

एसईसी-1/187(2)/2023/1286

दिनांक: 29 मई, 2023

लिस्टिंग विभाग, नेशनल स्टॉक एक्सचेंज ऑफ इंडिया लिमिटेड एक्सचेंज प्लाजा, बांद्रा कुर्ला कॉम्प्लेक्स, बांद्रा (पूर्व), मुंबई - ४०० ०५१	कॉर्पोरेट संबंध विभाग, बीएसई लिमिटेड पहली मंजिल, फिरोज जीजीभोय टॉवर्स, दलाल स्ट्रीट, फोर्ट, मुंबई - ४०० ००१
स्क्रिप कोड-RECLTD	स्क्रिप कोड-532955
Listing Department, National Stock Exchange of India Limited Exchange Plaza, Bandra kurla Complex, Bandra (East), <u>Mumbai-400 051</u>	Corporate Relationship Department, BSE Limited 1st Floor, Phiroze Jeejeebhoy Towers, Dalal Street, Fort, <u>Mumbai - 400 001</u>
Scrip Code-RECLTD	Scrip Code-532955

विषय : 31 मार्च, 2023 को समाप्त वर्ष के लिए सेबी (सूचीबद्धता दायित्व एवं प्रकटीकरण आवश्यकताएँ) विनियम 2015 के अंतर्गत वार्षिक सचिवीय अनुपालन रिपोर्ट।

महोदय,

सेबी (सूचीबद्ध दायित्व और प्रकटीकरण आवश्यकताएँ) विनियम, 2015 के विनियम 24ए के अनुपालन के संबंध में, हम 31 मार्च, 2023 को समाप्त वर्ष के लिए आपकी जानकारी और रिकॉर्ड के लिए मैसर्स हेमंत सिंह एंड एसोसिएट्स, कंपनी सचिव द्वारा जारी आरईसी लिमिटेड की "वार्षिक सचिवीय अनुपालन रिपोर्ट" संलग्न कर रहे हैं।

धन्यवाद,

Jyoti
Shubhra
Amitabh

भवदीय,


(जे. एस. अमिताभ)
कार्यकारी निदेशक और कंपनी सचिव

संलग्न: उपरोक्तानुसार

क्षेत्रीय कार्यालय: बेंगलूर, भोपाल, भुवनेश्वर, चेन्नई, देहरादून, गुवाहाटी, हैदराबाद, जयपुर, जम्मू, कोलकाता,
लखनऊ, मुंबई, पंचकूला, पटना, रायपुर, रांची, शिमला, तिरुवनंतपुरम और विजयवाड़ा
राज्य कार्यालय : वडोदरा, वाराणसी
प्रशिक्षण केंद्र : आरईसी इंस्टीट्यूट ऑफ पावर मैनेजमेंट एंड ट्रेनिंग (आरईसीआईपीएमटी), हैदराबाद

**Secretarial Compliance Report of REC Limited
for the financial year ended March 31, 2023**

To,
REC Limited
Registered Office: Core 4, SCOPE Complex,
7, Lodi Road, New Delhi -110003.

We have conducted the review of the compliance of the applicable statutory provisions and the adherence to good corporate practices by REC Limited (hereinafter referred as 'the listed entity'), having its Registered Office at Core 4, SCOPE Complex, 7, Lodi Road, New Delhi -110003. Secretarial Review was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the listed entity's books, papers, minutes books, forms and returns filed and other records maintained by the listed entity and also the information provided by the listed entity, its officers, agents and authorized representatives during the conduct of Secretarial Review, we hereby report that in our opinion, the listed entity has, during the review period covering the financial year ended on March 31, 2023, complied with the statutory provisions listed hereunder and also that the listed entity has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We, Hemant Singh & Associates, Company Secretaries have examined:

- (a) All the documents and records made available to us and explanation provided by *REC Limited* ("the listed entity");
- (b) The filings/ submissions made by the listed entity to the stock exchanges i.e. BSE Limited and National Stock Exchange of India Limited (NSE);
- (c) Website of the listed entity; and
- (d) Other documents/ filings, as may be relevant, which has been relied upon to make this certification.

for the financial year ended on March 31, 2023 ("Review Period") in respect of compliance with the provisions of:

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



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

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

and circulars/ guidelines issued thereunder;

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

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

Sl. No.	Compliance Requirement (Regulations/circulars/ guidelines including specific clause)	Regulation/ Circular No.	Deviations	Action Taken by	Type of Action	Details of Violation	Fine Amount	Observations/Remarks of the Practicing Company Secretary	Management Response	Remarks
1.	SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015	Regulation 17(1)(b)	The composition of Board was not in compliance with respect to requirement of at	National Stock Exchange of India	Fine	The Composition of the Board of Directors was not in compliance with the said	NSE has imposed total fine of ₹21,53,500	As on March 31, 2023, the composition of the Board of Directors of the	It is pertinent to mention that REC being a Government Company, the power to appoint Directors	



			least half of the Board comprising of Independent Directors.	Limited & BSE Limited		regulation during the period under review.	for four quarters of FY 2022-23. BSE has imposed total fine of ₹21,53,500 for four quarters of FY 2022-23.	Company was falling short only by one Independent Director as mandated in SEBI (LODR) Regulations, 2015.	on its Board is vested with the President of India acting through Administrative Ministry i.e. Ministry of Power and the Company has no control in the appointment of Directors on its Board. The Company has been requesting & following up with the Ministry of Power, Government of India, for appointment of requisite number of Independent Directors on its Board. The Company has from time to time, requested Stock Exchanges to waive off all fines imposed on the Company on the above mentioned grounds.
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(b) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sl. No.	Compliance Requirement (Regulations/ Circulars / guidelines including specific clause)	Regulation / Circular No.	Deviations	Action Taken by	Type of Action	Details of Violation	Fine Amount	Observations/ Remarks of the Practicing Company Secretary	Management Response	Remarks
1.	SEBI (LODR) Regulation, 2015	Regulation 17(1)(a), (b), (c) & 2A	<p>During the period under review, the composition of the Board was less than six Directors till November 14, 2021 and there was no woman Independent Director till December 29, 2021.</p> <p>Due to non-availability of any Independent Director, the quorum of meetings of Board held till December 6, 2021, were not in compliance.</p> <p>Further, the composition of Board was not in compliance with respect to requirement of at least half of the Board comprising of Independent Directors.</p>	National Stock Exchange of India Limited (NSE)/ BSE Limited (BSE)	Fine	Regulation 17 (1) (a), (b), (c), 2A of SEBI (LODR) Regulation, 2015	NSE & BSE has imposed total fines of ₹86,21,080 for the review period.	<p>During the FY 2021-22, Ministry of Power has appointed three Independent Directors including one woman Independent Director on the Board of REC Limited.</p> <p>Accordingly, after appointment of above Independent Directors, Company is in compliance of provision w.r.t. minimum number of Directors on its Board.</p> <p>Thereafter, the quorum of the meetings of the</p>	<p>REC being a Government Company, the power to appoint Directors on its Board is vested with the President of India acting through Administrative Ministry i.e. Ministry of Power and the Company has no control in the appointment of Directors on its Board.</p> <p>The Company has been requesting & following up with the Ministry of Power, Government of India, for appointment of requisite number</p>	



							<p>Board were also duly complied with.</p> <p>Further, after the appointment of One more Independent Director in FY 2022-23, the composition of the Board of Directors of the Company as on March 31, 2023, was falling short only by one Independent Director as mandated in SEBI (LODR) Regulations, 2015.</p> <p>The Company is following up with the Ministry of Power for appointment of Independent Director.</p>	<p>of Independent Director on its Board.</p> <p>Further, on request of the Company, MoP has requested Department of Public Enterprises, Government of India, for appointment of one more Independent Director on the Board of REC.</p>	
2.	SEBI (LODR) Regulations, 2015	Regulation 18(1)(b), (d) & 2(b)	The Composition, Chairmanship and quorum of meetings of the Audit Committee were not in terms of SEBI (LODR) Regulations, 2015 till December 6, 2021.	NSE/BSE	Fine	Regulation 18(1)(b), (d), 2(b), 19(1), (2),	Complied	-	



3.	SEBI (LODR) Regulations, 2015	Regulation 19(1), (2), (2A) & (3)	Composition & Chairmanship of Nomination and Remuneration Committee (NRC) was not in terms of SEBI (LODR) Regulations, 2015 till December 6, 2021. The chairperson of NRC was not present in the Annual General Meeting of the Company held on September 24, 2021, due to non-availability of any member in the Committee.	NSE/BSE	Fine	(2A), (3), 20(2A), 21 (2) & 25 (6) of SEBI (LODR) Regulation, 2015		Complied	-	
4.	SEBI (LODR) Regulations, 2015	Regulation 20(2A)	Composition of Stakeholders Relationship Committee was not in terms of SEBI (LODR) Regulations, 2015 till December 6, 2021.	NSE/BSE	Fine			Complied	-	
5.	SEBI (LODR) Regulations, 2015	Regulation 21 (2)	Composition of Risk Management Committee was not in terms of SEBI (LODR) Regulations, 2015 from May 5, 2021 to December 6, 2021.	NSE/BSE	Fine			Complied	-	
6.	SEBI (LODR) Regulations, 2015	Regulation 25 (6)	During the period under review, there was no Independent Director on the Board of the Company till November 14, 2021.	NSE/BSE	Fine			Complied	-	

- II. Being a Government Company, appointment of Statutory Auditors of the Company has been done by the office of the Comptroller and Auditor General of India (C&AG). Appointment letter also contains terms of appointment of the Statutory Auditors. Since, terms of appointment were communicated by the C&AG, compliance by listed entity with clause 6(A) and 6(B) of SEBI circular number CIR/CFD/CMD1/114/2019 dated October 18, 2019 is not applicable. However, during the period under review, there is no case of resignation by Statutory Auditors appointed by C&AG.



III. We hereby report that, during the Review Period, the compliance status of the listed entity is as below:

Sl. No.	Particulars	Compliance Status (Yes/No/ NA)	Observations/ Remarks by PCS*
1	Secretarial Standards: The compliances of the listed entity are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries of India (ICSI), as notified by the Central Government under section 118(10) of the Companies Act, 2013 and mandatorily applicable.	Yes	-
2	Adoption and timely updation of the Policies: <ul style="list-style-type: none"> All applicable policies under SEBI Regulations are adopted with the approval of board of directors of the listed entities All the policies are in conformity with SEBI Regulations and has been reviewed & timely updated, as per the regulations/circulars/guidelines issued by SEBI 	Yes	-
3	Maintenance and disclosures on Website: <ul style="list-style-type: none"> The Listed entity is maintaining a functional Website Timely dissemination of the documents/information under a separate section on the website Web-links provided in annual corporate governance reports under Regulation 27(2) are accurate and specific which re- directs to the relevant document(s)/ section of the website 	Yes	-
4	Disqualification of Director: None of the Director(s) of the Company are disqualified under Section 164 of Companies Act, 2013 as confirmed by the listed entity.	Yes	-
5	Details related to Subsidiaries of listed entities have been examined w.r.t.: (a) Identification of material subsidiary companies (b) Disclosure requirement of material as well as other subsidiaries	Yes	The Company does not have any material Subsidiary Company.



6.	Preservation of Documents: The listed entity is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per Policy of Preservation of Documents and Archival policy prescribed under SEBI LODR Regulations, 2015.	Yes	
7	Performance Evaluation: The listed entity has conducted performance evaluation of the Board, Independent Directors and the Committees at the start of every financial year/during the financial year as prescribed in SEBI Regulations.	Yes	<p>The Ministry of Corporate Affairs vide its notification dated June 5, 2015 has, <i>inter-alia</i>, exempted Government companies from the requirement of Performance Evaluation, in case the Directors are evaluated by the Ministry or Department of the Central Government which is administratively in charge of the company, as per its own evaluation methodology.</p> <p>Further, MCA vide notification dated July 5, 2017, also prescribed that the provisions relating to review of performance of Independent Directors and evaluation mechanism prescribed in Schedule IV of the Companies Act, 2013, is not applicable to Government companies. Accordingly, being a Government company, REC is <i>inter-alia</i> exempted in terms of the above notifications, as the</p>



			evaluation of performance of all members of the Board of the Company is being done by the administrative ministry i.e., the Ministry of Power and/or by the Department of Public Enterprises (DPE).
8	Related Party Transactions: a) The listed entity has obtained prior approval of Audit Committee for all related party transactions; or b) The listed entity has provided detailed reasons along with confirmation whether the transactions were subsequently approved/ratified/rejected by the Audit Committee, in case no prior approval has been obtained.	Yes	
9	Disclosure of events or information: The listed entity has provided all the required disclosure(s) under Regulation 30 along with Schedule III of SEBI LODR Regulations, 2015 within the time limits prescribed thereunder.	Yes	
10.	Prohibition of Insider Trading: The listed entity is in compliance with Regulation 3(5) & 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015.	Yes	
11.	Actions taken by SEBI or Stock Exchange(s), if any: No action(s) has been taken against the listed entity/its promoters/ directors/ subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars/guidelines issued thereunder except as provided under separate paragraph herein (**).	Yes	Mentioned in table I(a) above.
12.	Additional Non-compliances, if any: No additional non-compliance observed for any SEBI regulation/circular/guidance note etc.	Yes	No Additional non-compliance observed during the year.



Jo,

Assumptions & Limitation of Scope and Review:

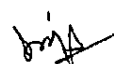
1. Compliance of the applicable laws and ensuring the authenticity of documents and information furnished, are the responsibilities of the management of the listed entity.
2. Our responsibility is to certify based upon our examination of relevant documents and information. This is neither an audit nor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

Place: New Delhi

Date: 26.05.2023



Signature:
For Hemant Singh & Associates
Company Secretaries


Hemant Kumar Singh
ACS/ FCS No.:6033
CP No. : 6370

UDIN : F006033E000391506
PR No. :S2010DE139000