

RVNL/SECY/STEX/2024

27.05.2024

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| National Stock Exchange of India Ltd. Exchange Plaza, Plot no. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051. Scrip: RVNL | BSE Ltd. Department of Corporate Service, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400 001. Scrip: 542649 |
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Sub: Annual Secretarial Compliance Audit Report for the year ended 31st March, 2024

Dear Sir,

Pursuant to Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Annual Secretarial Compliance Report of the Company for the year ended 31st March, 2024 issued by Practicing Company Secretaries, **M/s. Kumar Naresh Sinha & Associates.**

The above is for your information and record please.

Thanking you,

Yours faithfully,
For Rail Vikas Nigam Limited

(Kalpana Dubey)
Company Secretary & Compliance Officer

Secretarial Compliance Report of Rail Vikas Nigam Limited (RVNL)
for the financial year ended March 31, 2024

We, **Kumar Naresh Sinha and Associates** have examined:

- (a) all the documents and records made available to us and explanation provided by **Rail Vikas Nigam Limited** ("the listed entity")
- (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 report,

for the financial year ended **March 31, 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 as the listed entity has not bought back/propose to buy-back any of its securities during the Review Period**];
- (e) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; [**Not applicable as the listed entity has not offered any shares or granted any options pursuant to any employee benefit scheme during the Review Period**];
- (f) SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 [**Applicable to the extent of issuance of Non-Convertible Securities by the Company.**]
- (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 [**to the extent applicable**]

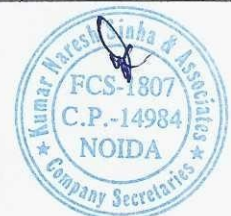
and circulars/ guidelines issued thereunder.

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) | 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. | The composition of board of directors of the listed entity shall be as follows: (b) where the chairperson of the Board of Directors is a non-executive Director, at least one-third of the Board of Directors shall comprise of Independent Directors and where the listed entity does not have a regular non-executive chairperson, at least half of the Board of Directors shall comprise of Independent Directors. | Regulation 17(1) of the SEBI (LODR) Regulations, 2015 | Non-compliance with the requirements pertaining to the composition of the Board including failure to appoint independent woman director | BSE and NSE | Fine | Half of the Board was not Independent and no Independent Woman Director on the Board of the Company for the quarter ended June 30, 2023, September 30, 2023, and December 31 2023. BSE and NSE have imposed fines for the non-compliance with the requirements prescribed under regulation 17(1) of SEBI (LODR), Regulations, 2015 for the | BSE & NSE vide mail / letter dated 21.08.2023, 21.11.2023 and 22.02.2024 levied fine of Rs. 4,55,000 /- plus GST @ 18% of Rs. 81,900/- each for Q.E June 30, 2023, and Rs. 4,60,000 /- plus GST@ 18% of Rs. 82,800/- each for Q.E September 30, 2023, and December 31, 2023. | As informed, Rail Vikas Nigam Limited is a Government Company and the Directors including the Independent Directors/ Woman Director of the listed entity are appointed by the Government of India. In Absence of non-Appointment of independent directors, the listed entity could not comply with the provisions of Regulation 17(1) of the SEBI (LODR) Regulations, 2015 during the period(s) indicated in the Details of Violation column. | Rail Vikas Nigam Limited, being a Govt. Company within the meaning of Section 2 (45) of the Companies Act, 2013, the power to appoint functional/ Official Part-time Directors Non-Official Part-time Directors (Independent Directors) vests with the President of India. The matter has been taken up with Administrative Ministry for filling up the vacant posts of Independent Directors (including one-woman Independent Director). | None |

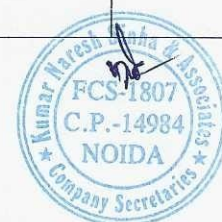


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| | | | | | | quarters ending June 30, 2023, September 30, 2023, and December 31 2023, as mentioned in the adjacent column. However, the aforementioned non-compliance, continued further for the quarter ended 31 st March 2024. | | | | |
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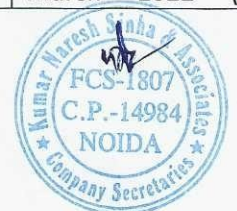


(b) The listed entity has taken the following actions to comply with the observations made in previous reports:

| Sr. No. | Observations/Remarks of the Practicing Company Secretary in the previous reports | Observations made in the Secretarial Compliance report for the year ended (the years are to be mentioned) | Compliance Requirement (Regulations/ circulars / guidelines including specific clause) | Details of Violation / deviations and actions taken / penalty imposed, if any, on the listed entity | Remedial actions, if any, taken by the listed entity | Comments of the PCS on the actions taken by the listed entity |
|---------|--|---|--|---|--|--|
| 1. | <p>As informed, Rail Vikas Nigam Limited is a Government Company and the Directors including the Independent Directors/ Woman Director of the listed entity are appointed by the Government of India. In Absence of non-Appointment of independent directors, the listed entity could not comply with the provisions of Regulation 17(1) of the SEBI (LODR) Regulations, 2015 during the period(s) indicated in the Details of Violation column.</p> | 2022-23 | <p>Regulation 17 (1) of the SEBI (LODR), Regulations, 2015 provides as under:</p> <p>“The composition of board of directors of the listed entity shall be as follows:</p> <p>(a) board of directors shall have an optimum combination of executive and non-executive directors with at least one-woman director and not less than fifty per cent. of the board of directors shall comprise of non-executive directors;</p> <p>[Provided that the Board of directors of the top 500 listed entities shall have at least one independent</p> | <p>Regulation 17 (1) Half of the Board was not Independent and no Independent Women Director during the period under review.</p> <p>Fine of Rs. 5,36,900/- (Rs. 4,55,000/- plus GST@ 18% Rs. 81,900/-) for the quarter ended June 2022 by BSE & NSE each.</p> <p>Fine of Rs.5,42,800/ (Rs. 4,60, 000/plus GST @ 18% Rs. 82,800/-) for the quarter ended September2022 by BSE & NSE each.</p> <p>Fine of Rs.5,42,800/ (Rs. 4,60,000/- plus GST@ 18% Rs. 82,800/-) for the quarter ended December 2022 by BSE & NSE each.</p> <p>Fine of Rs.5,31,000/- (Rs. 4,50,000/- plus GST@ 18% Rs. 81000/-) for the quarter ended March 2023 by BSE & NSE each.</p> | <p>In order to comply with the requirements of Regulation 17(1), the company is constantly following up with the Ministry of Railways, Govt. of India for appointment of requisite number of Independent Directors including a women Independent Director on the Board of the Company.</p> | <p>Being a Government Company, RVNL has proactively taken up the issue with the Ministry of Railways, Government of India, i.e., the appointing authority, from time to time, for appointment of the requisite number of independent directors, including Independent Women Director on the Board.</p> |



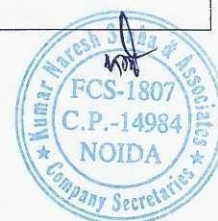
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| | | | <p>woman director by April 1, 2019 and the Board of directors of the top 1000 listed entities shall have at least one independent woman director by April 1, 2020]</p> <p>(b) where the chairperson of the Board of Directors is a non-executive Director, at least one-third of the Board of Directors shall comprise of Independent Directors and where the listed entity does not have a regular non-executive chairperson, at least half of the Board of Directors shall comprise of Independent Directors.</p> | | | |
| 2. | <p>The listed entity informed that the non-compliance was due to absence of clarity on the applicability of the amendment(s) made under Regulation 23 w.r.t filing of Related Party Disclosures for half year ending March 2022 (FY 2021-22). The Related Party Transactions (RPT)</p> | 2022-23 | <p>Regulation 23(9): Non-compliance with disclosure of related party transactions on consolidated basis.</p> | <p>Late submission of the disclosures of related party transactions within 15 days from the date of publication of its standalone and consolidated financial results for the half year ended March 2022, to the Stock Exchange.</p> | <p>RVNL vide letter dated 26.07.2022 requested that Stock Exchanges may condone the delay in filing made under Regulation 23(9) and waive off the penalty</p> | <p>The listed entity has informed that the non-compliance was due to absence of clarity on the applicability of the amendment(s) made under Regulation 23 w.r.t filing of Related Party Disclosures for half year ending March 2022 (FY</p> |



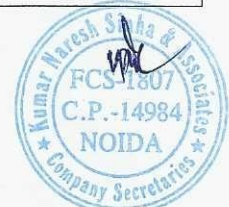
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| disclosure was filed within 30 days of filing of Financial Results for FY 2021-22 instead of 15 days, presuming that the amendment(s) shall apply w.r.t filings of RPT done during FY 2022-23. | | | Fine of Rs. 88,500/- (Rs. 75,000/- plus Rs. 13,500/- GST) for the half year ended March 2022 by BSE & NSE. | imposed on the Company as it was the first instance that the Company has not been able to comply. The exchange was requested to take a lenient view and accept the Company's request for waiver of penalty. | 2021-22). The Related Party Transactions (RPT) disclosure was filed within 30 days of filing of Financial Results for FY 2021-22 instead of 15 days, presuming that the amendment(s) shall apply w.r.t filings of RPT done during FY 2022-23. |
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I. 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 entities are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries of India (ICSI). | Yes | None |
| 2. | <u>Adoption and timely up dation of the Policies:</u> • All applicable policies under SEBI Regulations are adopted with the approval of board of directors of the listed entity. • All the policies are in conformity with SEBI Regulations and have been reviewed & timely updated on time, as per the regulations/ circulars/ guidelines issued by SEBI. | Yes Yes | None None |
| 3. | <u>Maintenance and disclosures on Website:</u> • 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 redirects to | Yes Yes Yes | None None None |



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| | the relevant document(s)/ section of the website | | |
| 4. | <u>Disqualification of Director:</u> None of the Director of the Company is/are disqualified under Section 164 of Companies Act, 2013 as confirmed by the listed entity. | Yes | None |
| 5. | <u>Details related to Subsidiaries of listed entities have been examined w.r.t:</u> (a) Identification of material subsidiary companies (b) Disclosure requirements of material as well as other subsidiaries | Yes | None |
| 6. | <u>Preservation of Documents:</u> 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 | None |
| 7. | <u>Performance Evaluation:</u> 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. | N/A | Ministry of Corporate Affairs (MCA) vide its circular dated June 5, 2015, has exempted Government Companies from the provisions of section 178(2) of the Companies Act, 2013, which requires performance evaluation of every director by the Nomination & Remuneration Committee. The circular further exempted Govt. Companies from the provisions of Section 134 (3) (p) of Companies Act 2013, which provide about manner of formal evaluation of its own performance by the Board and that of its Committees and Individual Director in Board's Report, if directors are evaluated by the Ministry which is administratively in-charge of the Company as per its own evaluation methodology. Further, MCA vide notification dated July 5, 2017, also prescribed that the provisions relating to review of performance of Independent Directors and evaluation |



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| | | | <p>mechanism prescribed in Schedule IV of the Companies Act, 2013, is not applicable to Government companies.</p> <p>In RVNL, the evaluation of performance of Functional Directors includes self-evaluation by the respective functional directors and subsequent assessment by CMD with final evaluation by the Ministry of Railways.</p> <p>The performance evaluation of CMD includes self-evaluation and final evaluation by the Ministry of Railways.</p> <p>In respect of Government nominee directors, their evaluation is done by the Ministry of Railways as per the procedure laid down.</p> <p>Since independent directors are appointed by the administrative ministry, their evaluation is also done by the Ministry of Railways and Department of Public Enterprises.</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; or</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>Yes</p> <p>NA</p> | <p>None</p> <p>None</p> |
| 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 thereunder.</p> | <p>Yes</p> | <p>None</p> |
| 10. | <p><u>Prohibition of Insider Trading:</u></p> <p>The listed entity is in compliance with Regulation 3(5) & 3(6) of SEBI (Prohibition of Insider Trading) Regulations, 2015.</p> | <p>Yes</p> | <p>None</p> |



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| 11. | <u>Actions taken by SEBI or Stock Exchange(s), if any:</u> The action(s) taken against the listed entity/ its promoters/ directors/ subsidiaries either by SEBI or by Stock Exchanges are specified in the last column. | Yes | Mentioned in para (a) above. |
| 12. | <u>Resignation of statutory auditors from the listed entity or its material subsidiaries:</u> 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 LODR Regulations by listed entities. | N/A | None |
| 13. | <u>Additional non-compliances, if any:</u> No additional non-compliance observed for any SEBI regulation/circular/guidance note etc. | Yes | None |

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 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: Noida

Date: May 20, 2024



For Kumar Naresh Sinha & Associates

Company Secretaries

(Signature)

CS Naresh Kumar Sinha
(Proprietor)

FCS: 1807, CP No.: 14984

PR: 610/2019

FRN: S2015UP440500

UDIN: F001807F000404319