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ANNUAL REPORT 2008 - 09



आरईसी  
REC

असीमित ऊर्जा, अनन्त संभावनाएं  
Endless energy. Infinite possibilities.

## Company Information

### CORPORATE OFFICE

**Shri P. Uma Shankar**  
Chairman & Managing  
Director

**Shri H.D. Khunteta**  
Director (Finance)

**Shri Guljit Kapur**  
Director (Technical)

**Shri Rajesh Verma**  
Chief Vigilance Officer

**Shri Rama Raman**  
Executive Director  
(T&D/Admn)

**Shri Vinod Behari**  
Executive Director  
(HR)

**Shri B.P. Yadav**  
Executive Director  
(IA / IT)

**Shri Kamal Dayani**  
Executive Director  
(RGGVY)

**Shri V.K. Arora**  
General Manager  
(Finance)

**Shri B.R. Raghunandan**  
General Manager &  
Company Secretary

**Shri P.J. Thakkar**  
General Manager  
(RGGVY)

**Shri Subodh Garg**  
General Manager  
(DDG/HR)

**Shri D.S. Ahluwalia**  
General Manager  
(Finance)

**Shri Ajeet Kumar Agarwal**  
General Manager  
(Finance)

**Shri Ashok Awasthi**  
General Manager  
(IC & D/CP/BD/P&C/Admn.)

**Shri Sanjiv Garg**  
General Manager  
(Generation)

**Shri Sunil Kumar**  
General Manager  
(RGGVY)

**Shri S.N. Gaikwad**  
General Manager  
(Generation)

**Shri R.K. Mittal**  
General Manager  
(Law)

### ZONAL OFFICES

Western Zone, Mumbai  
**Shri Rakesh Arora**  
Zonal Manager

Central Zone, Jabalpur  
**Shri Dinesh Kumar**  
Zonal Manager

Northern Zone, Panchkula  
**Shri V.K. Sharma**  
Zonal Manager

Eastern Zone, Kolkata  
**Shri S. Ghosh Dastidar**  
Zonal Manager

East Central Zone, Lucknow  
**Shri K.D. Chaudhary**  
Zonal Manager

Southern Zone, Hyderabad  
**Ramesh Kode**  
Zonal Manager

### REGISTERED OFFICE

Core-4 SCOPE Complex, 7, Lodhi Road, New Delhi-110003  
Tel: 91 11 24365161, Fax: 91 11 24360644, E-mail: [reccorp@recl.nic.in](mailto:reccorp@recl.nic.in)  
Website: [www.karvy.com](http://www.karvy.com)

### COMPANY SECRETARY

Shri B.R. Raghunandan

### REGISTRAR & SHARE TRANSFER AGENT

Karvy Computershare Private Limited  
Plot 17 to 24, Vittalrao Nagar, Madhapur, Hyderabad - 500081, India, Tel: 91 40 23420815-824  
Fax: 91 40 23420814, E-mail: [einward.ris@karvy.com](mailto:einward.ris@karvy.com), Website: [www.karvy.com](http://www.karvy.com)

### SHARES LISTED AT

National Stock Exchange of India Limited      Bombay Stock Exchange Limited

### DEPOSITORIES

National Securities Depository Limited      Central Depository Services (India) Limited

### STATUTORY AUDITORS

G.S. Mathur & Co.  
Chartered Accountants

### BANKERS

Reserve Bank of India  
State Bank of India  
State Bank of Hyderabad  
Vijaya Bank  
Dena Bank

Corporation Bank  
HDFC Bank  
ICICI Bank  
IDBI Bank  
Syndicate Bank

Bank of India  
Standard Chartered Bank  
Axis Bank  
Kotak Mahindra Bank  
Union Bank of India

### SUBSIDIARY COMPANIES OF REC

REC Transmission Projects Company Limited  
REC Power Distribution Company Limited  
North Karanpura Transmission Company Limited  
Talcher II Transmission Company Limited

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## PERFORMANCE HIGHLIGHTS

### CONSISTENT GROWTH OVER 10 YEARS

Particulars	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03	2001-02	2000-01	1999-00
<b>RESOURCES</b>										
(at the end of the year)										
Equity Capital (Rs. Lacs)	85866	85866	78060	78060	78060	78060	78060	78060	73060	68060
<b>BORROWINGS</b> (Rs. Lacs)										
From Govt. of India	6474	8192	10048	11997	14017	118336	220341	480947	566779	559894
By issue of bonds	3263148	2408962	2248372	1675724	1360591	1197511	1049404	671927	372068	277573
From LIC	335000	350000	350000	350000	350000	150000	—	—	—	—
Foreign currency borrowings	149368	104845	87209	—	—	—	—	—	—	—
Commercial Papers	129500	-	-	-	-	-	-	-	-	-
Other Banks	610105	556280	332471	366200	213200	44000	20000	21000	—	—
Reserves & Surplus (Net)	533142	450904	323211	341773	299830	248377	208105	168570	141769	121105
<b>FINANCING OPERATIONS</b>										
(During the year) (Rs. Lacs)										
Number of projects approved	506	881	748	661	1523	1322	1060	979	1301	1379
Financial assistance sanctioned	*4074584	*4676976	*2862985	*1659689	1631636	1597791	1212534	676394	630809	467820
Disbursements	2227786	1630370	1373299	800658	788509	601704	660664	472193	410922	305105
Repayments by borrowers	511936	560024	403444	350646	468324	358732	471594	266998	216262	155259
Outstanding at the end of the year	5065281	3861483	3126218	2456368	2106218	1830470	1593565	1418534	1218919	1029368
<b>ACHIEVEMENTS</b>										
<b>Villages electrified</b>										
During the year	^48533	#38262	*40233	181	765	122	—	207	581	1996
Upto the end of the year	443207	394674	^356412	306010	305829	305064	304942	304942	304735	304154
<b>Pumpsets energised</b>										
During the year	188743	181244	174750	182239	175772	132914	134583	139917	206071	252877
Upto the end of the year	9110230	8921487	8740243	8565493	8383254	8207482	8074568	7939985	7800068	7593997
<b>Working Results</b>										
(For the year) (Rs. Lacs)										
Total income	493128	353766	285399	224506	230209	199671	205389	166466	141961	129401
Personnel & Admn. Expenses	10924	11110	6416	5770	4434	4659	5866	4972	3141	2544
Interest on borrowings	288735	206365	174089	133913	120475	114220	120274	109879	93216	79189
Depreciation	136	139	113	110	115	103	104	151	621	623
Profit Before Tax	192011	131242	100619	82983	103665	80154	76663	50120	44647	41936
Provision for Tax	64803	45228	34593	19232	23590	18915	18811	11355	10958	10502
Profit After Tax	127208	86015	66026	63751	80075	61239	57852	38765	33690	31434
Dividend on Equity	38640	25760	17700	19126	23450	18300	17400	12000	6700	5000
<b>Net Worth</b>	619008	536771	401271	419833	377890	326437	286165	246630	214829	189165

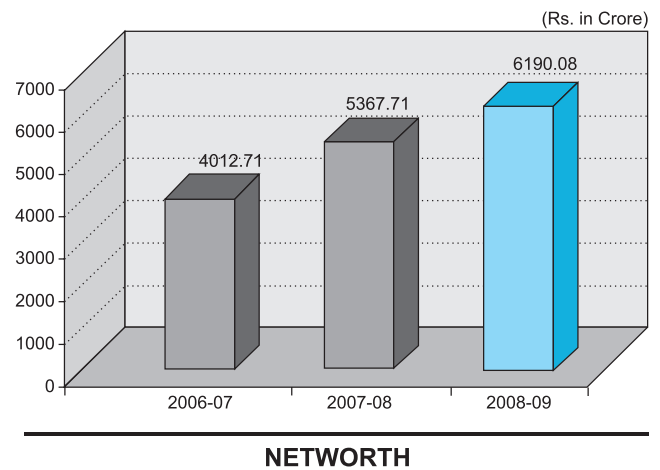
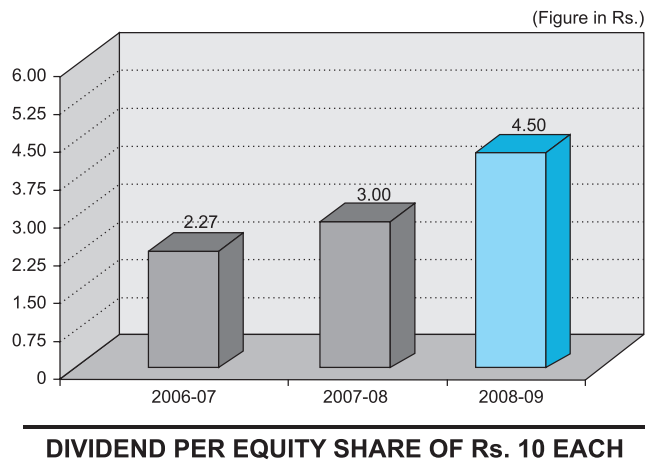
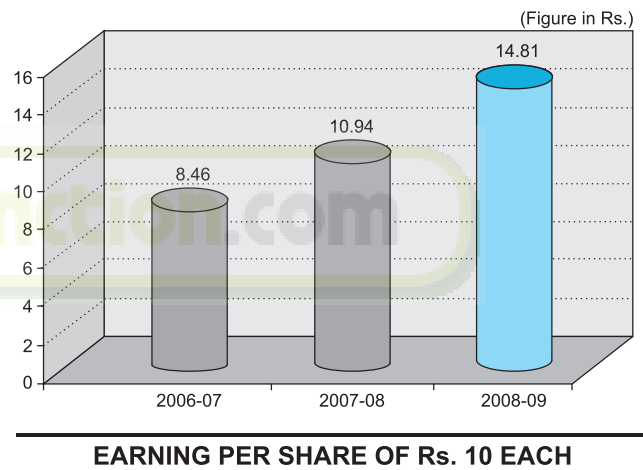
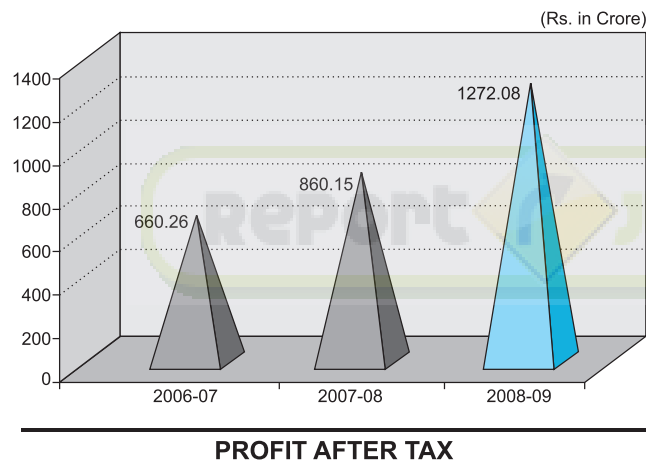
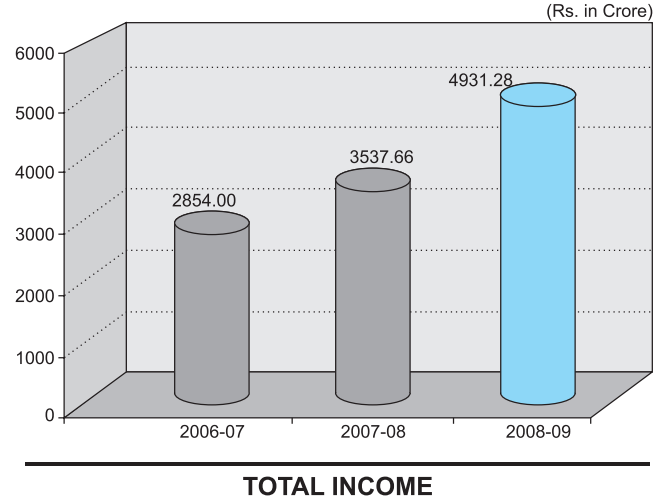
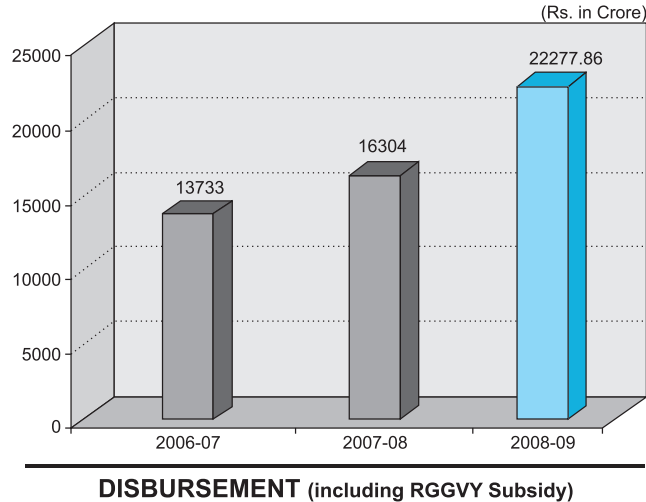
\* Excluding subsidy under RGGVY.

^ The number of villages where electricity works completed during the year 2008-09 under RGGVY. This includes intensive electrification of 36477 villages

# The number of villages where electricity works completed during the year 2007-08 under RGGVY. This includes intensive electrification of 28961 villages.

+ The no. of villages where electrification works completed during the year 2006-07 under RGGVY. This includes intensive electrification of 11,527 villages.

^ Works in 10,169 villages (including intensive electrification in 350 electrified villages) completed under RGGVY during 2005-06 are also included.





## Mission & Objectives

### MISSION

- To facilitate availability of electricity for accelerated growth and for enrichment of quality of life of rural and urban population.
- To act as a competitive, client-friendly and development oriented organisation for financing and promoting projects covering power generation, power conservation, power transmission and power distribution network in the country.

### OBJECTIVES

In furtherance of the Mission, the main objectives to be achieved by the Corporation are:

- To promote and finance projects aimed at integrated system improvement, power generation, promotion of decentralized and non-conventional energy sources, energy conservation, renovation and maintenance, power distribution with focus on pumpset energisation, implementation of Rajiv Gandhi Grameen Vidyutikaran Yojana, a Government of India scheme for rural electricity infrastructure and household electrification.
- To expand and diversify into other related areas and activities like financing of decentralised power generation projects, use of new and renewable energy sources, consultancy services, transmission, sub-transmission and distribution systems, renovation, modernisation & maintenance etc. for optimization of reliability of power supply to rural and urban areas including remote, hill, desert, tribal, riverine and other difficult/remote areas.
- To mobilise funds from various sources including raising of funds from domestic and international agencies and sanction loans to the State Electricity Boards, Power Utilities, State Governments, Rural Electric Cooperatives, Non-Government Organisations (NGOs) and private power developers.
- To optimise the rate of economic and financial returns for its operations while fulfilling the corporate goals viz
  - (i) laying of power infrastructure;
  - (ii) power load development;
  - (iii) rapid socio-economic development of rural and urban areas, and
  - (iv) technology up-gradation.
- To ensure client satisfaction and safeguard customers' interests through mutual trust and self respect within the organisation as well as with business partners by effecting continuous improvement in operations and providing the requisite services.
- To assist State Electricity Boards/Power Utilities/State Governments, Rural Electric Cooperatives and other loanes by providing technical guidance, consultancy services and training facilities for formulation of economically and financially viable schemes and for accelerating the growth of rural and urban India.

## Chairman's letter to Shareholders



Ladies and Gentlemen,

I am pleased to extend a very warm welcome to all of you on the occasion of the Fortieth Annual General Meeting of the Company.

### ECONOMIC ENVIRONMENT

The global environment entered a crisis phase in mid-September-2008 following growing distress among large international financial institutions. The knock-on effect of the unprecedented global developments became evident in the macroeconomic performance of the Indian economy, as it experienced some loss of growth momentum with major drivers witnessing moderation. However, the fiscal stimulus along with other committed expenditures of the Government could arrest the moderation in growth to a great extent. Notwithstanding several challenges, particularly from the global economy, the Indian economy remained relatively resilient; its financial institutions and private corporate sector remained sound and solvent. Further, the macroeconomic

management helped in maintaining lower volatility in both the financial and real sectors in India when compared to several other advanced and emerging market economies.

### POWER SECTOR

Power Sector is one of the key constituents of infrastructure required for overall growth of the economy. While there was some decline in the rate of growth of Indian economy in the financial year 2008-09, owing to the global economic crisis, the Power Sector remained less affected when compared to other segments of the economy, and the ability of the borrowers in mobilizing capital and debt for new and ongoing projects continued to remain stable.

In the year 2008-09, the electricity generation grew by 2.71% from 704.45 Billion Units (BU) to 723.56 BU, whereas during the same period the requirement grew from 739.35 BU to 774.32 BU. The annual energy shortage increased to 11% from 9.9% in the previous year. The peak shortage however declined to 12% in the year 2008-09 from 16.6% in the previous year. The gross electricity requirement by the end of the Eleventh Plan as projected by the Working Group on Power is 1038 BU and peak demand estimation is 151000 MW. To fulfil the estimated electricity demand requirement, the target for capacity addition during the Eleventh Plan is kept at 78577 MW. The capacity addition during the Twelfth Plan is expected to be even higher.

Government of India estimates for investments in the Power Sector, in order to meet the required targets for Eleventh Plan, stand at Rs.10316 Billion which includes funds required for adding power generation capacity, R&M of existing power plants, expansion and upgradation of transmission and distribution infrastructure, decentralized distributed generation etc.

The three key components which drive the Power Sector are Generation, Transmission and Distribution. The total requirement of funds for generation projects, during the Eleventh Plan period is estimated at Rs.4,108,960 million, with Rs.2,020,670 million for the central sector, Rs.1,237,920 million for the state sector and Rs.850,370 million for the private sector. Investments for transmission system development and related schemes during the Eleventh Plan period is estimated at Rs.1,400,000 million, with Rs.750,000 million for the central sector and Rs.650,000 million for the state sector. The total fund requirement for sub-transmission and distribution systems development for urban as well as rural areas during the Eleventh Plan period is estimated at Rs.2,870,000 million inclusive of APDRP and RGGVY schemes.

The opportunities for financing power infrastructure projects in the coming years are thus colossal and your Company will have a sizable share in funding these power projects. Besides, as a nodal agency for monitoring and channelizing funds under the RGGVY programme, your Company continues to take up the socio-economic responsibility of village electrification and contribute to the mission of "Power for all by 2012".

### PERFORMANCE HIGHLIGHTS

Your Company continued to register higher growth and record performance for the year 2008-09 under review, in key areas of Disbursements of Loans, Recoveries, Operating Income and Profits. A total sum of Rs.22277.86 Crore was disbursed during the year 2008-09, up by 37%, as against Rs.16304 Crore in the previous year, including subsidy under RGGVY. A sum of Rs.9796.97 Crore was recovered during the year as against Rs.9042 Crore in the previous year. The Operating Income went up to Rs.4757.17 Crore, up by 41%, from Rs.3378.21 in the previous year. The Profit before Tax was Rs.1920.11 Crore, up by 46%, as against Rs.1312.42 Crore in the previous year. The Profit after Tax was Rs.1272.08 Crore, up by 48%, as against Rs.860.15 Crore in the previous year.

Your directors have recommended payment of final dividend of Rs.2.50 per share for the year 2008-09, in addition to interim dividend of Rs.2 per share paid in March 2009. The total dividend for the year 2008-09 would work out to Rs.4.50 per share, up by 50%, as against Rs.3 per share paid for the previous year.

### RESOURCE MOBILISATION

Your Company mobilized Rs.14,895 Crore from the market during the year 2008-09. This included loans from commercial banks, issue of Capital Gain Tax Exemption Bonds, Non-priority Sector Bonds and Commercial Paper, Official Development Assistance (ODA) loan from Kreditanstalt für Wiederaufbau (KfW), Germany and Japan International Cooperation Agency (JICA). The domestic debt instruments of the Company continued to enjoy "AAA" rating - the highest credit rating assigned by CRISIL, CARE, FITCH & ICRA. Your Company also enjoys international credit rating equivalent to sovereign rating of India from International Credit Rating Agency Moody's and FITCH which is "Baa3" and "BBB-" respectively.

Your Company has been promptly servicing and repaying loans taken from the lending agencies as well as from the Government of India. The Company has also been promptly redeeming the Bonds on maturity and it has also been pre-paying some high cost loans and Bonds to contain the overall cost of borrowings.

In order to meet the growing demand for funding of power projects in the Eleventh Plan period, the Company is scaling up its borrowing programme from domestic and international lending agencies.

#### FINANCING GENERATION

During the year 2008-09, the Company sanctioned 20 Nos. new Generation/R & M loans and 3 Nos. additional loan assistance with total financial outlay of Rs.21525.31 Crore, including consortium financing with other financial institutions, and disbursed Rs.7850.56 Crore against the on-going projects. Since 2002-03 and upto 31-3-2009, your Company has sanctioned financial assistance of Rs.79527 Crore for R & M, thermal and hydro generation projects.

#### FINANCING TRANSMISSION & DISTRIBUTION

Your Company continued to play an active role in creating new infrastructure and improving the existing ones under the transmission and distribution network in the country. In line with the national objective of providing power for all by the year 2012 and also reduce the AT & C losses, your Company has been financing schemes for expansion and strengthening of the transmission network and more importantly, modernizing of the distribution system. During the year 2008-09, the Company sanctioned a total sum of Rs.16037.24 Crore and disbursed a total sum of Rs.6687.33 Crore for Transmission and Distribution projects.

#### FINANCING OF DECENTRALISED DISTRIBUTED GENERATION (DDG)

Upto 31-3-2009, your Company has sanctioned 21 DDG projects with a total loan amount of Rs.628.87 Crore and disbursed Rs.347.08 Crore. Out of 21 projects, 8 projects have been commissioned covering 36.60 MW and balance 13 projects covering 152.70 MW are under implementation.

#### RGGVY

Under the Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY), launched by the Government of India in April 2005, for the attainment of the National Common Minimum Programme goal of providing access to electricity to all households in five years, your Company is appointed as the nodal agency for overseeing the ambitious programme. Under this RGGVY programme, cumulatively up to 31-03-2009, works in 1,37,488 villages (59882 un-electrified and 77606 electrified villages) have been completed and connections to 53.78 lakh BPL households have been released. During the year 2008-09, the Company disbursed a total sum of Rs.5699.97 Crore including Government Subsidy of Rs.5120.52 Crore and Loan component of Rs.579.45 Crore.

#### SUBSIDIARY COMPANIES

REC Transmission Projects Company Ltd. (RECTPCL), which is a wholly owned subsidiary of your Company, was mandated the implementation of two transmission projects by Ministry of Power, Govt. of India, through tariff based bidding. These two projects are for system strengthening in northern and western region for import of power from North Karanpura & other projects and augmentation of Talcher-II transmission system. These projects shall be implemented on Build, Own, Operate and Maintain (BOOM) basis following two stage process of Request for Qualification (RFQ) and Request for Proposal (RFP). Two project-specific SPVs namely North Karanpura Transmission Company Ltd. (NKTCL) and Talcher II Transmission Company Ltd. (TTCL) have been formed for development of the above two projects. These SPVs would be merged with the Transmission Service provider of the Transmission system after the developer is granted a license by the CERC. After processing RFQ and shortlisting, six bidders have been issued letters for issuance of RFP.

REC Power Distribution Company Ltd. (RECPDCL), another wholly owned subsidiary of your Company, has secured orders from 13 Discoms and 4 RE co-operative societies for undertaking third party quality monitoring, supervision and inspection of the village electrification work awarded on turnkey basis under RGGVY covering approximately 34,934 villages in 71 districts of 9 states with a cumulative project cost of about Rs.1868 Crore. On completion of these projects, RECPDCL would get a consultancy fee of about Rs.31 Crore. During the year 2008-09, RECPDCL has been able to generate an Income of Rs.5.27 Crore and Profit after Tax of Rs.1.42 Crore and declared 100% Dividend on the paid-up capital of Rs.5 Lakh.

#### CORPORATE GOVERNANCE

Your Company has been complying with the requirements of Corporate Governance as stipulated in the Listing Agreement and also the provisions notified by the Department of Public Enterprises, Government of India in this regard. The Company has obtained a Certificate from the Statutory Auditors - M/s G.S.Mathur & Co. regarding compliance of conditions of Corporate Governance as per Listing Agreement.

#### MOU WITH THE MINISTRY OF POWER

The performance of the Company in terms of Memorandum of Understanding signed with the Government of India, Ministry of Power, for the financial year 2007-08 has been rated as 'Excellent' for the 15th year in succession. The Company has met all the targets against MOU for the year 2008-09 also, and its performance is poised for 'Excellent' Rating.

#### ERP

Your Company is implementing an integrated Oracle based ERP system covering all major business functions. This is being implemented by M/s Tata Consultancy Services (TCS) under the consultancy of Management Development Institute (MDI), Gurgaon. IIT, Delhi has been



working as Technical consultant for IT infrastructure. Data Migration has been completed and GO-LIVE has been achieved for most of the functional modules. As a part of implementation of IT infrastructure for ERP operation, Commissioning of ERP Data Centre and MPLS-VPN based Wide Area Network (WAN), for interconnecting all offices of REC, has been completed.

#### HUMAN RESOURCE DEVELOPMENT

Training and HRD continued to receive its due priority during the year and your Company remained committed to employee development by investing in training and entry level recruitment of executives to infuse fresh blood. In order to develop global exposure, several officers were deputed abroad to attend various training and development programmes.

#### CENTRAL INSTITUTE FOR RURAL ELECTRIFICATION (CIRE)

CIRE was established by the Company at Hyderabad 30 years ago to cater to the training and development needs of engineers and managers of Power and Energy Sector and other organizations concerned with Power and Energy. CIRE conducts regular programmes on various aspects of Transmission and Distribution of Power Sector.

During the year 2008-09, CIRE conducted as many as 98 Programmes, including 6 International Training Programmes sponsored by Ministry of External Affairs, Government of India, and trained in all 2767 participants. This is the best achievement of CIRE since its inception in 1979.

#### LOOKING AHEAD


The power sector will continue to provide one of the biggest avenues to participate in the development of India's infrastructure. The demand for power and the associated transmission and distribution systems is likely to be higher than what most current estimates show. Your Company is confident of making all efforts to maintain the growth rate and profitability by taking full advantage of buoyancy in the power sector and at the same time continue to make significant contribution to the development of power infrastructure in the country.

#### ACKNOWLEDGEMENTS

I am deeply grateful to the immense support and guidance received for the Company from the Hon'ble Minister for Power, the Hon'ble Minister of State for Power, the Secretary (Power), the Joint Secretary (Rural Electrification) and other officers in the Ministry of Power. I am also grateful to the officers in the Ministry of Finance, Planning Commission and the Reserve Bank of India, the Comptroller & Auditor General of India and the Statutory Auditors of the Company for all their support and guidance extended in ensuring smooth and successful operations of the Company. I extend my special thanks to my colleagues on the Board for their valuable guidance and support in achieving excellent performance of the Company. I take this opportunity to acknowledge the hard work, dedication and commitment by the officers and staff of the Company at all levels.

I convey my special thanks to all the other stakeholders of the Company for extending their valuable support and cooperation, and reposing continued confidence in the Company's performance.

With best wishes,

  
(P. Uma Shankar)  
Chairman & Managing Director

## NOTICE

Notice is hereby given that the Fortieth Annual General Meeting of the Rural Electrification Corporation Limited will be held at 11.00 A.M. on Saturday, the 19<sup>th</sup> September, 2009 at Air Force Auditorium, Subroto Park, Dhaura Kuan, New Delhi-110010 to transact the following business:-

### ORDINARY BUSINESS

- 1) To receive, consider and adopt the audited Balance Sheet as at 31<sup>st</sup> March, 2009 and Profit and Loss Account for the Financial Year ended on that date along with the Report of the Board of Directors and Auditors thereon.
- 2) To declare Final Dividend for the Financial Year 2008-09.
- 3) To appoint a Director in place of Dr. M. Govinda Rao, Director, who retires by rotation and being eligible, offers himself for re-appointment.
- 4) To appoint a Director in place of Shri P.R. Balasubramanian, Director, who retires by rotation and being eligible, offers himself for re-appointment.

### SPECIAL BUSINESS

- 5) To consider and, if thought fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution**:-  
“**RESOLVED THAT** Shri Guljit Kapur be and is hereby appointed as Director of the Company w.e.f. 1<sup>st</sup> December, 2008, whose period of office shall be liable to determination by retirement of Directors by rotation.”
- 6) To consider and, if thought fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution**:-  
“**RESOLVED THAT** the consent of the Company be and is hereby accorded to the Board of Directors of the Company under the provisions of Section 293(1) (d) of the Companies Act, 1956 for increasing the total borrowing limit of the Company from Rs. 60,000 Crore (Rupees Sixty Thousand Crore only) to Rs. 75,000 Crore (Rupees Seventy Five Thousand Crore only) for the purpose of the business of the Company notwithstanding that the moneys to be borrowed, together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business), will exceed the aggregate of the paid-up capital of the Company and its free reserves.”
- 7) To consider and, if thought fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution**:-  
“**RESOLVED THAT** the consent of the Company be and is hereby accorded under the provisions of Section 293 (1) (a) of the Companies Act, 1956 to the Board of Directors of the Company to mortgage and / or create charge on all or any of the immovable and / or movable properties of the Company, both present and future, or the whole or substantially the whole of the undertaking or undertakings of the Company for securing loans upto a total amount of Rs. 75,000 Crore (Rupees Seventy Five Thousand Crore only) for the purpose of the business of the Company.”
- 8) To consider and if thought fit, to pass with or without modification (s) the following resolution as a **Special Resolution**:-  
“**RESOLVED THAT** in terms of Section 31 and other applicable provisions, if any, of the Companies Act, 1956, approval be and is hereby accorded for substitution of the existing Article 84 (2) of the Articles of Association of the Company reading as under:

#### Quote

“84. Without prejudice to the general powers conferred by preceding Articles and the other powers conferred by these Articles and subject to the provisions of Section 292, 293, 294 and 297 of the Act, the Directors shall have the following powers, that is to say powers:-

- (2) Work of Capital nature – to incur capital expenditure to the extent of Rs 300 crore or equal to the networth of the Corporation, whichever is lower without seeking approval of the Government of India.

#### Unquote

with the following revised Article:

#### Quote

“84. Without prejudice to the general powers conferred by preceding Articles and the other powers conferred by these Articles and subject to the provisions of Section 292, 293, 294 and 297 of the Act, the Directors shall have the following powers, that is to say powers:-

- (2) Work of Capital nature – to incur capital expenditure on purchase of new items or for replacement, without any monetary ceiling.

#### Unquote

By order of the Board of Directors



(B.R. Raghunandan)  
GM & Company Secretary

Registered Office:  
Core-4, SCOPE Complex, 7, Lodi Road,  
New Delhi-110003.

Dated: 27<sup>th</sup> July, 2009