

BOARD'S REPORT

To

The Shareholders,

Your Directors have pleasure in presenting the Forty Sixth Annual Report together with the Audited Financial Statements of your Company for the financial year ended March 31, 2015.

1. PERFORMANCE HIGHLIGHTS

- 1.1** The highlights of performance of the Company for the financial year 2014-15 were as under with comparative position of previous year's performance :

	(₹ in crore)	
Parameter	FY 2014-15	FY 2013-14
Loans Sanctioned (excluding sanctions under DDUGJY-RE and DDG)	61,421.37	70,739.48
Disbursements (including subsidy under DDUGJY-RE and DDG)	46,446.82	37,969.99
Recoveries (including interest)	32,005.56	30,755.36
Total Operating Income	20,229.53	17,017.98
Profit Before Tax	7,427.04	6,531.12
Profit After Tax	5,259.87	4,683.70

1.2 Financial Performance

The total operating income of your Company for the financial year 2014-15 increased by 19% to ₹ 20,229.53 crore from ₹ 17,017.98 crore during the previous year. The profit after tax increased by 12% to ₹ 5,259.87 crore from ₹ 4,683.70 crore in the previous year.

Loan asset book of your Company as on March 31, 2015 has increased by a healthy 21% to reach a historic high of ₹ 1,79,647 crore from ₹ 1,48,641 crore in the previous year. The outstanding borrowings as on March 31, 2015 were ₹ 1,51,024 crore.

Earnings Per Share (EPS) for the financial year ended March 31, 2015 was ₹ 53.27 of ₹ 10/- each as against ₹ 47.43 in the previous year. Net worth of the Company as on March 31, 2015 has increased by 20% to ₹ 24,857 crore from ₹ 20,669 crore in the previous year.

1.3 Dividend

In addition to an interim dividend of ₹ 8.00 (Rupees Eight only) per share paid on February 27, 2015, the Board of Directors of your Company has recommended a final dividend of ₹ 2.70 (Rupees Two and Seventy paise only) per share (on the face value of ₹ 10/- each) for the financial year 2014-15, which is subject to approval of the Shareholders in the 46th Annual General Meeting. Accordingly, the total dividend for the financial year 2014-15 will work out to ₹ 10.70 (Rupees Ten and Seventy Paise only) per share (on the face value of ₹ 10/- each), representing 107% of the paid-up share capital of the Company, as against ₹ 9.50 (Rupees Nine and Fifty paise only) per share, representing 95% of the paid-up share capital of the Company, in the previous year. The total dividend pay-out for the financial year 2014-15 will amount to ₹ 1,056.58 crore (excluding dividend distribution tax of ₹ 212.17 crore).



Shri Rajeev Sharma, CMD, REC presenting interim dividend cheque of ₹ 518.53 crore to Shri Piyush Goyal, Hon'ble Minister of State for Power (Independent Charge), Government of India.

1.4 Share Capital

The issued and paid up share capital of the Company as on March 31, 2015 was ₹ 987.46 crore divided into 98,74,59,000 equity shares of ₹ 10/- each against the Authorized Share Capital of ₹ 1,200 crore divided into 1,20,00,00,000 equity shares of ₹ 10/- each.

The President of India held 65.64 % of the paid up equity share capital of the Company as on March 31, 2015. During the financial year 2014-15, there was no change in the shareholding of the Promoter. However, during the financial year 2015-16, the President of India acting through Ministry of Power, Government of India divested/sold 4,93,72,950 equity shares i.e. 5 % of total paid up capital of the Company through Offer For Sale (OFS) on April 8, 2015 and further divested/sold 27,588 equity shares i.e. 0.003 % of total paid up capital of the Company through an off-market transaction under Central Public Sector Enterprises Exchange Traded Fund (CPSE ETF) on April 10, 2015. Accordingly, as on date, the President of India holds 60.64 % of the paid up equity share capital of the Company.

2. LOANS SANCTIONED

The Company sanctioned loans worth ₹ 61,421.37 crore during the financial year 2014-15, as against ₹ 70,739.48 crore in the previous year, excluding sanctions under Deendayal Upadhyay Gram Jyoti Yojana - RE Component (DDUGJY-RE) and Decentralised Distributed Generation (DDG). The state-wise and category-wise break-up of loans sanctioned during the financial year are given in enclosed **Table - 1** and **Table - 2** respectively. The cumulative amount of sanctions made since inception upto March 31, 2015 was ₹ 6,16,008.13 crore, including DDUGJY-RE and DDG project cost (capital subsidy and loan) upto XI five year plan. The cumulative state-wise position of sanctions upto the financial year 2014-15 is given in enclosed **Table - 3**.

3. DISBURSEMENTS

A total sum of ₹ 42,818.46 crore was disbursed during the financial year 2014-15 as against ₹ 35,546.02 crore in the previous year. Further, an amount of ₹ 4,002.73 crore under DDUGJY (including subsidy of ₹ 3,605.72 crore under RE component of DDUGJY and ₹ 22.64 crore under DDG subsidy) has been disbursed. The cumulative amount disbursed since inception up to March 31, 2015 was ₹ 2,83,512.55 crore excluding subsidy under DDUGJY-RE and DDG. The state-wise disbursements and repayment of loan by borrowers during the financial year 2014-15 together with cumulative figures and outstanding as on March 31, 2015 are given in enclosed **Table - 4**.

4. RECOVERIES

- 4.1** Your Company gives utmost priority to the timely realization of its dues towards principal, interest, etc. The amount due for recovery including interest during the financial year 2014-15 was ₹ 32,759.07 crore as compared to ₹ 31,312.57 crore during the previous year. The Company recovered a total sum of ₹ 32,005.56 crore during the financial year 2014-15 as against ₹ 30,755.36 crore during the previous year. The Company achieved recovery rate of 97.70 % for the financial year 2014-15. The overdues from defaulting borrowers as on March 31, 2015 were ₹ 1,549.18 crore.
- 4.2** Your Company's Non-Performing Assets (NPAs) continue to be at low levels. As on March 31, 2015, the Gross NPAs of the Company was ₹ 1,335.38 crore. The percentage of NPA as a percentage of Gross Loan Assets stood at 0.74 % as on March 31, 2015 as compared to 0.33 % as on March 31, 2014. The net NPA as on March 31, 2015 was ₹ 969.93 crore, which is 0.54 % of Gross Loan Assets.

The details of loans rescheduled during the financial year 2014-15 are as under:

		(₹ in crore)	
Particulars		FY 2014-15	FY 2013-14
Standard Loans Rescheduled*	No. of Borrowers	27	18
	Amount Outstanding	35,024.03	32,231.84

*The Rescheduled loan amount includes ₹ 10,671.47 crore wherein the first repayment date was extended due to delayed commissioning of the respective project.

There were no loans rescheduled in respect of Sub-standard & doubtful loans during the financial year 2014-15.

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, 2015 is as under:

		(₹ in crore)			
Particulars	Standalone		Consolidated		
	FY 2014-15	FY 2013-14	FY 2014-15	FY 2013-14	
Revenue from Operations	20,229.53	17,017.98	20,383.96	17,122.21	
Other Income	158.52	102.82	165.90	106.73	
Total Income	20,388.05	17,120.80	20,549.86	17,228.94	
Finance Costs	11,844.61	10,038.46	11,839.72	10,034.74	

Particulars	Standalone		Consolidated	
	FY 2014-15	FY 2013-14	FY 2014-15	FY 2013-14
Other Operating Expenses	313.44	239.20	353.33	264.90
Provisions and Contingencies	802.96	312.02	804.47	312.59
Total Expenses	12,961.01	10,589.68	12,997.52	10,612.23
Profit Before Tax	7,427.04	6,531.12	7,552.34	6,616.71
Provision for Taxation	2,167.17	1,847.42	2,207.92	1,875.46
Profit After Tax	5,259.87	4,683.70	5,344.42	4,741.25
Less : Appropriations				
Transfer to Special Reserve u/s 36(1)(viii) of the Income Tax Act, 1961	1,629.00	1,291.00	1,629.00	1,291.00
Transfer to Reserve for Bad & Doubtful Debts u/s 36(1) (viiia) of the Income Tax Act, 1961	353.00	288.00	353.00	288.00
Dividend	1,056.58	938.09	1,056.58	938.09
Dividend Distribution Tax	212.17	159.40	214.21	159.46
Transfer to Debenture Redemption Reserve	185.79	185.79	185.79	185.79
Transfer to General Reserve	526.00	470.00	530.76	490.30
Surplus carried over to Balance Sheet	1,297.33	1,351.42	1,375.08	1,388.61

5.1.1 Contribution to National Exchequer

During the financial year 2014-15, the Company contributed an amount of ₹ 3,134.24 crore as compared to ₹ 2,424.27 crore in the previous year to National Exchequer in the form of payment of Dividend to the Government of India against its shareholding in the Company, Dividend Distribution Tax, Direct Taxes and Service Tax paid including CENVAT credit, as detailed below:

Particulars	(₹ in crore)	
	FY 2014-15	FY 2013-14
Dividend paid to the Government of India	631.96	610.14
Dividend Distribution Tax*	187.26	155.20
Direct Taxes	2,285.04	1,640.42
Service Tax paid including CENVAT credit	29.98	18.51
Total	3,134.24	2,424.27

*Includes Dividend Distribution Tax on final dividend for the previous 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 2014-15 vis-à-vis 2013-14, is as under:

Particulars	FY 2014-15	FY 2013-14
Earnings Per Share (₹)	53.27	47.43
Return on Average Net Worth (%)	23.11	24.57
Book Value per Share (₹)	251.73	209.32
Debt Equity Ratio (times)	6.08	6.11
Price Earnings Ratio (times)*	6.25	4.84
Interest Coverage Ratio (times)	1.63	1.65

*PE Ratio has been calculated on the basis of closing price of equity share of REC as on March 31, 2015 and March 31, 2014, respectively at NSE.

5.2 Resource Mobilization

The Company mobilized ₹ 41,189.82 crore from the market during the financial year 2014-15. This includes ₹ 5,337.78 crore by way of Capital Gain Tax Exemption Bonds, ₹ 29,200 crore by way of non-priority sector bonds, ₹ 6,409.03 crore (i.e USD 1,050 million) from External Commercial Borrowings (ECB) and ₹ 243.01 crore by way of Official Development Assistance

(ODA) loan from Kreditanstalt für Wiederaufbau (KfW), Germany and Japan International Cooperation Agency (JICA), Japan. Further, an amount of ₹ 5,894.25 crore was also raised through Commercial Paper (CP).

Cash Credit Facilities

The 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

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

The Company enjoys international credit rating equivalent to sovereign rating of India from International Credit Rating Agencies Moody's and Fitch which are “Baa3” and “BBB-” respectively.

5.4 Cost of Borrowing

The overall weighted average annualized cost of borrowing for the funds raised during the financial year 2014-15 was 8.07 % p.a. and Interest Coverage Ratio was 1.63. As a result, the Company was able to deliver debt financing at competitive rates.

5.5 Redemption and Pre-Payment

During the financial year 2014-15, the Company repaid a total sum of ₹ 20,833.10 crore. This includes repayment amounting to ₹ 4.86 crore to the Government of India, ₹ 7,491.68 crore to non-priority / priority sector bond holders, ₹ 5,239.36 crore worth of Capital Gain Tax Exemption Bonds and ₹ 307.80 crore of Official Development Assistance (ODA) loan. The Company also redeemed long term and short term loans from Banks and Financial Institutions of ₹ 1,689.40 crore and Commercial Paper of ₹ 6,100 crore.

5.6 Deployment of Resources at the close of the year

At the close of the financial year 2014-15, the total resources of your Company stood at ₹ 1,83,175.03 crore. Out of this, Equity Share Capital amounted to ₹ 987.46 crore, Reserves & Surplus stood at ₹ 23,869.57 crore, Loans from Financial Institutions, Commercial Banks and Market Borrowings through Bonds accounted for ₹ 1,51,024.12 crore, Deferred Tax Liabilities amounted to ₹ 107.32 crore and other liabilities & provisions stood at ₹ 7,186.56 crore. These funds were deployed as Long / Short Term Loans of ₹ 1,79,281.49 crore (net of allowances of ₹ 365.45 crore), Fixed Assets (net of depreciation) of ₹ 81.32 crore (including capital work-in-progress), Investments of ₹ 1,613.47 crore, Cash & Bank Balances of ₹ 522.90 crore and other assets of ₹ 1,675.85 crore.

5.7 Policy Initiatives

The Company constantly reviews and revises its lending and operation policies/ procedures from time to time, to suitably align with market requirements as also with its corporate objectives and applicable statutory requirements. During the year, the Company has reviewed policies relating to Funding against Regulatory Assets, Risk Management, Resource Planning, Premature Re-payment / Prepayment, Whistle Blower/Vigil Mechanism and CSR & Sustainability Policy. The interest rates in respect of term loan and short term loan were also reviewed/revised during the year.

In spite of growing competition in the market, the Company has been able to maintain healthy spreads, balancing its objectives of business growth and profitability during the year.

6. PRESENT TRANSMISSION & DISTRIBUTION SCENARIO AND MAJOR CHALLENGES

The present scenario of Transmission and Distribution (T&D) industry is very challenging since the country has achieved highest ever Generation Capacity addition during the XI five year plan and further set a target for addition of 88,000 MW during the XII five year plan. The country is well on its course for achieving this target and the capacity of around 61,000 MW has already been added. This achievement shall pose an urgent requirement for creation of requisite T&D infrastructure during forthcoming years to be able to provide reliable, robust & efficient system for transfer of power from generation facilities to sub-stations and up to the consumer end.

Distribution has been identified as the weakest link in the power value chain and most difficult to deal with, due to ever increasing demand for affordable, reliable and quality power by various classes of consumers. Your Company has always strived to play an active role in creation of new infrastructure and augmentation/strengthening of the existing network. Your Company encourages the Distribution Companies (DISCOMs) to expedite various reform measures, adopt best practices including modernization and automation of systems/smart grid, IT enabled systems for metering & consumer services and helps them in improving their operational & financial performance.

Major challenges presently being faced by distribution sector includes high level of accumulated losses, high AT&C losses, limited capability to implement capital expenditure plans, delay in tariff order resulting in creation of regulatory assets, lack of tariff rationalisation leading to cross subsidy, delay in release of subsidy by State Government, delayed revenue collection cycle etc. which have caused a dent in DISCOMs' cash flows. Keeping in tune with the times and dynamic environment, your Company today finances entire gamut of distribution projects broadly with the objective of system improvement & augmentation, loss reduction measures, IT-enabling, consumer satisfaction and any special requirements of DISCOMs based on prudence and sound appraisal mechanism.

Your Company is playing a pivotal role in partnering with Ministry of Power, Government of India in all major initiatives and is committed to improve & turn around the power distribution sector in the country, by its deep involvement in programme like Deendayal Upadhyaya Gram Jyoti Yojana (DDUGJY) (Nodal Agency), Integrated Power Development Scheme (IPDS), National Electricity Fund (NEF) (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.

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 has still to go a long way.

In the past decade, Government of India has launched several programmes to extend the benefits to the ailing DISCOMs such as R-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 BPL households, R-APDRP for undertaking improvements in urban pockets and to introduce IT enabling of distribution systems and presently DDUGJY and IPDS. Further, NEF - Interest Subsidy Scheme is also under implementation with objective to promote capital investment & expedite the reform process in distribution sector. Government of India has also made its intervention to restructure loans to enhance liquidity situation of the DISCOMs in joint participation with State Government by way of FRP scheme.

The introduction of information & communication technology in Power Distribution Sector shall enable the power system to become "SMART" & near-real-time information shall allow utilities to manage the entire system as an integrated framework, thus actively sensing and responding to changes. Further, Ministry of Power had approved 14 nos. Smart Grid Pilot Projects with 50 % Government of India funding to test various functionalities in Indian Environment. Also, Government of India is promoting development of 100 smart cities, which shall lead to plethora of opportunities in further adoption of technology and best practises in the distribution segment.

The results of these measures have already started to show effect in terms of timely notification of tariffs by regulator in many states, filing of MYT petitions, claiming of Return of Equity in the ARR, release of revenue subsidy by State Government etc. The increased capital expenditure on part of DISCOMs may enable the strengthening of network such that the huge cost burden due to persistently high level of AT&C losses may be brought down and consequently the quality/reliability of supply to the end consumers may be ensured.

6.2 National Electricity Fund

REC is the Nodal Agency for National Electricity Fund (NEF) - interest subsidy scheme having provision of ₹ 8,466 crore (against interest subsidy) to be provided over 14 years on loan disbursements amounting to ₹ 25,000 crore, for distribution schemes sanctioned during the 2 years viz., 2012-13 and 2013-14. Ministry of Power, Government of India shall provide interest subsidy on loans disbursed to the State Power Utilities, 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 segment of power sector. The scheme is reform linked and interest subsidy of 3 % to 7 % is payable to the DISCOMs on achievement of reform based parameters outlined in NEF guidelines. Your Company during financial year 2012-13 & 2013-14 has already sanctioned projects as per provision of ₹ 25,000 crore to 25 DISCOMs in 14 states for taking benefits under NEF. The utilities from the states of Uttarakhand, Madhya Pradesh, Haryana and Rajasthan have already benefitted from the interest subsidy

of ₹ 7.51 crore approved under the scheme. The other state DISCOMs will also start taking benefit of interest subsidy on loans availed based on their annual achievement on mainly two 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 2014-15 are as under:

7.1 Generation

During the financial year 2014-15, your Company has sanctioned 34 nos. of Generation/R & M loans including 22 nos. of additional loan assistance with total financial outlay of ₹ 22,178.31 crore including consortium financing with other financial institutions and has disbursed ₹ 13,828.07 crore against the ongoing generation projects.

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

Particulars	No. of Loans	(₹ in crore) Loan Amount
STATE SECTOR		
Fresh Loan	10	15,405.68
Additional Loan	7	
PRIVATE SECTOR		
Fresh Loan	2	6,772.63
Additional loan	15	
Total	34	22,178.31

7.2 Renewable Energy

During the financial year 2014-15, your Company sanctioned loan assistance of ₹ 547.92 crore to 8 new grid-connected Renewable Energy projects with installed generation capacity aggregating to 193.86 MW which included 6 Solar photo-voltaic projects of 173.06 MW and 2 Wind projects aggregating to 20.8 MW.

The total cost of these projects aggregates to ₹ 1768.19 crore. Further, during the financial year 2014-15, total disbursement was ₹ 295.25 crore as detailed below:



50 MW Solar PV Project of M/s Kindle Engineering and Constructions Private Limited at Charanka Solar Park in District Patan, Gujarat financed by REC in consortium with other lenders

Assistance to Renewable Energy Projects (Grid-Connected)	Unit	FY 2014-15	FY 2013-14
No. of Projects Sanctioned	Nos.	8	6
Capacity of Sanctioned Projects	MW	193.86	98
Cost of Projects	₹ crore	1,768.19	993.08
Loan Sanctioned	₹ crore	547.92	295.48
Loan Disbursed	₹ crore	295.25	134.99

7.3 Transmission & Distribution

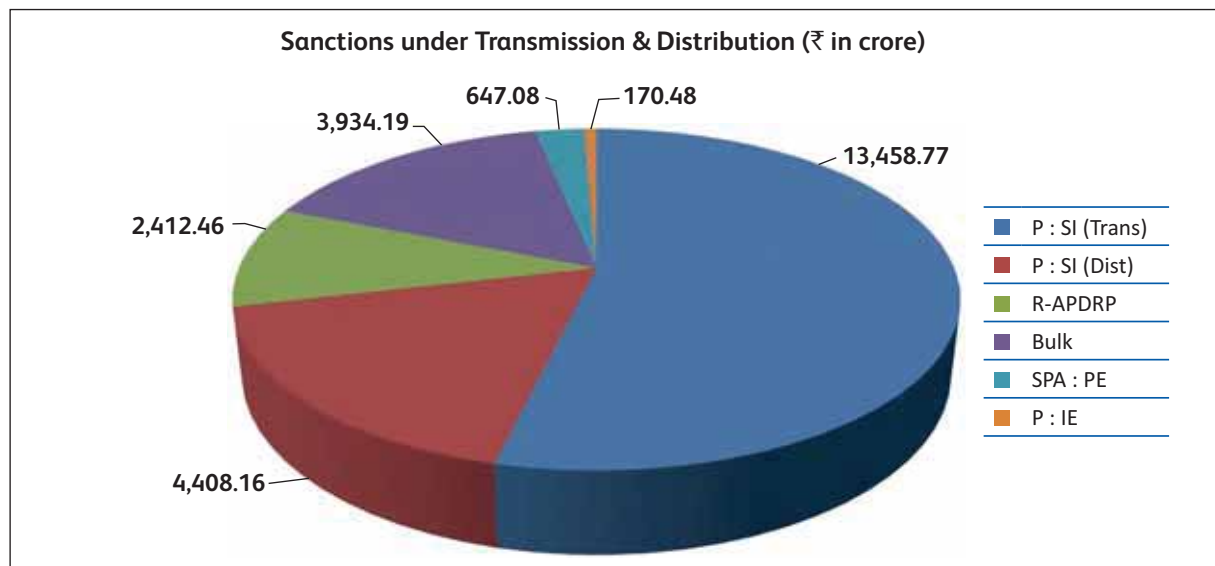
Your Company continued to play an active role in creation of new infrastructure and improvement of the existing ones under the transmission and distribution network in the country under its T&D portfolio. In line with the Government of India's objective to provide power for all by creation of infrastructure 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.



Switchyard of Sub-station of Maharashtra State Electricity Transmission Company Limited in District Nanded, Maharashtra, financed by REC.

During the financial year 2014-15, your Company sanctioned 552 nos. of Transmission & Distribution schemes involving a total loan assistance of ₹ 25,031.14 crore. 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 pumpset energisation schemes.

The state-wise and category-wise details of the projects sanctioned are given in the enclosed **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, conductors, poles etc. System Improvement schemes reduce the AT&C losses to a great extent.

During the financial year 2014-15, a total of 467 system improvement schemes and bulk loan schemes were sanctioned involving a loan outlay of ₹ 24,213.57 crore. This included: (i) 96 schemes involving a loan assistance of ₹ 3,934.19 crore for financing investment in the distribution system by way of installation of essential equipment like transformers, meters, capacitors, etc.; (ii) 161 schemes for ₹ 4,408.16 crore for improving the distribution system; (iii) 77 schemes involving loan assistance of ₹ 2,412.46 crore towards counterpart funding of Part-B of R-APDRP projects; and (iv) 133 schemes for loan assistance of ₹ 13,458.77 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 financial year 2014-15, a total of 23 intensive electrification schemes were sanctioned involving a loan outlay of ₹ 170.48 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 2014-15, under REC financed schemes, 2,56,026 nos. of electric irrigation pumpsets were reported to be energized. A loan assistance of ₹ 647.09 crore was sanctioned for 62 new schemes during the year under this category. The state-wise details and cumulative position of pumpsets energized up to March 31, 2015 are given in the enclosed **Table-5**.

7.4 Financing Activities in North Eastern States

During the financial year 2014-15, a loan assistance of ₹ 968 crore towards cost overrun was sanctioned for Generation schemes to M/s Teesta Urja Limited located in North Eastern region (Sikkim). A loan assistance of ₹ 39.88 crore was sanctioned to Manipur State Power Distribution Company Limited for R-APDRP projects under T&D.

A total sum of ₹ 418.99 crore was disbursed during the financial year 2014-15 as against ₹ 977.41 crore in the previous year for Generation projects in North Eastern states which include ₹ 287.01 crore to M/s Teesta Urja Limited, ₹ 43.82 crore to M/s Lanco Energy Private Limited, ₹ 88.16 crore to M/s Dans Energy Private Limited.

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 the Ministry of Power in bringing out integrated ratings for State Power Distribution Utilities and adopts the ratings as revised by Ministry of Power from time to time, to ensure uniformity in approach by various Banks/ Financial Institutions. 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

REC had signed its third loan agreement with KfW, Germany on March 30, 2012 for availing ODA loan of EUR 100 million (approx ₹ 675 crore) for financing Renewable Energy Projects in the areas of Wind Power / Small Hydro Power / Biomass Cogeneration / Biomass Power / Solar PV / Solar Thermal & Energy Efficiency. The loan shall be drawn over five years i.e. upto December, 2017. Under KfW-III, approved renewable energy projects are under implementation and cumulative amount of EUR 77.68 million (approx. ₹ 597.07 crore) has been drawn as on March 31, 2015. Under JICA-II ODA loan, cumulative amount of JPY 10,923.90 million (approx. ₹ 591.68 crore), has been drawn as on March 31, 2015.

9. DEENDAYAL UPADHYAYA GRAM JYOTI YOJANA (DDUGJY)

The Government of India, in April 2005 had launched the "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 was the Nodal Agency for implementation of the Scheme. Under the scheme, 90 % capital subsidy is being provided by Government of India which is released through REC to the respective Implementing Agencies of the State. Subsequently, RGGVY scheme has been subsumed in new 'Deendayal Upadhyaya Gram Jyoti Yojana' (DDUGJY) scheme which was approved by Government of India vide Office Memorandum dated December 3, 2014. REC is the Nodal agency for implementation of the DDUGJY Scheme. Under DDUGJY, 60 %



Change in way of rural life through DDUGJY

of the project cost (85 % for special States) is provided as grant by Government of India and additional grant upto 15 % (5 % for special States) is provided by Government of India on achievement of prescribed milestones. The main objectives of the scheme are to provide access to all rural households and reduction of AT&C losses as per trajectory (DISCOM-wise) finalized in consultation with States by the Ministry of Power, so as to achieve 24x7 power supply for non-agricultural consumers and adequate power supply for agricultural consumer through the following project components:

- Separation of agriculture and non-agriculture feeders facilitating improved quality power supply to non-agricultural consumers and adequate power supply to agricultural consumers in the rural areas;
- Strengthening and augmentation of sub-transmission & distribution infrastructure in rural areas, including metering of distribution transformers/feeders/consumers; and
- Subsuming Rural Electrification component laid down under RGGVY for XII and XIII five year plans into DDUGJY.

Under DDUGJY, during financial year 2014-15, ₹ 8,853.12 crore have been approved by Monitoring Committee of Ministry of Power (Himachal Pradesh - ₹ 159.12 crore, West Bengal - ₹ 4,262.10 crore, Madhya Pradesh - ₹ 2,865.25 crore, Tamil Nadu - ₹ 924.12 crore, Uttar Pradesh - ₹ 313.93 crore and Andhra Pradesh - ₹ 328.60 crore) and ₹ 500 crore have been released by Government of India.

9.1 RE Component: Electrification of Villages and BPL Households

The initial approval was for implementation of the scheme for capital subsidy of ₹ 5,000 crore during X five year plan period. 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 budgetary support of ₹ 6,000 crore outlay was also allotted by Ministry of Power in the XI five year plan.

Collectively in X & XI five year plans, 648 projects with the scope of electrification of 1,11,974 un-electrified villages, intensive electrification of 3,63,507 villages and electricity connections to 2.64 crore BPL households costing for ₹ 43,222 crore have been sanctioned upto March 31, 2015 by the Ministry of Power. The state-wise details thereof are given in the enclosed **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 in XIII five year plan.

Under XII five year plan, 273 projects with the scope of electrification of 8,830 un-electrified villages, intensive electrification of 2,32,376 villages and electricity connections to 132.36 lakh BPL households with the project cost of ₹ 23,607 crore have also been sanctioned by the Ministry of Power. The state-wise details thereof are given in the enclosed **Table-7**.

During the financial year 2014-15, work in 15,660 villages (1,405 un-electrified villages and 14,255 intensive electrification of villages) have been completed and free electricity connections to 7,59,377 BPL households have been provided. Further, during the financial year 2014-15, subsidy of ₹ 2,874.41 crore was disbursed by the Ministry of Power, Government of India, to REC for RE component of DDUGJY. Cumulatively, works in 1,09,524 un-electrified villages & intensive electrification of 3,14,958 villages have been completed and electricity connections to 2.18 crore BPL households have been provided under the scheme up to March 31, 2015. The state-wise details thereof are given in the enclosed **Table-8**.

During the financial year 2014-15, an amount of ₹ 4,002.73 crore (including subsidy of ₹ 3,605.72 crore under RE component of DDUGJY and ₹ 22.64 crore under DDG subsidy) has been disbursed. Also, a total of 3,173 nos. of villages were energized and closure of 275 nos. of projects as sanctioned in X and XI five year plan has been achieved as against MoU target of 300 projects.

10. DDUGJY- DECENTRALISED DISTRIBUTED GENERATION (DDG)

Decentralized Distributed Generation (DDG) under DDUGJY is for providing electricity access to the un-electrified villages/habitations where grid connectivity is either not feasible or not cost effective. In the XII five year plan, DDG has also been extended to grid connected areas to supplement the availability of power in areas where power supply is less than 6 hours a day. DDG can be from conventional or renewable sources such as biomass, biofuels, biogas, mini-hydro, solar, etc. A provision of ₹ 900 crore has been kept as the 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.

During the financial year 2014-15, 156 projects were awarded. REC has considered 505 DDG projects amounting to ₹ 128.66 crore with total capacity of about 3,119 KW in the states of Andhra Pradesh, Chhattisgarh, Rajasthan, Assam and Odisha. These projects have been recommended by Technical Committee to Monitoring Committee for sanction.

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 RE component of DDUGJY XI five year plan schemes, REC Quality Monitors (RQM) under Tier-II have been appointed by REC covering 413 projects in 25 states. Further, during the financial year 2014-15, RQMs have undertaken inspections of 2,920 villages and 28 substations and also 93 nos. of material inspection at manufacturer premises were carried out in XI five year plan for ensuring quality of works.

12. RISK MANAGEMENT

The Company has a Risk Management Policy which covers Asset Liability Management (ALM) 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. The Risk Management Policy of the Company was reviewed during the year and the revised policy was adopted with the approval of the Board of Directors.

12.1 Asset Liability Management

The Company has constituted an Asset Liability Management Committee (ALCO) under the chairmanship of CMD and comprises of Director (Finance), Director (Technical), one Part-time Non-official Independent Director, Executive Directors and 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 programme 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.

12.2 Enterprise-Wide Integrated Risk Management

The Company has constituted a Risk Management Committee (RMC) which functions under the chairmanship of Part-time Non-official Independent Director and comprises of Director (Finance) and Director (Technical) as its members for monitoring the integrated risks of the Company. After the completion of the tenure of the only Part-time Non-official Independent Director on March 15, 2015, this Committee is to be reconstituted.

The main function of RMC is to monitor various risks likely to arise 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 various 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 its 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 minimize 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.

13. 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 2014-15, under this Policy, participants from ten such preferred customers, mostly from the State Utilities viz. Maharashtra State Electricity Distribution Company Limited (MSEDCL), Maharashtra State Electricity Transmission Company Limited (MSETCL), Maharashtra State Power Generation Company Limited (MSPGCL), Tamil Nadu Generation and Distribution Corporation Limited (TANGEDCO), Bangalore Electric Supply Company Limited (BESCOM), Karnataka Power Corporation Limited (KPCL), Chhattisgarh State Power Distribution Company Limited (CSPDCL), Rajasthan Rajya Vidyut Prasaran Nigam Limited (RRVPL), Punjab State Power Corporation Limited (PSPCL) and Uttar Pradesh Power Corporation Limited (UPPCL) were sponsored by REC for 10 days training programme on “Global Best Practices in the Power Sector” held at Australia and New Zealand.

14. INFORMATION TECHNOLOGY INITIATIVES

An Integrated ERP system has been in operation since 2009 covering major business functions of the Company. Benefits of ERP system are being extended to the borrowers also as part of better service. Implementation of HR-ERP solution for automation of HR functions including Employee Self Service Portal across the Company is at advanced stage. Also, a Disaster Recovery Setup has been established in the Company for HR-ERP solution in January, 2015. Towards achieving efficient e-governance and transparency, REC has implemented on-line ‘e-procurement’ system for procurement of goods and services of value above ₹ 5 lakh, as per CVC guidelines. In addition, to improve internal efficiency and transparency, REC has developed and implemented various internal systems viz. Annual Property Return System, Bill Payment & Tracking System in selective Divisions handling payments, Visitor Management System, Audit Management System, File Movement System, etc.

Both the Primary Data Centre (PDC) and Disaster Recovery Center (DRC) of REC are ISO/IEC 27001:2013 certified and are compliant with National Cyber Security Policy as notified by Department of Electronics and Information Technology (DeitY), Ministry of Communications and Information Technology, Government of India. REC is implementing suitable Video Conferencing (VC) solution across all offices of the Company. In Phase-I, VC solution will be implemented in Corporate Office and Zonal Offices.

To make employees IT enabled, desktop computers have been provided to nearly 100 % employees (other than Class-IV employees). Further, IT Division of the Company organizes and imparts various training programmes both for internal requirements as well as for external agency also, on request, on ERP.

15. CENTRAL INSTITUTE FOR RURAL ELECTRIFICATION (CIRE)

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 programmes are conducted on state-of-the-art subjects of Power Generation, Transmission, Distribution and Renewable Energy sources. During the year, CIRE has been conferred with “Education Leadership Award” by Dewang Mehta Business School in the 22nd Business School Affaire in recognition of Leadership, Development, Innovation and Industry Interface of the Institute.

15.1 National Training Programmes under DDUGJY

CIRE is designated as the Nodal agency by Ministry of Power for implementation of National Training Programmes (NTP) on Franchisee and employees of C&D category under the Human Resources Development component of DDUGJY 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 MoAs with 33 Power Utilities/Training Institutes. 30,453 employees of C&D category were trained by various power utilities/institutions.

During the financial year 2014-15, CIRE under its banner, has conducted 47 Programmes for employees of C&D category with 1,187 participants at various locations of power utilities on their request and has conducted 8 programmes as Training-of-Trainers (ToT) with 204 participants.

15.2 R-APDRP Programme

CIRE, as partner training institute, organized R-APDRP programmes sponsored by Ministry of Power. During the financial year 2014-15, CIRE has conducted 24 R-APDRP programmes (18 for employees of A&B category and 6 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 in Post Go Live Scenario, Revenue Management & Loss Reduction in Post Go Live Scenario and O&M of Sub-stations for Linemen with 370 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 153 participants on the topics, viz., Planning and Management of Power Transmission & Distribution Systems (8 weeks); Financial Management and Accounting System (including IFRS) for Power Companies (8 weeks); Best Practices in Power Distribution (5 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-Stations (4 weeks); Solar Power Generation - Grid Enabling (4 weeks); Trends and Developments in Electric Power Generation (8 weeks) and Decentralised Distributed Generation & Rural Power Distribution Management (8 weeks).

The participants from various countries viz., Afghanistan, Algeria, Bangladesh, Bhutan, Ecuador, Egypt, Ethiopia, Gambia, Guyana, Indonesia, Iran, Jordan, Kenya, Kyrgyzstan, Laos, Lebanon, Liberia, Malawi, Mauritius, Myanmar, Namibia, Nigeria, Philippines, Rwanda, South Africa, Sri Lanka, Sudan, Syria, Tanzania, Thailand, Uganda, Ukraine, Vietnam, Zimbabwe, etc., have attended the above programmes.

15.4 Regular National Programmes

CIRE has organised 24 Regular Training Programmes with 400 participants for the personnel of various Power Utilities/ Distribution Companies, on different topics such as Technical Specifications and Construction Standards for 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 and Safety Measures in Electrical Installations; Open Access, Power Trading and Tariffs; Power and Distribution Transformers - Efficient Operation & Maintenance; High Voltage Distribution System Distribution Automation, Supervisory Control and Data Acquisition (SCADA) and Smart Grids; Solar Power Generation and Grid Enabling; Gas Insulated and Indoor Sub-stations including Power & Control Cables; Testing, Commissioning and Protection aspects in 33/11 KV Sub-stations; Design, O&M of Hydro Power Plants; Best Practices in Power Distribution Management; Power Factor Improvement and Reactive Power Management; Power Purchase Agreement; Tariff Policy & Submission of ARRs - Regulatory Compliance; Best Practices in O&M of EHV Lines and EHV Sub-stations; Efficiency Improvement Measures in Thermal Power Station; Technical Aspects for Non-Technical Executives; IT Applications for Distribution System Management and Latest Trends in Metering, Billing and Collection. In addition to the above, CIRE conducted a 1-day workshop on Ind-AS (IFRS) adoption in Indian power companies.

15.5 Programmes organised in collaboration

CIRE is organising training programmes in collaboration with a premier Management Institute i.e. Institute of Public Enterprise and conducted 4 programmes during the financial year 2014-15, viz., Best Practices in HR Management of Power Utilities; Materials Management, e-procurement & Contract Management; Companies Act, 2013 and Total Quality Management for Power Utilities with 47 participants.

15.6 Customized Programmes

During the financial year 2014-15, two induction programmes for Managers of Manipur Power Distribution Company Limited and two programmes for executives of Punjab State Power Corporation Limited on 'Power Distribution Management' were organized at CIRE campus.

15.7 In-house Training Programmes

CIRE has also organised 7 in-house programmes for the employees of REC and 104 employees have taken part in these programmes. The topics covered are e-procurement/ Reverse Auction; Solar Power Generation and Grid Enabling; Loan Documentation and Legal Issues; CSR and Sustainable Development; Companies Act, 2013 and IFRS; Employee Engagement, Motivation and Team Building and Hindi Workshop.

15.8 In all, during the financial year 2014-15, in addition to coordinating and monitoring the National Training Programmes for Franchisees and employees of C&D category, CIRE has conducted 128 programmes on various themes and trained 2,539 personnel with 14,582 man-days of training.

16. 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.

17. HUMAN RESOURCE MANAGEMENT

In order to professionalize the Executive strength of REC and also to infuse fresh blood, 24 executives were appointed through open advertisement during the financial year 2014-15. The total manpower of the Company as on March 31, 2015 was 601 employees which includes 427 executives and 174 non-executives.

17.1 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 the total strength as on March 31, 2015, are given below:

Group	Total No. of Employees	SC	ST
A	359(377)	33(35)	12(12)
B	121(122)	17(18)	2(2)
C	42(45)	7(7)	0(0)
D	79(87)	24(27)	1(1)
Total	601(631)	81(87)	15(15)

(Figures in brackets gives the corresponding position in the previous year)

As on March 31, 2015, 10 employees out of total employees are in the category of persons with disabilities which amounts to 1.66 % of total manpower of the Company.

17.2 Training & Human Resource Development

As a measure of capacity building including up-gradation of employees' skill sets and to ensure high delivery of performance, Training & HRD continued to receive priority during the financial year 2014-15. Training and Human Resource Policy of the Company aims at sharpening business skills and competence required for better employee performance and also provides all possible opportunities and support to the employees to improve their performance and productivity. Training was also provided to promote better understanding of professional requirements as well as to sensitize employees to socio-economic environment in which the business of the Company is carried out. Training, which helped employees in spiritual, health and attitudinal change process, was also imparted.

In order to equip the employees professionally, the Company sponsored 380 employees to various training programmes, workshops etc. within the country and abroad. In addition, three training programmes were conducted in-house which were attended by around 60 employees. Taken together, these initiatives enabled the Company to achieve 1,083 training man-days and also achieve an 'Excellent' rating on the MoU target for this parameter. 24 officers were deputed for programmes in countries like USA, Japan, Taiwan, France, China, Singapore and Australia, etc.



Programme on Risk Management organized from 17- 20 February, 2015 in New Delhi

Further, in terms of MoU target, 93 man-days as against 80 man-days, were devoted to impart training to officers for "assessing various risks i.e foreign exchange risk/credit risk/interest risk facing the company and measures to minimize the risk" and 28 officials as against 25 officials, were imparted training on "Leadership Development" in order to achieve 'Excellent' rating for the financial year 2014-15.

17.3 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 8 hospitals. Further, part time services of 4 specialized doctors were engaged to provide on-site medical facilities to employees. The Company has also been funding sports & recreation equipment for use by employees and promoting well-being of employees.

Sports Activities

During the financial year 2014-15, the Company hosted an Inter-CPSU Table-Tennis Tournament and also sponsored its employees for various Inter-CPSU sports tournaments such as Badminton, Table Tennis, Carrom, Kabbadi and Chess etc. organized by various power sector CPSUs under the aegis of Power Sports Control Board (PSCB). Further, employees were encouraged to participate in various quizzes, paper presentations and other simulation competitions conducted by reputed organizations like SCOPE, Power HR Forum and AIMA etc. Further, during the year Shri Vijay Behra, one of the employee, has won Gold Medal in Inter-CPSU Badminton Tournament (Singles Catogary) hosted by THDC India Limited.

17.4 Representation of Women Employees

As on March 31, 2015, the Company had 99 permanent women employees, which represent 16.47% 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. International Women's Day falling on March 8, was celebrated by REC Women Cell.

17.5 Industrial Relations

The Industrial Relations scenario in the Company continued to be cordial and harmonious in the financial year 2014-15. There was no loss of man-days on account of industrial unrest. Regular interactions were held with REC Employees' Union and REC Officers' Association on issues of employees' welfare. This has helped to build an atmosphere of trust and cooperation resulting in a motivated workforce and continued improvement in business performance. Further, no disciplinary case is pending in the Company.

17.6 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 Grievance also. One day in a week has been fixed as a Meeting-less day to attend to grievances by the Heads of Departments.

18. CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABLE DEVELOPMENT

The 'REC Policy on Corporate Social Responsibility' aligned with the provisions of the Companies Act, 2013 and Rules made thereunder, effective from April 1, 2014, was approved by the Board of Directors of the Company in its 402nd meeting held on March 28, 2014. The CSR Policy was renamed as the 'REC Corporate Social Responsibility & Sustainability Policy' in line with the Guidelines for CSR and Sustainability for Central Public Sector Enterprises issued by Department of Public Enterprises, Ministry of Heavy Industries & Public Enterprises notified vide OM No. F.No. (13) 2013-DPE (GM) dated October 21, 2014 and updated to incorporate the amendments of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014 made thereunder, effective from April 1, 2014, in the 410th meeting of Board of Directors held on December 26, 2014. The 'REC Corporate Social Responsibility & Sustainability Policy' is available on the website of the Company.

Further, as per the provisions of the Companies Act, 2013 & Rules made thereunder and DPE Guidelines on Corporate Social Responsibility and Sustainability, the Company has a 'Corporate Social Responsibility (CSR) Committee' in place. The details related to composition and terms of reference of the CSR Committee is given in the Corporate Governance Report annexed to this report.

During the financial year 2014-15, 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 initiatives in the fields of skill development programmes, education, environmental sustainability, promotion of health care including for elderly persons and persons with disabilities, drinking water and sanitation facilities including, participation in 'Swachh Vidyalaya



CMD, REC, at the launch of 'Swachh Vidyalaya Abhiyaan' in Ballia, Uttar Pradesh on October 2, 2014

Abhiyaan', LED based solar street lights in select un-electrified/ poorly electrified villages etc. The CSR strategy has been developed with action plan in project-based accountability approach. Most of the CSR activities have been implemented in project-mode, with baseline survey, specified time-frame, identified milestones and periodic monitoring and impact assessment. Disbursement of allocated funds under CSR was linked with achievement of the milestones and deliverables. During the financial year 2014-15, financial assistance aggregating to ₹ 251.22 crore was sanctioned for various projects under Corporate Social Responsibility, including ₹ 190 crore for construction of toilets in schools under 'Swachh Vidyalaya Abhiyaan', out of which ₹ 67 crore is against allocation for financial year 2014-15 and ₹ 123 crore is against allocation for financial year 2015-16. Further, during the financial year 2014-15, REC has incurred expenditure for an amount of ₹ 103.25 crore (including ₹ 57.21 crore provided for in the books of accounts) towards approved CSR projects under implementation during the financial year. This amount of ₹ 57.21 crore provided for during the financial year 2014-15 has since been paid during the financial year 2015-16.

In terms of the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Annual Report on CSR activities is annexed to this Report.

19. VIGILANCE ACTIVITIES

Vigilance Division continued to play a key role in improving transparency and accountability in the work processes and promoting ethics and integrity among the employees of the Company. The extant policies and guidelines were reviewed and Vigilance Division intervened wherever streamlining/modification was required to enhance objectivity and transparency. The Division regularly pursued with all concerned to ensure that CVC's instructions were strictly implemented in the Company. In order to provide a comprehensive view of Vigilance Division's activities, the section on Vigilance available on REC intranet website was restructured and all circulars from CVC and circulars issued by Vigilance Division, from time to time were regularly placed on REC intranet for information of all employees. Regular/surprise inspections were also carried out by officers of Vigilance Division in field offices and employees were sensitized about the importance of Vigilance and made aware that carelessness in observance of rules and procedures may attract disciplinary actions. Audit Reports were scrutinized from vigilance point of view.

Further, pursuant to initiatives of the Vigilance Division, the new implementations during the year were (a) a computerized Visitors Records Management System was operationalized (b) a comprehensive policy and procedure for reconciliation and maintenance of fixed assets was formulated and implemented (c) policy for engagement of advocates was made more comprehensive (d) review of third party payments through Bill Tracking System was initiated (e) concerned officials were sensitized about the process of 'Reverse Auction' (f) File Movement System was implemented in Vigilance Division (g) sensitive posts were identified and intimated to HR Division for affecting rotation/transfer of officers working on these posts.

As per directives of CVC, REC observed Vigilance Awareness Week from October 27, 2014 to November 1, 2014. Various activities were organized in the Corporate Office as well as at field offices to enlist the participation of the people at large. At the Corporate Office, quiz and essay writing competitions were organized and dignitaries were invited for delivering lectures to sensitize the employees of the Company on various vigilance related topics. Further, a session on vigilance matters was included in all in-house training programmes for REC employees being conducted at Central Institute for Rural Electrification (CIRES), Hyderabad. The scrutiny of tendering procedure was carried out in some cases of contracts awarded during the period and suggestions were given to the concerned Divisions to improve/streamline the tendering mechanism for enhancing competitiveness and fairness. Security measures were taken to prevent any leakages/irregularities and improve the security system in the office premises. Training on e-procurement was also imparted to the concerned officials and compliance on resorting to e-procurement mode was monitored regularly by Vigilance Division.

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 submissions of IPRs. Annual Property Returns of the employees were subject to systematic scrutiny. Periodical returns were sent to CVC/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.

20. IMPLEMENTATION OF OFFICIAL LANGUAGE

The Company excelled in most of the targets fixed by the Department of Official Language, Ministry of Home Affairs, in its Annual Programme for the financial year 2014-15. In order to encourage employees, all incentive schemes introduced by the Government of India have been implemented in the Company. During the year, employees of the Company have shown keen interest in the usage of Hindi; as a result its usage has increased in day-to-day work. To promote use of Hindi in official work, 6 Hindi workshops were organized at Corporate office in which 55 executives and 59 non-executives participated. This

helped them to overcome the hesitation in using Hindi in their day-to-day work. Further, Hindi workshops were organized for “C” region during June 19-20, 2014 at CIRE, Hyderabad and during September 19-20, 2014 at Ayikudi Tirunavelli, Tamil Nadu, which were attended by 51 and 14 employees, respectively.

A Hindi Pakhwara was organized at REC Offices from September 14 - 28, 2014, in which nine Hindi competitions including Hindi Quiz and Sulekh Competition, etc. were organized for employees of the Company and the winners of these competitions & those who had done maximum original work in Hindi Scheme 2013-14, were awarded certificates of merit & cash prizes, at Prize Distribution Function which was organized on November 14, 2014. The said function was chaired by CMD, REC and reputed poets viz. Shri Hari Om Pawar, Dr. Dinesh Raghuvanshi and Shri Mahendra Ajnabi were invited who enthralled the audience with their Hindi poetry. Further, Dr. P.C.Tandon, Senior Reader in University of Delhi also addressed the audience and emphasized on the importance of usage of Rajbhasha in official work. The Zonal office - Panchkula and Project office - Shimla were also awarded third and second prizes by their respective Narakas for doing excellent work in Hindi. During the financial year 2014-15, the Company has been honoured with “Rajbhasha Shri Samman” and “Vishesh Rajbhasha Shri Samman” by Bharatiya Rajbhasha Vikas Sansthan, Dehradun for promoting Rajbhasha.

During the financial year 2014-15, four quarterly review meetings of Official Language Implementation Committee were held under the chairmanship of CMD, in which detailed discussions were held to review the progress and suggest measures to overcome the difficulties in order to achieve the targets. During the year, inspections were also carried out to assess the progressive use of Hindi in 11 Divisions at Corporate Office and 9 Project Offices and suggestions were given to employees to improve the shortcomings. The officials of Ministry of Power also inspected two Project Offices during the year. Further, as against the target of 25 % inspection of Divisions of Corporate Office & Project Offices, set out in the Annual Programme 2014-15 by the Official Language Department, the Company achieved double the target of inspections at Corporate Office as well as Project Offices.

The website of the Company is maintained both in Hindi and English and is regularly updated from time to time. Bilingual working facility has been made available on all computers. All publications, reports, memorandums, press releases, MoUs, tenders, annual reports etc. were issued bilingually. To give impetus to the correspondence in Hindi, standard formats have also been made available on intranet. Further, the Company’s library is equipped with large number of Hindi literary books, magazines & reference publications and the required ratio in purchase of Hindi & English books was also ensured.

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

21.1 Conservation of Energy

There are no significant particulars relating to conservation of energy, technology absorption under the Companies (Accounts) Rules, 2014, as the 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 Company’s Registered Office is located is carried out by Standing Conference of Public Enterprises (SCOPE), an autonomous body. During the financial year 2014-15, SCOPE has saved around 4 lakh units of electricity consumption, resulting in saving of ₹ 40 lakh in terms of amounts mainly due to effective monitoring, controlling & scheduling the operations of chilling units, elevators, etc. & initiatives like installing energy efficient equipment, replacement of conventional light fittings/CFL, etc. with LED light fittings and maintaining power factor nearest to unity.

Further, during the financial year 2014-15, REC has also taken initiative to replace all conventional light fittings/CFL with energy efficient LED lights at its Registered office.

21.2 Foreign Exchange Earnings & Outgo

No foreign exchange was earned during the financial year 2014-15. However, the foreign exchange outflow aggregating ₹ 513.09 crore was made during the financial year on account of interest, finance charges and other expenses.

22. SUBSIDIARY COMPANIES

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

- (i) REC Power Distribution Company Limited (CIN: U40101DL2007GOI165779); and
- (ii) REC Transmission Projects Company Limited (CIN: U40101DL2007GOI157558)

Further, in order to initiate development of each independent inter state transmission project allocated by Ministry of Power, Government of India, RECTPCL incorporates project specific Special Purpose Vehicle (SPV) as Wholly Owned Subsidiary Company and after the selection of successful bidder through Tariff Based Competitive Bidding Process notified for transmission projects, the respective project specific SPV along with all its assets and liabilities is transferred to the successful bidder. As on date, the following project specific SPVs existed as Subsidiary Companies of RECTPCL:

- i. Nellore Transmission Limited (NTL) (CIN: U40104DL2012GOI245654)
- ii. Baira Siul Sarna Transmission Limited (BSSTL) (CIN: U40106DL2013GOI247564)
- iii. Maheshwaram Transmission Limited (MTL) (CIN: U40102DL2014GOI270446)
- iv. Vemagiri II Transmission Limited (V-II TL) (CIN: U40106DL2015GOI278746)#
- v. Alipurduar Transmission Limited (ATL) (CIN: U40109DL2015GOI278992)#
- vi. NER-II Transmission Limited (N-II TL) (CIN: U40106DL2015GOI279300)#

Incorporated after March 31, 2015

22.1 REC Power Distribution Company Limited

During the financial year 2014-15, REC Power Distribution Company Limited (RECPDCL) has excelled in the area of Third Party Inspection (TPI) and also set its quality benchmark in preparation of Detailed Project Reports (DPRs) through Global Positioning System (GPS) based field survey. The new initiatives undertaken by RECPDCL during the year include:

- i. IT Implementation works under R-APDRP Part-A for Goa Electricity Department Detailed Project Report (DPR) preparation works;
- ii. Project Management Consultancy (PMC) services under R-APDRP Part-B/IPDS/DDUGJY/any other departmental scheme of Goa Electricity Department (GED);
- iii. PMC work under DDUGJY-RE XII five year plan in 17 districts for Purvanchal Vidyut Vitran Nigam Limited (PuVVNL) and 21 districts for Dakshinanchal Vidyut Vitran Nigam Limited (DVVNL);
- iv. Preparation of DPR for revamping the rural electrification under electric supply area (Jamshedpur, Dumla, Dhanbad), DPR preparation under Decentralized Distribution Generation (DDG) scheme of Government of India for Assam Power Distribution Company Limited (APDCL) and Electricity Department, Nagaland;
- v. Third Party Inspection of erection work and material of DDUGJY-RE XI five year plan for North Bihar Power Distribution Company Limited (NBPDC), South Bihar Power Distribution Company Limited (SBPDCL) through open tender;
- vi. Third Party Inspection works and workmanship of DDUGJY-RE XI five year plan in Solapur District under Maharashtra State Electricity Distribution Company Limited (MSEDCL);
- vii. Preparation of Cost Data Book for financial year 2014-15 for Delhi Electricity Regulatory Commission (DERC);
- viii. Load Research Analysis for South Bihar Power Distribution Company Limited (SBPDCL) and North Bihar Power Distribution Company Limited (NBPDC) under DSM scheme for Energy Efficiency Services Limited (EESL);
- ix. Besides these works, RECPDCL was engaged as a Project Management Agency (PMA) for DDUGJY and IPDS schemes of Government of India in the following DISCOMs:
 1. Paschimanchal Vidyut Vitran Nigam Limited (PsVVNL)
 2. Dakshinanchal Vidyut Vitran Nigam Limited (DVVNL)
 3. Madhya Pradesh Madhya Kshetra Vidyut Vitran Company Limited (MPMKVVCL)
 4. Madhya Pradesh Poorv Kshetra Vidyut Vitran Company Limited (MPPoKVCL)
 5. West Bengal State Electricity Distribution Company Limited (WBSSEDCL)

During the financial year 2014-15, RECPDCL has prepared 61 Detailed Project Reports (DPRs) under DDUGJY-RE XII five year plan and 11 DPRs under RE works for Jharkhand DISCOMs and carried out Third Party Inspection (TPI) for various schemes.

Further, REC has engaged RECPDCL as Project Implementing and Monitoring Agency for construction of toilets in schools in Uttar Pradesh, Madhya Pradesh, Bihar, Telangana, Rajasthan and Punjab under its CSR initiative under 'Swachh Vidyalaya Abhiyaan' in response to Prime Minister's call to the nation. RECPDCL started the project by organizing Inaugural Event in 90 Schools in Ballia district of Uttar Pradesh on October 2, 2014.

RECPDCL has been conferred with ISO 14001:2004 Quality Assurance Certification, for implementing Quality Management Systems as per ISO 14001:2004 in the field of management of environmental aspects related to carrying out all the administrative and other allied activities through protection of environment in Corporate Office of the company.

The performance of RECPDCL in terms of MoU signed with the holding company i.e Rural Electrification Corporation Limited for the financial year 2013-14 has been rated as "Excellent" by the Department of Public Enterprise (DPE), Government of India. For the financial year 2014-15 also, the performance of RECPDCL is poised to receive "Excellent" rating.

The performance of RECPDCL has improved and the financial performance of the company is on the fast trajectory growth path. During the financial year 2014-15, the company's total revenue has increased by 16.75 % to ₹ 87.76 crore compared to the previous year income of ₹ 75.16 crore. The Profit Before Tax (PBT) has increased by 4.66 % to ₹ 52.52 crore as compared to ₹ 50.18 crore in the previous year. Further, the Profit After Tax (PAT) has also increased by 5.35 % to ₹ 34.77 crore from ₹ 33 crore during the previous year. The Board of Directors of RECPDCL has recommended a Dividend of ₹ 100/- per equity share of face value of ₹ 10/- each i.e 1,000 % for the financial year 2014-15 on paid up share capital of the company, subject to approval of shareholders of the company in the ensuing Annual General Meeting.

22.2 REC Transmission Projects Company Limited

During the financial year 2014-15, the Central Electricity Authority/ Ministry of Power, Government of India nominated REC Transmission Projects Company Limited (RECTPCL) as the Bid Process Coordinator for selection of developer for following eight inter state transmission systems with aggregate estimated cost of ₹ 21,040 crore:

- Transmission system associated with Gadawara STPS (2 X 800 MW) of NTPC (Part-A);
- Transmission system associated with Gadawara STPS (2 X 800 MW) of NTPC (Part-B);
- Connectivity lines for Maheshwaram (Hyderabad) 765/400 kV Pooling S/s;
- Transmission System Strengthening associated with Vindhyaachal-V;
- Transmission System for LTA of 400 MW for 2x500 MW Neyveli Lignite Corporation Ltd. TS-I (Replacement) (NNTPS) in Neyveli;
- Transmission System Strengthening in Indian System for transfer of power from new HEPs in Bhutan;
- NER System Strengthening Scheme-II; and
- Strengthening of transmission system beyond Vemagiri.

In order to initiate development of each independent inter state transmission project allocated by Ministry of Power, Government of India, RECTPCL incorporates a project specific Special Purpose Vehicle (SPV) as Wholly Owned Subsidiary Company. Further, for each of the transmission project, a two stage Bidding process featuring separate Request for Qualification (RFQ) and Request for Proposal (RfP) is adopted in accordance with Tariff Based Competitive Bidding Guidelines of Ministry of Power, Government of India for selection of developer as Transmission Service Provider. After the selection of successful bidder through Tariff Based Competitive Bidding Process notified for transmission projects, the respective project specific SPV along with all its assets and liabilities is transferred to the successful bidder.

Details of transmission projects for which bidding process has been concluded during financial year 2014-15 and financial year 2015-16 (till April 30, 2015) is given below:

Sl. No.	Name of Transmission Project	Year of allocation	Name of project specific SPV	Name of Selected Bidder	Date of Transfer of project specific SPV to selected bidder
1.	Northern Region System Strengthening Scheme, NRSS - XXXI (Part-A)	2013-14	NRSS XXXI (A) Transmission Limited	Power Grid Corporation of India Limited	May 12, 2014

Sl. No.	Name of Transmission Project	Year of allocation	Name of project specific SPV	Name of Selected Bidder	Date of Transfer of project specific SPV to selected bidder
2.	Northern Region System Strengthening Scheme, NRSS - XXXI (Part-B)	2013-14	NRSS XXXI (B) Transmission Limited	Essel Infraprojects Limited	May 12, 2014
3.	Northern Region System Strengthening Scheme, NRSS - XXIX	2013-14	NRSS XXIX Transmission Limited	Sterlite Grid Limited	August 4, 2014
4.	Transmission System Strengthening associated with Vindhyachal-V	2014-15	Vindhyachal Jabalpur Transmission Limited	Power Grid Corporation of India Limited	February 26, 2015
5.	Transmission system associated with Gadawara STPS (2 X 800 MW) of NTPC (Part-A)	2014-15	Gadarwara (A) Transco Limited	Power Grid Corporation of India Limited	April 24, 2015
6.	Transmission system associated with Gadawara STPS (2 X 800 MW) of NTPC (Part-B)	2014-15	Gadarwara (B) Transmission Limited	Power Grid Corporation of India Limited	April 24, 2015

Further during the financial year 2015-16, three Wholly Owned Subsidiary companies have been incorporated as project specific Special Purpose Vehicles (SPVs) of RECTPCL viz. (i) Vemagiri II Transmission Limited (CIN: U40106DL2015GOI278746) on April 6, 2015; (ii) Alipurduar Transmission Limited (CIN: U40109DL2015GOI278992) on April 13, 2015; and (iii) NER-II Transmission Limited (CIN: U40106DL2015GOI279300) on April 21, 2015.

In respect of Transmission System for LTA of 400 MW for 2x500 MW Neyveli Lignite Corporation Ltd. TS-I (Replacement) (NNTPS) in Neyveli, considering the small size of project, CEA has recommended Ministry of Power to de-notify the project from tariff based competitive bidding process. During the year, Central Electricity Authority, Ministry of Power, Government of India vide Gazette Notification dated February 9, 2015 had de-notified one transmission project viz., Baira Siul HEP - Sarna 220 kV D/c line from tariff based competitive bidding process. Further, Ministry of Power vide Gazette Notification dated January 2, 2014 had earlier de-notified the transmission project for Transmission System for Connectivity for NCC Power Projects Limited (1320 MW) due to discovery of higher tariff as compared to CERC norms.

During the financial year ended March 31, 2015, RECTPCL has recorded an income of ₹ 72.44 crore. The Profit Before Tax and Profit After Tax for the year is ₹ 69.92 crore and ₹ 47.54 crore, respectively. The Net worth of the company is ₹ 105.01 crore against initial capital of ₹ 0.05 crore injected by REC in year 2007. The Board of Directors of RECTPCL has recommended a Dividend of ₹ 1,902/- per equity share of face value of ₹ 10/- each i.e 19,020 % for the financial year 2014-15 on paid up share capital of the company, subject to approval of shareholders of the company in the ensuing Annual General Meeting.

23. DETAILS OF JOINT VENTURE AND ASSOCIATE COMPANY

REC, along with three other PSUs, viz. Power Grid Corporation of India Limited, NTPC and PFC as equal partners, has formed a Joint Venture Company by the name of Energy Efficiency Services Limited (EESL) on December 10, 2009. Your Company has contributed ₹ 22.50 crore (being 25 % of paid-up capital of EESL) upto March 31, 2015. Further, during the financial year 2015-16, REC has infused an additional amount of ₹ 25.00 crore towards equity subscription in EESL.

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 Pumpsets 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.

The performance of EESL during the year 2014-15, has improved and the financial performance of the company is on the growth path. During the financial year 2014-15, the company's total revenue is ₹ 62.53 crore compared to the previous year income of ₹ 16.75 crore. The Profit Before Tax (PBT) is ₹ 13.57 crore as compared to ₹ 4.81 crore in the previous year. Further, the Profit After Tax (PAT) has also increased to ₹ 9.05 crore from ₹ 1.02 crore during the previous year. The Board of Directors of the company has recommended dividend of ₹ 2.71 crore i.e. 30 % of PAT for the financial year 2014-15, subject to approval of shareholders of the company in the ensuing Annual General Meeting.

24. CONSOLIDATED FINANCIAL STATEMENTS

Pursuant to Section 129 of the Companies Act, 2013 and Accounting Standard-21, the Company has prepared Consolidated Financial Statements including that of its Subsidiary Companies i.e RECTPCL and RECPDCL and Joint Venture Company i.e EESL, which shall be laid before the members at the 46th Annual General Meeting along with the Standalone Financial Statements of the Company. However, those subsidiary companies which are incorporated for the purpose of subsequent disposal have not been consolidated in the financial statements of the Company.

Pursuant to sub-section (3) of Section 129 of the Act, a statement containing the salient features of the financial statements of subsidiaries and joint venture in Form AOC-1 forms part of this Annual Report.

The Audited Financial Statements including the Consolidated Financial Statements and Audited Accounts of Subsidiaries of the Company are available on the website of the Company at www.recindia.gov.in. Further, these documents will be available for inspection during the business hours by any member or trustee of the holder of any debentures at the Registered Office of the Company. The Company will also make available copy thereof upon specific request by any member of the Company interested in obtaining the same.

25. DIRECTORS AND KEY MANAGERIAL PERSONNEL

Being a Government Company, the power of appointment of Directors on the Board of the Company is vested with the President of India acting through the Ministry of Power, Government of India. The remuneration of Directors and employees of the Company is fixed as per extant Guidelines issued by Department of Public Enterprises (DPE), from time to time. Further, the Part-time Non-official Independent Directors are paid sitting fees, as decided by the Board of Directors from time to time (within the limits prescribed under the Companies Act, 2013) for attending Board and Committee meetings. As per the norms of Government of India, the Government Nominee Director is not entitled to receive any remuneration/sitting fee from the Company. The details of remuneration/sitting fees paid to Directors are given in Corporate Governance Report annexed to this report.

Further, Ministry of Corporate Affairs (MCA) vide Notification dated June 5, 2015, has exempted Government Companies from the requirements related to criteria formulation for determining qualifications, positive attributes and independence of Directors and policy relating to remuneration of Directors.

As per the provisions of the Companies Act, 2013, Chairman and Managing Director (CMD), Director (Technical), Director (Finance) and Company Secretary are Key Managerial Personnel (KMPs) of the Company. The role of CEO is being performed by the CMD and the role of CFO is being performed by Director (Finance) of the Company. None of the Key Managerial Personnel has resigned or has been appointed, during the year under review.

Further, as on April 1, 2014, there were three Part-time Non-official Independent Directors on the Board of the Company viz. Dr. Devi Singh (DIN: 00015681), Shri Venkataraman Subramanian (DIN: 00357727) and Dr. Sunil Kumar Gupta (DIN: 00948089). All the Independent Directors had given declaration that they meet the criteria of independence as laid down under Section 149 of the Companies Act, 2013.

During the financial year 2014-15, the tenure of three years of Dr. Devi Singh and Shri Venkataraman Subramanian, Part-time Non-official Independent Directors was completed on June 9, 2014 and that of Dr. Sunil Kumar Gupta, Part-time Non-official Independent Director was completed on March 15, 2015. Consequently, they ceased to be Directors on the Board of the Company with effect from the respective dates. The Board places on record its appreciation of the valuable contribution and guidance provided by Dr. Devi Singh, Shri Venkataraman Subramanian and Dr. Sunil Kumar Gupta to the Company.

Further, 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 Prakash Thakkar (DIN: 01120152) shall retire by rotation at the 46th Annual General Meeting and being eligible, offers himself for re-appointment. The Board of Directors recommends his reappointment as Director, till the date of his superannuation. His brief resume is annexed to the Notice of the Annual General Meeting.

26. EVALUATION OF BOARD OF DIRECTORS/INDEPENDENT DIRECTORS

As per the provisions of the Companies Act, 2013 and Rules made thereunder, a listed company is required to disclose in its Board's Report, a statement indicating the manner in which formal annual evaluation has been made by the Board of its

own performance and that of its Committees and Individual Directors. Further, as per the provisions of Listing Agreement entered with the Stock Exchanges, the criteria for performance evaluation of independent directors, as laid down by the Nomination and Remuneration Committee, is also required to be disclosed in the Annual Report.

REC, being a Government Company, the performance evaluation of Functional Directors is done by Chairman and Managing Director (CMD) of the Company and performance evaluation of CMD, the Company and its Board is done by Secretary (Power), Ministry of Power, Government of India. Further, the power of appointment and evaluation of performance of Independent Directors is also vested with the President of India, acting through administrative Ministry..

Further, Ministry of Corporate Affairs (MCA) vide Notification dated June 5, 2015, has prescribed that the requirement of carrying out formal annual evaluation by the Board of its own performance and that of its committees and individual directors is not applicable in case of Government Companies since the same is done by the Administrative Ministry.

27. MoU RATING AND AWARDS

The performance of your Company in terms of MoU signed with the Ministry of Power, Government of India for the financial year 2013-14 has been rated as "Excellent". This is the 21st 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 2014-15 also, the Company is poised to receive "Excellent" rating. During the year, your Company received 'Company of the Year' award for 'Operational Performance Excellence' under PSE Excellence Awards 2014. Your Company also received Award for 'Excellence in Financial Services' under India Pride Awards 2014-15 from Dainik Bhaskar & DNA.



Shri Rajeev Sharma, CMD, REC exchanging MoU 2015-16 documents with Shri P. K. Sinha, Ex-Secretary, Ministry of Power, Government of India.

During the financial year 2014-15, the Company has received 13th ICSI National Award for Excellence in Corporate Governance from the Institute of Company Secretaries of India (ICSI), a statutory body constituted under the Company Secretaries Act, 1980, in recognition of the good Corporate Governance practices followed by REC.

28. BOARD & COMMITTEES OF THE BOARD

The details of the composition, terms of reference and number of meetings of the Board and its Committees held during the financial year 2014-15 are provided in the Corporate Governance Report annexed to this Report.

29. DIRECTORS' RESPONSIBILITY STATEMENT

With reference to Section 134(5) of the Companies Act, 2013, it is confirmed that:

- (i) in the preparation of the annual accounts for the year ended March 31, 2015, 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 has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, 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;
- (v) internal financial controls have been laid to be followed by the Company and such internal financial controls were adequate and operating effectively; and
- (vi) proper systems have been devised to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively.

30. "THINK GREEN, GO GREEN" INITIATIVE

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, the Company has actively supported the implementation of 'Green Initiative' of Ministry of Corporate Affairs (MCA) and effected electronic delivery of Notices and Annual Reports since year 2010-11 to those shareholders whose email ids were already registered with the respective Depository Participants (DPs) and who have not opted for receiving such documents in physical form. The intimation of dividends (interim/final) is also being sent electronically to those shareholders whose email ids are 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.

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

31. SWACHH BHARAT ABHIYAAN

'Swachh Bharat Abhiyaan' was celebrated in the Company from September 25, 2014 to October 2, 2014. On the birth anniversary of Mahatma Gandhi, Father of the Nation on October 2, 2014, 'Swachh Bharat Diwas' was celebrated with enthusiasm amongst employees at all offices of the Company and on this occasion, 'Swachhta Shapath' was administered by the CMD at Corporate Office wherein he emphasized that this Abhiyaan should be carried out as a 'continuous process' and appealed to the employees to carry forward this noble movement.

Cleanliness drive of neighbourhoods at all offices of REC was also carried out wherein the employees participated with immense enthusiasm and zeal. Further, to ensure wider dissemination of this message, posters were made and displayed at all REC offices to sensitize the employees on the issues of cleanliness. In furtherance of

this Abhiyaan, various initiatives were taken which include printing of logo of 'Swachh Bharat Mission' on all file covers and letterheads of the Company, weeding out of old records to make workstations clean & presentable, ease storage space constraints, proper stacking of records and files with indexing, proper clipping of wires/cables, phasing out the old IT hardware and furniture, clear access and cleanliness of passages etc. The Company is fully committed towards the cause of creating a clean India and will continue to improve the cleanliness in and around the premises.

Further, an essay Competition on 'Cleanliness is next to Godliness' was also organized in the Company in which many employees participated. A suggestion scheme for employees was organized on "How to improve cleanliness of our work place" and best suggestions were rewarded.

32. 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 appeals and furnishing information thereto. RTI Handbook, both in English and Hindi, has been placed on REC website which is updated periodically.



Directors and Senior officials of REC participated in cleanliness drive in and around the Corporate Office during the 'Swachh Bharat Abhiyaan' celebrated in the Company.

The status of RTI applications and appeals during the financial year 2014-15 is as follows:

Sl. No.	Particulars	Nos.
1.	Applications received (upto March 31, 2015)	263
2.	Applications disposed of (upto March 31, 2015)	248
3.	Applications disposed of subsequently	15
4.	Appeals received by First Appellate Authority, REC	19
5.	Appeals disposed of by First Appellate Authority, REC	19
6.	Second Appeal notice received from Central Information Commission (CIC)	Nil
7.	Second Appeal disposed of by Central Information Commission (CIC)	Nil

33. ESTABLISHMENT OF VIGIL MECHANISM

In pursuance to the provisions of the Companies Act, 2013 and the Listing Agreement entered with the Stock Exchanges, the Company has established a 'Vigil Mechanism' for Directors and employees to report their genuine concerns or grievances about unethical behavior, actual or suspected fraud or violation of Company's Code of Conduct or Ethics Policy. As an integral part of such Vigil Mechanism, the Whistle Blower Policy of REC has been formulated with a view to empower the Directors and employees of REC and / or its subsidiary companies, to detect and report any improper activity within the Company and the same is also available on the website of the Company at the link http://www.recindia.nic.in/images/pdf-files/Whistle_Blower_Policy.pdf. For further details, please refer to the 'Report on Corporate Governance' annexed to this report.

34. REPORTING UNDER PUBLIC PROCUREMENT POLICY FOR MICRO & SMALL ENTERPRISES (MSES) ORDER, 2012

To encourage participation by Micro, Small and Medium Enterprises (MSMEs) including Micro and Small Enterprises owned by SC/ST, all the directives mentioned in the Public Procurement Policy Order, 2012 have been included in REC procurement guidelines and it has also been uploaded in REC's website at the link: http://www.recindia.nic.in/images/pdf-files/Public_Procurement_Policy.pdf.

REC, being a financial institution is not executing any project. Hence, only petty purchases i.e. stationery and office equipment from small vendors are being made.

35. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

In line with provisions of 'Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act 2013', an 'Internal Complaints Committee' has been constituted in the Company for redressal of complaint(s) against sexual harassment of women employees. The Committee is headed by a senior level woman official of the Company and includes an NGO representative as one of its members. Anti-sexual harassment stance of the Company is also outlined in REC (Conduct, Discipline and Appeal) Rules.

During the financial year 2014-15, the Company did not receive any complaint of sexual harassment.

36. EXTRACT OF ANNUAL RETURN

Pursuant to Section 92(3) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of Annual Return in Form MGT - 9, is annexed to this Report.

37. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The particulars of contract(s) or arrangement(s) entered into by the Company with related parties as per the provisions of the Companies Act, 2013 are disclosed in Form AOC-2, annexed to this Report.

38. AUDITORS

STATUTORY AUDITORS

M/s Raj Har Gopal & Co., Chartered Accountants (Firm Reg. No.: 002074N), New Delhi and M/s P.K. Chopra & Co., Chartered Accountants (Firm Reg. No.: 006747N), New Delhi, were appointed as Joint Statutory Auditors of the Company for the financial year 2014-15 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, 2015.

Further, the Comptroller and Auditor General (C&AG) of India, in exercise of powers conferred under Section 139 of the Companies Act, 2013 has appointed M/s. Raj Har Gopal & Co., Chartered Accountants (Firm Reg. No.: 002074N), New Delhi and M/s. A. R. & Co., Chartered Accountants (Firm Reg. No.: 002744C), New Delhi, as the Joint Statutory Auditors of the Company for the financial year 2015-16 and the Joint Statutory Auditors have also accepted their appointment. Approval of the

Members of the Company will be obtained in the ensuing Annual General Meeting, to authorize the Board of Directors of the Company, to fix the remuneration of Auditors for the financial year 2015-16.

SECRETARIAL AUDITORS

M/s Chandrasekaran Associates, Practicing Company Secretaries, New Delhi were appointed as Secretarial Auditors of the Company for carrying out Secretarial Audit for the financial year 2014-15. In terms of Section 204 of the Companies Act, 2013 and Rules made thereunder, they have issued Secretarial Audit Report for the financial year 2014-15 and the same is annexed to this Report.

38.1 Management's Comments on the 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 2014-15. However, they have suggested that Internal Control System needs to be further strengthened. The Management's Reply to the observations / advice are submitted as under:

Observation of Joint Statutory Auditors	Management's Reply
<p>Point (iv) of Annexure to the Independent Auditors' Report referred in Paragraph 1 under 'Report on Other Legal and Regulatory Requirements' Section of Independent Auditors' Report on Standalone & Consolidated Financial Statements</p> <p>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.</p>	<p>Continuous efforts are being made to further strengthen the internal control in the said areas.</p>
<p>Emphasis of Matter Paragraph in Consolidated Financial Statements</p> <p>In respect of one of the subsidiaries in the Group, REC Power Distribution Company Limited, attention is drawn that adequate confirmations from receivables have not been obtained. However, our opinion is not modified in this respect.</p>	<p>The observation, as already referred to by the auditors, pertains to one of our subsidiaries, REC Power Distribution Company Limited. Efforts shall be made to streamline the process of obtaining confirmations from the receivables by the subsidiary. However, the proportion of receivables of the subsidiary to the total assets of the Group including its jointly controlled entity is just 0.0004 %.</p>

The Secretarial Auditors of the Company have given their report for the financial year 2014-15 and have made certain observations relating to composition of the Board and its Committees. The Management's Reply to the observations are submitted as under:

Observation of Secretarial Auditors	Management's Reply
<ol style="list-style-type: none"> The Company has not complied with the provision of Section 149 of the Companies Act 2013, read with Clause 49 of the Listing Agreement in respect of appointment of requisite number of Independent Directors on the Board, including Woman Director. The Company has not complied with the provision of Section 177/178 read with the Clause 49 of the Listing Agreement in respect of composition of Audit Committee and Nomination and Remuneration Committee. 	<p>REC is a Government Company and as per provisions of Article 82 of Articles of Association of the Company, the power of appointment of Directors on the Board of the Company is vested with the President of India, acting through administrative Ministry. The Company has requested the Ministry of Power, Government of India to appoint requisite number of Independent Directors on the Board of the Company including a Woman Director and the same is under process.</p> <p>Once the requisite number of Independent Directors including a Woman Director is appointed by the President of India, the Company would be in compliance with the provisions of the Companies Act 2013, Listing Agreement and DPE Guidelines on Corporate Governance for CPSEs relating to composition of Board and its Committees.</p>

39. COMMENTS OF C&AG OF INDIA

The Comptroller and Auditor General (C&AG) of India, through letters dated July 30, 2015 has given 'Nil' Comments on the Audited Financial Statements (Standalone & Consolidated) of the Company for the year ended March 31, 2015 under Section 143 (6) (a) of the Companies Act, 2013. The Comments of C&AG for the financial year 2014-15 have been placed along with the report of Statutory Auditors of the Company elsewhere in this Annual Report.

40. 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.

41. STATUTORY DISCLOSURES

- a) There was no change in the nature of business of the Company during the financial year 2014-15.
- b) The Company has not accepted any public deposits during the financial year 2014-15.
- c) No significant and material orders were passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.
- d) The Company maintains an adequate system of Internal Controls including suitable monitoring procedures, which ensure accurate and timely financial reporting of various transactions, efficiency of operations and compliance with statutory laws, regulations and Company policies. For details, please refer to the 'Management Discussion and Analysis Report' annexed to this report.
- e) Pursuant to Section 186(11) of the Companies Act, 2013, loans made, guarantees given or securities provided by a company engaged in the business of financing of companies or of providing infrastructural facilities in the ordinary course of its business are not applicable to the Company, hence no disclosure is required to be made. Further, the details of investments are given at Note no. 10 of Notes to Accounts to standalone financial statements.
- f) Since the provisions of Section 197 of the Companies Act, 2013 and Rules made thereunder are not applicable to Government Companies, no disclosure is required to be made.
- g) There are no material changes and commitments, affecting the financial position of the Company which has occurred between the end of the financial year i.e. March 31, 2015 and the date of this report.
- h) The Company has not issued any stock options to the Directors or any employee of the Company.

42. NEW CORPORATE OFFICE BUILDING AT GURGAON

As the activities of REC has increased manifold during the last decade, REC is facing acute shortage of office space in present office at SCOPE Complex. REC had requested Haryana Urban Development Authority (HUDA) & New Okhla Industrial Development Authority (NOIDA) in year 2004, to allot a plot for construction of its corporate office. Accordingly, HUDA, Gurgaon had allotted an Institutional plot measuring 4.21 acre in Sector-29, Gurgaon in the year 2006. Now, REC has taken up construction of its new Corporate HQ Building at the allotted institutional plot in Gurgaon since April, 2015, which is expected to be completed in next three years.



Proposed Office Building of REC has been designed as economical, well-engineered, Bio-Climatic Building that responds to the effects of climate on the building form to evolve its shape to reduce urban heat island effect. The building is planned to have open porous & bio-climatic façade, landscape integrated work environment and healthy workspaces which includes ergonomically designed furniture, re-adjustable partitions, finish free white concrete ceiling, high recycled content products and movable services in access floor system. Radiant cooling of slab is designed to reduce system load, power consumption, water consumption and carbon footprint.

Conceptual view of proposed Corporate Headquarters Building of REC at Gurgaon.

The building is also designed for 100 % waste water recycling, full site rain water harvesting using 6 Million litre storage tank at 3rd basement and use of drip irrigation network for landscape. Building complex is also having provision for an auditorium having 400 seating capacity.

To comply with the directives of Government of India regarding GRIHA rated building and requirement of HUDA, a 964 kWp solar pergola will also be installed at roof top of the building to utilize renewable energy resources.

43. STATUTORY AND OTHER INFORMATION REQUIREMENTS

Information required to be furnished as per the Companies Act, 2013, Listing Agreement executed with Stock Exchanges and other statutory provisions is annexed to this report as under:

Particulars	Annexure
Management Discussion & Analysis Report	I
Report on Corporate Governance	II
Auditors Certificate Corporate Governance	III
Business Responsibility Report	IV
Secretarial Audit Report issued by the Secretarial Auditors of the Company	V
Annual Report on CSR activities	VI
Extract of Annual Return	VII
Particulars of Contracts or Arrangements with Related Parties	VIII
Details of Debenture Trustees appointed by the Company for different Bonds Series	IX

44. ACKNOWLEDGEMENTS

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

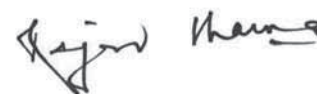
The Directors thank the State Governments, State Electricity Boards, State Power Utilities and other Borrowers for their continued support and trust in the Company.

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

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 7, 2015

TABLE - I : SCHEMES SANCTIONED DURING 2014-15 UNDER REC FINANCED SCHEMES

(₹ in Lakh)

Sl. No.	State	No. of Schemes/Projects	Loan Amount
A.	T&D Projects		
1	Andhra Pradesh	53	5,72,972.80
2	Chhattisgarh	16	71,334.85
3	Haryana	90	1,65,516.11
4	Himachal Pradesh	25	10,181.92
5	Jammu and Kashmir	19	5,143.40
6	Karnataka	36	1,10,849.90
7	Kerala	2	7,094.46
8	Madhya Pradesh	1	15,470.00
9	Maharashtra	63	2,02,195.83
10	Manipur	13	3,988.00
11	Odisha	12	19,772.49
12	Punjab	46	1,30,628.42
13	Rajasthan	28	1,33,379.09
14	Tamil Nadu	34	2,18,657.93
15	Telangana	57	1,40,981.15
16	Uttar Pradesh	21	3,97,304.33
17	Uttarakhand	13	51,206.54
18	West Bengal	23	2,38,857.85
19	Private (T&D)	0	7,579.00
	Sub-Total-(A)	552	25,03,114.07
B	Generation Projects		
1	Andhra Pradesh/Telangana	0	1,15,200.00
2	Bihar	1	2,37,698.00
3	Chhattisgarh	0	1,50,521.00
4	Gujarat	0	11,674.00
5	Karnataka	1	1,87,300.00
6	Kerala	2	20,386.00
7	Maharashtra	0	1,32,018.00
8	Madhya Pradesh	1	61,600.00
9	Odisha	4	2,59,383.00
10	Sikkim	0	96,800.00
11	Tamil Nadu & Puducherry	2	4,84,074.00
12	Uttar Pradesh	1	4,52,395.00
13	Uttarakhand	0	8,782.00
	Sub-Total-(B)	12*	22,17,831.00
C	Renewable Projects		
1	Andhra Pradesh	1	2,445.00
2	Gujarat	3	21,658.00
3	Maharashtra	2	9,689.00
4	Odisha	1	11,200.00
5	Rajasthan	1	9,800.00
	Sub-Total-(C)	8	54,792.00
D	STL and others		
1	Delhi	1	50,000.00
2	Karnataka	9	1,31,000.00
3	Madhya Pradesh	5	2,05,000.00
4	Meghalaya	2	15,000.00
5	Punjab	9	1,32,000.00
6	Rajasthan	3	4,30,000.00
7	Telangana	1	1,00,000.00
8	Uttar Pradesh	5	2,73,400.00
9	West Bengal	2	30,000.00
	Sub-Total-(D)	37	13,66,400.00
	Grand Total (A+B+C+D)	609	61,42,137.07

* This excludes 22 nos. loans sanctioned as additional loans for ongoing projects

Note: The above figures do not include sanctions under DDUGJY-RE and DDG

TABLE-2 : CATEGORY-WISE SCHEMES SANCTIONED DURING 2014-15 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	23	17,048.19
2	Pumpset Energisation	SPA:PE	62	64,708.59
3	System Improvement	P:SI-Distribution	161	4,40,815.75
4	Bulk	BULK	96	3,93,418.76
5	R-APDRP	P:SI(R_APDRP)	77	2,41,245.88
	Transmission			
1	System Improvement	P:SI-Transmission	133	13,45,876.90
	Sub-Total (A)		552	25,03,114.07
B	Generation	P:Gen	12*	22,17,831.00
C	Renewable Energy Projects			
1	Solar PV	SPV	6	45,103.00
2	Wind	Wind	2	9,689.00
	Sub-Total (C)		8	54,792.00
D	STL and Others		37	13,66,400.00
	Grand Total (A+B+C+D)		609	61,42,137.07

* This excludes 22 nos. loans sanctioned as additional loans for ongoing projects

TABLE- 3: CUMULATIVE STATE WISE SANCTIONS UNDER REC PROJECTS UPTO 2014-15

Sl. No.	STATE	Upto 2001-02		X Plan		XI Plan		XII Plan Upto 2014-15		Cumulative Upto 2014-15	
		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	350	23,41,363	6,822	52,92,113
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	2	3,73,646	1,817	22,90,357
5	Chhatisgarh	0	0	22	5,16,315	63	4,86,756	32	2,14,370	117	12,17,441
6	Delhi	2	817	6	47,323	1	3,63,707	2	60,000	11	4,71,847
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	231	8,77,057	1,841	23,47,146
10	Himachal Pradesh	419	52,240	37	1,16,177	125	2,15,489	70	85,512	651	4,69,418
11	Jammu & Kashmir	500	67,243	34	93,792	69	1,62,057	41	1,04,199	644	4,27,291
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	245	13,40,160	3,314	33,12,886
14	Kerala	1,454	2,42,741	297	2,41,884	20	1,04,897	83	3,41,104	1,854	9,30,626
15	Madhya Pradesh	5,111	2,36,175	133	2,35,711	255	9,71,789	12	3,22,332	5,511	17,66,008
16	Maharashtra	4,602	4,40,595	833	15,16,910	418	27,53,167	393	19,38,553	6,246	66,49,225
17	Manipur	146	20,696	3	9,463	2	9,169	13	3,988	164	43,316
18	Meghalaya	105	19,351	4	31,571	10	44,645	2	15,000	121	1,10,567
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	25	6,73,354	1,725	12,79,871
22	Punjab	1,303	2,59,737	216	6,57,148	125	11,61,462	164	10,77,483	1,808	31,55,830
23	Rajasthan	3,012	3,82,940	597	5,56,042	449	29,02,506	153	17,88,316	4,211	56,29,803
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	132	10,86,416	4,096	42,46,851
26	Telangana	0	0	0	0	0	0	58	2,40,981	58	2,40,981
27	Tripura	172	15,732	6	36,374	3	11,189	0	0	181	63,295
28	Uttar Pradesh	3,027	2,23,840	102	6,70,277	557	21,46,380	448	38,76,068	4,134	69,16,565
29	Uttarakhand	0	0	84	3,06,792	20	1,72,884	62	4,04,018	166	8,83,694
30	West Bengal	1,256	59,750	198	4,42,875	78	11,26,536	109	14,75,161	1,641	31,04,322
31	Puducherry - UT	0	0	0	0	2	12,507	1	6,358	3	18,865
32	T&D Private	0	0	9	4,955	10	1,07,085	7	2,92,907	26	4,04,947
33	Generation Private	6	3,347	19	6,02,003	64	50,66,680	17	20,66,922	106	77,38,952
34	Renewable Private	0	0	0	0	0	0	21	1,11,642	21	1,11,642
	TOTAL	38,314	35,35,262	5,304	96,11,613	3,927	2,72,90,804	2,675	2,11,63,134	50,220	6,16,00,813

Note: The above figures include DDUGJY-RE 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 2014-15 AND OUTSTANDINGS AS ON MARCH 31, 2015

Sl. No.	Name of State	Transmission & Distribution	Generation	DDUGJY-RE (including DDG)	STL/Debt Re-financing	TFL	MTL	Total disbursement for the year 2014-15	Disbursed Upto the end of the year	Repayments		Outstanding at the end of the year 2014-15
										During the year	Upto the end of the year	
												(₹ in Lakh)
1	ANDHRA PRADESH	2,47,910	1,79,182	206	50,000	-	-	4,77,298	29,29,223	1,15,849	12,74,178	16,55,045
2	ARUNACHAL PRADESH	46	-	-	-	-	-	46	24,394	1,408	20,023	4,371
3	ASSAM	-	-	1,280	-	-	-	1,280	52,229	591	27,462	24,767
4	BIHAR	3,850	1,63,800	17,023	-	-	-	1,84,673	4,57,104	4,460	45,633	4,11,471
5	CHHATTISGARH	28,336	2,17,248	-	-	-	-	2,45,584	10,15,102	37,660	1,92,827	8,22,275
6	DELHI	-	-	-	50,000	-	-	50,000	51,093	38,889	39,982	11,111
7	GOA	-	-	-	-	-	-	-	1,479	-	1,479	-
8	GUJARAT	-	66,235	148	-	-	-	66,383	7,51,542	8,125	6,37,943	1,13,599
9	HARYANA	58,163	830	-	-	15,000	-	73,993	14,14,825	1,18,262	5,66,235	8,48,590
10	HIMACHAL PRADESH	13,280	1,105	-	-	-	-	14,385	3,76,393	8,957	2,23,791	1,52,602
11	JAMMU & KASHMIR	122	1,408	-	-	-	-	1,530	1,27,931	7,899	84,137	43,794
12	JHARKHAND	-	-	112	-	-	-	112	2,30,925	7,730	97,701	1,33,223
13	KARNATAKA	75,416	47,573	248	60,000	-	50,000	2,33,237	10,82,523	96,439	5,05,160	5,77,363
14	KERALA	40,913	-	178	-	-	-	41,091	5,21,892	13,739	3,96,908	1,24,984
15	MADHYA PRADESH	52,042	70,970	3,643	50,000	-	1,55,000	3,31,655	10,79,663	18,552	2,11,711	8,67,952
16	MAHARASHTRA	1,37,806	1,27,140	-	-	-	-	2,64,946	39,82,836	2,03,143	13,09,841	26,72,996
17	MANIPUR	3,988	-	995	-	-	-	4,983	23,613	968	6,348	17,265
18	MEGHALAYA	-	-	-	-	-	12,431	12,431	58,706	185	12,686	46,020
19	MIZORAM	-	-	-	-	-	-	-	26,970	393	24,166	2,804
20	NAGALAND	786	-	-	-	-	-	786	24,013	1,346	11,947	12,066
21	ODISHA	1,842	45,225	16	-	-	-	47,083	3,91,604	3,748	1,37,628	2,53,976
22	PUDUCHERRY - UT	-	-	-	-	-	-	-	3,574	-	-0	3,574
23	PUNJAB	1,88,686	18,083	-	-	-	1,32,000	3,38,769	20,41,592	1,11,823	8,93,910	11,47,682
24	RAJASTHAN	1,87,960	1,06,228	-	-	3,52,500	30,000	6,76,688	31,50,601	1,43,065	11,88,089	19,62,512
25	SIKKIM	-	41,899	-	-	-	-	41,899	4,27,618	1,519	6,041	4,21,577
26	TAMIL NADU	2,37,684	1,87,348	-	-	-	-	4,25,032	32,09,218	97,360	7,95,618	24,13,601
27	TELANGANA	64,692	34,670	-	-	-	45,000	1,44,362	1,44,362	0	0	1,44,362
28	TRIPURA	-	-	-	-	-	-	-	12,792	128	11,183	1,609
29	UTTAR PRADESH	1,96,394	70,007	12,236	-	1,49,400	32,241	4,60,278	31,25,467	58,803	11,27,931	19,97,536
30	UTTARAKHAND	19,247	13,215	-	-	-	-	32,462	4,90,925	25,917	2,23,452	2,67,473
31	WEST BENGAL	74,343	20,165	1,352	15,000	-	-	1,10,860	11,18,034	54,305	3,11,263	8,06,771
32	WIND ENERGY	-	-	-	-	-	-	-	3,013	-	1,291	1,722
TOTAL		16,33,506	14,12,331	37,437	2,25,000	5,16,900	4,56,672	42,81,846	2,83,51,255	11,81,263	1,03,86,561	1,79,64,694
DDUGJY-RE SUBSIDY								3,60,572				
DDG SUBSIDY (under DDUGJY-RE)								2,264				
GRAND TOTAL		16,33,506	14,12,331	37,437	2,25,000	5,16,900	4,56,672	46,44,682	2,83,51,255	11,81,263	1,03,86,561	1,79,64,694

TABLE-5 : PUMPSETS ENERGISED UNDER THE PROJECTS FINANCED BY REC DURING 2014-15 AND CUMULATIVE POSITION UPTO MARCH 31, 2015

Sl. No.	State	Achievement during 2014-15 (Nos.)	Cumulative Achievement upto March 31, 2015 (Nos.)
1	Andhra Pradesh	55,048	23,50,045
2	Arunachal Pradesh	0	0
3	Assam	0	1,922
4	Bihar	0	1,13,354
5	Chhatisgarh	0	0
6	Delhi	0	0
7	Goa	0	0
8	Gujarat	0	4,20,456
9	Haryana	0	2,33,570
10	Himachal Pradesh	0	6,535
11	Jammu & Kashmir	210	15,761
12	Jharkhand	0	0
13	Karnataka	0	8,62,387
14	Kerala	0	3,40,882
15	Madhya Pradesh	0	10,54,106
16	Maharashtra	92,433	25,64,706
17	Manipur	0	29
18	Meghalaya	0	58
19	Mizoram	0	0
20	Nagaland	0	164
21	Odisha	0	63,015
22	Punjab	0	5,01,913
23	Rajasthan	5,840	5,16,412
24	Sikkim	0	0
25	Tamil Nadu	8,461	11,70,007
26	Telangana	94,034	94,034
27	Tripura	0	1,530
28	Uttar Pradesh	0	3,79,544
29	Uttarakhand	0	0
30	West Bengal	0	82,202
	Total	2,56,026	1,07,72,632

TABLE-6 : DDUGJY-RE: PROJECTS SANCTIONED UNDER X & XI FIVE YEAR PLAN

(As on March 31, 2015)

Sl. No.	State	Total Projects Sanctioned (X & XI Five Year Plan)					
		No. of Projects	No. of Districts	No. of Un-electrified Villages	No. of Intensive Electrification of partially electrified villages	No. of BPL Households	Project Cost (₹ in crore)
1	Andhra Pradesh	16	13	0	16,114	19,97,962	556.22
2	Arunachal Pradesh	16	16	2,089	1,306	51,723	1,030.87
3	Assam	23	23	8,349	12,852	12,11,535	2,822.20
4	Bihar	43	38	22,939	5,792	22,46,690	4,444.78
5	Chhattisgarh	16	14	1,608	15,014	11,65,262	1,212.39
6	Gujarat	25	25	0	16,144	8,42,945	314.98
7	Haryana	18	18	0	5,137	1,98,580	155.98
8	Himachal Pradesh	12	12	90	7,896	16,290	335.29
9	Jammu and Kashmir	14	14	238	2,915	69,353	954.06
10	Jharkhand	22	22	18,621	6,050	14,06,643	3,496.83
11	Karnataka	25	25	54	23,311	8,72,610	885.02
12	Kerala	7	7	0	594	1,18,361	147.76
13	Madhya Pradesh	32	32	695	32,842	13,04,520	1,884.14
14	Maharashtra	34	34	0	35,323	12,06,906	663.60
15	Manipur	9	9	882	1,378	1,07,369	437.34
16	Meghalaya	7	7	1,867	3,090	1,09,886	459.18
17	Mizoram	8	8	170	517	29,263	317.22
18	Nagaland	11	11	102	1,152	54,566	268.48
19	Odisha	32	30	14,380	27,192	27,81,614	3,948.21
20	Punjab	17	17	0	6,297	92,988	186.91
21	Rajasthan	40	33	4,163	33,218	11,17,820	1,278.18
22	Sikkim	4	4	25	413	13,601	217.92
23	Tamil Nadu	26	26	0	9,673	5,01,202	348.19
24	Telangana	10	9	0	9,176	7,08,865	196.88
25	Tripura	4	4	144	652	1,16,312	309.89
26	Uttar Pradesh	64	65	27,760	2,991	10,62,757	3,792.70
27	Uttarakhand	13	13	1,514	10,090	2,37,921	785.72
28	West Bengal	28	17	4,185	23,637	21,86,111	2,691.05
	Total	576	546	1,09,875	3,10,766	2,18,29,655	34,142.00

Projects sanctioned under Phase-II of XI Plan

1	Bihar	11	11	1,149	12,828	30,04,884	2,994.11
2	Chhattisgarh	2	2	126	1,077	84,334	175.03
3	Haryana	3	3	0	625	21,432	17.00
4	Karnataka	2	2	0	587	27,782	119.38
5	Kerala	7	7	0	572	23,175	89.83
6	Madhya Pradesh	20	20	183	15,635	4,96,714	983.20
7	Maharashtra	1	1	0	1,139	19,279	33.64
8	Tamil Nadu	3	3	0	729	24,369	37.27
9	Uttar Pradesh	22	22	632	19,257	8,52,769	4,432.32
10	West Bengal	1	1	9	292	24,423	198.99
	Total	72	72	2,099	52,741	45,79,161	9,080.77
	Grand Total	648	618	1,11,974	3,63,507	2,64,08,816	43,222.77

TABLE-7 : DDUGJY-RE: PROJECTS SANCTIONED UNDER XII FIVE YEAR PLAN

Sl. No.	Name of State	No. of Projects	Villages			Total Habitations	Households		Sanctioned Cost (₹ in crore)
			No. of Un-electrified Villages	No. of Intensive Electrification of partially electrified villages	Total		Rural	BPL	
1	Assam	16	1,009	10,259	11,268	28,884	15,27,797	5,41,953	1,621.07
2	Bihar	27	2,927	21,833	24,760	76,929	1,03,89,254	54,00,947	5,220.65
3	Chhattisgarh	4	0	3,236	3,236	8,643	1,12,681	64,033	286.09
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	1	9,205	9,206	12,274	2,08,099	1,30,785	99.53
7	Madhya Pradesh	34	422	25,759	26,181	55,870	18,10,337	8,63,166	1,430.93
8	Manipur	6	205	1,590	1,795	2,107	47,478	24,362	204.73
9	Mizoram	8	0	0	0	0	0	0	77.03
10	Nagaland	11	36	797	833	1,270	47,385	39,314	92.31
11	Odisha	31	3,144	41,022	44,166	1,06,615	38,30,573	16,58,147	3,550.47
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	886	68,212	69,098	1,40,721	94,65,722	32,33,913	7,282.81
15	West Bengal	7	4	5,628	5,632	14,720	5,82,427	2,48,073	609.61
	Total	273	8,830	2,32,376	2,41,206	5,52,858	3,08,42,393	1,32,36,259	23,607.58

TABLE-8 : DDUGJY-RE: STATE WISE CUMULATIVE ACHIEVEMENT

Sl. No.	State	Achievement in FY 2014-15			Cumulative Achievement (As on March 31, 2015)		
		Un-electrified Villages	Intensive Electrification of Villages	BPL Households	Un-electrified Villages	Intensive Electrification of Villages	BPL Households
1	Andhra Pradesh	0	0	0	0	16,114	19,97,962
2	Arunachal Pradesh	107	47	4,200	2,089	1,306	51,723
3	Assam	190	222	79,004	8,328	12,852	11,88,127
4	Bihar	341	2,100	1,90,571	23,253	7,819	23,92,655
5	Chhattisgarh	67	1,135	62,172	1,302	15,337	10,98,655
6	Gujarat	0	22	1,726	0	16,144	8,42,945
7	Haryana	0	207	1	0	5,137	1,98,580
8	Himachal Pradesh	6	137	324	89	7,896	16,290
9	Jammu and Kashmir	9	47	5,260	212	2,905	68,015
10	Jharkhand	161	272	12,022	18,294	6,050	12,67,403
11	Karnataka	0	355	19,532	54	23,726	8,89,955
12	Kerala	0	500	12,329	0	1,109	1,25,551
13	Madhya Pradesh	86	4,385	1,73,281	780	33,092	13,13,452
14	Maharashtra	0	341	6,702	0	36,146	12,21,291
15	Manipur	192	737	40,649	808	1,322	70,307
16	Meghalaya	43	48	1,063	1,841	2,938	1,04,682
17	Mizoram	47	177	10,023	154	517	29,263
18	Nagaland	10	58	8,300	102	1,152	54,059
19	Odisha	13	474	22,149	14,380	26,767	27,81,614
20	Punjab	0	397	1,206	0	6,297	92,988
21	Rajasthan	70	386	16,755	4,162	33,218	11,17,412
22	Sikkim	0	16	1,622	25	405	11,751
23	Tamil Nadu	0	0	0	0	9,673	5,01,202
24	Telangana	0	0	868	0	9,176	7,08,865
25	Tripura	0	0	1,272	144	652	1,16,312
26	Uttar Pradesh	59	551	86,750	27,808	3,533	11,48,904
27	Uttarakhand	4	1,562	0	1,514	10,090	2,37,921
28	West Bengal	0	79	1,596	4,185	23,585	21,86,111
	Total	1405	14,255	7,59,377	1,09,524	3,14,958	2,18,33,995