



## REC Limited | आर ई सी लिमिटेड

(भारत सरकार का उद्यम) / (A Government of India Enterprise)  
Regd. Office: Core-4, SCOPE Complex, 7, Lodhi Road, New Delhi - 110003  
Corporate Office: Plot No. I-4, Near IFFCO Chowk Metro Station, Sector-29, Gurugram - 122001 (Haryana)  
Tel: +91 124 444 1300 | Website: www.recindia.nic.in  
CIN : L40101DL1969GOI005095 | GST No.: 06AAACR4512R3Z3

SEC-1/187(2)/2024/1712

Dated: May 24, 2024

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, फीरोज जीजीभोय टावर्स 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 1 <sup>st</sup> Floor, Phiroze Jeejeebhoy Towers Dalal Street, Fort, <u>Mumbai - 400 001.</u>
Scrip Code - RECLTD	Scrip Code - 532955

**Sub: Annual Secretarial Compliance Report under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the year ended March 31, 2024.**

Dear Sir(s),

In compliance with Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith "Annual Secretarial Compliance Report" for the year ended on March 31, 2024 of REC Limited issued by M/s. Agarwal S. & Associates, Company Secretaries, for your information and record.

धन्यवाद,

भवदीय,

(जे. एस. अमिताभ)

कार्यकारी निदेशक और कंपनी सचिव

संलग्न : ए / ए

**Regional Offices:** Bengaluru, Bhopal, Bhubaneswar, Chennai, Dehradun, Guwahati, Hyderabad, Jaipur, Jammu, Kolkata, Lucknow, Mumbai, Panchkula, Patna, Raipur, Ranchi, Shimla, Thiruvananthapuram & Vijaywada  
**State Offices :** Vadodara, Varanasi  
**Training Centre :** REC Institute of Power Management & Training (RECIPMT), Hyderabad



**Secretarial Compliance Report of**  
**REC LIMITED**  
**For the year ended March 31, 2024**

We, Agarwal S. & Associates, Company Secretaries, have examined:

- (a) all the documents and records made available to us and explanation provided by **REC LIMITED** (“the listed entity” or “REC”),
- (b) the filings/ submissions made by the listed entity to the stock exchanges,
- (c) website of the listed entity,
- (d) any other document/ filing, as may be relevant, which has been relied upon to make this certification, for the year ended 31<sup>st</sup> March, 2024 (“Review Period”)

in respect of compliance with the provisions of:

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

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

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (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 to the Company during the review period)**
- (e) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **(Not Applicable to 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:

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

Sr. No.	Compliance Requirement (Regulations /circulars /guidelines Including Specific clause) (i)	Regulation/ Circular No. (ii)	Deviations (iii)	Action Taken by (iv)	Type of Action Advisory/ Clarification / Fine/ Show Cause Notice/Warning, etc. (v)	Details of Violation (vi)	Fine Amount (vii)	Observations/ Remarks of the Practicing Company Secretary (viii)	Management Response (ix)	Remarks (x)
1.	SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015	Regulation 17(1)	Non-compliance with the requirements pertaining to the composition of Board.	BSE & NSE	Fine	The Composition of the Board of Directors was not in compliance with the said regulation.	BSE & NSE imposed fine of INR 21,53,500/- each (for the quarters ended March, June, September and December 2023)	Refer Column (vi) of Table (a)	The Company has submitted a waiver request to NSE and BSE vide their letter dated March 01, 2024 that REC being Government Company, the power to appoint Directors on its Board vests with the President of India acting through the Administrative Ministry i.e. Ministry of Power ("MoP") and thereby the Company has no control in the appointment of Directors on its Board. Further, the Company was also in compliance of all other applicable provisions of Listing Regulations including constitution of mandatory	As on March 31, 2024, the composition of the Board was in compliance with the applicable provision of the regulatory provisions.

									<p>committees, woman independent director. The Company has been requesting &amp; following up with the Ministry of Power, Government of India, for the appointment of requisite number of Independent Directors on its Board, and accordingly, the Company requested stock exchanges to withdraw/ waive off all the fines imposed and outstanding on the Company in this regard.</p> <p>Further, the Company has informed that NSE vide its letter dated May 3, 2024, waived off all the fines imposed and outstanding on the Company pertaining till quarter ended March 31, 2024 and approval of BSE on the same is awaited.</p>
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(b) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. No.	Observations/ Remarks Of the Practicing Company Secretary in the previous reports) (i)	Observations made in the secretarial compliance report for the year ended March 31, 2023 (ii)	Compliance Requirement (Regulations/ circulars/ guidelines including specific clause) (iii)	Details of violation / deviations and actions taken / penalty imposed, if any, on the listed entity (iv)	Remedial actions, if any, taken by the listed entity (v)	Comments of the PCS on the actions taken by the listed entity (vi)
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<p>1.</p>	<p>As on March 31, 2023, the composition of the Board of Directors of the Company was falling short by only one Independent Director as mandated in SEBI (LODR) Regulations, 2015.</p>	<p>The Composition of the Board of Directors was not in compliance as per Regulation 17(1) (b) during the FY 22-23.</p>	<p>Regulation 17(1)(b)</p>	<p>The Composition of the Board of Directors was not in compliance with the said regulation during the previous year.</p> <p>Action taken by National Stock Exchange of India Limited ("NSE") and BSE Limited.</p> <p>NSE and BSE has imposed a fine of Rs. 21,53,500/- for four quarters of FY 22-23.</p>	<p>REC being a Government Company, the power to appoint Directors on its Board vest with the President of India and thereby the Company has no control in the appointment of Directors on its Board.</p> <p>The Company has been requesting &amp; following up with the Ministry of Power, Government of India, for the appointment of requisite number of Independent Directors on its Board.</p> <p>The Company has from time to time requested stock exchanges to waive off all the fines imposed on the company on the above mentioned grounds.</p>	<p>As on March 31, 2024, the composition of the Board was in compliance with applicable provision of the said regulations.</p> <p>Further, the Company has informed that NSE vide its letter dated May 3, 2024, waived off all the fines imposed and outstanding on the Company pertaining till quarter ended March 31, 2024 and approval of BSE on the same is awaited.</p>
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(c) We hereby report that, during the review period the compliance status of the listed entity with the following requirements:

Sr. No.	Particulars	Compliance Status (Yes/No/NA)	Observations / Remarks by PCS
1.	<u>Secretarial Standard</u>  The compliances of the listed entity are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries of India (ICSI)	Yes	-
2.	<u>Adoption and timely updation of the Policies:</u> <ul style="list-style-type: none"> <li>• All applicable policies under SEBI Regulations are adopted with the approval of board of Directors of the listed entity</li> <li>• All the policies are in conformity with SEBI Regulations and has been reviewed &amp; timely updated as per the regulations /circulars/guidelines issued by SEBI</li> </ul>	Yes	-
3.	<u>Maintenance and disclosures on Website:</u> <ul style="list-style-type: none"> <li>• The Listed entity is maintaining a functional website</li> <li>• Timely dissemination of the documents/ information under a separate section on the website</li> <li>• 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</li> </ul>	Yes	-
4.	<u>Disqualification of Director:</u>  None of the Director of the Company are disqualified under Section 164 of Companies Act, 2013	Yes	-
5.	<u>To examine details related to Subsidiaries of listed entities:</u>  (a) Identification of material subsidiary companies  (b) Requirements with respect to disclosure of material as well as other subsidiaries	Yes    NA	The Company does not have any material subsidiary.    None

6.	<p><u>Preservation of Documents:</u></p> <p>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</p>	Yes	-
7.	<p><u>Performance Evaluation:</u></p> <p>The listed entity has conducted performance evaluation of the Board, Independent Directors and the Committees at the start of every financial year as prescribed in SEBI Regulations.</p>	Yes	<p>The Company has informed that the Directors of the Company are appointed/nominated by the Government of India. Therefore, the performance evaluation is also done by Government of India, being appointing authority. Further, as per notification dated 5<sup>th</sup> June, 2015 issued by the Ministry of Corporate Affairs, Government of India, Government Companies are exempted from complying with the provisions of section 134(3)(p) of the Companies Act, 2013 with respect to performance evaluation of Board and its Committees.</p>
8.	<p><u>Related Party Transactions:</u></p> <p>(a) The listed entity has obtained prior approval of Audit Committee for all Related party transactions</p> <p>(b) In case no prior approval obtained, the listed entity shall provide detailed reasons along with confirmation whether the transactions were subsequently approved/ ratified/ rejected by the Audit committee</p>	<p>No</p> <p>Yes</p>	<p>The Company has obtained prior approval of Audit Committee for all Related party transactions. However, post-facto approval of Audit Committee was obtained in one of the case, in line with Company's policy on materiality of related party transactions &amp;</p>

			dealing with related party transactions.
9.	<p><u>Disclosure of events or information:</u></p> <p>The listed entity has provided all the required disclosure(s) under Regulation 30 along with Schedule III of SEBI LODR Regulations, 2015 within the time limits prescribed there under.</p>	Yes	-
10.	<p><u>Prohibition of Insider Trading:</u></p> <p>The listed entity is in compliance with Regulation 3(5) &amp; 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015</p>	Yes	-
11.	<p><u>Actions taken by SEBI or Stock Exchange(s), if any:</u></p> <p>No Actions taken against the listed entity/its promoters/directors/ subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and Circulars /guidelines issued thereunder.</p>	No	Mentioned in Table (a) above
12.	<p>Resignation of statutory auditors from the listed entity or its material subsidiaries</p> <p>In case of resignation of statutory auditor from the listed entity or any of its material subsidiaries during the financial year, the listed entity and/or its material subsidiary(ies) has/have complied with paragraph 6.1 and 6.2 of section V-D of chapter V of the Master Circular on compliance with the provisions of the SEBI LODR Regulations, 2015 by the listed entity.</p>	NA	No case of resignation of Statutory Auditors from the listed entity during the review period. Further, the Company does not have any material subsidiary.
13.	<p><u>Additional Non-compliances, if any:</u></p> <p>No any additional non-compliance observed for all SEBI regulation/circular/guidance note etc.</p>	Yes	No additional non-compliance observed during the period under review.

Assumptions & limitation of scope and review:

1. Compliance of the applicable laws and ensuring the authenticity of documents and information furnished, are the responsibilities of the management of the listed entity.



2. Our responsibility is to report based upon our examination of relevant documents and information. This is neither an audit nor an expression of opinion.
3. We have not verified the correctness and appropriateness of financial records and books of account of the listed entity.
4. This report is solely for the intended purpose of compliance in terms of Regulation 24A (2) of the SEBI (LODR) Regulations, 2015 and is neither an assurance as to the future viability of the listed entity nor of the efficacy or effectiveness with which the management has conducted the affairs of the listed entity.

**For Agarwal S. & Associates,**  
*Company Secretaries,*  
*ICSI Unique Code: P2003DE049100*  
*Peer Review Cert. No.: 2725/2022*

**SACHIN**  
**AGARWAL**

Digitally signed by  
SACHIN AGARWAL  
Date: 2024.05.24  
16:09:01 +05'30'

**CS Sachin Agarwal**  
**Partner**  
FCS No.: 5774  
CP No.: 5910

Place: New Delhi  
Date: 24.05.2024  
UDIN: F005774F000442452