

ANNEXURE-V TO DIRECTORS' REPORT

SECRETARIAL AUDIT REPORT

To

The Shareholders**Rural Electrification Corporation Limited****Core 4 Scope Complex****7 Lodhi Road****New Delhi**

We have examined the registers, records and documents of Rural Electrification Corporation Limited (the Company) for the financial year ended March 31, 2014 in the light of the provisions contained in-

- The Companies Act, 1956 and the Rules made thereunder;
- The Depositories Act, 1996 and the Regulation made thereunder;
- The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; and
- The Listing Agreement entered into by the Company with Stock Exchanges having nation-wide trading terminals.

A. Based on our examination and verification of the records made available to us and according to the clarifications and explanations given to us by the Company, we report that the Company has, in our opinion, complied with the applicable provisions of the Companies Act, 1956 and the rules made thereunder and of the various Acts and the Rules, Regulations and Guidelines made thereunder, Listing Agreement as mentioned above and of the Memorandum and Articles of Association of the Company, with regard to:

1. Maintenance of various statutory and non-statutory registers and documents and making necessary changes therein as and when the occasion demands.
2. Filing with the Registrar of Companies the Forms, returns and resolutions.
3. Service of the requisite documents by the Company on its members, Registrar and Stock Exchanges.
4. Composition of the Board, appointment, retirement and resignation of directors.
5. Remuneration of executive and non executive directors.
6. Service of notice and agenda of Board Meetings and Meetings of the committee of directors.
7. Meeting of the Board and its committees.

8. Holding Annual General Meeting and production of the various registers thereat.
9. Recording the minutes of proceedings of Board Meetings, Committee Meetings and General Meetings.
10. Appointment and remuneration of Auditors.
11. The Company has declared dividend and paid to the eligible shareholders in compliance with the provisions of Section 205 of the Act during the year.
12. Registration of transfer of shares held in physical mode.
13. Dematerialisation and Rematerialisation of shares.
14. Execution of contracts, affixation of common seal, registered office and the name of the Company.
15. Requirement of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
16. Requirement of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992.
17. Requirements set out in the Listing Agreement with the Stock Exchanges having nation-wide trading terminals **except the Composition of Independent Director in terms of Clause 49 of the Listing Agreement.**

B. We further report that-

the Company has complied with various requirements relating to disclosures, declarations made by the Directors with respect to directorships, memberships of committees of the Board of Companies of which they are directors, their shareholding and interest of concern in the contracts entered into by the Company in the pursuing its normal business.

There was no prosecution initiated against or show cause notice received by the Company and no fine or penalties were imposed on the Company under the aforementioned Acts, Rules, Regulations and Guidelines made thereunder or on its directors and officers.

For Chandrasekaran Associates
Company Secretaries

Dr. S Chandrasekaran
Senior Partner
FCS: 1644
CP : 715

New Delhi
May 20, 2014