DIRECTORS' REPORT

To

The Shareholders,

Your Directors have pleasure in presenting the Forty Fifth Annual Report together with the Audited Financial Statements of your Company for the financial year ended March 31, 2014.

1. PERFORMANCE HIGHLIGHTS

1.1 The highlights of performance of the Company for the financial year 2013-14 were as under with comparative position of previous year's performance:-

(₹ in crore)

Parameter	2013-14	2012-13
Loans sanctioned (excluding sanctions under RGGVY & DDG)	**70,739.48**	79,470.49
Disbursements (including subsidy under RGGVY & DDG)	**37,969.99**	40,183.06
Recoveries (including interest)	**30,755.36**	26,728.86
Total Operating Income	**17,017.98**	13,537.37
Profit before tax	**6,531.12**	5,163.95
Profit after tax	**4,683.70**	3,817.62

1.2 Financial Performance

The total operating income of your Company for the financial year 2013-14 increased by 26% to ₹ 17,017.98 crore from ₹ 13,537.37 crore during the previous year. The profit after tax increased by 23% to ₹ 4,683.70 crore from ₹ 3,817.62 crore for the previous year.

Loan asset book of your Company as on March 31, 2014 has increased by a healthy 17% to reach a historic high of ₹ 1,48,641 crore from ₹ 1,27,356 crore in the previous year. The outstanding borrowings as on March 31, 2014 were ₹ 1,26,240 crore.

Earnings Per Share (EPS) for the financial year ended March 31, 2014 was ₹ 47.43 per share of ₹ 10/- each. Net worth of the Company as on March 31, 2014 has increased by 18% to ₹ 20,669.46 crore from ₹ 17,454.38 crore in the previous year.

1.3 Dividend

In addition to interim dividend of ₹ 7.75 per share paid on February 28, 2014, the Board of Directors of your Company have recommended a final dividend of ₹ 1.75 (One Rupee and Seventy five paisa only) per share (on the face value of ₹ 10/- each) for the financial year 2013-14, which is subject to approval of the Shareholders in the 45th Annual General Meeting. The total dividend for the financial year 2013-14 will work out to ₹ 9.50 (Rupees Nine and Fifty Paisa only) per share (on the face value of ₹ 10/- each), representing 95.00% of the paid-up share capital of the Company, as against ₹ 8.25 per share, representing 82.50% of the paid-up share capital of the Company, in the previous year. The total dividend pay-out for the financial year will amount to ₹ 938.09 crore (excluding dividend distribution tax of ₹ 159.40 crore).

1.4 Share Capital

The issued and paid up share capital as on March 31, 2014 was ₹ 987.46 crore divided into 98,74,59,000 equity shares of ₹ 10/- each against the Authorized Share Capital of ₹ 1,200 crore. During the financial year 2013-14, the President of India disinvested/sold 1,14,38,782 (One Crore Fourteen Lakh Thirty Eight Thousand Seven Hundred Eighty Two only) equity shares i.e. 1.16 % of total paid up capital of your Company through Central Public Sector Enterprises Exchange Traded Fund (CPSE ETF).

The President of India holds 65.64% of the paid up equity share capital as on March 31, 2014 as against 66.80% as on March 31, 2013.

1.5 The Companies Act, 2013

The Ministry of Corporate Affairs (MCA) has notified various sections of the Companies Act, 2013 in tranches in September 2013 and March 2014 with majority of the sections as well as rules being notified in March 2014. The Companies Act, 1956 continues to be in force to the extent of the corresponding provisions of the Companies Act, 2013 which are yet to be notified. MCA vide its Circular dated April 4, 2014 has clarified that the financial statements and documents annexed thereto, auditor's report and board's report in respect of financial year that have commenced earlier than April 1, 2014 shall be governed by the provisions of the Companies Act, 1956 and in line with the same, the Company's financial statements, auditor's report and Board's report and attachments thereto have been prepared in accordance with the provisions of the Companies Act, 1956. With respect to other provisions of the Act, appropriate references have been made in this report to the extent these provisions have become applicable effective April 1, 2014.

2. LOANS SANCTIONED

Your Company sanctioned loans worth ₹ 70,739.48 crore during the financial year 2013-14, as against ₹ 79,470.49 crore in the previous year, excluding sanctions under Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY) and Decentralised Distributed Generation (DDG). The state and category-wise break-up of loans sanctioned during the financial year are given in enclosed **Table -1 and 2** respectively. The cumulative amount of sanctions made since inception up to March, 31 2014 was ₹ 5,54,586.76 crore, including subsidy under RGGVY and DDG project cost (capital subsidy and loan) upto XI five year plan only. The cumulative state-wise position of sanctions up to the end of financial year 2013-14 is given in enclosed **Table-3**.

3. DISBURSEMENTS

A total sum of ₹ 37,969.99 crore was disbursed during the financial year 2013-14 as against ₹ 40,183.06 crore in the previous year including subsidy under RGGVY and DDG. The cumulative amount disbursed since inception up to March 31, 2014 was ₹ 2,40,694.10 crore excluding subsidy under RGGVY and DDG. The state-wise disbursements and repayment of loan by borrowers during the year together with cumulative figures and outstandings as on March 31, 2014 are given in enclosed **Table-4.**

4. RECOVERIES

4.1 The amount due for recovery including interest during the financial year 2013-14 was ₹ 31,312.57 crore as compared to ₹ 26,881.04 crore during the previous year. The Company recovered a total sum of ₹ 30,755.36 crore during the year 2013-14 against ₹ 26,728.86 crore during the previous year. The overdues from defaulting borrowers as on March 31, 2014 were ₹ 993.04 crore. The Recovery Rate for the Financial year 2013-14 was 97.90 %.

4.2 Your Company's Non-Performing Assets (NPAs) continue to be at low levels. As on March 31, 2014, the Gross NPAs of the Company remained unchanged at ₹ 490.40 crore due to which the percentage of NPA as a percentage of Gross Loan Assets declined / decreased to 0.33 % as on March 31, 2014 as compared to 0.39 % as on March 31, 2013. The net NPA as on March 31, 2014 is ₹ 353.54 crore, which is 0.238 % of Gross Loan Assets.

5. FINANCIAL REVIEW

5.1 Summary of Financial Results

The summary of audited financial results of the Company for the financial year ended March 31, 2014 is given as under:

(₹ in crore)

Particulars	Standalone		Consolidated	
	2013-14	2012-13	**2013-14**	2012-13
Revenue from Operations	**17,017.98**	13,537.37	**17,122.21**	13,570.06
Other Income	**102.82**	61.30	**106.73**	68.64
Total Income	**17,120.80**	13,598.67	**17,228.94**	13,638.70
Finance Costs	**10,038.46**	8,083.76	**10,034.74**	8,083.39
Other Operating Expenses	**239.20**	220.28	**264.90**	237.86
Allowances against Loan Assets	**312.02**	130.68	**312.59**	131.24
Total Expenses	**10,589.68**	8,434.72	**10,612.23**	8,452.49
Profit before tax	**6,531.12**	5,163.95	**6,616.71**	5,186.21
Provision for Taxation	**1,847.42**	1,346.33	**1,875.46**	1,353.43
Profit After Tax	**4,683.70**	3,817.62	**4,741.25**	3,832.78

5.1.1 Contribution to National Exchequer

During the financial year 2013-14, the Company contributed an amount of ₹ 2,424.27 crore as compared to ₹ 2,164.25 crore in the previous year to National Exchequer in the form of payment of Dividend to the Government of India against its holding in the Company, Direct Taxes, Dividend Tax and Service Tax, as detailed below:

(₹ in crore)

Particulars	2013-14	2012-13
Dividend paid to the GoI	**610.14**	610.14
Direct Taxes	**1,640.42**	1,376.21
Dividend Tax*	**155.20**	148.16
Service Tax	**18.51**	29.74
Total	**2,424.27**	2,164.25

*Includes dividend tax on final dividend for the previous year, paid during the current year and on interim dividend for the current year.

5.1.2 Ratio Analysis

A comparative statement of important ratios of the Company for the financial year 2013-14 vis-à-vis 2012-13, is as below:

Particulars	2013-14	2012-13
Earnings per Share (₹)	**47.43**	38.66
Return on Average Net Worth (%)	**24.57**	23.85
Book Value per Share (₹)	**209.32**	176.76
Debt to Equity Ratio (times)	**6.11**	6.18
Price Earnings Ratio (times)*	**4.84**	5.39
Interest Coverage Ratio (times)	**1.65**	1.64

* Price Earnings Ratio has been calculated on the basis of closing share price of REC at NSE as on March 31, 2014 and March 31, 2013.

5.2 Resource Mobilization

Your Company mobilized ₹ 36,934.37 crore from the market during the financial year 2013-14 for its operational requirements. This includes ₹ 17,403 crore through issue of Institutional Bonds, ₹ 6,000 crore (₹ 1,500 crore through private placement and ₹ 4,500 crore through public issues) raised by way of Tax Free Secured Redeemable Non-convertible Bonds u/s 10(15) (iv) (h) of the Income Tax Act, 1961.The Company raised ₹ 5,349.91 crore by way of Capital Gains Tax Exemption Secured Redeemable Non-convertible Taxable Bonds, under Section 54EC of the Income Tax Act, 1961. Further, ₹ 4,986.16 crore was mobilised through Commercial Paper (CP) and ₹ 1,195 crore through Term Loans. The Company also raised ₹ 1,780.28 crore by way of External Commercial Borrowings and ₹ 220.02 crore by way of Official Development Assistance (ODA) loan from KreditanstaltfürWiederaufbau (KfW), Germany & Japan International Cooperation Agency (JICA), Japan.

Utilization of proceeds of Tax Free Bonds

Your Company mobilised ₹ 6,000 crore from the market during financial year 2013-14 by way of Tax Free Secured Redeemable Non-convertible Bonds u/s 10(15)(iv)(h) of the Income Tax Act, 1961 (₹ 1,500 crore through private placement and ₹ 4,500 crore through public issues). The entire proceeds of the fund mobilised through these bonds was utilised for lending and other operational business of the Company.

External Commercial Borrowings

Your Company mobilized USD 285 million (₹ 1,780.28 crore) as Term Loan from international markets during the financial year 2013-14.

Cash Credit Facilities

Your Company has an approved cash credit/WCDL limit of ₹ 5,000 crore for availment from various banks for its day to day operations.

5.3 Domestic and International Credit Rating

Domestic

During the financial year 2013-14, the domestic debt instruments of REC continued to enjoy "AAA" rating – the highest rating assigned by CRISIL, CARE, India Ratings & Research and ICRA Credit Rating Agencies.

International

Your Company enjoys international credit rating from International Credit Rating Agencies Moody's and Fitch which are "Baa3" and "BBB-" respectively equivalent to sovereign rating of India. "Baa3" rated obligations denote moderate credit risk and "BBB-" rated obligations denote that expectations of default risk are currently low.

5.4 Cost of borrowing

The overall weighted average annualized cost of funds raised during the financial year 2013-14 was 8.48 % p.a. and Interest Coverage Ratio was 1.65. As a result your Company was able to deliver debt financing at competitive rates.

5.5 Redemption and Pre-Payment

During the financial year 2013-14, the Company repaid a total sum of ₹ 18,005.79 crore which includes ₹ 6,216.32 crore to Institutional Bondholders, ₹ 5,043.89 crore to Bondholders of Capital Gains Tax Exemption Secured Redeemable Non-convertible Taxable Bonds u/s 54 EC of Income Tax Act, 1961, Commercial Paper of ₹ 3,705 crore and Term Loans of

₹ 2,739.40 crore to Banks / Financial Institutions. Further, the Company repaid ₹ 7.22 crore of loan to Government of India and ₹ 293.96 crore of Official Development Assistance (ODA) loan.

5.6 Deployment of Resources at the close of the year

At the close of the financial year 2013-14, the total resources of your Company stood at ₹ 1,52,852.90 crore. Out of this, Equity Share Capital contributed ₹ 987.46 crore, reserves and surplus stood at ₹ 19,682.00 crore, Loans from Financial Institutions, Commercial Banks and market borrowings through Bonds and Commercial Papers accounted for ₹ 1,26,240.19 crore, Deferred Tax Liabilities of ₹ 173.69 crore and other liabilities & provisions stood at ₹ 5,769.56 crore. These funds were deployed as Long / Short Term Loans of ₹ 1,48,504.24 crore (net of allowances ₹ 136.86 crore), fixed assets (net of depreciation) of ₹ 81.83 crore (including Capital Work in progress & Intangible Assets under development), Investments of ₹ 1,707.79 crore, Cash & Bank Balances of ₹ 1,192.94 crore and other assets of ₹ 1,366.10 crore.

5.7 Policy Initiative

Your Company constantly reviews and revises its lending and operation policies/ procedures to suitably align with market requirements as also with its corporate objectives. During the year, the Company has reviewed policies related to Grading of State Power Utilities, Standardization of repayment periods for T & D schemes, Renewable Energy Guidelines and CSR Policy to align itself with prevailing practices and to comply with guidelines issued by Statutory Authorities from time to time.

Inspite of growing competition in the market as well as concerns on account of factors like high government borrowings, increase in interest rates as per RBI policy, rise in inflation etc., your Company has been able to maintain healthy spreads, balancing its objectives of business growth and profitability during the year.

5.8 Status of Rescheduled Loans

The details of loans rescheduled during the financial year 2013-14 are as under:

(₹ in crore)

Particulars		2013-14	2012-13
Standard Loans Rescheduled*	No. of Borrowers	**18**	14
	Amount Outstanding	**32,231.84**	22,429.59
Sub-Standard Loans Rescheduled	No. of Borrowers	**0**	0
	Amount Outstanding	**0**	0
Doubtful Loans Rescheduled	No. of Borrowers	**0**	0
	Amount Outstanding	**0**	0
Total	**No. of Borrowers**	**18**	14
	Amount Outstanding	**32,231.84**	22,429.59

*The Rescheduled loan amount includes ₹ 9,949.38 crore wherein the first repayment date was extended due to delayed commissioning of the respective project.

6. PRESENT DISTRIBUTION SCENARIO AND MAJOR CHALLENGES

The present scenario of Transmission and Distribution (T&D) industry is much more challenging in comparison to the past, since we achieved highest ever Generation Capacity addition during XI five year plan and have further set a target for addition of another 88000 MW during XII five year plan. The transfer of such magnitude of power from generating facilities to sub-stations/lines upto consumer end, needs a reliable & efficient system.

T&D system basically comprises of transmission lines (inter-state and intra-state), Sub-stations, switching stations, sub transmission network, distribution transformers and lines etc. of various voltage levels. Distribution has been identified as the weakest link in the power value chain and most difficult to deal with, due to various inherent issues. The ever increasing demand for affordable, reliable and quality power by various classes of consumers makes distribution all the more challenging task. Your Company has always strived to play an active role in creation of new infrastructure and augmentation/ strengthening of the existing ones. Your Company encourages the DISCOMs to expedite various reform measures and to adopt best practices including modernization and automation of systems, smart grid, IT-enabling of systems for metering and consumer services, other technology interventions in the distribution sector & helps them in improving their operational and financial performance. Since distribution is the gateway for all revenue coming into the power sector, it plays a pivotal role in development and sustainability of the Power sector.

Major challenges presently being faced by distribution sector includes accumulated losses of most of the DISCOMs across the country & their poor net worth, which is severely hindering their finances. High AT&C losses, delay in tariff order etc., has resulted in creation of regulatory assets. The utilities are also facing the financial deficit because of delay in truing ups, realisation of carrying cost, release of subsidy by State Government, revenue collection cycle etc. The overall performance of the state distribution utilities has been an issue of concern due to the above factors. Keeping in tune with the times and dynamic environment wherein utilities are struggling and striving hard to meet the consumer expectation, your Company today finances entire gamut of distribution projects broadly with the objectives of system improvement & augmentation, loss reduction measures, IT-enabling, consumer satisfaction etc. Your Company is always ready to meet any special dispensation/requirements of DISCOMs based on the prudence/merit and sound appraisal mechanism. A dedicated Strategic Management Group has been set up in the Company for this purpose.

It gives me immense pleasure to inform you that your Company is playing a pivotal role in partnering with Ministry of Power (MoP), Government of India (GoI) in its major initiatives and its committed to improve and turn around the power distribution sector in the country, by its involvement in programmes like RGGVY (Nodal Agency), Restructured Accelerated Power Development and Reforms Programme (R-APDRP), National Electricity Fund (Nodal Agency), Financial Restructuring Plan (FRP), Smart Grid task force etc. With all these major interventions your Company is optimistic that distribution scenario would be much better in not too distant future when the results and effect of above massive programmes in conjunction with the reforms measure by the respective states starts trickling in and transform the entire land scape of distribution.

6.1 Major reforms in Distribution sector

Government of India has made all efforts to intervene in the sector for ensuring overall development by way of Electricity Act, 2003 and various other policy measures such as National Tariff Policy, National Electricity Policy, Rural Electrification Policy etc., to provide a comprehensive framework and also the blueprint for power sector reforms. The sector has shown signs of improvement in operational and financial performance during last few years which have still to go a long way. The process of un- bundling, corporatisation, instituting regulatory commission etc., has already been completed in most of the states, thus providing accountability and more autonomy to the DISCOMs. Further some of the DISCOMs have gone ahead with appointment of franchisees on case to case basis in order to improve operational efficiency in a specific area.

In the past decade, GoI through Ministry of Power has launched several programmes to extend the benefits to these ailing DISCOMs such as APDRP with an objective to strengthen the infrastructure and to reduce the losses, RGGVY to ensure last mile connectivity and to release service connections to all rural households living below poverty line, R-APDRP for undertaking improvements in urban pockets and to introduce IT enabling of distribution systems, NEF- Interest Subsidy Scheme to promote capital investment & expedite the reform process in distribution sector and Financial Restructuring Plan (FRP) to restructure loans, to provide liquidity to the DISCOMs with joint participation of Central & State Government.

In a major initiative, Ministry of Power (MoP) has come up with Integrated Rating System for all the state DISCOMs in the country which would facilitate realistic assessment of their performance. This would enable these DISCOMs to weigh their strength & weakness and shall facilitate a focused approach for achieving further improvements in their operational and financial performance. It will also aid in adoption of consistent approach by Banks/FIs while considering funding proposals of distribution companies.

REC has been providing counterpart funding for a large number of R-APDRP projects which aim to reduce the Aggregate Technical and Commercial (AT&C) losses considerably in urban areas. To further expedite the reforms process GoI has recently launched National Electricity Fund (NEF) - Interest Subsidy Scheme which will act as catalyst for incentivising capital investment in power distribution infrastructure. MoP is also working towards ensuring technological intervention through introduction of Smart Grid and has already extended financial assistance to several pilot projects. The information & communication technology in power Distribution Sector shall enable the system to become “SMART” & availability of near-real-time information will facilitate utilities to manage the entire system. The SMART system will help inactively sensing and responding to dynamics of power demand & supply and quality of power. Similarly, the information will enable the consumers to manage their energy use to meet their needs more effectively. Development of intelligent grid at local distribution level shall be crucial for ensuring efficient & seamless flow of power up to last mile by embedding IT/Internet/ Communication Technologies in the existing grid for data acquisition on real time and supervisory control throughout the network. This will include integrated communication system, sensing and measurement technology, advanced components for control & determining electrical behaviour & online management of the grid up to Distribution Transformer level and eventually up to consumer point. The on-going R-APDRP programme will provide a stepping stone, equipping the DISCOMs to integrate with further technical advancements to make the grid smarter.

SMART grid concept is now coming into reality and to evolve a road map for implementation of smart grids in India, Ministry of Power has constituted India Smart Grid Task Force (ISGTF), an inter-ministerial group. The Smart Grid Vision and Road map for India was released in September, 2013 that provides for a framework to enable development of Smart Grid in Indian Power sector. 14 nos Smart Grid Pilot Projects were approved by MoP with 50% GoI funding to test various functionalities in Indian Environment. The objectives of these Pilot projects are Power Quality Management (PQM), providing Advanced Metering Infrastructure (AMI), Outage management (OM), Peak Load Management (PLM) and also DG (Distributed Generation) & Micro Grid functionalities. AMI is functionality opted by most of the utilities. Smart Grid knowledge centre is being setup and also National Smart Grid Mission is under finalization. With these initiatives, I am sure that DISCOMs will definitely be benefited and there will be improvement in their performance.

Government of India, Ministry of Power has notified Financial Restructuring Plan for State Owned DISCOMs. The scheme was initially valid up to December 31, 2012 and was further extended up to July 31, 2013. The scheme is available to all participating States Owned DISCOMs having accumulated losses and facing difficulty in financing operational losses. Under the scheme 50% of the outstanding short term liabilities (STL) up to March 31, 2012 will be taken over by State Governments. This shall be first converted into bonds to be issued by DISCOMs to participating lenders, duly backed by State Government Guarantee. Further, State Government shall take over this liability in the next 2-5 years by way of special securities and restructuring of balance 50% Short Term Loans shall be issued by the lenders by re-scheduling loans and providing moratorium on principal on the best possible terms for this re- structuring to ensure viability of this effort. The re- structuring of loan is accompanied by concrete and measurable actions by the DISCOMs / State Government and shall definitely improve the operational performance and cash flow of distribution utilities. The states of Haryana, Rajasthan, Uttar Pradesh, Tamilnadu and Andhra Pradesh have already taken advantage of FRP.

With all above measures, GoI is basically working on two different fronts i.e, one to provide power to all and second to improve operational & financial performance of the utilities by extending reform based incentives. The results of these measures have already started to show effect in terms of timely notification of tariff by regulator in many states, filing of MYT petitions, claiming of Return on Equity in the ARR, release of revenue subsidy by State Government, finalisation of annual accounts etc.

The operational performance of the utility in terms of availability of systems shall improve by providing metering upto distribution transformer level for better energy accounting resulting in reduction of commercial losses. Further, segregation of feeders will ensure reliable power to rural households as well as agriculture.

6.2 National Electricity Fund

Your Company is the Nodal Agency for National Electricity Fund (NEF) - Interest Subsidy Scheme notified by Ministry of Power, Government of India to provide interest subsidy on loans disbursed to the Distribution Companies (DISCOMs) – both in public and private sector, to improve the infrastructure in distribution sector. The scheme is aimed to incentivize much needed investment into distribution. The scheme is reform linked and interest subsidy is payable to the DISCOMs on achievement of reforms based parameters outlined in NEF guidelines issued by MoP in July, 2012. This interest subsidy (3% to 7%) would be provided on loans taken by private and public power utilities in distribution sector for all Distribution Sector Infrastructure capital works, not covered under on-going Government Programmes like R-APDRP or RGGVY schemes.

Under NEF, interest subsidy aggregating to ₹ 8,466 crore spread over 14 years for loan disbursement amounting to ₹ 25,000 crore for distribution schemes sanctioned during 2 years viz., 2012-13 and 2013-14 shall be provided. Your Company during financial year 2012-13 & 2013-14 has exceeded the target of sanctioning ₹ 25,000 crore proposals and has issued sanctions to 25 DISCOMs in 14 states for taking benefits under NEF. The respective state DISCOMs will start taking benefits of (3-7%) subsidy on interest rate based on their achievement mainly on two major efficiency benchmark parameters i.e., reduction of AT&C losses & reduction in revenue gap (ACS & ARR).

7. FINANCING ACTIVITIES

Your Company has been providing funding assistance for power generation, transmission & distribution projects besides for electrification of villages. Details of major financing activities during the financial year 2013-14 are as under:

7.1 Generation

During the financial year 2013-14, your Company sanctioned 23 nos. of generation/R & M loans including 9 nos. of additional loan assistance with total financial outlay of ₹ 28,723.50 crore including consortium financing with other financial institutions and has disbursed ₹ 12,852.44 crore against the ongoing generation projects.

The sector wise break up of loans sanctioned including additional loan assistance is as under:

(₹ in crore)

Particulars	No. of Loans	Loan Amount
STATE SECTOR		
Fresh Loan	8	22,452.83
Additional Loan	3	
PRIVATE SECTOR		
Fresh Loan	6	6,270.67
Additional loan	6	
Total	**23**	**28,723.50**

7.2 Renewable Energy

During the financial year 2013-14, your Company sanctioned loan assistance of ₹ 295.48 crore to 6 new, grid-connected Renewable Energy projects with installed generation capacity aggregating 98 MW which included 3 Solar photo-voltaic projects of 75 MW; 2 Small Hydro Projects of 21 MW; and 1 Wind project of 2MW.

The total cost of these projects aggregates to ₹ 993.08 crore. During the year, total disbursement was ₹ 134.99 crore for Renewable Energy as detailed below:

10 MW Solar Power Project of CBC Solar Technologies Limited located at Upleta in district Rajkot, Gujarat, financed by REC

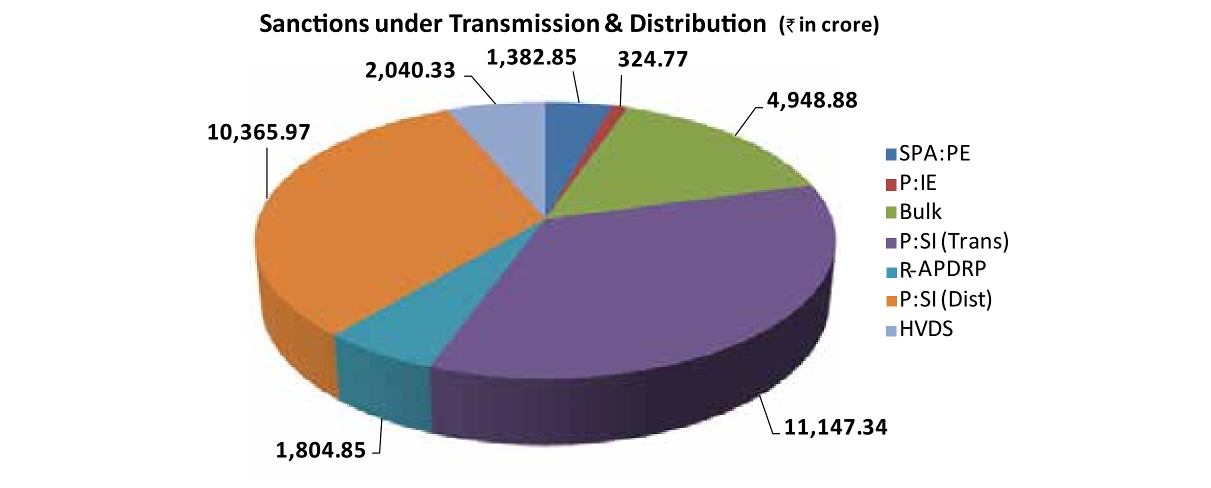
Assistance to Renewable Energy Projects (Grid-Connected)	Unit	Financial Year 2013-14	Financial Year 2012-13
No of Projects Sanctioned	Nos.	**6**	11
Capacity of Sanctioned Projects	MW	**98**	126.6
Cost of Projects	₹ Crore	**993.08**	1,824.75
Loan Sanctioned	₹ Crore	**295.48**	580.06
Loan Disbursed	₹ Crore	**134.99**	240.505

7.3 Transmission & Distribution

Your Company continued to play an active role in creation of new infrastructure and improvement of the existing ones under the transmission and distribution network in the country under its T&D portfolio. In line with the GoI's objective to provide power for all by creation of infrastructure and also to reduce the AT&C losses, your Company has been financing schemes for expansion and strengthening of the transmission network and more importantly, modernizing the distribution system.

During the financial year 2013-14, your Company sanctioned 987 nos. of Transmission and Distribution schemes involving a total loan assistance of ₹ 32,014.99 crore and has disbursed ₹ 10,789.09 crore against transmission and distribution projects. This includes primary power evacuation schemes associated with generating plants, system improvement schemes including R-APDRP projects, feeder segregation schemes, bulk loan schemes, intensive electrification schemes and pump set energisation schemes.

The state-wise and category-wise details of the projects sanctioned are as per **Table 1 & 2** respectively. The major programmes covered by your Company under T&D sanctions in brief are as under:



7.3.1 System Improvement & Bulk Loan

To overcome the system deficiencies and to improve the quality and reliability of power supply, REC finances System Improvement schemes, based on system studies of an electrical distribution network considering present status of system capacities, connected demand, voltage profiles and level of losses, together with scope for future load growths.

The system improvement programme also includes Bulk loan schemes meant for procurement and installation of meters, transformers, capacitors etc., HVDS schemes meant for conversion of LVDS to HVDS so as to improve the HT:LT ratio. System Improvement schemes reduce the AT&C losses to a great extent.

During the financial year 2013-14, a total of 837 system improvement schemes and bulk loan schemes were sanctioned involving a loan outlay of ₹ 30,307.37 crore. This included: (i) 107 schemes involving a loan assistance of ₹ 4,948.88 crore for financing investment in the distribution system by way of installation of essential equipments like transformers, meters, capacitors etc. (ii) 27 scheme involving a loan assistance of ₹ 2,040.33 crore for conversion of Low Voltage Distribution to High Voltage Distribution System (HVDS) (iii) 415 schemes for ₹ 10,365.97 crore for improving the distribution system (iv) 66 schemes involving loan assistance of ₹ 1,804.85 crore towards counterpart funding of part B of R-APDRP projects and (v) 222 schemes for loan assistance of ₹ 11,147.34 crore for improving the transmission network.

7.3.2 Intensive Electrification

Schemes under this activity mainly aim at intensive electrification of already electrified villages. During the year 2013-14, a total of 21 intensive electrification schemes were sanctioned involving a loan outlay of ₹ 324.77 crore.

7.3.3 Pumpsets Energisation

REC's loan portfolio also includes extension of loan assistance for energisation of agricultural pumpsets. During the financial year 2013-14, under REC financed schemes, 2,64,165 nos. electric irrigation pumpsets were reported to be energized. A loan assistance of ₹ 1,382.85 crore was sanctioned for 129 new schemes during the year under this category. The state wise details and cumulative position of pumpset energized up to March 31, 2014 are given in the enclosed **Table-5**.

7.4 Financing Activities in North Eastern States

During the financial year 2013-14, a loan assistance of ₹ 670.42 crore was sanctioned to North Eastern States for Generation schemes which include ₹ 587.67 crore to M/s Himagiri Hydro Energy Private Limited for its 4x75 MW Panan Hydro Electric Power Project in north Sikkim and additional loan of ₹ 82.75 crore to M/s Dans Energy Limited, south Sikkim. A loan assistance of ₹ 88.80 crore was also sanctioned to M/s Teesta Valley Power Transmission Limited for a transmission line in North Eastern states under T&D.

A total sum of ₹ 977.41 crore was disbursed during the financial year 2013-14 as against ₹ 509.78 crore in the previous year to North Eastern states for Generation projects which include ₹ 662.54 crore to M/s Teesta Urja Limited, ₹ 42 crore to M/s Lanco Energy Private Limited, ₹ 55.87 crore to M/s Dans Energy Private Limited and ₹ 217 crore to M/s Gati Infrastructure Limited. A loan assistance of ₹ 7.46 crore was also disbursed to North Eastern states under T&D schemes, during the year.

7.5 Appraisal System for Financing

REC has its own methodology for appraisal of Private Sector Power Generation and Transmission Projects and the grading of the State Power Utilities. REC's interest rates are linked to the grades assigned to the private sector projects and State Power

Utilities. REC along with PFC assists MoP in bringing out integrated ratings for State Power Distribution Utilities and adopts the ratings as revised by MoP from time to time to ensure uniformity in approach by various Banks/ FIs. The grading of State Power Utilities is an on-going process based on various parameters viz., financial, technical, tariff, regulatory measures, government support and management etc.

8. INTERNATIONAL COOPERATION & DEVELOPMENT

Implementation of projects under the 3rd line of credit from KfW, Frankfurt, signed on March 30, 2012 for availing ODA loan of EUR 100 million for financing Renewable Energy Projects in the areas of Wind Power/ Small Hydro Power/Biomass Cogeneration/ Biomass Power/Solar PV/Solar Thermal & Energy Efficiency, is under progress and cumulative amount of EUR 50 million (approx. ₹ 384.12 crore) has been drawn as on March 31, 2014.

Implementation of identified projects under the 2nd Line of Credit with JICA signed on March 10, 2008 for refinancing the 'Haryana Transmission System Project' with the objective of achieving stability in power supply by strengthening intra-state transmission systems in the State of Haryana is under progress, and cumulative amount of JPY 10,367.39 million (approx ₹ 561.62 crore) has been drawn from JICA under this line of credit as on March 31, 2014. The loan amount under the JICA-II line of credit was revised from the initial outlay of JPY 20,902 million to JPY 13,000 million, due to excess INR amount becoming available on account of exchange rate fluctuations, as compared to estimated actual project cost requirements.

9. RAJIV GANDHI GRAMEEN VIDYUTIKARAN YOJANA

Government of India, launched the scheme 'Rajiv Gandhi Grameen Vidyutikaran Yojana' (RGGVY)–Scheme of Rural Electricity Infrastructure and Household Electrification vide Office Memorandum dated March 18, 2005, for providing access to electricity to all rural households. REC is the Nodal Agency overseeing the implementation of the program. Under the scheme, 90% capital subsidy is being provided by Government of India for overall cost of the projects.

9.1 Electrification of Villages and BPL Households

The initial approval was for implementation of Phase-I of the scheme for capital subsidy of ₹ 5,000 crore during X five year plan period. Further, sanction for continuation of the scheme in XI five year plan was conveyed by Ministry of Power vide Office Memorandum dated February 6, 2008 with an outlay of ₹ 28,000 crore as capital subsidy. Further, an additional amount of ₹ 6,000 crore outlay was also sanctioned by MoP in XI five year plan.

Cumulatively, 648 projects covering electrification of 1,11,998 un-electrified villages and 2.75 crore BPL households costing ₹ 43,579.23 crore have been sanctioned upto March 31, 2014 by the Ministry of Power for implementation upto XI five year plan. The state-wise details are furnished at **Table-6**.

Continuation of the Scheme in XII and XIII five year plans was also approved by Ministry of Power with capital subsidy of ₹ 35,447 crore, out of which ₹ 23,397 crore would be met through Gross Budgetary Support (GBS) for XII five year plan and remaining ₹ 12,050 crore from XIII five year plan.

Under XII five year plan, 273 projects covering 2,42,165 villages (12,141 un-electrified and 2,30,024 electrified villages) and 131.76 lakh BPL households with the total sanctioned project cost of ₹ 23,594.31 crore have also been sanctioned by the Ministry of Power. The state-wise details are furnished at **Table-7**.

During the financial year 2013-14, work in 1,197 un-electrified villages have been completed and free electricity connections to 9,61,730 BPL households have been provided. Further, during the year, RGGVY Subsidy of ₹ 2,938.52 crore was disbursed by the Ministry of Power, Government of India, to REC. Cumulatively, works in 1,08,280 un-electrified villages have been completed and electricity connections to 2.16 crore BPL households have been provided under the scheme up to March 31, 2014. The state-wise details are furnished at **Table-8**.

During this financial year, an amount of ₹ 2,686.97 crore (including subsidy of ₹ 2,394.71 crore under RGGVY and ₹ 29.26 crore under DDG subsidy) has been disbursed.

9.2 Achievement of MoU Targets of RGGVY

During the financial year 2013-14, closure of 205 nos. of projects as sanctioned in X and XI five year plans pending fulfilment of condition of deployment of Franchisees has been achieved as against MoU target of 200 projects. Further, 181 nos. of DDG projects were awarded during the year, as against MoU target of 100 projects, which is 181% of the MoU target and 92 DDG projects have been commissioned during the year.

10. RGGVY- DECENTRALISED DISTRIBUTED GENERATION (DDG)

10.1 RGGVY provides grants for DDG projects from conventional or renewable non-conventional sources such as Biomass, Biogas, Micro Hydro, Wind, Solar etc. for villages where grid connectivity is either not feasible or not cost effective. In XII five year plan, DDG will also be extended to grid connected areas to supplement the availability of power in areas where power supply is less than six hours a day. Under the scheme, 90% capital subsidy is provided towards overall cost of the DDG projects under the RGGVY scheme, excluding the amount of state or local taxes, which is borne by the concerned State/ State Utility. 10% of the project cost is to be contributed by states through own resources / loan from financial institutions. A provision of ₹ 900 crore has been kept as subsidy under XII five year plan. However, the allocation under DDG would be flexible to meet any additional requirement within the overall cost of the scheme.

10.2 The Guidelines for DDG projects under RGGVY were issued by Ministry of Power on January 12, 2009. To extend more coverage and faster implementation of DDG project and also for facilitation of DDG in Left Wing Extremism (LWE) affected districts, these guidelines were amended from time to time.

10.3 During the financial year 2013-14, in the states of Andhra Pradesh, Jharkhand, Rajasthan, Meghalaya, Karnataka, Kerala, Madhya Pradesh, Chhattisgarh and Odisha, 504 DDG projects were sanctioned for total project cost of ₹ 166.33 crore. A total sum of ₹ 31.02 crore was disbursed for DDG projects during the financial year 2013-14. Most of the states are in the process of award and implementation of DDG projects. The state-wise details of DDG projects sanctioned and amount disbursed under RGGVY during the financial year 2013-14 are given below:-

(₹ in crore)

Sl. No.	State	Sanction					Disbursement		
		No. of Projects	No. of Districts	No. of un electrified villages/ hamlets covered	No. of BPL House-holds Covered	Total sanctioned Project cost	Subsidy Amount	Loan Amount	Total Disbursement
1	Andhra Pradesh	214	5	214	6,925	52.34	8.77	0.69	9.46
2	Bihar	-	-	-	-	-	9.85	1.09	10.94
3	Chhattisgarh	80	3	81	3,923	24.31	9.35	-	9.35
4	Jharkhand	43	3	89	1,510	20.91	-	-	-
5	Karnataka	93	10	204	4,839	35.90	-	-	-
6	Kerala	15	1	15	730	5.32	-	-	-
7	Meghalaya	3	1	3	248	3.89	-	-	-
8	Madhya Pradesh	7	1	7	357	2.78	-	-	-
9	Odisha	7	1	7	43	1.97	-	-	-
10	Rajasthan	42	3	42	1,495	18.91	-	-	-
11	Uttarakhand	-	-	-	-	-	1.27	-	1.27
	TOTAL	504	28	662	20,070	166.33	29.24	1.78	31.02

11. STANDARDISATION, QUALITY CONTROL & MONITORING

Your Company has continually provided technical expertise in the distribution system to State Power Utilities. The technical specifications and construction standards issued by the Company are used extensively by the State Power Utilities. The Company, in order to promote new technologies, has been continuously looking for innovations using latest R&D in the field of power distribution.

In line with the Three-Tier Quality Control Mechanism for ensuring proper quality of materials and works in implementation of RGGVY XI five year plan schemes, (i) REC Quality Monitors (RQM) under Tier-II have been appointed covering 413 projects in 25 states and (ii) National Quality Monitors (NQMs), on behalf of Ministry of Power, have been appointed under Tier-III for the 332 projects covering 24 states of country. Further during the financial year 2013-14, RQMs have undertaken 87 Nos. of materials inspections and 11,672 village / 33 substation inspections, and NQMs have undertaken 506 Nos. of village / 42 substation inspections for ensuring quality of works.

Ministry of Power directed REC to carry out RQM inspections in 20% villages with 100% verification of BPL connections in 196 projects. Earlier, 100% BPL verification was carried out in 2.5% villages only. For balance 17.5% villages, 6 agencies were deployed to carry out inspection of 27,385 villages in 24 states across the country covering 196 projects were identified. The assignment was targeted to complete in 6 months for plain states and 12 months for hilly states. As on March 31, 2014, the inspection calls for 26,107 villages were issued and out of which inspection in 21,830 villages has been completed.

12. PREFERRED CUSTOMER POLICY

As a part of business promotion strategy, a Preferred Customer Policy was formulated in 2008 with the basic purpose of offering an enhanced level of services to the Company's customers and to have a long term mutually beneficial relationship with them. The policy lays down the eligibility criterion which takes into account various factors, such as, amount of loan outstanding, duration of loan relationship, repayment track record of the borrower etc., for determining preferred customers and sponsoring them for capacity building/ domestic/ international seminars/training programmes organized by various external agencies as well as CIRE, Hyderabad.

During the financial year 2013-14, under this policy, participants from eight such preferred customers mostly from the State Utilities viz. Maharashtra State Electricity Distribution Company Limited (MSEDCL), Mumbai, Maharashtra State Electricity Transmission Company Limited (MSETCL), Mumbai, Maharashtra State Power Generation Company Limited (MSPGCL), Mumbai, Rajasthan Rajya Vidyut Prasaran Nigam Limited (RRVPNL), Uttar Haryana Bijli Vitaran Nigam Limited (UHBVNL), Karnataka Power Corporation Limited (KPCL), Andhra Pradesh Power Generation Corporation Limited (APGENCO) and UP Power Corporation Limited (UPPCL) were sponsored by REC for 10 days training programme on "Global Best Practices in Power Sector" held at PMI, Noida, India and also in Italy and France.

13. JOINT VENTURE

REC, along with three other PSUs, namely Power Grid Corporation of India Limited, NTPC, and PFC as equal partners, has formed a Joint Venture Company by the name Energy Efficiency Services Limited (EESL) on December 10, 2009. Your Company has contributed ₹ 22.50 crore (being 25% of paid-up capital) upto March 31, 2014.

EESL is formed to create & sustain market access of energy efficient technologies particularly in the public facilities like municipalities, buildings, agriculture, industry etc. and to implement several schemes of Bureau of Energy Efficiency, Ministry of Power, Government of India. EESL is also leading the market related activities of the National Mission for Enhanced Energy Efficiency (NMEEE), one of the 8 national missions under National Action Plan on Climate Change. The Business verticals of the Company *inter-alia* include implementing projects in Energy Service Company (ESCO) mode in Agriculture Demand Side Management (AgDSM), Municipal Demand Side Management (MuDSM), Distribution Energy Efficiency projects, Building, Small & Medium Enterprises (SMEs), Perform, Achieve and Trade-Joint Implementation Plan (PAT-JIP), Corporate Social Responsibility activities etc.

Currently, EESL is implementing Municipal Street Lighting projects with various municipal corporation and AgDSM projects for replacement of inefficient Agricultural Pump sets in agriculture Sector, DSM Based Efficient Lighting Programme (DELP) in domestic residential sector in ESCO mode with various Utilities and CSR projects of various companies.

14. INFORMATION TECHNOLOGY INITIATIVES

All major business functions of the Company including Finance, Project, Disbursements, Loan Accounts, Treasury functions, Payroll, CPF, Cash management, Banking, Purchases across all offices are done through an integrated ERP system resulting in continuous & sustainable improvement of internal efficiency and greater customer satisfaction. The Company has extended the benefit of ERP directly to Borrower also by developing an online "Borrower Portal" to view information pertaining to their schemes. This is to facilitate the borrower in knowing status of loans and schemes on real time basis. This system has been implemented for DISCOMs of one state and is being extended to other states on demand basis. The Company has also initiated implementation of integrated HR-ERP solution for automation of entire HR functions including Employee Self Service Portal across the Company and the system will also be integrated with existing business ERP. The implementation of the project is at advanced stage for which Extensive Change Management Workshop has also been conducted across the Company.

REC has implemented Document Management System (DMS) across the Company for digitization of documents including scanning, cleaning, QC, indexing, uploading and retrieving. REC has also implemented Workflow Management System (WMS) for electronic movement of note sheet approval along with attached documents. Towards achieving efficient e-governance and transparency, the Company has implemented on-line 'E-procurement' system for procurement of goods and services above ₹ 10 lakhs, web-based online submission of 'Annual Property Return' etc. across the organization and Bill Payment Tracking system for tracking timely payment of bills to vendors has been implemented in selected divisions handling payments.

REC has a full-fledged Disaster Recovery Center (DRC) at CIRE, Hyderabad. Both the Primary Data Centre (PDC) and DRC are ISO/IEC 27001:2005 security standard certified.

The Company has also redesigned and revamped the existing static Corporate website to an interactive and dynamic website. Also, to make the employees IT enabled, Desktop Computers have been provided to nearly 100% employees (other than Class-IV employees).

15. CENTRAL INSTITUTE FOR RURAL ELECTRIFICATION

Central Institute for Rural Electrification (CIRE) was established at Hyderabad in 1979 under the aegis of REC to cater to the training and development needs of engineers and managers of Power and Energy Sector and other organisations concerned with Power and Energy. The following programmes are conducted on subjects of Power Generation, Transmission and Distribution:

15.1 National Training Programmes (NTP) under RGGVY

CIRE is designated as a nodal agency by Ministry of Power (MoP) for implementation of National Training Programmes on Franchisee and employees of C&D category under the Human Resources Development component of RGGVY programme. The programmes are continued during XII five year plan with a target of training 1,25,000 employees of C&D category and 25,000 existing franchisees. During the year, CIRE/REC has entered into Memorandum of Agreement (MoA) with 33 Power Utilities/Training Institutes, to train their employees of C&D category and these power utilities/institutions trained 26,275 employees of C&D category against the target of 25,000.

During the year, CIRE under its banner, has conducted 14 Programmes for employees of C&D category which was attended by 348 participants at various locations of power utilities.

15.2 R-APDRP Programme

CIRE as partner training institute organized R-APDRP programme sponsored by Ministry of Power. During the year, CIRE has conducted 37 R-APDRP programmes (27 for employees of A&B category and 10 for employees of C&D category) on different themes, viz. Efficiency Improvement Measures in Distribution System, Best Practices in Distribution Operation & Management System, Communication and Customer Relations, Revenue Management & Loss Reduction, O&M of Sub-stations for Linemen and Regulatory Module with 671 participants from different power utilities.

15.3 International Programmes

CIRE is empanelled by Ministry of External Affairs, Government of India to organise training programmes in the area of power sector under ITEC/SCAAP. During the year, CIRE has organised 9 International programmes with 168 participants, on the topics, namely, Planning and Management of Power Transmission & Distribution Systems (8 weeks); Financial Management and Accounting System for Power Companies (8 weeks); Best Practices in Power Distribution Sector (4 weeks); Planning, Appraisal and Financial Management of Power Projects (8 weeks); Management of Power Utilities using IT/Automated Solutions (5 weeks); Design, Erection, O&M of EHV Sub-station (4 weeks); Solar Power Generation-Grid enabling (4 weeks); Trends and Developments in Generation and Transmission System (8 weeks) and Decentralised Distributed Generation & Rural Power Distribution Management (8 weeks).

The participants from various countries, viz., Morocco, Sri Lanka, Bhutan, South Sudan, Malawi, Tanzania, Nigeria, Mauritius, Burundi, Uganda, Bhutan, Zimbabwe, Ethiopia, Myanmar, Gambia, Afghanistan, Kyrgyzstan, Oman, Liberia, Syria, Bangladesh, Egypt, Namibia, Algeria, Iran, Laos, Libya, Sierra Leone, etc., have attended the programmes.

15.4 Regular National Programmes

CIRE has organised 24 Regular Training Programmes with 249 participants for the personnel of various Power Utilities/ Distribution Companies, on different topics such as, Specifications, Standards and Construction Practices in Distribution System; Power Sector Accounting with reference to Indian Standards and IFRS; Pilferage of Electricity - Issues, Challenges and Remedial Measures; Protection System in Sub-stations; Earthing Practices in Electrical Installations and Safety Measures; Open Access, Power Trading and Tariffs-ABT Scenario; Power and Distribution Transformers-Efficient Operation & Maintenance; High Voltage Distribution System; Supervisory Control And Data Acquisition (SCADA) for Power Utilities; Solar Power Generation; EHT Transmission Lines-Design, Erection and O&M; Gas Insulated and Indoor Sub-stations including Power & Control Cables; O & M and Protection aspects in 33/11 KV Sub-stations; Design, O & M of Hydro Power Plants; Power Distribution Management; Power Factor Improvement-Reactive Power Management; Power Purchase Agreement; Tariff Policy & ARR Submission; Distribution System Planning with Automated Solutions and Latest Trends in Metering Billing and Technologies.

15.5 Programmes organised in collaboration

CIRE is organising training programmes in collaboration with premier Management Institute i.e. Institute of Public Enterprise and conducted 4 programmes during the financial year 2013-14, namely, Best Practices in HR Management of Power Utilities; Materials Management, e-procurement & Contract Management; Management Development Programme for Power Sector Executives; and Total Quality Management with 41 participants.

15.6 Sponsored Programmes

During the financial year, 8 sponsored programmes, namely, “RGGVY Programme” for Gorkhaland Territorial Administration; “Best Practices for Loss Reduction” for Tripura SECL; “Standard Construction Practices” & “Best Practices in O&M of

Transformers" for MP Paschim Kshetra Vidyut Vitaran Company Limited, Indore, and "Power Distribution Management" for Punjab State Power Corporation Limited (4 batches) were conducted by CIRE.

15.7 In-house Training Programmes

CIRE has also organised 8 in-house programmes for the employees of REC. 123 Employees have taken part in these programmes. The topics covered are: Right to Information Act; Finance for Non-finance Employees; General Management (2 batches), Project Appraisal Methodologies, ISO 9001:2008 (QMS); Technical aspects for Non-technical Executives and Hindi Workshop.

15.8 In all, during the financial year 2013-14, in addition to coordinating and monitoring the National Training Programmes for Franchisees and employees of C&D category, CIRE has conducted 105 programmes on various themes and trained 1,839 personnel with 12,725 mandays of training.

16. RISK MANAGEMENT

16.1 Asset Liability Management

The Company has a Risk Management Policy which covers Asset Liability Management Policy and Hedging Policy. ALM Policy provides a framework for defining, measuring and monitoring the mismatches and Hedging Policy covers the management of currency risk.

An Asset Liability Management Committee (ALCO) is currently functioning under the chairmanship of CMD and Director (Finance), Director (Technical), one Part-time Non Official Independent Director and Executive Directors & General Managers from Finance and Operating Divisions as its members.

ALCO monitors risks related to liquidity, interest rates and currency rates. The liquidity risk is being monitored with the help of liquidity gap analysis and the Committee manages the liquidity risk through a mix of strategies such as forward looking resource raising program based on projected disbursement and maturity profile. The interest rate risk is monitored through interest rate sensitivity analysis and managed through review of lending rates, cost of borrowings and the terms of lending & borrowing. Foreign currency risk associated with exchange rate and interest rate is managed through various derivative instruments.

16.2 Enterprise-Wide Integrated Risk Management

The Company has constituted a Risk Management Committee (RMC) which is currently functioning under the chairmanship of Part-time Non Official Independent Director and it comprises of Director (Finance) and Director (Technical) for monitoring the integrated risks of the Corporation. The main function of RMC is to monitor various risks likely to arise and to review the Risk Management Policies and practices adopted by the Company, and also to initiate action for mitigation of risk arising in the operation and other related matters of the Company. The Company has identified its various risks and has taken appropriate steps to mitigate them. The brief description of the same is as below:

i) Credit Risk

Credit risk is a risk inherent in the financing industry and involves the risk of loss arising from the diminution in credit quality of a borrower and the risk that the borrower will default on contractual repayments under a loan or an advance. To mitigate the same, the Company follows systematic institutional and project appraisal process to assess the credit risk. These processes include a detailed appraisal methodology, identification of risks and suitable structuring and credit risk mitigation measures.

ii) Market Risk:

Market risk is the potential loss arising from changes in market rates and market prices. Our primary market risk exposures result primarily from fluctuations in interest rates and foreign currency exchange rates. In order to mitigate the interest rate risk, the Company periodically reviews its lending rates based on our cost of borrowing. We then determine our lending rates based on prevailing market rates, our weighted average cost of funding and our post tax margins.

iii) Liquidity Risk:

Liquidity risk is the risk of our potential inability to meet our liabilities as they become due. We face liquidity risks, which could require us to raise funds or liquidate assets on unfavourable terms. We manage our liquidity risk through a mix of strategies, including through forward-looking resource mobilization based on projected disbursements and maturing obligations.

iv) Foreign Currency Risk:

Foreign currency exchange risk involves exchange rate movements among currencies that may adversely impact the value of foreign currency-denominated assets, liabilities and off-balance sheet arrangements. The Company manages foreign currency risk associated with exchange rate and interest rate through various derivative instruments. For this, the Company has put in place a Hedging Policy to manage risk associated with foreign currency borrowings.

v) Legal risk:

Legal risk arises from the uncertainty of the enforceability of contracts relating to the obligations of our borrowers. This could be on account of delay in the process of enforcement or difficulty in the applicability of the contractual obligations. We seek to minimise the legal risk through legal documentation and forward-looking contractual provisions in the legal documents.

vi) Operational Risk:

Operational risks are risks arising from inadequate or failed internal processes, people and systems or from external events. We have continually strengthened our systems and procedures to recognize and reduce operational risk in our business.

17. ISO 9001:2008 QUALITY ASSURANCE CERTIFICATION

Your Company has implemented Quality Management Systems as per ISO 9001:2008 standards in six major Divisions of Corporate Office and all Zonal / Project Offices across the country for claims processing.

18. HUMAN RESOURCE MANAGEMENT

In order to professionalize the Executive strength of REC and also to infuse fresh blood, 14 Executives were appointed through open advertisement and another 14 Executives through campus recruitment drawn from premier Institutions empanelled for the purpose during the financial year. The total manpower of the Company as on March 31, 2014 was 631 employees which includes 442 executives and 189 non-executives.

18.1 Reservation in Employment

The directives issued by the Government of India regarding reservations for SC/ST etc. in appointment and promotion to various posts were complied with. The group wise details of SC and ST employees out of total strength as on March 31, 2014, are given below:

GROUP	TOTAL NO. OF EMPLOYEES	SC	ST
A	377 (372)	35 (34)	12 (11)
B	122 (141)	18 (19)	2 (2)
C	45 (46)	7 (8)	0 (0)
D	87 (89)	27 (27)	1 (1)
Total	631 (648)	87 (88)	15 (14)

(Figures in bracket give the corresponding position in the previous year.)

18.2 Training & Human Resource Development

As a measure of capacity building including up-gradation of employees' skill sets and to ensure high deliverance of performance, Training and HRD continued to receive priority during the financial year. Training and Human Resource Policy of the Company aims at sharpening business skills and competence required for better employee performance and provides all possible opportunities and support to the employees to improve their performance and productivity. Training is also provided to promote better understanding of professional requirements as well as to sensitize them to socio-economic and political environment in which business is carried out. Training also helps employees benefit in health and attitudinal change process.

Training Programme conducted by CRISIL at Lonavala on "Project Risk Management"

Based on the needs assessed and as a means to meet them, the Company sponsored 193 employees to various training programmes, workshops etc., within the country and abroad. In addition, 13 training programmes were conducted in-house which were attended by 223 employees. Taken together, these initiatives enabled the Company to achieve 1,542 training man days and also to achieve excellent rating on MoU target on this parameter. In order to enable them develop global exposure, 27 Officers were deputed to various programmes abroad to countries like USA, Japan, Greece, Spain, France, Germany and Italy. In terms of MoU target, 97 executives of the Company have been imparted training on risk/general management and an expenditure of ₹ 0.22 crore has been incurred on already established chairs by REC (one at IIT- Roorkee and other at G. B. Pant University of Agriculture) during the year.

18.3 Employee Welfare

In order to provide improved health care facilities to the employees and their dependent family members, the Company has expanded the list of empanelled hospitals under Direct Payment Scheme by adding six additional hospitals. Further, part time services of five specialized doctors were engaged to provide on-site medical facilities to employees. The Company has also been funding sports & recreation equipments (like carrom board etc.) for use in office premises to promote health and well being of employees.

Sports Activities

During the financial year 2013-14, REC hosted an Inter-CPSU Kabaddi Tournament and also sponsored its employees for various Inter- CPSU sports tournament including but not limited to Badminton, Table Tennis and Carrom tournaments organized by various power sector CPSUs under the aegis of Power Sports Control Board (PSCB). Further, employees were encouraged to participate in various quiz, paper presentations and other simulation competitions conducted by reputed organizations like SCOPE, POWER HR FORUM, AIMA etc., to foster a spirit of competition.

18.4 Representation of Women Employees

As on March 31, 2014, the Company had 102 permanent women employees, which represent 16.16% of the total work force. There is no discrimination of employees on the basis of gender. A Women Cell has been in operation in the Company to look after welfare and all round development of women employees. The Company has a proper framework for dealing with instances relating to sexual harassment and an NGO has also been included in the Committee as per Government's Directives. International Women's Day was celebrated by REC Women Cell on March 8, 2014.

Women's Day Celebration

18.5 Industrial Relations

The Industrial Relations continued to be cordial and harmonious in the financial year 2013 -14 also. There was no loss of man days on account of industrial unrest. Regular discussions were held with REC Employees Union and REC Officers Association. They were consulted on major issues affecting employee welfare. Commitment towards participative management is reflected by the fact that consensus could be reached on a majority of issues. This has helped build an atmosphere of trust and cooperation resulting in the motivated workforce and continued improvement in business performance.

18.6 Public Grievance Redressal Machinery

In accordance with the guidelines issued by the Government of India, the Company has constituted a Grievance Redressal Committee to redress the grievances of officers and staff. The scope of the committee has further been enlarged to cover Public Grievances also. One day during a week has been fixed as meetingless day to attend the grievances by the Heads of Divisions at Corporate Office as well as at Zonal/ Projects Offices and CIRE.

19. CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABLE DEVELOPMENT

During the financial year 2013-14, the Corporate Social Responsibility and Sustainable Development (CSR & SD) initiatives of the Company were continued with a view to integrate REC's business operations with social processes while recognizing the interests of its stakeholders. CSR & SD projects were linked with the principle of sustainable development. The strategic focus was aimed at CSR & SD initiative towards fulfilling the National Plan goals and objectives including Millennium Development Goals ensuring gender sensitivity, skill enhancement, entrepreneurship and employment generation by co-creating value with local institutions/ people. While identifying such initiatives the Company has adopted an integrated approach to address the community, societal and environmental concerns measured in terms of triple bottom line approach. During the year, the Company has undertaken various CSR & SD initiatives in the fields of Skill Development/ Up-gradation programmes, education, promotion of non-conventional sources of energy, promotion of Health care including for old age and persons with disabilities, drinking water and sanitation, installing Solar PV Smart Mini Grids, providing Solar-Lanterns to affected households and installation of Mobile-charging Solar Stations at various locations/ districts across the country. CSR & SD strategy has been developed with action plan in project-based accountability approach. Most of the CSR & SD activities have been implemented in project-mode, with baseline survey, specified time-frame, identified milestones and periodic monitoring. Disbursement of allocated funds under CSR & SD was linked with achievement of the milestones and deliverables. During the financial year 2013-14, under Corporate Social Responsibility and Sustainable Development, financial assistance aggregating to ₹ 66.61 crore was sanctioned and ₹ 38.40 crore was disbursed for various projects. A detailed Report on Corporate Social Responsibility and Sustainability Activities is annexed to this Report.

20. VIGILANCE ACTIVITIES

20.1 Vigilance Division endeavored to optimize transparency, fairness and accountability in all operational areas. Streamlining of systems and procedures in matters relating to administrative and financial functions was also accorded priority. The thrust on leveraging of technology was continued, with the result that information relating to loans, schemes, tenders, third party bills, recruitment etc. has been made online. A comprehensive Bill Tracking System has been implemented in Information Technology and Administration Division.

20.2 Tenders were scrutinized and various suggestions were given for enhancing competitiveness and fairness in purchase procedures. Wherever loopholes were noticed, the matter was taken up with concerned divisions, which led to strengthening of tender systems. In compliance of Vigilance Division's suggestion for devising and operationalizing an effective system of recording/accounting of fixed assets, the procedure for reconciliation and maintenance of fixed assets has been formulated.

20.3 With a view to enhance the knowledge of employees about vigilance related issues, a Vigilance Bulletin is being issued on a quarterly basis. The details of Immovable Property Returns (IPR) of all Executives have been uploaded on REC's Website and vigilance clearance has been linked with timely submission of IPRs. Annual Property Returns of the employees were subject to systematic scrutiny.

20.4 As per directives of CVC, REC observed Vigilance Awareness Week from October 28, 2013 to November 2, 2013. Various activities were organized in the Corporate Office as well as at field offices to enlist the participation of the employees at large. At the Corporate Office, Quiz and Essay Writing Competitions were organized for executives as well as non-executives, and dignitaries were invited to sensitise REC employees on various facets of vigilance.

20.5 Inspections and field visits were regularly conducted by the Vigilance Division. Audit Reports were scrutinized from vigilance point of view.

20.6 Agreed List in respect of Corporate Office, Zonal Office/Project Offices and Central Institute for Rural Electrification, Hyderabad was finalized after interaction with local branches of CBI. In compliance with the instructions of CVC, HR Division was informed of the post identified as sensitive for the purpose of rotational transfers.

20.7 Prescribed periodical statistical returns were sent to CVC, CBI, MoP on time. The performance of Vigilance Division was reviewed regularly by the CVC, Board of Directors and CMD in addition to constant reviews undertaken by the CVO in accordance with the prescribed norms.

21. IMPLEMENTATION OF OFFICIAL LANGUAGE

The Company excelled with reference to the targets fixed by Department of Official Language, Home Ministry in its Annual Programme 2013-14. In order to encourage employees, all Incentive Schemes introduced by the Government of India have been implemented in the Company. During the year, Officers & Staff of the Company have shown keen interest in Hindi with the result that its usage has increased in day to day working.

To promote use of Hindi in official work, 8 Hindi workshops were organized in Corporate Office in which 83 officers and 56 employees participated and a three days Hindi workshop was organized from August 22 to August 24, 2013 at CIRE, Hyderabad, in which 25 officers participated. A Hindi Pakhwara was organized from September 14 to September 28, 2013 in Corporate Office, in which nine competitions including Hindi Quiz, were organized for employees and winners of competitions were awarded Certificates of Merits & Cash Prizes. Further, to popularise Hindi in a big way, a Kavi Sammelan was organized in which famous Hindi Poets Shri Hari Om Pawar, Dr. Sunil Jogi and Ms. Sita Sagar charmed with their satirical poetry in Hindi and motivated all, to work in Rajbhasha. The Company has been honored with RAJBHASHA SHREE SAMMAN by Bhartiya Rajbhasha Vikas Sansthan, Dehradun during the financial year 2013-14.

During the financial year 2013-14, the Parliament Committee on Official Language inspected 5 Zonal/ Project Offices of the Company at Shimla, Guwahati, Panchkula, Bhubaneswar and Mumbai to review the progress of Hindi made by these offices. The progress of Official Language Implementation was reviewed from time to time by internal Committee headed by CMD and measures undertaken to overcome the difficulties in order to achieve the targets. Ministry of Power's officers have reviewed progress of Hindi work at Corporate Office as well as inspected 3 Project Offices during the year.

Website of the Company is maintained both in Hindi and English and is regularly being updated from time to time. Bilingual working facility has been made available on all computers. All publications, reports, memorandums, press releases, MoUs, tenders, annual report etc. were issued bilingually. To give impetus to the correspondence in Hindi, standard formats have also been made available on Intranet.

22. PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO.

22.1 Conservation of Energy

There are no significant particulars, relating to conservation of energy, technology absorption under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 as your Company does not own any manufacturing facility. However, the Company has made intensive use of technology in its operations during the year under review.

All civil, electrical installation & maintenance of "SCOPE Complex", where the Registered Office is located is carried out by Standing Committee of Public Enterprises (SCOPE), an autonomous body. During the financial year 2013-14, SCOPE has saved about ₹ 90 Lakh (approx.) on Energy Conservation due to various actions taken by them, to reduce the consumption of Electrical Energy, Diesel and Gas /PNG etc. with replacement of Elevators, putting of energy efficient light fixtures, LEDs, Exhaust Blowers, water based heating of complex through Hot water Boilers operated through PNG etc. The details of achievement on account of above steps are as under:-

1. Less consumption of about 7,89,000 electrical units costing ₹ 77 lakh (approx.), during the financial year 2013-14 as compared to the previous year; and
2. Less consumption of about 3,900 Litre of Diesel and 20,886 SCM Piped Natural Gas costing ₹ 21.5 lakh (approx.) and ₹ 10.5 lakh (approx.) respectively, during the financial year 2013-14 as compared to the previous year.

22.2 Foreign Exchange Earnings & Outgo

No foreign exchange was earned during the financial year 2013-14. However, the foreign exchange expenditure aggregating ₹ 437.81 crore was made during the financial year on account of Interest, Finance Charges and other expenses.

23. SUBSIDIARY COMPANIES

Your Company has following Wholly Owned Subsidiaries, to focus on additional business of consultancy in the areas of distribution, transmission etc.:

(i) REC Power Distribution Company Limited; and

(ii) REC Transmission Projects Company Limited

Further, Ministry of Power (MoP), Government of India, has also designated REC Transmission Projects Company Limited (RECTPCL) (a Wholly Owned Subsidiary of REC) as "Bid Process Coordinator" (BPC) for selection of Transmission Service Provider (TSP) for independent transmission projects allocated by MoP from time to time, through Tariff Based Competitive Bidding Process notified for Inter State transmission projects.

Accordingly, in order to initiate development of each allocated transmission project, RECTPCL has incorporated a Project Specific Special Purpose Vehicle (SPV) as Wholly Owned Subsidiary Company and after the selection of successful bidder, the respective Project Specific SPV along with its all assets and liabilities is to be transferred to the successful bidder. As on date, the following project specific Special Purpose Vehicles (SPVs) existed as Subsidiary Companies of RECTPCL:

(i) Nellore Transmission Limited (NTL)

(ii) Baira Siul Sarna Transmission Limited (BSSTL)

(iii) NRSS XXIX Transmission Limited*

(iv) NRSS XXXI (A) Transmission Limited*

(v) NRSS XXXI (B) Transmission Limited*

(vi) Gadarwara (A) Transco Limited#

(vii) Gadarwara (B) Transmission Limited#

** Transferred to selected bidder after March 31, 2014.*

 # Incorporated after March 31, 2014.

23.1 REC Power Distribution Company Limited

During the Financial Year 2013-14, REC Power Distribution Company Limited (RECPDCL) has not only carried out Third Party Inspection (TPI) but also been involved in preparation of Detailed Project Reports through GPS based field survey. The new Initiatives undertaken by RECPDCL, during the year includes:

a) Preparation of Detailed Project Report (DPR):

   i. under RGGVY XII five year plan;

   ii. under National Electricity Fund (NEF) Scheme of Chhattisgarh State Power Distribution Company Limited (CSPDCL);

   iii. for revamping the rural electrification under electric supply area (Jamshedpur, Dumla, Dhanbad); and

   iv. for Installation of Solar Power Plants in schools.

b) Project Management Consultancy (PMC) work under RGGVY XII five year plan for PuVVNL in 14 districts and for CSPDCL under National Electricity Fund (NEF) Scheme;

c) Consultancy works for laying of Distribution network in the areas of Mumbai for Tata Power Company Limited;

d) REC quality monitors in 196 Projects & 72 Projects for RE works through open tender; and

e) Third Party Inspection for:

   i. village electrification work under BRGF Fund Scheme of West Bengal State Electricity Distribution Company Limited (WBSEDCL);

   ii. erection work and material of RE work of 1,291 villages under departmental scheme in Jharkhand state; and

   iii. works and workmanship of R-APDRP Part B works for 17 zones of Maharashtra State Electricity Distribution Company Limited (MSEDCL).

During the year, RECPDCL has prepared 98 Detailed Project Reports (DPRs) under RGGVY XII five year plan and 33 DPRs under RE works for Rajasthan DISCOMs and carried out Third Party Inspection (TPI) of more than 11,000 Villages as REC Quality Monitors.

The performance of RECPDCL has improved and the financial performance of the company is on the fast trajectory growth path. The company's gross income during the financial year 2013-14 has increased by 145.5% to ₹ 75.16 crore compared to the previous year income of ₹ 30.61 crore. The Profit Before Tax (PBT) during the financial year 2013-14 has increased by 214% to ₹ 50.18 crore as compared to ₹ 15.98 crore in the previous year. The Profit After Tax (PAT) during the financial year 2013-14 has also increased by 205.36% to ₹ 33 crore from ₹ 10.81 crore during the previous year. The Net-worth of RECPDCL is now ₹ 60.22 crore (previous year ₹ 27.52 crore) in its 7th year of operation as against initial capital of ₹ 0.05 crore injected by REC. The Board of Directors of the company has recommended a dividend for the financial year 2013-14 @ 500% (₹ 50/- on per equity share of ₹ 10/- each) on paid up share capital of the company, subject to approval of shareholders of the company in the Annual General Meeting.

23.2 REC Transmission Projects Company Limited

During the financial year 2013-14, REC Transmission Projects Company Limited (RECTPCL) has concluded the two stage bidding process featuring separate Request for Qualification (RfQ) and Request for Proposal (RfP), for selection of TSP for three projects out of five transmission projects allocated in the year 2012-13, in accordance with Tariff Based Competitive Bidding Guidelines notified by Ministry of Power, Government of India and other two projects were de-notified/put on hold, as details mentioned below:

i. System Strengthening in Southern Region for import of power from Eastern Region;

ii. Transmission System required for evacuation of power from Kudgi TPS (3 x 800 MW in Phase-I) of NTPC Limited;

iii. ATS of Unchahar TPS;

iv. Transmission System for Connectivity for NCC Power Projects Limited (1320 MW); and

v. Baira Siul HEP – Sarna 220 kV D/c line.

In respect of project at Sl. No. (i) & (iii) above, M/s Power Grid Corporation of India Limited emerged as the lowest Bidder, and acquired 100% shares of respective project specific SPVs i.e. Vizag Transmission Limited and Unchahar Transmission Limited (UTL), on payment of acquisition price on August 30, 2013 & March 24, 2014 respectively.

In respect of project at Sl. No. (ii), M/s L&T Infrastructure Development Projects Limited has emerged as the lowest bidder and has acquired 100 % shares of Kudgi Transmission Limited on August 30, 2013 after payment of acquisition price.

Further, MoP vide Gazette notification dated January 2, 2014 had de-notified the transmission project mentioned at Sl. No. (iv) namely, Transmission System for Connectivity for NCC Power Projects Limited (1320 MW) due to discovery of higher tariff as compared to CERC norms. In respect of transmission project mentioned at Sl. No. (v) i.e. Baira Siul HEP-Sarna 220 kV D/c line, Central Electricity Authority has advised to put the bidding process for the project under hold.

In addition to above, during the financial year 2013-14, MoP vide Gazette Notification dated May 20, 2013 nominated RECTPCL to act as Bid Process Coordinator for selection of developer for three inter-state transmission systems with aggregate estimated cost of ₹ 32,160 million. These transmission systems are essentially for augmentation/ strengthening of inter-state transmission network. The transmission projects allocated to RECTPCL are as follows:

i. Northern Region System Strengthening Scheme, NRSS – XXIX;

ii. Northern Region System Strengthening Scheme, NRSS – XXXI (Part-A); and

iii. Northern Region System Strengthening Scheme, NRSS – XXXI (Part-B).

After the selection of successful bidder through Tariff Based Competitive Bidding Process, the project specific SPVs i.e. NRSS XXXI (A) Transmission Limited and NRSS XXXI (B) Transmission Limited have been transferred to M/s Power Grid Corporation of India Limited & M/s Essel Infraprojects Limited, respectively, on May 12, 2014. Further, after the selection of successful bidder, for Northern Region System Strengthening Scheme, NRSS-XXIX, through Tariff Based Competitive Bidding Process, the project specific SPV i.e. NRSS XXIX Transmission Limited has also been transferred to M/s Sterlite Display Technologies Private Limited (investing affiliate of Sterlite Grid Limited) on August 4, 2014.

In addition to the above, during the current financial year i.e. 2014-15, the Ministry of Power has also allocated the following five transmission projects to RECTPCL to act as Bid Process Coordinator (BPC) for selection of developer:

i. Transmission system associated with Gadarwara STPS (2x800 MW) of NTPC (Part-A);

ii. Transmission system associated with Gadarwara STPS (2x800 MW) of NTPC (Part-B);

iii. Connectivity lines for Maheshwaram (Hyderabad) 765/400kV Pooling S/s;

iv. Transmission System for LTA of 400 MW for 2x500 MW Neyveli Lignite Corporation Ltd. TS-I (Replacement) (NNTPS) in Neyveli; and

v. Transmission System Strengthening associated with Vindhyachal-V.

In order to initiate development of each of the above listed transmission systems, RECTPCL has incorporated two Wholly Owned Subsidiary (WOS) Companies namely “Gadarwara (A) Transco Limited” and “Gadarwara (B) Transmission Limited” on August 5, 2014 and July 30, 2014, respectively, relating to transmission projects detailed at Sl. No. (i) and (ii) above and the incorporation of other three subsidiary companies is under process.

During the financial year ended March 31, 2014, REC Transmission Projects Company Limited has been able to generate an income of ₹ 35.18 crore. The Profit before tax and Profit after tax for the year is ₹ 34.30 crore and ₹ 23.86 crore respectively. The Net-worth of RECTPCL is now ₹ 68.92 crore as against initial capital of ₹ 0.05 crore injected by REC, in year 2007. For the year, the Board of Directors has recommended a dividend @ 200 % (₹ 20/- on per equity share of ₹ 10/- each) on the paid up value of shares, subject to approval of shareholders of the company in the Annual General Meeting.

24. FINANCIAL STATEMENTS/DOCUMENTS UNDER SECTION 212 OF THE COMPANIES ACT, 1956.

The Ministry of Corporate Affairs, Government of India, vide its Circular dated February 8, 2011 has granted general exemption to all companies from attaching the financial statements of its subsidiary companies, pursuant to Section 212(8) of the Companies Act, 1956, subject to compliance of certain conditions by the companies as prescribed in this circular. Accordingly, copies of the balance sheet, statement of profit and loss and reports of the Board of Directors and Auditors of the subsidiaries for the financial year 2013-14 have not been attached with the balance sheet of the Company.

The Audited Financial Statements and related information of subsidiaries of the Company are available on the website of the Company www.recindia.gov.in under the head ‘Subsidiary Companies’. However, these documents will be made available upon request by any member of the Company interested in obtaining the same. As directed by the Central Government, a statement containing the financial data of the subsidiaries has been furnished along with the consolidated financial statements, which forms part of this Annual Report. The annual accounts of the Company including that of subsidiaries will be kept for inspection by any member at the Registered Office of the Company. Further, pursuant to Accounting Standard-21 (AS-21) prescribed under the Companies (Accounting Standard) Rules, 2006, Consolidated Financial Statements presented by the Company include financial information about its subsidiary companies. However, those subsidiary companies which are incorporated by the Company for the purpose of subsequent disposal have not been consolidated in the accounts of the Company.

25. MoU RATING AND AWARDS

The performance of your Company in terms of MoU signed with the Government of India in the Ministry of Power for the financial year 2012-13 has been rated as "Excellent". This is the 20th year in succession that REC has received "Excellent" rating since the year 1993-94 when the first MoU was signed with the Government. For the financial year 2013-14 also, the performance of the Company is poised to receive "Excellent" rating. During the year, your Company received Award in the category of 'Energy & Power Sector' from India Pride Awards, Dainik Bhaskar & DNA, DSIJ PSU Award 2013 for 'Best Value creating Navratna with a Balance Sheet of more than ₹ 1 Lakh crore' and also rated among the Best Employers in India by Aeon Hewitt.

Your Company was honoured with the Helpage India 'Gold Plate Award' on the occasion of International Day for Older Persons in recognition of the project 'Multi Facility Health Package for Old Age Homes' funded under its CSR initiatives. Your Company has also been honored with RAJBHASHA SHREE SAMMAN by Bhartiya Rajbhasha Vikas Sansthan, Dehradun during the financial year 2013-14.

Further, in recognition of good Corporate Governance practices followed by the Company, the Institute of Company Secretaries of India (ICSI), a statutory body constituted under the Company Secretaries Act, 1980 has adjudged your Company as one of the 'Best Governed Company' and conferred 13th ICSI National Award for Excellence in Corporate Governance for the year 2013.

26. PARTICULARS OF EMPLOYEES UNDER SECTION 217(2A) OF THE COMPANIES ACT, 1956.

During the financial year 2013-14, no employee of the Company was drawing remuneration either on monthly or annual basis exceeding the limit as prescribed under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particular of Employees) Rules, 1975.

27. BOARD OF DIRECTORS

During the financial year 2013-14, there was no change in the composition of the Board of the Company. However, the tenure of three years of Dr. Devi Singh (DIN 00015681) and Shri Venkataraman Subramanian (DIN 00357727), Part Time Non Official Independent Directors has been completed on June 9, 2014 and both of them ceased to be directors from that date.

As per the provisions of the Companies Act, 2013 and in terms of provisions of Article 82 (4) of Articles of Association of the Company, Shri Ajeet Kumar Agarwal, shall retire by rotation at the 45th Annual General Meeting and being eligible, offers himself for re-appointment. The Board of Directors recommends his reappointment. His brief resume is furnished in the Notice for the Annual General Meeting.

28. DIRECTORS' RESPONSIBILITY STATEMENT

With reference to Section 217 (2AA) of the Companies Act, 1956, your Directors confirm that:–

(i) in the preparation of the annual accounts for the year ended March 31, 2014, the applicable Accounting Standards have been followed and no material departures have been made from the same;

(ii) such accounting policies have been selected and applied consistently (except for changes in Accounting Policies as disclosed in the Notes to Accounts to the Financial Statements) and judgments and estimates made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;

(iii) proper and sufficient care is taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(iv) the annual accounts have been prepared on a going concern basis.

29. GREEN INITIATIVE IN CORPORATE GOVERNANCE

The Companies Act, 2013 permits companies to send documents like Notice of Annual General Meeting, Annual Report and other documents through electronic means to its members at their registered email addresses, besides sending the same in physical form.

As a responsible Corporate Citizen, your Company has actively supported the implementation of 'Green Initiative' of Ministry of Corporate Affairs (MCA) and effected electronic delivery of Notice of Annual General Meeting (AGM) and

Annual Report for the last three year(s) i.e. 2010-11 to 2012-13 and Postal Ballot Notice alongwith annexures to those shareholders whose email ids were already registered with the respective Depository Participants (DPs) and downloaded from the depositories viz. NSDL/CDSL and who have not opted for receiving Annual Report in physical form. The intimation of Final/Interim Dividend paid after the issue of above circulars were also sent electronically to those shareholders whose email ids were registered.

Members, who have not registered their e-mail addresses so far, are requested to register their e-mail address with the Registrar and Share Transfer Agent (R&TA) of the Company / Depository Participant (DP) of respective Member and take part in the Green Initiative of the Company, for receiving electronic communications and support the "THINK GREEN, GO GREEN" initiative.

It is reiterated that upon receipt of requisition from the member including the members who have exercised the option of electronic delivery of these documents, every member of the Company is entitled to receive free of cost, a copy of the Balance Sheet of the Company and all other documents required by law to be attached thereto, including the Statement of Profit and Loss and Auditors' Report etc.

The Company is providing e-voting facility to all members to enable them to cast their votes electronically on all resolutions set forth in the Notice of AGM. This is pursuant to Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014. The instructions for e-voting are provided in the Notice of AGM.

30. RIGHT TO INFORMATION ACT, 2005

The Company has taken necessary steps for the Implementation of "Right to Information Act, 2005 (RTI)" in REC and independent RTI Cell has been set up for coordinating the work relating to receipt of applications and furnishing information thereto. RTI Handbook, both in English and Hindi, has been placed on REC website which is updated periodically.

The status of RTI applications during the financial year 2013-14 is as follows:

Sl. No.	Particulars	Nos.
1.	Applications received (upto March 31, 2014)	248
2.	Applications disposed off (upto March 31, 2014)	236
3.	Applications disposed off subsequently	12
4.	Appeals received by First Appellate Authority, REC	21
5.	Appeals disposed off by First Appellate Authority, REC	21
6.	Appeals received from Central Information Commission (CIC)	5
7.	Appeals disposed off by Central Information Commission (CIC)	5

31. STATUTORY AUDITORS

M/s Raj Har Gopal & Co., Chartered Accountants, New Delhi and M/s P.K. Chopra & Co., Chartered Accountants, New Delhi, were appointed as Joint Statutory Auditors of your Company for the financial year 2013-14 by the Comptroller and Auditor General (C&AG) of India. The Joint Statutory Auditors have audited the Financial Statements of the Company for the financial year ended March 31, 2014.

31.1 Management's Comments on the Joint Statutory Auditors' Report

The Joint Statutory Auditors of the Company have given an unqualified report on the financial statements of the Company for the financial year 2013-14. However, they have suggested that internal Control System needs to be further strengthened. The Management's Reply to the observations / advice in respect of further strengthening the internal control system in certain areas, as mentioned in para (iv) of Annexure to the Independent Auditors' Report referred in Point No. 5 (i) of the Report are submitted as under:

Observation of Joint Statutory Auditors	Management's Reply
"In our opinion and according to information & explanations given to us, internal controls for purchase of fixed assets and for the financial services are generally commensurate with the size of the Company and the nature of its business. However in certain areas internal control needs further strengthening like monitoring and supervision of loans given to various SEBs / DISCOMs / TRANSCOs / GENCOs including obtaining search reports for charges created against the loans given and physical verification of assets charged to REC as security after Commercial Operations Date."	"Continuous efforts are being made to further strengthen the internal control in the said areas."

32. COMMENTS OF C&AG OF INDIA

The Comptroller and Auditor General (C&AG) of India, through letter dated July 5, 2014 has given 'NIL' Comments on the Audited Financial Statements of your Company for the year ended March 31, 2014 under Section 619 (4) of the Companies Act, 1956. The Comments of C&AG for the financial year 2013-14 have been placed along with the report of Statutory Auditors of your Company elsewhere in this Annual Report.

33. SECRETARIAL AUDITORS

M/s Chandrasekaran Associates, Practicing Company Secretaries, New Delhi, appointed as Secretarial Auditors of your Company for carrying out Secretarial Audit for the financial year 2013-14, have given an unqualified Secretarial Audit Report. A copy of the Secretarial Audit Report is annexed to this Report.

34. DEBENTURE TRUSTEES

In compliance to the requirements of Debt Listing Agreement, the details of Debenture Trustees appointed by the Company, for different series of Bonds issued by the Company, from time to time, is annexed to this report.

35. STATUTORY AND OTHER INFORMATION REQUIREMENTS

Information required to be furnished as per the Companies Act, 1956, Listing Agreement executed with Stock Exchanges, Government Guidelines etc. is annexed to this report as under:

Particulars	Annexure
Management Discussion & Analysis Report	I
Report on Corporate Governance	II
Certificate from Joint Statutory Auditors of the Company regarding compliance of conditions of Corporate Governance	III
Business Responsibility Report	IV
Secretarial Audit Report issued by the Secretarial Auditors of the Company	V
Statement pursuant to Section 212 (1) (e) of the Companies Act, 1956 relating to subsidiary companies	VI
Detailed Report on Corporate Social Responsibility and Sustainability Activities	VII
Details of Debenture Trustees appointed by the Company for different series of Bonds	VIII

36. ACKNOWLEDGEMENTS

The Directors are grateful to the Government of India particularly the Ministry of Power and Ministry of Finance, the Planning Commission and the Reserve Bank of India for their continued co-operation, support and guidance in effective management of the Company's affairs and resources.

The Directors thank the State Governments, State Electricity Boards, State Power Utilities and other Borrowers for their continued support and trust in the Company.

The Directors also place on record their sincere appreciation for the continued support and goodwill of the esteemed Shareholders, Investors in REC Bonds, domestic and overseas Banks, Life Insurance Corporation of India, KfW of Germany and JICA of Japan in the fund raising programmes of the Company.

The Directors also thank Joint Statutory Auditors M/s Raj Har Gopal & Co. and M/s P.K. Chopra & Co., the Secretarial Auditors M/s Chandrasekaran Associates and the Comptroller & Auditor General of India for their valued cooperation.

The Directors also sincerely appreciate and thank all the employees of the Company for their valuable contribution and dedicated efforts in steering the Company to excellent performance for yet another year in succession.

For and on behalf of the Board of Directors

(Rajeev Sharma)
Chairman & Managing Director
(DIN 00973413)

New Delhi
August 12, 2014

TABLE - I : SCHEMES SANCTIONED DURING 2013-14 UNDER REC FINANCED SCHEMES

(₹ in Lakh)

Sl. No.	State	No. of Schemes/Projects	Loan Amount
A.	**T& D Projects**		
1	Andhra Pradesh	178	5,16,166.66
2	Bihar	1	1,35,948.48
3	Chhattisgarh	5	27,498.62
4	Haryana	111	2,20,292.22
5	Himachal Pradesh	21	14,899.69
6	Jammu and Kashmir	7	2,640.22
7	Karnataka	167	3,64,332.34
8	Kerala	33	1,53,213.52
9	Madhya Pradesh (only additional loan)	0	1,752.00
10	Maharashtra	138	4,50,324.03
11	Odisha	3	5,083.54
12	Puducherry	1	6,358.18
13	Punjab	20	1,69,816.99
14	Rajasthan	60	2,16,489.85
15	Tamil Nadu	65	3,05,563.65
16	Uttar Pradesh	124	2,42,758.18
17	Uttarakhand	29	49,559.69
18	West Bengal	21	1,88,557.56
19	Private (T&D)	3	1,30,244.00
	Sub-Total-(A)	**987**	**32,01,499.42**
B	**Generation Projects**		
1	Andhra Pradesh	3	8,90,882.00
2	Chhattisgarh	2	1,31,500.00
3	Jammu and Kashmir	2	78,620.00
4	Maharashtra	2	5,79,918.30
5	Odisha (only additional loan)	0	96,936.00
6	Punjab	1	1,46,800.00
7	Rajasthan (only additional loan)	0	26,676.00
8	Sikkim	1	67,042.00
9	Tamil Nadu	1	1,12,500.00
10	Uttar Pradesh (only additional loan)	0	39,711.00
11	Uttarakhand	1	65,536.00
12	West Bengal	1	6,36,229.00
	Sub-Total-(B)	**14**	**28,72,350.30**
C	**Renewable Projects**		
1	Gujarat	2	15,240.00
2	Madhya Pradesh	1	7,112.50
3	Maharashtra	2	2,195.50
4	Odisha	1	5,000.00
	Sub-Total-(C)	**6**	**29,548.00**
D	**STL and others**		
1	Andhra Pradesh	1	50,000.00
2	Delhi	1	10,000.00
3	Karnataka	6	67,500.00
4	Kerala	3	80,000.00
5	Maharashtra	3	1,50,000.00
6	Punjab	1	79,300.00
7	Rajasthan	2	25,000.00
8	Tamil Nadu	1	50,000.00
9	Uttar Pradesh	7	3,78,750.00
10	West Bengal	3	80,000.00
	Sub-Total-(D)	**28**	**9,70,550.00**
	Grand Total (A+B+C+D)	**1,035**	**70,73,947.72**

Note: The above sanctions do not include RGGVY sanctions, which are shown separaterly in Table -6.

TABLE-2 : CATEGORY-WISE SCHEMES SANCTIONED DURING 2013-14 UNDER REC FINANCED SCHEMES

(₹ in Lakh)

Sl. No.	Category	Category Code	No. of Schemes/Projects	Loan Amount
A	**T&D**			
	Distribution			
1	Intensive Electrification	P:IE	21	32,477.07
2	Pumpset Energisation	SPA:PE	129	1,38,285.40
3	System Improvement	P:SI-Distribution	442	12,40,629.38
4	Bulk	BULK	107	4,94,888.43
5	R-APDRP	P:SI(R_APDRP)	66	1,80,485.22
	Transmission			
1	System Improvement	P:SI-Transmission	222	11,14,733.92
	Sub-Total (A)		**987**	**32,01,499.42**
B	**Generation**	P:Gen	**14**	**28,72,350.30**
C	**Renewable Energy Projects**			
1	Small Hydro	SHP	2	6,292.20
2	Solar PV	SPV	3	22,352.80
3	Wind	Wind	1	903.00
	Sub-Total (C)		**6**	**29,548.00**
D	**STL and Others**		**28**	**9,70,550.00**
	Grand Total (A+B+C+D)		**1,035**	**70,73,947.72**

TABLE- 3: CUMULATIVE STATE WISE SANCTIONS UNDER REC PROJECTS UPTO 2013-14

(₹ in Lakh)

Sl. No.	STATE	Upto 2001-02		X Plan		XI Plan		XII Plan Upto 2013-14		Cumulative upto 2013-14	
		No.of Projects	Sanctioned Amount	No.of Projects	Sanctioned Amount	No.of Projects	Sanctioned Amount	No.of Projects	Sanctioned Amount	No.of Projects	Sanctioned Amount
1	Andhra Pradesh	4,810	4,40,263	1,104	12,09,532	558	13,00,954	297	17,68,390	6,769	47,19,140
2	Arunachal Pradesh	159	29,954	54	1,04,020	16	73,949	0	0	229	2,07,923
3	Assam	393	32,984	33	30,404	20	1,50,197	0	0	446	2,13,585
4	Bihar	1,664	55,272	73	1,89,857	78	16,71,582	1	1,35,948	1,816	20,52,659
5	Chhattisgarh	0	0	22	5,16,315	63	4,86,756	16	1,43,035	101	11,46,106
6	Delhi	2	817	6	47,323	1	3,63,707	1	10,000	10	4,21,847
7	Goa	16	2,007	0	0	0	0	0	0	16	2,007
8	Gujarat	1,784	2,53,470	124	5,27,966	42	7,26,832	2	46,224	1,952	15,54,492
9	Haryana	1,209	1,16,989	148	3,95,304	253	9,57,795	141	7,11,541	1,751	21,81,629
10	Himachal Pradesh	419	52,240	37	1,16,177	125	2,15,489	45	75,330	626	4,59,236
11	Jammu & Kashmir	500	67,243	34	93,792	69	1,62,057	22	99,056	625	4,22,147
12	Jharkhand	0	0	27	1,47,602	12	2,55,581	0	0	39	4,03,183
13	Karnataka	2,384	3,07,390	472	3,88,445	213	12,76,890	199	9,11,010	3,268	28,83,736
14	Kerala	1,454	2,42,741	297	2,41,884	20	1,04,897	79	3,13,624	1,850	9,03,146
15	Madhya Pradesh	5,111	2,36,175	133	2,35,711	255	9,71,789	6	1,01,862	5,505	15,45,538
16	Maharashtra	4,602	4,40,595	833	15,16,910	418	27,53,167	330	16,42,139	6,183	63,52,811
17	Manipur	146	20,696	3	9,463	2	9,169	0	0	151	39,328
18	Meghalaya	105	19,351	4	31,571	10	44,645	0	0	119	95,567
19	Mizoram	46	7,879	24	20,360	7	14,343	0	0	77	42,582
20	Nagaland	71	7,791	23	5,648	36	28,108	0	0	130	41,547
21	Odisha	1,624	77,691	21	1,20,627	55	4,08,199	8	4,61,285	1,708	10,67,802
22	Punjab	1,303	2,59,737	216	6,57,148	125	11,61,462	109	8,14,854	1,753	28,93,202
23	Rajasthan	3,012	3,82,940	597	5,56,042	449	29,02,506	122	12,24,937	4,180	50,66,424
24	Sikkim	36	2,910	4	5,626	2	3,101	0	0	42	11,637
25	Tamil Nadu	3,003	1,75,458	597	3,80,610	364	26,04,368	97	5,00,284	4,061	36,60,719
26	Tripura	172	15,732	6	36,374	3	11,189	0	0	181	63,295
27	Uttar Pradesh	3,027	2,23,840	102	6,70,277	557	21,46,380	421	27,52,969	4,107	57,93,466
28	Uttarakhand	0	0	84	3,06,792	20	1,72,884	49	3,52,811	153	8,32,488
29	West Bengal	1,256	59,750	198	4,42,875	78	11,26,536	84	1,206,303	1,616	28,35,464
30	Puducherry - UT	0	0	0	0	2	12,507	1	6,358	3	18,865
31	T&D Private	0	0	9	4,955	10	1,07,085	7	2,85,328	26	3,97,368
32	Generation Pvt.	6	3,347	19	6,02,003	64	50,66,680	15	13,89,659	104	70,61,689
33	Renewable Pvt.							14	68,050	14	68,050
	TOTAL	**38,314**	**35,35,262**	**5,304**	**96,11,614**	**3,927**	**2,72,90,803**	**2,066**	**1,50,20,996**	**49,611**	**5,54,58,676**

Note: The above figures include RGGVY and DDG project cost (capital subsidy and Loan) upto XI five year plan only.

TABLE- 4: STATEMENT SHOWING STATE-WISE AND PROGRAMME-WISE DISBURSEMENTS AND REPAYMENT BY BORROWERS DURING THE YEAR 2013-14 AND OUTSTANDINGS AS ON 31.03.2014

(₹ in Lakh)

Sl. No.	Name of State	Transmission & Distribution	Generation	RGGVY (including DDG)	STL/Debt Re-financing	TFL	MTL	WCTL	Others	Total disbursement for the year 2013-14	Disbursed upto the end of the year	Repayments		Outstanding at the end of the year 2013-14
												During the year	upto the end of year	
1	Andhra Pradesh	1,46,059	1,72,382	173	-				-	3,18,614	24,51,925	1,71,309	11,58,329.91	12,93,595
2	Arunachal Pradesh	46	-	-	-				-	46	24,348	1,312	18,614.67	5,733
3	Assam	-	-	183	-				-	183	50,949	206	26,870.85	24,079
4	Bihar	-	96,129	9,152	-				-	1,05,281	2,72,431	5,616	41,173.13	2,31,257
5	Chhattisgarh	20,441	1,13,610	-	-				-	1,34,051	7,69,518	35,776	1,55,167.68	6,14,350
6	Delhi								-	-	1,093	-	1,093	-
7	Goa								-	-	1,479	-	1,479	-
8	Gujarat	-	18,857	48	-				-	18,905	6,85,159	6,516	6,29,818.40	55,340
9	Haryana	64,260	466	50	-	1,38,000			1,38,000	2,02,776	13,40,832	88,821	4,47,974.94	8,92,857
10	Himachal Pradesh	27,917	1,132	-	-				-	29,049	3,62,008	25,734	2,14,834.48	1,47,174
11	Jammu & Kashmir	595	-	359	-				-	954	1,26,401	7,350	76,238.01	50,163
12	Jharkhand	5,023	11,710		-				-	16,733	2,30,813	7,880	89,971.30	1,40,842
13	Karnataka	86,901	2,11,080	356	38,900		10,000		10,000	3,47,237	8,49,286	80,995	4,08,720.11	4,40,566
14	Kerala	4,583	-	252	15,000		65,000		65,000	84,835	4,80,801	35,406	3,83,168.22	97,633
15	Madhya Pradesh	70,697	48,531	1,416	-				-	1,20,644	7,48,008	15,661	1,92,986.77	5,55,021
16	Maharashtra	1,02,335	2,18,931	-	-		1,50,000		1,50,000	4,71,266	37,17,890	2,37,567	11,06,869.64	26,11,021
17	Manipur	-	-	322	-				-	322	18,630	822	5,380.50	13,250
18	Meghalaya	-	-	202	-				-	202	46,275	110	12,500.25	33,774
19	Mizoram	-	-	451	-				-	451	26,970	108	23,773	3,197
20	Nagaland	700	-	84	-				-	784	23,227	1,133	10,600.01	12,627
21	Odisha	5,602	54,730	-	-				-	60,332	3,44,521	2,539	1,33,878.55	2,10,642
22	Puducherry	1,617	-	-	-				-	1,617	3,574	-	-	3,574
23	Punjab	96,845	7,517	-	-			65,000	65,000	1,69,362	17,02,823	94,370	7,82,086.49	9,20,736
24	Rajasthan	1,60,647	14,841	87	15,000	10,000			10,000	2,00,575	24,73,913	1,33,217	10,45,024.49	14,28,889
25	Sikkim	-	97,741	185	-				-	97,926	3,85,719	1,179	4,520.57	3,81,198
26	Tamil Nadu	1,24,166	87,660	64	-	1,50,000	50,000		2,00,000	4,11,890	27,84,186	1,08,769	6,98,257.22	20,85,929
27	Tripura	-	-	-	-				-	-	12,792	-	11,055	1,737
28	Uttar Pradesh	78,224	48,919	12,257	75,000	3,03,750			3,03,750	5,18,150	26,65,189	2,57,850	10,69,128	15,96,061
29	Uttarakhand	13,756	9,009	-	-				-	22,765	4,58,463	29,595	1,97,534.90	2,60,928
30	West Bengal	68,495	85,498	659	15,000		50,000		50,000	2,19,652	10,07,174	76,204	2,56,959.85	7,50,214
31	Wind Energy	-	-	-	-				-	-	3,013	-	1,291	1,722
	TOTAL	**10,78,909**	**12,98,743**	**26,300**	**1,58,900**	**6,01,750**	**3,25,000**	**65,000**	**9,91,750**	**35,54,602**	**2,40,69,410**	**14,26,045**	**92,05,300**	**1,48,64,110**
	RGGVY Subsidy									2,39,471				
	DDG Subsidy (under RGGVY)									2,926				
	GRAND TOTAL	**10,78,909**	**12,98,743**	**26,300**	**1,58,900**	**6,01,750**	**3,25,000**	**65,000**	**9,91,750**	**37,96,999**	**2,40,69,410**	**14,26,045**	**92,05,300**	**1,48,64,110**

आरईसी REC
असीमित ऊर्जा, अनन्त संभावनाएं
Endless energy. Infinite possibilities.

TABLE-5 : PUMPSETS ENERGISED UNDER THE PROJECTS FINANCED BY REC DURING 2013-14 AND CUMULATIVE POSITION UPTO 31.03.2014

Sl. No.	State	Achievement during 2013-14 (Nos.)	Cumulative Achievement upto 31.03.2014 (Nos.)
1	Andhra Pradesh	1,33,087	22,94,997
2	Assam	0	1,922
3	Bihar	0	1,13,354
4	Gujarat	0	4,20,456
5	Haryana	0	2,33,570
6	Himachal Pradesh	141	6,535
7	Jammu & Kashmir	110	15,551
8	Karnataka	0	8,62,387
9	Kerala	0	3,40,882
10	Madhya Pradesh	0	10,54,106
11	Maharashtra	1,13,710	24,72,273
12	Manipur	0	29
13	Meghalaya	0	58
14	Nagaland	0	164
15	Odisha	0	63,015
16	Punjab	0	5,01,913
17	Rajasthan	5,829	5,10,572
18	Tamil Nadu	11,288	11,61,546
19	Tripura	0	1,530
20	Uttar Pradesh	0	3,79,544
21	West Bengal	0	82,202
	Total	**2,64,165**	**1,05,16,606**

TABLE-6 : RGGVY - PROJECTS SANCTIONED UNDER X AND XI FIVE YEAR PLAN

As on 31.03.2014

Sl. No.	State	Total Projects Sanctioned (X and XI Five Year Plan together)					
		No. of Projects	No. of Districts	No. of un-electrified villages covered	No. of Partially electrified villages covered	No. of BPL HH covered	Project cost (₹ in crore)
1	Andhra Pradesh	26	22	0	25,902	27,50,400	880.87
2	Arunachal Pradesh	16	16	2,096	1,408	53,312	1,032.22
3	Assam	23	23	8,353	12,897	12,70,332	2,837.03
4	Bihar	43	38	22,956	5,832	25,49,972	4,459.04
5	Chhattisgarh	16	14	1,605	15,037	11,83,831	1,190.49
6	Gujarat	25	25	0	16,189	8,41,219	316.45
7	Haryana	18	18	0	5,391	2,19,826	174.93
8	Himachal Pradesh	12	12	95	11,419	17,045	338.54
9	Jammu and Kashmir	14	14	237	3,247	79,991	954.05
10	Jharkhand	22	22	18,615	6,085	14,70,196	3,521.65
11	Karnataka	25	25	58	23,494	8,89,153	884.9
12	Kerala	7	7	0	629	1,05,204	147.76
13	Madhya Pradesh	32	32	696	33,000	13,42,332	1,875.26
14	Maharashtra	34	34	0	35,325	12,06,906	663.61
15	Manipur	9	9	882	1,378	1,07,369	437.33
16	Meghalaya	7	7	1,867	3,145	1,09,387	458.34
17	Mizoram	8	8	142	570	30,917	317.22
18	Nagaland	11	11	105	1,169	74,064	270.19
19	Odisha	32	30	14,525	29,083	30,85,925	3,948.21
20	Punjab	17	17	0	6,580	1,02,176	186.91
21	Rajasthan	40	33	4,226	34,047	12,65,533	1,279.04
22	Sikkim	4	4	25	413	12,108	217.92
23	Tamil Nadu	26	26	0	9,673	5,01,202	348.19
24	Tripura	4	4	148	658	1,17,163	199.08
25	Uttar Pradesh	64	65	27,761	2,982	10,62,226	3,768.27
26	Uttarakhand	13	13	1,512	9,506	2,63,593	763.42
27	West Bengal	28	17	4,185	23,918	22,82,634	2,730.53
	Total	**576**	**546**	**1,10,089**	**3,18,977**	**2,29,94,016**	**34,201.45**
New Projects Sanctioned Under Phase-II under XI Plan of RGGVY							
1	Chhattisgarh	2	2	126	1,077	84,334	176.12
2	Haryana	3	3	0	625	21,432	17.03
3	Karnataka	2	2	0	587	27,782	119.38
4	Kerala	7	7	0	643	18,839	89.83
5	Madhya Pradesh	20	20	183	15,635	4,96,714	983.20
6	Tamil Nadu	3	3	0	729	24,369	37.27
7	Bihar	11	11	1,338	12,790	28,98,328	2,994.11
8	Maharastra	1	1	0	1,139	19,279	33.64
9	West Bengal	1	1	17	289	24,423	198.99
10	Uttar Pradesh	22	22	245	19,991	9,43,641	4,728.21
	Total	**72**	**72**	**1,909**	**53,505**	**45,59,141**	**9,377.78**
	Grand Total	**648**	**618**	**1,11,998**	**3,72,482**	**2,75,53,157**	**43,579.23**

TABLE-7 : RGGVY - PROJECTS SANCTIONED UNDER XII FIVE YEAR PLAN

Sl. No.	Name of State	No. of Projects	Villages			Total Habitations	Households		Sanctioned Cost (₹ in crore)
			Un-electrified	Partially electrified	Total		Rural	BPL	
1	Assam	16	1,009	10,259	11,268	28,884	15,27,797	5,41,943	1,621.07
2	Bihar	27	6,882	21,377	28,259	71,110	1,00,54,670	54,42,691	5,220.65
3	Chhattisgarh	4	0	3,240	3,240	8,175	1,13,515	63,828	285.61
4	Jammu & Kashmir	3	45	352	397	1,324	42,911	26,233	101.28
5	Jharkhand	17	125	18,308	18,433	37,493	12,40,557	4,71,972	1,260.93
6	Karnataka	9	0	9,210	9,210	11,129	2,07,778	1,16,861	98.20
7	Madhya Pradesh	34	221	25,832	26,053	51,608	17,56,426	8,63,360	1,419.17
8	Manipur	6	136	1,721	1,857	2,138	69,399	36,362	204.73
9	Mizoram	8	0	0	0	0	0	0	77.03
10	Nagaland	11	1	199	200	229	45,220	39,314	92.31
11	Odisha	31	3,144	41,018	44,162	1,06,618	38,43,136	16,68,454	3,550.77
12	Rajasthan	28	0	25,397	25,397	59,127	13,35,791	4,43,757	1,453.91
13	Tripura	8	26	778	804	6,881	2,01,381	89,604	316.23
14	Uttar Pradesh	64	541	66,638	67,179	1,34,649	93,49,025	31,20,460	7,282.81
15	West Bengal	7	11	5,695	5,706	14,626	5,90,658	2,51,488	609.61
	Total	**273**	**12,141**	**2,30,024**	**2,42,165**	**5,33,991**	**3,03,78,264**	**1,31,76,327**	**23,594.31**

TABLE-8 : RGGVY - DETAILS OF STATE-WISE CUMULATIVE ACHIEVEMENT

Sl. No.	State	Achievement upto 2013		Achievement in FY 2013-14*		Cumulative Achievement (As on 31.03.2014)	
		UEV	BPL	UEV	BPL	UEV	BPL
1	Andhra Pradesh	0	27,52,833	0	0	0	27,50,400
2	Arunachal Pradesh	1,700	28,786	282	18,762	1,982	47,548
3	Assam	8,019	9,08,550	125	2,04,904	8,144	11,13,454
4	Bihar	22,730	23,50,915	206	1,06,007	22,936	24,56,922
5	Chhattisgarh	1,071	9,79,911	164	69,538	1,235	10,49,449
6	Gujarat	0	8,29,547	0	11,672	0	8,41,219
7	Haryana	0	1,94,461	0	5,432	0	1,99,893
8	Himachal Pradesh	83	15,278	0	927	83	16,205
9	Jammu and Kashmir	176	53,086	27	14,276	203	67,362
10	Jharkhand	18,086	12,98,825	47	11,608	18,133	13,10,433
11	Karnataka	62	8,58,836	0	16,560	58	8,75,396
12	Kerala	0	52,993	0	60,229	0	1,13,222
13	Madhya Pradesh	596	9,61,816	98	1,80,737	694	11,42,553
14	Maharashtra	0	11,81,880	0	32,709	0	12,14,589
15	Manipur	616	28,851	0	807	616	29,658
16	Meghalaya	1,654	85,495	144	18,262	1,798	1,03,757
17	Mizoram	94	15,144	13	4,096	107	19,240
18	Nagaland	88	37,562	4	8,237	92	45,799
19	Odisha	14,345	28,26,140	84	38,896	14,429	28,65,036
20	Punjab	0	80,404	0	20,000	0	1,00,404
21	Rajasthan	4,137	11,40,660	18	17,163	4,155	11,58,009
22	Sikkim	25	9,783	0	346	25	10,129
23	Tamil Nadu	0	5,01,202	0	0	0	5,01,202
24	Tripura	143	99,502	1	16,383	144	1,15,885
25	Uttar Pradesh	27,762	10,47,531	0	14,695	27,750	10,62,226
26	Uttarakhand	1,511	2,34,593	0	29,000	1,511	2,63,593
27	West Bengal	4,185	21,47,044	0	62,927	4,185	22,09,971
	Total	**1,07,083**	**2,07,21,628**	**1,197**	**9,61,730**	**1,08,280**	**2,16,83,554**

* Achievement of UE villages during 2013-14 is 1,213 but Karnataka & Uttar Pradesh have reduced their earlier reported figure of UE Villages by 4 and 12 respectively during 2013-14, hence the actual achievement during 2013-14 is 1,197 which is 16 less than 1,213.

Similary, achievement of BPL Households during 2013-14 is 9,64,173 but Andhra Pradesh has reduced its earlier reported figure of BPL HHs by 2,443 during 2013-14, hence the actual achievement during 2013-14 is 9,61,730 which is 2,443 less than 9,64,173.