

ANNEXURE-II TO BOARD'S REPORT

REPORT ON CORPORATE GOVERNANCE

Effective corporate governance practices constitute the strong foundation on which successful corporate entities are built. Transparency and accountability are the two basic tenets of Corporate Governance. Responsible corporate conduct is integral to the way we do our business. REC strives to achieve highest standards of Corporate Governance practices based on the values of transparency, integrity and accountability. The policies of our Company seek to focus on enhancement of long term shareholder value without compromising on ethical standards and Corporate Social Responsibility. Our guiding principles and practices are summarized in this Corporate Governance Report. These principles have been the guiding force for whatever we do and shall continue to be so in the years to come.

Besides adhering to the provisions of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015, the Company is also following Guidelines on Corporate Governance for Central Public Sector Enterprises, 2010 issued by Department of Public Enterprises (DPE), Ministry of Heavy Industries and Public Enterprises, Government of India. The Company is also following the Secretarial Standards issued by ICSI. A report regarding compliance of conditions of Corporate Governance is given below along with the Certificate on Corporate Governance by the Auditors.

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

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

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

2. BOARD OF DIRECTORS

The Board of Directors provides leadership and guidance, objective judgment and at the same time monitors the strategic direction of the Company. The Company is headed by an Executive Chairman. The tenure of Part time Non-Official Independent Directors holding office on the Board of the Company during the financial year 2015-16 was within the limits prescribed under the Companies Act, 2013 and all Part-time Non-official Independent Directors holding office during the year have adequate qualifications, expertise and experience which enables them to contribute effectively to the management of the Company.

(A) Composition of the Board

Being a Government Company within the meaning of Section 2 (45) of the Companies Act, 2013, the power to appoint Directors on the Board vests with the President of India acting through Administrative Ministry. Further, as per the Articles of Association of the Company, the number of Directors of the Company shall not be less than three and not more than fifteen

SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 stipulates that the Board of Directors of the Company shall have an optimum combination of executive and non-executive directors with at least one Woman Director and not less than fifty percent of Board of Directors comprising of non-executive directors. In addition, where the Chairman is an executive director, at-least one half of the Board of Directors shall comprise of Independent Directors. Further, the Companies Act, 2013 also stipulates the requirement of Independent Directors and at least one Woman Director on the Board of Listed Companies.

The composition of Board of Directors as on March 31, 2016 was as follows:

Sl. No.	Name of the Director	Director Identification Number (DIN)	Position
Whole Time Directors (Executive Directors)			
1	Shri Rajeev Sharma	00973413	Chairman and Managing Director
2	Shri Ajeet Kumar Agarwal	02231613	Director (Finance)
3	Shri Sanjeev Kumar Gupta	03464342	Director (Technical)
Government Nominee Director (Non-Executive Director)			
4	Dr. Arun Kumar Verma	02190047	Government Nominee Director
Part time Non-Official Independent Directors			
5	Shri Arun Singh	00891728	Independent Director
6	Shri Aravamudan Krishna Kumar	00871792	Independent Director
7	Prof. Tiruvallur Thattai Ram Mohan	00008651	Independent Director

During the financial year 2015-16, Dr. Arun Kumar Verma (DIN: 02190047) was appointed as Government Nominee Director vice Shri Badri Narain Sharma(DIN:01221452) vide Ministry of Power Order No. 46/8/2015-RE dated October 6, 2015. Further, on account of resignation of Shri Prakash Thakkar, Director (Technical) (DIN:01120152), he was relieved from services of the Company on October 12, 2015 and Shri Sanjeev Kumar Gupta was appointed as Director (Technical) vide Ministry of Power Order No. 46/14/2014-RE dated October 16, 2015 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. Further, Ministry of Power vide Order No.46/2/2010-RE- Vol. II (Part- IV) dated November 13, 2015 has appointed three Part time Non- Official Independent Directors, namely, Shri Arun Singh, Shri A. Krishna Kumar and Prof. T.T. Ram Mohan, on the Board of Company for a period of 3 years from the date of notification of their appointment or till further orders whichever is earlier. Presently, the Board is falling short of one Independent Woman Director. Accordingly, as on date, the composition of the Board of Directors is not in conformity with the provisions of Companies Act 2013, Regulation 17 of SEBI(Listing obligations and Disclosure Requirements) Regulations, 2015 and Clause 3.1.4 of DPE Guidelines on Corporate Governance for CPSEs issued by DPE.

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

(B) Other provisions as to Board and its Committees

(i) Details of Board Meetings held during the financial year 2015-16

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

During the financial year 2015-16, nine (9) meetings of Board of Directors of the Company were held on (i) May 28, 2015; (ii) July 1, 2015; (iii) August 7, 2015; (iv) September 16, 2015; (v) November 9, 2015; (vi) December 22, 2015; (vii) January 13, 2016; (viii) February 10, 2016; and (ix) March 18, 2016.

The minimum and maximum interval between any two Board Meetings was twenty two (22) days and fifty four (54) days, respectively. The gap between any two Board Meetings was less than 3 months. The quantum and quality of information supplied by the Management to the Board goes well beyond the minimum requirement stipulated in Schedule II of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015.

(ii) Information placed before the Board of Directors

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

1. Annual operating plans and budgets and any updates.
2. Capital budgets and any updates.
3. Proposals relating to raising of funds and sanctions of financial assistance.
4. Quarterly, Half Yearly and Annual Financial results and Board's Report etc.
5. All Related Party transactions.
6. Minutes of Meetings of Audit Committee and other committees of the board.
7. Minutes of Subsidiary Companies.
8. The information on recruitment and remuneration of senior officers just below the board level, including appointment or removal of Chief Financial Officer, Company Secretary and Internal Auditors.
9. Show cause, demand, prosecution notices and penalty notices, if any, which are materially important.
10. Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems, if any.
11. Any material default in financial obligations to and by the Company or substantial non-payment for goods sold by the Company.
12. Any issue, which involves possible public or product liability claims of substantial nature, including any judgment or order which, may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company.
13. Details of any joint venture or collaboration agreement.

14. Transactions that involve substantial payment towards goodwill, brand equity, or intellectual property.
15. Significant labour problems and their proposed solutions. Any significant development in Human Resources/ Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme etc.
16. Sale of material nature of investments, subsidiaries, assets, which is not in normal course of business.
17. Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.
18. Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc, if any.
19. Investments, formation of subsidiaries and Joint Ventures, Strategic Alliances, etc.
20. Quarterly Report on deployment of Short term surplus Funds.
21. Quarterly compliance on Reconciliation of Share Capital Audit, Corporate Governance Report and investor grievances.
22. Quarterly report on compliance of various laws.
23. Half yearly report on Investment of Long Term Funds.
24. Action Taken Report on all pending matters.
25. Any other information required to be presented to the Board for information or approval.

(iii) **Directors' attendance at Board Meetings and last Annual General Meeting (AGM), during the financial year 2015-16, number of other Directorships (in Indian Public Limited Companies)/ Committee Memberships (viz Audit Committee and Stakeholders Relationship Committee) (other than REC), held by Directors are tabled below:-**

Sl. No.	Name of Director	Board Meetings			Attendance at Last AGM (held on September 16, 2015)	As on March 31, 2016		
		Held during the tenure	Attended	Percentage of Attendance		No. of other Directorships	No. of other Committee Memberships ⁵	
							As Chairman	As Member
1.	Shri Rajeev Sharma	9	9	100	Present	3	Nil	Nil
2.	Shri Prakash Thakkar (upto October 12, 2015)	4	4	100	Present	N.A	N.A	N.A
3.	Shri Ajeet Kumar Agarwal	9	9	100	Present	2	Nil	1
4.	Shri S.K. Gupta (w.e.f October 16, 2015)	5	5	100	Not Applicable	2	Nil	Nil
5.	Shri B.N. Sharma (upto October 6, 2015)	4	3	75	Present	N.A	N.A	N.A
6.	Dr. Arun Kumar Verma (w.e.f October 6, 2015)	5	5	100	Not Applicable	1	Nil	Nil
7.	Shri Arun Singh (w.e.f November 13, 2015)	4	3	75	Not Applicable	Nil	Nil	Nil
8.	Shri A. Krishna Kumar (w.e.f November 13, 2015)	4	4	100	Not Applicable	1	1	Nil
9.	Prof. T.T Ram Mohan (w.e.f November 13, 2015)	4	4	100	Not Applicable	1	Nil	1

Notes:

1. In accordance with the provisions of the Companies Act, 2013 and Article 82 (4) of the Articles of Association of the Company, Shri Ajeet Kumar Agarwal, Director (Finance) shall retire by rotation at the 47th Annual General Meeting of the Company and, being eligible, offers himself for re-appointment.
2. ⁵ In line with Regulation 26 of SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015, for reckoning the number of Committee memberships, only the Chairmanship/Membership in Audit Committee and Stakeholders Relationship Committee in Indian Public Limited Companies have been taken into consideration.
3. None of the Directors is a member of more than 10 Board-level Committees of Indian Public Limited Companies nor are they Chairman of more than 5 Committees of such companies.
4. There is no *inter-se* relationship between the directors.

3. COMMITTEES OF THE BOARD OF DIRECTORS

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

As on March 31, 2016, the Board had the following committees:

1. Audit Committee;
2. Nomination and Remuneration Committee;
3. Stakeholders Relationship Committee;
4. Risk Management Committee;
5. Corporate Social Responsibility Committee;
6. Loan Committee;
7. Executive Committee;
8. Sub-Committee for review of lending rates for Term Loans/ Short Term Loans;
9. Bond Committee; and
10. Committee on Investment / Deployment of Surplus Funds.

Further, the "Sub-committee of Directors for Borrowings other than Debentures" has been dissolved on February 10, 2016 since the powers exercised by the sub-committee are now exercised by CMD and Director (Finance) under Market Borrowing Programme approved from time to time.

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

3.1 Audit Committee

(i) During the financial year 2015-16, the composition and attendance of the Audit Committee was as under:

Sl. No.	Name of the Committee Members/ Attendees	Position in the Committee	Number of Meetings			Attendance at last AGM
			Held during tenure of Director	Attended	Percentage of attendance	
1.	Shri B.N. Sharma Government Nominee Director	Chairman (upto October 6, 2015)	3	3	100.00	Yes
2.	Dr. Arun Kumar Verma Government Nominee Director	Chairman (from October 20, 2015 to December 21, 2015)	1	1	100.00	NA
3.	Shri A. Krishna Kumar Independent Director	Chairman (w.e.f December 22, 2015)	2	2	100.00	NA
4.	Shri Rajeev Sharma CMD	Member (upto December 21, 2015)	4	4	100.00	Yes
5.	Shri Prakash Thakkar Director (Technical)	Member (upto October 12, 2015)	3	3	100.00	Yes
6.	Shri S.K. Gupta Director (Technical)	Member (w.e.f October 20, 2015)	3	3	100.00	NA
7.	Shri Arun Singh Independent Director	Member (w.e.f December 22, 2015)	2	2	100.00	NA
8.	Prof. T.T Ram Mohan Independent Director	Member (w.e.f December 22, 2015)	2	2	100.00	NA

During the financial year 2015-16, the composition of Audit Committee was as under:

1. The Board reconstituted the committee on May 15, 2015 to comprise Shri B.N Sharma as Chairman of Committee and Shri Rajeev Sharma & Shri Prakash Thakkar as Members of the Committee.
2. After the cessation of tenure of Shri B.N. Sharma and Shri Prakash Thakkar, the committee was reconstituted by the Board on October 20, 2015 to comprise Dr. Arun Kumar Verma as Chairman and Shri Rajeev Sharma & Shri S.K. Gupta as members of the Committee.

3. After the appointment of Independent Directors, the committee was again reconstituted on December 22, 2015 by comprising of Shri A. Krishna Kumar as Chairman and Shri Arun Singh, Prof. T.T Ram Mohan & Shri S.K. Gupta as members of the Committee.

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

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

- to comply with the requirements in accordance with Section 177 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014, as amended from time to time;
- to comply with the requirements relating to Audit Committee as envisaged in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time;
- to comply with the Guidelines on Corporate Governance for Central Public Sector Enterprises, 2010, as notified by the DPE, as amended from time to time; and
- to comply with any other applicable provisions, as amended from time to time, relating to the Audit Committee.

The maximum gap between any two Meetings was not more than one hundred and twenty days. During the financial year 2015-16, six (6) meetings of the Audit Committee were held on (i) May 28, 2015; (ii) August 7, 2015; (iii) September 16, 2015; (iv) November 9, 2015; (v) February 10, 2016; and (vi) March 18, 2016.

Shri B.N.Sharma, Chairman of the Audit Committee was present at the Annual General Meeting held on September 16, 2015 to answer shareholders' queries.

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

3.2 Nomination and Remuneration Committee

REC, being a Central Public Sector Undertaking, the appointment, tenure and remuneration of Chairman & Managing Director, Whole Time Functional Directors and other Directors, are decided by the President of India as per the Articles of Association of the Company and the same are communicated by the administrative ministry. The remuneration of Functional Directors and employees of the Company is fixed as per extant guidelines issued by Department of Public Enterprises (DPE), from time to time. Further, the Part time Non official Independent Directors are paid sitting fees, as decided by the Board of Directors from time to time, for attending Board and Committee meetings well within the limits prescribed under Companies Act, 2013. As per the norms of Government of India, the Government Nominee Director is not entitled to get any remuneration/ sitting fee from the Company.

After the appointment of Independent Directors on the Board of the Company, the committee has been reconstituted on December 22, 2015.

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

- to comply with the requirements in accordance with Section 178 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014, as amended from time to time;
- to comply with the requirements relating to Nomination and Remuneration Committee as envisaged in SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended from time to time; and
- to comply with the Guidelines on Corporate Governance for Central Public Sector Enterprises, 2010 including to decide the quantum of annual bonus, variable pay and policy for ESOP scheme, pension scheme etc. within the prescribed limits across whole time directors, executive and non-unionized supervisors, as notified by the DPE and as amended from time to time.

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

As on March 31, 2016, the constitution of Nomination and Remuneration Committee is as under:

Sl. No.	Name of the Committee Members	Position in the Committee	Meeting		
			Held during tenure of Director	Attended	Percentage of attendance
1.	Prof. T.T Ram Mohan Independent Director	Chairman (w.e.f December 22, 2015)	1	1	100.00
2.	Shri Arun Singh Independent Director	Member (w.e.f December 22, 2015)	1	0	0.00
3.	Shri A. Krishna Kumar Independent Director	Member (w.e.f December 22, 2015)	1	1	100.00

Quorum of the Nomination and Remuneration Committee is two members including Chairman of the Committee. Director (Finance), Director (Technical) and ED (HR)/GM (HR) are standing invitees to the Meetings of the Nomination and Remuneration Committee. During the financial year 2015-16, one Meeting of the Nomination and Remuneration Committee was held on January 13, 2016.

The remuneration paid to Whole Time Directors including the Chairman & Managing Director was as per the terms and conditions of their appointment. The details of remuneration paid to Whole Time Directors and Company Secretary of the Company during the financial year 2015-16 are given below:

(Amount in ₹)

Sl. No.	Name & Designation	Salary & Allowances	Other Benefits included in Form 16@	Performance Linked Incentive*	CPF contribution	Pension Fund Contribution	Leave Encashment	Total
1.	Shri Rajeev Sharma CMD	27,85,037	10,48,630	15,21,461	2,68,906	2,01,680	-	58,25,714
2.	Shri Prakash Thakkar, Director (Technical) upto October 12, 2015#	14,23,067	11,61,156	11,15,078	1,36,879	1,02,659	19,29,792	58,68,631
3.	Shri Ajeet Kumar Agarwal Director (Finance)	27,84,531	2,60,905	10,41,334	2,40,643	1,80,482	-	45,07,895
4.	Shri S.K. Gupta Director (Technical) w.e.f October 16, 2015#	13,19,716	2,20,612	4,80,365	1,14,730	86,047	-	22,21,470
5.	Shri J.S.Amitabh Company Secretary	25,04,046	2,00,528	4,76,652	2,16,390	1,62,293	-	35,59,909

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

@ includes allowances exempt u/s 10 but exclude Uniform, entertainment, electricity, water and attendant charges and includes Telephone Expenses and taxable gratuity in case of retirement.

Shri Prakash Thakkar, Director (Technical) was relieved from services on October 12, 2015, and Shri S.K Gupta was appointed as Director (Technical) on October 16, 2015, therefore, their remuneration is taken for part of the year.

The terms and conditions of appointment of Directors and payment of their remuneration are decided by President of India as per the Articles of Association of the Company.

The Company has not issued any Stock Options during the financial year 2015-16.

Remuneration of Independent and Government Nominee Directors

The Independent Directors are paid sitting fees at the rate of ₹ 20,000/- for attending each Meeting of the Board and Committee thereof as fixed by the Board in its 395th Meeting held on May 28, 2013 which is within the limits prescribed under the Companies Act, 2013 and rules thereunder. Details of payments towards sitting fees to Independent Directors during the financial year 2015-16 is as under:

(Amount in ₹)

Sl. No.	Name of Part-time Non-official Independent Director	Sitting Fees		Total
		Board Meeting	Committee Meeting	
1.	Shri Arun Singh	60,000	60,000	1,20,000
2.	Shri A. Krishna Kumar	80,000	1,40,000	2,20,000
3.	Prof. T.T Ram Mohan	80,000	1,20,000	2,00,000
	Total			5,40,000

The Government Nominee Director is not entitled to any remuneration/ sitting fee from the Company. Apart from the above, the Independent & Government Nominee Directors do not have any material pecuniary relationship or transactions with the Company.

3.3 Stakeholders Relationship Committee

(i) Constitution of Stakeholders Relationship Committee

The Company has constituted a Stakeholders Relationship Committee in terms of the provisions of the Companies Act, 2013, SEBI (LODR) Regulations, 2015 and other applicable laws. This Committee specifically looks into the redressal of Shareholders and Investors complaints like transfer of shares, non- receipt of Balance Sheet and declared dividend etc.

During the financial year 2015-16, the Stakeholders Relationship Committee comprised of the following members:

Sl. No.	Name of the Committee Members	Position in the Committee	Meeting	
			Held during tenure of Director	Attended
1.	Shri B.N. Sharma Government Nominee Director	Chairman (upto October 6, 2015)	2	2
2.	Dr. Arun Kumar Verma Government Nominee Director	Chairman (from October 20, 2015 to December 21, 2015)	1	1
3.	Shri A. Krishna Kumar Independent Director	Chairman (w.e.f December 22, 2015)	1	1
4.	Shri Prakash Thakkar Director (Technical)	Member (upto October 12, 2015)	2	2
5.	Shri Ajeet Kumar Agarwal Director (Finance)	Member	4	4
6.	Shri. S.K Gupta Director (Technical)	Member (w.e.f October 20, 2015)	2	2

Notes:

1. The committee was reconstituted on May 15, 2015 with Shri B.N Sharma as Chairman and Shri Prakash Thakkar & Shri Ajeet Kumar Agarwal as members of the Committee.
2. Further, after the cessation of tenure of Shri B.N. Sharma on October 6, 2015 and Shri Prakash Thakkar on October 12, 2015, the committee was reconstituted by the Board on October 20, 2015 to comprise Dr. Arun Kumar Verma as Chairman and Shri Ajeet Kumar Agarwal & Shri S.K. Gupta as members.
3. On the appointment of Independent Directors, the committee was reconstituted on December 22, 2015 to comprise Shri A. Krishna Kumar as Chairman and Shri Ajeet Kumar Agarwal & Shri S.K. Gupta as members.

The quorum of meeting of the Stakeholders Relationship Committee is two members including the Chairman of the Committee. Further, the representatives of Registrar & Share Transfer Agents (R&TAs) appointed by the Company are Standing invitees at the Meetings of Stakeholders Relationship Committee. During the financial year 2015-16, four (4) Meetings of Stakeholders Relationship Committee were held on (i) May 28, 2015 (ii) August 7, 2015; (iii) November 9, 2015; and (iv) February 10, 2016 to review the status of pending Shareholders/Investors grievances.

Shri J.S. Amitabh, Company Secretary is the Compliance Officer of the Company in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

The Chairman of the Stakeholders Relationship Committee was present at the Annual General Meeting held on September 16, 2015.

(ii) Status of Shareholders/Investors Grievances

The Company has been attending to all investor grievances expeditiously and promptly. Status of Shareholders/ Investors Grievances pursuant to Regulation 13(3) of SEBI(Listing obligations and Disclosure Requirements) Regulations 2015 for the period from April 1, 2015 to March 31, 2016 relating to Equity Shares/Listed Debt Securities is as follows:-

Pending at the beginning of the financial year	1
Received during the financial year	2151
Disposed during the financial year	2152
Remaining unresolved as on March 31, 2016	-

- The Company has established three layers to handle Investor Grievances including Support Service from respective Registrars, In-house Investor Cell and direct supervision by Stakeholders Relationship Committee which has resulted in timely resolution of all the grievances. All the complaints have been resolved to the satisfaction of shareholders.
- A dedicated Investor Relations Cell has been set up in the Company for interaction with the analysts and providing timely information and to hold analyst meetings in order to keep the investors updated about the matters related to the Company and to develop an appropriate feedback system that directs the information flow and communication between the management and investors.

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

3.4 Risk Management Committee

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

During the financial year 2015-16, the Risk Management Committee comprised of the following members:

Sl. No.	Name of the Committee Members	Position in Committee	Meeting	
			Held during tenure of Director	Attended
1.	Shri Arun Singh Independent Director	Chairman (w.e.f December 22, 2015)	1	1
2.	Shri Prakash Thakkar Director (Technical)	Member (upto October 12,2015)	1	1
3.	Shri Ajeet Kumar Agarwal Director (Finance)	Member	2	2
4.	Shri S.K. Gupta Director (Technical)	Member (w.e.f December 22, 2015)	1	1

Note:

The Committee was reconstituted on December 22, 2015 on the appointment of Independent Directors on the Board of the Company to comprise of Shri Arun Singh as Chairman and Shri Ajeet Kumar Agarwal & Shri S.K. Gupta as members of the Committee.

The operational heads of Finance Division (Resource Mobilization) and Asset Liability Management Division are the standing invitees at Risk Management Committee Meetings. During the financial year 2015-16, two (2) Meetings of the Risk Management Committee were held on October 12, 2015 and March 18, 2016.

3.5 Corporate Social Responsibility Committee

As per the provisions of Section 135 of the Companies Act, 2013 and rules made there under and Guidelines on Corporate Social Responsibility and Sustainability for CPSEs issued by DPE, the Board of Directors of the Company has constituted 'Corporate Social Responsibility Committee' and the terms of reference of the Committee are as under:

- to formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013;
- to monitor the Corporate Social Responsibility Policy of the Company from time to time;
- to recommend the amount of expenditure to be incurred on the activities referred to in clause (a);
- to recommend/review CSR projects / programs / proposals, falling within the purview of Schedule VII of the Companies Act, 2013;
- to institute a transparent monitoring mechanism for implementation of the CSR projects / programmes / activities undertaken by the Company;
- to assist the Board of Directors to formulate strategies on CSR initiatives of the Company;
- to approve the content of annual report on CSR activities as per proforma given in the Rules, *inter-alia* covering responsibility statement that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company;
- to periodically submit the reports to the Board of Directors for their information, consideration and necessary directions; and
- to comply with the other requirements on Corporate Social Responsibility Policy as amended from time to time.

During the financial year 2015-16, the "Corporate Social Responsibility Committee" comprised of the following Members:

Sl. No.	Name of the Committee Members	Position in Committee	Meeting	
			Held during tenure of Director	Attended
1.	Shri Rajeev Sharma CMD	Chairman (upto December 21, 2015)	3	3
2.	Prof. T.T. Ram Mohan Independent Director	Chairman (w.e.f December 22, 2015)	2	2

Sl. No.	Name of the Committee Members	Position in Committee	Meeting	
			Held during tenure of Director	Attended
3.	Shri Prakash Thakkar Director(Technical)	Member (upto October 12, 2015)	2	2
4.	Shri Ajeet Kumar Agarwal Director (Finance)	Member	5	5
5.	Shri S.K. Gupta Director (Technical)	Member (w.e.f October 20, 2015)	3	3
6.	Shri A. Krishna Kumar Independent Director	Member(w.e.f December 22, 2015)	2	2

Notes:

1. The committee was reconstituted by the Board on October 20, 2015 after the cessation of tenure of Shri Prakash Thakkar to comprise Shri Rajeev Sharma as Chairman of the Committee and Shri Ajeet Kumar Agarwal & Shri S.K. Gupta as members of the Committee.
2. The committee was again reconstituted on December 22, 2015 after the appointment of Independent Directors to comprise Prof. T.T Ram Mohan as Chairman and Shri A. Krishna Kumar, Shri Ajeet Kumar Agarwal & Shri S.K. Gupta as members.

The quorum of the meeting of the Corporate Social Responsibility Committee is two Members including Chairman of the Committee. During the financial year 2015-16, five (5) meetings of Corporate Social Responsibility Committee were held on (i) May 28, 2015; (ii) August 7, 2015; (iii) November 9, 2015; (iv) February 10, 2016; and (v) March 18, 2016.

3.6 Loan Committee

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

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

After the cessation/appointment of Director (Technical) and Government Nominee Director, the Committee has been reconstituted. As on March 31, 2016, the Loan Committee comprised of the following members:

Sl. No.	Name of the Committee Members	Designation	Position in the Committee
1.	Shri Rajeev Sharma	CMD	Chairman
2.	Shri Ajeet Kumar Agarwal	Director(Finance)	Member
3.	Shri S.K. Gupta	Director (Technical)	Member
4.	Dr. Arun Kumar Verma	Government Nominee Director	Member

The quorum of meeting of the Loan Committee is three Members including CMD and Government Nominee Director. During the financial year 2015-16, four (4) meetings of Loan Committee were held on (i) May 28, 2015; (ii) August 7, 2015; (iii) September 16, 2015; and (iv) February 11, 2016. Further, all members of the Committee were present in all the meetings.

3.7 Executive Committee

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

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

After the cessation/ appointment of Director (Technical), the committee was reconstituted. As on March 31, 2016, the Executive Committee comprised of the following members:

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

The quorum of the Executive Committee of the Board of Directors is two Members including CMD. During the financial year 2015-16, eleven (11) meetings of the Executive Committee were held on (i) May 6, 2015; (ii) June 5, 2015; (iii) July 9, 2015; (iv) August 6, 2015; (v) October 16, 2015; (vi) November 26, 2015; (vii) December 30, 2015; (viii) January 15, 2016; (ix) January 28, 2016; (x) March 3, 2016; and (xi) March 29, 2016. Further, all members of the Committee were present in the meetings except for one meeting which Shri Ajeet Kumar Agarwal, Director (Finance) could not attend.

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

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

After the cessation/ appointment of Director (Technical), the committee was reconstituted. As on March 31, 2016, the Sub-Committee for review of lending rates for Term Loans/ Short Term Loans comprised of the following members:

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

The quorum for the meeting of Sub-Committee for review of lending rates for Term Loans / Short Term Loans is two Members including CMD. During the financial year 2015-16, seventeen (17) meetings of Sub-Committee for review of lending rates for Short Term Loans/ Term Loans were held on (i) April 27, 2015; (ii) April 29, 2015; (iii) May 21, 2015; (iv) May 28, 2015; (v) June 30, 2015; (vi) July 30, 2015; (vii) August 7, 2015; (viii) August 28, 2015; (ix) September 7, 2015; (x) September 16, 2015; (xi) October 30, 2015; (xii) November 23, 2015; (xiii) December 18, 2015; (xiv) December 30, 2015; (xv) January 27, 2016; (xvi) February 24, 2016; and (xvii) March 10, 2016. Further, all members of the Committee were present in the meetings except for one meeting which Shri Prakash Thakkar, the then Director (Technical) could not attend and another meeting which Shri Ajeet Kumar Agarwal, Director (Finance) could not attend.

3.9 Bond Committee

The Bond Committee of Directors was constituted to finalize and approve the detailed terms and conditions of bonds including issue size (in single/ multiple tranches), timing, period, coupon rate, annual interest payment date of issue etc.as may be required by the prevailing market conditions/ consortium members for marketing of the issue, revise coupon rate, period of issue, selling and brokerage commission, basis of allotment, allotment of bonds and other terms and conditions of the issue of Tax Free Bonds for the financial year 2015-16.

As on March 31, 2016, the Bond Committee comprised of following members:

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

Quorum of the Bond Committee of Board of Directors is two members. During the financial year 2015-16, three (3) meetings of Bond Committee were held on (i) October 13, 2015; (ii) October 21, 2015; and (iii) November 5, 2015. Further, all members of the committee were present in all the meetings.

3.10 Committee on Investment / Deployment of Surplus Funds

The Committee for Investment/Deployment of Surplus Funds has been constituted for the purpose of investments of surplus funds. As on March 31, 2016, the "Committee on Investment / Deployment of Surplus Funds" comprised of following members:

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

The quorum of the meeting of the committee is two members including CMD. As on date, the Committee is *inter-alia* authorised to approve the investment of short term surplus funds at any time, above ₹ 1,000 crore in Commercial Papers and above ₹ 1,500 crore in Mutual Funds and Fixed Deposits.

During the financial year 2015-16, two (2) meetings of the committee were held on January 13, 2016 and March 22, 2016. Further, all the members of the committee attended the meeting.

4. SHARE TRANSFER COMMITTEE

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

As on March 31, 2016, the Share Transfer Committee comprised of the following Members:

Sl.No.	Name of the Officer	Designation
1.	Shri J. S. Amitabh	GM & Company Secretary
2.	Shri Daljeet Singh Khatri	Additional General Manager (F&A)- Resources

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

5. SUBSIDIARY COMPANIES

The Company does not have any "material subsidiary" as defined in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Minutes of Board Meetings of all Subsidiary Companies are placed before the Board of Directors of the Company for information. Further, all significant transactions and arrangements entered into by the unlisted Subsidiary Companies were brought to the attention of the Board of Directors of REC. The Financial Results of unlisted Subsidiary Companies, in particular the investments made by unlisted Subsidiary Companies were reviewed by the Audit Committee of Directors of REC. The Company has devised a "Policy on Materiality of Subsidiaries" as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the same is available on its website at http://www.recindia.nic.in/download/Policy_Determining_Material_Subsidiaries.pdf.

The Company had following unlisted Wholly Owned Subsidiary Companies as on March 31, 2016:

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

Further, in order to initiate development of each independent Interstate transmission project allocated by Ministry of Power, Government of India, RECTPCL has incorporated a Project specific Special Purpose Vehicle (SPV) as Wholly Owned Subsidiary Company and after selection of successful bidder through Tariff Based Competitive Bidding Process notified for transmission projects, the respective Project Specific SPV along with its all assets and liabilities is to be transferred to the selected bidder. As on March 31, 2016, the following project specific Special Purpose Vehicles (SPVs) were in existence as Wholly Owned Subsidiary Companies of RECTPCL:

- i. Nellore Transmission Limited (NTL)(CIN: U40104DL2012GOI245654)*
- ii. Baira Siul Sarna Transmission Limited (BSSTL)(CIN: U40106DL2013GOI247564)*
- iii. NRSS XXXVI Transmission Limited (CIN: U40300DL2015GOI284168)
- iv. North Karanpura Transco Limited (NKTL)(CIN: U40103DL2015GOI287880)#
- v. Khargone Transmission Limited (KTL)(CIN: U40300DL2015GOI287933)
- vi. Dinchang Transmission Limited (DTL)(CIN: U40300DL2015GOI288066)
- vii. NER II Transmission Limited (NTL)(CIN: U40106DL2015GOI279300)

*Consequent to the denotification by Ministry of Power/ CEA, the companies have been dissolved under the provisions of Section 560 of Companies Act, 1956.

#The subsidiary company viz., "North Karanpura Transco Limited" was transferred alongwith all its assets & liabilities to the successful bidder i.e., M/s Adani Transmission Limited on July 8, 2016. As such, the said company has ceased to be a subsidiary of RECTPCL / REC from that date.

The Audited Financial Statements and related information of all Subsidiary Companies of REC is available on the website of the Company www.recindia.com under the head "Subsidiary Companies". A statement containing the financial data of the subsidiaries and Joint Ventures has been furnished along with the Consolidated Financial Statements, which forms part of this Annual Report. Further, pursuant to the provisions of Companies Act, 2013 and Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with MCA General Circular No. 15/2013 dated September 13, 2013, Consolidated Financial Statements presented by the Company include financial information in respect of its subsidiary companies and

Joint Venture Company i.e. Energy Efficiency Services Limited. However, those subsidiary companies of RECTPCL which are incorporated for the purpose of subsequent disposal have not been consolidated in the accounts of the Company as per Para 11 of Accounting Standard- 21.

6. GENERAL BODY MEETINGS

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

Meeting No.	Financial Year	Date	Time	Venue	Whether any Special Resolution passed
44 th	2012-13	September 13, 2013	11.00 A.M.	Manekshaw Centre, Parade Road, Delhi Cantonment, New Delhi-110010	No
45 th	2013-14	September 18, 2014	11.00 A.M.		Yes
46 th	2014-15	September 16, 2015	11.00 A.M.	Weightlifting Auditorium, Jawaharlal Nehru Stadium, Bhisham Pitamah Marg, Pragati Vihar, Lodhi Colony, New Delhi -110003	Yes

No special resolution was passed through Postal Ballot in the previous year. None of the business proposed to be transacted in the 47th Annual General Meeting require passing a Special Resolution through Postal Ballot.

Further, the Company will continue to provide e-voting facility in the ensuing AGM to enable shareholders to exercise their right to vote through electronic means and the e-voting portal will be kept open for such period as mentioned in the Notice of 47th AGM.

7. SERVICE OF DOCUMENTS THROUGH ELECTRONIC MEANS

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

As a responsible Corporate Citizen, your Company has actively supported the paperless initiative and Digitalization move and effected electronic delivery of Notice and Annual Report and other documents since 2010-11 to those shareholders whose email ids were registered with the respective Depository Participants (DPs). The intimation of Interim/Final Dividend paid, are also being sent electronically to those shareholders whose email ids were registered.

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

8. SECRETARIAL AUDIT

The Secretarial Audit for the financial year 2015-16 has been conducted by M/s Chandrasekaran Associates, Practicing Company Secretaries, Delhi and they have submitted a Secretarial Audit Report to the Company. A copy of Secretarial Audit Report is set out elsewhere in this Annual Report for information of the shareholders.

9. RELATED PARTY TRANSACTIONS

The Company has formulated a Policy on Materiality of Related Party Transactions and Dealing with Related Party Transactions as per provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the same is available on the website of the Company http://recindia.nic.in/download/Policy_Related_Party_Transactions_&_Dealing_with_RPT.pdf. As per the said Policy, all the Related Party Transactions are duly approved by the Audit Committee and the Board of Directors. The transactions with related parties are included in the Notes to the Accounts as per Accounting Standard (AS) -18 and other applicable provisions of Companies Act, 2013. Further, a list of Related Party transactions is put up for information of Audit Committee and Board of Directors on quarterly basis. The particulars of Related Party Transactions are given in form AOC-2 annexed to the Board's Report.

10. DISCLOSURES

- The Company has complied with all the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as well as Regulations and Guidelines prescribed by SEBI, the Companies Act, 2013, Secretarial Standards and DPE Guidelines on Corporate Governance for Central Public Sector Enterprises issued by Ministry of Heavy Industries and Public Enterprises, Government of India, except relating to composition of the Board.
- The Company has complied with the requirements of Regulation 17 to 27 relating to Board, Committees and Corporate Governance requirements except as detailed in point (i) above and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI (LODR) Regulations, 2015 in respect of disclosure on website. In compliance of Regulation 46 of SEBI (LODR) Regulations, 2015, the Company has *inter-alia* disclosed the information relating to details of business of the Company, Terms and conditions of appointment of Independent Directors, Composition of various committees of Board of Directors, Code of conduct and Ethics for Board Members and Senior Management Personnel, Details of establishment of Vigil Mechanism/ Whistle Blower policy, Criteria of making payments to Non-Executive Directors, Policy on dealing with Related Party transactions, Policy for determining material subsidiaries, Details of familiarization programme imparted to Independent Directors and Policy for determination of materiality of events for disclosure to the stock exchanges etc. on its website.

- (iii) The Company has a Board approved Risk Management Policy which covers Hedging Policy that provides a framework for the management of foreign currency exchange risk, involving exchange rate movements among currencies that may adversely impact the value of foreign currency-denominated assets, liabilities and off-balance sheet arrangements. Appropriate disclosures regarding the foreign currency risks are made in the Notes to Accounts, forming part of the Audited Financial Statements and the same are being managed through various derivative instruments such as swaps, options, forwards etc. The nature of the business of the Company is not such as may give rise to any commodity price risk.
- (iv) The Company has not entered into any material, financial or commercial transactions with the Directors or the Management or their relatives or the companies and firms, etc., in which they are either directly or through their relatives interested as Directors and/or Partners.
- (v) All members of Senior Management have made disclosures to the Board relating to all material, financial and commercial transactions, where they have personal interest that may have a potential conflict with the interest of the Company at large (e.g. dealing in Company shares, commercial dealings with bodies which have shareholding of management and their relatives etc.).
- (vi) There were also no instances of non-compliance on any matter related to the Capital Markets during the last three years. All returns/ reports were filed within stipulated time with stock exchanges/ other authorities. However, we have received letters from NSE & BSE in respect of non-compliance regarding non-appointment of woman director on the Board of Company. The power to appoint directors on the Board of Company lies with the President of India acting through administrative Ministry. We have already requested Ministry of Power (administrative ministry) for the appointment of an Independent Woman Director.
- (vii) There are no materially significant transactions with related parties i.e. Promoters, Directors or the management, conflicting with the Company's interest. The Independent Directors do not hold any equity shares of the Company.
- (viii) The Company has laid down the procedure to inform the Board about the risk assessment and minimization. The Board of Directors of the Company reviews the procedures to ensure that the integrated risks are managed through a properly defined framework.
- (ix) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement for the financial year 2015-16 have been prepared as per the Accounting Standards as applicable under Section 133 of the Companies Act, 2013 read with General Circular No. 15/2013 dated September 13, 2013.
- (x) The Company affirms that a Whistle Blower Policy/ Vigil Mechanism is in place and no personnel has been denied access to the Audit Committee.
- (xi) The Company has adopted all mandatory items and some of the non-mandatory items on Corporate Governance. Information on adoption/ non-adoption of non-mandatory requirements is given in **Annexure A** to this Report.
- (xii) During the financial year 2015-16, no Presidential Directives were issued by the Central Government to the Company.
- (xiii) The Company has not incurred any expenditure which is not for the purpose of the business. Further, no expense was incurred which was personal in nature and was incurred for the Board of Directors and Top Management.
- (xiv) The administrative and office expenses for the financial year 2015-16 have decreased to ₹ 67.01 crore as compared to ₹ 69.49 crore during relevant period of the previous year due to decrease under various heads as included under the broad head. Administrative and office expenses as a percentage of total expenses for the financial year 2015-16 is 0.43% (previous year 0.54%) and as a percentage of financial expenses for the financial year 2015-16 is 0.47% (previous year 0.59%).
- (xv) In pursuance to DPE Guidelines on Corporate Governance for Central Public Sector Enterprises (CPSEs), 2010, Compliance Report is being submitted to Ministry of Power within 15 days from the end of quarter. The details of submission of the report is as under:

Report for Quarter ended	Date of submission of report
June 30, 2015	July 8, 2015
September 30, 2015	October 7, 2015
December 31, 2015	January 6, 2016
March 31, 2016	April 7, 2016

Also the Report containing Annual Score (consolidated score of four quarters) was submitted to Ministry of Power on April 13, 2016 against the due date of May 31, 2016.

The Company has also submitted quarterly compliance report on Corporate Governance with the Stock Exchanges in accordance with the requirements of Regulation 27(2)(a) of the SEBI (LODR) Regulations, 2015.

- (xvi) There are no audit qualifications pertaining to financial year 2015-16. However, there is an observation relating to Internal Financial Control, Management Reply of which has been given in the Annual Report. Further, the Company has informed the stock exchanges that the Statutory Auditors have furnished Audit Report on Standalone & Consolidated Financial Results with unmodified opinion as per the clauses of SEBI (LODR) Regulations, 2015.

(xvii) The Board members based on their requirement, attended various seminars, conferences, training programmes from time to time. Further, as per the requirement of Corporate Governance Guidelines issued by Department of Public Enterprises (DPE), the Company has framed a Policy of Training to Board Members. During the financial year, two training programmes have been conducted for the Directors of the Company.

On appointment, the Board Members are provided with necessary documents, reports and internal policies to enable them to familiarize with the Company's procedures and practices. Further, presentations on the business and performance of the Company, are made at the Board Meetings. Training programmes are conducted in order to familiarize the Independent Directors with the working of the Company. The details of the same are available at http://www.recindia.nic.in/download/Familiarization_Programme_for_Independent_Directors.pdf.

(xviii) A separate meeting of Independent Directors in compliance of Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and DPE Guidelines on Corporate Governance for CPSEs, 2010 was held on March 26, 2016.

11. COMPLIANCE WITH APPLICABLE LAWS

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

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

The Board of Directors of the Company in its 413th Meeting held on May 28, 2015 had revised the Code incorporating the duties of Directors including Independent Directors, in line with Companies Act, 2013 and Listing Agreement and adopted "Code of Business Conduct and Ethics for Board Members and Senior Management" in supersession of the existing Code of Conduct.

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

Declaration under SEBI (LODR) Regulations, 2015 and DPE Guidelines on Corporate Governance

All Board Members and Senior Management have affirmed compliance with the 'Code of Business Conduct and Ethics for Board Members and Senior Management' of the Company for the financial year ended March 31, 2016.

Date : July 6, 2016
Place : New Delhi

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

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

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

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

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

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

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

- All members of the Board of Directors of the Company, Key Managerial Personnel and Chief Vigilance Officer.

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

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

14. POLICY FOR PREVENTION OF FRAUD

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

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

15. WHISTLE BLOWER POLICY

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

Further, the Company has a Whistle Blower Policy in place, in terms of Listing Agreement, Clause 8 of Guidelines on Corporate Governance for CPSEs issued by DPE and Companies Act, 2013 read with rules thereunder. The Whistle Blower Policy enables directors / employees of REC and/or its subsidiaries to raise concerns regarding any alleged malpractice or wrongdoing, which could affect the business or reputation of the Company. The complaint can be made to the Competent Authority in the manner prescribed under the Policy.

A declaration by the Chairman and Managing Director that he has not denied any Director / Employee of REC and/or its subsidiaries, access to the Competent Authority and that he has provided adequate safeguards and protection to the Complainants / Whistle Blowers from adverse personnel action during the financial year ended March 31, 2016 is as under:

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

During the financial year 2015-16, no person has been denied access to the Competent Authority and necessary system has been put in place, to provide protection to the complainant, wherever required.

Date: July 4, 2016
Place: New Delhi

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

16. FEE PAID/PAYABLE TO STATUTORY AUDITORS

The details of fee paid/payable to Statutory Auditors during the financial year 2015-16, are as under:

		(₹ in crore)
Sl. No.	Particulars	Amount
1.	Audit Fees	0.45
2.	Tax Audit Fees	0.08
3.	Limited Review Fees	0.21
4.	Payment for other services	0.15
5.	Reimbursement of expenses	0.09
6.	Service Tax component	0.05
	Total	1.03

17. MEANS OF COMMUNICATION

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

18. CEO/CFO CERTIFICATION

In terms of Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Certificate on financial reporting and internal controls to the Board, duly signed by Shri Rajeev Sharma, Chairman & Managing Director and Shri Ajeet Kumar Agarwal, Director (Finance) was placed before the Board of Directors in its 422nd Meeting held on May 27, 2016 while considering of the Annual Audited Financial Statements of the Company for the financial year ended on March 31, 2016.

19. GENERAL SHAREHOLDERS' INFORMATION
i. Annual General Meeting for the financial year 2015-16

Day and Date	Time	Venue
Wednesday, September 21, 2016	11.00 A.M.	Weightlifting Auditorium, Jawaharlal Nehru Stadium, Bhisham Pitamah Marg, Pragati Vihar, Lodhi Colony, New Delhi - 110003

ii. Financial Calendar for financial year 2016-17 vis-à-vis financial year 2015-16

Particulars	Financial Year 2015-16		Financial Year 2016-17	
Accounting Period	April 1, 2015 to March 31, 2016		April 1, 2016 to March 31, 2017	
Announcement of Financial Results	1st Quarter	August 7, 2015	First three Quarters	Announcement within 45 days from the end of the each quarter.
	2nd Quarter	November 9, 2015		
	3rd Quarter	February 10, 2016		
	4th Quarter & Annual Financial Results	May 27, 2016	4th Quarter & Annual Financial Results	Announcement within 60 days from the end of financial year.
Annual General Meeting	Wednesday, September 21, 2016		September 2017	

iii. Payment of Dividend
A. Dividend Distribution Policy

The Company has adopted Dividend Distribution Policy in compliance of Regulations 43A of SEBI (LODR) Regulations, 2015 which *inter-alia* specifies the external and internal factors including financial parameters that shall be considered while declaring dividend and the circumstances under which the shareholders of the Company may or may not expect dividend. The Details of the same are available on the website of the company at www.recindia.com.

B. Dividend for the financial year 2015-16
(1) Interim Dividend Details:

In pursuance of Article 104 of the Articles of Association of the Company read with Section 123 of the Companies Act, 2013 and Companies (Declaration and Payment of Dividend) Rules, 2014 the Company has paid an Interim Dividend of ₹ 12 per Equity Share (on the face value of ₹ 10/- each) on February 25, 2016 for the financial year 2015-16.

(2) Final Dividend Details:

The Board of Directors of the Company in its 422nd Meeting held on May 27, 2016 has recommended a Final Dividend of ₹ 5.10 per Equity Share (on the face value of ₹ 10/-each) for the financial year 2015-16 for approval of the shareholders in the 47th Annual General Meeting to be held on September 21, 2016. The total dividend (including Interim Dividend) for the financial year 2015-16 will be ₹ 17.10 per Equity Share (on the face value of ₹ 10/- each) i.e. 171% of the paid up share capital of the Company.

C. Dividend History for the last five financial years

(₹ in crore)

Financial Year	Total Paid-up Capital	Total Amount of Dividend Paid	Rate of Dividend (%)	Date of Payment	
				Interim Dividend	Final Dividend
2010-11	987.46	740.59	75.00	February 24, 2011	September 28, 2011
2011-12	987.46	740.59	75.00	February 7, 2012	October 4, 2012
2012-13	987.46	814.65	82.50	February 18, 2013	September 27, 2013
2013-14	987.46	938.09	95.00	February 28, 2014	October 1, 2014
2014-15	987.46	1056.58	107.00	February 27, 2015	October 7, 2015

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

Pursuant to Section 205A read with Section 205C of the Companies Act, 1956 (corresponding section is yet to be notified under Companies Act, 2013), the dividend amount and share application money which remains unpaid/ unclaimed for a period of seven years, is required to be transferred to the Investor Education & Protection Fund (IEPF) of the Central Government.

Accordingly, the Company has deposited the following amount in Investor Education and Protection Fund after the same remained unpaid / unclaimed for a period of 7 years:

Financial Year	Interim/ Final Dividend	Amount (in ₹)	Date of transfer
2007-08	Final Dividend	22,52,611.00	November 6, 2015
2008-09	Interim Dividend	16,09,158.00	April 28, 2016

The Company has been issuing notices in the newspapers from time to time in order to invite attention of shareholders to submit their claims towards the unpaid and unclaimed dividend. Therefore, it is hereby again advised to all shareholders to encash warrants relating to unpaid/ unclaimed share application money and /or dividend immediately or write to R&TA of the Company for revalidation or issue of DDs in place of old warrants.

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

iv. Date of Book Closure

The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, August 24, 2016 to Friday, August 26, 2016 (both days inclusive).

v. Pay-out Date for Payment of Final Dividend

The Final Dividend on equity shares, as recommended by the Board of Directors, subject to the provisions of Section 123 of the Companies Act, 2013, if approved by the Members of the Company at the 47th Annual General Meeting, will be paid on Tuesday, October 4, 2016 to the members or their mandates whose names appear in the Register of Members of the Company after giving effect to all valid share transfer requests lodged with the Company/ R&TA, on or before Tuesday, August 23, 2016, in respect of physical shares. In respect of Dematerialized shares, the final dividend shall be payable to the "beneficial owners" of the shares whose names appear in the Statement of Beneficial Ownership furnished by National Securities Depository Limited and Central Depository Services (India) Limited at the close of business hours on Tuesday, August 23, 2016.

vi. Listing of Equity Shares

REC shares are listed on the following Stock Exchanges:

Name & Address	Telephone / Fax / E-mail ID / Website	Scrip Code
National Stock Exchange of India Limited (NSE) Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051.	Telephone: (022) 26598100 - 8114 Fax: (022) 26598120 E-mail ID: cm1ist@nse.co.in Website: www.nseindia.com	RECLTD
BSE Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001.	Telephone: (022) 22721233/4 Fax: (022) 22721919 E-mail ID: corp.relations@bseindia.com Website: www.bseindia.com	532955

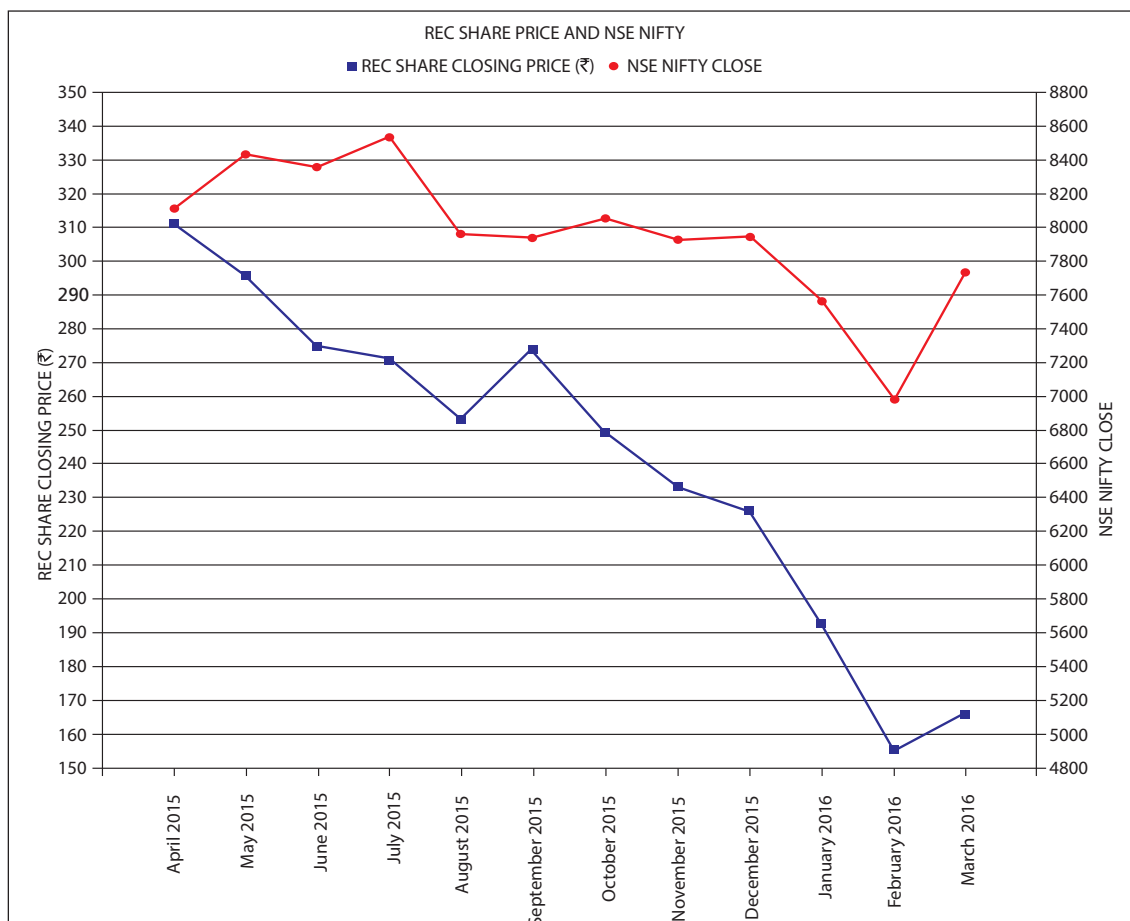
vii. International Securities Identification Number (ISIN)

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

viii. Market Price Data for the financial year 2015-16

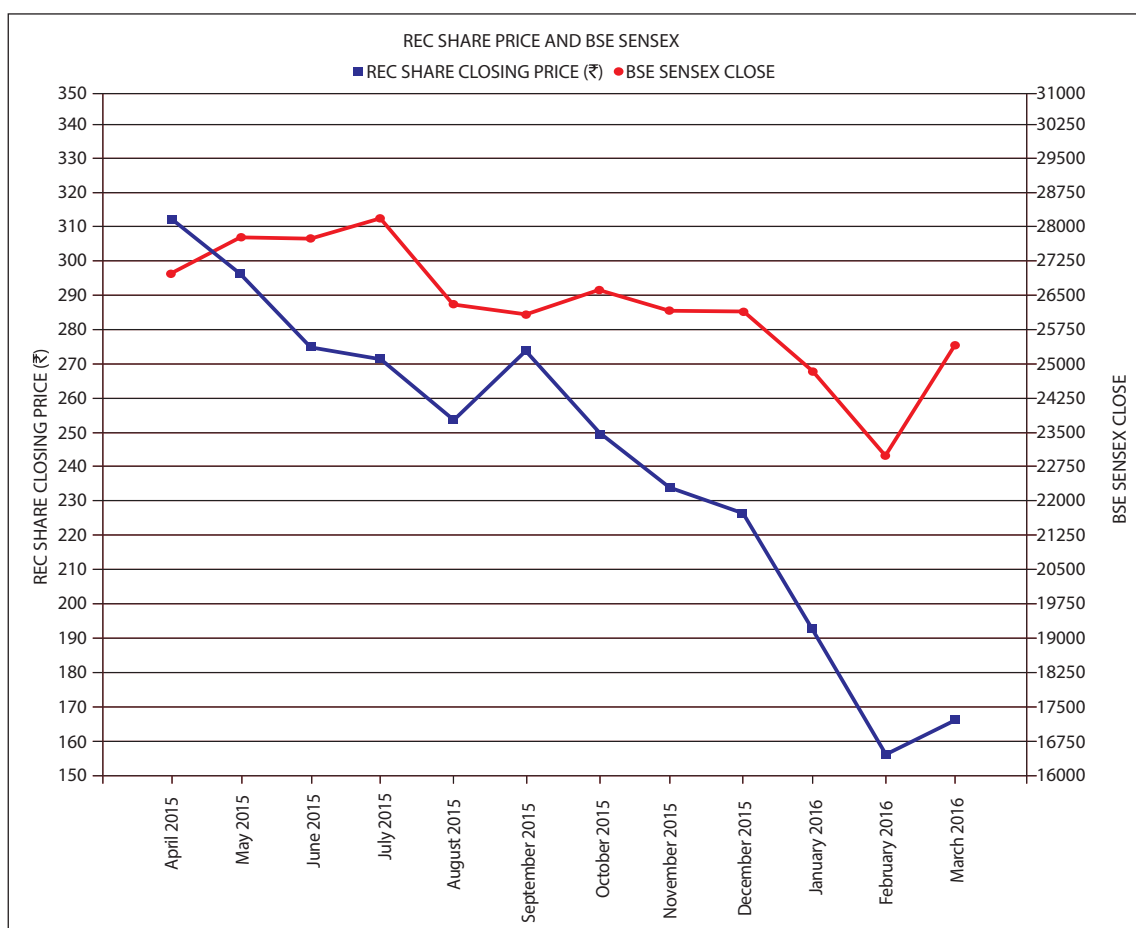
Performance of REC Share vis-à-vis NSE NIFTY:

Performance of REC Share at NSE				Movement of NSE NIFTY		
Month	High (₹)	Low (₹)	Month Close (₹)	High	Low	Month Close
April, 2015	347.90	309.00	311.55	8844.80	8144.75	8181.50
May, 2015	321.40	283.90	296.25	8489.55	7997.15	8433.65
June, 2015	298.65	267.50	275.15	8467.15	7940.30	8368.50
July, 2015	301.20	267.05	271.00	8654.75	8315.40	8532.85
August, 2015	282.00	211.20	253.25	8621.55	7667.25	7971.30
September, 2015	277.30	231.80	274.05	8055.00	7539.50	7948.90
October, 2015	297.55	245.50	249.60	8336.30	7930.65	8065.80
November, 2015	270.80	225.15	233.70	8116.10	7714.15	7935.25
December, 2015	236.45	206.65	226.55	7979.30	7551.05	7946.35
January, 2016	231.30	173.65	192.80	7972.55	7241.50	7563.55
February, 2016	199.20	152.25	155.90	7600.45	6825.80	6987.05
March, 2016	174.40	156.00	166.20	7777.60	7035.10	7738.40



Performance of REC Share vis-à-vis BSE SENSEX:

Performance of REC Share at BSE				Movement of BSE SENSEX		
Month	High (₹)	Low (₹)	Month Close (₹)	High	Low	Month Close
April, 2015	347.80	309.25	311.55	29094.61	26897.54	27011.31
May, 2015	321.50	284.25	296.15	28071.16	26423.99	27828.44
June, 2015	299.00	267.70	275.15	27968.75	26307.07	27780.83
July, 2015	301.20	267.35	271.35	28578.33	27416.39	28114.56
August, 2015	281.85	211.40	253.40	28417.59	25298.42	26283.09
September, 2015	278.00	232.00	273.65	26471.82	24833.54	26154.83
October, 2015	297.25	245.30	249.35	27618.14	26168.71	26656.83
November, 2015	270.60	225.00	233.80	26824.30	25451.42	26145.67
December, 2015	236.70	206.80	226.55	26256.42	24867.73	26117.54
January, 2016	231.30	174.00	192.60	26197.27	23839.76	24870.69
February, 2016	199.00	152.50	156.15	25002.32	22494.61	23002.00
March, 2016	174.30	156.00	166.10	25479.62	23133.18	25341.86



ix. Registrar and Share Transfer Agent

Karvy Computershare Private Limited

Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032, India.

Tel: 91-40-67161500, Fax: 91-40-23420814

E-mail: einward.ris@karvy.com; raju.sv@karvy.com; balaji.reddy@karvy.com;

Website: www.karvycomputershare.com

x. Share Transfer System

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

Further, a Share Transfer Committee has also been constituted to consider and approve requests received from shareholders for splitting/consolidation/ /transfer of physical shares, exceeding 500 equity shares per individual in each case and for issue of Duplicate Share Certificates.

Further pursuant to Regulation 40(9) & (10) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, Certificate from Practicing Company Secretary on half yearly basis confirming due compliance of share transfer formalities by the Company has been submitted to Stock Exchanges within stipulated time. Further, it is also confirmed that all transfer of shares were completed within the prescribed time period.

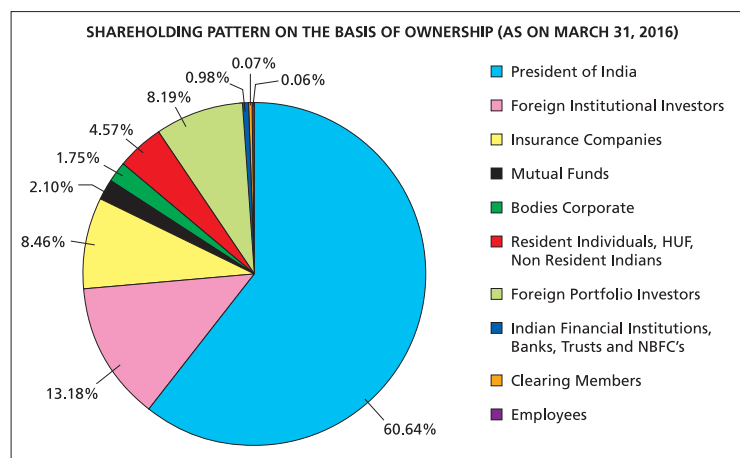
xi. Distribution of Shareholding
DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2016

Number of shares	Number of shareholders	Percentage of shareholders	Total Shares	Amount (in ₹)	Percentage of shares
1 - 5000	2,48,115	99.46	3,74,57,694	37,45,76,940	3.79
5001 - 10000	496	0.20	35,64,490	3,56,44,900	0.36
10001 - 20000	256	0.10	37,04,698	3,70,46,980	0.38
20001 - 30000	94	0.04	23,67,770	2,36,77,700	0.24
30001 - 40000	57	0.02	20,16,803	2,01,68,030	0.20
40001 - 50000	41	0.02	18,58,625	1,85,86,250	0.19
50001 - 100000	113	0.05	80,74,986	8,07,49,860	0.82
100001 and above	301	0.12	92,84,13,934	9,28,41,39,340	94.02
Total	2,49,473	100.00	98,74,59,000	9,87,45,90,000	100.00

SHAREHOLDING PATTERN ON THE BASIS OF OWNERSHIP

Category	As on March 31, 2016		As on March 31, 2015	
	Number of Shares	Percentage of total	Number of Shares	Percentage of total
President of India*	59,87,67,680	60.64	64,81,68,218	65.64
Foreign Institutional Investors	13,01,54,551	13.18	17,95,83,870	18.19
Insurance Companies	8,35,86,726	8.46	3,84,14,283	3.89
Mutual Funds	2,07,39,064	2.10	3,15,15,282	3.19
Bodies Corporate	1,72,69,411	1.75	2,90,72,645	2.94
Resident Individuals	4,12,61,231	4.18	2,77,68,025	2.81
Foreign Portfolio Investors	8,08,69,261	8.19	2,64,37,401	2.68
Indian Financial Institutions	68,08,984	0.69	21,53,767	0.22
H U F	21,91,503	0.22	11,99,657	0.12
Non Resident Indians	17,16,781	0.17	8,73,596	0.09
Clearing Members	7,01,124	0.07	5,26,860	0.05
Employees	5,92,011	0.06	6,61,054	0.07
Banks	13,62,395	0.14	5,92,295	0.06
NBFC	1,83,914	0.02	0	0
Trusts	12,54,264	0.13	4,92,047	0.05
Foreign Nationals	100	Negligible	0	0
Total	98,74,59,000	100.00	98,74,59,000	100.00

*During the financial year 2015-16, the President of India through Ministry of Power divested/sold 4,93,72,950 equity shares i.e. 5% of the total paid up capital of REC through offer for sale on April 8, 2015 and also divested 27,588 Equity shares i.e. 0.003 % of total paid up capital of REC through off market transaction under Central Public Sector Enterprises Exchange Traded Fund (CPSE ETF) on April 10, 2015. As on March 31, 2016 the President of India held 60.64% of the paid up share capital of the Company.



xii. Dematerialization of shares

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

National Securities Depository Limited Trade World, 4 th Floor, Kamala Mills Compound Senapathi Bapat Marg, Lower Parel, Mumbai-400 013	Central Depository Services (India) Limited Phiroze Jeejeebhoy Towers 28 th Floor, Dalal Street, Mumbai-400 023
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The details of number of shares held in dematerialized and physical form as on March 31, 2016 was as under:

Category	Number of Shareholders	Number of Shares	Percentage of total Shares issued
Physical	9,377	15,407	Negligible
NSDL (Demat)	1,64,531	97,31,19,686	99.00
CDSL (Demat)	75,565	1,43,23,907	1.00
Total	2,49,473	98,74,59,000	100.00

xiii. Reconciliation of Share Capital Audit Report

For every quarter of the financial year 2015-16, M/s Savita Jyoti Associates, Practicing Company Secretaries, Secunderabad carried out audits to reconcile the total admitted, issued and listed share capital with NSDL and CDSL and issued the Reconciliation of Share Capital Audit Report for every quarter of the financial year 2015-16. The report confirms that the total issued / paid up share capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL and the same was submitted to the Stock Exchanges within the stipulated time.

xiv. Details of Demat Suspense Account

The Company went for an Initial Public Offer of 15,61,20,000 equity shares in February, 2008, which comprised of fresh issue of 7,80,60,000 equity shares by the Company and an Offer for Sale of another equal number of shares by the President of India. Further, the Company went for a Follow on Public Offer of 17,17,32,000 Equity Shares in February, 2010 which comprised fresh issue of 12,87,99,000 equity shares by the Company and Offer for Sale of 4,29,33,000 Equity Shares by the President of India. The details of unclaimed shares as on March 31, 2016 in the Demat Suspense Account is given as under:-

Sl. No.	Particulars	April 1, 2015 to March 31, 2016			
		Initial Public Offer		Further Public Offer	
		Number of cases	Number of shares involved	Number of cases	Number of shares involved
1.	Aggregate number of shareholders and outstanding unclaimed shares in the Suspense Account as on April 1, 2015.	265	21,612	4	390
2.	Number of shareholders who approached the Company for transfer of unclaimed shares from the Suspense account during the financial year.	2	181	NIL	NIL
3.	Number of shareholders to whom unclaimed shares were transferred from the Suspense Account during the financial year.	2	181	NIL	NIL
4.	Aggregate number of shareholders and the outstanding unclaimed shares in the Suspense Account as on March 31, 2016.	263	21,431	4	390

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

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

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

xvi. Annual Listing Fee to Stock Exchanges

The Company has paid Annual Listing Fee for the financial year 2016-17 to NSE and BSE.

xvii. Annual Custodial Fee to Depositories

The Company has timely paid the annual custodian fee for financial year 2016-17 to NSDL and CDSL.

xviii. Plant Locations

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

xix. Address for correspondence

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

xx. Corporate Identification Number (CIN)

L40101DL1969GOI005095

xxi. Compliance Officer and Public Spokesperson

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

For and on behalf of the Board of Directors



(Rajeev Sharma)

Chairman & Managing Director
(DIN 00973413)

Place : New Delhi

Date : August 11, 2016

Annexure A to Corporate Governance Report

NON-MANDATORY REQUIREMENTS

The status of non-mandatory requirements pertaining to Corporate Governance Section of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is as follows:

- 1. The Board:** The Company is headed by an Executive Chairman.
- 2. Shareholder Rights:** The Company is making available to the shareholders / investors all information timely, to enable them to be sufficiently informed of the major decisions of the Company.
- 3. Audit Qualifications:** There are no audit qualifications pertaining to financial year 2015-16 and it is always Company's endeavor to move towards unqualified financial statements.
- 4. Separate posts of Chairman and CEO -** There is no separate post of Chairman and CEO. REC being a Government Company, the role of CEO is being performed by Chairman and Managing Director of the Company.
- 5. Reporting of Internal Auditor-** The internal auditors of the Company are invited to the Meetings of the Audit Committee and directly report all their observations to the Audit Committee.