



Smt. Parminder Chopra was a special invitee to the Audit Committee meeting held on February 4, 2022. The maximum gap between any two meetings of the Audit Committee was not more than 120 days.

The quorum for meetings of Audit Committee is two members or one third of the total number of members, whichever is greater, with at least two Independent Directors present (after re-constitution). Further, Director (Finance), Head of Internal Audit function and representatives of Statutory Auditors of the Company are also invited to the meetings of the Audit Committee. The Company Secretary acts as Secretary to the Committee.

All present and erstwhile members of the Audit Committee are financially literate and at least one member of the Audit Committee had accounting or related financial management expertise. Further, the then Chairperson of Audit Committee was present at the last AGM held on September 24, 2021, to answer the queries of shareholders.

3.2 Nomination & Remuneration Committee

REC being a Central Public Sector Enterprise (CPSE), as per the Articles of Association of the Company, the appointment, tenure and remuneration of CMD, Whole-time Directors and other Directors are decided by the President of India and communicated by the administrative ministry i.e., MoP.

The Company has constituted a Nomination & Remuneration Committee (NRC) 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 NRC, 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.

For some part of the year under review, the NRC could not be constituted in compliance of the applicable statutory provisions, due to absence of Independent Directors on the Board. However, after appointment of Independent Directors, the NRC has been re-constituted in compliance of the applicable statutory provisions.

During the year under review, the NRC met 3 (three) times. The composition of NRC as on March 31, 2022 and details of attendance at its meetings held during the year, were as under:

Sl. no.	Name of the Director	Position in the Committee	Meetings and attendance of NRC			Total number of meetings		
			7-Dec-2021	4-Feb-2022	21-Mar-2022	Held during tenure	Attended by Director	% of attendance
1	Dr. Manoj Manohar Pande Independent Director	Chairperson w.e.f. 7-Dec-2021				3	3	100
2	Dr. Gambheer Singh Independent Director	Member w.e.f. 7-Dec-2021				3	3	100
3	Dr. Durgesh Nandini Independent Director	Member w.e.f. 30-Dec-2021	N.A.			2	2	100
4	Shri Praveen Kumar Singh PFC Nominee Director	Member during 7-Dec-2021 to 30-Dec-2021		N.A.	N.A.	1	1	100

Present in person Present through video conferencing N.A. Not Applicable

The quorum for meetings of NRC is two members, including the Chairperson of the Committee. Further, Director (Finance), Director (Technical) and Executive Director (HR) / Head of Division (HR), are also standing invitees to the meetings of NRC. The Company Secretary acts as the Secretary to the Committee.

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. The performance evaluation of Non-Executive Directors of the Company was carried out by the administrative ministry, as per its internal guidelines. Moreover, the Company enters into Memorandum of Understanding (MoU) for the financial year with its holding company, PFC, the key parameters of which are finalized in consultation with the MoP. The performance of the Company is evaluated *vis-à-vis* the MoU parameters, as per the framework prescribed under MoU Guidelines issued by DPE.

Being a CPSE, the remuneration of functional directors, key managerial personnel and other employees of the Company including senior management personnel, is determined as per the extant guidelines on pay, perquisites, allowances etc. issued by the Department of Public Enterprises (DPE) and/or Government of India from time to time. Non-executive Directors (including Independent Directors) are eligible to receive sitting fees for attending the meetings of Board or Committees thereof, which is within the limits prescribed under the Companies Act, 2013. The Government Nominee Director is not entitled to receive any sitting fees

from the Company, as per the norms of Government of India. On recommendation of the NRC, the Board has adopted a Policy on, *inter-alia*, remuneration of Directors, KMP and senior management personnel, which is available at <https://recindia.nic.in/uploads/files/Amended---Policy-on-Board-Diversity--Other-matters-dt-150722.pdf>.

Details regarding remuneration paid to Functional Directors and Key Managerial Personnel (KMPs) of the Company during the financial year 2021-22, are given below:

(Amount in ₹)

Sl. no.	Name & Designation	Salary & Allowances	Performance Linked Incentive	Perquisites	Other Benefits included in Form 16	Leave Encashment	CPF Contribution	Pension Fund Contribution	Total
1	Shri Sudhir Kumar Gangadhar Rahate CMD w.e.f. 22-Feb-2022	-	-	-	-	-	-	-	-
2	Shri Sanjay Malhotra CMD upto 10-Feb-2022	32,21,518	-	-	67,492	-	-	-	32,89,010
3	Shri Sanjeev Kumar Gupta Director (Technical) upto 31-Oct-2021	26,50,732	25,43,826	14,11,164	12,635	20,83,661	2,48,979	53,832	90,04,829
4	Shri Ajoy Choudhury Director (Finance)	51,41,004	29,52,525	1,44,681	1,48,820	-	4,18,076	1,44,250	89,49,356
5	Shri J. S. Amitabh Executive Director & Company Secretary	51,24,085	32,52,409	35,909	31,477	-	4,16,718	1,44,113	90,04,711

Notes:

- Shri Sudhir Kumar Gangadhar Rahate was holding additional charge of CMD during February 22, 2022 to May 9, 2022, while serving as Additional Secretary in the Ministry of Power, Government of India. No remuneration was paid to him by REC.
- Shri Sanjay Malhotra was CMD of the Company upto February 10, 2022. His remuneration details have been reported for the said period only.
- Shri Sanjeev Kumar Gupta, Director (Technical), superannuated from the services of the Company on October 31, 2021. Accordingly, his remuneration details are reported for the period April 1, 2021 to October 31, 2021.
- 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 2021-22, 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.
- 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 fee 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 2021-22, the details of remuneration paid to Non-Executive Directors towards sitting fee (excluding GST), were as under: -

(Amount in ₹)

Sl. no.	Name of Non-Executive Director	Sitting fee		Total
		Board meetings	Committee meetings	
1	Shri Vishal Kapoor Government Nominee Director w.e.f. 7-Sep-2021	-	-	-
2	Shri Tanmay Kumar Government Nominee Director upto 7-Sep-2021	-	-	-
3	Dr. Gambheer Singh Independent Director w.e.f. 15-Nov-2021	1,20,000	3,60,000	4,80,000



(Amount in ₹)

Sl. no.	Name of Non-Executive Director	Sitting fee		Total
		Board meetings	Committee meetings	
4	Dr. Manoj Manohar Pande Independent Director w.e.f. 15-Nov-2021	1,20,000	3,30,000	4,50,000
5	Dr. Durgesh Nandini Independent Director w.e.f. 30-Dec-2021	80,000	1,50,000	2,30,000
6	Smt. Parminder Chopra PFC Nominee Director w.e.f. 4-Feb-2022	-	-	-
7	Shri Praveen Kumar Singh PFC Nominee Director upto 31-Jan-2022	3,60,000	4,20,000	7,80,000
	Total	6,80,000	12,60,000	19,40,000

Note:

The Nominee Director of PFC is entitled to receive sitting fee for attending the Board and/or Committee meetings of REC, which is paid to PFC. During the year under review, such fee has been paid in respect of Board & Committee meetings attended by Shri Praveen Kumar Singh. However, after appointment of Smt. Parminder Chopra, PFC has sent a communication that no sitting fee be paid in connection with Board or Committees meetings of REC attended by her.

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 the meetings of the Board or Committees thereof.

3.3 Stakeholders Relationship Committee

The Company has constituted a Stakeholders Relationship Committee (SRC), in terms of the provisions of Section 178

of the Companies Act, 2013, Regulation 20 of SEBI LODR Regulations and other applicable laws. The SRC looks specifically into the redressal of requests, complaints or grievances from various security holders including shareholders and debenture-holders, such as non-receipt of dividend credit / warrants, non-receipt of interest on debentures etc.

For some part of the year under review, the composition of SRC could not be in compliance of the applicable statutory provisions, due to absence of Independent Directors on the Board. For such period, the Company had constituted its SRC with Non-Executive Directors to the extent possible. However, after appointment of Independent Directors, the SRC has been re-constituted in compliance of the applicable statutory provisions.

During the year under review, the SRC met 3 (three) times. The composition of SRC as on March 31, 2022 and details of attendance at its meetings held during the year, were as under:

Sl. no.	Name of the Director	Position in the Committee	Meetings and attendance of SRC			Total number of meetings		
			28-May-2021	4-Aug-2021	28-Oct-2021	Held during tenure	Attended by Director	% of attendance
1.	Dr. Durgesh Nandini Independent Director	Chairperson w.e.f. 4-Feb-2022	N.A.	N.A.	N.A.	Nil	N.A.	N.A.
2.	Shri Praveen Kumar Singh PFC Nominee Director	Chairperson upto 31-Jan-2022	☑	☑	☑	3	3	100
3.	Dr. Manoj Manohar Pande Independent Director	Member w.e.f. 7-Dec-2021	N.A.	N.A.	N.A.	Nil	N.A.	N.A.
4.	Shri Ajoy Choudhury Director (Finance)	Member	☑	☑	☑	3	3	100
5.	Shri Sanjeev Kumar Gupta Director (Technical)	Member upto 31-Oct-2021	☑	☑	☑	3	3	100

☑ Present in person ☑ Present through video conferencing N.A. Not Applicable

The Chairperson of SRC was Shri Praveen Kumar Singh (till January 31, 2022), followed by Dr. Durgesh Nandini (w.e.f. February 4, 2022), both Non-executive Directors. 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 quorum for meetings of SRC 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 SRC. The then Chairperson of the Committee, was present at the last AGM of the Company held on September 24, 2021, to answer the queries of security holders.

Requests & grievances of shareholders / debenture-holders

To promptly redress the requests & grievances of shareholders, debenture-holders etc., the Company has established a three-tier mechanism i.e., support service from the respective

Registrars, in-house investor cell and direct supervision by the SRC, which has resulted in timely resolution of all requests & grievances.

The Company attends to all investor requests & grievances promptly and on an expeditious basis, to the satisfaction of the investors. A quarterly update on the status of investor requests & grievances is filed with the Stock Exchanges and also placed before the Board. Pursuant to Regulation 13(3) of SEBI LODR Regulations, the status of shareholders' / investors' requests & grievances for the financial year 2021-22 was as under:

Particulars of requests / grievances	Equity Shares	Listed debt securities	Total
Pending as on 1-Apr-2021	0	0	0
Received during the financial year	4,670	1,397	6,067
Disposed of during the financial year	4,667	1,397	6,064
Remaining unresolved as on 31-Mar-2022	*3	0	*3

*The said 3 requests / grievances remaining unresolved as on March 31, 2022, have since been resolved.

Investors can lodge their complaints or grievances on SCORES (SEBI Complaints Redressal System), which is a web-based complaints redressal system. The status of every complaint and Action Taken Report (ATR) thereon can be viewed online, and if required, the investor can send reminder for the complaints. Through this system, the investors are also 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.

Sl. no.	Name of the Director	Position in the Committee	Meetings and attendance of RMC		Total number of meetings		
			19-Jul-2021	7-Jan-2022	Held during tenure	Attended by Director	% of attendance
1	Dr. Gambheer Singh Independent Director	Chairperson w.e.f. 7-Dec-2021	N.A.	☑	1	1	100
2	Shri Praveen Kumar Singh PFC Nominee Director	Chairperson upto 6-Dec-2021	☑	N.A.	1	1	100
3	Dr. Manoj Manohar Pande Independent Director	Member w.e.f. 7-Dec-2021	N.A.	☑	1	1	100
4	Shri Ajoy Choudhury Director (Finance)	Member	☑	☑	2	2	100
5	Shri Sanjeev Kumar Gupta Director (Technical)	Member upto 31-Oct-2021	☑	N.A.	1	1	100

☑ Present in person ☑ Present through video conferencing N.A. Not Applicable

The Company has appointed a Chief Risk Officer (CRO) as prescribed by RBI. The CRO acts as the convener to RMC.

The quorum for meetings of RMC is three members, including the Chairperson of the Committee. Further, Executive Director

An investor, who is not familiar with SCORES or does not have access to SCORES, can lodge a complaint in physical form, or write to the Company at complianceofficer@recl.in.

3.4 Risk Management Committee

The Risk Management Committee (RMC) 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 RMC 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.

For some part of the year under review, the composition of RMC was not in compliance of the applicable statutory provisions, due to absence of Independent Directors on the Board. For such period, the Company had constituted its RMC with Non-Executive Directors to the extent possible. However, after appointment of Independent Directors, the RMC was reconstituted in compliance of the applicable statutory provisions.

During the financial year 2021-22, the RMC met 2 (two) times. The composition of RMC as on March 31, 2022 and details of attendance at its meetings held during the year, were as under:

(Finance-Resources), Executive Director (Private Sector Project Management), Executive Director (State Operations) and Chief General Manager / Executive Director (Asset Liability Management) Division are standing invitees to the meetings of the RMC.