

ANNEXURE-II TO BOARD'S REPORT

REPORT ON CORPORATE GOVERNANCE

Effective corporate governance practices constitute the strong foundation on which successful corporate entities are built. REC strives to achieve highest standards of Corporate Governance practices based on the values of transparency, integrity and accountability. The policies of our Company seek to focus on enhancement of long term shareholder value without compromising on ethical standards and Corporate Social Responsibility. Our guiding principles and practices are summarized in this Corporate Governance Report.

Besides adhering to the provisions of Listing Agreement, the Company is also following Guidelines on Corporate Governance for Central Public Sector Enterprises 2010, issued by Department of Public Enterprises (DPE), Ministry of Heavy Industries and Public Enterprises, Government of India. The Company is also following the Secretarial Standards issued by ICSI. A report regarding compliance of conditions of Corporate Governance is given below along with the Certificate on Corporate Governance by the Auditors.

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance at Rural Electrification Corporation Limited (REC) is managing the business in an ethical and responsible manner geared to sustainable value creation for stakeholders within the prevalent regulatory framework. The Company believes in adopting the best practices that are followed in the area of Corporate Governance across the globe. The Company has a strong legacy of fair, transparent and ethical governance practices. REC is also committed to facilitate availability of electricity for accelerated growth and for enrichment of quality of life of rural and urban population and acts as a competitive, client-friendly and development-oriented organization for financing and promoting projects covering power generation, power conservation, power transmission and power distribution network in the country.

The Corporate Governance framework at REC is based on the following guiding principles:

- Compliance of law, rules & regulations in true letter and spirit;
- Appropriate systems and practices to protect, promote and safeguard the interests of all its stakeholders; and
- Establishing a climate of trust and confidence among various stakeholders by means of transparent and timely disclosure of all material information.

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.



CMD, REC receiving "13th ICSI National Award for Excellence in Corporate Governance" from Shri Arun Jaitley, Hon'ble Minister for Finance, Defence and Corporate Affairs at an award ceremony held in Kolkata on August 24, 2014.

2. BOARD OF DIRECTORS

The Board of Directors provides leadership and guidance, objective judgment and at the same time monitors the strategic direction of the Company. The Company is headed by an Executive Chairman. The tenure of Part-time Non-official Independent Directors holding office on the Board of the Company during the financial year 2014-15 was within the limits prescribed as per the Companies Act, 2013 and all Part-time Non-official Independent Directors holding office during the year have adequate qualifications, expertise and experience which enables them to contribute effectively to the management of the Company.

(A) Composition of the Board

The Company is a Government Company within the meaning of Section 2 (45) of the Companies Act, 2013. As on March 31, 2015, the President of India held 65.64% of the total paid-up share capital of the Company. Being a Government Company, the power to appoint Directors on the Board vests with the President of India acting through Administrative Ministry. Further, as per the Articles of Association of the Company, the number of Directors of the Company shall not be less than three and not more than fifteen.

The Listing Agreement entered with Stock Exchanges stipulates that the Board of Directors of the Company shall have an optimum combination of Executive and Non-Executive Directors with at least one Woman Director and not less than fifty percent of Board of Directors comprising of Non-Executive Directors. Further, the Companies Act, 2013 also stipulates the requirement of Independent Directors and at least one Woman Director on the Board of Listed Companies.

The composition of Board of Directors as on March 31, 2015 was as follows:

Sl. No.	Name of the Director	Director Identification Number (DIN)	Position
Whole Time Directors (Executive Directors)			
1	Shri Rajeev Sharma	00973413	Chairman and Managing Director
2	Shri Prakash Thakkar	01120152	Director (Technical)
3	Shri Ajeet Kumar Agarwal	02231613	Director (Finance)
Government Nominee Director (Non-Executive Director)			
4	Shri Badri Narain Sharma	01221452	Government Nominee Director

During the financial year 2014-15, the tenure of three years of Part-time Non-official Independent Directors namely Dr. Devi Singh (DIN: 00015681) and Shri Venkataraman Subramanian (DIN: 00357727), was completed on June 9, 2014 and the tenure of three years of Dr. Sunil Kumar Gupta (DIN: 00948089) was completed on March 15, 2015 and all of them ceased to be Directors of the Company from the respective dates. Hence, in the absence of adequate number of Independent Directors on the Board of the Company, the composition of the Board of Directors is not in conformity with the provisions of Companies Act 2013, sub-clause (II) (A) of Clause 49 of the Listing Agreement and Clause 3.1.4 of Guidelines on Corporate Governance for CPSEs, 2010 issued by DPE. Hence, as on date there are no Independent Directors against the requirement of four Independent Directors including one Woman Director.

The Company has already requested the Ministry of Power, Government of India, the appointing authority, for appointment of four Independent Directors including one Woman Director on the Board of the Company and the same is under process.

(B) Other provisions as to Board and its Committees

(i) Details of Board Meetings held during the financial year 2014-15

The Company follows a methodized process of decision-making by the Board and its Committees. The meeting dates are usually finalized in consultation with all Directors in order to ensure presence of all Board Members in its Meeting. All the Agenda and Explanatory Notes are given to the Directors well in advance for the Meetings of the Board and Committees thereof. To address specific urgent needs, sometimes meetings are also called at shorter notice, in compliance of the applicable statutory provisions and utmost efforts are made to adhere to the minimum notice period. In some instances, resolutions are passed by circulation which is confirmed in the next Board Meeting. The Chairman & Managing Director of the Company decides inclusion of any matter in the agenda for discussion in the Meeting of the Board. Head of Divisions (HoDs)/Senior Management officials are also called to provide additional inputs on the matters being discussed in the Meetings of the Board/ Committees of the Board. The Board is also given detailed presentation on certain agenda Items, if required. The Meetings of the Board of Directors are normally held at Registered Office of the Company during office hours. The Company is also complying with the Secretarial Standards issued by Institute of Company Secretaries of India, effective from July 1, 2015, in respect of Board Meetings and General Meetings.

During the financial year 2014-15, ten (10) meetings of Board of Directors of the Company were held on (i) April 28, 2014; (ii) May 26, 2014; (iii) July 15, 2014; (iv) August 12, 2014; (v) September 18, 2014; (vi) October 16, 2014; (vii) November 10, 2014; (viii) December 26, 2014; (ix) February 13, 2015; and (x) March 13, 2015.

The minimum and maximum interval between any two Board Meetings was twenty five (25) days and fifty (50) days, respectively. The quantum and quality of information supplied by the Management to the Board goes well beyond the minimum requirement stipulated in Clause 49 of the Listing Agreement.

(ii) Information placed before the Board of Directors

The Board has complete access to all the information available with the Company. The information regularly provided to the Board *inter-alia* includes:

1. Annual operating plans and budgets and any updates.
2. Capital budgets and any updates.
3. Proposals relating to raising of funds and sanctions of financial assistance.
4. Quarterly, Half Yearly and Annual Financial results and Board's Report etc.

5. All Related Party transactions.
6. Minutes of meetings of Audit Committee and other Committees of the Board.
7. The information on recruitment and remuneration of senior officers just below the board level, including appointment or removal of Chief Financial Officer, Company Secretary and Internal Auditors.
8. Show cause, demand, prosecution notices and penalty notices, if any, which are materially important.
9. Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems, if any.
10. Any material default in financial obligations to and by the Company or substantial non-payment for goods sold by the Company.
11. Any issue, which involves possible public or product liability claims of substantial nature, including any judgment or order which, may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company.
12. Details of any joint venture or collaboration agreement.
13. Transactions that involve substantial payment towards goodwill, brand equity, or intellectual property.
14. Significant labour problems and their proposed solutions. Any significant development in Human Resources/ Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme etc.
15. Sale of material nature of investments, subsidiaries, assets, which is not in normal course of business.
16. Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.
17. Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc., if any.
18. Investments, formation of Subsidiaries and Joint Ventures, Strategic Alliances, etc.
19. Quarterly Report on Investment of Funds.
20. Quarterly compliance on Reconciliation of Share Capital Audit.
21. Quarterly report on compliance of applicable laws.
22. Action Taken Report on all pending matters.
23. Any other information required to be presented to the Board for information or approval.

(iii) **Directors' attendance at Board Meetings and last Annual General Meeting (AGM), during the financial year 2014-15 number of other Directorships (in Indian Public Limited Companies)/ Committee Memberships (viz. Audit Committee and Stakeholders Relationship Committee) (other than REC), held by Directors are tabled below:-**

Sl. No.	Name of Director	Board Meetings			Attendance at Last AGM (held on September 18, 2014)	As on March 31, 2015		
		Held during the tenure	Attended	Percentage of Attendance		No. of other Directorships	No. of other Committee Memberships ^{\$}	
							As Chairman	As Member
1.	Shri Rajeev Sharma	10	10	100	Present	2	Nil	Nil
2.	Shri Prakash Thakkar	10	10	100	Present	3	Nil	Nil
3.	Shri Ajeet Kumar Agarwal	10	10	100	Present	2	Nil	1
4.	Shri Badri Narain Sharma	10	9	90	Present	1	Nil	Nil
5.	Dr. Devi Singh (upto June 9, 2014)	2	2	100	N.A	N.A	N.A	N.A
6.	Shri Venkataraman Subramanian (upto June 9, 2014)	2	2	100	N.A	N.A	N.A	N.A
7.	Dr. Sunil Kumar Gupta (upto March 15, 2015)	10	9	90	Present	N.A	N.A	N.A

[§] In line with Clause 49 of Listing Agreement, for reckoning the number of Committee memberships, only the Chairmanship/ Membership in Audit Committee and Stakeholders Relationship Committee in Indian Public Limited Companies have been taken into consideration.

Notes:

1. In accordance with the provisions of the Companies Act, 2013 and Article 82 (4) of the Articles of Association of the Company, Shri Prakash Thakkar, Director (Technical) shall retire by rotation at the 46th Annual General Meeting of the Company and, being eligible, offers himself for re-appointment.
2. None of the Directors is a member of more than 10 Board-level Committees of Indian Public Limited Companies nor are they Chairman of more than 5 Committees of such Companies.
3. There is no *inter-se* relation between the Directors.

3. COMMITTEES OF THE BOARD OF DIRECTORS

The Board functions either as full Board or through various Committees constituted to oversee specific operational areas. Each Committee of the Board is guided by its terms of reference, which defines the composition, scope and powers of the Committee. The Committees meet at regular intervals and focus on specific areas and make informed decisions within the authority delegated to them.

As on March 31, 2015, the Board had the following Committees:

1. Audit Committee;
2. Nomination and Remuneration Committee (formerly Remuneration Committee);
3. Stakeholders Relationship Committee (formerly Shareholders' / Investors' Grievance Committee);
4. Risk Management Committee;
5. Corporate Social Responsibility Committee;
6. Loan Committee;
7. Executive Committee;
8. Sub-Committee for review of lending rates for Term Loans/ Short Term Loans;
9. Sub-Committee for Borrowings other than Debentures; and
10. Committee on Investment of Surplus Funds.

Further, as the HR Policies are currently being developed/ examined at length by the HR Division and recommended by the Functional Directors to the Board for approval, therefore the Sub-Committee of Directors for review and updation of HR Policies, was dissolved with the approval of the Board of Directors of the Company on March 13, 2015.

The Minutes of Meetings of the Committees are placed before the Board for information in terms of Article 93 of the Articles of Association of the Company and applicable statutory requirements.

3.1 Audit Committee**(i) During the Financial Year 2014-15, the composition of the Audit Committee was as under:**

Sl. No.	Name of the Committee Members	Position in the Committee	Number of Meetings			Attendance at last AGM
			Held during tenure of Director	Attended	Percentage of attendance	
1	Dr. Devi Singh Independent Director	Chairman (upto June 9, 2014)	1	1	100.00	NA
2	Dr. Sunil Kumar Gupta Independent Director	Chairman (from July 15, 2014 till March 15, 2015)	5	5	100.00	Yes
3	Shri Venkataraman Subramanian Independent Director	Member (upto June 9, 2014)	1	1	100.00	NA
4	Shri Badri Narain Sharma Government Nominee Director	Member (from July 15, 2014)	5	0	0.00	Yes
5	Shri Prakash Thakkar Director (Technical)	Member	6	6	100.00	Yes

Notes:

1. Upto June 9, 2014, the Committee comprised of Dr. Devi Singh as Chairman and Shri Venkataraman Subramanian and Shri Prakash Thakkar as Members of the Committee.

2. Due to cessation of tenure of office of Dr. Devi Singh and Shri Venkataraman Subramanian on June 9, 2014, the Board reconstituted the Audit Committee in its 405th Meeting held on July 15, 2014 to comprise Dr. Sunil Kumar Gupta as Chairman and Shri Badri Narain Sharma and Shri Prakash Thakkar as Members of the Committee;
3. After the cessation of tenure of Dr. Sunil Kumar Gupta on March 15, 2015, the Board reconstituted the Committee on May 15, 2015 to comprise of Shri Badri Narain Sharma as Chairman and Shri Rajeev Sharma and Shri Prakash Thakkar as Members of the Committee;

Director (Finance), Head of Internal Audit and representatives of Joint Statutory Auditors are invitees for the meetings of the Audit Committee. The Company Secretary acts as the Secretary to the Committee.

(ii) The terms of reference of the Audit Committee are as under:

- a) to comply with the requirements in accordance with Section 177 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014, as amended from time to time;
- b) to comply with the requirements relating to Audit Committee as envisaged in Clause 49 of the Listing Agreement, as amended from time to time;
- c) to comply with the Guidelines on Corporate Governance for Central Public Sector Enterprises, 2010, as notified by the DPE, as amended from time to time; and
- d) to comply with any other applicable provisions, as amended from time to time, relating to the Audit Committee.

During the financial year 2014-15, six (6) meetings of the Audit Committee were held on (i) May 26, 2014; (ii) August 12, 2014; (iii) October 16, 2014; (iv) November 10, 2014; (v) February 13, 2015; and (vi) March 13, 2015. The maximum gap between the two Meetings was not more than 4 months.

Dr. Sunil Kumar Gupta, Chairman of the Audit Committee was present at the Annual General Meeting held on September 18, 2014 to answer shareholders' queries.

The Chairman of the Audit Committee possess accounting and financial management expertise and all other members of the Audit Committee are financially literate.

3.2 Nomination and Remuneration Committee (formerly Remuneration Committee)

- (i)** REC, being a Central Public Sector Undertaking, the appointment, tenure and remuneration of Chairman & Managing Director, Functional Directors and other Directors, are decided by the President of India as per the Articles of Association of the Company. The remuneration of Functional 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, for attending Board and Committee meetings well within the limits prescribed under Companies Act, 2013. As per the norms of Government of India, the Government Nominee Director is not entitled to get any remuneration/ sitting fee from the Company.

As per the provisions of Guidelines on Corporate Governance for CPSEs, 2010 issued by DPE, the Company had constituted a Remuneration Committee comprising of Independent Directors. Further, in accordance with the provisions of the Companies Act, 2013, rules made thereunder and the Listing Agreements entered with Stock Exchanges, the Board of Directors of the Company in its 404th Meeting held on May 26, 2014 had changed the name of the Remuneration Committee to 'Nomination and Remuneration Committee' and revised its terms of reference.

The terms of reference, to the extent applicable to REC, are as under:

- (a) to comply with the requirements in accordance with Section 178 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014, as amended from time to time;
- (b) to comply with the requirements relating to Nomination and Remuneration Committee as envisaged in Clause 49 of the Listing Agreement, as amended from time to time; and
- (c) to comply with the Guidelines on Corporate Governance for Central Public Sector Enterprises, 2010 including to decide the quantum of annual bonus, variable pay and policy for ESOP scheme, pension scheme etc. within the prescribed limits across whole time directors, executive and non-unionized supervisors, as notified by the DPE and as amended from time to time.

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

During the financial year 2014-15, the constitution of Nomination and Remuneration Committee was as under:

Sl. No.	Name of the Committee Members	Position in the Committee	Meeting		
			Held during tenure of Director	Attended	Percentage of attendance
1.	Dr. Devi Singh Independent Director	Chairman (upto June 9, 2014)	1	1	100.00
2.	Shri Venkataraman Subramanian Independent Director	Member (upto June 9, 2014)	1	1	100.00
3.	Dr. Sunil Kumar Gupta Independent Director	Member (upto March 15, 2015)	1	0	0.0

The Committee will be reconstituted once the Independent Directors are appointed on the Board of the Company.

Quorum of the Nomination and Remuneration Committee is two members including Chairman of the Committee. Director (Finance), Director (Technical) and ED (HR)/GM (HR) are standing invitees to the Meetings of the Nomination and Remuneration Committee. During the financial year 2014-15, one Meeting of the Nomination and Remuneration Committee was held on May 26, 2014.

The remuneration paid to Whole Time Directors including the Chairman & Managing Director was as per the terms and conditions of their appointment. The details of remuneration paid to Whole Time Directors and Company Secretary of the Company during the financial year 2014-15 are given below:

(Amount in ₹)

Sl. No.	Name	Salary & Allowances	Other Benefits	Performance Linked Incentive*	CPF contribution	Pension Fund Contribution	Leave Encashment	Total
1.	Shri Rajeev Sharma CMD	25,84,222	10,12,091	20,51,480	2,46,711	1,85,034	1,66,354	62,45,892
2.	Shri Prakash Thakkar Director (Technical)	25,24,837	7,28,152	15,09,189	2,41,030	1,80,772	3,84,991	55,68,971
3.	Shri Ajeet Kumar Agarwal Director (Finance)	25,96,311	1,24,776	14,36,008	2,20,780	1,65,590	-	45,43,465
4.	Shri J. S. Amitabh Company Secretary	23,01,952	1,94,575	5,53,782	2,05,050	1,53,786	-	34,09,145

* Performance Linked Incentive is based on the incentive scheme of the Company as approved by the Board of Directors in line with guidelines issued by DPE, GoI.

The Company has not issued any Stock Options during the financial year 2014-15.

Remuneration of Independent and Government Nominee Directors

Independent Directors are paid only sitting fees at the rate of ₹ 20,000/- for attending each Meeting of the Board and Committee thereof as fixed by the Board in its 395th Meeting held on May 28, 2013 which is within the limits prescribed under the Companies Act, 2013 and rules thereunder. Details of Payments towards sitting fees to Independent Directors during the financial year 2014-15 is as under:

(Amount in ₹)

Sl. No.	Name of Part-time Non-official Independent Director	Sitting Fees		Total
		Board Meetings	Committee Meetings	
1.	Dr. Devi Singh (upto June 9, 2014)	40,000	1,00,000	1,40,000
2.	Shri Venkataraman Subramanian (upto June 9, 2014)	40,000	60,000	1,00,000
3.	Dr. Sunil Kumar Gupta (upto March 15, 2015)	1,80,000	2,60,000	4,40,000
	Total			6,80,000

The Government Nominee Director is not entitled to any remuneration/ sitting fee from the Company.

3.3 Stakeholders Relationship Committee (formerly Shareholders' / Investors' Grievance Committee)

(i) Constitution of Stakeholders Relationship Committee

The Company had constituted the Shareholders' / Investors' Grievance Committee in accordance with the requirements of Listing Agreements entered with the Stock Exchanges. Further, in accordance with the provisions of the Companies Act, 2013, Rules made thereunder and the Listing Agreements executed with Stock Exchanges, the Board of Directors of the Company in its 404th Meeting held on May 26, 2014 had changed the name of the Shareholders'/Investors' Grievance Committee to 'Stakeholders Relationship Committee' and the terms of reference of the Committee were revised as per the statutory provisions.

This Committee specifically looks into the redressal of Shareholders and Investors complaints like transfer of shares, non- receipt of Balance Sheet and declared dividend etc.

During the financial year 2014-15, the Stakeholders Relationship Committee comprised of the following members:

Sl. No.	Name of the Committee Members	Position in the Committee	Meeting	
			Held during tenure of Director	Attended
1.	Shri Venkataraman Subramanian Independent Director	Chairman (upto June 9, 2014)	1	1
2.	Dr. Sunil Kumar Gupta Independent Director	Chairman (from July 15, 2014 till March 15, 2015)	3	3
3.	Shri Prakash Thakkar Director (Technical)	Member	4	4
4.	Shri Ajeet Kumar Agarwal Director (Finance)	Member	4	4

Notes:

1. Shri Venkataraman Subramanian was Chairman of the Committee till June 9, 2014.
2. After the cessation of tenure of Shri Venkataraman Subramanian, Independent Director on June 9, 2014, the Committee was reconstituted by the Board of Directors in its 405th Meeting held on July 15, 2014 to comprise of Dr. Sunil Kumar Gupta as Chairman and Shri Prakash Thakkar and Shri Ajeet Kumar Agarwal as members of the Committee.
3. After the cessation of tenure of Dr. Sunil Kumar Gupta on March 15, 2015, the committee was again reconstituted with Shri Badri Narain Sharma as Chairman and Shri Prakash Thakkar and Shri Ajeet Kumar Agarwal as members of the Committee.

The quorum of meeting of the Stakeholders Relationship Committee is two members including the Chairman of the Committee. Further, the representatives of Registrar & Share Transfer Agents (R&TAs) appointed by the Company are Standing invitees at the Meetings of Stakeholders Relationship Committee. During the financial year 2014-15, four (4) Meetings of Stakeholders Relationship Committee were held on (i) May 26, 2014 (ii) August 12, 2014; (iii) November 10, 2014; and (iv) February 13, 2015 to review the status of pending Shareholders/Investors grievances.

Shri J. S. Amitabh, Company Secretary is the Compliance Officer of the Company in terms of Clause 47(a) of the Listing Agreement.

The Chairman of the Stakeholders Relationship Committee was present at the Annual General Meeting held on September 18, 2014.

(ii) Status of Shareholders/Investors Grievances

The Company has been attending to all investor grievances expeditiously and promptly. Status of Shareholders/ Investors Grievances pursuant to Clause 49 of the Listing Agreement for the period from April 1, 2014 to March 31, 2015 relating to Equity Shares/Listed Debt Securities is as follows:-

Pending at the beginning of the financial year	0
Received during the financial year	3188
Disposed during the financial year	3187
Remaining unresolved as on March 31, 2015	1*

* The complaint pending as on March 31, 2015 pertains to Equity Shares and Action Taken Report on the complaint has already been submitted on April 2, 2015 and this complaint has also been resolved since then.

The Company has established three layers to handle Investor Grievances including Support Service from respective Registrars, In-house Investor Cell and direct supervision by Stakeholders Relationship Committee which has resulted in timely resolution of all the grievances. All the complaints have been resolved to the satisfaction of shareholders.

Securities and Exchange Board of India has a web based complaints redressal system viz. SCORES (SEBI Complaints Redressal System) through which a shareholder can lodge a complaint against a company for his/ her grievances. The status of every complaint can be viewed online and the shareholder can send reminder for the complaints. Also, through this system, the investors are able to check the status of the complaints i.e. with whom the complaint is pending, upon whom the responsibility has been fixed and for how much time the complaint has been pending. An investor, who is not familiar with SCORES or does not have access to SCORES, can lodge the complaint in physical form. The Company has been attending to all investor grievances filed through SCORES also expeditiously and promptly.

3.4 Risk Management Committee

The Risk Management Committee has been constituted to manage the integrated risk. The main function of Risk Management Committee is to monitor various risks likely to arise and to review the various risk management policies and practices adopted by the Company and to initiate action for mitigation of risks arising in the operation and other related matters of the Company.

During the financial year 2014-15, the Risk Management Committee comprised of the following members:

Sl. No.	Name of the Committee Members	Position in Committee	Meeting	
			Held during tenure of Director	Attended
1.	Dr. Devi Singh Independent Director	Chairman (upto June 9, 2014)	1	1
2.	Dr. Sunil Kumar Gupta Independent Director	Chairman (from July 9, 2014 to March 15, 2015)	1	1
3.	Shri Prakash Thakkar Director (Technical)	Member	2	2
4.	Shri Ajeet Kumar Agarwal Director (Finance)	Member	2	2

Notes:

- After the cessation of tenure of Dr. Devi Singh on June 9, 2014, the Committee was reconstituted on July 9, 2014 to comprise Dr. Sunil Kumar Gupta as Chairman and Shri Prakash Thakkar and Shri Ajeet Kumar Agarwal as members of the Committee. Further, the tenure of Dr. Sunil Kumar Gupta was also completed on March 15, 2015.
 - The Committee will be reconstituted once the Independent Directors are appointed on the Board of the Company.
- The operational heads of Finance Division (Resource Mobilization) and Asset Liability Management Division are the standing invitees at Risk Management Committee Meetings. During the financial year 2014-15, two (2) Meetings of the Risk Management Committee were held on June 9, 2014 and March 13, 2015.

3.5 Corporate Social Responsibility Committee

As per the provisions of Section 135 of the Companies Act, 2013 and Rules made thereunder and Guidelines on Corporate Social Responsibility and Sustainability for CPSEs, issued by DPE, the Board of Directors of the Company in its 402nd Meeting held on March 28, 2014, changed the name of earlier CSR and Sustainability Committee constituted as per DPE requirement to 'Corporate Social Responsibility Committee' and the terms of reference of the Committee has also been revised.

The terms of reference of the Corporate Social Responsibility Committee include the following:

- to formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013;
- to monitor the Corporate Social Responsibility Policy of the Company from time to time;
- to recommend the amount of expenditure to be incurred on the activities referred to in clause (a);
- to recommend/review CSR projects / programmes / proposals, falling within the purview of Schedule VII of the Companies Act, 2013;

- e. to institute a transparent monitoring mechanism for implementation of the CSR projects / programmes / activities undertaken by the Company;
- f. to assist the Board of Directors to formulate strategies on CSR initiatives of the Company;
- g. to approve the content of annual report on CSR activities as per proforma given in the Rules, *inter-alia* covering responsibility statement that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company;
- h. to periodically submit the reports to the Board of Directors for their information, consideration and necessary directions; and
- i. to comply with the other requirements on Corporate Social Responsibility Policy as amended from time to time.

During the financial year 2014-15, the Corporate Social Responsibility Committee comprised of the following Members:

Sl. No.	Name of the Committee Members	Position in Committee	Meeting	
			Held during tenure of Director	Attended
1.	Dr. Devi Singh, Independent Director	Chairman (upto June 9, 2014)	1	1
2.	Shri Rajeev Sharma, CMD	Chairman (from September 18, 2014)	4	4
3.	Shri Prakash Thakkar, Director (Technical)	Member	5	5
4.	Shri Ajeet Kumar Agarwal, Director (Finance)	Member (upto September 18, 2014 and from November 10, 2014)	3	3
5.	Dr. Sunil Kumar Gupta, Independent Director	Member (from September 18, 2014 till March 15, 2015)	4	4

Notes:

1. Dr. Devi Singh was Chairman of the Committee till June 9, 2014.
2. The Committee was reconstituted by the Board of Directors in its 407th Meeting held on September 18, 2014 after the cessation of tenure of Dr. Devi Singh on June 9, 2014, to comprise of Shri Rajeev Sharma as Chairman of the Committee and Dr. Sunil Kumar Gupta and Shri Prakash Thakkar as members of the Committee.
3. The Committee was again reconstituted by the Board of Directors in its 409th Meeting held on November 10, 2014 to include Shri Ajeet Kumar Agarwal as member of the committee.

The quorum of the meeting of the Corporate Social Responsibility Committee is two Members including Chairman of the Committee. During the financial year 2014-15, five (5) meetings of Corporate Social Responsibility Committee were held on (i) May 26, 2014; (ii) October 16, 2014; (iii) November 10, 2014; (iv) December 26, 2014 and (v) February 13, 2015.

Further, in the 410th Meeting of the Board of Directors held on December 26, 2014, CSR Policy of the Company was revised by aligning it with revised Guidelines on Corporate Social Responsibility & Sustainability issued by DPE and after incorporating all the provisions and amendments pertaining to CSR and Sustainability aspects issued by Ministry of Corporate Affairs and the policy was renamed as "REC Corporate Social Responsibility and Sustainability Policy".

3.6 Loan Committee

The Loan Committee of the Directors has been constituted for sanction of financial assistance in the form of Rupee Term Loan subject to following limits:

Type of Entity	Limit for individual scheme/project	Overall ceiling in a financial year (₹ in crore)
Central/State Government Power utilities or Central/State PSUs	Upto ₹ 500 crore for individual scheme/project	25,000
Private Sector Power utilities	Upto ₹ 500 crore for individual scheme/project	6,000

As on March 31, 2015, the Loan Committee comprised of the following members:

Sl. No.	Name of the Committee Members	Designation	Position in the Committee
1.	Shri Rajeev Sharma	CMD	Chairman
2.	Shri Prakash Thakkar	Director (Technical)	Member
3.	Shri Ajeet Kumar Agarwal	Director(Finance)	Member
4.	Shri Badri Narain Sharma	Government Nominee Director	Member

The quorum of meeting of the Loan Committee is three Members including CMD and Government Nominee Director. During the financial year 2014-15, nine (9) meetings of Loan Committee were held on (i) April 28, 2014; (ii) May 26, 2014; (iii) July 15, 2014; (iv) September 18, 2014; (v) December 2, 2014; (vi) December 26, 2014; (vii) January 20, 2015; (viii) February 13, 2015; and (ix) March 11, 2015. Further, all members of the Committee were present in the meetings.

3.7 Executive Committee

The Executive Committee of the Directors has been constituted for sanction of financial assistance in the form of Rupee Term Loan subject to following limits:

Type of Entity	Limit for individual scheme/project	Overall ceiling in a financial year (₹ in crore)
Central/State Government Power utilities or Central/State PSUs	Upto ₹ 150 crore for individual scheme/project	20,000
Private Sector Power utilities	Upto ₹ 100 crore for individual scheme/project	5,000

As on March 31, 2015, the Executive Committee comprised of the following members:

Sl. No.	Name of the Committee Members	Designation	Position in Committee
1.	Shri Rajeev Sharma	CMD	Chairman
2.	Shri Prakash Thakkar	Director (Technical)	Member
3.	Shri Ajeet Kumar Agarwal	Director(Finance)	Member

The quorum of the Executive Committee of the Board of Directors is two Members including CMD. During the financial year 2014-15, eighteen (18) meetings of the Executive Committee were held on (i) April 1, 2014; (ii) April 28, 2014; (iii) May 21, 2014; (iv) June 3, 2014; (v) June 12, 2014; (vi) July 1, 2014; (vii) July 25, 2014; (viii) August 11, 2014; (ix) August 26, 2014; (x) September 5, 2014; (xi) October 8, 2014; (xii) October 27, 2014; (xiii) December 2, 2014; (xiv) December 10, 2014; (xv) January 9, 2015; (xvi) February 9, 2015 ; (xvii) February 20, 2015 and (xviii) March 11, 2015. Further, all members of the Committee were present in the meetings.

3.8 Sub-Committee for review of lending rates for Term Loans/ Short Term Loans

The Sub-Committee of Directors for review of lending rates for Term Loans/ Short Term Loans was constituted for reviewing the lending rates of Short Term Loans and Term Loans.

As on March 31, 2015, the Sub-Committee for review of lending rates for Term Loans/ Short Term Loans comprised of the following members:

Sl. No.	Name of the Committee Members	Designation	Position in the Committee
1.	Shri Rajeev Sharma	CMD	Chairman
2.	Shri Prakash Thakkar	Director (Technical)	Member
3.	Shri Ajeet Kumar Agarwal	Director (Finance)	Member

The quorum for the meeting of Sub-Committee for review of lending rates for Short Term Loans/ Term Loans is two Members including CMD. During the financial year 2014-15, twenty two (22) meetings of Sub-Committee for review of lending rates for Short Term Loans/ Term Loans were held on (i) April 2, 2014; (ii) April 16, 2014; (iii) May 1, 2014; (iv) June 18, 2014; (v) July 2, 2014; (vi) July 8, 2014; (vii) August 11, 2014; (viii) August 21, 2014; (ix) August 26, 2014; (x) September 5, 2014; (xi) September 29, 2014; (xii) October 16, 2014; (xiii) November 3, 2014; (xiv) December 1, 2014; (xv) December 9, 2014 (xvi) December 19, 2014 (xvii) January 7, 2015 (xviii) January 20, 2015 (xix) February 12, 2015 (xx) March 10, 2015 (xxi) March 23, 2015 and (xxii) March 31, 2015. Further, all members of the Sub-Committee were present in the meetings.

3.9 Sub-Committee for Borrowings other than Debentures

The Sub-Committee of Directors for Borrowings other than Debentures was constituted by the Board of Directors to decide pricing, timing, mode, source of borrowing and marketing in respect of borrowings otherwise than on debentures such as term loans etc. from Life Insurance Corporation, Commercial Banks etc. depending upon prevailing market conditions within the overall size of market borrowings programme.

As on March 31, 2015, the Sub-Committee for Borrowings other than Debentures comprised of the following Members:

Sl. No.	Name of the Committee Members	Designation	Position in the Committee
1.	Shri Rajeev Sharma	CMD	Chairman
2.	Shri Prakash Thakkar	Director (Technical)	Member
3.	Shri Ajeet Kumar Agarwal	Director (Finance)	Member

The quorum of the meeting of the Sub-Committee for Borrowings other than Debentures is two Members including CMD. During the financial year 2014-15, no Meeting of the Sub-Committee of Directors for Borrowings other than Debentures was held.

3.10 Committee on Investment of Surplus Funds

The Committee for investment of Surplus Funds has been constituted for the purpose of investments of surplus funds. As on March 31, 2015, the composition of "Committee on Investment of Surplus Funds" was as under:

Sl. No.	Name of the Committee Members	Designation	Position in Committee
1.	Shri Rajeev Sharma	CMD	Chairman
2.	Shri Prakash Thakkar	Director (Technical)	Member
3.	Shri Ajeet Kumar Agarwal	Director (Finance)	Member

The quorum of the meeting of the Committee is two Directors including CMD. The Committee is empowered to approve the investment of surplus funds within the maximum outstanding limit at any time, upto ₹ 1,000 crore in mutual funds and upto ₹ 2,000 crore in fixed deposit.

During the financial year 2014-15, no Meeting of the Committee on Investment of Surplus Funds was held.

4. SHARE TRANSFER COMMITTEE

In addition to the Committees of the Directors constituted by the Board from time to time, as detailed at 3.1 to 3.10 above, there is a Share Transfer Committee comprising of Senior Officials constituted to consider and approve requests received from shareholders for splitting/ consolidation/ issue of duplicate share certificates and transfer of physical shares exceeding 500 equity shares per individual in each case.

As on March 31, 2015, the Share Transfer Committee comprised of the following Members:

Sl. No.	Name of the Officer	Designation
1.	Shri J. S. Amitabh	GM & Company Secretary
2.	Shri Rajesh Kumar	Deputy General Manager (F&A)- Resources

To facilitate splitting/consolidation/transfer process of securities within the prescribed time limit, the Registrar and Share Transfer Agent (R&TA) has been authorized to consider and approve requests received from shareholders for splitting/ consolidation and transfer of physical shares upto 500 equity shares per individual in each case.

5. SUBSIDIARY COMPANIES

The Company does not have any "material non-listed Indian subsidiary" as defined in Clause 49 of the Listing Agreement in the immediately preceding financial year. The Minutes of Board Meetings of all unlisted Subsidiary Companies are placed before the Board of Directors of the Company for information. The Financial Results of unlisted Subsidiary Companies, in particular the investments made by unlisted Subsidiary Companies were reviewed by the Audit Committee of Directors of REC. Further, all significant transactions and arrangements entered into by the unlisted Subsidiary Companies were brought to the attention of the Board of Directors of REC. The Company has devised a "Policy on Materiality of Subsidiaries" as required under the Listing Agreement entered with Stock Exchanges and the same is available on its website at www.recindia.gov.in.

The Company had following unlisted Wholly Owned Subsidiary Companies as on March 31, 2015:

- (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 selection of successful bidder through Tariff Based Competitive Bidding Process, the respective project specific SPV along with all its assets and liabilities is transferred to the selected bidder. As on March 31 2015, following project specific Special Purpose Vehicles (SPVs) were in existence as Wholly Owned 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. Gadawara (A) Transco Limited (GATL) (CIN: U40300DL2014GOI269918)*
- v. Gadawara (B) Transmission Limited (GBTL) (CIN: U40109DL2014GOI269652)*

* Transferred to selected bidder i.e. Power Grid Corporation of India Limited after March 31, 2015.

Further, RECTPCL also had following Wholly Owned Subsidiary Companies during the financial year 2014-15, which were transferred to the successful bidder on completion of Tariff Based Competitive Bidding Process:

1. NRSS XXIX Transmission Limited (CIN: U40106DL2013GOI256050)
2. NRSS XXXI (A) Transmission Limited (CIN: U40106DL2013GOI256048)
3. NRSS XXXI (B) Transmission Limited (CIN: U40106DL2013GOI256049)
4. Vindhychal Jabalpur Transmission Limited (CIN: U40300DL2014GOI270433)

After March 31, 2015, the following Wholly Owned Subsidiary companies have been incorporated as project specific Special Purpose Vehicles (SPVs) of RECTPCL:

1. Vemagiri II Transmission Limited (CIN: U40106DL2015GOI278746)
2. Alipurduar Transmission Limited (CIN: U40109DL2015GOI278992)
3. NER-II Transmission Limited (CIN: U40106DL2015GOI279300)

The Audited Financial Statements and related information of all Subsidiary Companies of REC is available on the website of the Company www.recindia.gov.in under the head "Subsidiary Companies". A statement containing the financial data of the subsidiaries has been furnished along with the consolidated financial statements, which forms part of this Annual Report. Further, pursuant to the provisions of Companies Act, 2013 and Accounting Standard-21 (AS-21) prescribed under Section 133 of the Companies Act, 2013 read with General Circular No. 15/2013 dated September 13, 2013, Consolidated Financial Statements presented by the Company include financial information in respect of its subsidiary companies and Joint Venture Company i.e. Energy Efficiency Services Limited. However, those subsidiary companies of RECTPCL which are incorporated for the purpose of subsequent disposal have not been consolidated in the accounts of the Company as per Para 11 of Accounting Standard- 21.

6. GENERAL BODY MEETINGS

The details of last three Annual General Meetings of the Company are given below:

Meeting No.	Financial Year	Date	Time	Venue	Whether any Special Resolution passed
43 rd	2011-12	September 20, 2012	11.00 A.M.	Air Force Auditorium, Subroto Park, Dhaula Kuan, New Delhi-110010	Yes
44 th	2012-13	September 13, 2013	11.00 A.M.	Manekshaw Centre, Parade Road, Delhi	No
45 th	2013-14	September 18, 2014	11.00 A.M.	Cantonment, New Delhi-110010	Yes

During the financial year 2014-15, the shareholders of the Company passed three Special Resolutions related to borrowings, as detailed in the table below, through Postal Ballot on June 10, 2014. The details of voting results are as under:

Item no.	Brief Particulars of the Special Resolutions	Number of shares and % age of total votes cast in favour of the Resolution		Number of shares and % age of total votes cast against the Resolution	
		Number of shares	% age of total votes	Number of shares	% age of total votes
1.	Issue of Unsecured/ Secured Non-Convertible Bonds/ Debentures through Private Placement as per the provisions of the Companies Act, 2013 and Rules thereunder.	76,26,94,998	96.33	2,77,90,800	3.51
2.	Increase in the overall Borrowing Limit to ₹ 200,000 crore in Indian Rupees and in any foreign currency equivalent to USD 6 billion.	78,52,18,294	99.18	52,64,011	0.66
3.	Creation of mortgage and / or charge on all or any of the movable and / or immovable properties of the Company, in respect of enhanced borrowing limit as proposed above.	78,52,01,710	99.18	52,79,218	0.67

For the above Postal Ballot Process, Ms. Savita Jyoti, Practicing Company Secretary, Hyderabad was appointed as Scrutinizer and M/s Karvy Computershare Private Limited, R&TA of the Company was appointed as the agency for providing e-voting facility to shareholders of the Company.

All the aforesaid resolutions were passed by the shareholders with overwhelming majority. Further, none of the business proposed to be transacted in the 46th Annual General Meeting require passing a Special Resolution through Postal Ballot.

In accordance with provisions of Section 108 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014 and Clause 35B of the Listing Agreement, as amended from time to time, the Company had provided e-voting facility to enable the shareholders to exercise their right to vote through electronic means in respect of resolutions passed through Postal Ballot and at the time of Annual General Meeting (AGM) of the Company held on September 18, 2014. In respect of shareholders who did not have access to e-voting, the Company provided facility to the shareholders to send their assent or dissent in writing on a postal ballot form within stipulated period. Further, those shareholders who could not exercise their vote through e-voting process at the time of AGM were provided facility to vote at the Annual General Meeting through Poll conducted at the AGM venue.

Further, the Company will continue to provide e-voting facility in the ensuing AGM to enable shareholders to exercise their right to vote through electronic means and the e-voting portal will be kept open for such period as per statutory requirements.

7. SERVICE OF DOCUMENTS THROUGH ELECTRONIC MEANS

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

As a responsible Corporate Citizen, your Company has actively supported the implementation of 'Green Initiative' of Ministry of Corporate Affairs (MCA) and effected electronic delivery of Notice and Annual Report and other documents since 2010-11 to those shareholders whose email ids were registered with the respective Depository Participants (DPs). The intimation of Interim/ Final Dividend paid, after April, 2011, was also sent electronically to those shareholders whose email ids were registered.

Members, who have not registered their e-mail addresses so far, are requested to register their e-mail address with their Depository Participant (DP) or with the Registrar and Share Transfer Agent (R&TA) of the Company, for receiving communications in electronic form.

8. SECRETARIAL AUDIT

The Secretarial Audit for the financial year 2014-15 has been conducted by M/s Chandrasekaran Associates, Practicing Company Secretaries, Delhi and they have submitted a Secretarial Audit Report to the Company. A copy of Secretarial Audit Report is set out elsewhere in this Annual Report for information of the shareholders.

9. RELATED PARTY TRANSACTIONS

The Company has formulated a Policy on Materiality of Related Party Transactions and Dealing with Related Party Transactions as per provisions of Clause 49 of the Listing Agreements entered with the Stock Exchanges and the same is available on the website of the Company www.recindia.gov.in. As per the said Policy, all the Related Party Transactions are duly approved by the Audit Committee and the Board of Directors. The transactions with related parties are included in the Notes to the Accounts as per Accounting Standard (AS) -18 and other applicable provisions of Companies Act, 2013. Further, a list of Related Party transactions is put up for information of Audit Committee and Board of Directors on quarterly basis. The particulars of Related Party Transactions are given in form AOC-2 annexed to the Board's Report.

10. DISCLOSURES

- (i) The Company has complied with all the requirements of the Listing Agreement entered with Stock Exchanges as well as Regulations and Guidelines prescribed by SEBI, the Companies Act, 2013, Secretarial Standards and DPE Guidelines on Corporate Governance for Central Public Sector Enterprises issued by Ministry of Heavy Industries and Public Enterprises, Government of India, except relating to composition of the Board and constitution of its committees.
- (ii) The Company has not entered into any material, financial or commercial transactions with the Directors or the Management or their relatives or the companies and firms, etc., in which they are either directly or through their relatives interested as Directors and/or Partners.
- (iii) All members of Senior Management have made disclosures to the Board relating to all material, financial and commercial transactions, where they have personal interest that may have a potential conflict with the interest of the Company at large (e.g. dealing in Company shares, commercial dealings with bodies which have shareholding of management and their relatives etc.).
- (iv) There were also no instances of non-compliance on any matter related to the Capital Markets during the last three years. There were no penalties imposed or strictures imposed on the Company by any statutory authorities in this regard. All returns/ reports were filed within stipulated time with Stock Exchanges/ other authorities.
- (v) There are no materially significant transactions with related parties i.e. Promoters, Directors or the Management, conflicting with the Company's interest.
- (vi) The Company has laid down the procedure to inform the Board about the risk assessment and minimization. The Board of Directors of the Company reviews the procedures to ensure that the integrated risks are managed through a properly defined framework.
- (vii) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement for the financial year 2014-15 have been prepared as per the Accounting Standards as applicable under Section 133 of the Companies Act, 2013 read with General Circular No. 15/2013 dated September 13, 2013.
- (viii) The Company affirms that a Whistle Blower Policy/ Vigil Mechanism is in place and no personnel has been denied access to the Audit Committee.
- (ix) The Company has adopted all mandatory items and some of the non-mandatory items on Corporate Governance.
- (x) During the financial year 2014-15, no Presidential Directives were issued by the Central Government to the Company.
- (xi) The Company has not incurred any expenditure which is not for the purpose of the business. Further, no expense was incurred which was personal in nature and was incurred for the Board of Directors and Top Management.
- (xii) The administrative and office expenses for the financial year 2014-15 have increased to ₹ 172.74 crore as compared to ₹ 105.47 crore, mainly on account of higher CSR expenditure of ₹ 103.25 crore during 2014-15 as against ₹ 38.40 crore during 2013-14. Administrative and office expenses as a percentage of total expenses for the financial year 2014-15 is 1.33 % (Previous year 1.00 %) and as a percentage of financial expenses for the financial year 2014-15 is 1.46 % (Previous year 1.05 %). Under various other heads, there is a marginal increase in the expenses.
- (xiii) In pursuance of Guidelines on Corporate Governance for Central Public Sector Enterprises (CPSEs), 2010, issued by

DPE Compliance Report is being submitted to Ministry of Power within 15 days from the end of quarter. The details of submission of the report is as under:

Report for Quarter ended	Date of submission of report
June 30, 2014	July 8, 2014
September 30, 2014	October 9, 2014
December 31, 2014	January 6, 2015
March 31, 2015	April 8, 2015

Also the Report containing Annual Score (consolidated score of four quarters) was submitted to Ministry of Power on April 30, 2015 against the due date of May 31, 2015.

- (xiv) There are no audit qualifications pertaining to financial year 2014-15. However, there are certain observation(s) made by Statutory Auditors, Management's Reply of which has been given in the Board's Report. The Company will be submitting the requisite form duly signed by Chairman & Managing Director, Director (Finance), Joint Statutory Auditors and Chairman of the Audit Committee of the Company as per the provisions of Clause 31(a) of the Listing Agreement.
- (xv) The Board members based on their requirement, attended various seminars, conferences, training programmes from time to time. Further, as per the requirement of Corporate Governance Guidelines issued by Department of Public Enterprises (DPE), the Company has framed a Policy of Training to Board Members. During the financial year, three training programmes were attended by the Directors of the Company.

The Board Members are provided with necessary documents, reports and internal policies to enable them to familiarize with the Company's procedures and practices. Further, presentations on the business and performance of the Company, are made at the Board Meetings. The details of the same are available at http://www.recindia.gov.in/download/familiarization_programmes.pdf

- (xvi) A separate meeting of Independent Directors was held on December 24, 2013 without the attendance of non-Independent Directors and members of management. As on March 31, 2014, there were three (3) Part-time Non-official Independent Directors on the Board of the Company. During the financial year 2014-15, the tenure of Dr. Devi Singh and Shri Venkataraman Subramanian, Part-time Non-official Independent Directors, was completed on June 9, 2014 and both of them ceased to be directors from that date. Since then, there was only one Independent Director viz. Dr. Sunil Kumar Gupta on the Board, whose tenure was also completed on March 15, 2015. In view of the above, separate meeting of the Independent Directors could not be convened.

11. COMPLIANCE WITH APPLICABLE LAWS

The Company has a robust system in place for monitoring of various statutory and procedural compliances. The Board periodically reviews the status of statutory, policy and related procedural compliances periodically to ensure proper compliances of all laws applicable to the Company.

12. CODE OF BUSINESS CONDUCT AND ETHICS FOR BOARD MEMBERS AND SENIOR MANAGEMENT

The Board of Directors of the Company in its 318th Meeting held on July 10, 2007, had approved Code of Business Conduct for Board Members and Senior Management. Thereafter, the Board of Directors of REC in its 367th Meeting held on September 8, 2010 had revised the Code in line with DPE Guidelines and adopted "Code of Business Conduct and Ethics for Board Members and Senior Management" in supersession of the existing Code of Conduct. Subsequently, the Board of Directors of the Company in its 413th Meeting held on May 28, 2015 has revised the Code by incorporating the duties of Directors including Independent Directors, in line with Companies Act, 2013 and revised Listing Agreements entered with Stock Exchanges and adopted "Code of Business Conduct and Ethics for Board Members and Senior Management" in supersession of the existing Code of Conduct.

The Code of Business Conduct and Ethics for the Board Members and Senior Management is a comprehensive code applicable to all Directors, Key Managerial Personnel and Members of Senior management of the Company. It has been laid down in alignment with Company's mission and objectives and aims at enhancing ethical and transparent process in managing the affairs of the Company. A copy of the Code of Business Conduct and Ethics is available on the website of the Company i.e. www.recindia.gov.in. Based on the affirmation received from the Board Members and Senior Management

Personnel, declaration regarding Compliance of Code of Conduct from Chairman and Managing Director of the Company is as under:

Declaration under Clause 49 of the Listing Agreement

All Board Members and Senior Management have affirmed compliance with the 'Code of Business Conduct and Ethics for Board Members and Senior Management' of the Company for the financial year ended March 31, 2015.

Sd/-

(Rajeev Sharma)

Chairman and Managing Director

(DIN: 00973413)

Date: July 15, 2015

Place: New Delhi

13. CODE FOR PREVENTION OF INSIDER TRADING IN REC EQUITY SHARES/SECURITIES

In terms of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, the Company had formulated a comprehensive Code for Prevention of Insider Trading in REC Equity Shares/Securities ("Code") to preserve the confidentiality and to prevent misuse of unpublished price sensitive information.

Further, SEBI, vide Notification dated January 15, 2015, has notified and revised SEBI (Prohibition of Insider Trading) Regulations, 2015, which have come into force with effect from May 15, 2015. Accordingly, the said Code was amended by the Board of Directors of the Company in line with the aforesaid notification.

Under the said Code, every Director, Key Managerial Personnel, Officer and Designated Employee of the Company has a duty to safeguard the confidentiality of all such information obtained in course of his or her work at the Company and not to misuse his or her position or information regarding the Company to gain personal benefit or to provide benefit to any third party. The Code lays down guidelines and procedures to be followed and disclosures to be made while dealing with the shares/securities of the Company and the consequences of non-compliance. The Company Secretary has been appointed as the Compliance Officer and is responsible for adherence to 'Code of Prevention of Insider Trading in REC Equity Shares/Securities'. A copy of the revised Code has been posted on the Company's website i.e. www.recindia.gov.in.

In line with the requirement of the said Code, the trading window is being closed from time to time, whenever some unpublished price sensitive information is submitted to the Board. Notice of the closure of trading window is issued to all employees well in advance and proper announcements are also made, restraining the designated employees under the Code dealing in securities of the Company when the window is closed.

"Designated Employee" under the revised Code for Prevention of Insider Trading in REC Equity Shares/Securities means:-

- All members of the Board of Directors of the Company, Key Managerial Personnel and Chief Vigilance Officer.
- All employees working in the offices of Chairman and Managing Director and Whole-time Directors of the Company.
- All employees working in Corporate Office.
- All ZMs / CPMs / employees in the level of Manager and above, posted in Zonal / Project / CIRE / Sub-Offices of the Company, from time to time.
- The Directors and Employees of the subsidiary companies.
- Immediate relatives of (a) to (e) above.
- Any other employee, whether permanent or contractual, as may be notified by the Compliance Officer, with the approval of CMD.
- Insiders having possession of unpublished price sensitive information.

In case any of the designated employee leaves the services of the company, he/ she shall continue to be considered as Designated Employee for a further period of six months subsequent to the date of his/ her leaving the Company.

14. POLICY FOR PREVENTION OF FRAUD

Policy for Prevention of Fraud in REC has been framed to provide a system for detection and prevention of fraud, reporting of any fraud that is detected or suspected and fair dealing of matters pertaining to fraud. The policy covers the following provisions:-

- to ensure that management is aware of its responsibilities for detection and prevention of fraud and for establishing procedures for preventing fraud and/or detecting fraud when it occurs;
- to provide a clear guidance to employees and others dealing with REC forbidding them from involvement in any fraudulent activity and the action to be taken by them where they suspect any fraudulent activity;
- to conduct investigations into fraudulent activities; and
- to provide assurances that any and all suspected fraudulent activity will be fully investigated.

15. WHISTLE BLOWER POLICY

REC had adopted Whistle Blower Policy (PIDPI Resolution) as issued by Central Vigilance Commission vide Office Order No. 33/5/2004 dated May 17, 2004 and the same has also been incorporated in "Vigilance Hand Book" issued by Vigilance Division in October, 2010.

Further, in terms of Clause 49 of the Listing Agreement and Clause 8 of Guidelines on Corporate Governance for CPSEs issued by DPE, the Board of Directors of the Company, in its 380th Meeting held on November 10, 2011 had approved the Whistle Blower Policy of the Company, to support "The Code of Business Conduct and Ethics for Board Members and Senior Management". Further, in terms of Section 177 of the Companies Act, 2013 and Rules made thereunder, the Board of Directors of the Company in its 405th Meeting held on July 15, 2014, has adopted the "Revised Whistle Blower Policy", which came into effect from July 31, 2014. The Revised Whistle Blower Policy enables Directors / employees of REC and/or its subsidiaries to raise concerns regarding any alleged malpractice or wrongdoing, which could affect the business or reputation of the Company. The complaint can be made to the Competent Authority in the manner prescribed under the Revised Policy.

A declaration by the Chairman and Managing Director that he has not denied any Director / Employee of REC and/or its subsidiaries, access to the Competent Authority and that he has provided adequate safeguards and protection to the Complainants / Whistle Blowers from adverse personnel action during the financial year ended March 31, 2015 is as under:

Annual Affirmation by the Chairman & Managing Director in terms of Whistle Blower Policy of the Company

During the financial year 2014-15, no person has been denied access to the Competent Authority and necessary system has been put in place, to provide protection to the complainant, wherever required.

Sd/-
(Rajeev Sharma)
Chairman and Managing Director
(DIN: 00973413)

Date: May 15, 2015
Place: New Delhi

16. FEE PAID/PAYABLE TO JOINT STATUTORY AUDITORS

The details of fee paid/payable to Joint Statutory Auditors during the financial year 2014-15, are as under:

		(₹ in crore)
Sl. No.	Particulars	Amount
1.	Audit Fees (includes annual & half-yearly audit fees)	0.40
2.	Tax Audit Fees	0.06
3.	Limited Review Fees	0.09
4.	Payment for other services	0.04
5.	Reimbursement of expenses	0.03
	Total	0.62

17. MEANS OF COMMUNICATION

- i. The Company recognizes the rights of shareholders & communications as key elements of the overall Corporate Governance framework and therefore emphasizes on continuous, efficient and relevant communication with shareholders and other stakeholders.
- ii. The Company communicates with its shareholders through its Annual Reports, General Meetings and disclosures on its website, and through Stock Exchanges. All important information pertaining to the Company is also mentioned in the Annual Report for each financial year containing *inter-alia* Audited Financial Statements (Standalone & Consolidated), Directors' Report, Auditors' Report, Report on Corporate Governance and Non-Banking Financial Companies' Auditors' Report which is circulated to the members and others entitled thereto.
- iii. Quarterly/Half yearly/Annual Financial Results of the Company are communicated to the Stock Exchanges and published in financial and national newspapers like The Economic Times, Times of India, Hindustan Times, Mint, The Financial Express, Business Standard (English & Hindi), Jansatta (Hindi), etc. These results are also made available on Company's website at www.recindia.gov.in.
- iv. The Company also communicates with its institutional shareholders through investor conferences and one to one Meetings.
- v. The Company also makes press releases and corporate presentations on important corporate developments, from time to time and the same are also displayed on its website.

18. CEO/CFD CERTIFICATION

In terms of Clause 49 of the Listing Agreement, a Certificate on financial reporting and internal controls to the Board, duly signed by Shri Rajeev Sharma, Chairman & Managing Director and Shri Ajeet Kumar Agarwal, Director (Finance) was placed before the Board of Directors in its 413th Meeting held on May 28, 2015 while considering the Annual Audited Financial Statements of the Company for the financial year ended March 31, 2015.

19. GENERAL SHAREHOLDERS' INFORMATION

i. Annual General Meeting for the financial year 2014-15

Day and Date	Time	Venue
Wednesday, September 16, 2015	11.00 A.M.	Weightlifting Auditorium, Jawaharlal Nehru Stadium, Bhisham Pitamah Marg, Pragati Vihar, Lodhi Colony, New Delhi -110003

ii. Financial Calendar for financial year 2015-16 vis-à-vis financial year 2014-15

Particulars	Financial Year 2014-15		Financial Year 2015-16	
Accounting Period	April 1, 2014 to March 31, 2015		April 1, 2015 to March 31, 2016	
Announcement of Financial Results	1 st Quarter	August 12, 2014	First three Quarters	Announcement within 45 days from the end of the each quarter.
	2 nd Quarter	November 10, 2014		
	3 rd Quarter	February 13, 2015		
	4 th Quarter & Annual Financial Results	May 28, 2015	4 th Quarter & Annual Financial Results	Announcement within 60 days from the end of financial year.
Annual General Meeting	Wednesday, September 16, 2015		September 2016	

iii. Payment of Dividend

A. Dividend for the financial year 2014-15

(1) Interim Dividend Details:

In pursuance of Article 104 of the Articles of Association of the Company read with Section 123 of the Companies Act, 2013 and Companies (Declaration and Payment of Dividend) Rules, 2014, the Company has paid an Interim Dividend of ₹ 8.00 per Equity Share (on the face value of ₹ 10/- each) on February 27, 2015 for the financial year 2014-15.

(2) Final Dividend Details:

The Board of Directors of the Company in its 413th Meeting held on May 28, 2015 has recommended a Final Dividend of ₹ 2.70 per Equity Share (on the face value of ₹ 10/- each) for the financial year 2014-15 for approval of the shareholders in the 46th Annual General Meeting to be held on September 16, 2015. The total dividend (including Interim Dividend) for the financial year 2014-15 will be ₹ 10.70 per Equity Share (on the face value of ₹ 10/- each) i.e. 107 % of the paid up share capital of the Company.

B. Dividend History for the last five financial years

(₹ in crore)

Financial Year	Total Paid-up Capital	Total Amount of Dividend Paid	Rate of Dividend (%)	Date of Payment	
				Interim Dividend	Final Dividend
2009-10	987.46	603.21	65.00	January 12, 2010	September 15, 2010
2010-11	987.46	740.59	75.00	February 24, 2011	September 28, 2011
2011-12	987.46	740.59	75.00	February 7, 2012	October 4, 2012
2012-13	987.46	814.65	82.50	February 18, 2013	September 27, 2013
2013-14	987.46	938.09	95.00	February 28, 2014	October 1, 2014

C. Unpaid/Unclaimed Dividend and Share Application Money due for transfer to Investor Education Protection Fund (IEPF)

Pursuant to applicable provisions of the Companies Act, 1956 (corresponding provisions of Companies Act, 2013, yet to be notified), the dividend amount and share application money which remains unpaid/ unclaimed for a period of seven years, is required to be transferred to the Investor Education & Protection Fund (IEPF) of the Central Government.

Accordingly, the Unpaid/Unclaimed amount, relating to share application money received at the time of Initial Public Offer (IPO) in February/ March 2008, amounting to ₹ 84,18,515 has been transferred to Investor Education and Protection Fund in April 2015 on remaining unpaid/unclaimed for a period of seven years. Further, the Unpaid/Unclaimed amount of Final Dividend for the financial year 2007-08 and Interim Dividend for the financial year 2008-09 will be due for transfer to IEPF in the financial year 2015-16. The Company has been issuing notices in the newspapers, from time to time, in order to invite attention of shareholders to submit their claims towards the unpaid and unclaimed dividend. Therefore, it is advised to encash warrants relating to unpaid/ unclaimed share application money and /or dividend immediately or write to R&TA of the Company for revalidation or issue of DDs in place of old warrants.

The Company has uploaded the details of unclaimed / unpaid amounts pertaining to shareholders/bondholders of the Company containing information like name, address, amount due to be transferred to IEPF and due date of transfer of amount to IEPF on its website.

iv. Date of Book Closure

The Register of Members and Share Transfer Books of the Company will remain closed from Friday, September 11, 2015 to Wednesday, September 16, 2015 (both days inclusive).

v. Pay-out Date for Payment of Final Dividend

The Final Dividend on equity shares, as recommended by the Board of Directors, subject to the provisions of Section 123 of the Companies Act, 2013, if approved by the Members of the Company at the 46th Annual General Meeting, will be paid on Wednesday, October 7, 2015 to the members or their mandates whose names appear in the Register of Members of the Company after giving effect to all valid share transfer requests lodged with the Company/ R&TA, on or before Thursday, September 10, 2015, in respect of physical shares. In respect of Dematerialized shares, the final dividend shall be payable to the "beneficial owners" of the shares whose names appear in the Statement of Beneficial Ownership furnished by National Securities Depository Limited and Central Depository Services (India) Limited at the close of business hours on Thursday, September 10, 2015.

vi. Listing of Equity Shares

REC shares are listed on the following Stock Exchanges:

Name & Address	Telephone / Fax / E-mail ID / Website	Scrip Code
National Stock Exchange of India Limited (NSE) Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051.	Telephone: (022) 26598100 - 8114 Fax: (022) 26598120 E-mail ID: cmist@nse.co.in Website: www.nseindia.com	RECLTD
BSE Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001.	Telephone: (022) 22721233/4 Fax: (022) 22721919 E-mail ID: corp.relations@bseindia.com Website: www.bseindia.com	532955

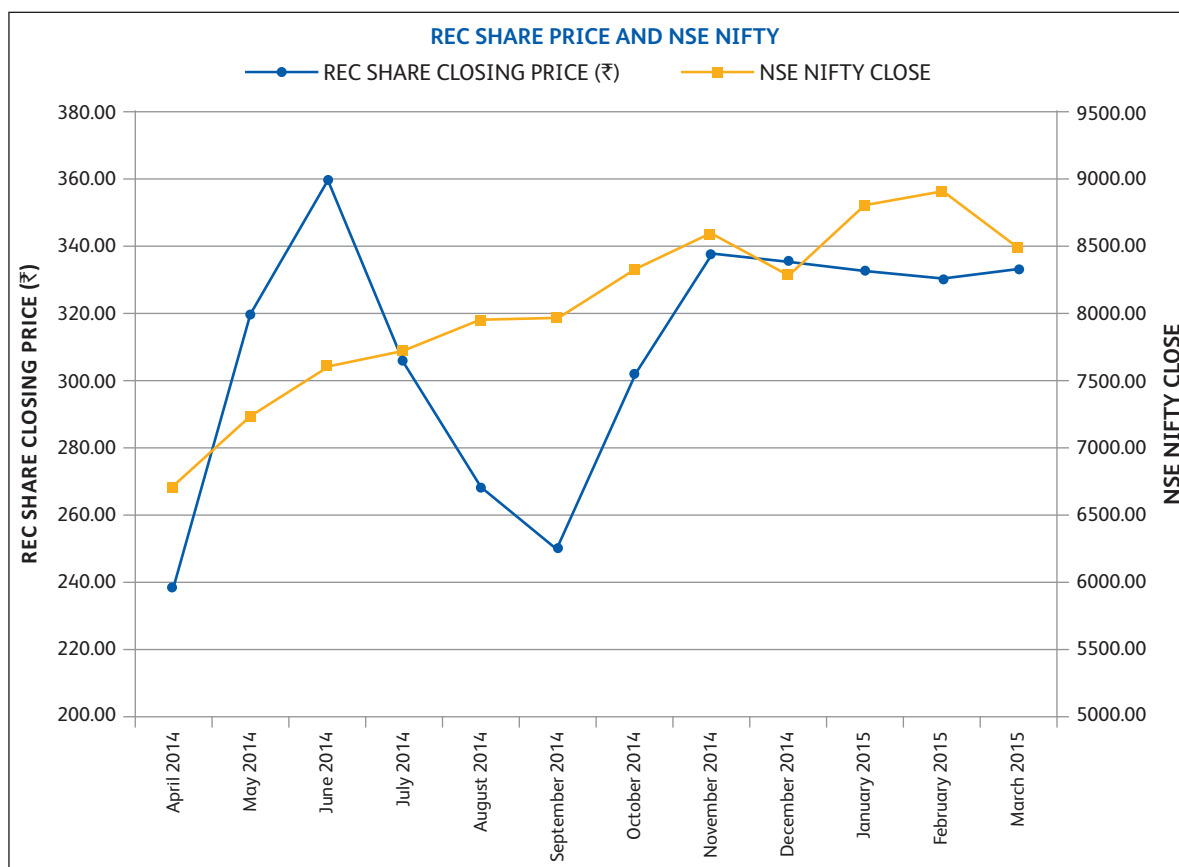
vii. International Securities Identification Number (ISIN)

ISIN is a unique identification number of traded scrip. This number has to be quoted in each transaction relating to the dematerialized securities of the Company. ISIN of Equity Shares of Rural Electrification Corporation Limited is INE020B01018.

viii. Market Price Data for the financial year 2014-15

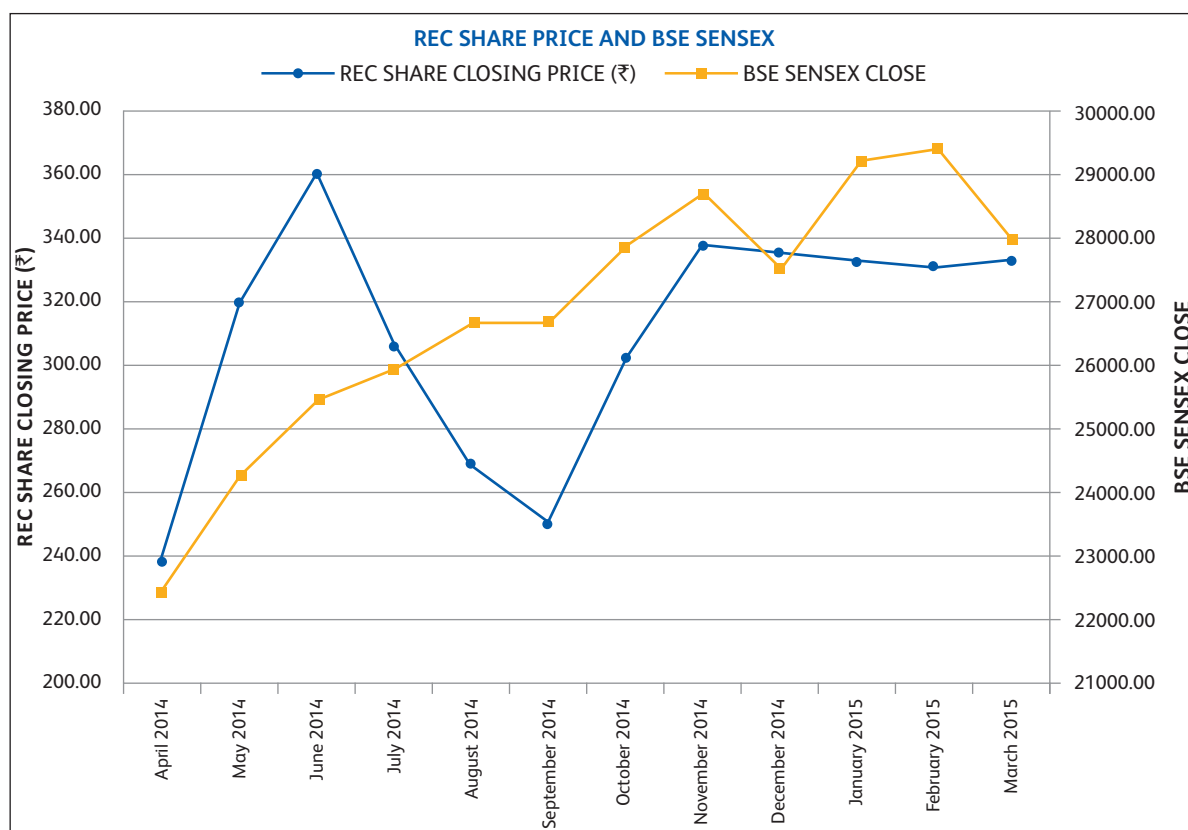
Performance of REC Share vis-à-vis NSE NIFTY

Performance of REC Share at NSE				Movement of NSE NIFTY		
Month	High (₹)	Low (₹)	Month Close (₹)	High	Low	Month Close
April, 2014	252.50	222.55	237.90	6869.85	6650.40	6696.40
May, 2014	380.60	236.70	319.70	7563.50	6638.55	7229.95
June, 2014	380.50	321.50	359.30	7700.05	7239.50	7611.35
July, 2014	383.40	296.90	306.00	7840.95	7422.15	7721.30
August, 2014	312.00	257.10	268.35	7968.25	7540.10	7954.35
September, 2014	289.80	233.10	249.95	8180.20	7841.80	7964.80
October, 2014	303.95	235.60	302.00	8330.75	7723.85	8322.20
November, 2014	351.50	285.60	337.30	8617.00	8290.25	8588.25
December, 2014	352.80	293.70	335.15	8626.95	7961.35	8282.70
January, 2015	349.90	309.90	333.10	8996.60	8065.45	8808.90
February, 2015	351.65	307.50	330.55	8941.10	8470.50	8901.85
March, 2015	371.75	318.00	333.20	9119.20	8269.15	8491.00



Performance of REC Share vis-à-vis BSE SENSEX

Performance of REC Share at BSE				Movement of BSE SENSEX		
Month	High (₹)	Low (₹)	Month Close (₹)	High	Low	Month Close
April, 2014	252.30	222.50	238.40	22939.31	22197.51	22417.80
May, 2014	380.65	237.10	319.55	25375.63	22277.04	24217.34
June, 2014	380.00	321.00	359.20	25725.12	24270.20	25413.78
July, 2014	383.35	297.10	305.75	26300.17	24892.00	25894.97
August, 2014	311.70	257.55	268.55	26674.38	25232.82	26638.11
September, 2014	289.70	234.00	249.70	27354.99	26220.49	26630.51
October, 2014	303.90	235.70	301.75	27894.32	25910.77	27865.83
November, 2014	351.50	285.70	337.00	28822.37	27739.56	28693.99
December, 2014	352.40	293.00	335.05	28809.64	26469.42	27499.42
January, 2015	349.80	310.00	332.75	29844.16	26776.12	29182.95
February, 2015	351.65	307.75	330.50	29560.32	28044.49	29361.50
March, 2015	371.05	318.15	332.65	30024.74	27248.45	27957.49



ix. **Registrar and Share Transfer Agent**

Karvy Computershare Private Limited
Karvy Selenium Tower B, Plot 31-32,
Gachibowli Financial District, Nanakramguda,
Hyderabad - 500 032, India.
Tel: 91- 40- 67161500
Fax: 91- 40- 23420814
E-mail: einward.ris@karvy.com ; raju.sv@karvy.com ; balaji.reddy@karvy.com
Website: www.karvycomputershare.com

x. Share Transfer System

The shares under physical segment are transferred through Karvy Computershare Private Limited. Karvy receives the shares to be transferred along with the transfer deed from transferee, verifies it, prepares the Memorandum of transfer etc. Request for splitting/ consolidation and transfer of physical shares upto 500 equity shares per individual in each case are approved directly by Karvy Computershare Private Limited.

Pursuant to Clause 49 of the Listing Agreement, a Share Transfer Committee has also been constituted to consider and approve requests received from shareholders for splitting / consolidation / transfer of physical shares, exceeding 500 equity shares per individual in each case.

Further pursuant to Clause 47(c) of the Listing Agreements with the Stock Exchanges, Certificate from Practicing Company Secretary on half yearly basis confirming due compliance of share transfer formalities by the Company has been submitted to Stock Exchanges within stipulated time. Further, it is also confirmed that all transfer of shares were completed within the prescribed time period.

xi. Distribution of Shareholding

DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2015

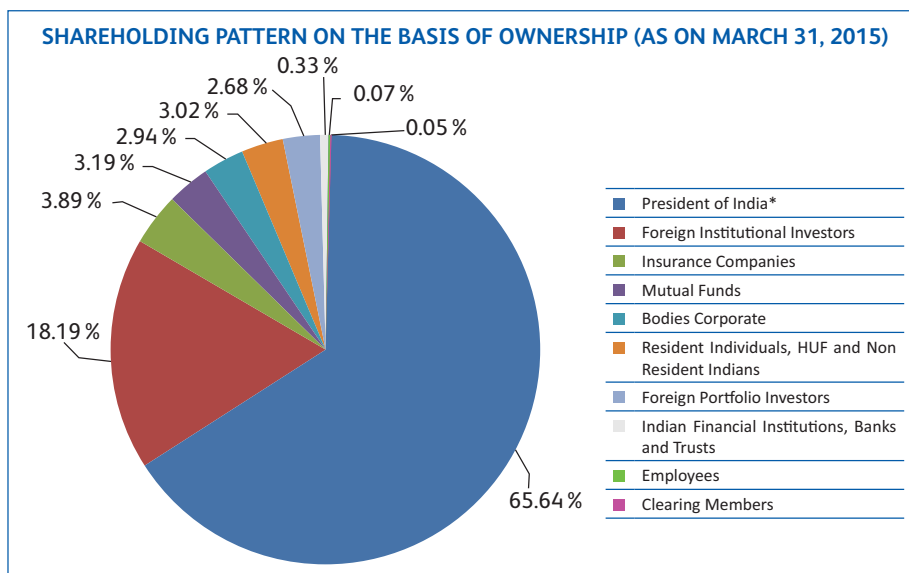
Number of shares	Number of shareholders	Percentage of shareholders	Total Shares	Amount (₹)	Percentage of shares
1-5000	2,07,373	96.89	1,83,83,403	18,38,34,030	1.86
5001- 10000	3,740	1.75	27,02,520	2,70,25,200	0.27
10001- 20000	1,193	0.56	17,40,571	1,74,05,710	0.18
20001- 30000	408	0.19	10,33,980	1,03,39,800	0.10
30001- 40000	185	0.09	6,50,751	65,07,510	0.07
40001- 50000	149	0.07	6,91,968	69,19,680	0.07
50001- 100000	251	0.12	17,61,038	1,76,10,380	0.18
100001 & Above	722	0.34	96,04,94,769	9,60,49,47,690	97.27
Total	2,14,021	100	98,74,59,000	9,87,45,90,000	100

SHAREHOLDING PATTERN ON THE BASIS OF OWNERSHIP

Category	As on March 31, 2015		As on March 31, 2014	
	Number of Shares	Percentage of total	Number of Shares	Percentage of total
President of India*	64,81,68,218	65.64	64,81,68,218	65.64
Foreign Institutional Investors	17,95,83,870	18.19	18,44,92,738	18.68
Insurance Companies	3,84,14,283	3.89	5,63,88,536	5.71
Mutual Funds	3,15,15,282	3.19	3,41,35,283	3.46
Bodies Corporate	2,90,72,645	2.94	2,69,38,990	2.73
Resident Individuals	2,77,68,025	2.81	2,62,55,532	2.66
Foreign Portfolio Investors	2,64,37,401	2.68	0.00	0.00
Indian Financial Institutions	21,53,767	0.22	55,35,285	0.56
H U F	11,99,657	0.12	12,11,477	0.12
Non Resident Indians	8,73,596	0.09	6,18,401	0.06
Clearing Members	5,26,860	0.05	13,10,192	0.13
Employees	6,61,054	0.07	8,15,923	0.08
Banks	5,92,295	0.06	12,76,714	0.13
Trusts	4,92,047	0.05	3,11,711	0.03
Total	98,74,59,000	100	98,74,59,000	100

* During the financial year 2015-16, the President of India through Ministry of Power divested/sold 4,93,72,950 equity shares i.e. 5% of the total paid up capital of REC through Offer for Sale on April 8, 2015 and also divested 27,588 Equity Shares i.e. 0.003% of total paid up capital of REC 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 REC as against 65.64 % as on March 31, 2015.



* During the financial year 2015-16, after the Offer for Sale and divestment of shares through CPSE ETF by the President of India, the shareholding of the President of India has reduced to 60.64 % of the paid up equity share capital of REC.

xii. Dematerialization of shares

The shares of the Company are in compulsory dematerialized segment and available for trading under systems of both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

The names and addresses of the Depositories are as under:

National Securities Depository Limited Trade World, 4 th Floor, Kamala Mills Compound Senapathi Bapat Marg, Lower Parel, Mumbai-400 013	Central Depository Services (India) Limited Phiroze Jeejeebhoy Towers 28 th Floor, Dalal Street, Mumbai-400 023
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The Details of number of shares held in dematerialized and physical mode as on March 31, 2015 was as under:

Category	Number of Shareholders	Number of Shares	Percentage of total Shares issued
Physical	8,465	13,046	Negligible
NSDL (Demat)	1,45,619	97,87,09,453	99.11
CDSL (Demat)	59,937	87,36,501	0.89
Total	2,14,021	98,74,59,000	100.00

xiii. Reconciliation of Share Capital Audit Report

For every quarter of the financial year 2014-15, M/s Savita Jyoti Associates, Practicing Company Secretaries, Hyderabad carried out audits to reconcile the total admitted, issued and listed share capital with NSDL and CDSL and issued the Reconciliation of Share Capital Audit Report for every quarter of the financial year 2014-15. The report confirms that the total issued / paid up share capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL and the same was submitted to the Stock Exchanges within the stipulated time.

xiv. Details of Demat Suspense Account

The Company went for an Initial Public Offer of 15,61,20,000 equity shares in February, 2008, which comprised of fresh issue of 7,80,60,000 equity shares by the Company and an Offer for Sale of another equal number of shares by the President of India.

Further, the Company went for a Follow on Public Offer of 17,17,32,000 Equity Shares in February, 2010 which comprised fresh issue of 12,87,99,000 equity shares by the Company and Offer for Sale of 4,29,33,000 Equity Shares by the President of India.

As per Clause 5A of the Listing Agreement, the details of unclaimed shares as on March 31, 2015 in the Demat Suspense Account is given as under:-

Sl. No.	Particulars	April 1, 2014 to March 31, 2015			
		Initial Public Offer		Further Public Offer	
		Number of cases	Number of shares involved	Number of cases	Number of shares involved
1.	Aggregate number of shareholders and outstanding unclaimed shares in the Suspense Account as on April 1, 2014.	275	22,591	5	450
2.	Number of shareholders who approached the Company for transfer of unclaimed shares from the Suspense account during the financial year.	10	979	1	60
3.	Number of shareholders to whom unclaimed shares were transferred from the Suspense Account during the financial year.	10	979	1	60
4.	Aggregate number of shareholders and the outstanding unclaimed shares in the Suspense Account as on March 31, 2015.	265	21,612	4	390

The voting rights in respect of the said shares will be frozen till the time rightful owner claims such shares.

xv. Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion dates and likely impact on equity.

No GDRs/ADRs/Warrants or any Convertible instruments have been issued by the Company.

xvi. Annual Listing Fee to Stock Exchanges

The Company has paid Annual Listing Fee for the financial year 2015-16 to NSE and BSE.

xvii. Annual Custodial Fee to Depositories

The Company has timely paid the annual custodian fee for financial year 2014-15. The Annual Custodial Fee for the financial year 2015-16 will be paid upon receipt of invoice from the respective Depositories.

xviii. Plant Locations

As the Company is a Public Financial Institution, it does not have any plant. However, the Company has 5 Zonal Offices, 18 Project Offices, 3 Sub-Offices and 1 Training Centre.

xix. Address for correspondence

Rural Electrification Corporation Limited
Core-4, SCOPE Complex, 7, Lodhi Road,
New Delhi-110003, India

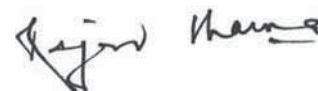
xx. Corporate Identification Number (CIN)

L40101DL1969GOI005095

xxi. Compliance Officer and Public Spokesperson

Shri J. S. Amitabh
General Manager & Company Secretary
Tel: 91-11-24367305, Fax: 91-11-24362039
E-mail: jsamitabh@recl.nic.in

For and on behalf of the Board of Directors



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