

BOARD'S REPORT

To

The Shareholders,

Your Directors have pleasure in presenting the Forty Seventh Annual Report together with the Audited Financial Statements of your Company for the financial year ended March 31, 2016.

1. PERFORMANCE HIGHLIGHTS

- 1.1 The highlights of performance of the Company for the financial year 2015-16 were as under with comparative position of previous year's performance:-

| | (₹ in crore) | |
|--|--------------|------------|
| Parameter | FY 2015-16 | FY 2014-15 |
| Loans Sanctioned (excluding sanctions under DDUGJY-RE and DDG) | 65,471.10 | 61,421.37 |
| Disbursements (including subsidy under DDUGJY-RE and DDG) | 50,630.81 | 46,446.82 |
| Recoveries (including interest) | 47,921.00 | 32,005.56 |
| Total Operating Income | 23,638.35 | 20,229.53 |
| Profit Before Tax | 8,045.21 | 7,427.04 |
| Profit After Tax | 5,627.66 | 5,259.87 |

1.2 Financial Performance

The total operating income of your Company for the financial year 2015-16 has increased by 17% to ₹ 23,638.35 crore from ₹ 20,229.53 crore during the previous year. The profit after tax increased by 7% to ₹ 5,627.66 crore from ₹ 5,259.87 crore for the previous year.

Loan asset book of your Company as on March 31, 2016 has increased by a healthy 12% to reach a historic high of ₹ 2,01,278 crore from ₹ 1,79,647 crore in the previous year. The outstanding borrowings as on March 31, 2016 were ₹ 1,69,106 crore.

Earnings Per Share (EPS) for the financial year ended March 31, 2016 is ₹ 56.99 per share of ₹ 10/- each. Net Worth of the Company as on March 31, 2016 has increased by 15% to ₹ 28,618 crore from ₹ 24,857 crore in the previous year.

1.3 Dividend

In addition to interim dividend of ₹ 12.00 per share paid in February, 2016, the Board of Directors of your Company have recommended a final dividend of ₹ 5.10 per share for the financial year 2015-16, which is subject to approval of the Shareholders in the ensuing Annual General Meeting. The total dividend for the financial year 2015-16 will work out to ₹ 17.10 per share, representing 171% of the paid-up share capital of the Company as against ₹ 10.70 per share, representing 107% of the paid-up share capital of the Company in the previous year. The total dividend pay-out for the financial year 2015-16 will amount to ₹ 1,688.55 crore (excluding dividend distribution tax of ₹ 341.71 crore).

1.4 Share Capital

The issued and paid up share capital of the Company as on March 31, 2016 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 120,00,00,000 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 2015-16, the President of India acting through Ministry of Power, Government of India disinvested/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 March 31, 2016, the President of India held 60.64% of the paid up equity share capital of the Company.

2. LOANS SANCTIONED

The Company sanctioned loans worth ₹ 65,471.10 crore during the financial year 2015-16, as against ₹ 61,421.37 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 up to March 31, 2016 was ₹ 6,81,479.23 crore, including DDUGJY-RE and DDG project cost (capital subsidy and loan) upto XI five year plan. The cumulative state-wise position of sanctions up to the financial year 2015-16 is given in enclosed **Table-3**.

3. DISBURSEMENTS

A total sum of ₹ 46,025.83 crore was disbursed during the financial year 2015-16 as against ₹ 42,818.46 crore in the previous year. Further, an amount of ₹ 5,023.99 crore (subsidy of ₹ 4,541.44 crore under RE component of DDUGJY and subsidy of ₹ 63.54 crore under DDG and loan component of ₹ 419.01 crore) under DDUGJY, has been disbursed. The cumulative amount



Shri Rajeev Sharma, CMD, REC presenting interim dividend cheque of ₹ 718.52 crore for the financial year 2015-16 to Shri Piyush Goyal, Hon'ble Minister of State for Power (Independent Charge), Government of India.

disbursed since inception up to March 31, 2016 was ₹ 3,29,538.39 crore excluding subsidy under DDUGJY-RE and DDG. The state-wise disbursements and repayment of loan by borrowers during the financial year 2015-16 together with cumulative figures and outstanding as on March 31, 2016 are given in enclosed **Table-4**.

4. RECOVERIES

4.1 The Company gives utmost priority to the timely realization of its dues towards principal, interest, etc. The amount due for recovery including interest for performing assets during the financial year 2015-16 was ₹ 48,278 crore as compared to ₹ 32,661 crore during the previous year. The Company recovered a total sum of ₹ 46,641 crore towards performing assets during the financial year 2015-16 as against ₹ 31,412 crore during the previous year. The Company achieved recovery rate of 96.61% for the financial year 2015-16. The overdues from defaulting borrowers pertaining to Performing Assets as on March 31, 2016 was ₹ 1,637 crore. Further, an amount of ₹ 1,280 crore was recovered during the financial year 2015-16 towards earlier year dues and NPAs as against ₹ 593.56 crore during the previous year.

4.2 Your Company's Non-Performing Assets (NPAs) continue to be at low levels. As on March 31, 2016, the Gross NPAs of the Company was ₹ 4,243.57 crore (including loans classified as NPAs due to restructuring/ non-achievement of DCCO amounting to ₹ 811.33 crore). The percentage of NPA as a percentage of Gross Loan Assets stood at 2.11% as on March 31, 2016 as compared to 0.74% as on March 31, 2015. The net NPA as on March 31, 2016 was ₹ 3,230.30 crore, which is 1.60% of Gross Loan Assets. Further, no doubtful loans have been rescheduled by the Company, during the financial year 2015-16.

The details of loans rescheduled during the financial year 2015-16 and their position as on March 31, 2016, are as under:
(₹ in crore)

| Particulars | | FY 2015-16 | FY 2014-15 |
|---------------------|--------------------|------------|------------|
| Standard Loans* | No. of Borrowers | 23 | 27 |
| | Amount Outstanding | 22,829.88 | 35,024.03 |
| Sub-Standard Loans* | No. of Borrowers | 3 | 0 |
| | Amount Outstanding | 1,402.44 | 0 |
| Total | No. of Borrowers | 26 | 27 |
| | Amount Outstanding | 24,232.32 | 35,024.03 |

*The Rescheduled loan amount includes ₹ 5,649.12 crore wherein the first repayment date was extended due to delayed commissioning of the respective project.

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, 2016 is as under:
(₹ in crore)

| Particulars | Standalone | | Consolidated | |
|---|------------------|------------------|------------------|------------------|
| | FY 2015-16 | FY 2014-15 | FY 2015-16 | FY 2014-15 |
| Revenue from Operations | 23,638.35 | 20,229.53 | 24,012.88 | 20,384.34 |
| Other Income | 117.93 | 158.52 | 117.05 | 165.55 |
| Total Income | 23,756.28 | 20,388.05 | 24,129.93 | 20,549.89 |
| Finance Costs | 14,283.12 | 11,844.61 | 14,282.35 | 11,839.59 |
| Other Operating Expenses | 338.10 | 313.44 | 604.74 | 351.78 |
| Provisions and Contingencies | 1,089.85 | 802.96 | 1,096.18 | 806.18 |
| Total Expenses | 15,711.07 | 12,961.01 | 15,983.27 | 12,997.55 |
| Profit Before Tax | 8,045.21 | 7,427.04 | 8,146.66 | 7,552.34 |
| Provision for Taxation | 2,417.55 | 2,167.17 | 2,455.24 | 2,207.92 |
| Profit After Tax | 5,627.66 | 5,259.87 | 5,691.42 | 5,344.42 |
| Less : Appropriations | | | | |
| Transfer to Special Reserve u/s 36(1)(viii) of the Income Tax Act, 1961 | 1,900.00 | 1,629.00 | 1,900.00 | 1,629.00 |
| Transfer to Reserve for Bad & Doubtful Debts u/s 36(1)(viiia) of the Income Tax Act, 1961 | 390.00 | 353.00 | 390.00 | 353.00 |
| Dividend | 1,688.55 | 1,056.58 | 1,688.55 | 1,056.58 |
| Dividend Distribution Tax | 341.71 | 212.17 | 345.68 | 214.21 |
| Transfer to Debenture Redemption Reserve | 196.59 | 185.79 | 196.59 | 185.79 |
| Transfer to General Reserve | 570.00 | 526.00 | 572.89 | 530.76 |
| Surplus carried over to Balance Sheet | 540.81 | 1,297.33 | 597.71 | 1,375.08 |

5.1.1 Contribution to National Exchequer

During the financial year 2015-16, the Company contributed an amount of ₹ 3,749.55 crore as compared to ₹ 3,134.24 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:

| | (₹ in crore) | |
|--|-----------------|-----------------|
| Particulars | FY 2015-16 | FY 2014-15 |
| Dividend paid to the Government of India | 880.19 | 631.96 |
| Dividend Distribution Tax | 293.47 | 187.26 |
| Direct Taxes | 2,540.96 | 2,285.04 |
| Service Tax paid including CENVAT credit | 34.93 | 29.98 |
| Total | 3,749.55 | 3,134.24 |

5.1.2 Ratio Analysis

A comparative statement of important ratios of the Company for the financial year 2015-16 vis-à-vis 2014-15 is as below:

| Particulars | FY 2015-16 | FY 2014-15 |
|---------------------------------|------------|------------|
| Earnings Per Share (₹) | 56.99 | 53.27 |
| Return on Average Net Worth (%) | 21.05 | 23.11 |
| Book Value per Share (₹) | 289.81 | 251.73 |
| Debt Equity Ratio (times) | 5.91 | 6.08 |
| Price Earnings Ratio (times)* | 2.92 | 6.25 |
| Interest Coverage Ratio (times) | 1.56 | 1.63 |

*PE Ratio has been calculated on the basis of Closing Price of equity share of REC at NSE as on March 31, 2016 & March 31, 2015.

5.2 Resource Mobilization

The Company mobilized ₹ 31,254.92 crore from the market during the year 2015-16. This includes ₹ 1,000 crore by way of Tax Free Secured Redeemable Non-Convertible Bonds, ₹ 6,476.70 crore by way of Capital Gain Tax Exemption Bonds, ₹ 15,526 crore by way of non-priority sector bonds, ₹ 8,046.60 crore (i.e USD 1,220 million) from External Commercial Borrowings (ECB) and ₹ 205.62 crore by way of Official Development Assistance (ODA) loan from Kreditanstalt für Wiederaufbau (KfW), Germany & Japan International Cooperation Agency (JICA), Japan. Further, an amount of ₹ 20,771.78 crore was also raised through Commercial Paper (CP).

Cash Credit Facilities

The Company has an approved cash credit/WCDL limit of ₹ 6,510 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 the Company 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 is “Baa3” and “BBB-” respectively.

5.4 Cost of Borrowing

The overall weighted average annualized interest rate of borrowing for the funds raised during the financial year 2015-16 was 7.30% p.a. and for the borrowings outstanding as on March 31, 2016 is 8.21% p.a. As a result, your Company was able to deliver debt financing at competitive rates.

5.5 Redemption and Pre-Payment

During the year, the Company repaid a sum of ₹ 34,892.83 crore. This includes repayment amounting to ₹ 3.07 crore to the Government of India, ₹ 2,992.80 crore to non-priority / priority sector bond holders, ₹ 4,903.25 crore worth of Capital Gain Tax Exemption Bonds, ₹ 133.93 crore towards Infrastructure Bonds, ₹ 10,456.14 crore of External Commercial Borrowings and ₹ 403.64 crore of Official Development Assistance (ODA) loan. The Company also redeemed long term and short term loans from Banks and Financial Institutions of ₹ 475 crore and Commercial Papers of ₹ 15,525 crore.

5.6 Deployment of Resources at the close of the year

At the close of the financial year 2015-16, the total resources of your Company stood at ₹ 2,06,352.97 crore. Out of this, Equity Share Capital contributed ₹ 987.46 crore, reserves and surplus stood at ₹ 27,630.30 crore, Loans from Financial Institutions, Commercial Banks and market borrowings through Bonds and Commercial Papers accounted for ₹ 1,69,106.38 crore, Deferred Tax Liabilities of ₹ 49.75 crore and other liabilities & provisions stood at ₹ 8,579.08 crore. These funds were deployed as Long /

Short Term Loans of ₹ 2,00,265.02 crore (net of provisions ₹ 1,013.27 crore), fixed assets (net of depreciation) of ₹ 150.32 crore (including Capital Work in progress), Investments of ₹ 2,466.62 crore, Cash & Bank Balances of ₹ 1,728.55 crore and other assets of ₹ 1,742.46 crore.

5.7 Policy Initiatives

The Company constantly reviews its policies/ procedures from time to time, to suitably align with market requirements and also with its corporate objectives and applicable statutory requirements. During the year, the Company has adopted / amended various policies and guidelines, such as Integrated Rating Methodology for Renewable Energy projects, Integrated Rating Guidelines for Coal Mines Financing (State Sector), Long Term Investment Policy, Guidelines on Project Financing Framework for Flexible Structuring, Guidelines on Refinancing of Project Loans, Guidelines on Regulatory Compliance regarding Stressed Assets and Policy for CSR assistance under Skill Development.

During the year, the Company has modified its existing policy constituted for granting rebates in interest rates/offering special interest rates and Medium Term Loan (MTLs).

Despite 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 DISTRIBUTION SCENARIO AND MAJOR CHALLENGES

The present scenario of Transmission and Distribution (T&D) industry is much more challenging in comparison to the past since we have achieved highest ever Generation Capacity addition during XI plan and further set a target for addition of over 88,000 MW during XII plan from conventional sources. The country is well on its course for achieving this target and the capacity of around 96% of the target has already been added. This achievement shall pose an urgent requirement for creation of requisite transmission and distribution infrastructure for effective utilization of power. The TRANSCOs and DISCOMs need to create this infrastructure and enhance their capital expenditure 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.

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

Major challenges presently being faced by distribution sector includes high level of accumulated losses & depleting net worth which is severely hindering their finances. High AT&C losses, limited capability to implement capital expenditure plans, delay in tariff order resulting in creation of regulatory assets, carrying cost of these regulatory assets, lack of tariff rationalisation leading to cross subsidy, open access issues, timely release of subsidy by State Government, delayed revenue collection cycle etc. have caused a dent in their cash flows. The overall performance of the state distribution utilities has been an issue of concern due to the above factors. Keeping in tune with the times and dynamic environment wherein utilities are struggling and striving hard to meet the consumer expectations, your Company today finances entire gamut of distribution projects broadly with the objectives of system improvement & augmentation, loss reduction measures, IT-enabling, consumer satisfaction etc. Your Company is always ready to consider special dispensation/requirements of DISCOMs based on the prudence/merit and sound appraisal mechanism. A dedicated Strategic Business Group has been set up in the Company for this purpose.

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 DDUGJY (Nodal Agency), IPDS, NEF (Nodal Agency), FRP (Financial Restructuring Plan), Smart Grid task force, Ujwal DISCOM Assurance Yojana (UDAY), etc. With all these major interventions your Company is optimistic that distribution scenario would be much better in not too distant future when the results and effect of above massive programmes in conjunction with the reform measures by the respective states starts trickling in and transform the entire landscape of distribution.

6.1 Major reforms in Distribution Sector

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

In the past decade, Government of India (GoI) 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, 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 the loans to enhance liquidity situation of the DISCOMs in joint participation with State Government by way of FRP scheme. The financial outlay of DDUGJY is of ₹ 43,033 crore (with ₹ 33,453 crore as budgetary support from Government of India) and IPDS with total outlay of ₹ 32,612 crore (with Government budgetary support of ₹ 22,727 crore), should provide considerable fillip to the pace of capital investments in distribution sector without putting much strain on already stressed balance sheets of DISCOMs. REC is the Nodal Agency for implementation of DDUGJY and NEF scheme.

REC has been providing counterpart funding for a large number of R-APDRP projects which aim to reduce the Aggregate Technical and Commercial (AT&C) losses considerably in urban areas. Also, REC shall participate in funding of the loan component under DDUGJY and IPDS programmes.

Ministry of Power (MoP) has also been working on Integrated Rating System for all the state DISCOMs in the country which facilitates realistic assessment of performance. The system would enable these DISCOMs to weigh their strengths & weaknesses and facilitate a focused approach for achieving further improvements in their operational and financial performance. It will also aid in adoption of consistent approach by Banks/FIs while considering funding proposals of distribution companies.

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, actively sensing and responding to changes in power demand, supply, costs, quality of power. MoP is also working towards ensuring technological interventions through introduction of Smart Grid and has already extended financial assistance to several pilot projects. Similarly, better information enables consumers to manage energy use to meet their needs. The on-going measures under erstwhile R-APDRP programme will set a stepping stone equipping the DISCOMs to integrate with further technical advancements and to make the grid smarter.

Further, to evolve a road map for implementation of smart grids in India, MoP has constituted India Smart Grid Task Force (ISGTF), an inter-ministerial group. 14 Nos. Smart Grid Pilot Projects had been approved by MoP with 50% Government of India funding to test various functionalities in Indian Environment. The objectives of these Pilots cover – Power Quality Management (PQM), providing Advanced Metering Infrastructure (AMI), Outage Management (OM), Peak Load Management (PLM) and also DG (Distributed Generation) & Micro Grid functionalities. The Government of India is promoting development of 100 smart cities, which shall further lead to plethora of requirements and necessities in further adoption of technology and best practices in the distribution segment.

As is evident from above interventions, Government of India is working on two different fronts, one being to facilitate power to all and second to improve operational & financial performance of the utilities. The results of these measures have already started to show effects 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.

Though, so many initiatives have been taken by the Government of India, State Governments and DISCOMs, however the state of distribution segment on the consolidated level remains weak. The DISCOMs are having fragile balance sheets, face prolonged project execution delays, incurring lesser capital expenditure, engaging is reduced power procurement due to ongoing gap between per unit revenue and cost of supply. Though the utilities are working on reducing this gap through regular tariff filings and demand for Return on Equity by the DISCOMs, however the targets set for performance achievement are regularly being missed by majority of DISCOMs, leading to inadequate tariff transmission through the mechanism. 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.

Ujwal DISCOM Assurance Yojana (UDAY)

The recent initiative by Ministry of Power, Government of India through Ujwal DISCOM Assurance Yojana (UDAY), launched in November 2015, is a path breaking reform for realizing the Hon'ble Prime Minister's vision of affordable and accessible 24x7 power for all. It is another decisive step furthering the landmark strides made in the Power sector over the past two years, with the sector witnessing a series of historic improvements across the entire value chain, from fuel supply (highest coal production growth in over 2 decades), to generation (highest ever capacity addition), transmission (highest ever increase in transmission lines) and consumption (over 2.3 crore LED bulbs distributed).

Financially stressed DISCOMs are not able to supply adequate power at affordable rates, which hampers quality of life and overall economic growth and development. Efforts towards 100% village electrification, 24X7 power supply and clean energy cannot be achieved without performing DISCOMs. Power outages also adversely affect national priorities like "Make in India" and "Digital India".

Due to legacy issues, DISCOMs are trapped in a vicious cycle with operational losses being funded by debt. Outstanding debt of DISCOMs has increased from about ₹ 2.4 lakh crore at the end of 2011-12 to about ₹ 4.3 lakh crore at the end of 2014-15. UDAY assures the rise of vibrant and efficient DISCOMs through a permanent resolution of past as well as potential future issues of the sector. It empowers DISCOMs with the opportunity to break even in the next 2-3 years. This is through four initiatives (i) Improving operational efficiencies of DISCOMs; (ii) Reduction of cost of power; (iii) Reduction in interest cost of DISCOMs; and (iv) Enforcing financial discipline on DISCOMs through alignment with State finances.

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, Distribution Companies (DISCOMs) – both in public and private sector, to improve the infrastructure in distribution sector. The scheme is aimed to incentivize much needed investment into distribution segment of power sector. The scheme is reform linked and interest subsidy is payable to the DISCOMs on achievement on reform based parameters outlined in NEF guidelines. The interest subsidy of 3% to 7% would be provided on loans taken by power utilities in distribution sector for all approved Distribution Sector Infrastructure capital works.

During the financial year 2012-13 & 2013-14, your Company has already sanctioned projects of ₹ 25,000 crore to 25 DISCOMs in 15 states for taking benefits under NEF. The utilities from the states of Uttarakhand, Madhya Pradesh, Haryana, Rajasthan, Andhra Pradesh and Telangana have already benefitted from the interest subsidy of ₹ 16.92 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

The 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 2015-16 are as under:

7.1 Generation

During the financial year 2015-16, your Company sanctioned 19 Nos. of Generation/R&M loans including 14 Nos. of additional loan assistance with total financial outlay of ₹ 27,828.44 crore including consortium financing with other financial institutions and has disbursed ₹ 12,819.53 crore against the ongoing generation projects.

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



2x660 MW Thermal Power Project in Nellore District in Andhra Pradesh.

| (₹ in crore) | | |
|-----------------------|--------------|------------------|
| Particulars | No. of Loans | Loan Amount |
| STATE SECTOR | | |
| Fresh Loan | 5 | 25,988.26 |
| Additional Loan | 2 | |
| PRIVATE SECTOR | | |
| Fresh Loan | 0 | 1,840.18 |
| Additional loan | 12 | |
| Total | 19 | 27,828.44 |

7.2 Renewable Energy

During the year, your Company sanctioned loan assistance of ₹ 2,965.72 crore to 11 new, grid-connected Renewable Energy projects with installed generation capacity aggregating 688 MW which included 9 Solar photo-voltaic projects aggregating 662 MW; 1 Biomass project of 6 MW and 1 Wind project of 20 MW. The total cost of these projects aggregates ₹ 4,444.78 crore. Further, during the financial year 2015-16, total disbursement was ₹ 304.07 crore as detailed below:

| Particulars | Unit | FY 2015-16 | FY 2014-15 |
|---------------------------------|---------|------------|------------|
| Projects Sanctioned | Nos. | 11 | 8 |
| Capacity of Sanctioned Projects | MW | 688 | 193.86 |
| Cost of Projects | ₹ crore | 4,444.78 | 1,768.19 |
| Loan Sanctioned | ₹ crore | 2,965.72 | 547.92 |
| Loan Disbursed | ₹ crore | 304.07 | 295.25 |

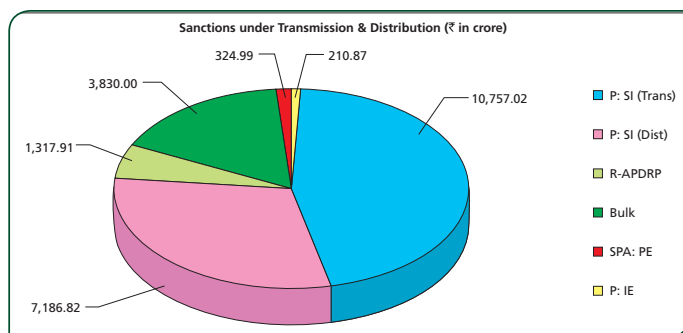


10 MW Wind Project of Global Metal & Energy Private Limited at District Sangli, Maharashtra.

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.

During the financial year 2015-16, your Company sanctioned 579 Nos. of Transmission and Distribution schemes involving a total loan assistance of ₹ 23,627.61 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.



400 KV KORADI Substation for power evacuation of 3x660 MW koradi TPS in Maharashtra.

The state-wise and category-wise break-up of loans sanctioned during the financial year are given in 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, your Company 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 year 2015-16, a total of 511 system improvement schemes and bulk loan schemes were sanctioned involving a loan outlay of ₹ 21,773.84 crore. This included: (i) 90 schemes involving a loan assistance of ₹ 3,830.00 crore for financing investment in the distribution system by way of installation of essential equipment like transformers, meters, capacitors, etc.; (ii) 171 schemes for ₹ 7,186.82 crore for improving the distribution system; (iii) 36 schemes involving loan assistance of ₹ 1,317.91 crore towards counterpart funding of Part B of R-APDRP projects; and (iv) 250 schemes for loan assistance of ₹ 10,757.02 crore for improving the transmission network.

7.3.2 Intensive Electrification

Schemes under this activity mainly aim at intensive electrification of already electrified villages. During the year 2015-16, a total of 6 intensive electrification schemes were sanctioned involving a loan outlay of ₹ 210.87 crore.

7.3.3 Pumpsets Energisation

REC's loan portfolio also includes extension of loan assistance for energisation of agricultural pumpsets. During the year 2015-16, under REC financed schemes, 2,13,926 Nos. electric irrigation pumpsets were reported as energized. A loan assistance of ₹ 324.99 crore was sanctioned for 26 new schemes during the year under this category. The state-wise details and cumulative position of pumpset energized up to March 31, 2016 are given in the enclosed **Table-5**.

7.4 Short Term Loans and others

During the financial year 2015-16, your Company has also sanctioned loans assistance of ₹ 11,049.33 crore to various power utilities, in the form of short term loans, medium term loans & special loans, to meet their funds requirement of short/ medium term & working capital, etc.

7.5 Financing Activities in North Eastern States

During the financial year 2015-16, a loan assistance of ₹ 233.16 crore towards cost overrun was sanctioned for Generation scheme to M/s Teesta Urja Limited and M/s Dans Energy Private Limited located in North Eastern Region (Sikkim). A loan assistance of ₹ 12.68 crore was sanctioned to M/s Meghalaya Power Transmission Corporation Limited for Transmission projects.

A total sum of ₹ 839.05 crore was disbursed during the financial year 2015-16 as against ₹ 418.99 crore in the previous year for Generation projects in North Eastern states which include ₹ 23.20 crore to M/s Lanco Energy Private Limited, ₹ 38.22 crore to M/s Dans Energy Private Limited and ₹ 777.60 crore to M/s Teesta Urja Limited.

7.6 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.

7.7 New policy/financing initiatives under Strategic Business Group (SBG) and Investments made during the financial year 2015-16.

The Strategic Business Group (SBG) of the Company formulated policies to tune with the changes in the regulatory environment in the areas of project loan refinancing, flexible structuring and monitoring of stressed assets.

The Company has framed a policy for funding of State Sector Coal Mining Projects as a new financing opportunity. The Company also formulated a 'Long Term Investment Policy' to augment the long term investment opportunities for the Company. Under the ambit of Long Term Investment Policy, the Company has made total investment of ₹ 1,500 crore in Tier-I Bonds of Indian Bank, Vijaya Bank & Syndicate Bank (₹ 500 crore in each bank), during the financial year 2015-16. Further, the Company has subscribed to 26,05,42,050 fully paid equity shares of NHPC Limited under Offer For Sale (OFS) at a cost of ₹ 21.78 per equity share of ₹ 10/- each aggregating to ₹ 567.50 crore in April, 2016.

8. INTERNATIONAL COOPERATION & DEVELOPMENT

REC has three lines of ODA credit with KfW, Germany. All of them have been fully drawn as on March 31, 2016. KfW-I and KfW-II ODA loan are of EUR 70 million each (approx. ₹ 454.02 crore & ₹ 480.97 crore, respectively) and KfW-III is of EUR 100 million (approx. ₹ 753.73 crore). Apart from above, REC has two line of ODA credit with JICA, Japan. Both of them have also been fully drawn. Under JICA-I & II ODA loans, cumulative amounts of JPY 16,949.38 million (approx. ₹ 820.12 crore) and JPY 11,809.48 million (approx. ₹ 640.64 crore) respectively, has been drawn as on March 31, 2016.

9. DEENDAYAL UPADHYAYA GRAM JYOTI YOJANA (DDUGJY)

Ministry of Power vide OM dated December 3, 2014, conveyed sanction of the President for launch/implementation of Deendayal Upadhyaya Gram Jyoti Yojana (DDUGJY), an integrated scheme covering all aspects of rural power distribution. Under the scheme 60% 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. All erstwhile RE schemes (including Rajiv Gandhi Grameen Vidyutikaran Yojana) have been subsumed in DDUGJY. REC is the Nodal agency for implementation of DDUGJY.

Continuation of RE 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.



Change in way of rural life through DDUGJY

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 consumers 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;
- Micro-grid and Off-grid distribution network;
- Metering of distribution transformers/feeders/consumers; and
- Rural Electrification works (including the erstwhile RGGVY).

In this scheme, earlier population criteria for eligibility of villages/hamlets have been removed and villages/ habitations having less than 100 population is also eligible.

In order to realise the objectives of the scheme, participation of all the stakeholders particularly, public representatives has already been institutionalised through constitution of District Electricity Committees (DEC) under the Chairmanship of senior most Member of Parliament. DEC is empowered to monitor and review the implementation of DDUGJY.

9.1 UE Mission

At the time of independence, only 3,060 villages had electricity and hence, there was continuous emphasis on village electrification. India's rural electrification programme passed through several stages. In spite of many programmes of Government of India, as on April 1, 2015, 18,452 villages were still left for electrification which are mainly located in Odisha (3,428), Assam (2,892), Bihar (2,747), Jharkhand (2,581), Arunachal Pradesh (1,578), Meghalaya (912), etc.

On August 15, 2015, Hon'ble Prime Minister announced that all remaining Un-Electrified (UE) villages would be electrified within 1,000 days. The Ministry of Power has taken up the electrification of all 18,452 UE villages on Mission mode.

But these remaining 18,452 UE Villages are located in highly inaccessible areas (thickly forested, mountainous regions, etc.), with tough terrain, extreme temperatures, areas facing Right of Way (RoW) issues or areas plagued by insurgency and Left-wing extremism. Keeping in view these challenges and pace of electrification of villages during last few years, it would have taken nearly 10 years to electrify the remaining villages.

REC had the experience of successfully constructing around 12,000 toilets under Swachh Bharat Abhiyan with the help of milestone-based micro-monitoring mechanism. Drawing an analogy from this, REC has developed an innovative monitoring mechanism which is blend of technology and right manpower at ground level.

A new monitoring mechanism was set up to get regular progress of each village. Under this, entire process of village electrification is divided into 12 milestones. Young electrical engineers: 'Gram Vidyut Abhiyanta (GVA)' were appointed at block/district level. In order to shoulder this mission and accelerate its pace, 'GARV APP', well acknowledged for its transparent and accountable mechanism was designed and brought into development. The APP was launched by Hon'ble Power Minister on October 14, 2015. The GARV APP is designed in such a manner that it is able to delicately monitor and scrutinize the progress of electrification statuses of all the 18,452 Un-Electrified villages through an online system.

The Salient features of GARV APP are Real-time dashboard, Paper-less working, Capturing village-wise milestones, Uploading photographs/ Global Positioning System (GPS) Coordinates, Timely highlighting of implementation hurdles, if any, Habitation-wise infrastructure, Allows offline data entry, Tracking of delay in implementation of works, Segregation of uninhabited villages, State-wise snapshots, Adoption of villages/districts/states & view their respective customized dashboard and also feedback and suggestions from users.

Achievement so far:

The new monitoring mechanism helps for improving pace of village electrification. This results during the year 2015-16, 7,108 villages were electrified and on August 11, 2016, the achievement has crossed 10,000 UE villages.

9.2 Performance during financial year 2015-16

a. Sanctions

Under DDUGJY, during the financial year 2015-16, for electrification through grid, projects for ₹ 31,376.34 crore (Loan & Subsidy) in 25 States have been approved by the Monitoring Committee of Ministry of Power.

In addition to above, Decentralized Distributed Generation (DDG) projects have also been sanctioned under DDUGJY, for providing electricity access to the un-electrified villages/habitations where grid connectivity is neither feasible nor cost-effective. DDG can be from conventional or renewable sources such as biomass, biofuels, biogas, mini hydro, solar, etc. Subsidy of 60% (85 % for special category states) of the project cost is provided under DDG scheme. However, an additional subsidy of 15% (5 % for special category states) is applicable subject to timely completion of DDG projects.

During the financial year 2015-16, for DDG (Off-grid) projects, ₹ 869.30 crore have been sanctioned in 9 states. Also, 232 projects have been commissioned in the states of Andhra Pradesh, Chhattisgarh, Madhya Pradesh, Kerala & Uttarakhand, in the financial year.

b. Fund releases

Under the scheme, during the financial year 2015-16, a sum of ₹ 5,023.99 crore (Loan ₹ 419.01 crore & Subsidy ₹ 4,604.98 crore) has been disbursed to the implementing agencies.

The subsidy from Government of India is channeled through REC and the balance amount can be arranged by the State Government /Implementing Agency through Loan/Equity.

c. Progress of electrification

During the financial year 2015-16, under DDUGJY, electrification works in 7,108 un-electrified villages and intensive electrification in 39,236 villages have been completed. Also free electricity connections have been provided to 14.39 lakh BPL households.

The details of state-wise sanction, fund released & progress of electrification during the financial year 2015-16 are given in enclosed **Table-6**.

9.3 Cumulative Performance upto March 31, 2016

Under DDUGJY, cumulatively up to March 31, 2016, 4,466 projects for ₹ 1,07,760.07 crore have been sanctioned and against that ₹ 41,061.48 crore (Loan & Subsidy) has been disbursed to the implementing agencies.

As regards progress, cumulatively upto March 31, 2016, electrification works in 1,16,144 un-electrified villages and intensive electrification in 3,51,233 villages have been completed. Also, free electricity connections have been provided to 232.22 lakh BPL households.

The state-wise details of cumulative sanctions, fund release & achievements are given in enclosed **Table-7**.

10. 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 & XII five year plan schemes, REC Quality Monitors (RQMs) under Tier-II have been appointed covering 413 projects in 25 states under XI plan (Phase-I&II) and 273 projects in 15 states under XII Plan. Further, during the financial year 2015-16, RQMs have undertaken inspections of 286 villages in XI Plan Phase-I projects, 950 villages & 75 Nos. of material inspections in XI Plan Phase-II projects and 733 Nos. of material inspections were carried out in XII Plan projects at manufacturer premises for ensuring quality of works. Also, your Company successfully accomplished the MoU target of Monitoring of Assets financed/Collaterals and supervision of loans given to various SEBs / DISCOMs / TRANSCOs / GENCOs and Private Companies for Single Project during construction/before CoD having outflow more than ₹ 500 crore.

11. 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.

11.1 Asset Liability Management

The Company has constituted an Asset Liability Management Committee (ALCO) which is functioning under the chairmanship of CMD and comprises of Director (Finance), Director (Technical), 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 monitored through review of lending rates, cost of borrowings and the reset terms of lending & borrowing. Foreign currency risk associated with exchange rate and interest rate is monitored through various derivative instruments. In terms of MoU target, the annual mismatch between Recoveries and Debt Servicing has been within limit and was 2% for financial year 2015-16.

11.2 Enterprise-Wide Integrated Risk Management

The Company is having a Risk Management Committee (RMC) which is functioning under the chairmanship of Part-time Non Official Independent Director and it comprises of Director (Finance) and Director (Technical) as its members for monitoring the integrated risks of the Company.

The main function of RMC is to monitor various risks likely to arise including the project risk along with the categorization for the loan amount outstanding of ₹ 500 crore & above and practices adopted by the Company and also to suggest 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 risks 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, Company periodically reviews its lending rates based on prevailing market rates and our weighted average cost of borrowing.

iii) Liquidity Risk:

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

iv) Foreign Currency Risk:

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

v) Legal Risk:

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

vi) Operational Risk:

The Company is facing operational risks arising out of RBI prudential norms, NPA management, other regulatory measures, compliances and Government policies, affecting the project financing in power sector. The Company is continuously following up with RBI & other regulatory agencies and consistently taking steps to strengthen its internal systems and procedures to recognise and reduce operational risk in the business.

12. PREFERRED CUSTOMER POLICY

As a part of business promotion strategy, a Preferred Customer Policy was formulated in 2008 with the basic purpose of offering an enhanced level of services to the Company's customers and to have a long term mutually beneficial relationship with them.

The Policy lays down the eligibility criterion which takes into account various factors such as amount of loan outstanding, duration of loan relationship, repayment track record of the borrower etc. for determining preferred customers and sponsoring them for capacity building/domestic/international seminars/training programmes organized by various external agencies as well as CIRE, Hyderabad.

13. INFORMATION TECHNOLOGY INITIATIVES

The Integrated ERP system is in operation in REC since 2009, covering major business functions of Company which is being improved continuously by adding new features. Benefits of ERP system has been extended to the borrowers also as a part of better service. Process for Upgradation of ERP to newer version has been initiated.

Transformation of existing HR process into online IT driven HR process wherein employees can initiate HR request online on internet through ERP based employees self-service portal, which is being operationalized in phased manner at all offices of REC.

Towards achieving efficient e-governance and transparency in procurement, now all procurement of goods and services of value above ₹ 2 lakh is being done through the e-procurement system. The system is also capable of conducting e-Reverse Auction as per CVC guidelines. In addition, REC has deployed a number of in-house developed systems viz. Annual Property Return, Bill payment and tracking system, Visitor 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 comply to National Cyber Security Policy of Government of India as notified by MeitY (Ministry of Electronics and Information Technology). In addition number of information security audits are conducted through CERT-in certified auditor, internal auditor on a continuous basis.

REC has implemented Video Conferencing solution across all of its offices throughout the Country.

Corporate office of REC has become Wi-Fi enabled. This was one of the MoU target for the financial year 2015-16 which has been successfully achieved on December 11, 2015, i.e. within the target date. All field offices of the Company are also being made Wi-Fi enabled. Also, another MoU target of Implementation of HR-ERP Employee Self Service (ESS) Portal over Internet has been accomplished within the cut-off date.

IT Division is also promoting in the Company number of IT initiatives of Government of India like MyGov, e-Governance, Digital India, etc.

Computer to Employee population (other than Class-IV employees) is 100%. IT Division also organizes and impart various training programmes.

14. 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 Sector. The programmes are conducted on the state-of-art subjects of Power Generation, Transmission, Distribution and Renewable energy sources. On July 23, 2015, CIRE was conferred with "Education Leadership Award" by ABP News in recognition of 'Leadership, Development, Innovation and Industry Interface' of the Institute.

14.1 National Training Programmes (NTP) under DDUGJY

CIRE is designated as a nodal agency by Ministry of Power for implementation of National Training Programmes (NTP) for employees of C&D category under the Human Resources Development component of DDUGJY programme. A target of training 1,25,000 employees of C&D category was set to be achieved by CIRE during XII plan period. As on March 31, 2016, CIRE was able to organize training of 98,833 employees of C&D category of various power distribution utilities, which includes 32,013 employees of C&D category trained during 2015-16. CIRE/REC has entered into MoAs with 37 Power Utilities/ Training Institutes to conduct the above programmes. A 2-day workshop at CIRE Campus for Nodal Officers of DISCOMs was also organized about the programmes.

CIRE on the request of power utilities, has organized 55 Programmes for employees of C&D category with 1,365 participants at various locations and has also conducted 4 Training of Trainers (ToT) programmes for 93 participants.

14.2 R-APDRP Programme

CIRE, was empanelled as partner training institute to organize R-APDRP programmes sponsored by Ministry of Power. During the year, 2 Nos. Training-of-Trainers programmes under R-APDRP on "Revenue Management & Loss Reduction" with 21 participants from different power utilities were organized.

14.3 International Programmes

CIRE is empanelled by Ministry of External Affairs, Government of India to organize training programmes in the area of power sector under Indian Technical & Economic Cooperation (ITEC)/ Special Commonwealth Assistance for Africa Programme (SCAAP). During the year, CIRE has organized 9 International programmes with 132 participants, on various topics, viz. Financial Management and Accounting System for Power Companies (8 weeks); Planning and Management of Power Transmission & Distribution Systems (8 weeks); Decentralized Distributed Generation & Rural Power Distribution Management (8 weeks); Design, Erection, Operation & Maintenance (O&M) of Extra High Voltage (EHV) Sub-Stations (4 weeks); Solar Power Generation - Grid Enabling (4 weeks); Best Practices in Power Distribution (5 weeks); Management of Power Utilities using IT/Automated Solutions (5 weeks); Trends and Developments in Electric Power Generation (8 weeks) and Certificate Course in Electric Power Management (12 Weeks).

The participants from countries, viz. Afghanistan, Algeria, Bangladesh, Bhutan, Burundi, Cambodia, Cameroon, Democratic Republic of the Congo, Ecuador, Egypt, Gambia, Ghana, Kenya, Malawi, Mauritius, Myanmar, Nepal, Nigeria, Niger, Philippines, Russia, Samoa, Saint Lucia, Sudan, Syria, Tanzania, Thailand, Zimbabwe, etc., have attended the programmes.

14.4 Regular National Programmes

CIRE has organized 20 Regular Training Programmes for the personnel of various Power Utilities/Distribution Companies, on different topics such as, Pilferage of Electricity - Issues, Challenges and Remedial Measures; Ind AS (International Financial Reporting Standards) Adoption in Power Sector; Solar Photovoltaic System – Quality and Performance; Technical Specifications and Construction Standards for Distribution System; Protection System in EHV Sub-Stations; Power Trading & Exchange; Earthing Practices and Safety Measures in Electrical Installations; Open Access, Power Trading and Availability Based Tariff; Gas Insulated and Indoor Sub-stations including Power & Control Cables; Testing, Commissioning and Protection aspects in 33/11 KV Sub-stations; Power Factor Improvement and Reactive Power Management; Power Purchase Agreement; Tariff Policy & Submission of ARRs – Regulatory Compliance; Best Practices in O&M of EHV Sub-stations and Lines; Efficiency Improvement Measures in Thermal Power Station; Technical Aspects for Non-Technical Executives; and Latest Trends in Metering, Billing and Collection. A total number of 243 participants attended the above programmes.

14.5 Programmes organised in collaboration

CIRE has organised training programmes in collaboration with premier Management Institute i.e. Institute of Public Enterprise and conducted 5 programmes during the financial year 2015-16, viz. Best Practices in HR Management of Power Utilities; Procurement and Materials Management; Companies Act, 2013 and HR for Line Managers with 45 participants.

14.6 Customized Programmes

During the year, 26 customized programmes were organized for different Power Utilities and out of these 19 programmes were organized for Andhra Pradesh Power Utilities, such as APTRANSCO, APSPDCL and APEPDCL, 6 programmes were organized for the executives of Punjab State Power Corporation Limited (PSPCL) on “Power Distribution Management” and 1 induction programme of 6-week duration was organised for APSPDCL engineers at CIRE campus. In total, 475 participants were trained under customized programmes.

14.7 In-house Training Programmes

CIRE has also organised 6 in-house programmes for the employees of REC and 53 Employees have taken part in these programmes. The topics covered are Procurement Guidelines; Communication & Negotiation Skills; General Management; Leadership & Teamwork; REC Specifications & Construction Standards; and Finance for Non-finance.

- 14.8** In all, during the year 2015-16, in addition to coordinating and monitoring the National Training Programmes for employees of C&D category, sponsored by Ministry of Power, CIRE has conducted 128 programmes on various themes and trained 2,471 personnel with 14,353 mandays of training.

15. ISO 9001:2008 QUALITY ASSURANCE CERTIFICATION

The 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.

16. HUMAN RESOURCE MANAGEMENT

In order to professionalize the Executive strength of the Company and also to infuse fresh blood, 44 Executives were appointed through open advertisement and 8 Executives were appointed through Campus Recruitment during the financial year. The total manpower of the Company as on March 31, 2016 was 600 employees which includes 463 Executives and 137 Non-Executives.

16.1 Reservation in Employment

The directives issued by the Government of India regarding reservations for SC/ST etc. in appointment and promotion to various posts were complied with. The group wise details of SC and ST employees out of total strength as on March 31, 2016 are given below:

| GROUP | NUMBER OF EMPLOYEES | | | | | |
|--------------|---------------------|------------|------------|------------|------------|------------|
| | TOTAL | | SC | | ST | |
| | FY 2015-16 | FY 2014-15 | FY 2015-16 | FY 2014-15 | FY 2015-16 | FY 2014-15 |
| A | 391 | 359 | 40 | 33 | 14 | 12 |
| B | 99 | 121 | 13 | 17 | 2 | 2 |
| C | 36 | 42 | 6 | 7 | 0 | 0 |
| D | 74 | 79 | 22 | 24 | 1 | 1 |
| Total | 600 | 601 | 81 | 81 | 17 | 15 |

As on March 31, 2016, 14 employees out of total employees are in the category of persons with disabilities which amounts to 2.33% of total manpower of the Company.

16.2 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 and HRD continued to receive priority during the financial year. Training and Human Resource Policy of the Company aims and sharpening business skills and competence required for better employee performance and provides all possible opportunities and support to the employees to improve their performance and productivity. Training was also provided

to promote better understanding of professional requirements as well as to sensitize employees to socio-economic environment in which business of the Company is carried out. Training which helped employees benefit in spiritual, health and attitudinal change process was also imparted.

In order to equip the employees professionally, the Company sponsored 251 employees to various training programmes, workshops etc., within the country and abroad. In addition, 7 training programmes were conducted in-house which were attended by around 151 employees. Taken together, these initiatives enabled the Company to achieve 1096 training mandays and also achieve the MoU target of 'Excellent' rating for this parameter. These included exposure of executives to training programme on the subject of Team work and Leadership and Exposure of Top & Senior Management Team to training on advanced management programmes under which 105 mandays and 109 mandays were achieved as against a MoU target of 90 and 100 mandays, respectively. 19 Executives were deputed for programmes in countries like Japan, U.K, France & China.



Participants of the Training Programme on 'The Companies Act, 2013, various Statutory and Corporate Compliances' held from November 19 to November 22, 2015.

16.3 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 6 hospitals. Further, part time services of 4 specialized doctors were engaged to provide onsite medical facilities to employees. The Company has also been funding sports & recreation equipment for use by employees and to promote well-being of employees.

Sports Activities

During the financial year 2015-16, REC hosted an Inter-CPSU Carrom Tournament and also sponsored its employees for various Inter- CPSU sports tournaments such as Badminton, Table Tennis, Volley Ball, Kabbadi, 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 quiz, paper presentations and simulation competitions conducted by reputed institutions.

16.4 Representation of Women Employees

As on March 31, 2016, the Company had 97 permanent women employees, which represent 16.17% 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 was celebrated by REC Women Cell and a health check-up camp was also organized exclusively for women employees.

16.5 Industrial Relations

The Industrial Relations scenario in the Company continued to be cordial and harmonious in the financial year 2015-16. There was no loss of mandays on account of industrial unrest. Regular interactions were held with REC Employees Union and REC Officers Association on issues of employee welfare. This has helped to build an atmosphere of trust and cooperation resulting in a motivated workforce and continued improvement in business performance.

16.6 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 employees.

17. CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABLE DEVELOPMENT

The 'REC Corporate Social Responsibility & Sustainability Policy' prepared in line with the provisions of Companies Act, 2013 and Rules thereunder, The Companies (Corporate Social Responsibility Policy) Rules, 2014, and Guidelines for CSR and Sustainability for Central Public Sector Enterprises issued by Department of Public Enterprises, Ministry of Heavy Industries & Public Enterprises, effective from April 1, 2014, was approved by the Board of Directors of the Company. The 'REC Corporate Social Responsibility & Sustainability Policy' is available on the website of the Company.

During the financial year 2015-16, 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



Shri Thaawarchand Gahlot, Hon'ble Union Minister of Social Justice & Empowerment, inaugurating the Operation Theatre in Swami Vivekanand National Institute of Rehabilitation Training And Research, Cuttack, set up under REC CSR initiatives, in presence of Shri Krishan Pal Gurjar, Hon'ble Union Minister of State for Social Justice & Empowerment, CMD, REC, and other senior officials of Government of India and REC.

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 old age and persons with disabilities, drinking water and sanitation facilities including participation in Swachh Vidyalaya Abhiyan, solar smart micro grid 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 2015-16, financial assistance aggregating to ₹ 163.17 crore was sanctioned for various projects under Corporate Social Responsibility and expenditure of ₹ 128.20 crore was incurred, including amount provided.

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

18. VIGILANCE ACTIVITIES

Vigilance Division constantly endeavored to optimize probity and integrity and promote professionalism, ethical work culture and discipline among the employees. The emphasis of Vigilance Division was primarily on streamlining the systems and policies and inculcating transparency and accountability in the work processes.

Vigilance Division constantly tried to identify vulnerable areas in the systems and procedures to reduce the scope of arbitrariness and discretion in decision making to the extent possible. The Division regularly pursued with all concerned to ensure that CVC's instructions were strictly implemented in the Company. Pursuant to vigilance initiative, Integrity Pact, File Movement System, Bill Tracking System and Security System in Corporate Office premises were implemented/ operationalised. Also a training programme for the newly recruited officers in REC with respect to REC CDA Rules, Tendering procedure, e-procurement etc. was organized. REC Procurement Guidelines encompassing all relevant instructions issued by CVC/Ministry of Power, etc. have been revised.

Almost all tenders above ₹ 5 lakh were processed through e-Procurement mode w.e.f. April 1, 2015. All concerned divisions were advised to comply with the instructions of CVC with respect to award of contract on single tender/nomination basis. The guidelines for compliance of password policy for accessing ERP/E-mail/Software applications were formulated and uploaded on REC Intranet.

Regular review meetings were taken up by Vigilance Division with operating divisions on the existing systems and procedures to make these more transparent and accountable. Scrutiny of tendering procedure was carried out randomly and suggestions were given to further improve/streamline the tendering mechanism.

REC observed Vigilance Awareness Week (VAW) from October 26, 2015 to October 31, 2015. At Corporate office, Quiz Competition and Lectures were organized. Lectures on Ethics, Transparency and Integrity were also organized in three colleges of Delhi University and Elocution Competition was held in two schools in Delhi. A hand book on 'REC Code of Ethics' was brought out covering important aspects of integrity, probity, work culture, employee's competencies, ethical behavior, etc. Various activities viz. essay writing/debate competition and public awareness rallies, etc. were also organized in Zonal/ Project Offices of REC and CIRE, Hyderabad.

Regular/surprise inspections were carried out by officers of Vigilance Division in field offices and employees were sensitized about the importance of Vigilance. Audit Reports were scrutinized from a vigilance point of view.

With a view to enhance the knowledge of employees on vigilance related issues, a Vigilance Bulletin was issued periodically. The details of Immovable Property Returns (IPRs) 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. The performance of Vigilance Division was reviewed periodically by the CVC, Board of Directors and CMD in addition to regular reviews undertaken by the CVO in accordance with the prescribed norms.

19. IMPLEMENTATION OF OFFICIAL LANGUAGE

The Company has been implementing the provisions of Official Language Policy of the Department of Official Language, Government of India. The quarterly meetings of Official Language Implementation Committee (OLIC) were held regularly to review the progressive use of Hindi in the Company under the chairmanship of CMD. To review and encourage employees to use Hindi and implementation of Annual Programme 2015-16, was the primary concern of these meetings.

The Parliamentary Committee on Official Language held the inspections of REC Project office, Hyderabad on April 9, 2015 and REC Corporate office on January 21, 2016. Officials from Department of Official Language under Ministry of Home Affairs conducted the inspection of the Corporate Office. Further, Internal Inspections were carried out to assess the progressive use of Hindi in 9 divisions of Corporate Office and its 6 Project Offices.

Nodal Hindi Officers were nominated in all Zonal/Project offices of REC to ensure proper implementation of Official Language policy.

A Hindi Pakhwara was organized from September 14 - 28, 2015 in the Company in which 9 competitions were organized for the employees. 47 employees won prizes in different categories, in these competitions.

During the financial year 2015-16, four Hindi Practice based workshops were organised at the Corporate office in which 125 Executives/Non-Executives participated. Further, a Zonal Hindi Workshop was also organized on August 19-20, 2015 at REC,

Zonal Office, Bangluru for the employees of REC 'C' region in which 19 employees including Nodal Hindi Officers of the respected offices were trained.

The Company has also been awarded "Rajbhasha Gaurav Samman" by Rashtrabhasha Swabhimani Nyas for its concerted efforts made in implementation of official language policy.

To create a conducive atmosphere for working in Hindi and to facilitate original work in Hindi, books such as English-Hindi, Hindi-English dictionaries, help and reference-Literature, technical glossaries are widely publicized. Besides, fifty per-cent of the expenditure, earmarked for purchase of books has been utilized for purchase of books published in Hindi.

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

20.1 Conservation of Energy

The Registered Office of the Company is located at 'SCOPE Complex' where all civil, electrical installation & maintenance is carried out by SCOPE. Due to effective monitoring, controlling & scheduling the operation of Chilling units, Elevators & by putting energy efficient equipment, replacement of conventional light fittings, CFL, etc. with LED light fittings and maintain power factor to nearest to unity, SCOPE has saved around 5.24 Lakh Units consumption, resulting in saving of ₹ 57 Lakh in terms of amounts during the financial year 2015-16.

Further, as a result of replacement of conventional light fittings with energy efficient LED lights in Corporate Office at SCOPE Complex, REC has saved around 82,135 units of electricity resulting in saving of ₹ 6,80,186/- during the year.

20.2 Foreign Exchange Earnings & Outgo

No foreign exchange was earned during the financial year 2015-16. However, the foreign exchange outflow aggregating to ₹ 661.03 crore was made during the financial year on account of interest, finance charges and other expenses.

21. 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 (RECPDCL) (CIN: U40101DL2007GOI165779)
- (ii) REC Transmission Projects Company Limited (RECTPCL) (CIN: U40101DL2007GOI157558)

Further, Ministry of Power, Government of India, allocates independent transmission projects from time to time to RECTPCL to work as Bid Process Coordinator (BPC), for selection of developer as Transmission Service Provider (TSP) through Tariff Based Competitive Bidding Process. 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 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 March 31, 2016, following project specific Special Purpose Vehicles (SPVs) existed as Wholly Owned Subsidiary Companies of RECTPCL:

1. Nellore Transmission Limited (NTL) (CIN: U40104DL2012GOI245654)*
2. Baira Siul Sarna Transmission Limited (BSSTL) (CIN: U40106DL2013GOI247564)*
3. NRSS XXXVI Transmission Limited (CIN: U40300DL2015GOI284168)
4. North Karanpura Transco Limited (NKTL) (CIN: U40103DL2015GOI287880)
5. Khargone Transmission Limited (KTL) (CIN: U40300DL2015GOI287933)
6. Dinchang Transmission Limited (DTL) (CIN: U40300DL2015GOI288066)
7. NER II Transmission Limited (NTL) (CIN: U40106DL2015GOI279300)

** Office of Registrar of Companies (RoC), NCT of Delhi and Haryana has approved the applications for striking off the name of Nellore Transmission Limited and Baira Siul Sarna Transmission Limited from the Register of Companies u/s 560 of Companies Act, 1956 and both the companies have been dissolved. Further, RoC has issued certificate dated May 25, 2016 for Nellore Transmission Limited and certificate dated July 16, 2016 for Baira Siul Sarna Transmission Limited in respect of dissolution.*

Further, Transmission System for LTA of 400MW for 2x500MW Neyveli Lignite Corporation Limited. TS-I (Replacement) (NNTPS) in Neyveli, which was notified vide Gazette Notification dated July 9, 2014 has been denotified vide Gazette Notification dated July 24, 2015, considering the small size of project.

21.1 REC Power Distribution Company Limited

During the financial year 2015-16, RECPDCL has not only excelled in its core business viz. Preparation of Detailed Project Reports (DPR's), Third Party Inspections (TPI), Material Inspection & Project Management Consultancy (PMC) services, but also set its quality benchmark in the area of Project Implementation under R-APDRP Part-A and execution of turnkey works relating to the construction of toilets (using conventional and prefabricated technologies) in schools across India under CSR initiatives of REC under Swachh Vidyalaya Abhiyan. Work executed by RECPDCL has been widely appreciated at various platforms in general and our valued customers in particular.

The major assignments undertaken during the financial year 2015-16 are as follows:-

1) IT Implementation works under R-APDRP Part-A for Goa Electricity Department

RECPDCL has excelled in IT Implementation Works under R-APDRP Part-A for Goa Electricity Department (GED) and has set a benchmark of roll-out of Pilot town within a shortest record period of one year.

RECPDCL has procured various hardware/software/services e.g. Servers, Storage subsystem, UPS, Desktops, Printers, DGPS survey, GIS software, Network Analysis Module etc. after following due e-tendering process and reverse auction to maintain better transparency and higher quality standard.

The work executed till March 31, 2016 includes Preparation of Base-line Data System for the project area covering Consumer Indexing (in Panjim & Marmagoan town), GIS Mapping, installation of Automatic Meter Reading (AMR) on Distribution Transformers and Feeders, set-up of Data centre & Data Recovery Centre with all IT equipments viz. Servers, Storage, Critical UPS, etc., set-up of IT equipments at Sub-Divisional Offices & Other Offices of Panjim, Mapusa & Marmagoan town.

2) Preparation of Detailed Project Report and working as Project Monitoring Agency under DDUGJY and IPDS

RECPDCL is engaged in preparation of Detailed Project Report (DPR) and Project Management Agency (PMA) under DDUGJY and IPDS schemes for various DISCOMs namely:

Paschimanchal Vidyut Vitaran Nigam Limited (PVVNL); Dakshinanchal Vidyut Vitaran Nigam Limited (DVVNL); Madhya Pradesh Madhya Kshetra Vidyut Vitaran Company Limited (MPMKVVCL); West Bengal State Electricity Distribution Company Limited (WBSEDCL); Assam Power Distribution Company Limited (APDCL); Manipur State Power Distribution Company Limited (MSPDCL); Chhattisgarh State Power Distribution Company Limited (CSPDCL); Bangalore Electric Supply Company Limited (BESCL); Hubli Electric Supply Company Limited (HESCL); Chamundeshwari Electricity Supply Company Limited (CESCOM); Gulbarga Electricity Supply Company Limited (GESCOM); Mangalore Electricity Supply Company Limited (MESCL); & The Hukkeri Rural Electric Co-operative Society Limited (HRECS).

3) New Initiatives & Assignment ahead

RECPDCL is looking forward to get more diversified business opportunities. The opportunities under consideration are as follows:

- a. The process of Empanelment of different agencies to carry out LED based lighting, Energy Efficiency projects and Solar PV (Off Grid/Grid connected) projects etc. across the country is under progress.
- b. Project Management Consultancy (PMC) under DDUGJY for J&K Electricity Department.
- c. Future business endeavours: RECPDCL is planning & focusing in various new high end technologies consultancy and implementation business viz. Smart Grid and Mini Grid implementation, etc.

Besides achieving the excellent performance in the conventional areas of business since its incorporation in the year 2007, during the financial year 2015-16, RECPDCL has also been successful in getting business in other segments like – (i) Renewable Energy (Solar Projects) in Assam; (ii) Energy Efficiency Projects; and (iii) Monitoring the progress of work of electrification of un-electrified villages.

(i) Renewable Energy /SPV Project

To promote the utilization of renewable energy to save environment, RECPDCL has participated actively in Roof Top Solar projects. The Company has already completed survey and DPR preparation for 145 remote villages in jurisdiction of Assam Power Distribution Company Limited (APDCL) in Assam State.

(ii) Odisha Solar Project

Contract Award was placed on M/s Punam Energy Private Limited, Kolkata. Survey of all awarded 16 schools was completed. Contractor has submitted Drawings, Time schedule Plan, Bill of material. Ordering of all solar items & equipment for 16 project sites is in process.

(iii) Fund Management

RECPDCL has expanded its portfolio of services further and has added a new business vertical of Fund Management to its existing segments. RECPDCL is currently working as the Lead implementing agency for managing Bureau of Energy Efficiency's (BEE) Partial Risk Guarantee Fund for Energy Efficiency. The agreement has been signed with BEE on July 16, 2015.

Further, with increasing presence of RECPDCL in the field of Energy Efficiency it is also now empanelled with BEE as an Energy Service Company (ESCO) with a vision to further actively participate in the Energy efficiency market.

(iv) Monitoring of Electrification of Un-Electrified Villages (UEV)

Ministry of Power (MoP) has decided to take electrification of all 18,452 Un-Electrified (UE) villages on Mission Mode and set target of electrification of Un-electrified villages by March, 2017. MoP has appointed REC as Nodal Agency to monitor the progress of electrification work of UE villages and further REC has awarded the work relating to day to day monitoring, website maintenance & updation, to develop RE mobile application (GARV App), control room-setup, call center and quality surveillance checks during electrification of UE villages, etc., to its Wholly Owned Subsidiary Company i.e. RECPDCL.

For monitoring the progress of electrification work of UE villages in an effective and speedy manner, RECPDCL has deputed 415 engineers in field as "Gram Vidyut Abhiyantas" (GVAs) at Blocks/Districts level in different state across the country and 75 engineers as "District Vidyut Abhiyantas" (DVAs) posted in all districts of Uttar Pradesh to look after progress of work in their respective districts. RECPDCL has also developed a Web-Portal and a Mobile Application viz. "Grameen Vidyutikaran-GARV" to closely monitor the real time progress of electrification work of UE villages.

Tablets with latest and upgraded technology have been provided to all the GVAs to complete the assignment efficiently & in a time bound manner as well as to capture the real time Pictures & Videos in the GARV app so that the progress can be monitored by everyone across the country.

The captured pictures and videos by GVAs are being published in the GARV App after going through a multi-stage scrutiny & approval at Project Office and Head Office level. The village is being declared electrified on GARV App only when it is declared electrified by DISCOMs and further checked & found electrified by GVAs.

During the financial year 2015-16, REC has achieved the target of electrification of 7,108 UE villages against the internal target of electrification of 7,000 UE villages. Further, as on August 11, 2016, 10,006 villages have been electrified. The brief details are mentioned below:

| Sl. No. | Total UE Villages | Electrified | Uninhabited | To be Electrified | Total Village Visited | Total Visits by GVAs |
|---------|-------------------|-------------|-------------|-------------------|-----------------------|----------------------|
| 1 | 18,452 | 10,006 | 525 | 7,921 | 16,597 | 46,401 |

Swachh Vidyalaya Abhiyan (SVA)

REC Power Distribution Company Limited (RECPDCL) (Wholly-Owned Subsidiary of REC) was appointed as Project Implementing & Monitoring Agency for monitoring of work relating to construction of 7,096 Nos. of toilets in schools in 26 districts of Bihar, Rajasthan, Madhya Pradesh, Uttar Pradesh, Telangana and Punjab states under 'Swachh Vidyalaya Abhiyan' (SVA) in response to Prime Minister's call to the nation. All the toilets were constructed & successfully handed over to the respective school authorities within the stipulated time period. The estimated construction cost of 7,096 Nos. of toilets is around ₹ 110 crore.

SKOCH Smart Technology Award 2015

In recognition of its excellent work done for achieving the target of construction of toilets under 'Swachh Vidyalaya Abhiyan' (SVA), RECPDCL has received appreciation from Ministry of Power (MoP) and also was conferred with the 'SKOCH Smart Technology Award 2015' for the Swachh Vidyalaya, Swachh Bharat & UE Mission at the SKOCH Smart Technology Award 2015 Ceremony held on December 11, 2015 at New Delhi. Due to the excellent work carried out by RECPDCL even in some of the most disturbed areas, RECPDCL has been further awarded the work for construction of toilets in Gazipur district of the State of Uttar Pradesh.

Information Technology Initiatives

As an Information Technology initiative, an internal portal has been created for online storage of the data/reports related to the Swachh Vidyalaya Abhiyan project and monitoring of milestone wise payment to the contractors against the construction of toilets in different states. RECPDCL has also implemented the backup policy for maintaining the regular back up of important data to various storage disks at different locations in order to minimize the risks.

OHSAS 18001:2007 Certification

Apart from ISO 9001:2008 and ISO 14001:2004, RECPDCL has also been conferred with OHSAS 18001:2007 during the financial year 2015-16 for implementation of Occupational Health and Safety Assessment System for carrying out administrative and other allied activities at Corporate Office, Delhi.

MoU RATING

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 had been rated as "Excellent" by the Department of Public Enterprises (DPE), Government of India. For the financial year 2014-15 and 2015-16 also the Company is poised to receive "Excellent" rating.

Financial Performance of RECPDCL

The Financial Performance of the company is on the fast trajectory growth path. During the financial year 2015-16, the company's total revenue has increased by 73% to ₹ 151.54 crore as compared to ₹ 87.79 crore in the previous year. The Profit Before Tax (PBT) has increased by 6% to ₹ 55.44 crore as compared to ₹ 52.52 crore in the previous year. Further, the Profit After Tax (PAT) has also increased by 4% to ₹ 36.17 crore from ₹ 34.77 crore during the previous year. The Board of Directors of RECPDCL has recommended a dividend of ₹ 2,170.56 (Rupees Two Thousand One Hundred Seventy and Fifty Six Paise) per equity share (on the face value of ₹ 10/- each) representing 21,705.60% of the Paid up Share Capital of the Company for the financial year 2015-16, subject to the approval of Shareholders of the company in the 9th Annual General Meeting, as against ₹ 100/- (Rupees One Hundred) per share, representing 1,000% of the Paid up Share Capital of the Company in the previous year. The total dividend pay-out for the financial year 2015-16 will amount to ₹ 10.85 crore (excluding dividend distribution tax).

21.2 REC Transmission Projects Company Limited (RECTPCL)

During the financial year 2015-16, the Ministry of Power, Government of India vide Gazette Notification dated July 24, 2015

and November 17, 2015, has allocated following five inter-State transmission systems with aggregate estimated cost of ₹ 4,700 crore to RECTPCL to act as the Bid Process Coordinator for selection of developer for:

- I. System Strengthening Scheme in Northern Region (NRSS-XXXVI) along with LILO of Sikar-Neemrana 400kV D/C Line at Babai (RRVPNL).
- II. Immediate evacuation for North Karanpura (3x660 MW) generation project of NTPC and Creation of 400/220 kV Sub-station at Dhanbad -Proposal of JUSNL (ERSS-XIX).
- III. Transmission system Strengthening in WR associated with Khargone TPP (1320 MW).
- IV. Transmission system for Phase-I Generation Projects in Arunachal Pradesh.
- V. NER System Strengthening Scheme-II (Part- B) & V.

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, the respective project specific SPV along with all its assets and liabilities is transferred to the successful bidder.

For the transmission projects listed at Sl. No. I to IV above, RECTPCL incorporated project specific SPVs by the name of NRSS XXXVI Transmission Limited on August 18, 2015, North Karanpura Transco Limited on November 27, 2015, Khargone Transmission Limited on November 28, 2015 and Dinchang Transmission Limited on December 2, 2015.

For transmission project listed at Sl. No. V, CEA had initially notified RECTPCL to be the Bid Process Coordinator for "NER System Strengthening Scheme II" vide gazette notification dated February 9, 2015. Accordingly, SPV was incorporated by the name of NER II Transmission Limited on April 21, 2015. Subsequently, Empowered Committee in its meeting held on September 14, 2015 revised the scope of project and proposed to merge with another transmission project and named the scheme as NER System Strengthening Scheme-II(Part-B) & V. The revised scheme has also been allocated by the Ministry of Power, Government of India vide Gazette Notification dated November 17, 2015.

The bidding process of following transmission projects has been completed and the respective project specific SPV has been transferred to the successful bidder (from April, 2015) as detailed below:-

| Sl. No. | Name of Transmission Project | Name of Project Specific SPV | Name of Selected Bidder | Date of Transfer of project specific SPV |
|---------|--|-----------------------------------|---|--|
| 1 | Transmission System Associated with Gadawara STPS (2 X 800 MW) of NTPC (Part-A) | Gadawara (A) Transco Limited | M/s Power Grid Corporation of India Limited | April 24,2015 |
| 2 | Transmission System Associated with Gadawara STPS (2 X 800 MW) of NTPC (Part-B) | Gadawara (B) Transmission Limited | M/s Power Grid Corporation of India Limited | April 24,2015 |
| 3 | Connectivity Lines for Maheshwaram (Hyderabad) 765/400 kV Pooling S/s | Maheshwaram Transmission Limited | M/s Sterlite Grid 3 Limited | August 20,2015 |
| 4 | Strengthening of Transmission System beyond Vemagiri | Vemagiri II Transmission Limited | M/s Power Grid Corporation of India Limited | December 4,2015 |
| 5 | Transmission System Strengthening in Indian System for transfer of power from new HEPs in Bhutan | Alipurduar Transmission Limited | M/s Kalpataru Power Transmission Limited | January 6, 2016 |
| 6 | Immediate evacuation for North Karanpura (3x660 MW) generation project of NTPC and Creation of 400/220 kV Sub-station at Dhanbad -Proposal of JUSNL (ERSS-XIX) | North Karanpura Transco Limited | M/s Adani Transmission Limited | July 8, 2016 |

During the current financial year, RECTPCL has been engaged to prepare Detailed Project Report and to act as Project Management Agency (PMA) in respect of Integrated Power Development Scheme by Kanpur Electricity Supply Company Limited (KESCO).

During the financial year ended March 31, 2016, RECTPCL has generated an income of ₹ 44.15 crore. The Profit Before Tax and Profit After Tax for the year is ₹ 42.42 crore and ₹ 28.80 crore respectively. The Net Worth of RECTPCL is ₹ 123.41 crore against initial Capital injected by REC of ₹ 0.05 crore in year 2007. For the financial year 2015-16, the Board of Directors of RECTPCL has recommended a dividend of ₹ 1730 per equity share of face value of ₹ 10/-each i.e. 17,300% on the paid up share capital of the company, amounting to ₹ 8.65 crore, subject to approval of shareholders of the Company in the Annual General Meeting.

22. DETAILS OF JOINT VENTURE AND ASSOCIATE COMPANY

REC, along with three other PSUs, namely Power Grid Corporation of India Limited, NTPC and PFC as partners, has formed a Joint Venture Company by the name Energy Efficiency Services Limited (EESL) on December 10, 2009. The Company has contributed ₹ 47.50 crore (being 28.8% of paid-up capital of EESL) upto March 31, 2016. Further, during the financial year 2016-17, the Equity investment of REC in EESL was increased to 14,65,00,000 Equity Shares of ₹ 10/- each w.e.f April 25, 2016. Accordingly, as on date REC holds 31.7% of the paid up equity share capital of 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 Pump sets in agriculture sector, Unnat Jyoti by Affordable LEDs for all formerly Domestic 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 has improved and the financial performance of the company is on the growth path. During the financial year 2015-16, based on the unaudited financials, the company's total revenue is ₹ 714.40 crore compared to the previous year revenue of ₹ 71.11 crore. The Profit Before Tax (PBT) is ₹ 49.60 crore as compared to ₹ 13.57 crore in the previous year. Further, the Profit After Tax (PAT) has also increased to ₹ 32.89 crore from ₹ 9.06 crore during the previous year.

23. 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 & RECPDCL and Joint Venture Company i.e EESL, which shall be laid before the ensuing 47th Annual General Meeting along with the Standalone Financial Statements of the Company. However, those wholly owned subsidiary companies which are incorporated by RECTPCL & are subsidiary of REC in terms of provisions of Section 2(87) of Companies Act, 2013, 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.com. Further, these documents will be kept for inspection 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.

24. 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 (MoP), 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, the Board of Directors of the Company has designated the Chairman and Managing Director (CMD), Director (Finance), Director (Technical) and Company Secretary as 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.

During the financial year 2015-16, Dr. Arun Kumar Verma (DIN: 02190047) was appointed as Government Nominee Director vice Shri Badri Narain Sharma vide MoP Order dated October 6, 2015. Since, Dr. Verma is a Director nominated by Central Government by virtue of its shareholding in the Company, approval of shareholders in the AGM for his appointment as Director, is not required in line with the provisions of Section 161 (3) of the Companies Act, 2013.

Consequent to the resignation by Shri Prakash Thakkar (DIN: 01120152), he ceased to be a Director on the Board of the Company w.e.f October 12, 2015 and MoP vide its order dated October 16, 2015 has appointed Shri Sanjeev Kumar Gupta (DIN: 03464342) as Director (Technical) for a period of five years from the date of assumption of charge i.e. October 16, 2015 or till superannuation or until further orders whichever is earlier. Also, MoP vide Order dated November 13, 2015 has appointed three Part time Non-Official Independent Directors namely Shri Arun Singh (DIN: 00891728), Shri Aravamudan Krishna Kumar (DIN: 00871792) and Prof. T.T. Ram Mohan (DIN: 00008651) on the Board of Directors of the Company for a period of 3 years from the date of notification of their appointment or till further orders whichever is earlier. Further, Director (Technical) and the Independent Directors, are proposed to be appointed by the shareholders of the Company, in the ensuing AGM.

As per the provisions of the Companies Act, 2013 and in terms of provisions of Article 82 (4) of Articles of Association of the Company, Shri Ajeet Kumar Agarwal (DIN: 02231613), shall retire by rotation at the 47th Annual General Meeting and being eligible, offers himself for re-appointment. The Board of Directors recommends his reappointment as a Director till the completion of his present tenure or until further orders, whichever is earlier.

The brief resume of Directors proposed for appointment/re-appointment is annexed to the Notice of the AGM.

25. EVALUATION OF BOARD OF DIRECTORS/INDEPENDENT DIRECTORS

As per the statutory provisions, 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, that of its Committees and individual directors and the criteria for performance evaluation of Independent Directors, as laid down by Nomination and Remuneration Committee, is also required to be disclosed in the Annual Report.

However, Ministry of Corporate Affairs vide its notification dated June 5, 2015 has exempted certain provisions of Companies Act, 2013 for Government Companies. As per the above notification, the Nomination & Remuneration Committee is not required to formulate the criteria for appointment of Directors, their remuneration policy and carrying out their performance evaluation in certain cases. Further, the Board of Government Companies is not required to evaluate performance of directors in case they are evaluated by administrative ministry.

REC being a government company, the evaluation of performance of all the members of the Board including Independent Directors is undertaken by administrative ministry i.e. Ministry of Power, Government of India.

26. 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 2014-15 has been rated as "Excellent". This is the 22nd 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 2015-16 also, the Company is poised to receive "Excellent" rating. During the year, your Company received "Fastest Growing Navratna PSU" award from India Today and CMD of your Company also received "Best CEO Award" in the category of Best CEO Award instituted by Business Today.

27. 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 2015-16 are provided in the Corporate Governance Report annexed to this Report.

28. 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, 2016, the applicable Accounting Standards have been followed and no material departures have been made from the same;
- (ii) such accounting policies have been selected and applied consistently (except for changes in Accounting Policies as disclosed in the Notes to Accounts to the Financial Statements) and judgments and estimates made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- (iii) proper and sufficient care is taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 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) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

29. "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 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.

30. SWACHH BHARAT ABHIYAN

As per directions of Ministry of Power, Government of India, REC has organized various cleanliness programmes i.e. "Swachhta Abhiyan" (National Cleanliness Campaign) from September 25, 2015 to October 11, 2015 and "Swachh Bharat Abhiyan" from June 22, 2015 to June 26, 2015 at SCOPE and all other offices of the Company. During the cleanliness programs, banners & posters were fixed in and around office premises to spread awareness among employees and general public. All employees of REC participated with great enthusiasm and zeal & undertook special cleanliness drive of their respective office premises, toilets, stairs, lifts & other surrounding areas. Old and unwanted records have been weeded out as per Record Retention Schedule. In this process approx. 5,000 kg waste official papers, magazines, periodicals, draft reports etc. were disposed off. Printing of logo of "Swachh Bharat Mission" on all file covers, envelopes and letter heads of the Company still continues in REC for creating awareness about cleanliness. Cleanliness is continuous process and it will continue in REC.

31. RIGHT TO INFORMATION ACT, 2005

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

The status of RTI applications and appeals during the financial year 2015-16 is as follows:

| Sl. No. | Particulars | Nos. |
|---------|---|------|
| 1. | Applications received (upto March 31, 2016) | 345 |
| 2. | Applications disposed off (upto March 31, 2016) | 322 |
| 3. | Applications disposed off subsequently | 23 |
| 4. | Appeals received by First Appellate Authority, REC | 25 |
| 5. | Appeals disposed off by First Appellate Authority, REC | 25 |
| 6. | Second Appeal notice received from Central Information Commission (CIC) | 5 |
| 7. | Second Appeal disposed off by Central Information Commission (CIC) | 5 |

32. ESTABLISHMENT OF VIGIL MECHANISM

REC has adopted "Public Interest Disclosure and Protection of Informers" (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 the "Vigilance Hand Book" issued by Vigilance Division. REC has also adopted a separate 'Whistle Blower Policy' as per directives of SEBI and provisions of Companies Act, 2013.

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

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

REC being financial institution is not executing any project. Hence, only petty purchase i.e. stationery and office equipment from small vendors are being made. However, no target has been fixed for financial year 2016-17 to this effect.

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

In line with the 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 woman official of the Company and includes a representative from an NGO 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 2015-16, the Company did not receive any complaint of sexual harassment.

35. 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.

36. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

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

37. AUDITORS

STATUTORY AUDITORS

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 were appointed as Statutory Auditors of your Company for the financial year 2015-16 by

the Comptroller and Auditor General (C&AG) of India. The Statutory Auditors have audited the Financial Statements of the Company for the financial year ended March 31, 2016.

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 Statutory Auditors of the Company for the financial year 2016-17 and the 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 2016-17.

SECRETARIAL AUDITORS

M/s Chandrasekaran Associates, Practicing Company Secretaries (Certificate of Practice No. 5673), New Delhi were appointed as Secretarial Auditors of the Company for carrying out Secretarial Audit for the financial year 2015-16. In terms of Section 204 of the Companies Act, 2013 and Rules made thereunder, they have issued Secretarial Audit Report for the financial year 2015-16 and the same is annexed to this Report.

37.1 Management's Comments on the Auditors' Report

Though, auditors have not given any qualifications, reservations, adverse remarks or disclaimers in their report on standalone and consolidated financial statements of the Company but have made certain observations on further strengthening of the internal financial controls. Accordingly, the auditor observations and Management Reply to the observations are submitted as under:

| Observation of Statutory Auditors | Management's Reply |
|--|--|
| <p>Annexure to the Independent Auditors' Report referred under 'Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")' of Independent Auditors' Report on Standalone Financial Statements (Annexure-C) & Consolidated Financial Statements (Annexure-A).</p> <p>In our opinion, the Company has, in all material aspects an adequate internal financial control system except improvement in ERP system relating to classification of loans & advances as secured or unsecured, determination of non-performing assets in the ERP system, shift in the moratorium period due to structuring/restructuring, revalidation of the sanctions of loans and recording of non-entertaining/rejection/disposal of applications of the loans and time frame for furnishing replies of Internal audit reports by concerned offices.</p> | <p>Continuous efforts are being made to further strengthen the internal control in the said areas.</p> |

The Secretarial Auditors of the Company have given an unqualified report for the financial year 2015-16. However, they have certain observations relating to composition of the Board and its Committees. The Management's Reply to the observations are submitted as under:

| Observations of Secretarial Auditors | Management's Reply |
|--|--|
| <ol style="list-style-type: none"> The Company has not complied with provision of Section 149 of the Companies Act, 2013 read with clause 49 of the Listing Agreement and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as applicable, in respect to the Composition of the Board of Directors, i.e. appointment of Independent Directors and Woman Director. The Company has not complied with provision of section 177 and 178 of the Companies Act, 2013 with respect to Composition of the Audit Committee and Nomination and Remuneration Committee till December 22, 2015. The Company has not complied with provision of section 135 of the Companies Act, 2013 with respect to Composition of Corporate Social Responsibility Committee till December 22, 2015. | <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.</p> <p>During the financial year 2015-16, consequent upon appointment of three Independent Directors on the Board of the Company, the Composition of the Audit Committee, Nomination and Remuneration Committee & Corporate Social Responsibility Committee of the Company, are in compliance with provisions of the Companies Act, 2013, SEBI (LODR) Regulations, 2015 and DPE Guidelines on Corporate Governance for CPSEs, with effect from December 22, 2015.</p> <p>As on March 31, 2016, the Company has three Executive Directors, three Independent Directors and one Government Nominee Director and vacancy of one Woman Independent Director exist on the Board of the Company. The Company has requested the Ministry of Power to fill the vacancy of one Woman Independent Director on the Board and the same is under process.</p> <p>Once a Woman Independent Director is appointed on the Board, the Company would be in compliance with the provisions of the Companies Act 2013, SEBI (LODR) Regulations, 2015 and DPE Guidelines on Corporate Governance for CPSEs relating to composition of Board.</p> |

38. COMMENTS OF C&AG OF INDIA

The Comptroller and Auditor General (C&AG) of India, through letters dated July 22, 2016 has given 'NIL' Comments on the Standalone & Consolidated Audited Financial Statements of the Company for the year ended March 31, 2016 under Section 143 (6) (a) of the Companies Act, 2013. The Comments of C&AG for the financial year 2015-16 have been placed along with the report of Statutory Auditors of the Company elsewhere in this Annual Report.

39. DEBENTURE TRUSTEES

In compliance to the requirements of SEBI (LODR) Regulations, 2015, 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.

40. STATUTORY DISCLOSURES

- There was no change in the nature of business of the Company during the financial year 2015-16.
- The Company has not accepted any public deposits during the financial year 2015-16.
- 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.
- 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' annexed to this report.
- 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.
- 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.
- 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, 2016 and the date of this report.
- The Company has not issued any stock options to the Directors' or any employee of the Company.

41. STATUS OF CONSTRUCTION OF REC CORPORATE OFFICE BUILDING AT GURGAON

The work of construction of state of art office building at City Centre, Sector-29, Gurgaon was started in April 2015. The proposed building is GRIHA 5 Star Net Positive building having special features like fair finish concrete surfaces, raised flooring, radiant cooling for slabs to reduce power consumption of air conditioning, Integrated Building Management System (IBMS), sensor controlled lighting, Bio-climatic façade with motorized blinds, solar Photo Voltaic at roof top pergola, auditorium and other latest technological features.

M/s Chelsea West Architect, New York (USA) selected through Global Architectural Design Competition is the Architect of the building. M/s Telecommunications Consultants India Limited (A Government of India Enterprise) is Project Management Consultant of the project and M/s JMC Project (India) Limited is the contractor for the project. Presently 8 consultants/sub consultants apart from 11 vendors of international repute are working on the project. Giving utmost importance to the project, REC has appointed Indian Institute of Technology, Delhi for vetting of the structural design of the building.

Till July 31, 2016, RCC work in Basement – two & three, has been completed. RCC work for basement one is in progress and service work in basement three has also taken up. The project is scheduled to be completed in year 2018.



Conceptual view of proposed Corporate Office Building of REC.

42. STATUTORY AND OTHER INFORMATION REQUIREMENTS

Information required to be furnished as per the Companies Act, 2013 and revised listing agreements executed with Stock Exchanges in terms of SEBI (LODR) Regulations, 2015 and other applicable statutory provisions is annexed to this report as under:

| Particulars | Annexure |
|---|----------|
| Management Discussion & Analysis Report | I |
| Report on Corporate Governance | II |
| Auditors' Certificate on Corporate Governance | III |
| Business Responsibility Report | IV |

| Particulars | Annexure |
|--|----------|
| 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 series of Bonds | IX |

43. ACKNOWLEDGEMENTS

The Directors are grateful to the Government of India particularly the Ministry of Power, Ministry of Finance and Ministry of Human Resource Development, 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 A.R & Co., 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)

Place : New Delhi

Date : August 11, 2016

TABLE - 1 : STATEMENT SHOWING DETAILS OF SCHEMES SANCTIONED BY REC DURING THE FINANCIAL YEAR 2015-16

(₹ In Lakh)

| Sl.No. | Particulars/State | No.of Schemes/Projects | Loan Amount |
|-----------|---|------------------------|---------------------|
| A. | Generation Projects | | |
| 1 | Bihar | 0 | 74,090.00 |
| 2 | Punjab | 1 | 3,683.00 |
| 3 | Tamil Nadu | 1 | 1,63,257.50 |
| 4 | Telangana | 2 | 17,27,483.00 |
| 5 | Uttar Pradesh | 1 | 6,30,313.00 |
| 6 | Private (Generation) | 0 | 1,84,018.00 |
| | Sub-Total-(A) | 5 | 27,82,844.50 |
| B. | Renewable Projects | | |
| 1 | Andhra Pradesh | 1 | 2,48,000.00 |
| 2 | Private (Renewable) | 10 | 48,572.00 |
| | Sub-Total-(B) | 11 | 2,96,572.00 |
| C. | T & D Projects | | |
| 1 | Andhra Pradesh | 45 | 3,97,641.47 |
| 2 | Bihar | 31 | 14,764.63 |
| 3 | Chhattisgarh | 28 | 57,864.43 |
| 4 | Delhi | 14 | 62,542.14 |
| 5 | Haryana | 72 | 1,33,150.98 |
| 6 | Himachal Pradesh | 22 | 31,171.85 |
| 7 | Jammu and Kashmir | 2 | 217.54 |
| 8 | Karnataka | 45 | 1,15,730.38 |
| 9 | Kerala | 4 | 4,347.24 |
| 10 | Madhya Pradesh | 1 | 41,070.00 |
| 11 | Maharashtra | 63 | 1,60,251.75 |
| 12 | Meghalaya | 1 | 1,268.10 |
| 13 | Punjab | 33 | 67,759.47 |
| 14 | Rajasthan | 19 | 1,09,898.78 |
| 15 | Sikkim | 0 | 1,887.00 |
| 16 | Tamil Nadu | 22 | 3,15,738.98 |
| 17 | Telangana | 85 | 5,13,683.17 |
| 18 | Uttar Pradesh | 75 | 2,08,004.40 |
| 19 | Uttarakhand | 12 | 65,868.88 |
| 20 | West Bengal | 5 | 44,376.60 |
| 21 | Private (T&D) | 0 | 15,523.00 |
| | Sub-Total-(C) | 579 | 23,62,760.79 |
| D. | STL, MTL & Special loan assistance | | |
| 1 | Andhra Pradesh | 3 | 1,60,000.00 |
| 2 | Assam | 1 | 8,433.00 |
| 3 | Haryana | 2 | 20,000.00 |
| 4 | Karnataka | 1 | 11,500.00 |
| 5 | Madhya Pradesh | 4 | 90,000.00 |
| 6 | Meghalaya | 1 | 5,000.00 |
| 7 | Punjab | 8 | 1,90,000.00 |
| 8 | Rajasthan | 2 | 65,000.00 |
| 9 | Telangana | 2 | 50,000.00 |
| 10 | Uttar Pradesh | 4 | 4,55,000.00 |
| 11 | West Bengal | 1 | 25,000.00 |
| 12 | Private (STL) | 1 | 25,000.00 |
| | Sub-Total-(D) | 30 | 11,04,933.00 |
| | Grand Total (A+B+C+D) | 625 | 65,47,110.29 |

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

TABLE -2 : STATEMENT SHOWING DETAILS OF CATEGORY-WISE SCHEMES SANCTIONED BY REC DURING THE FINANCIAL YEAR 2015-16

(₹ In Lakh)

| Sl.No. | Category | Category Code | No. of Schemes/ Projects | Loan Amount |
|----------|---|---------------|--------------------------|---------------------|
| A | Generation | | 5 | 27,82,844.50 |
| B | Renewable Energy Projects | | | |
| 1 | Solar PV | SPV | 9 | 2,85,217.00 |
| 2 | Wind | Wind | 1 | 8,663.00 |
| 3 | Biomass | Biomass | 1 | 2,692.00 |
| | Sub- Total | | 11 | 2,96,572.00 |
| C | T & D | | | |
| | Distribution | | | |
| 1 | System improvement | SI | 171 | 7,18,681.41 |
| 2 | Bulk | Bulk | 90 | 3,82,999.91 |
| 3 | Intensive electrification | IE | 32 | 53,585.33 |
| 4 | R-APDRP | RAPDRP | 36 | 1,31,791.97 |
| | Transmission | | 250 | 10,75,702.17 |
| | Sub- Total | | 579 | 23,62,760.79 |
| D | STL, MTL & Special loan assistance | | 30 | 11,04,933.00 |
| | Grand Total (A+B+C+D) | | 625 | 65,47,110.29 |

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

TABLE - 3: STATEMENT SHOWING DETAILS OF CUMULATIVE STATE-WISE SANCTIONS BY REC TILL THE FINANCIAL YEAR 2015-16

| Sl. No. | Particulars/ State | Upto 2001-02 | | X Plan | | XI Plan | | XII Plan Upto 2015-16 | | Cumulative upto 2015-16 | |
|---------|--------------------|-----------------|---------------------|-----------------|---------------------|-----------------|-----------------------|-----------------------|-----------------------|-------------------------|-----------------------|
| | | 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 | 4,40,263.00 | 1,104 | 12,09,532.12 | 558 | 13,00,954.48 | 399 | 31,47,004.46 | 6,871 | 60,97,754.06 |
| 2 | Arunachal Pradesh | 159 | 29,954.00 | 54 | 1,04,019.57 | 16 | 73,949.07 | 0 | 0 | 229 | 2,07,922.64 |
| 3 | Assam | 393 | 32,984.00 | 33 | 30,404.38 | 20 | 1,50,196.78 | 1 | 8,433.00 | 447 | 2,22,018.16 |
| 4 | Bihar | 1,664 | 55,272.00 | 73 | 1,89,856.52 | 78 | 16,71,581.51 | 33 | 4,62,501.11 | 1,848 | 23,79,211.14 |
| 5 | Chhattisgarh | 0 | 0 | 22 | 5,16,315.14 | 63 | 4,86,756.14 | 60 | 2,72,234.21 | 145 | 12,75,305.49 |
| 6 | Delhi | 2 | 817.00 | 6 | 47,323.00 | 1 | 3,63,707.00 | 15 | 72,542.14 | 24 | 4,84,389.14 |
| 7 | Goa | 16 | 2,007.00 | 0 | 0 | 0 | 0 | 0 | 0 | 16 | 2,007.00 |
| 8 | Gujarat | 1,784 | 2,53,470.00 | 124 | 5,27,966.27 | 42 | 7,26,831.98 | 2 | 46,224.00 | 1,952 | 15,54,492.25 |
| 9 | Haryana | 1,209 | 1,16,989.00 | 148 | 3,95,304.36 | 253 | 9,57,795.03 | 305 | 10,30,208.15 | 1,915 | 25,00,296.54 |
| 10 | Himachal Pradesh | 419 | 52,240.00 | 37 | 1,16,177.14 | 125 | 2,15,488.85 | 92 | 1,16,683.38 | 673 | 5,00,589.37 |
| 11 | Jammu & Kashmir | 500 | 67,243.00 | 34 | 93,791.86 | 69 | 1,62,056.63 | 43 | 1,04,416.77 | 646 | 4,27,508.26 |
| 12 | Jharkhand | 0 | 0 | 27 | 1,47,602.49 | 12 | 2,55,580.82 | 0 | 0 | 39 | 4,03,183.31 |
| 13 | Karnataka | 2,384 | 3,07,390.00 | 472 | 3,88,445.49 | 213 | 12,76,890.39 | 291 | 14,67,390.23 | 3,360 | 34,40,116.11 |
| 14 | Kerala | 1,454 | 2,42,741.00 | 297 | 2,41,884.17 | 20 | 1,04,897.17 | 87 | 3,45,451.25 | 1,858 | 9,34,973.59 |
| 15 | Madhya Pradesh | 5,111 | 2,36,175.00 | 133 | 2,35,711.17 | 255 | 9,71,789.13 | 17 | 4,53,402.29 | 5,516 | 18,97,077.59 |
| 16 | Maharashtra | 4,602 | 4,40,595.00 | 833 | 15,16,910.29 | 418 | 27,53,166.66 | 456 | 20,98,804.78 | 6,309 | 68,09,476.73 |
| 17 | Manipur | 146 | 20,696.00 | 3 | 9,462.64 | 2 | 9,169.22 | 13 | 3,988.00 | 164 | 43,315.86 |
| 18 | Meghalaya | 105 | 19,351.00 | 4 | 31,571.20 | 10 | 44,645.16 | 4 | 21,268.10 | 123 | 1,16,835.46 |
| 19 | Mizoram | 46 | 7,879.00 | 24 | 20,360.35 | 7 | 14,342.75 | 0 | 0 | 77 | 42,582.10 |
| 20 | Nagaland | 71 | 7,791.00 | 23 | 5,648.47 | 36 | 28,107.67 | 0 | 0 | 130 | 41,547.14 |
| 21 | Odisha | 1,624 | 77,691.00 | 21 | 1,20,627.30 | 55 | 4,08,198.64 | 25 | 6,73,354.20 | 1,725 | 12,79,871.14 |
| 22 | Puducherry - UT | 0 | 0 | 0 | 0 | 2 | 12,506.79 | 1 | 6,358.18 | 3 | 18,864.97 |
| 23 | Punjab | 1,303 | 2,59,737.00 | 216 | 6,57,148.09 | 125 | 11,61,462.31 | 206 | 13,38,925.28 | 1,850 | 34,17,272.68 |
| 24 | Rajasthan | 3,012 | 3,82,940.00 | 597 | 5,56,041.59 | 449 | 29,02,505.72 | 174 | 19,63,214.43 | 4,232 | 58,04,701.74 |
| 25 | Sikkim | 36 | 2,910.00 | 4 | 5,625.82 | 2 | 3,101.08 | 0 | 1,887.00 | 42 | 13,523.90 |
| 26 | Tamil Nadu | 3,003 | 1,75,458.00 | 597 | 3,80,609.65 | 364 | 26,04,367.97 | 155 | 15,65,412.05 | 4,119 | 47,25,847.67 |
| 27 | Telangana | 0 | 0 | 0 | 0 | 0 | 0 | 147 | 25,32,147.32 | 147 | 25,32,147.32 |
| 28 | Tripura | 172 | 15,732.00 | 6 | 36,373.77 | 3 | 11,188.99 | 0 | 0 | 181 | 63,294.76 |
| 29 | Uttaranchal | 0 | 0 | 84 | 3,06,792.19 | 20 | 1,72,884.14 | 74 | 4,69,886.72 | 178 | 9,49,563.05 |
| 30 | Uttar Pradesh | 3,027 | 2,23,840.00 | 102 | 6,70,276.50 | 557 | 21,46,380.48 | 528 | 51,69,385.51 | 4,214 | 82,09,882.49 |
| 31 | West Bengal | 1,256 | 59,750.00 | 198 | 4,42,874.90 | 78 | 11,26,535.95 | 115 | 15,44,537.75 | 1,647 | 31,73,698.60 |
| 32 | Private T&D | 0 | 0 | 9 | 4,955.00 | 10 | 1,07,084.96 | 7 | 3,08,429.54 | 26 | 4,20,469.50 |
| 33 | Private Generation | 6 | 3,347.00 | 19 | 6,02,002.57 | 64 | 50,66,680.00 | 17 | 22,50,940.00 | 106 | 79,22,969.57 |
| 34 | Private Renewable | 0 | 0 | 0 | 0 | 0 | 0 | 31 | 1,60,213.99 | 31 | 1,60,213.99 |
| 35 | Private STL | 0 | 0 | 0 | 0 | 0 | 0 | 2 | 75,000.00 | 2 | 75,000.00 |
| | Total | 38,314 | 35,35,262.00 | 5,304 | 96,11,614.00 | 3,927 | 2,72,90,803.47 | 3,300 | 2,77,10,243.84 | 50,845 | 6,81,47,923.31 |

Notes: (i) The above figures includes DDUGJY and DDG project cost (capital subsidy and Loan) upto XI Plan only.

(ii) One STL Sanction to private borrower in 2014-15 has been taken out from Delhi and added in Private STL.

TABLE - 4 : STATEMENT SHOWING DETAILS OF STATE-WISE AND PROGRAMME-WISE DISBURSEMENTS AND REPAYMENT BY BORROWERS DURING THE FINANCIAL YEAR 2015-16 AND OUTSTANDINGS AS ON MARCH 31, 2016

| Sl. No. | Particulars/State | Transmission | Distribution | Generation-Conventional | Generation-Renewable Energy | DDUGJY-RE (including DDG) | STL | Others (including MTL and TFL) | Total Disbursement for the year 2015-16 | Disbursed upto the end of the year | Repayments | | Outstanding at the end of the year 2015-16 |
|---------|--------------------------|-----------------|------------------|-------------------------|-----------------------------|---------------------------|-----------------|--------------------------------|---|------------------------------------|------------------|----------------------|--|
| | | | | | | | | | | | During the year | Upto the end of year | |
| 1 | Andhra Pradesh | 1,40,278 | 1,61,758 | 81,225 | - | 133 | - | - | 3,83,394 | 21,80,070 | 1,00,364 | 12,00,266 | 9,79,804 |
| 2 | Arunachal Pradesh | - | - | - | - | - | - | - | - | 24,394 | 661 | 20,684 | 3,710 |
| 3 | Assam | - | - | - | - | 3,732 | - | - | 3,732 | 55,961 | 2,794 | 30,256 | 25,706 |
| 4 | Bihar | 26,353 | - | 2,54,525 | - | 6,234 | - | - | 2,87,112 | 7,40,892 | 3,294 | 48,926 | 6,91,965 |
| 5 | Chhattisgarh | 7,314 | 17,686 | - | - | - | - | - | 25,000 | 3,67,445 | 89,552 | 2,52,469 | 1,14,974 |
| 6 | Delhi | - | - | - | - | - | - | - | - | 1,093 | - | 1,093 | - |
| 7 | Goa | - | - | - | - | - | - | - | - | 1,479 | - | 1,479 | - |
| 8 | Gujarat | - | - | - | - | 62 | - | - | 62 | 6,43,823 | 9,889 | 6,40,717 | 3,106 |
| 9 | Haryana | 17,601 | 39,022 | 1,125 | - | - | - | 49,500 | 1,07,248 | 14,69,797 | 69,136 | 5,86,795 | 8,83,003 |
| 10 | Himachal Pradesh | 8,146 | 8,025 | 181 | - | 449 | - | - | 16,801 | 2,58,918 | 8,923 | 1,65,069 | 93,849 |
| 11 | Jammu & Kashmir | - | 1,634 | - | - | - | - | - | 1,634 | 1,29,565 | 8,382 | 92,520 | 37,046 |
| 12 | Jharkhand | - | - | - | - | - | - | - | - | 1,47,886 | 7,742 | 1,03,579 | 44,307 |
| 13 | Karnataka | - | 64,774 | 82,787 | - | 407 | - | 11,500 | 1,59,468 | 12,39,637 | 45,357 | 5,48,163 | 6,91,473 |
| 14 | Kerala | 2,603 | 46,455 | 5,373 | - | - | - | - | 54,431 | 5,76,323 | 48,739 | 4,45,647 | 1,30,676 |
| 15 | Madhya Pradesh | - | 36,421 | - | - | 3,273 | 45,000 | 45,000 | 1,29,694 | 7,90,481 | 86,344 | 2,87,910 | 5,02,572 |
| 16 | Maharashtra | 66,005 | 1,94,289 | 6,116 | - | - | - | - | 2,66,410 | 37,26,759 | 2,39,518 | 14,15,681 | 23,11,079 |
| 17 | Manipur | - | - | - | - | 26 | - | - | 26 | 23,639 | 1,119 | 7,467 | 16,173 |
| 18 | Meghalaya | 634 | - | - | - | - | - | 7,569 | 8,203 | 66,909 | 1,411 | 14,096 | 52,812 |
| 19 | Mizoram | - | - | - | - | 207 | - | - | 207 | 27,177 | 388 | 24,554 | 2,622 |
| 20 | Nagaland | 326 | 150 | - | - | 598 | - | - | 1,074 | 25,087 | 1,715 | 13,661 | 11,425 |
| 21 | Odisha | 9,032 | - | 27,829 | - | 5,052 | - | - | 41,913 | 2,32,454 | 2,177 | 1,31,794 | 1,00,660 |
| 22 | Puducherry - UT | - | - | - | - | - | - | - | - | 3,574 | - | - | 3,574 |
| 23 | Punjab | 43,020 | 71,110 | 7,457 | - | - | 10,000 | 1,50,000 | 2,81,587 | 23,23,179 | 3,74,621 | 12,68,530 | 10,54,647 |
| 24 | Rajasthan | 1,25,559 | 1,36,528 | 1,35,466 | - | 2,806 | 50,000 | 2,77,500 | 7,27,859 | 38,62,696 | 1,51,239 | 13,30,668 | 25,32,029 |
| 25 | Sikkim | - | - | - | - | - | - | - | - | 5,357 | 194 | 3,822 | 1,535 |
| 26 | Tamil Nadu | 1,05,043 | 90,692 | 42,403 | - | 316 | - | - | 2,38,454 | 33,77,594 | 1,67,298 | 9,57,866 | 24,19,729 |
| 27 | Telangana | 66,241 | 1,24,993 | 1,43,421 | - | 1,067 | - | 85,000 | 4,20,722 | 12,83,092 | 39,915 | 2,10,249 | 10,72,843 |
| 28 | Tripura | - | - | - | - | 51 | - | - | 51 | 12,843 | 174 | 11,356 | 1,487 |
| 29 | Uttar Pradesh | 1,52,148 | 3,26,983 | 35,519 | - | 16,754 | 1,15,000 | 1,45,703 | 7,92,107 | 37,00,275 | 6,47,554 | 17,67,934 | 19,32,340 |
| 30 | Uttaranchal | 2,862 | 14,982 | 6,302 | - | - | - | - | 24,146 | 4,49,340 | 26,436 | 2,38,487 | 2,10,852 |
| 31 | West Bengal | 32,520 | 68,177 | - | - | 734 | - | - | 1,01,431 | 11,57,712 | 1,07,188 | 4,18,451 | 7,39,261 |
| 32 | Private | 47,190 | - | 4,52,221 | - | - | - | - | 5,29,818 | 40,48,389 | 1,97,324 | 5,85,820 | 34,62,570 |
| | Total | 8,52,871 | 14,03,679 | 12,81,953 | 30,407 | 41,901 | 2,20,000 | 7,71,772 | 46,02,583 | 3,29,53,839 | 24,39,448 | 1,28,26,010 | 2,01,27,829 |
| | DDUGJY (Erstwhile RGGVY) | - | - | - | - | - | - | - | 3,44,975 | - | - | - | - |
| | DDUGJY (New) | - | - | - | - | - | - | - | 1,09,170 | - | - | - | - |
| | DDG SUBSIDY | - | - | - | - | - | - | - | 6,353 | - | - | - | - |
| | Grand Total | 8,52,871 | 14,03,679 | 12,81,953 | 30,407 | 41,901 | 2,20,000 | 7,71,772 | 50,63,081 | 3,29,53,839 | 24,39,448 | 1,28,26,010 | 2,01,27,829 |

(₹ In Lakh)

TABLE - 5 : STATEMENT SHOWING DETAILS OF PUMPSETS ENERGISED UNDER THE PROJECTS FINANCED BY REC DURING THE FINANCIAL YEAR 2015-16 AND CUMULATIVE POSITION UPTO MARCH 31, 2016

| Sl. No. | State | Achievement during 2015-16 (Nos.) | Cumulative Achievement upto March 31, 2016 (Nos.) |
|---------|------------------|--------------------------------------|--|
| 1 | Andhra Pradesh | 65,932 | 24,15,977 |
| 2 | Assam | 0 | 1,922 |
| 3 | Bihar | 0 | 1,13,354 |
| 4 | Gujarat | 0 | 4,20,456 |
| 5 | Haryana | 0 | 2,33,570 |
| 6 | Himachal Pradesh | 0 | 6,535 |
| 7 | Jammu & Kashmir | 0 | 15,761 |
| 8 | Karnataka | 0 | 8,62,387 |
| 9 | Kerala | 0 | 3,40,882 |
| 10 | Madhya Pradesh | 0 | 10,54,106 |
| 11 | Maharashtra | 35,661 | 26,00,367 |
| 12 | Manipur | 0 | 29 |
| 13 | Meghalaya | 0 | 58 |
| 14 | Nagaland | 0 | 164 |
| 15 | Odisha | 0 | 63,015 |
| 16 | Punjab | 0 | 5,01,913 |
| 17 | Rajasthan | 2,564 | 5,18,976 |
| 18 | Tamil Nadu | 13,509 | 11,83,516 |
| 19 | Telangana | 96,260 | 1,90,294 |
| 20 | Tripura | 0 | 1,530 |
| 21 | Uttar Pradesh | 0 | 3,79,544 |
| 22 | West Bengal | 0 | 82,202 |
| | Total | 2,13,926 | 1,09,86,558 |

TABLE-6 : STATEMENT SHOWING DETAILS OF FINANCIAL & PHYSICAL ACHIEVEMENTS DURING THE FINANCIAL YEAR 2015-16 UNDER DDUGJY (INCLUDING X, XI, XII PROJECTS & NEW DDUGJY)

(As on March 31, 2016)

| Sl. No. | State | Financial Parameters (₹ in crore) | | | | Physical Parameters (Nos.) | | |
|---------|----------------------------|-----------------------------------|-------------------|------------------|--------------------------|--|---------------------------------------|--|
| | | Sanction (Loan & Subsidy) | | | Release (Loan & Subsidy) | Electrification of Un-electrified villages | Intensive Electrification of villages | Electricity connection to BPL Households |
| | | Grid projects | Off-Grid projects | Total | | | | |
| 1 | Andhra Pradesh | 593.46 | 22.09 | 615.55 | 31.87 | 0 | 0 | 0 |
| 2 | Arunachal Pradesh | 401.81 | 111.89 | 513.70 | 30.98 | 174 | 0 | 0 |
| 3 | Assam | 317.86 | 266.71 | 584.57 | 375.36 | 827 | 4 | 22,077 |
| 4 | Bihar | 5,856.36 | 0 | 5,856.36 | 772.56 | 1,754 | 9,090 | 8,29,336 |
| 5 | Chhattisgarh | 1,253.99 | 177.95 | 1,431.94 | 279.34 | 395 | 2,161 | 38,239 |
| 6 | Dadra & Nagar Haveli | 5.00 | 0 | 5.00 | 0 | 0 | 0 | 0 |
| 7 | Goa | 20.00 | 0 | 20.00 | 0 | 0 | 0 | 0 |
| 8 | Gujarat | 924.72 | 0 | 924.72 | 58.41 | 0 | 0 | 0 |
| 9 | Haryana | 316.38 | 0 | 316.38 | 0 | 0 | 0 | 0 |
| 10 | Himachal Pradesh | 0 | 0 | 0 | 32.84 | 1 | 17 | 0 |
| 11 | Jammu & Kashmir | 619.67 | 0 | 619.67 | 0 | 27 | 10 | 420 |
| 12 | Jharkhand | 3,696.22 | 147.19 | 3,843.41 | 0 | 423 | 14 | 6,314 |
| 13 | Karnataka | 1,754.27 | 0.61 | 1,754.88 | 48.33 | 0 | 173 | 2,735 |
| 14 | Kerala | 485.37 | 0 | 485.37 | 0 | 0 | 15 | 15,657 |
| 15 | Madhya Pradesh | 0 | 77.87 | 77.87 | 471.48 | 214 | 8,599 | 1,46,391 |
| 16 | Maharashtra | 2,163.44 | 0 | 2,163.44 | 43.27 | 0 | 8 | 59 |
| 17 | Manipur | 54.96 | 0 | 54.96 | 7.30 | 75 | 0 | 0 |
| 18 | Meghalaya | 100.64 | 8.23 | 108.87 | 0 | 1 | 10 | 21 |
| 19 | Mizoram | 30.43 | 0 | 30.43 | 20.67 | 16 | 0 | 0 |
| 20 | Nagaland | 42.38 | 0 | 42.38 | 54.27 | 0 | 0 | 507 |
| 21 | Odisha | 1,656.48 | 56.76 | 1,713.24 | 564.74 | 1,264 | 711 | 19,477 |
| 22 | Punjab | 252.06 | 0 | 252.06 | 0 | 0 | 0 | 0 |
| 23 | Rajasthan | 2,819.41 | 0 | 2,819.41 | 280.58 | 142 | 1,929 | 8,035 |
| 24 | Sikkim | 0 | 0 | 0 | 0 | 0 | 8 | 1,850 |
| 25 | Tamil Nadu | 0 | 0 | 0 | 85.78 | 0 | 0 | 0 |
| 26 | Telangana | 462.30 | 0 | 462.30 | 15.99 | 0 | 0 | 0 |
| 27 | Tripura | 74.12 | 0 | 74.12 | 49.89 | 9 | 82 | 4,435 |
| 28 | Uttar Pradesh | 6,632.99 | 0 | 6,632.99 | 1,416.52 | 1,305 | 14,587 | 3,37,313 |
| 29 | Uttarakhand | 842.00 | 0 | 842.00 | 71.21 | 0 | 0 | 0 |
| 30 | West Bengal | 0 | 0 | 0 | 312.52 | 8 | 1,818 | 6,278 |
| | Sub Total | 31,376.34 | 869.30 | 32,245.64 | 5,023.91 | 6,635 | 39,236 | 14,39,144 |
| | Others* (Under State Plan) | 0 | 0 | 0 | 0 | 473 | 0 | 0 |
| | Total | 31,376.34 | 869.30 | 32,245.64 | 5,023.91 | 7,108 | 39,236 | 14,39,144 |

* Under State Plan 473 villages have been electrified by the States of Assam (115), Chhattisgarh (10), Jharkhand (327) & Rajasthan (21) .

TABLE - 7 : STATEMENT SHOWING DETAILS OF CUMULATIVE ACHIEVEMENTS UPTO

| Sl. No. | State | RE Component under X, XI & XII Plan (Grid & Off-Grid) | | | | | | | | |
|---------|---------------------------|---|------------------------|------------------|-------------------------|---------------------------------------|--------------------|--------------------|------------------------|--|
| | | Number of Projects | Financial (₹ in crore) | | Physical (Nos.) | | | Number of Projects | Financial (₹ in crore) | |
| | | | Sanction | Release | Un-electrified villages | Intensive Electrification of villages | BPL Households | | Sanction | |
| 1 | Andhra Pradesh | 278 | 622.00 | 572.10 | 0 | 16,114 | 19,97,962 | 178 | 944.17 | |
| 2 | Arunachal Pradesh | 16 | 1,023.20 | 890.38 | 2,078 | 1,306 | 51,662 | 824 | 513.70 | |
| 3 | Assam | 39 | 4,355.91 | 2,936.79 | 8,965 | 12,076 | 12,10,198 | 505 | 584.57 | |
| 4 | Bihar | 129 | 12,630.62 | 6,919.61 | 25,040 | 16,909 | 32,21,537 | 38 | 5,856.36 | |
| 5 | Chhattisgarh | 118 | 1,673.16 | 1,178.84 | 1,661 | 17,341 | 11,36,894 | 167 | 1,431.94 | |
| 6 | Dadra & Nagar Haveli | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 5.00 | |
| 7 | Goa | 0 | 0 | 0 | 0 | 0 | 0 | 2 | 20.00 | |
| 8 | Gujarat | 25 | 315.19 | 315.48 | 0 | 16,144 | 8,42,945 | 27 | 924.72 | |
| 9 | Haryana | 21 | 172.99 | 156.27 | 0 | 5,137 | 1,98,580 | 21 | 316.38 | |
| 10 | Himachal Pradesh | 12 | 325.42 | 309.94 | 90 | 7,896 | 16,290 | 12 | 159.12 | |
| 11 | Jammu & Kashmir | 17 | 1,055.34 | 833.31 | 238 | 2,915 | 68,435 | 21 | 619.67 | |
| 12 | Jharkhand | 82 | 4,652.59 | 3,076.42 | 18,208 | 5,609 | 12,73,717 | 282 | 3,843.41 | |
| 13 | Karnataka | 129 | 1,146.61 | 899.91 | 55 | 22,803 | 8,92,690 | 32 | 1,754.89 | |
| 14 | Kerala | 29 | 220.53 | 160.18 | 0 | 1,124 | 1,41,208 | 14 | 485.37 | |
| 15 | Madhya Pradesh | 111 | 4,325.44 | 2,589.83 | 936 | 41,691 | 14,59,381 | 204 | 2,943.14 | |
| 16 | Maharashtra | 35 | 697.25 | 639.13 | 0 | 36,154 | 12,21,350 | 37 | 2,163.44 | |
| 17 | Manipur | 15 | 642.07 | 430.44 | 883 | 1,322 | 70,307 | 3 | 54.96 | |
| 18 | Meghalaya | 10 | 463.17 | 406.37 | 1,842 | 2,947 | 1,04,383 | 77 | 108.87 | |
| 19 | Mizoram | 16 | 394.25 | 304.33 | 170 | 517 | 29,263 | 8 | 30.43 | |
| 20 | Nagaland | 22 | 359.90 | 289.45 | 102 | 1,152 | 54,559 | 10 | 42.38 | |
| 21 | Odisha | 70 | 7,401.35 | 3,896.19 | 15,622 | 27,269 | 27,70,593 | 141 | 1,713.24 | |
| 22 | Punjab | 17 | 160.01 | 59.90 | 0 | 6,131 | 92,988 | 20 | 252.06 | |
| 23 | Rajasthan | 110 | 2,722.22 | 1,392.65 | 4,277 | 35,147 | 11,19,074 | 33 | 2,819.41 | |
| 24 | Sikkim | 4 | 217.92 | 191.03 | 25 | 413 | 13,601 | 0 | 0 | |
| 25 | Tamil Nadu | 29 | 385.46 | 359.40 | 0 | 9,673 | 5,01,202 | 27 | 924.12 | |
| 26 | Telangana | 49 | 319.99 | 308.23 | 0 | 9,176 | 7,08,865 | 9 | 462.30 | |
| 27 | Tripura | 12 | 502.16 | 273.82 | 150 | 702 | 1,20,747 | 8 | 74.12 | |
| 28 | Uttarakhand | 15 | 793.89 | 688.65 | 1,514 | 10,042 | 2,37,921 | 13 | 842.01 | |
| 29 | Uttar Pradesh | 212 | 15,585.67 | 7,296.90 | 29,057 | 18,120 | 14,86,217 | 75 | 6,946.92 | |
| 30 | West Bengal | 36 | 3,496.95 | 2,562.19 | 4,192 | 25,403 | 21,82,868 | 19 | 4,262.10 | |
| | Sub Total | 1,658 | 66,661.28 | 39,937.74 | 1,15,105 | 3,51,233 | 2,32,25,437 | 2,808 | 41,098.79 | |
| | Others (under State Plan) | 0 | 0 | 0 | 473 | 0 | 0 | 0 | 0 | |
| | Grand Total | 1,658 | 66,661.28 | 39,937.74 | 1,15,578 | 3,51,233 | 2,32,25,437 | 2,808 | 41,098.79 | |

* Under State Plan 473 villages have been electrified by the States of Assam (115), Chhattisgarh (10), Jharkhand (327) & Rajasthan (21).

MARCH 31, 2016 UNDER DDUGJY (INCLUDING X, XI, XII & NEW DDUGJY)

| New DDUGJY (Grid & Off-Grid) | | | | | Total | | | | | |
|------------------------------|-----------------|-------------------------|---------------------------------------|----------------|--------------------|------------------------|------------------|-------------------------|---------------------------------------|--------------------|
| | Release | Physical (Nos.) | | | Number of Projects | Financial (₹ in crore) | | Physical (Nos.) | | |
| | | Un-electrified villages | Intensive Electrification of villages | BPL Households | | Sanction | Release | Un-electrified villages | Intensive Electrification of villages | BPL Households |
| | 19.62 | 0 | 0 | 0 | 456 | 1,566.18 | 591.72 | 0 | 16,114 | 19,97,962 |
| | 0 | 174 | 0 | 0 | 840 | 1,536.90 | 890.38 | 2,252 | 1,306 | 51,662 |
| | 0 | 188 | 0 | 0 | 544 | 4,940.48 | 2,936.79 | 9,153 | 12,076 | 12,10,198 |
| | 349.63 | 0 | 0 | 0 | 167 | 18,486.98 | 7,269.24 | 25,040 | 16,909 | 32,21,537 |
| | 106.90 | 31 | 0 | 0 | 285 | 3,105.10 | 1,285.75 | 1,692 | 17,341 | 11,36,894 |
| | 0 | 0 | 0 | 0 | 1 | 5.00 | 0 | 0 | 0 | 0 |
| | 0 | 0 | 0 | 0 | 2 | 20.00 | 0 | 0 | 0 | 0 |
| | 55.21 | 0 | 0 | 0 | 52 | 1,239.91 | 370.69 | 0 | 16,144 | 8,42,945 |
| | 0 | 0 | 0 | 0 | 42 | 489.37 | 156.27 | 0 | 5,137 | 1,98,580 |
| | 13.46 | 1 | 0 | 0 | 24 | 484.54 | 323.40 | 91 | 7,896 | 16,290 |
| | 0 | 1 | 0 | 0 | 38 | 1,675.01 | 833.31 | 239 | 2,915 | 68,435 |
| | 0 | 4 | 0 | 0 | 364 | 8,496.00 | 3,076.42 | 18,212 | 5,609 | 12,73,717 |
| | 0 | 0 | 0 | 0 | 161 | 2,901.50 | 899.91 | 55 | 22,803 | 8,92,690 |
| | 0 | 0 | 0 | 0 | 43 | 705.90 | 160.18 | 0 | 1,124 | 1,41,208 |
| | 171.06 | 62 | 0 | 0 | 315 | 7,268.58 | 2,760.89 | 998 | 41,691 | 14,59,381 |
| | 0 | 0 | 0 | 0 | 72 | 2,860.69 | 639.13 | 0 | 36,154 | 12,21,350 |
| | 4.68 | 0 | 0 | 0 | 18 | 697.03 | 435.12 | 883 | 1,322 | 70,307 |
| | 0 | 0 | 0 | 0 | 87 | 572.04 | 406.37 | 1,842 | 2,947 | 1,04,383 |
| | 0 | 0 | 0 | 0 | 24 | 424.68 | 304.33 | 170 | 517 | 29,263 |
| | 3.61 | 0 | 0 | 0 | 32 | 402.28 | 293.06 | 102 | 1,152 | 54,559 |
| | 0 | 22 | 0 | 0 | 211 | 9,114.59 | 3,896.19 | 15,644 | 27,269 | 27,70,593 |
| | 0 | 0 | 0 | 0 | 37 | 412.07 | 59.90 | 0 | 6,131 | 92,988 |
| | 0 | 27 | 0 | 0 | 143 | 5,541.63 | 1,392.65 | 4,304 | 35,147 | 11,19,074 |
| | 0 | 0 | 0 | 0 | 4 | 217.92 | 191.03 | 25 | 413 | 13,601 |
| | 55.17 | 0 | 0 | 0 | 56 | 1,309.58 | 414.57 | 0 | 9,673 | 5,01,202 |
| | 0 | 0 | 0 | 0 | 58 | 782.29 | 308.23 | 0 | 9,176 | 7,08,865 |
| | 0 | 0 | 0 | 0 | 20 | 576.28 | 273.82 | 150 | 702 | 1,20,747 |
| | 71.21 | 0 | 0 | 0 | 28 | 1,635.89 | 759.86 | 1,514 | 10,042 | 2,37,921 |
| | 18.74 | 56 | 0 | 0 | 287 | 22,532.59 | 7,315.64 | 29,113 | 18,120 | 14,86,217 |
| | 254.45 | 0 | 0 | 0 | 55 | 7,759.05 | 2,816.64 | 4,192 | 25,403 | 21,82,868 |
| | 1,123.74 | 566 | 0 | 0 | 4,466 | 1,07,760.07 | 41,061.48 | 1,15,671 | 3,51,233 | 2,32,25,437 |
| | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 473 | 0 | 0 |
| | 1,123.74 | 566 | 0 | 0 | 4,466 | 1,07,760.07 | 41,061.48 | 1,16,144 | 3,51,233 | 2,32,25,437 |