

## NOTICE

Notice is hereby given that the Forty Fifth Annual General Meeting of **Rural Electrification Corporation Limited** will be held on **Thursday, September 18, 2014 at 11.00 A.M. at Manekshaw Centre, Parade Road, Delhi Cantonment, New Delhi-110010** to transact the following businesses:-

### ORDINARY BUSINESS

- 1) To receive, consider, approve and adopt the audited Balance Sheet as at March 31, 2014 and Statement of Profit and Loss for the financial year ended on that date along with the Reports of the Board of Directors and Auditors thereon.
- 2) To confirm the payment of Interim Dividend and declare Final Dividend on equity shares of the Company for the financial year 2013-14.
- 3) To appoint a Director in place of Shri Ajeet Kumar Agarwal (DIN 02231613), who retires by rotation and being eligible, offers himself for re-appointment.
- 4) To fix the remuneration of Auditors for the financial year 2014-15.

### SPECIAL BUSINESS

- 5) To consider and if thought fit, to pass, with or without modification(s), the following resolutions as a **Special Resolution**:-

**“RESOLVED THAT** in supersession of the earlier Resolution passed by the shareholders of the Company through Postal Ballot on June 10, 2014 and in accordance with the provisions of Section 42 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and any other applicable laws including the SEBI (Issue & Listing of Debt Securities) (Amendment) Notification, 2012 and other applicable SEBI regulations and guidelines, the provisions of the Memorandum and Articles of Association of the Company and subject to the receipt of necessary approvals as may be applicable and such other approvals, permissions and sanctions, as may be necessary, including the approval of any existing lenders / trustees of Debenture Holders, if so required under the terms of agreement / deed and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions and sanctions which may be agreed to by the Board of Directors of the Company (the “Board”) or any duly constituted Committee of the Board or such other authority as may be approved by the Board, consent of the Company be and is hereby accorded to raise funds upto ₹ 35,000 crore **during a period of one year from the date of passing of this resolution** by way of issue of unsecured/secured non-convertible bonds / debentures of the Company on private placement basis, in one or more tranches, to such person or persons, who may or may not be the bond/ debenture holders of the Company, as the Board (or any duly constituted Committee of the Board or such other authority as may be approved by the Board) may at its sole discretion decide, including eligible investors (whether residents and/or non-residents and/or institutions/incorporated bodies and/or individuals and/or trustees and/or banks or otherwise, in domestic and/or one or more international markets) including Non-resident Indians, Foreign Institutional Investors (FIIs), Venture Capital Funds, Foreign Venture Capital Investors, State Industrial Development Corporations, Insurance Companies, Provident Funds, Pension Funds, Development Financial Institutions, Bodies Corporate, companies, private or public or other entities, authorities and to such other persons in one or more combinations thereof through Private Placement in one or more tranches and including the exercise of a green-shoe option (within the overall limit of ₹ 35,000 crore, as stated above), if any, at such terms as may be determined under the guidelines as may be applicable, and on such terms and conditions as may be finalized by the Board or any duly constituted Committee of the Board or such other authority as may be approved by the Board.”

**“RESOLVED FURTHER THAT** for the purpose of giving effect to any Private Placement of unsecured/secured non-convertible bonds/debentures, the Board of Directors of the Company (the “Board”) or any duly constituted Committee of the Board or such other authority as may be approved by the Board be and is hereby authorized to determine the terms of the Issue, including the class of investors to whom the bonds/debentures are to be allotted, the number of bonds/debentures to be allotted in each tranche, issue price, tenor, interest rate, premium/discount to the then prevailing market price, amount of issue, discount to issue price to a class of bond/debenture holders, listing, issuing any declaration / undertaking etc. required to be included in the Private Placement Offer Letter and any other regulatory requirement for the time being in force.”

- 6) To consider and if thought fit, to pass, with or without modification(s), the following resolutions as a **Special Resolution**:-

**“RESOLVED THAT** pursuant to the provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 15 of the Companies (Meetings of the Board and its Powers) Rules, 2014 (including any statutory

modification(s) or re-enactment thereof, for the time being in force) and any other applicable laws/rules under any statute for the time being in force and subject to the approval /consent of such appropriate authorities, consent of the Company be and is hereby accorded for entering into contract(s) or arrangement(s) or transaction(s), **during a period of one year from the date of passing of this Resolution**, with Wholly Owned Subsidiary companies and associate company(ies) (both present and future) of Rural Electrification Corporation Limited, in the nature of providing them with necessary infrastructural support, manpower and/or other inputs/support/services on cost to cost basis, leasing of property of any kind, sale/purchase of goods or materials or property of any kind and/or availing/rendering of services, from time to time, in the ordinary course of business, provided that the cumulative value of contract(s) or arrangement(s) or transaction(s) with such related parties **during a period of one year from the date of passing of this Resolution**, shall not exceed two percent (2 %) of the turnover of Rural Electrification Corporation Limited for the preceding financial year i.e. FY 2013-14.”

“**RESOLVED FURTHER THAT** the Board of Directors of the Company (the “Board”) or any duly constituted Committee of the Board or such other authority as may be approved by the Board be and is hereby authorized to approve the individual contract(s) or arrangement(s) or transaction(s) with Wholly Owned Subsidiaries and associate company(ies) of Rural Electrification Corporation Limited within the overall limit of two percent (2 %) of the turnover of the Rural Electrification Corporation Limited for the financial year 2013-14, including the name of the related party and nature of relationship, nature, duration and particulars of the contract or arrangement, to be entered with Wholly Owned Subsidiaries and associate company(ies) of Rural Electrification Corporation Limited, material terms of such contract or arrangement *inter-alia* including the value of the contract, advance payment to be made/received, if any, manner of determining the pricing and other commercial terms, both included as part of contract and not considered as part of the contract and/or any other matter to be decided in this regard.”

“**RESOLVED FURTHER THAT** the Board of Directors of the Company (including any Committee duly constituted by the Board of Directors or any authority as may be approved by the Board of Directors) be and is hereby authorized to do and execute all such acts, deeds and things as may be necessary for giving effect to the above resolution.”

By order of the Board of Directors  
For Rural Electrification Corporation Limited



(J. S. Amitabh)

General Manager & Company Secretary

**Registered Office:**

Core-4, SCOPE Complex,  
7, Lodhi Road,  
New Delhi-110003  
CIN : L40101DL1969GOI005095

**Dated: August 12, 2014**

**NOTES:-**

1. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself/herself and such proxy need not be a Member of the Company. The proxy form duly completed and signed must be deposited at the Registered Office of the Company, not less than forty eight hours before the commencement of the Annual General Meeting. Proxy so appointed shall not have any right to speak at the meeting. Blank proxy form is attached in this Annual Report and also available on Company's website i.e. [www.recindia.gov.in](http://www.recindia.gov.in).

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2. A Statement setting out the material facts concerning each item of Special Business, pursuant to Section 102(1) of the Companies Act, 2013, is annexed hereto.
3. Brief Resume of the Directors seeking re-appointment or appointed since last Annual General Meeting, as required under Clause 49 of the Listing Agreement executed with the Stock Exchanges is annexed hereto and forms part of Notice.
4. The Register of Members and Share Transfer Books of the Company will remain closed from **Thursday, September 4, 2014 to Thursday, September 18, 2014 (both days inclusive)**.
5. The Final Dividend @ ₹ 1.75 per equity share, as recommended by the Board of Directors in its Meeting held on May 26, 2014, subject to the provisions of Section 123 of the Companies Act, 2013 (erstwhile Section 206A of the Companies Act, 1956), **if approved by the Members at this Annual General Meeting, will be paid on Wednesday, October 1, 2014 to the members or their mandates whose names appear in the Register of Members of the Company after giving effect to all valid share transfer requests lodged with the Company/ R&TA, on or before Wednesday, September 3, 2014, in respect of physical shares. In respect of dematerialized shares, the final dividend shall be payable to the “beneficial owners” of the shares whose names appear in the Statement of Beneficial Ownership furnished by National Securities Depository Limited and Central Depository Services (India) Limited at the close of business hours on Wednesday, September 3, 2014.**

Further, the Board of Directors in its Meeting held on February 14, 2014 had declared an interim dividend of ₹ 7.75 per equity share on the paid-up equity share capital of the Company which was paid on February 28, 2014. The Shareholders are also requested to confirm the same.

6. Members who hold shares in physical form are requested to send all correspondence concerning registration of transfers, transmissions, sub-division, consolidation of shares or any other shares related matter and / or change in address and bank account, to Karvy Computershare Private Limited, Registrar and Share Transfer Agent of the Company and in case of shares held in electronic mode, to their respective Depository Participants.
7. Members who have not received/ encashed their dividend warrants within its validity period may write to the Company at its Registered Office or Karvy Computershare Private Limited, Registrar & Share Transfer Agent of the Company, for revalidating the warrants or payment in lieu of such warrants in the form of demand draft.

Pursuant to Section 205A read with Section 205C of the Companies Act, 1956, the dividend amount which remains unpaid/ unclaimed for a period of seven years, is required to be transferred to the Investor Education & Protection Fund (IEPF) of the Central Government.

Further, pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on September 13, 2013 (date of last Annual General Meeting) on the website of the Company ([www.recindia.gov.in](http://www.recindia.gov.in)) and also on the website of the Ministry of Corporate Affairs.

8. Corporate Members are requested to send/attach a duly certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Annual General Meeting, along with the Proxy Form/ Attendance Slip.
9. **Members are requested to:-**
  - a. **note that copies of Annual Report will not be distributed at the Annual General Meeting and they will have to bring their copies of Annual Report;**
  - b. **produce Attendance Slip, as sent herewith, at the venue duly filled-in and signed for attending the meeting, as entry to the Auditorium will be strictly on the basis of the Entry Slip, which will be available at the counters at the meeting venue in exchange of the Attendance Slip;**
  - c. **quote their Folio / Client ID & DP ID Nos. in all correspondence;**
  - d. **note that due to security reasons briefcases, eatables and other belongings shall not be allowed inside the Auditorium; and**
  - e. **note that no gifts / coupons will be distributed at the Annual General Meeting.**
10. As SEBI has made usage of electronic payment modes for making cash payments to the investors mandatory, therefore members are advised to submit their National Electronic Clearing System (NECS)/NEFT/Direct Credit mandates, to enable the Company to make payment of dividend by means of NECS/NEFT/Direct Credit/ Warrants. Those holding shares in

physical form may obtain and send the NECS/NEFT/Direct Credit mandate form to Registrar and Share Transfer Agent (R&TA) of the Company i.e. Karvy Computershare Private Limited, at Plot No. 17- 24, Vittal Rao Nagar, Madhapur, Hyderabad - 500 081, India. Those holding shares in Electronic Form may obtain and send the NECS/NEFT/Direct Credit Mandate Form directly to their Depository Participant (DP). Those who have already furnished the NECS/NEFT/Direct Credit Mandate Form to the Company/ Registrar and Share Transfer Agent / DP with complete details need not send it again.

11. In order to avoid the incidence of fraudulent encashment of dividend warrants, the Members who do not wish to opt for NECS/NEFT/Direct Credit facility are advised to submit particulars of their bank account, viz., name(s) and address of the branch of the bank, Bank Account Number, 9 digit MICR code of the branch, IFSC Code, type of account etc. latest by September 18, 2014 to Karvy Computershare Private Limited, Registrar and Share Transfer Agent of the Company to enable them to print these details on the Dividend Warrant.
12. **SEBI has made it mandatory for the transferee(s) to furnish a copy of PAN card to the Company/RTAs for registration of transfers and for securities market transactions and off-market/private transactions involving transfer of shares in physical form of listed companies. Accordingly, members holding shares in physical mode should attach a copy of their PAN card for every transfer request sent to Company/RTA.**
13. Members holding shares in multiple folios in physical mode are requested to apply for consolidation to the Company or its Registrar & Share Transfer Agent along with relevant Share Certificates. In case of Joint Holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
14. Pursuant to Section 619(2) of Companies Act, 1956, the Auditors of a Government Company are to be appointed/ re-appointed by the Comptroller and Auditor General (C&AG) of India and, in terms of Section 224 (8) (aa) of the Companies Act, 1956, their remuneration shall be fixed by the company in a General Meeting or in such manner as the company in a General Meeting may determine. In pursuance of the same, C&AG of India had appointed Raj Har Gopal & Co., Chartered Accountants and P.K. Chopra & Co., Chartered Accountants, as Joint Statutory Auditors of the Company for the financial year 2013-14.

In the 44<sup>th</sup> Annual General Meeting (AGM) held on September 13, 2013 the Board of Directors were authorized by Shareholders in pursuance of Section 224 (8) (aa) read with Section 619 (2) of the Companies Act, 1956 to fix and approve the remuneration of Statutory Auditors/Joint Statutory Auditors of the Company for the financial year 2013-14, on the recommendation of the Audit Committee. Accordingly, the Board of Directors in their Meeting held on November 13, 2013 approved the payment of remuneration of ₹ 20,00,000/- (Rupees Twenty Lakh Only) plus service tax as applicable to be shared equally by the Joint Statutory Auditors, for the financial year 2013-14. The Board also approved that in addition to the above remuneration, the Statutory Auditors may be paid such actual reasonable traveling allowance and out of pocket expenses for outstation audit work, as may be decided by the CMD/ Director (Finance).

Further, pursuant to Section 139(5) of the Companies Act, 2013 (erstwhile Section 619(2) of the Companies Act, 1956), Raj Har Gopal & Co., Chartered Accountants (Firm Reg. No.: 002074N) and P.K. Chopra & Co., Chartered Accountants (Firm Reg. No.: 006747N) have been appointed as Joint Statutory Auditors of the Company for the financial year 2014-15 by the C&AG of India. Therefore, it is proposed to obtain approval of the Members of the Company in Annual General Meeting to fix the remuneration of Auditors for the financial year 2014-15, on similar lines as done for the last financial year. **Accordingly, the Members are requested to authorize the Board of Directors of the Company to fix the remuneration of the Statutory Auditors/ Joint Statutory Auditors of the Company, as it deems fit, for the financial year 2014-15.**

15. Members desirous of making a nomination in respect of their shareholding in the Company, as permitted under Section 72 of the Companies Act, 2013 (erstwhile Section 109A of the Companies Act, 1956), are requested to write to Karvy Computershare Private Limited, Registrar and Share Transfer Agent of the Company in Form SH-13 as prescribed in the Companies (Share Capital and Debentures) Rules, 2014. Blank Nomination form is available on Company's website i.e. [www.recindia.gov.in](http://www.recindia.gov.in). In case of shares held in dematerialized form, the nomination form has to be lodged directly with the respective Depository Participant (DP).
16. **Members desirous of getting any information on any items of business of this meeting are requested to address their queries to the Company Secretary at the Registered Office of the Company at least ten days prior to the date of the Annual General Meeting, so that the information required can be made available at the time of the meeting.**
17. Ministry of Corporate Affairs, Government of India vide its General Circular dated February 8, 2011 granted general exemption under Section 212(8) of the erstwhile Companies Act, 1956 from attaching the Balance Sheet etc. of Subsidiary

Companies to the Balance Sheet of the holding Company, subject to compliance of certain conditions by the Companies as prescribed in this Circular. Accordingly, your Company has provided full details of accounts of individual Subsidiary Companies along with the entire text of Annual Report at its website [www.recindia.gov.in](http://www.recindia.gov.in).

18. 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. Accordingly, the Company proposes to send all documents viz. Notice, Audited Financial Statements, Directors' and Auditors' Report etc. henceforth to the shareholders in electronic form to their registered e-mail addresses. These documents would also be available on the website of the Company. Please note that as a Member of the Company you are entitled to receive above mentioned and all other documents required under the law, free of cost, in physical form on receipt of your request in this regard.

**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.**

19. The Register of Directors and Key Managerial Personnel (KMP) and their Shareholding, maintained under Section 170 of the Companies Act, 2013 and all other documents referred to in the Notice will be available for inspection by the Members at the Registered Office of the Company on all working days (except Saturday and Sunday) between 11.00 A.M. to 1.00 P.M and the same will also be available at the time of AGM of the Company at the venue of the meeting.
20. Non-Resident Indian Members are requested to inform Karvy, immediately of:
- Change in their residential status on return to India for permanent settlement.
  - Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
21. In compliance with provisions of Clause 35B of the Listing Agreement and Section 108 of Companies Act, 2013 read with Rule 20 of Companies (Management and Administration) Rules, 2014, the Company is offering e-voting facility to the shareholders of the Company to enable them to cast their votes electronically on the items mentioned in the Notice. For this purpose, the Company has entered into an agreement with Karvy Computershare Private Limited for providing e-voting facility to enable the Shareholders to exercise their right to vote through electronic means in respect of businesses to be transacted in the Annual General Meeting. E-voting is optional.

The Company has appointed Shri Sanjay Grover, Sanjay Grover & Associates, Practicing Company Secretaries, New Delhi as the Scrutinizer to scrutinize the electronic voting process in a fair and transparent manner.

Further, the Company has fixed **Thursday, the August 14, 2014** as the Cut-off date for determining voting rights of shareholders entitled to participate in the e-voting process. The e-voting portal will be open for voting from **Wednesday, September 10, 2014 (1000 Hours) and ends on Friday, September 12, 2014 (1800 Hours)**.

**All members are requested to read the following instructions and other information carefully before casting their vote electronically:**

- Launch internet browser by typing the URL: <https://evoting.karvy.com> or click on the link provided in the email in case a Member receives an e-mail from Karvy.
- Enter the login credentials (i.e. user-id & password) mentioned at the bottom of Proxy Form. Your folio / DP ID and Client ID will be your User-ID.

User-ID	For Members holding shares in Demat form:-
	a) For NSDL : 8 Character DP ID followed by 8 Digits Client ID
	b) For CDSL : 16 digits beneficiary ID
	<b>For Members holding shares in Physical form:-</b>
	EVEN no. followed by Folio Number registered with the Company.
<b>Password</b>	Your Unique password is printed on the Proxy form/mentioned in the email received from Karvy
<b>Captcha</b>	Enter the Verification code i.e., please enter the alphabets and numbers in the exact way as they are displayed for security reasons.

- After entering these details appropriately, Click on "LOGIN".
- You will now reach password change Menu wherein you are required to mandatorily change your password. The new

password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, \$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

- (v) You need to login again with the new credentials.
  - (vi) On successful login, the system will prompt you to select the “EVENT” i.e. Rural Electrification Corporation Limited.
  - (vii) If you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.
  - (viii) On the voting page, enter the number of shares (which represents the number of votes) as on the Cut Off date under “FOR/AGAINST” or alternatively, you may partially enter any number in “FOR” and partially in “AGAINST” but the total number in “FOR/AGAINST” taken together should not exceed your total shareholding as mentioned hereinabove. You may also choose the option ABSTAIN. If the shareholder does not indicate either “FOR” or “AGAINST” it will be treated as “ABSTAIN” and the shares held will not be counted under either head.
  - (ix) Shareholders holding multiple folios/demat accounts shall choose the voting process separately for each folios/demat accounts.
  - (x) Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.
  - (xi) You may then cast your vote by selecting an appropriate option and click on “Submit”.
  - (xii) A confirmation box will be displayed. Click “OK” to confirm else “CANCEL” to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).
  - (xiii) Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI, etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter, etc. together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at e-mail ID: [scrutinizer.recl@gmail.com](mailto:scrutinizer.recl@gmail.com) with a copy marked to [evoting@karvy.com](mailto:evoting@karvy.com). The scanned image of the above mentioned documents should be in the naming format “Corporate Name\_ EVEN NO.”
22. Once the vote on a resolution is cast by a shareholder, the Shareholders shall not be allowed to change it subsequently. Further, the Shareholders who have cast their vote electronically shall not be allowed to vote again at the AGM.
  23. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and will make a Scrutinizer’s Report of the votes cast in favour or against, forthwith to the Chairman of the meeting.
  24. Once discussion on all the agenda items is completed in Meeting, Chairman will order Poll in respect of all the items. Poll will be conducted and supervised under Scrutinizer(s) to be appointed for the purpose. After conclusion of the Poll, the Chairman may declare the meeting as closed.
  25. In compliance of statutory provisions, the results of the Poll aggregated with the results of e-voting will be announced and uploaded on the website of the Company ([www.recindia.gov.in](http://www.recindia.gov.in)) and on Karvy’s website (<https://evoting.karvy.com>) and will also be submitted to the Stock Exchanges within the prescribed time. Further, the resolutions will be deemed to be passed on the Annual General Meeting date subject to receipt of the requisite number of votes in favour of the Resolutions.
  26. The Company is not providing Video Conferencing facility for this meeting.
  27. The entire Annual Report is also available on the Company’s website [www.recindia.gov.in](http://www.recindia.gov.in).



## STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 (“the Act”)

### THE FOLLOWING STATEMENT SETS OUT ALL MATERIAL FACTS RELATING TO THE SPECIAL BUSINESS SET OUT IN THE NOTICE.

#### Item No. 5

As per provisions of Section 42 of the Companies Act, 2013 read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and Rule 18 of the Companies (Share Capital and Debentures) Rules, 2014, a company shall not make a Private Placement of its securities unless the proposed offer of securities or invitation to subscribe to securities has been previously approved by the Shareholders of the Company by a Special Resolution for each of the offers or invitations. However, in case of offer or invitation for **“non-convertible debentures”, it shall be sufficient if the company passes a previous special resolution only once in a year for all the offers or invitations for such debentures during the year.**

Accordingly, the shareholders of the Company had passed a Special Resolution through Postal Ballot on June 10, 2014 for making Private Placement of Unsecured/Secured Non-Convertible Bonds/Debentures upto ₹ 30,000 crore during the financial year 2014-15 (including funds already raised during the financial year 2014-15 till that date, by way of issue of unsecured/secured non-convertible bonds / debentures of the Company on private placement basis) in one or more tranches, to such person or persons, who may or may not be the bond / debenture holders of the Company, within the overall market borrowing programme of the Company of ₹ 37,000 crore for the financial year 2014-15, as approved by the Board of Directors in its Meeting held on March 28, 2014. Therefore, as per the above approval, the Company can raise funds through Private Placement of Unsecured/Secured Non-Convertible Bonds/Debentures only upto March 31, 2015, subsequent to which, the Company will not be able to make Private Placement of Unsecured/Secured Non-Convertible Bonds/Debentures, unless a Special Resolution is passed in the beginning of financial year 2015-16 itself.

Therefore, it is proposed to pass a Special Resolution in supersession of the earlier Resolution passed through Postal Ballot on June 10, 2014, to enable the Company to raise funds upto ₹ 35,000 crore during a period of **one year from the date of passing of this resolution, i.e. upto September 17, 2015** by way of issue of unsecured/secured non-convertible bonds / debentures of the Company on private placement basis, in one or more tranches, to such person or persons, who may or may not be the bond/debenture holders of the Company, within the overall market borrowing programme of the Company, as may be approved by the Board of Directors of the Company, from time to time.

Further, the Board of Directors of the Company (the “Board”) or any Committee duly constituted by the Board or such other authority as may be approved by the Board, shall be authorized to determine the terms of the issue, including the class of investors to whom the bonds/debentures are to be allotted, the number of bonds/debentures to be allotted in each tranche, issue price, tenor, interest rate, premium/discount to the then prevailing market price, amount of issue, discount to issue price to a class of bond/debenture holders, listing, issuing any declaration / undertaking etc. required to be included in the Private Placement Offer Letter and any other regulatory requirement for the time being in force.

The Board of Directors of the Company in its Meeting held on August 12, 2014 has approved the above proposal and recommends the passing of the proposed Special Resolution by members of the Company as contained in the Notice.

In view of the aforesaid provisions, you are requested to grant your consent to the Special Resolution as set out at Item No.5 of the Notice of Annual General Meeting dated August 12, 2014 of the Company.

The Directors or Key Managerial Personnel or their relatives do not have any concern or interest, financial or otherwise in passing of the said Special Resolution, except to the extent of their shareholding in the Company.

#### Item No. 6

As per provisions of Section 188(1) of the Companies Act, 2013 read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, the Company shall not enter into any contract or arrangement with a ‘Related party’, except with the prior consent of the shareholders by way of Special Resolution.

The term ‘Related party’, with reference to Rural Electrification Corporation Limited (REC) *inter-alia* includes the subsidiary and associate companies of REC. The level of income/profits of these subsidiaries is minimal as compared to REC. Further, in the absence of regular/permanent manpower and other basic infrastructural facilities, REC normally provides support to its subsidiary companies in the nature of deployment of its officials for managing the affairs of these subsidiary companies, leasing out space for its Registered office and other infrastructural support and services for day-to-day functioning of these subsidiary companies and the expenses in this regard are allocated proportionately on cost-to-cost basis in the books of accounts of the respective subsidiary companies.

Therefore, it is proposed to seek approval of shareholders for any contract(s) or arrangement(s) or transaction(s) **during a period of one year from the date of passing of this Resolution**, to be entered by REC with the following Wholly Owned Subsidiary

companies and associate companies of REC in the nature of providing them with necessary infrastructural support, manpower and/or other inputs/support/services on cost to cost basis, leasing of property of any kind, sale/purchase of goods or materials or property of any kind and/or availing/rendering of services, from time to time, in the ordinary course of business, provided that the cumulative value of contract(s) or arrangement(s) or transaction(s) with such related parties **during a period of one year from the date of passing of this Resolution**, shall not exceed two percent (2 %) of the turnover of Rural Electrification Corporation Limited for the preceding financial year i.e. FY 2013-14:-

**Wholly-owned subsidiaries of REC**

- (i) REC Power Distribution Company Limited (RECPDCL).
- (ii) REC Transmission Projects Company Limited (RECTPCL).
- (iii) Existing step-down subsidiaries incorporated as Project-Specific Special Purpose Vehicles (SPVs) by RECTPCL or SPVs as may be incorporated by RECTPCL from time to time.

**Associate Company(ies) with regard to REC**

- (i) Energy Efficiency Services Limited (EESL) [REC holds 25 % of the total paid-up share capital in EESL].
- (ii) Any other company, which becomes an associate company of REC, as per the provisions of the Companies Act, 2013 and Rules made there under.

The provisions of Section 188(1) of the Companies Act, 2013 are not applicable in case of any transaction(s) entered into by the company in ordinary course of business other than transactions which are not on an arm's length basis. Accordingly, the approval proposed to be sought is only for those transactions entered with the above-mentioned Related Parties which are not on arm's length basis.

Further, the Board of Directors of the Company (the "Board") or any Committee duly constituted by the Board or such other authority as may be approved by the Board, shall be authorized to finalize and approve the nature, material terms, monetary value and particulars of the contract(s) or arrangement(s) or transaction(s) with Wholly Owned Subsidiaries and associate company(ies) of Rural Electrification Corporation Limited, within the overall limit of two percent (2 %) of the turnover of the Rural Electrification Corporation Limited for the financial year 2013-14.

The Audit Committee and Board of Directors of the Company, in their Meetings held on August 12, 2014 have approved the above proposal and recommend the passing of the proposed Special Resolution by members of the Company as contained in the Notice.

In view of the aforesaid provisions, you are requested to grant your consent to the Special Resolution as set out at Item No.6 of the Notice of Annual General Meeting dated August 12, 2014 of the Company.

The Directors or Key Managerial Personnel or their relatives do not have any concern or interest, financial or otherwise in passing of the said Special Resolution, except to the extent of their shareholding in the Company.

**By order of the Board of Directors**  
For Rural Electrification Corporation Limited



**(J. S. Amitabh)**  
General Manager & Company Secretary

**Registered Office:**

Core-4, SCOPE Complex,  
7, Lodhi Road,  
New Delhi-110003  
CIN : L40101DL1969GOI005095

**Dated: August 12, 2014**



**BRIEF RESUME OF THE DIRECTORS APPOINTED SINCE LAST ANNUAL GENERAL MEETING HELD ON SEPTEMBER 13, 2013.**

<b>Name</b>	Since last Annual General Meeting held on September 13, 2013, no Director has been appointed on the Board of Rural Electrification Corporation Limited.
<b>Date of Birth</b>	
<b>Date of Appointment</b>	
<b>Qualifications</b>	
<b>Expertise in specific Functional area</b>	
<b>Directorship held in other Companies</b>	
<b>Membership/Chairmanship of Committees across all Public Companies other than REC</b>	
<b>Number of shares held in the Company</b>	

**BRIEF RESUME OF THE DIRECTORS SEEKING RE-APPOINTMENT AT THE 45TH ANNUAL GENERAL MEETING**

<b>Name</b>	Shri Ajeet Kumar Agarwal (DIN 02231613)
<b>Date of Birth</b>	May 30, 1960
<b>Date of Appointment</b>	August 1, 2012
<b>Qualifications</b>	<ul style="list-style-type: none"> <li>• Bachelor's degree in Commerce; and</li> <li>• Member of the Institute of Chartered Accountants of India (ICAI)</li> </ul>
<b>Expertise in specific Functional area</b>	Shri Agarwal has 31 years experience in public sector undertakings. During his tenure in REC as General Manager/ Executive Director (Finance), he had handled various finance functions including Resource Mobilisation, Loan Disbursement and Corporate Accounts & Taxation. Prior to joining our Company on March 29, 2007, he was General Manager in Telecommunications Consultants India Limited. He is also a Nominee Director on the Board of Indian Energy Exchange Limited (IEX).
<b>Directorship held in other Companies</b>	<ul style="list-style-type: none"> <li>• REC Transmission Projects Company Limited; and</li> <li>• Indian Energy Exchange Limited</li> </ul>
<b>Membership/Chairmanship of Committees across all Public Companies other than REC</b>	Indian Energy Exchange Limited - Member, Audit Committee
<b>Number of equity shares held in the Company</b>	242