
<b>Signature</b>			

**Folio No. of Transferee:** \_\_\_\_\_

**Specimen Signature of Transferee(s)**

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_

**Existing Folio No. If any**

1. \_\_\_\_\_
2. \_\_\_\_\_

**Value of stamp affixed: Rs.** \_\_\_\_\_

**Enclosures:**

- (1) Certificate of shares or debentures or other securities
- (2) If no certificate is issued, Letter of allotment.
- (3) Copy of PAN CARD of all the Transferees (For all listed Cos).
- (4) Other, Specify.....

**Stamps:**

--

**For office use only**

**Checked by** \_\_\_\_\_

**Signature tallied by** \_\_\_\_\_

**Entered in the Register of Transfer on** \_\_\_\_\_ **vide Transfer No.** \_\_\_\_\_

**Approval Date** \_\_\_\_\_

**Power of attorney/Probate/Death Certificate/Letter of Administration**

**Registered on** \_\_\_\_\_ **at No.** \_\_\_\_\_