



RURAL ELECTRIFICATION CORPORATION LTD.
(A Government of India Enterprise)

Core-4,
SCOPE Complex,
7, Lodi Road,
New Delhi-110003

Dated: 17.06.08

Office Order Part-III No.20

Sub: - REC Ltd. Corporate Social Responsibility Policy.

The Board of Directors in its 337th meeting held on 26th May 2008 has approved the Corporate Social Responsibility policy of REC.

A copy of the same is enclosed at **ANNEXURE-A** for information.

Sd/-
(Rajesh Raj)
Manager (HR)

No. 7/03/2008 /HR/D-III/ 1420

Encl: ANNEXURE-A

REC Ltd. CORPORATE SOCIAL RESPONSIBILITY POLICY

1.0 POLICY STATEMENT:

For achievement of its mission: -

“To facilitate availability of electricity for accelerated growth and for enrichment of quality of life of rural and urban population and to act as a competitive, client friendly and development oriented organization for financing and promoting projects covering Power Generation, Power conservation, Power Transmission and Power Distribution network in the country”

REC’s Corporate Social Responsibility Policy is

“To remain a responsible corporate entity mindful of its social responsibilities to all stakeholders including consumers, share holders, employees, local community and society at large”.

2.0 REC’S APPROACH TOWARDS CORPORATE SOCIAL RESPONSIBILITY

The approach of REC towards Corporate Social Responsibility would be oriented to identify and formulate projects in response to felt societal needs in diverse areas and to implement them with full involvement and commitment in a time bound manner. In cases where other agencies/organizations are involved, approach would be to focus on collaboration and partnership. It will act as an agency to ensure delivery of services satisfying strongly felt social and community needs rather than merely financing and funding of programmes. It will also provide financial assistance in the form of grant-in-aid assistance, interest free loans, corpus fund support and soft loan support etc.

3.0 AIMS AND OBJECTIVES

As a responsible corporate entity, Rural Electrification Corporation will consistently strive for opportunities to meet the expectation of its stake holders by pursuing the concept of sustainable development with focus on the following:-

1. To facilitate demonstration of commercially viable rural electricity delivery models with appropriate intervention and support on a selective basis such that they can be replicated elsewhere.
2. Promotion of rural enterprise and livelihood including skill development and training.
3. Providing development support to common facility centres / production centres in rural areas.
4. Promotion and development of rural technologies for micro enterprise promotion.

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5. Making sustained efforts for environmental preservation.
6. Promotion of sports and games.
7. Promotion of the development and well being of employees and their families.
8. Undertaking relevant community development programmes.
9. Supporting initiatives of vocational, technical and higher education to the most disadvantaged and marginalized section of the society.
10. To be a part of national/local initiatives to provide relief / rehabilitation in times of natural disaster/ calamities.

4.0 **ACTIVITIES UNDER CORPORATE SOCIAL RESPONSIBILITY**

REC would endeavor to adopt an integrated approach to address the community, societal & environmental concerns by taking up a range of the following activities:-

4.1 **MANDATORY CSR ACTIVITIES**

- i) To offer employment opportunity to members of, Scheduled Caste, Scheduled Tribes, Other Backward Classes, in conformity with various guidelines from Government of India as may be applicable from time to time.
- ii) To offer employment opportunity to persons who are physically challenged persons (suffering from various disabilities such as visual, orthopedic disability etc.) in compliance to various mandatory guidelines issued by Government of India as applicable from time to time.
- iii) To offer necessary social security benefits to the employees of the Corporation in the form of benefits under Contributory Provident Fund Scheme, payment of gratuity etc. as may be applicable from time to time under various statutory provisions or otherwise under companies policy
- iv) To offer necessary facilities to the employees and their dependent family members in the area of health and medical facilities including prevention of various diseases, disabilities etc. as may be outlined in various policies of the company or statutory provisions under various laws.
- v) To provide necessary measures of social security to women employees of the Corporation in terms of allowing maternity benefits as applicable under various statutory provisions or as may be decided by the Company from time to time.

4.2 **OPTIONAL CSR ACTIVITIES:**

4.2.1 **RURAL INDUSTRY PROMOTION**

- i) Promotion of rural enterprise and livelihood including skill development and training.

- ii) Providing development support to common facility centres / production centres in rural areas.
- iii) Promotion and development of rural technologies for micro enterprise promotion.

4.2.2 **EDUCATION**

- i) Providing grant in aid assistance to schools in rural/remote areas for development of necessary infrastructure like building, electricity, furniture, computers etc.
- ii) Scholarships or financial support to children of employees with extra ordinary talent in the field of academics, sports, performing arts like dance, singing etc.
- iii) Supply of study material like bags, books, stationery etc. to children belonging to the under privileged class of the society.

4.2.3 **HEALTH**

- i) Organizing health check up camps, with particular focus on women, children, disabled and old age persons.
- ii) Organizing periodical immunization programmes and health checkup camp in schools.
- iii) Organizing health awareness programmes /campaigns and publicity of health related issues through printed materials/ films etc.

4.2.4 **OTHERS**

- i) Identification of young talent in the various fields of sports and games and promoting them to achieve their potential.
- ii) Promotion of art and culture by organizing/sponsoring programmes in the field of fine arts, music and dance etc.
- iii) Promotion of sports and organizing annual sports meet in rural/semi urban areas etc.,
- iv) Sponsoring deserving and outstanding employee's children for training and development at reputed institutions or providing scholarship in the areas of interest, demonstrated potential for special coaching etc.
- v) Promote community plantation and forestry programmes.
- vi) Contribution to rehabilitation programme undertaken in the after math of natural calamities like earthquake, cyclone, flood, famine/ draught in any part of the country.
- vii) Taking measures to promote ecological balance, prevention of environmental degradation, pollution etc. through promotion of suitably conceived projects including awareness campaign etc.

- viii) Supplementing development programmes of the Government etc.
- ix) To offer employment opportunity to other deprived sections of society such as migrants from J&K State, Ex-serviceman etc. in compliance to various directives from Government of India as applicable from time to time.
- x) Adoption and maintenance of places of Public / cultural heritage sites on selective basis.

In addition to the above, the Corporation after approval may adopt any of the activities not defined above, for the interest of the Corporation at large.

5.0 PROHIBITED ACTIVITIES UNDER CSR

The Corporation will abstain from carrying out following activities under CSR which may create dissatisfaction among any section of the Society:-

- i) Activities concerned with religion like construction of temple/mosque etc.
- ii) Activities disturbing social harmony in any manner

6.0 INSTITUTIONAL SET UP

6.1 The Corporate Social Responsibility function will be carried out by the **REC FOUNDATION** which will operate as a Trust under the "Indian Trust Act" / Society under "Societies Registration Act , 1860" and will be governed by the Board of Trustees/ Governing body under Societies Registration Act , 1860 as under:-

CMD	Chairman of Board of Trustee
Director (Fin.)	Trustee
Functional Director	Trustee
Independent Director	Trustee
E.D (HR)	Trustee
Professional with eminence in the fields of CSR operations stated above on an honorary basis.	Secretary to the Trust

- 6.2 Trust/Society will be registered under the Indian Trust Act by a separate Deed of Trust / Memorandum of Association under Societies Registration Act, 1860.
- 6.3 Three trustees shall form the quorum for transaction of the business at the meeting of the Board.
- 6.4 The REC Foundation will be responsible for overseeing the planning, coordination and implementation of CSR activities including compilation of information and preparation of annual reports etc. The foundation will also be responsible for organizing periodic meetings (not less than once every six months) and facilitating the processing of allocation of funds for various activities.

7.0 **IMPLEMENTATION MECHANISM**

While identifying the CSR initiative, REC would consider the following broad parameters while identifying/selection of schemes/projects:

- Thrust of the schemes/projects should be in the areas of business related to REC.
- The assistance under CSR Activities should be project based rather than in the form of donation, so as to create social impact and visibility.
- While implementing the identified projects, time frames and milestones may be predefined.
- The CSR projects may be based on fundamentals of sustainable development.

8.0 **PLANNING AND COORDINATION**

- 8.1 The specific programme will be identified and formulated based on need assessment surveys for identifying the specific areas of concern. Based on the survey, a detailed programme report will be prepared detailing the need for the specific programmes, time frame for implementation and budget. If felt necessary assistance and guidance of specialized agencies/NGO's operating in these areas will be taken to help identify and implement projects.
- 8.2 The REC Foundation will prepare an annual plan for each year within the budgetary provisions and will be placed before the Board of Trustees for approval.
- 8.3 The target beneficiaries, the local authorities, professionals and institutions etc. involved in similar activities if need be, may be consulted/ associated in the process of planning and implementation of the CSR programmes.
- 8.4 REC Foundation will hire professionals on need basis wherever considered necessary to plan and implement various projects.
- 8.5 The focus of delivering services /benefits will be predominantly rural & semi urban areas covering underprivileged sections of the society as far as possible.

9.0 **MONITORING AND EVALUATION**

REC may institutionalize the process of assessing the CSR initiative in terms of the initiatives to integrate the business and social responsibilities of the Corporation. Further, the impact of the CSR activities may be quantified to the extent possible. The CSR activities undertaken by the REC Foundation will be reviewed on half yearly basis and progress review report will be submitted by the REC Foundation to the to the REC Board of Directors.

10.0 **POST IMPLEMENTATION IMPACT ASSESSMENT**

If considered necessary, the effectiveness of the various programmes/ activity undertaken under the CSR may be got evaluated through external agencies for providing the required feed back and inputs to formulate and improve the programmes in future.

11.0 ALLOCATION OF FUNDS

- 11.1 A total allocation of amount upto a maximum of 0.25 % of the profit after tax will be earmarked every year for implementation of CSR programmes.
- 11.2 The said amount shall be transferred to the account of REC Foundation. The Foundation will be responsible for its utilization for the projects identified its account audit and other compliances as may be necessary etc.
- 11.3 The un-utilized amount if any, will not lapse, if not spent that year and will be carried over to the next year which may accumulate.
- 11.4 The allocation of funds may vary depending on the need and requirement and provision for the national calamity in the respective year and will be decided on year to year basis.
- 11.5 The amount transferred to REC Foundation shall be deemed to have been committed to by REC to CSR activities. For the purpose of MOU compliance, it shall be deemed to have been spent on CSR activities.

12.0 REPORTING

- 12.1 An annual report of the activities undertaken under the CSR initiatives will be prepared mentioning the activities identified, benefits accrued as a result thereof and the number of people benefited there from.
- 12.2 A six monthly report on activities/projects identified /implemented shall be submitted to REC Board of Directors.
