



# आर ई सी लिमिटेड | REC Limited

(Formerly Rural Electrification Corporation Limited)

(भारत सरकार का उद्यम) / (A Government of India Enterprise)

Regd. Office: Core-4, SCOPE Complex, 7, Lodhi Road, New Delhi 110 003

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CIN : L40101DL1969GOI005095 | GST No.: 07AAACR4512R1Z3



SEC-1/187(2)/2021/261

Dated: June 28, 2021

<b>Listing Department,</b> National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex, Bandra (East), <b>Mumbai – 400 051.</b>	<b>Corporate Relationship Department</b> BSE Limited 1 <sup>st</sup> Floor, Phiroze Jeejeebhoy Towers Dalal Street, Fort, <b>Mumbai – 400 001.</b>
<b>Scrip Code-- RECLTD</b>	<b>Scrip Code—532955</b>

**Sub: Submission of Annual Secretarial Compliance Report under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the financial year ended March 31, 2021.**

Dear Sir(s),

This has reference to compliance under Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/CMD1/27/2019 dated February 8, 2019 for filing “**Annual Secretarial Compliance Report**” and also SEBI Circular no. SEBI/HO/CFD/CMD1/P/CIR/2021/556 dated April 29, 2021, extending time till June 30, 2021, for filing the said Compliance report, due to the Covid -19 pandemic.

In this regard, we are enclosing herewith "Annual Secretarial Compliance Report" of REC Limited for the financial year ended on March 31, 2021, issued by M/s. Hemant Singh & Associates, Company Secretaries, under Regulation 24A of SEBI (LODR), Regulations, 2015, for your information and records.

Thanking you,

Yours faithfully,

(J. S. Amitabh)

Executive Director & Company Secretary

Encl: As above

**Regional Offices:** Bangalore, Bhopal, Bhubaneswar, Chennai, Guwahati, Hyderabad, Imphal, Jaipur, Jammu, Kolkata, Lucknow, Mumbai, Panchkula, Patna, Raipur, Ranchi, Thiruvananthapuram & Vijayawada

**State Offices :** Dehradun, Itanagar, Shillong, Shimla, Vadodara & Varanasi

**Training Centre :** REC Institute of Power Management & Training (RECIPMT), Hyderabad

**SECRETARIAL COMPLIANCE REPORT**  
**OF**  
**REC LIMITED**  
**(CIN: L40101DL1969GOI005095)**  
for the year ended March 31, 2021

To,  
**REC LIMITED**  
Core 4, SCOPE Complex,  
7, Lodi Road,  
New Delhi -110003.

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/ submission 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 any other document / filing, as may be relevant, which has been relied upon to make this certification.

For the financial year ended March 31, 2021 ('Review Period') in respect of compliance with the provision 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 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 (**Not Applicable on the Company during the review period**);
- c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- d) Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018(**Not Applicable on the Company during the review period**);
- e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (**Not Applicable on the Company during the review period**);
- f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

- g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Redeemable Preference Shares) Regulations, 2013; **(Not Applicable on the Company during the review period);**
- h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- i) 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 Company has complied with the provisions of above Regulations and circulars/guidelines issued thereunder, except in respect of matters specified below:

Sl. No.	Compliance Requirement (Regulations/Circulars/Guidelines including specific clause)	Deviations	Observations/ remarks of the Practicing Company Secretary
1.	Regulation 17 (1) (a), (c) & (2A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015	During the period under review, the composition of the Board was less than six Directors and there was no Independent Woman Director, as required under the said regulation. Due to non-availability of any Independent Director, the quorum of meetings of Board were not in compliance.	During the financial year 2020-21, the Company did not have any Independent Director or Woman Director on its Board.  Further, as informed, 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.
2.	Regulation 18 (1) (b), (d) & 2(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015	Composition, Chairmanship and quorum of meetings of the Audit Committee was not in compliance due to non-availability of Independent Director on the Board.	
3.	Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015	Composition, chairmanship and meeting requirements of Nomination and Remuneration Committee was not in compliance due to non-availability of Independent Directors on the Board.	
4.	Regulation 20 (2A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015	Composition of Stakeholders Relationship Committee was not in compliance due to non-availability of Independent Director on the Board.	The Company has been requesting and following up with the Ministry of Power, Government of India, for

5.	Regulation 25 (3) & (6) of SEBI (Listing Obligations and Requirements) Regulations, 2015	Due to non-availability of any Independent Director on the Board, no meeting of Independent Directors could be held during the year & the said regulation could not be complied with.	appointment of requisite number of Independent Directors including atleast one woman Independent Director on its Board.
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b) The Company has maintained proper records under the provisions of the above regulations and circulars/ guidelines issued thereunder in so far as it appears from our examination of those records.

c) The following are the details of the actions taken against the Company/its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchange (including the Standard operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circular/guidelines issued thereunder:

Sl. No.	Action Taken By	Details of violation	Detail of action taken E.g. Fines, warning letter, debarment, etc.	Observations/ remarks of Practicing Company Secretary, if any.
1.	BSE Limited (BSE)	<ul style="list-style-type: none"> <li>▪ Regulation 17 (1) and 19(1)/19(2) of SEBI (LODR) Regulations, 2015 for quarter ended on March 31, 2020. (<i>Communication from BSE received on September 8, 2020</i>);</li> <li>▪ Regulation 17 (1), 19(1)/19(2) &amp; 20(2)/ 20(2A) of SEBI (LODR) Regulations, 2015 for quarter ended on June 30, 2020;</li> <li>▪ Regulation 17 (1)/ 17(2A), 19(1)/19(2) &amp; 20(2)/ 20(2A) of SEBI (LODR) Regulations, 2015 for quarter ended on September 30, 2020; and</li> <li>▪ Regulation 17 (1)/ 17(2A), 18(1), 19(1)/19(2) &amp; 20(2)/ 20(2A) of SEBI (LODR) Regulations, 2015 for quarter ended on December 31, 2020 and March 31, 2021.</li> </ul>	BSE has levied monetary fines for non-compliances with SEBI (LODR) Regulations, 2015.	The Company has from time to time, replied to Stock exchanges that, 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.
2.	National	▪ Regulation 17 (1) and	NSE has	Therefore, the Company has

Stock Exchange of India Limited (NSE)	<p>19(1)/19(2) of SEBI (LODR) Regulations, 2015 for quarter ended on March 31, 2020. (Communication from NSE received on September 8, 2020);</p> <ul style="list-style-type: none"> <li>▪ Regulation 17 (1), 19(1)/19(2) &amp; 20(2)/ 20(2A) of SEBI (LODR) Regulations, 2015 for quarter ended on June 30, 2020;</li> <li>▪ Regulation 17, 17(2A), 19 &amp; 20 of SEBI (LODR) Regulations, 2015 for quarter ended on September 30, 2020; and</li> <li>▪ Regulation 17 (1)/ 17(2A), 18, 19 &amp; 20 of SEBI (LODR) Regulations, 2015 for quarter ended on December 31, 2020 and March 31, 2021.</li> </ul>	levied monetary fines for non-compliances with SEBI (LODR) Regulations, 2015.	<p>requested BSE &amp; NSE to waive off all the fines imposed on the Company.</p> <p>The fines imposed on the Company by BSE, for the quarter ended on September 30, 2020 &amp; December 31, 2020 were waived off vide their communication dated April 19, 2021.</p>
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d) The Company has taken the following actions to comply with the observations made in previous reports:

Sl. No	Observations of Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended March 31, 2020	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
1.	Regulation 17 (1)(a) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015	Non-appointment of new Independent Woman Director within the time limit prescribed under the said regulation, in place of Smt. Asha Swarup, who ceased to be Independent Woman Director w.e.f. February 8, 2020, due to completion of tenure of three years.	Being a Government Company, the power to appoint Directors on its Board is vested with President of India acting through Administrative Ministry i.e. Ministry of Power.	The Company has been requesting the Ministry of Power, Government of India, to appoint the requisite number of Directors on its Board, as the power to appoint Directors on its Board is vested with President of India acting through Administrative
2.	Regulation 17 (1)(c) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015	The composition of the Board of Directors of the Company fell short of six Directors as prescribed under the said regulation, after the completion of three years tenure of Smt. Asha Swarup, Independent Woman Director w.e.f. February 8, 2020.	Accordingly, the Company has been requesting the Ministry of	

3.	Regulation 18 (1)(a) and (b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015	Composition of Audit Committee of the Company was not in compliance after completion of three years tenure of Smt. Asha Swarup, Independent Woman Director w.e.f. February 8, 2020.	Power, to appoint the requisite number of Directors on its Board.	Ministry i.e. Ministry of Power.  Once the requisite number of Independent Directors are appointed by the Ministry of Power, the Company will be in compliance with SEBI (LODR) Regulations, 2015.
4.	Regulation 19 (1)(a) and (b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015	Composition of Nomination and Remuneration Committee of the Company was not in compliance after completion of extended tenure of one year of Prof. Tiruvallur Thattai Ram Mohan and Shri Aravamudan Krishna Kumar, Non-Executive-Independent Directors w.e.f. November 13, 2019.		
5.	Regulation 25 (6) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015	Non-appointment of new Independent Directors within the time limit prescribed under the said regulation, in place of Prof. Tiruvallur Thattai Ram Mohan and Shri Aravamudan Krishna Kumar, Independent Directors, after completion of their extended tenure of one year on November 12, 2019.		

- e) 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, there is no case of resignation by Statutory Auditors appointed by C&AG.

**Place:** New Delhi  
**Date:** 26.06.2021

For *Hemant Singh & Associates*  
 Company Secretaries

HEMANT  
 KUMAR  
 SINGH

**Hemant Kumar Singh**  
 (Partner)

**Membership No:** F6033

**COP No:** 6370

**UDIN:** F006033C000519953