

## **REPORT ON CORPORATE GOVERNANCE**

Corporate Governance implies fairness, transparency and accountability in the business activities of an organization, when best management practices are applied, while complying with the law in true letter and spirit. Well governed organizations adhere to ethical standards for effective management and create long term value for all stakeholders. Sustainability and social responsibility also go hand in hand with good governance. It is because of this integrity followed in all spheres of management, that well governed organizations stand the test of time and achieve business excellence.

REC, a Navratna company under the aegis of Ministry of Power, Government of India, is in the service of its diverse stakeholders since 1969. In 52 years of its existence, REC has remained committed to maximize value for all its stakeholders, be it investors, shareholders, bondholders, suppliers, customers, communities, policy makers, employees and the Government of India. The Company adopts and adheres to the best practices in Corporate Governance in its day-to-day operations. REC meets all mandatory requirements on Corporate Governance which are in its ambit, as prescribed under the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations"), Guidelines on Corporate Governance for Central Public Sector Enterprises, 2010 issued by the Department of Public Enterprises ("DPE Guidelines on Corporate Governance") and Secretarial Standards issued by the Institute of Company Secretaries of India ("Secretarial Standards"). REC also meets most of the non-mandatory requirements.

REC has been regularly conferred with various awards and recognitions in the field of Corporate Governance. During the financial year 2020-21, REC won the **10<sup>th</sup> PSE Excellence Award for Corporate Governance** from the Indian Chamber of Commerce (ICC), as runner-up in *Maharatna & Navratna* category.

The PSE Excellence Awards have been instituted by ICC to recognize excellence in public sector undertakings; and are conferred based on detailed evaluation by an independent jury through a rigorous and transparent process.

A report regarding compliance of conditions of Corporate Governance is given below, followed by a Certificate on Corporate Governance by the Statutory Auditors.



REC won the 10<sup>th</sup> PSE Excellence Award for Corporate Governance in FY 2020-21

### **1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE**

Corporate Governance at 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. The cardinal principles of independence, accountability, responsibility, transparency, credibility, sustainability and fair and timely disclosures etc., serve as the means for implementing the Company's philosophy of Corporate Governance in true letter and spirit. The Company's systems, policies and frameworks are regularly reviewed and upgraded to meet the challenges of a dynamic business environment.

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

- Compliance of law, rules and 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.

The above principles help in achieving the following objectives:

- To protect and enhance shareholder value;
- To protect the interest of all other stakeholders such as customers, employees and society at large;
- To ensure transparency and integrity in communication and to make available full, accurate and clear information to all concerned;
- To ensure accountability for performance and customer service and to achieve excellence at all levels; and
- To provide corporate leadership of the highest standard for others to emulate.

## 2. BOARD OF DIRECTORS

The Board of Directors of REC comprises of eminent persons having requisite qualifications, experience and expertise, to manage the business of the Company in an efficient and effective manner. All Directors provide strategic vision and direction to the business and operations. The Board oversees fulfilment of corporate objectives by providing leadership and guidance.

REC's Board is headed by an Executive Chairman and Managing Director. The Company also has Functional Directors and Non-Executive Directors (i.e., Nominee Director of the Ministry of Power, Government of India and Nominee Director of Power Finance Corporation Limited). The Company also had Part-time Non-official Independent Directors, including Woman Independent Director, during financial year 2019-20. However, after the completion of tenure or cessation of office of all erstwhile Independent Directors including Woman Independent Director in the financial year 2019-20, there are no Independent Directors including Woman Independent Director on the Board at present.

During the financial year 2020-21, the composition of REC's Board was not in conformity with the provisions of the Companies Act, 2013, SEBI LODR Regulations and DPE Guidelines on Corporate Governance, due to absence of Independent Directors including Woman Independent Director, as stated above. The composition of some Committees of the Board, which require presence of Independent Directors, was also not in conformity with the applicable statutory provisions.

Being a Government company within the meaning of Section 2(45) of the Companies Act, 2013, the power to appoint Directors on the Board of REC vests with the President of India acting through the administrative ministry i.e., the Ministry of Power, Government of India (MoP). REC has been regularly writing to the MoP to appoint requisite number of Independent Directors including at least one Woman Independent Director on its Board, to enable compliance with the applicable statutory provisions of the Companies Act, 2013, SEBI LODR Regulations and DPE Guidelines on Corporate Governance. The matter is being followed-up and the Independent Directors, including Woman Independent Director, are likely to be appointed shortly.

### (a) Composition of Board

As per the Articles of Association of the Company, the number of Directors shall not be less than three and not more than fifteen. The details of composition of the Board as on March 31, 2021, including changes therein that took place during the financial year 2020-21 and details of Directorships and Committee positions held by the Directors in other companies, are given below:

Sl. no.	Name of the Director	DIN	Position in the Company	No. of other Directorships in Indian public limited companies	Directorships held in other listed entities, category of Directorship	No. of Committee positions held in other companies	
						Chairperson	Member
<b>Whole-time Directors (Executive Directors)</b>							
1	Shri Sanjay Malhotra	00992744	Chairman and Managing Director (appointed w.e.f. November 9, 2020)	1	-	-	-
2	Shri Sanjeev Kumar Gupta	03464342	Director (Technical) (held additional charge as CMD, REC during June 1, 2020 to November 8, 2020)	1	-	-	-
3	Shri Ajoy Choudhury	06629871	Director (Finance) (appointed w.e.f. June 1, 2020)	1	-	-	-
<b>Part-time Directors (Non-Executive Directors)</b>							
4	Shri Tanmay Kumar	02574098	Government Nominee Director (appointed w.e.f. November 5, 2020)	3	Power Finance Corporation Limited (Nominee Director) SJVN Limited (Nominee Director) NHPC Limited (Nominee Director)	Nil	1
5	Shri Praveen Kumar Singh	03548218	Nominee Director of Power Finance Corporation Limited	7	Power Finance Corporation Limited (Whole-time Director)	Nil	2

**Changes in the composition of the Board of Directors**

- a) The Ministry of Power, vide Order no. 46/2/2019-RE [247264] dated November 5, 2020, had appointed Shri Sanjay Malhotra, IAS, as Chairman and Managing Director of the Company with effect from the date on which he assumes the charge of the post. Shri Sanjay Malhotra took over the charge as Chairman and Managing Director of the Company on November 9, 2020.
- b) Prior to the joining of Shri Sanjay Malhotra, Shri Sanjeev Kumar Gupta, Director (Technical) was holding additional charge as Chairman and Managing Director of the Company during the period June 1, 2020 to November 8, 2020, pursuant to Orders of Ministry of Power dated June 12, 2020, September 10, 2020 and November 24, 2020.
- c) The Ministry of Power vide Order no. 46/9/2011-RE [228164] dated April 21, 2020, had appointed Shri Ajoy Choudhury as Director (Finance) of the Company with effect from June 1, 2020. Prior to the said date, Shri Ajoy Choudhury was serving as Executive Director (Finance) in the Company.
- d) The Ministry of Power, vide Order no. 46/8/2015-RE [227696] dated November 5, 2020, had appointed Shri Tanmay Kumar, IAS, Joint Secretary, Ministry of Power as Government Nominee Director on the Board of REC with immediate effect and until further orders, vice Shri Mritunjay Kumar Narayan, IAS (DIN 03426753), Joint Secretary, who was earlier nominated on the Board of REC as Government Nominee Director.
- e) During the financial year 2020-21, Shri Ajeet Kumar Agarwal (DIN 02231613), Director (Finance) who was also holding additional charge of Chairman and Managing Director of REC upto May 31, 2020, superannuated from the services of the Company on May 31, 2020.
- f) In line with Regulation 26 of SEBI LODR Regulations, for reckoning the number of Committee Memberships, the chairpersonship / membership in Audit Committee and Stakeholders Relationship Committee in Indian public limited companies (other than REC) have been taken into consideration. None of the Directors is a member of more than 10 (ten) such committees nor a Chairperson of more than 5 (five) such committees.

**(b) Other provisions as to Board and its Committees**

**(i) Details of Board meetings held during the financial year 2020-21.**

The Company follows a methodized process of collective decision-making by the Board and its Committees. The meeting dates are usually finalized in consultation with all Directors, in order to ensure the presence of all members in the meetings of Board and Committees thereof. All agenda and explanatory notes for the meetings are circulated well in advance, through electronic or physical mode as preferred by the respective Director. Price sensitive information is circulated separately before the meeting, by complying with applicable statutory provisions. Sometimes, resolutions are passed by circulation, which are confirmed in the next Board meeting. In the event of addressing any urgent business need, meetings are sometimes called at a shorter notice by following the due procedure. Utmost efforts are made to comply with minimum notice and agenda period in such cases.

The inclusion of any matter in the agenda for Board / Committee meetings is decided by the Chairman and Managing Director of the Company. All agenda notes contain relevant information including draft resolution(s); and are approved in advance as per internal process. During the meetings, concerned officials from senior management are also called to make presentation or provide additional inputs, if required. The meetings of the Board and Committees are generally held at the registered office of the Company at New Delhi, during office hours. The Company, within its ambit, also complies with Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI), in respect of meetings of Board and Shareholders.

During the financial year 2020-21, the Board of Directors of REC met 10 (ten) times, on the following dates:

Q1	Q2	Q3	Q4
May 21, 2020	August 7, 2020	November 6, 2020	January 13, 2021
June 17, 2020	September 15, 2020	December 23, 2020	February 4, 2021
-	-	-	March 10, 2021
-	-	-	March 17, 2021

The minimum and maximum gap between any two Board meetings was 7 (seven) days and 52 (fifty-two) days, respectively.

**(ii) Information placed before the Board of Directors**

The Board has complete access to all the information available within the Company. The quantum and quality of information supplied to the Board goes well beyond the minimum requirements stipulated under Schedule II of SEBI LODR Regulations. The information provided to the Board includes, *inter-alia*, the following:

1. Annual operating plans and budgets and any updates.
2. Capital budgets and any updates.
3. Proposals relating to raising of funds.
4. Proposals for sanction of financial assistance.
5. Quarterly, half yearly and annual financial results and Board's Report.
6. All related party transactions.
7. Minutes of meetings of Audit Committee and other Committees of the Board.
8. Minutes of Board meetings of subsidiary companies.
9. The information on recruitment and remuneration of senior officers just below the Board level, including appointment or removal of Chief Financial Officer and Company Secretary.
10. Show cause, demand, prosecution notices and penalty notices which are materially important, if any.
11. Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems, if any.
12. Any material default in financial obligations to and by the Company or substantial non-payment for goods sold by the Company, if any.
13. 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, if any.
14. Details of any joint venture or collaboration agreement.
15. Transactions that involve substantial payment towards goodwill, brand equity or intellectual property, if any.
16. Significant labour problems, if any and their proposed solutions. Any significant development in human resources / industrial relations front like signing of wage agreement, implementation of voluntary retirement scheme etc., if any.
17. Investments, formation of subsidiaries and joint ventures, strategic alliances etc.
18. Sale of investments, subsidiaries, assets which are material in nature and not in normal course of business.
19. Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.
20. Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc., if applicable.
21. Quarterly report on loans sanctioned.
22. Quarterly report on deployment of short-term surplus funds.
23. Quarterly report on borrowings and redemption.
24. Quarterly report on compliance of various applicable laws.
25. Quarterly report on Reconciliation of Share Capital Audit, Corporate Governance Report and status of Investor Grievances.
26. Half yearly report on long term investments.
27. Half yearly report on compliance of Whistle Blower Policy of the Company.
28. Half yearly report on compliance of Fair Practices Code.
29. Periodic reports under Delegation of Powers of the Company.
30. Action Taken Report on earlier deliberations/decisions/suggestions of the Board.
31. Any other information required to be presented to the Board for information or approval.

**(iii) Details of Directors' attendance (physical presence or through video conferencing) at Board Meetings and Annual General Meeting (AGM) held during the financial year 2020-21.**

Sl. no.	Name of the Director	Date of meeting and attendance thereat										Total number of meetings			Attendance at 51 <sup>st</sup> AGM held on 25-Sep-20 through VCO/AVM	
		21-May-20	17-Jun-20	7-Aug-20	15-Sep-20	6-Nov-20	23-Dec-20	13-Jan-21	4-Feb-21	10-Mar-21	17-Mar-21	Held during tenure of Director	Attended by the Director	Percentage of attendance		
1	<b>Shri Sanjay Malhotra</b> Chairman and Managing Director (w.e.f. November 9, 2020)	N.A.	N.A.	N.A.	N.A.	○	○	○	○	○	○	○	5	5	100	N.A.
2	<b>Shri Sanjeev Kumar Gupta</b> Director (Technical) (held additional charge as CMD during June 1, 2020 to November 8, 2020)	○	○	○	○	○	○	○	○	○	○	○	10	10	100	☞
3	<b>Shri Ajoy Choudhury</b> Director (Finance) (w.e.f. June 1, 2020)	N.A.	○	○	○	○	○	○	○	○	○	○	9	9	100	☞
4	<b>Shri Tanmay Kumar</b> Government Nominee Director (w.e.f. November 5, 2020)	N.A.	N.A.	N.A.	N.A.	○	○	○	○	○	○	○	6	6	100	N.A.
5	<b>Shri Praveen Kumar Singh</b> Nominee Director of PFC	○	○	○	○	○	○	○	○	○	○	○	10	10	100	☞
6	<b>Shri Ajeet Kumar Agarwal</b> (Superannuated as CMD and Director (Finance) on May 31, 2020)	○	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	1	1	100	N.A.
7	<b>Shri Mritunjay Kumar Narayan</b> (Government Nominee Director upto November 5, 2020)	○	○	○	○	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	4	4	100	☞

○ Present in person    ☞ Present through Video Conferencing    N.A. Not Applicable

**(iv) Retirement by rotation at the ensuing 52<sup>nd</sup> AGM**

In accordance with the provisions of the Companies Act, 2013 and Article 91 (iv) of the Articles of Association of the Company, Shri Praveen Kumar Singh, Nominee Director of PFC, shall retire by rotation at the ensuing 52<sup>nd</sup> Annual General Meeting (AGM) of the Company. Being eligible, he offers himself for re-appointment, till the date of his superannuation from the holding company or until further orders, whichever is earlier. The brief resume of Shri Praveen Kumar Singh, including his expertise in various functional areas and other relevant information, is appearing in the Notice of AGM forming part of this Annual Report.

**(v) Inter-se relationship between Directors**

There is no *inter-se* relationship between the Directors of the Company.

**(vi) Shares and convertible instruments held by Non-Executive Directors**

None of the Non-Executive Directors hold any shares or convertible instruments in the Company, except Shri Praveen Kumar Singh, who holds 40 equity shares of ₹10/- each of the Company.

**(vii) Separate meeting of Independent Directors**

Since there were no Independent Directors on the Board of the Company, no separate meeting of Independent Directors could take place during the financial year 2020-21.

**(viii) Key skills, expertise, competencies and attributes of the Board**

The Board of REC comprises of well-qualified Directors, who bring in required skills, competence and expertise in running the Company and make effective contributions to the Board and its Committees. The Board members are committed to ensure that REC is in compliance with the highest standards of Corporate Governance. Considering the nuances of the business of REC and the power sector scenario on the whole, the Board has identified the following key skills, expertise, competencies and attributes to enable it to function effectively:

Parameters of Directors' qualifications	
<b>Financial Management</b>	Planning, organizing, directing and controlling the financial activities which include mobilization and utilization of funds, financial accounting and management control systems, financial planning, liquidity & fund management, working capital management, treasury & forex management, tax planning and liaising with financial institutions, etc.
<b>Power Sector domain expertise</b>	A significant background in technology and in-depth insight into the various elements of power generation, transmission & distribution, renewable energy sector and the challenges/aspects/nuances of power sector in India and abroad, knowledge of how to anticipate technological trends, generate disruptive innovation and extend or create new business models.
<b>Project appraisal</b>	Systematic and comprehensive review of the technical parameters, social impact, economic, environmental, financial and other such aspects of a project, to determine if it meets its objectives.
<b>Corporate Planning &amp; Strategy</b>	Management activities that are used to set priorities, focus energy and resources, strengthen operations and ensure that employees and other stakeholders are working towards common goals by establishing agreement on intended outcomes/results; and assess and adjust the organization's direction in response to a changing environment.
<b>Risk Management</b>	Forecasting and evaluation of operational risk, credit risk, market risk, interest rate risk, liquidity risk, foreign currency risk and other financial risks, together with the identification of procedures to avoid or minimize their impact. Identifying any potential threats that may occur during the investment/financing process and mitigation of the same.
<b>Leadership</b>	Extended leadership experience for establishing a clear vision, providing guidance, knowledge and methods to realize that vision, involving setting and achieving organizational goals and taking actions for achievement of such goals.
<b>Board practices and Governance</b>	Service on a public listed company or holding responsible positions in Central/State Government departments, banks or reputed institutes of learning. The Company Board to develop insights about maintaining board and management accountability, protecting interests of the shareholders and observing appropriate governance practices.
<b>Business Development</b>	Experience in developing strategies to increase business and market share, build brand awareness and enhance corporate reputation by creating long-term value for borrowers/investors, markets and all other stakeholders.

In the table set out below, the specific areas of expertise of individual Board members as on March 31, 2021 have been highlighted. However, the absence of a mark against a member's name, does not necessarily mean that the said member does not possess the corresponding skill or expertise:

Name of the Director	Key qualifications of the Board							
	Area of expertise							
	Financial Management	Power sector domain expertise	Project appraisal	Corporate Planning & Strategy	Risk Management	Leadership	Board practices & Governance	Business Development
Shri Sanjay Malhotra	✓	✓	✓	✓	✓	✓	✓	✓
Shri Sanjeev Kumar Gupta	-	✓	✓	✓	✓	✓	✓	✓
Shri Ajoy Choudhury	✓	✓	-	✓	✓	✓	✓	✓
Shri Tanmay Kumar	✓	✓	✓	✓	✓	✓	✓	✓
Shri Praveen Kumar Singh	✓	✓	✓	✓	✓	✓	✓	✓

### 3. COMMITTEES OF THE BOARD OF DIRECTORS

The Board of Directors functions either as full Board, or through various Committees constituted to oversee specific areas of business operations and Corporate Governance. Each Committee is guided by its terms of reference approved by the Board, which define its composition, scope and powers. The Committees meet regularly and as required; and focus on their assigned areas to make informed decisions within the authority delegated to them.

As on March 31, 2021, the Board had the following Committees: -

1. Audit Committee
2. Nomination & 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. Committee for Investment/Deployment of Surplus Funds
10. Asset Liability Management Committee
11. IT Strategy Committee

\* The said committees have been subsequently dissolved w.e.f. May 28, 2021

The minutes of meetings of all Committees are placed before the Board, for information and noting in terms of Article 105 of the Articles of Association of the Company and applicable statutory requirements. Details of terms of reference of each Committee, its meetings etc., are appearing in the subsequent paras.

#### 3.1 Audit Committee

The Company has constituted an Audit Committee in accordance with the provisions of Section 177 of the Companies Act, 2013, Regulation 18 of SEBI LODR Regulations and DPE Guidelines on Corporate Governance. The Audit Committee carries out the role as per its terms of reference and reviews the information prescribed under the applicable statutory provisions.

The terms of reference of the Audit Committee are as under:

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

During the financial year 2020-21, the Audit Committee met 5 (five) times. The composition of Audit Committee as on March 31, 2021 and details of attendance at its meetings held during the financial year 2020-21, were as under:

Sl. no.	Name of the Director	Position in the Committee	Date of meeting and attendance thereat					Total number of meetings		
			17-Jun-20	7-Aug-20	6-Nov-20	23-Dec-20	4-Feb-21	Held during tenure of Director	Attended by the Director	Percentage of attendance
1	Shri Tanmay Kumar Government Nominee Director	Chairperson (w.e.f November 6, 2020)	N.A.	N.A.	⊙	⊙	⊙	3	3	100
2	Shri Mritunjay Kumar Narayan Government Nominee Director	(Chairperson during June 12, 2020 to November 5, 2020)	⊙	⊙	N.A.	N.A.	N.A.	2	2	100
3	Shri Sanjeev Kumar Gupta Director (Technical)	Member	⊙	⊙	⊙	⊙	⊙	5	5	100
4	Shri Praveen Kumar Singh Nominee Director of PFC	Member	⊙	⊙	⊙	⊙	⊙	5	5	100

⊙ Present in person      N.A. Not Applicable

The quorum of meetings of Audit Committee is two members or one third of the total number of members, whichever is greater. Further, Director (Finance), Head of the Internal Audit function and representatives of Statutory Auditors of the Company are also invited to the meetings of Audit Committee. The Company Secretary acts as the Secretary to the Committee.

The maximum gap between any two meetings of the Audit Committee was not more than one hundred and twenty days, except for the meeting held on June 17, 2020 which was held after a gap of 134 days from the previous meeting, in accordance with the extended time gap permitted by SEBI vide its circular dated March 19, 2020, in light of the Covid-19 pandemic.

The Chairperson of the Audit Committee possesses accounting and financial management expertise and all other members of the Audit Committee are financially literate. Further, the then Chairperson of the Audit Committee was present at the last Annual General Meeting of the Company held on September 25, 2020, to answer shareholders' queries.

It is pertinent to mention that after completion of tenure or cessation of office of all erstwhile Independent Directors including Woman Independent Director of the Company in the financial year 2019-20, there was an absence of Independent Directors on the Board to re-constitute the Audit Committee in conformity with the applicable statutory provisions. Therefore, the Company has constituted its Audit Committee with Non-Executive Directors, to the extent possible. The Audit Committee would be re-constituted again, upon appointment of requisite number of Independent Directors on the Board of REC.

### 3.2 Nomination & Remuneration Committee

REC being a Central Public Sector Enterprise, as per the Articles of Association of the Company, the appointment, tenure and remuneration of Chairman and Managing Director, Whole-time Directors and other Directors are decided by the President of India and communicated by the administrative ministry i.e., the Ministry of Power, Government of India.

The remuneration of Functional Directors and Employees of the Company is fixed as per extant guidelines issued by the Department of Public Enterprises (DPE) from time to time. The Part-time Non-official Directors including Independent Directors are paid sitting fees for attending the meetings of Board and Committees thereof, as decided by the Board from time to time. The amount of sitting fees paid is well within the limits prescribed under the Companies Act, 2013. The sitting fee payable to Nominee Director of Power Finance Corporation Limited (PFC) for attending meetings of the Board and Committees thereof, is paid to PFC. Further, the Government Nominee Director is not entitled to any remuneration or sitting fee from the Company, as per the norms of the Government of India.

The Company had constituted a Nomination & Remuneration Committee in accordance with the provisions of Section 178 of the Companies Act, 2013, Regulation 19 of SEBI LODR Regulations and DPE Guidelines on Corporate Governance. The terms of reference of the Nomination & Remuneration Committee, 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.



The quorum for meetings of Nomination & Remuneration Committee is two members, including the Chairperson of the Committee. Further, Director (Finance), Director (Technical) and Executive Director (HR) / Chief General Manager (HR) of the Company are standing invitees to the meetings of Nomination & Remuneration Committee. The Company Secretary acts as the Secretary to the Committee.

It is pertinent to mention that after completion of tenure or cessation of office of all erstwhile Independent Directors including Woman Independent Director of the Company in the financial year 2019-20, there was an absence of Independent Directors on the Board to re-constitute the Nomination & Remuneration Committee in conformity with the applicable statutory provisions. The Nomination & Remuneration Committee would be re-constituted, upon appointment of requisite number of Independent Directors on the Board of REC.

During the financial year 2020-21, no meeting of Nomination & Remuneration Committee was held.

The Ministry of Corporate Affairs (MCA) vide notification dated June 5, 2015, had exempted Government companies from the requirement related to formulation of criteria for determining qualifications, positive attributes, independence and annual evaluation of Directors and policy relating to remuneration of Directors.

Further, MCA vide notification dated July 5, 2017, had prescribed that the provisions relating to review of performance of Independent Directors and evaluation mechanism, as prescribed in Schedule IV of the Companies Act, 2013, are also not applicable to Government companies. During the financial year 2020-21, the performance evaluation of Non-Executive Directors of the Company was carried out by the administrative ministry as per its internal guidelines.

Details regarding remuneration paid to Key Managerial Personnel (KMPs) of the Company during the financial year 2020-21 are given below:

(Amount in ₹)

Sl. no.	Name & Designation	Salary & Allowances	Performance Linked Incentive	Perquisites	Other Benefits included in Form 16	Leave En-cashment	CPF Contribution	Pension Fund Contribution	Total
1	Shri Sanjay Malhotra <i>Chairman &amp; Managing Director (appointed w.e.f. November 9, 2020)</i>	10,90,800	-	-	15,400	87,450	-	-	<b>11,93,650</b>
2	Shri Sanjeev Kumar Gupta <i>Director (Technical) (held additional charge as CMD during June 1, 2020 to November 8, 2020)</i>	46,53,819	22,09,652	9,85,670	42,939	-	4,05,443	2,85,097	<b>85,82,620</b>
3	Shri Ajoy Choudhury <i>Director (Finance) (appointed w.e.f. June 1, 2020)</i>	39,96,810	14,35,450	1,72,109	45,609	10,73,509	3,22,133	2,16,112	<b>72,61,732</b>
4	Shri Ajeet Kumar Agarwal <i>(superannuated as CMD and Director (Finance) on May 31, 2020)</i>	7,15,873	16,71,215	9,48,806	-	33,77,037	66,342	58,050	<b>68,37,323</b>
5	Shri J.S. Amitabh <i>Executive Director &amp; Company Secretary</i>	45,07,165	13,44,914	77,742	30,713	-	3,61,701	2,52,166	<b>65,74,401</b>

**Notes:**

- The remuneration of Shri Sanjay Malhotra, who joined the Company as Chairman and Managing Director w.e.f. November 9, 2020, has been reported from the said date.
- Shri Ajoy Choudhury's remuneration shown above is for the period June 1, 2020 to March 31, 2021. Prior to that he was serving as Executive Director (Finance) in the Company and was paid a remuneration of ₹8,86,637 and employer's contribution to provident fund amounting to ₹62,690 for the period from April 1, 2020 to May 31, 2020.
- Performance Linked Incentive is paid in line with the guidelines issued in this regard by DPE.
- Other benefits included in Form 16 exclude the reimbursement(s) towards uniform, entertainment, electricity, water and attendant charges and exempt medical expenses/reimbursement.
- In the financial year 2020-21, pension contribution was deposited in NPS account. Hence, the Employer Pension Contribution is part of salary u/s 17(1) of the Income Tax Act, 1961 in Form 16.
- Total remuneration includes allowances exempt u/s 10 of the Income Tax Act, 1961 and excludes employer's contribution into REC Gratuity Fund, based on actuarial valuation.
- The Company has not given any stock options. Further, the appointment of Directors and terms of appointment including remuneration, notice period, severance fees etc., if any, are decided by the President of India.

### Remuneration of Non-Executive Directors

The Non-Executive Directors are paid sitting fees of ₹40,000/- for attending each meeting of the Board of Directors and ₹30,000/- for attending each meeting of the Committee(s) thereof, which is well within the limits prescribed under the Companies Act, 2013 and Rules made thereunder.

During the financial year 2020-21, the details of remuneration paid to Non-Executive Directors towards sitting fees (excluding GST), were as under: -

(Amount in ₹)

Sl. no.	Name of Non-Executive Director	Sitting fees		Total
		Board meetings	Committee meetings	
1	Shri Tanmay Kumar Government Nominee Director (w.e.f. November 5, 2020)	-	-	-
2	Shri Mritunjay Kumar Narayan Government Nominee Director (upto November 5, 2020)	-	-	-
3	Shri Praveen Kumar Singh Nominee Director of PFC	4,00,000	5,40,000	9,40,000
	<b>Total</b>	<b>4,00,000</b>	<b>5,40,000</b>	<b>9,40,000</b>

**Notes:**

- The Government Nominee Director(s) are not entitled to any remuneration or sitting fees from the Company, as per the norms of the Government of India.
- Shri Praveen Kumar Singh is a Whole-time Director in Power Finance Corporation Limited (PFC). The sitting fee payable to the Nominee Director of PFC, for attending the meetings of Board of Directors and Committees of REC, is paid to PFC.

Apart from the above, the Non-Executive Directors do not have any material pecuniary relationship or transaction with the Company, except to the extent of payment / reimbursement towards air tickets, hotel accommodation, hiring of vehicle, out-of-pocket expenses, local conveyance etc., if applicable, in respect of attending meetings of the Board or Committees thereof.

### 3.3 Stakeholders Relationship Committee

The Company has constituted a Stakeholders Relationship Committee, in terms of the provisions of Section 178 of the Companies Act, 2013, Regulation 20 of SEBI LODR Regulations and other applicable laws. The Stakeholders Relationship Committee specifically looks into the redressal of requests, complaints or grievances from various security holders including shareholders, debenture-holders etc., such as non-receipt of dividend credit / warrants, non-receipt of interest on debentures, matters connected with transfer, transmission, re-materialization, dematerialization, splitting and consolidation of securities issued by the Company.

During the financial year 2020-21, the Stakeholders Relationship Committee met 4 (four) times to review the status of requests, complaints or grievances of various security holders. The composition of Stakeholders Relationship Committee as on March 31, 2021 and details of attendance at its meetings held during the financial year 2020-21, were as under:

Sl. no.	Name of the Director	Position in the Committee	Date of meeting and attendance thereat				Total number of meetings		
			17-Jun-20	7-Aug-20	6-Nov-20	4-Feb-21	Held during tenure of Director	Attended by the Director	Percentage of attendance
1	Shri Praveen Kumar Singh Nominee Director of PFC	Chairperson (w.e.f. June 12, 2020)	⊙	⊙	⊙	⊙	4	4	100
2	Shri Sanjeev Kumar Gupta Director (Technical)	Member	⊙	⊙	⊙	⊙	4	4	100
3	Shri Ajoy Choudhury Director (Finance)	Member (w.e.f. June 12, 2020)	⊙	⊙	⊙	⊙	4	4	100

⊙ Present in person

The quorum for meetings of Stakeholders Relationship Committee is two members including the Chairperson of the Committee. Further, representatives of the Registrar & Transfer Agents appointed by the Company for various securities including shares, debentures, bonds etc., are Standing Invitees to the meetings of the Stakeholders Relationship Committee. Shri J.S. Amitabh, Executive Director & Company Secretary, acts as the Secretary to the Committee. He is also the Compliance Officer of the Company in terms of SEBI LODR Regulations. The Chairperson of the Stakeholders Relationship Committee was present at the last Annual General Meeting of the Company held on September 25, 2020.

It is pertinent to mention that after completion of tenure or cessation of office of all erstwhile Independent Directors including Woman Independent Director of the Company in the financial year 2019-20, there was an absence of Independent Directors on the Board to re-constitute the Stakeholders Relationship Committee in conformity with the applicable statutory provisions. Therefore, the Company has constituted its Stakeholders Relationship Committee with Non-Executive Directors, to the extent possible. The Stakeholders Relationship Committee would be re-constituted, upon appointment of requisite number of Independent Directors on the Board of REC.

#### Status of Shareholders/Investors Grievances

To promptly redress the grievances or complaints of shareholders and investors, the Company has established a three-tier mechanism i.e., Support Service from respective Registrars, in-house Investor Cell and direct supervision by the Stakeholders Relationship Committee, which has resulted in timely resolution of all the grievances.

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

The Company attends to all investor grievances, complaints and requests promptly and on expeditious basis, to the satisfaction of the investors. A quarterly update on the status of investor grievances is filed with the Stock Exchanges and also placed before the Board. The status of shareholders / investors grievances and requests received pursuant to Regulation 13(3) of SEBI LODR Regulations for the financial year 2020-21, was as under:

Particulars	Equity Shares	Listed debt securities	Total
Pending as on April 1, 2020	0	2	2
Received during the financial year	2,304	1,118	3,422
Disposed of during the financial year	2,304	1,120	3,424
Remaining unresolved as on March 31, 2021	0	0	0

#### 3.4 Risk Management Committee

The Risk Management Committee has been constituted in line with the provisions of Regulation 21 of SEBI LODR Regulations, to manage the integrated risk of the organization. The terms of reference of Risk Management Committee are as under:

- To manage the integrated risk;
- To identify various risks likely to arise, evaluate overall risks faced by the Company including liquidity risk, monitor and review the risk management plan, policies and practices followed by the Company from time to time;
- To oversee the mitigation of various risks and to perform all other risk management functions, which shall also cover cyber security; and
- To perform any other function, as may be required for compliance of applicable statutory provisions issued by RBI, SEBI, MCA and/or any other agencies, from time to time.

During the financial year 2020-21, the Risk Management Committee met 2 (two) times. The composition of Risk Management Committee as on March 31, 2021 and details of attendance at its meetings held during the financial year 2020-21, were as under:

Sl. no.	Name of the Director	Position in the Committee	Date of meeting and attendance thereat		Total number of meetings		
			1-Oct-20	31-Mar-21	Held during tenure of Director	Attended by the Director	Percentage of attendance
1	Shri Praveen Kumar Singh <i>Nominee Director of PFC</i>	Chairperson <i>(w.e.f. March 31, 2021)</i>	N.A.	⊗	1	1	100
2	Shri Sanjeev Kumar Gupta <i>Director (Technical)</i>	Member <i>(Elected as Chairperson for the meeting held on October 1, 2020)</i>	⊗	⊗	2	2	100
3	Shri Ajoy Choudhury <i>Director (Finance)</i>	Member <i>(w.e.f. June 1, 2020)</i>	⊗	⊗	2	2	100

⊗ Present in person      N.A. Not Applicable

**Note:** Shri Ajeet Kumar Agarwal was Chairperson of Risk Management Committee upto May 31, 2020. However, no meeting of Risk Management Committee was held during that tenure.

The quorum for meetings of Risk Management Committee is two members, including the Chairperson of the Committee. Further, Executive Director (Finance-Resources), Executive Director (Private Sector Project Management), Executive Director (State Operations) and Chief General Manager (Asset Liability Management) Division are standing invitees to the meetings of the Risk Management Committee. The Company has appointed a Chief Risk Officer (CRO) as prescribed by RBI, who acts as the convener to the Risk Management Committee.

At present, there is an absence of requisite number of Independent Directors on the Board of REC, to re-constitute the Risk Management Committee in conformity with the applicable statutory provisions. The Risk Management Committee would be re-constituted upon appointment of requisite number of Independent Directors on the Board of REC.

### 3.5 Corporate Social Responsibility Committee

As per the provisions of Section 135 of the Companies Act, 2013 and Rules made thereunder and Guidelines on Corporate Social Responsibility and Sustainability for Central Public Sector Enterprises (CPSEs) issued by the Department of Public Enterprises, the Board of Directors of the Company has constituted a 'Corporate Social Responsibility Committee' (CSR Committee), the terms of reference of which 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 performa 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 2020-21, the CSR Committee met 8 (eight) times. The composition of CSR Committee as on March 31, 2021 and details of attendance at its meetings held during the financial year 2020-21, were as under:

Sl. no.	Name of the Director	Position in the Committee	Date of meeting and attendance thereat								Total number of meetings		
			21-May-20	7-Aug-20	15-Sep-20	6-Nov-20	23-Dec-20	13-Jan-21	4-Feb-21	10-Mar-21	Held during tenure of Director	Attended by the Director	Percentage of attendance
1	Shri Sanjeev Kumar Gupta Director (Technical)	Chairperson (w.e.f. June 12, 2020, prior to which he was Member)	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	8	8	100
2	Shri Ajeet Kumar Agarwal CMD & Director (Finance)	(Chairperson upto May 31, 2020)	⊙	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	1	1	100
3	Shri Ajoy Choudhury Director (Finance)	Member (w.e.f. June 12, 2020)	N.A.	⊙	⊙	⊙	⊙	⊙	⊙	⊙	7	7	100
4	Shri Praveen Kumar Singh Nominee Director of PFC	Member	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	8	8	100

⊙ Present in person      N.A. Not Applicable

The quorum for meetings of CSR Committee is two members, including the Chairperson of the Committee. The Company Secretary acts as the Secretary to the Committee.

It is pertinent to mention that after completion of tenure or cessation of office of all erstwhile Independent Directors including Woman Independent Director of the Company in the financial year 2019-20, there was an absence of Independent Directors on the Board to re-constitute the CSR Committee in conformity with the applicable statutory provisions. Therefore, the Company has constituted its CSR Committee with Non-Executive Directors, to the extent possible. The CSR Committee would be re-constituted, upon appointment of requisite number of Independent Directors on the Board of REC.

The Corporate Social Responsibility & Sustainability Policy of the Company is available at <https://www.recindia.nic.in/our-csr-initiatives>.

### 3.6 Loan Committee

The Loan Committee of the Directors was constituted for sanction of financial assistance, subject to the following limits:

Type of entity	Limit for individual scheme / project	Overall ceiling in a financial year
Central/State Government power utilities or Central/State PSUs	Rupee Term Loan of upto ₹500 crore	₹30,000 crore
	Special Long-Term Transition Loans of above ₹500 crore to discoms under Covid-19	
	Special Loans of above ₹500 crore under the UDAY scheme	
	Special Long-Term Transition Loans of above ₹500 crore to discoms in exemption of UDAY Limit	
Private Sector power utilities	Upto ₹500 crore	₹10,000 crore

During the financial year 2020-21, the Loan Committee met 11 (eleven) times. The composition of Loan Committee as on March 31, 2021 and details of attendance at its meetings held during the financial year 2020-21, were as under:

Sl. no.	Name of the Director	Position in the Committee	Date of meeting and attendance thereat											Total number of meetings		
			21-May-20	25-Jun-20	3-Jul-20	10-Jul-20	17-Jul-20	11-Sep-20	25-Sep-20	27-Oct-20	23-Dec-20	13-Jan-21	4-Feb-21	Held during tenure of Director	Attended by the Director	Percentage of attendance
1	Shri Sanjay Malhotra Chairman and Managing Director	Chairperson (w.e.f. November 9, 2020)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	⊗	⊗	⊗	3	3	100
2	Shri Sanjeev Kumar Gupta Director (Technical)	Member (Chairperson during June 1, 2020 to November 8, 2020)	⊗	⊗	⊗	⊗	⊗	⊗	⊗	⊗	⊗	⊗	⊗	11	11	100
3	Shri Ajeet Kumar Agarwal CMD & Director (Finance)	(Chairperson upto May 31, 2020)	⊗	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	1	1	100
4	Shri Ajoy Choudhury Director (Finance)	Member (w.e.f. June 1, 2020)	N.A.	⊗	⊗	⊗	⊗	⊗	⊗	⊗	⊗	⊗	⊗	10	10	100
5	Shri Tanmay Kumar Government Nominee Director	Member (w.e.f. November 6, 2020)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	⊗	⊗	⊗	3	3	100
6	Shri Mritunjay Kumar Narayan Government Nominee Director	(Member upto November 5, 2020)	⊗	⊗	⊗	⊗	⊗	⊗	⊗	⊗	N.A.	N.A.	N.A.	8	8	100

⊗ Present in person    N.A. Not Applicable

The quorum for meetings of Loan Committee is three members, including Chairman and Managing Director and Government Nominee Director. The Company Secretary acts as Secretary to the Committee.

In order to expedite the decision-making without diluting the due diligence and level of approval, the Board of Directors dissolved the Loan Committee w.e.f. May 28, 2021 and delegated its powers to the Chairman and Managing Director in concurrence with Director (Technical) and Director (Finance).

### 3.7 Executive Committee

The Executive Committee of the Directors was constituted for sanction of financial assistance, subject to the following limits:

Type of entity	Limit for individual scheme / project	Overall ceiling in a financial year
Central / State Government power utilities or Central / State PSUs	Rupee Term Loan of upto ₹150 crore	₹25,000 crore
Private sector power utilities	Rupee Term Loan of upto ₹100 crore	₹6,000 crore

During the financial year 2020-21, the Executive Committee met 7 (seven) times. The composition of Executive Committee as on March 31, 2021 and details of attendance at its meetings held during the financial year 2020-21, were as under:

Sl. no.	Name of the Director	Position in the Committee	Date of meeting and attendance thereat							Total number of meetings		
			21-May-20	29-Jun-20	9-Sep-20	14-Oct-20	3-Feb-21	19-Mar-21	24-Mar-21	Held during tenure of Director	Attended by the Director	Percentage of attendance
1	Shri Sanjay Malhotra Chairman and Managing Director	Chairperson (w.e.f. November 9, 2020)	N.A.	N.A.	N.A.	N.A.	⊙	⊙	⊙	3	3	100
2	Shri Sanjeev Kumar Gupta Director (Technical)	Member (Chairperson during June 1, 2020 to November 8, 2020)	⊙	⊙	⊙	⊙	⊙	⊙	⊙	7	7	100
3	Shri Ajeet Kumar Agarwal CMD & Director (Finance)	(Chairperson upto May 31, 2020)	⊙	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	1	1	100
4	Shri Ajoy Choudhury Director (Finance)	Member (w.e.f. June 1, 2020)	N.A.	⊙	⊙	⊙	⊙	⊙	⊙	6	6	100

⊙ Present in person      N.A. Not Applicable

The quorum for meetings of Executive Committee is two members, including the Chairman and Managing Director. The Company Secretary acts as Secretary to the Committee.

In order to expedite the decision-making without diluting the due diligence and level of approval, the Board of Directors dissolved the Executive Committee w.e.f. May 28, 2021 and delegated its powers to the Chairman and Managing Director in concurrence with Director (Technical) and Director (Finance).

### 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 review of various lending rates for the term loans and short term loans given by the Company.

During the financial year 2020-21, the aforesaid Sub-Committee met 9 (nine) times. The composition of the Sub-Committee as on March 31, 2021 and details of attendance at its meetings held during the financial year 2020-21, were as under:

Sl. no.	Name of the Director	Position in the Committee	Date of meeting and attendance thereat									Total number of meetings		
			20-May-20	27-Jul-20	26-Aug-20	1-Sep-20	9-Oct-20	4-Jan-21	3-Feb-21	8-Mar-21	31-Mar-21	Held during tenure of Director	Attended by the Director	Percentage of attendance
1	Shri Sanjay Malhotra Chairman and Managing Director	Chairperson (w.e.f. November 9, 2020)	N.A.	N.A.	N.A.	N.A.	N.A.	⊙	⊙	⊙	⊙	4	4	100
2	Shri Sanjeev Kumar Gupta Director (Technical)	Member (Chairperson during June 1, 2020 to November 8, 2020)	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	9	9	100
3	Shri Ajeet Kumar Agarwal CMD & Director (Finance)	(Chairperson upto May 31, 2020)	⊙	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	1	1	100
4	Shri Ajoy Choudhury Director (Finance)	Member (w.e.f. Jun 1, 2020)	N.A.	⊙	⊙	⊙	⊙	⊙	⊙	⊙	⊙	8	8	100

⊙ Present in person      N.A. Not Applicable

The quorum for meetings of the aforesaid Sub-Committee is two members, including the Chairman and Managing Director. The Company Secretary acts as Secretary to the Committee.

In order to expedite the decision-making without diluting the due diligence and level of approval, the Board of Directors dissolved the aforesaid Sub-Committee w.e.f. May 28, 2021 and delegated its powers to the Chairman and Managing Director in concurrence with Director (Technical) and Director (Finance).

### 3.9 Committee for Investment / Deployment of Surplus Funds

The Committee for Investment / Deployment of Surplus Funds has been constituted for the purpose of approving investment / deployment of short-term surplus funds of ₹1000 crore and above in single instance in Certificate of Deposits or ₹2000 crore and above in Mutual Funds and Fixed Deposits at any time. Meetings of this Committee are held for deciding the investment / deployment of short-term surplus funds, as and when required. The said Committee is headed by the Chairman and Managing Director; and its members are Director (Technical) and Director (Finance).

The quorum for meetings of the said Committee is two members, including the Chairman and Managing Director. However, no meeting of the said Committee was held during the financial year 2020-21.

### 3.10 Asset Liability Management Committee (ALCO)

In pursuance to RBI guidelines on Asset Liability Management (ALM) System for NBFCs, the Company has constituted an Asset Liability Management Committee (ALCO), headed by the Chairman and Managing Director and members including Director (Finance), Director (Technical) and Executive Directors or Chief General Managers from the finance and operating divisions of the Company.

ALCO monitors risks related to liquidity, interest rates and currency rates with the help of ALM support group, which provides various reports on liquidity gap analysis, interest rate sensitivity analysis and foreign currency movements etc. ALCO meets every quarter to review the position of above risks.

During the financial year 2020-21, the ALCO met 4 (four) times. The composition of ALCO as on March 31, 2021 and details of attendance at its meetings held during the financial year 2020-21, were as under:

Sl. no.	Name of the Director / Designation of Member	Position in the Committee	Date of meeting and attendance thereat				Total number of meetings		
			29-Jun-20	30-Sep-20	31-Dec-20	26-Mar-21	Held during tenure of Director/ Member	Attended by the Director/ Member	Percentage of attendance
1	Shri Sanjay Malhotra Chairman & Managing Director	Chairperson (w.e.f. November 9, 2020)	N.A.	N.A.			2	2	100
2	Shri Sanjeev Kumar Gupta Director (Technical)	Member (Chairperson during June 1, 2020 to November 8, 2020)					4	4	100
3	Shri Ajoy Choudhury Director (Finance)	Member (w.e.f. June 1, 2020)					4	4	100
4	Executive Director (Resources)	Member					4	4	100
5	Executive Director / Chief General Manager (Private / State Operations)	Member					4	4	100
6	Chief General Manager (ALM)	Member					4	4	100



Present in person



Present through video conferencing

N.A.

Not Applicable

The quorum for meetings of ALCO is three members, including the Chairman and Managing Director and the Director (Finance). The Chief General Manager (ALM) acts as the convener of ALCO. Other senior officials of the Company are also invited to meetings of ALCO, as per requirement.

The Chairman and Managing Director may authorize a Whole-time Director to chair the meeting of ALCO in his absence. The Chairman and Managing Director may also authorize a backup executive for each of the members and convener of ALCO, in case of need.

### 3.11 IT Strategy Committee

In compliance with the Reserve Bank of India's Master Direction for NBFCs, the Board of Directors of REC has constituted an IT Strategy Committee for implementation of IT Framework in REC. The role of IT Strategy Committee includes monitoring the methods to determine the IT resources needed to achieve strategic goals, to provide high-level direction for sourcing and use of IT resources and to approve the IT strategy and policy documents of the Company.

The composition of IT Strategy Committee includes an Independent Director, Chief Information Officer (CIO) & Chief Information Security Officer (CISO), Chief Technology Officer (CTO), IT Member of the Security Council and ISMS Officer, and external technical expert. However, as there are no Independent Directors on the Board at present, the IT Strategy Committee would be re-constituted again, upon appointment of Independent Director(s) in REC.

During the financial year 2020-21, the IT Strategy Committee met 2 (two) times. The composition of the IT Strategy Committee as on March 31, 2021 and details of attendance at its meetings held during the financial year 2020-21, were as under:

Sl. no.	Designation of Member	Position in the Committee	Date of meeting and attendance thereat		Total number of meetings		
			6-Aug-20	26-Feb-21	Held during tenure of Member	Attended by the Member	Percentage of attendance
1	Executive Director (IT) Chief Information Officer	Chairperson			2	2	100
2	Chief General Manager (IT) Chief Technology Officer	Member			2	2	100
3	Senior General Manager (IT) ISMS Officer	Member/Convener			2	2	100
4	External Technical Expert	Member			2	2	100

Present in person      Present through video conferencing

#### 4. OTHER COMMITTEES

In addition to the Committees of Directors constituted by the Board from time to time, some additional Committees have also been constituted by the Board to look into specific matters, as detailed below.

##### 4.1 Bond Committee

The Bond Committee of Directors is constituted by the Board of Directors for overseeing the matters relating to Public Issue of REC Taxable Secured Redeemable Non-Convertible Bonds.

As on March 31, 2021, the composition of Bond Committee comprised of the Chairman and Managing Director as Chairperson; and Director (Technical) and Director (Finance) as members. The quorum for the meetings of the said Committee is two members, including the Chairman and Managing Director. However, no meeting of the said Committee was held during the year under review.

##### 4.2 Share Transfer Committee

The Share Transfer Committee considers requests for transmission, transposition, splitting and consolidation of shares exceeding 500 Equity Shares per individual in each case under the physical segment and for issue of duplicate share certificates. As on March 31, 2021, the Share Transfer Committee comprised of senior officials of the Company, namely, Shri J.S. Amitabh (Executive Director & Company Secretary) and Shri Daljeet Singh Khatri (Chief General Manager - Finance), as members. Further, the Share Transfer Committee met once during the year under review i.e., on December 11, 2020.

#### 5. SUBSIDIARY COMPANIES

During the financial year 2020-21, REC had two wholly owned subsidiaries viz., REC Power Distribution Company Limited (which was later renamed as REC Power Development and Consultancy Limited (RECPDCL) w.e.f. July 16, 2021) and REC Transmission Projects Company Limited (RECTPCL). The Board of Directors of REC had approved amalgamation of the said two companies into one single entity, in order to achieve better synergies in operations, greater access to different market segments and to reap the benefits of higher capital base and pooled resources. Accordingly, a Scheme of Arrangement for Amalgamation of RECTPCL (transferor company) with RECPDCL (transferee company) under Section 230-232 of the Companies Act, 2013 was approved by the Ministry of Corporate Affairs (MCA) vide Order dated February 5, 2021, with Appointed Date of April 1, 2020. The amalgamation came into effect from February 6, 2021.

Pursuant to the amalgamation, RECPDCL also acts as “Bid Process Coordinator” for selection of Transmission Service Providers through Tariff Based Competitive Bidding (TBCB) process, for independent inter-state and intra-state transmission projects assigned by the Ministry of Power and State Governments from time to time. In order to initiate development of each independent inter-state / intra-state transmission project, RECPDCL incorporates project specific Special Purpose Vehicles (SPVs) as its wholly owned subsidiaries. After selection of the successful bidder in accordance with the TBCB Guidelines, such subsidiaries are transferred by RECPDCL to the successful bidder, along with all assets and liabilities. In terms of the above, RECPDCL has transferred 1 (one) project specific SPV to the selected bidder during the financial year 2020-21, details of which are appearing in the Board’s Report forming part of this Annual Report. Further, RECPDCL had the following project specific SPVs / wholly owned subsidiaries as on March 31, 2021 (also wholly owned subsidiaries of REC, pursuant to Section 2(87) of the Companies Act, 2013):

- (1) Dinchang Transmission Limited\*
- (2) Chandil Transmission Limited



- (3) Koderma Transmission Limited
- (4) Dumka Transmission Limited
- (5) Mandar Transmission Limited
- (6) Kallam Transmission Limited
- (7) Gadag Transmission Limited
- (8) Fatehgarh Bhadla Transco Limited#
- (9) Rajgarh Transmission Limited
- (10) Bidar Transmission Limited
- (11) Sikar New Transmission Limited#
- (12) MP Power Transmission Package-I Limited
- (13) MP Power Transmission Package-II Limited

\*The said company is under process of strike off of name from the register of companies

# Transferred to Power Grid Corporation of India Limited on June 4, 2021

Details of the above companies are appearing in the Board's Report forming part of this Annual Report.

The Company does not have any "material subsidiary" as defined under the SEBI LODR Regulations. Further, the Company has devised a Policy on Materiality of Subsidiaries as required under the said Regulations. The said policy is available at <https://www.recindia.nic.in/uploads/files/cs-policy-determining-material-subsidiaries-dt230719.pdf>.

The minutes of Board meetings of all subsidiary companies are placed before the Board of Directors of the Company for information. The financial statements of unlisted subsidiary companies, in particular the investments made by unlisted subsidiary companies, were reviewed by the Audit Committee of REC. The audited financial statements and related information of RECPDCL is available on the website of the Company at [www.recindia.nic.in](http://www.recindia.nic.in).

## 6. GENERAL BODY MEETINGS

The details of last three Annual General Meetings (AGMs) of the Company are given below:-

AGM no.	Financial year	Date	Time	Venue	Whether any Special Resolution passed
49 <sup>th</sup>	2017-18	September 25, 2018	11:00 A.M.	Manekshaw Centre, Parade Road, Delhi Cantonment, New Delhi -110010.	Yes
50 <sup>th</sup>	2018-19	August 29, 2019	11:00 A.M.	Manekshaw Centre, Parade Road, Delhi Cantonment, New Delhi -110010.	Yes
51 <sup>st</sup>	2019-20	September 25, 2020	11:00 A.M.	Through Video Conferencing / Other Audio-Visual Means	Yes

During the financial year 2020-21, no postal ballot process was conducted and no special resolution was passed through postal ballot. Further, no special resolution is proposed to be passed through postal ballot process upto the ensuing AGM.

Pursuant to the General Circular dated May 5, 2020 read with Circulars dated April 8, 2020 and April 13, 2020 issued by the Ministry of Corporate Affairs ("MCA Circulars") and SEBI Circular dated May 12, 2020, which have been extended upto December 31, 2021 by the MCA vide General Circular dated January 13, 2021 and by SEBI vide Circular dated January 15, 2021, the 52<sup>nd</sup> Annual General Meeting of REC is being held through Video Conferencing / Other Audio-Visual Means. The Company will provide facility to shareholders to attend the said AGM electronically and also enable shareholders to exercise their right to vote through electronic means, on items proposed to be passed at the said AGM. Details regarding participation in the said AGM and other relevant information are appearing in the Notice of the 52<sup>nd</sup> AGM of the Company, forming part of this Annual Report.

## 7. SERVICE OF DOCUMENTS THROUGH ELECTRONIC MEANS

Since financial year 2010-11, REC has been effecting electronic delivery of documents such as Notice of AGM, Annual Report etc., to those shareholders whose email ids are registered with the respective Depository Participants (DPs) or Registrar & Share Transfer Agent (R&TA). The intimation of Dividend (interim or final) is also being sent electronically to those shareholders, whose email IDs are registered.

In line with the circulars issued by MCA and SEBI, Notice of the 52<sup>nd</sup> AGM of the Company along with Annual Report for the financial year 2020-21, would be sent by e-mail to all those members, whose e-mail IDs are registered with the Company.

The Company has published advertisements in newspapers, to encourage the shareholders holding shares in physical and

electronic form to register or update their email IDs, for receiving Annual Report of the Company for financial year 2020-21. Further, the Company has also sent SMSes to the shareholders whose mobile numbers were registered with the concerned Depository, for updation of e-mail IDs. Despite the above efforts, those shareholders who have still not registered or updated their e-mail IDs, may follow the process mentioned in the Notice of 52<sup>nd</sup> AGM, for registration of e-mail ID and procuring the User ID and Password for e-voting at the ensuing AGM.

Apart from the above, the meetings of Board and Committees of the Company are actively held through video conferencing. The agenda and notes for such meetings are also being sent to the Directors through electronic means under a secured platform, to enable paperless access to agenda papers.

## 8. SECRETARIAL AUDIT

M/s Hemant Singh & Associates, Company Secretaries, Delhi have conducted the Secretarial Audit of the Company for the financial year 2020-21 and have submitted their report to the Company. A copy of the Secretarial Audit Report is annexed in this Annual Report for information of the stakeholders. Further, observations of the Secretarial Auditor and Management's Reply thereto, are appearing in the Board's Report forming part of this Annual Report.

## 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 LODR Regulations, which is available at <https://www.recindia.nic.in/uploads/files/RPTPolicyREC-230821.pdf>.

In line with the said Policy, all related party transactions are approved by the Audit Committee and / or the Board of Directors or Shareholders, as the case may be. The transactions with related parties are included in the Notes to Accounts as per the applicable provisions of the Companies Act, 2013. A status report on Related Party Transactions is put up for information of the Audit Committee and the Board of Directors on a quarterly basis. For the financial year 2020-21, the particulars of Related Party Transactions required to be disclosed in Form AOC-2, were 'Nil'.

## 10. DISCLOSURES

1. The Company has complied with all requirements of SEBI LODR Regulations, the Companies Act, 2013 and rules made thereunder, applicable Secretarial Standards and DPE Guidelines on Corporate Governance, as amended from time to time, except for the appointment of requisite number of Independent Directors including Woman Independent Director on the Board for the financial year 2020-21. Further, due to non-appointment of Independent Directors, the composition of some Committees of the Board was also not in line with the statutory requirements. The Company has already requested the Ministry of Power, Government of India, i.e., the appointing authority, to expedite the appointment of requisite number of Independent Directors including Woman Independent Director on the Board of the Company, to enable compliance with the applicable statutory provisions.

There were no instances of non-compliance on any matter related to the Capital Markets during the last three years. However, after the completion of tenure or cessation of office of all erstwhile Independent Directors including Woman Independent Director in the financial year 2019-20, there are no Independent Directors including Woman Independent Director on the Board at present. Further, due to non-compliance with provisions of SEBI LODR Regulations regarding appointment of Independent Directors and composition of the Board and some Committees thereof, NSE and BSE have imposed a total fine of ₹95,93,400/- including GST (₹47,96,700/- each including GST) on REC, for the quarters ended on March 31, 2020, June 30, 2020, September 30, 2020, December 31, 2020 and March 31, 2021. The Company has requested / is requesting the stock exchanges to waive off the said fines, as the power to appoint Directors in the Company vests with the President of India acting through the administrative ministry i.e., Ministry of Power and the matter is beyond the control of the Company. It is pertinent to mention, that BSE has already waived off the fine imposed on the Company pertaining to the quarters ended September 2020 and December 2020. The Company is following up with the Stock Exchanges for waiving off the balance fine(s) as well.

2. As required under statutory provisions, all returns, reports and disclosures were filed with the stock exchanges and other authorities within the stipulated time.
3. The Company has complied with the requirements of Regulation 17 to 27 of SEBI LODR Regulations relating to Board, Committees and Corporate Governance, as amended from time to time; and maintaining and updating the website of the Company as required under Regulation 46 of SEBI LODR Regulations, except where the Company did not have requisite number of Independent Directors including Woman Independent Director and composition of some Committees of the Board, as detailed in point no. 1 above.

The Company has also complied with the disclosure requirements under Corporate Governance Report as per Part C of Schedule V of the SEBI LODR Regulations.

Further, in compliance of Regulation 46 of SEBI LODR Regulations, the Company has *inter-alia*, disclosed the relevant information on its website ([www.recindia.nic.in](http://www.recindia.nic.in)), such as details of the Company's business, composition of various Committees of the Board of Directors, Code of Business Conduct and Ethics for Board Members and Senior Management etc.

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. are also available on REC's website at [www.recindia.nic.in/policies](http://www.recindia.nic.in/policies).

4. 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 business of the Company is not such, as may give rise to any commodity price risk.
5. To indemnify the Directors and Officers, the Company has obtained a 'Director's and Officer's (D&O) Liability Insurance Policy', which comprehensively covers the liabilities that may arise against Directors and Officers of the Company. The insurance policy covers the Board of Directors of REC including Independent Directors, Company Secretary, other Key Managerial Personnel and all Manager and above level Officials of the Company.
6. The Company has not entered into any material, financial or commercial transactions with the Director(s) 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.
7. 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.) and there was no such instance of conflict for financial year 2020-21.
8. There were no materially significant transactions with related parties i.e., Promoters, Directors or Management, conflicting with the Company's interest. Further, there were no Independent Directors of the Company during financial year 2020-21, hence details of their shareholding was not applicable.
9. The Company has laid down the procedure to inform the Board about risk assessment and mitigation. The Board of Directors of the Company reviews the procedures to ensure that the integrated risks are managed through a properly defined framework. Further, a Risk Management Committee of the Board is also in place.
10. The Balance Sheet, Statement of Profit & Loss, Statement of Changes in Equity and Cash Flow Statement for the financial year 2020-21 have been prepared as per the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 ("Ind AS"), as amended, and other accounting principles generally accepted in India.
11. The Company affirms that a Vigil Mechanism / Whistle Blower Policy is in place and no person has been denied access to the Competent Authority.
12. In line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013, the disclosure regarding complaints under the said Act during the financial year 2020-21, is as under:

Sl. no.	Particulars	Number of complaints
1.	Number of complaints filed during the financial year	Nil
2.	Number of complaints disposed of during the financial year	Nil
3.	Number of complaints pending as on the end of the financial year	Nil

13. The Company has adopted all mandatory items (except for having requisite number of Independent Directors including Woman Independent Director on the Board and constitution of some Committees which require presence of Independent Directors); and the Company has also adopted some of the non-mandatory items on Corporate Governance, as prescribed under SEBI LODR Regulations, status of which is as under:
  - a) The Board: The Company is headed by an Executive Chairman;
  - b) Shareholder Rights: The Company is making all relevant information available to the shareholders / investors in a timely manner, to enable them to be sufficiently informed of the major decisions of the Company;
  - c) Audit Qualifications: There are no audit qualifications pertaining to financial year 2020-21 and it is always Company's endeavor to maintain unqualified financial statements;
  - d) Reporting of Internal Auditor: The Head of Internal Audit function of the Company directly reports to the Audit Committee and is invited to the meetings of the Audit Committee.

REC being a Government Company, the role of CEO is performed by the Chairman and Managing Director and the role of CFO is performed by the Director (Finance) of the Company.

14. During the financial year 2020-21, the Company has not received any Presidential Directives. In the last three years, the Company has received one Presidential Directive in financial year 2018-19, in respect of implementation of pay revision of Board-level and below Board-level Executives effective from January 1, 2017, which has been implemented by the Company.
15. 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.
16. The administrative and office expenses for the financial year 2020-21 have decreased to ₹106.71 crore as compared to ₹131.70 crore during the previous financial year, mainly due to lower travelling and conveyance expenses by ₹5.69 crore and reduction in other miscellaneous expenses due to Covid pandemic. There is a minor variation in other expenditures in line with normal increase/decrease in business activities of the Company. Administrative and office expenses as a percentage of total expenses for the financial year 2020-21 were 0.43% (previous year 0.58%) and as a percentage of financial expenses for the financial year 2020-21 were 0.56% (previous year 0.69%).
17. Pursuant to the DPE Guidelines on Corporate Governance, quarterly compliance report is being submitted to the Ministry of Power, through DPE, within the stipulated time. The details of submission of the compliance report to DPE during the financial year 2020-21 were as under:

Report for Quarter ended	Date of submission of Report
June 30, 2020	July 9, 2020
September 30, 2020	October 12, 2020
December 31, 2020	January 12, 2021
March 31, 2021	April 12, 2021

Further, the Report containing Annual Score (consolidated score of four quarters) was submitted to DPE on April 29, 2021, within the prescribed timeline.

The Company has also submitted to the Stock Exchanges, quarterly compliance reports on Corporate Governance under Regulation 27(2)(a) of SEBI LODR Regulations, for all the quarters of financial year 2020-21 within the stipulated time.

18. There are no audit qualifications by the Statutory Auditors in their report pertaining to financial year 2020-21. Further, the Company has informed the Stock Exchanges that the Statutory Auditors have furnished Audit Report on Standalone and Consolidated Financial Results with unmodified opinion, in line with the provision of the SEBI LODR Regulations.
19. As per the requirement of DPE Guidelines on Corporate Governance, the Company has framed a Policy for Training of Board Members. Based on their requirement, the Board members attend various seminars, conferences and training programmes etc. from time to time.  
On their 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 are also made at the Board meetings about business and performance of the Company. The details of familiarization programmes for Independent Directors are available at <https://www.recindia.nic.in/uploads/files/Familiarization-programme290621.pdf>.
20. The Company has not issued any Stock Options / ESOPs during the financial year 2020-21.
21. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32(7A) of SEBI LODR Regulations was not applicable during the year under review. Further, there was no variation in use of issue proceeds of private placement of bonds in the financial year 2020-21.
22. The domestic debt instruments of REC continued to enjoy "AAA" rating, the highest rating assigned by CRISIL, CARE, India Ratings & Research and ICRA, credit rating agencies throughout the financial year 2020-21. The Company also enjoys international credit rating of "Baa3" and "BBB-" from international credit rating agencies Moody's and FITCH, respectively, throughout the financial year 2020-21. There was no revision in the ratings assigned to REC during the financial year 2020-21.
23. On an annual basis, the Company obtains from each Director the details of Board and Committee positions occupied by them in other companies and changes therein, if any. Further, M/s Hemant Singh & Associates, Practicing Company Secretaries, have provided a certificate confirming that none of the Directors on the Board of the Company is debarred or disqualified from being appointed or continuing as Director of the Company by SEBI, Ministry of Corporate Affairs or any other statutory authority. Copy of the said certificate is placed at **Annexure-A** to this report.
24. To oversee specific operational areas, the Board of Directors of the Company has constituted various Board-level Committees and delegated certain functions to these Committees. The respective Committee(s) focus on their assigned areas and make informed decisions and wherever required, make recommendations for further consideration of the Board of Directors. During the financial year 2020-21, there was no instance where the Board of Directors did not accept the recommendation given by any Board-level Committee of the Company.

## 11. COMPLIANCE WITH APPLICABLE LAWS

The Company has a robust system in place for monitoring the compliance with applicable laws and related statutory and procedural compliances. The Board of Directors of the Company periodically reviews the status of statutory, policy and related procedural compliances in order 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 Company has a “Code of Business Conduct and Ethics for Board Members and Senior Management”, which is applicable to all Directors, Key Managerial Personnel and Senior Management Personnel of the Company. The said Code is aligned with the Company’s mission / vision and objectives and aims at enhancing ethical and transparent process in managing the affairs of the Company.

The Code is available at [https://www.recindia.nic.in/uploads/files/Code\\_Business\\_Conduct\\_Ethics.pdf](https://www.recindia.nic.in/uploads/files/Code_Business_Conduct_Ethics.pdf). Based on the affirmations received from all Board members and Senior Management Personnel, a declaration by the Chairman and Managing Director of the Company regarding compliance of said Code is as under:

### Declaration under SEBI LODR Regulations 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, 2021.

Place: New Delhi  
Date: July 22, 2021

Sd/-  
**Sanjay Malhotra**  
Chairman and Managing Director  
DIN: 00992744

## 13. CODE OF CONDUCT FOR REGULATING, MONITORING AND REPORTING TRADING BY DESIGNATED PERSONS AND THEIR IMMEDIATE RELATIVES AND FOR FAIR DISCLOSURE

The Company has a “Code of Conduct for Regulating, Monitoring and Reporting Trading by Designated Persons and their Immediate Relatives and for Fair Disclosure”, framed with an aim that the Designated Persons and their immediate relatives, as defined in the said Code, do not derive any benefit or assist others to derive any benefit from the access to and possession of Unpublished Price Sensitive Information (UPSI) about the Company which is not in the public domain and thus constitutes insider information. The Company Secretary has been appointed as the Compliance Officer of the Company; and is responsible for adherence of the said Code. The said Code is posted on the Company’s website at <https://www.recindia.nic.in/uploads/files/cs-revised-insider-trading-code-submitted-to-stock-exchanges-dt070619.pdf>.

The said Code sets up policies and procedures to prevent leakage of UPSI and to institute adequate mechanism of Internal Controls to preserve confidentiality of the sensitive information. Further, it also prescribes the practices, procedures and norms to be followed for fair disclosure of UPSI and to prescribe legitimate purposes, subject to which the UPSI can be shared with any stakeholders or business partner of REC. The Code lays down the procedures to be followed and disclosures to be made while dealing in the equity shares/securities of the Company and the consequences of non-compliance.

In line with the requirement of the said Code, whenever some UPSI is submitted to the Board for consideration and approval including consideration of quarterly results, the trading window is closed and notice of such closure of trading window is issued to the designated employees and concerned persons well in advance. Further, proper announcements are also made on the website of the Company as well as to Stock Exchanges where the shares of the Company are listed, restraining them and their dependent family members from dealing in listed securities of the Company, when the trading window is closed.

## 14. POLICY FOR PREVENTION OF FRAUD

A policy for Prevention of Fraud has been framed in REC 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, which covers the following:

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

The said Policy is available at <https://www.recindia.nic.in/uploads/files/Revised-Fraud-prevention-policy-of-REC-13082020.pdf>.

## 15. WHISTLE BLOWER POLICY

The Company has a Whistle Blower Policy in place, in accordance with the provisions of the Companies Act, 2013 read with Rules made thereunder, SEBI LODR Regulations and DPE Guidelines on Corporate Governance. The Whistle Blower Policy enables the Directors / employees of REC and/or its subsidiaries to raise concerns regarding any alleged malpractice or wrong doing, which could affect the business or reputation of the Company. The complaints can be made to the Competent Authority in the manner prescribed under the Policy. In addition to the above, REC has also adopted Whistle Blower Policy (PIDPI Resolution) issued by the Central Vigilance Commission vide Office Order dated May 17, 2004; and the same is incorporated in the "Vigilance Hand Book" of the Company. The Whistle Blower Policy of REC is available at [https://www.recindia.nic.in/uploads/files/Whistle\\_Blower\\_Policy.pdf](https://www.recindia.nic.in/uploads/files/Whistle_Blower_Policy.pdf).

A declaration by the Chairman and Managing Director of the Company, that no person has been denied access to the Competent Authority under the Whistle Blower Policy during the financial year 2020-21 and necessary system has been put in place to provide protection to the complainant, wherever required, is as under:

### Annual Affirmation in terms of Whistle Blower Policy of the Company

During the financial year 2020-21, 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.

Place: New Delhi  
Date: July 27, 2021

Sd/-  
**Sanjay Malhotra**  
Chairman and Managing Director  
DIN: 00992744

## 16. TOTAL FEES PAID TO AUDITORS

Details of the total fees for all services paid by REC and its subsidiaries, on a consolidated basis, to the Statutory Auditors of REC and all entities in the network firm / network entity of which the Statutory Auditors are a part, are as under:

(₹ in crore)

Sl. no.	Particulars	FY 2020-21	FY 2019-20
A.	Fee paid to Statutory Auditor:		
(i)	As Auditor	0.66	0.44
(ii)	For Taxation matters*	0.25	0.11
(iii)	For Company Law matters (includes limited review fees)	0.26	0.35
(iv)	For other services:	-	-
	(a) Certification of MTN Offer Document/Comfort Letter	0.10	0.40
	(b) Other Certifications	0.04	0.04
(v)	For reimbursement of expenses	-	0.04
	<b>Sub-total</b>	<b>1.31</b>	<b>1.38</b>
B.	Non-recoverable tax credit in respect of fees paid to auditors	0.12	0.14
	<b>Total</b>	<b>1.43</b>	<b>1.52</b>

\* includes ₹0.12 crore (previous year Nil) of fees for taxation matters pertaining to earlier years

## 17. MEANS OF COMMUNICATION

The Company recognizes the rights of shareholders / investors and communication of relevant information as key elements of the overall Corporate Governance framework of the Company; and therefore emphasizes on continuous, efficient and relevant communication with shareholders, investors and other stakeholders.

A dedicated Investor Relations Cell has been set up in the Company for interaction with the analysts, for 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.

The Company communicates with its shareholders and investors through its Annual Reports, General Meetings, disclosures on Stock Exchanges and on the Company's website. The Company also communicates with its institutional investors through analyst briefing / individual discussions and also by participation in investor conferences from time to time. Analysts and investor meets are organized for the members of the Board to interact with the investor community. Further, press meets with representatives of media are also held from time to time. Financial results are discussed with investors by way of conference calls held after the close of quarter. Transcripts of analyst meets are also uploaded on the website of the Company.

All important information pertaining to the Company is also mentioned in the Annual Report of the Company, which is circulated to the members and also uploaded on the Company's website. Shareholder related information, announcements and latest updates about the Company can be accessed on REC's website at [www.recindia.nic.in](http://www.recindia.nic.in), which, *inter-alia*, include the following:

- Corporate disclosures made from time to time to the Stock Exchanges
- Quarterly / Half-yearly / Annual Financial Results
- Corporate Governance Report
- Quarterly Shareholding Pattern
- Transcripts of conference calls/analyst meets
- Official news releases, presentations made to institutional investors or to the analysts.

The extracts of quarterly, half-yearly and 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), Mint (English), Hindustan (Hindi) etc. These results and all other announcements are also made available on REC's website at [www.recindia.nic.in](http://www.recindia.nic.in).

The Company makes press releases and corporate presentations from time to time, which are uploaded on the website at [www.recindia.nic.in](http://www.recindia.nic.in). The Company also has an active presence on social media.

## 18. CEO/CFO CERTIFICATION

In terms of Regulation 17(8) of the SEBI LODR Regulations, a Certificate on financial reporting and internal controls to the Board, duly signed by the Chairman and Managing Director and Director (Finance) of the Company, was placed before the Board in its meeting held on May 28, 2021, along with the Annual Audited Financial Statements of the Company for the financial year ended on March 31, 2021. A copy of the said certificate is enclosed at **Annexure-B** to this report.

## 19. GENERAL SHAREHOLDERS' INFORMATION

### i. Annual General Meeting for the financial year 2020-21

The Annual General Meeting of the Shareholders will be held through video conferencing / other audio visual means on the following day, date and time:-

Day, Date	Time
Friday, September 24, 2021	11:00 A.M.

Details regarding participation in the said meeting and other relevant information are appearing in the Notice of the 52<sup>nd</sup> Annual General Meeting of the Company forming part of this Annual Report.

### ii. Financial Calendar for financial year 2021-22 vis-à-vis financial year 2020-21

Financial Year	Financial year 2020-21		Financial year 2021-22	
<b>Accounting Period</b>	April 1, 2020 to March 31, 2021		April 1, 2021 to March 31, 2022	
<b>Announcement of Financial Results</b>	1 <sup>st</sup> Quarter	August 7, 2020	1 <sup>st</sup> Quarter	Announcement within 45 days from the end of quarter
	2 <sup>nd</sup> Quarter	November 6, 2020	2 <sup>nd</sup> Quarter	
	3 <sup>rd</sup> Quarter	February 4, 2021	3 <sup>rd</sup> Quarter	
	4 <sup>th</sup> Quarter & Annual Financial Results	May 28, 2021	4 <sup>th</sup> Quarter & Annual Financial Results	Announcement within 60 days from the end of the financial year
<b>Annual General Meeting</b>	September 24, 2021		August/September, 2022	

### iii. Dividend

#### (a) Dividend Distribution Policy

The Company has formulated a Dividend Distribution Policy in compliance of Regulation 43A of the SEBI LODR Regulations, 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 policy is available at [https://www.recindia.nic.in/uploads/files/Dividend\\_Distribution\\_Policy.pdf](https://www.recindia.nic.in/uploads/files/Dividend_Distribution_Policy.pdf).

#### (b) Dividend for the financial year 2020-21

In pursuance of Article 114 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, as amended from time to time, the

Company has paid an Interim Dividend of ₹6/- per equity share (on the face value of ₹10/- each) on December 3, 2020 and 2<sup>nd</sup> Interim Dividend of ₹5/- per equity share (on the face value of ₹10/- each) on March 30, 2021 for the financial year 2020-21. Further, the Board of Directors have also recommended a Final Dividend of ₹1.71 per equity share of ₹10/- each, which is subject to approval of the shareholders at the ensuing Annual General Meeting. If approved, the total dividend for the financial year 2020-21 would amount to ₹12.71 per equity share of ₹10/- each, representing 127.10% of the paid-up share capital of the Company, which is higher than the dividend of 110% paid for the last financial year, i.e., dividend of ₹11/- per equity share of ₹10/- each paid for the financial year 2019-20.

The Company has fixed Friday, September 17, 2021 as the 'Record Date', for determining the eligibility of members for the aforesaid Final Dividend, subject to approval of the shareholders at the ensuing AGM. If declared at the AGM, the Final Dividend would be paid to the shareholders on Thursday, October 21, 2021.

**(c) Dividend history for the last five financial years**

Financial year	Total paid-up capital (₹ in crore)	Total amount of dividend paid (₹ in crore)	Rate of dividend (%)	Date of payment	
				Interim Dividend	Final Dividend
2015-16	987.46	1,688.55	171.00	February 25, 2016	October 4, 2016
2016-17	1,974.92	1,905.79	*96.50	March 6, 2017	October 9, 2017
2017-18	1,974.92	1,807.05	91.50	February 27, 2018	October 15, 2018
2018-19	1,974.92	2,172.41	110.00	March 19, 2019	-
2019-20	1,974.92	2,172.41	110.00	February 24, 2020	-

**Note:** The percentage of dividend from financial year 2016-17 onwards is after adjustment, due to issue of Bonus Shares in the ratio of 1:1 by the Company in the said financial year.

**(d) Unpaid/Unclaimed Dividend and Equity Shares transferred to Investor Education & Protection Fund**

**Dividend amounts transferred to IEPF**

Pursuant to Section 124(5) of the Companies Act, 2013, the dividend amounts which remain unpaid/unclaimed for a period of seven years, are required to be transferred to the Investor Education & Protection Fund (IEPF) of the Central Government. During the financial year 2020-21, the following amounts became due for transfer to IEPF, after the same remained unpaid / unclaimed for a period of 7 years. The same were deposited as per details given below:

Financial year	Interim/Final Dividend	Amount (₹)	Date of Transfer
2012-13	Final Dividend	9,45,824	November 4, 2020
2013-14	Interim Dividend	2,459,893	April 24, 2021
	<b>TOTAL</b>	<b>3,405,717</b>	

**Principal / interest relating to debt securities transferred to IEPF**

During the financial year 2020-21, an amount of ₹2,36,39,166/- on account of principal and ₹16,53,457/- on account of interest thereon in respect of debt securities of the Company, was also transferred to the IEPF.

**Equity Shares transferred to IEPF**

As per the provisions of Section 124(6) of the Companies Act, 2013 read with Rule 6 of IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 {IEPF Rules}, all shares in respect of which dividend has not been claimed for seven consecutive years, are required to be transferred by the Company to the Demat Account of the IEPF Authority. Accordingly, the Company has transferred 7,403 Equity Shares of ₹10/- each to the IEPF in November 2020. As on March 31, 2021, the number of equity shares held in Demat account of IEPF Authority were 1,16,567. Subsequently, 3,057 Equity Shares of ₹10/- each were also transferred to the IEPF in April 2021, in line with the statutory provisions.

The members who have a claim on the above dividends and/or shares may claim the same from IEPF Authority by submitting an online application in the prescribed Form No. IEPF-5 available on the website [www.iepf.gov.in](http://www.iepf.gov.in) and sending a self-attested physical copy of the form, challan, Indemnity Bond and all other requisite documents enumerated in Form No. IEPF-5, in an envelope marked "Claim for refund from IEPF Authority", to the Company Secretary at the Registered Office of the Company. Claim forms complete in all aspects will be verified and on the basis of Company's verification report, refund will be released by the IEPF Authority in favor of claimants' Aadhaar linked bank account, through electronic transfer. No claims shall lie against the Company in respect of the dividends / shares so transferred to the IEPF Authority.



**Nodal Officer**

Pursuant to Rule 7(2A) of the IEPF Rules, the following persons are the Nodal Officers of the Company:

<b>Nodal Officer</b>	<b>Shri J.S. Amitabh</b> Executive Director & Company Secretary
<b>Deputy Nodal Officer for Equity Shares</b>	<b>Shri M.L. Kumawat</b> Senior General Manager (Finance) - CS
<b>Deputy Nodal Officer for Debentures/Bonds</b>	<b>Shri Daljeet Singh Khatri</b> Chief General Manger (Finance)

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/unclaimed dividend. It is again advised to all shareholders to encash their warrants relating to dividend immediately or write to the R&TA of the Company for revalidation or issue of Demand Drafts 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 at [www.recindia.nic.in](http://www.recindia.nic.in). Further, the investor-wise details of amounts and shares, which have already been transferred by the Company to IEPF, are also available on REC's website i.e., [www.recindia.nic.in](http://www.recindia.nic.in).

**iv. Listing of Equity Shares**

Equity Shares of REC are listed on the following Stock Exchanges:

Name & Address of Stock Exchange	Telephone/Email ID/Website	Scrip Code
<b>National Stock Exchange of India Limited (NSE)</b> Exchange Plaza, C-1, Block G Bandra Kurla Complex, Bandra (East), Mumbai-400 051.	Telephone: +91-22-2659 8100/8114 Fax: +91-22-2659 8120 E-mail ID: <a href="mailto:cmlist@nse.co.in">cmlist@nse.co.in</a> Website: <a href="http://www.nseindia.com">www.nseindia.com</a>	RECLTD
<b>BSE Limited (BSE)</b> Phiroze Jeejeebhoy Towers Dalal Street Mumbai- 400 001.	Telephone: +91-22-2272 1233/4 Fax: +91-22-2272 1919 E-mail ID: <a href="mailto:corp.comm@bseindia.com">corp.comm@bseindia.com</a> Website: <a href="http://www.bseindia.com">www.bseindia.com</a>	532955

Further, various debt securities of the Company are also listed on the Stock Exchanges, details of which are appearing in Annexure-VIII to the Board's Report.

**v. International Securities Identification Number (ISIN)**

ISIN of the Equity Shares of REC is INE020B01018. Further, details of ISIN of various debt securities issued by the Company are given at Annexure-VIII to the Board's Report.

**vi. Registrar and Transfer Agent (R&TA)**

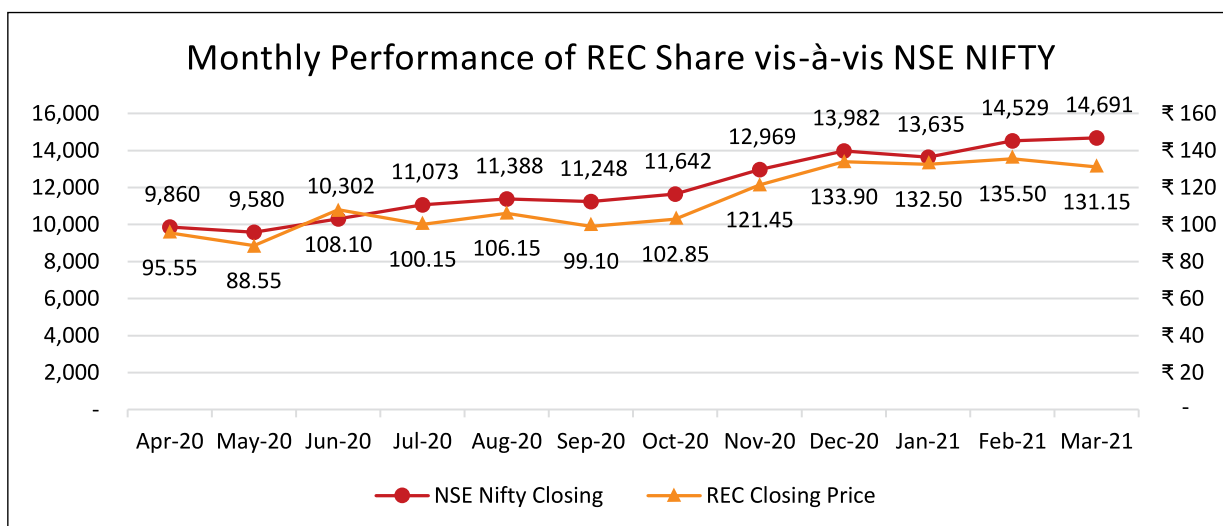
<b>R&amp;TA for Equity Shares</b>	<b>Address</b>	<b>KFin Technologies Private Limited</b> Selenium Tower B, Plot 31&32 Gachibowli, Financial District Nanakramguda Hyderabad-500 032, India.
	<b>Phone</b>	1-800-309-4001 (toll-free)
	<b>Email</b>	<a href="mailto:inward.ris@kfintech.com">inward.ris@kfintech.com</a> , <a href="mailto:balaji.reddy@kfintech.com">balaji.reddy@kfintech.com</a> , <a href="mailto:raju.sv@kfintech.com">raju.sv@kfintech.com</a>
	<b>Website</b>	<a href="http://www.kfintech.com">www.kfintech.com</a>

<b>R&amp;TA for Listed Debt Securities</b>	Address	<b>KFin Technologies Private Limited</b> Selenium Tower B, Plot 31&32 Gachibowli, Financial District, Nanakramguda Hyderabad-500 032, India.	<b>Beetal Financial &amp; Computer Services (P) Limited</b> Beetal House, 3 <sup>rd</sup> Floor, 99 Madangir, Behind Local Shopping Centre, Near Dada Harsukhdas Mandir New Delhi-110062, India.
	Phone	1-800-309-4001	+91-11-2996 1281-83
	Email	<a href="mailto:einward.ris@kfintech.com">einward.ris@kfintech.com</a> , <a href="mailto:gopalakrishna.kvs@kfintech.com">gopalakrishna.kvs@kfintech.com</a> , <a href="mailto:investorcell@recl.in">investorcell@recl.in</a>	<a href="mailto:recbonds2@gmail.com">recbonds2@gmail.com</a> , <a href="mailto:beetalrta@gmail.com">beetalrta@gmail.com</a> , <a href="mailto:investorcell@recl.in">investorcell@recl.in</a>
	Website	<a href="http://www.kfintech.com">www.kfintech.com</a>	<a href="http://www.beetalfinancial.com">www.beetalfinancial.com</a>

vii. Market Price Data for the financial year 2020-21

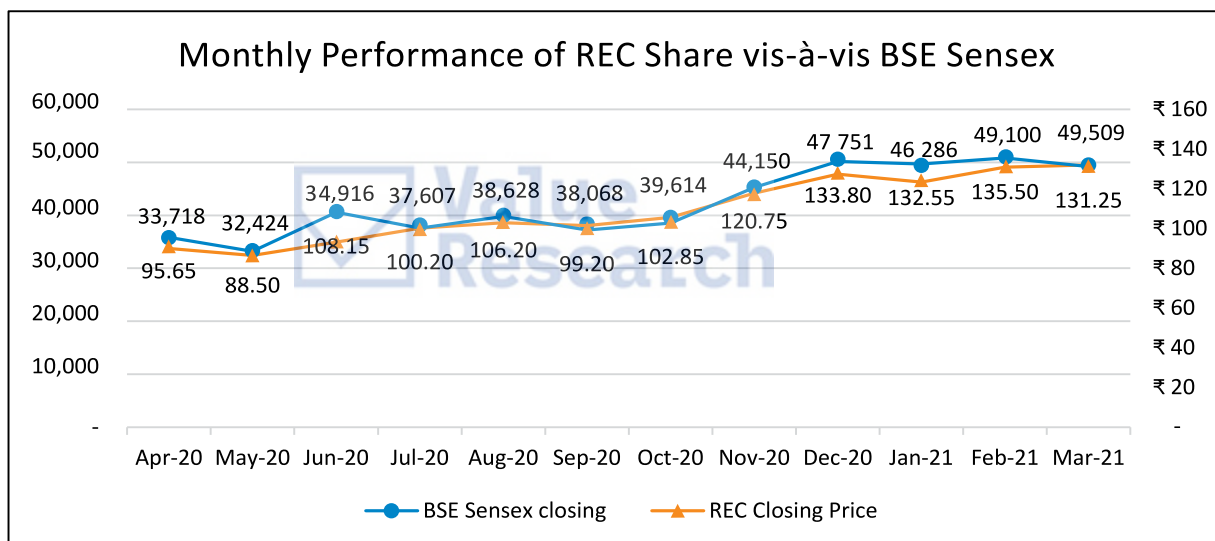
**Monthly Performance of REC's Share vis-à-vis NSE NIFTY**

Month	Monthly Performance of REC Share at NSE			Movement of NSE NIFTY		
	High (₹)	Low (₹)	Month close (₹)	High	Low	Month Close
Apr' 2020	99.00	84.50	95.55	9,889.05	8,055.80	9,859.90
May' 2020	104.80	83.65	88.55	9,598.85	8,806.75	9,580.30
Jun' 2020	117.40	89.80	108.10	10,553.15	9,544.35	10,302.10
Jul' 2020	112.40	98.50	100.15	11,341.40	10,299.60	11,073.45
Aug' 2020	116.50	99.35	106.15	11,794.25	10,882.25	11,387.50
Sep' 2020	113.90	95.00	99.10	11,618.10	10,790.20	11,247.55
Oct' 2020	105.45	91.80	102.85	12,025.45	11,347.05	11,642.40
Nov' 2020	123.60	102.20	121.45	13,145.85	11,557.40	12,968.95
Dec' 2020	143.50	119.00	133.90	14,024.85	12,962.80	13,981.75
Jan' 2021	148.40	131.25	132.50	14,753.55	13,596.75	13,634.60
Feb' 2021	157.00	131.30	135.50	15,431.75	13,661.75	14,529.15
Mar' 2021	155.45	127.80	131.15	15,336.30	14,264.40	14,690.70



**Monthly Performance of REC's Share vis-à-vis BSE SENSEX**

Month	Monthly Performance of REC Share at BSE			Movement of BSE SENSEX		
	High (₹)	Low (₹)	Month Close (₹)	High	Low	Month Close
Apr' 2020	98.90	84.60	95.65	33,887.25	27,500.79	33,717.62
May' 2020	104.70	83.70	88.50	32,845.48	29,968.45	32,424.10
Jun' 2020	118.00	89.70	108.15	35,706.55	32,348.10	34,915.80
Jul' 2020	112.40	98.70	100.20	38,617.03	34,927.20	37,606.89
Aug' 2020	116.50	97.85	106.20	40,010.17	36,911.23	38,628.29
Sep' 2020	113.80	95.05	99.20	39,359.51	36,495.98	38,067.93
Oct' 2020	105.45	91.90	102.85	41,048.05	38,410.20	39,614.07
Nov' 2020	123.50	102.20	120.75	44,825.37	39,334.92	44,149.72
Dec' 2020	143.50	119.05	133.80	47,896.97	44,118.10	47,751.33
Jan' 2021	148.20	131.25	132.55	50,184.01	46,160.46	46,285.77
Feb' 2021	156.85	131.65	135.50	52,516.76	46,433.65	49,099.99
Mar' 2021	155.35	127.90	131.25	51,821.84	48,236.35	49,509.15



**viii. Share Transfer System**

SEBI, through its Press Release dated December 3, 2018, has prescribed that with effect from April 1, 2019, requests for effecting transfer of securities (except transmission or transposition cases) shall not be processed unless the securities are held in dematerialized form with a depository. Accordingly, all shareholders are requested to convert their shareholdings from physical form to demat form at the earliest, in existing demat account or new demat account to be opened with any Depository Participant.

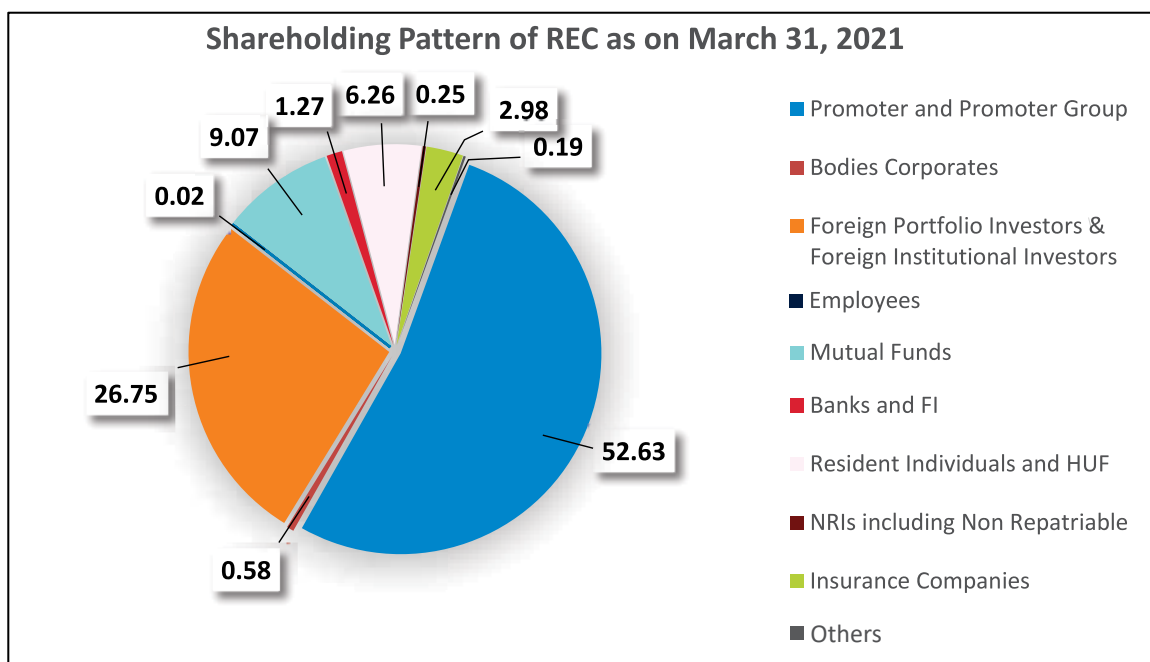
The requests for transmission, transposition, splitting and consolidation under physical segment upto 500 equity shares per individual in each case, are processed by KFin Technologies Private Limited, i.e., the R&TA of the Company. For transmission, transposition, splitting and consolidation exceeding 500 equity shares per individual in each case under the physical segment and for issue of duplicate share certificates, a Share Transfer Committee of Senior Officials of the Company has been constituted.

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

ix. Shareholding Pattern / Distribution of Shareholding

(a) Shareholding Pattern on the basis of Ownership

Category of shareholder	As on March 31, 2021		As on March 31, 2020	
	Number of Equity Shares	Percentage of Total Equity Shares	Number of Equity Shares	Percentage of Total Equity Shares
Promoter and Promoter Group	1,03,94,95,247	52.63	1,03,94,95,247	52.63
Foreign Portfolio Investors & Foreign Institutional Investors	52,83,00,945	26.75	53,30,40,782	26.99
Mutual Funds	17,90,43,306	9.07	17,42,48,844	8.82
Resident Individuals	11,67,78,937	5.91	11,15,58,942	5.65
Insurance Companies	5,88,95,240	2.98	5,86,90,900	2.97
Bodies Corporates	1,13,61,284	0.58	1,88,95,069	0.96
Clearing Members	25,75,891	0.13	29,38,620	0.15
Banks	45,87,838	0.23	43,01,384	0.22
HUF	69,41,329	0.35	60,19,507	0.30
Trusts	9,49,715	0.05	27,26,714	0.14
Non Resident Indians	31,12,828	0.16	31,28,400	0.16
Indian Financial Institutions / QIB	2,04,85,544	1.04	1,62,00,637	0.82
Non Resident Indian-Non Repatriable	18,01,188	0.09	14,91,158	0.08
Employees	4,27,797	0.02	9,02,884	0.05
Others - IEPF and AIF	1,52,567	0.01	12,76,567	0.06
NBFC	8,344	Negligible	2,345	Negligible
<b>TOTAL</b>	<b>1,97,49,18,000</b>	<b>100%</b>	<b>1,97,49,18,000</b>	<b>100%</b>



**(b) Distribution of Shareholding as on March 31, 2021**

Number of Shares	Number of Shareholders	Percentage of Shareholders	Total Shares held	Percentage of Shareholding
1-5000	3,15,312	88.84	4,15,10,143	2.10
5001 -10000	21,025	5.92	1,66,35,182	0.84
10001-20000	9,931	2.80	1,48,30,732	0.75
20001-30000	2,920	0.82	74,82,305	0.38
30001-40000	1,315	0.37	47,34,492	0.24
40001-50000	955	0.27	45,04,293	0.23
50001-100000	1,732	0.49	1,24,55,607	0.63
100001 and above	1,750	0.49	1,87,27,65,246	94.83
<b>TOTAL</b>	<b>3,54,940</b>	<b>100.00</b>	<b>1,97,49,18,000</b>	<b>100.00</b>

**x. Dematerialization of Shares & Liquidity**

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 correspondence details of the Depositories are as under:

Name & address of the Depository	Telephone/Email ID/Website
National Securities Depository Limited Trade World, 4 <sup>th</sup> Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel (West), Mumbai-400013	Telephone: +91-22-2499 4200 Toll free Number: 1-800 222 990 E-mail ID: <a href="mailto:relations@nsdl.co.in">relations@nsdl.co.in</a> , <a href="mailto:info@nsdl.co.in">info@nsdl.co.in</a> Website: <a href="http://www.nsdl.co.in">www.nsdl.co.in</a>
Central Depository Services (India) Limited Marathon Futorex, A-Wing, 25 <sup>th</sup> Floor, NM Joshi Marg Lower Parel, Mumbai-400013	Telephone: +91-22-2305 8640/24/39/42/63 Toll free Number: 1-800-225-533 E-mail ID: <a href="mailto:helpdesk@cdslindia.com">helpdesk@cdslindia.com</a> , <a href="mailto:complaints@cdslindia.com">complaints@cdslindia.com</a> Website: <a href="http://www.cdslindia.com">www.cdslindia.com</a>

The details of number of shares held in dematerialized and physical form as on March 31, 2021 were as under:

Category	Number of Shareholders	Number of Shares held	Percentage of total shares issued
Physical	13,462	28,343	Negligible
NSDL (Demat)	1,89,982	1,92,20,90,907	97.33
CDSL (Demat)	1,51,496	5,27,98,750	2.67
<b>Total</b>	<b>3,54,940</b>	<b>1,97,49,18,000</b>	<b>100.00</b>

**xi. Reconciliation of Share Capital Audit Report**

For every quarter of the financial year 2020-21, M/s Savita Jyoti Associates, Practicing Company Secretaries, Secunderabad, had issued Reconciliation of Share Capital Audit Report, after carrying out audits to reconcile the total admitted, issued and listed share capital of the Company with NSDL and CDSL, which were submitted by the Company to the Stock Exchanges within the stipulated time. The reports confirmed 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.

**xii. Details of Demat Suspense Account**

The Company went for an Initial Public Offer (IPO) of 15,61,20,000 equity shares in February 2008, which comprised of fresh issue of 7,80,60,000 Equity Shares of ₹10/- each by the Company and an Offer for Sale of another equal number of Equity Shares by the President of India. Further, the Company went for a Follow-on Public Offer (FPO) of 17,17,32,000 Equity Shares in February 2010 which comprised of 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.

In accordance with the requirement of Regulation 34(3) and Part F of Schedule V to the SEBI LODR Regulations, the details of Equity Shares of the Company in the Demat Suspense Account as on March 31, 2021 were:

Sl. no.	Particulars	April 1, 2020 to March 31, 2021	
		Number of cases	Number of shares involved
1	Aggregate number of shareholders and outstanding unclaimed shares in the Suspense Account as on April 1, 2020.	36	5,478
2	Number of shareholders who approached the Compa-ny for transfer of unclaimed shares from the Suspense account during the financial year.	Nil	Nil
3	Number of shareholders to whom unclaimed shares were transferred from the Suspense Account during the financial year.	4	490
4	Aggregate number of shareholders and the outstanding unclaimed shares in the Suspense Account as on March 31, 2021.	32	4,988

**Notes:**

1. The voting rights on the shares outstanding in the suspense account as on March 31, 2021 shall remain frozen till the time rightful owner of such shares claims the shares.
2. All the above cases are pertaining to IPO; there are no cases of unclaimed shares pertaining to the FPO.

**xiii. 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.

**xiv. Annual Listing Fee to Stock Exchanges**

The Company has paid the Annual Listing Fee for the financial year 2021-22 to National Stock Exchange of India Limited and BSE Limited, in relation to its listed securities.

**xv. Annual Custodial Fee to Depositories**

The Company has paid the Annual Custodial Fee for the financial year 2021-22 to National Securities Depository Limited and Central Depository Services (India) Limited.

**xvi. Plant Locations**

The Company is a public financial institution and it does not have any plant location(s).

However, apart from the Registered Office at New Delhi and Corporate Office at Gurugram, Haryana, the Company has various regional offices and State offices across the country and a Training Institute at Hyderabad viz. REC Institute of Power Management and Training (RECIPMT), details of which are appearing at the end of this Annual Report.

**xvii. Corporate Identification Number (CIN)**

The CIN of the Company is L40101DL1969GOI005095.

**xviii. Address for Correspondence**

The addresses and contact details for correspondence with the Company are:

**Registered Office**

REC Limited  
Core-4, SCOPE Complex, 7, Lodhi Road, New Delhi-110003, India  
Tel: +91-11-4309 1500/1501, Fax: +91-11-2436 0644  
Email: [contactus@recl.in](mailto:contactus@recl.in)

**Corporate Office**

REC Limited  
Plot no. I-4, Sector 29, Near IFFCO Chowk Metro Station, Gurugram, Haryana-122001, India  
Tel: +91-124-444 1300  
Email: [contactus@recl.in](mailto:contactus@recl.in)

**xix. Corporate Website**

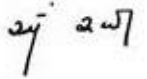
The corporate website of the Company is [www.recindia.nic.in](http://www.recindia.nic.in).

**xx. Compliance Officer and Public Spokesperson**

The name and contact details of Compliance Officer and Public Spokesperson of the Company are:

Shri J.S. Amitabh  
Executive Director & Company Secretary  
Tel: +91-124-444 1300  
E-mail: [complianceofficer@recl.in](mailto:complianceofficer@recl.in), [jsamitabh@recl.in](mailto:jsamitabh@recl.in)

For and on behalf of the Board of Directors



Sanjay Malhotra  
Chairman and Managing Director  
DIN: 00992744

Place : New Delhi  
Date : August 5, 2021

