



Business Responsibility & Sustainability Report

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1.	Corporate Identity Number (CIN) of the Listed Entity	L40101DL1969GOI005095
2.	Name of the Listed Entity	REC Limited
3.	Year of incorporation	July 25, 1969
4.	Registered office address	Core 4, Scope Complex, 7, Lodhi Road, New Delhi-110003
5.	Corporate address	REC World Headquarters, Plot no. I-4, Sector 29, Gurugram-122001
6.	E-mail	complianceofficer@recl.in
7.	Telephone	+91-124-444 1300
8.	Website	www.recindia.nic.in
9.	Financial year for which reporting is being done	FY 2021-22
10.	Name of the Stock Exchange(s) where shares are listed	National Stock Exchange of India Limited BSE Limited
11.	Paid-up capital	₹1,974.92 crore (As on March 31, 2022)
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Shri V.K. Singh DIN: 02772733 Director (Technical) +91-124-444 1318 dtsectt@recl.in
13.	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e., only for the entity) or on a consolidated basis (i.e., for the entity and all the entities which form a part of its consolidated financial statements, taken together).	The disclosures are made in this report on a standalone basis.

II. Products/services

14. Details of business activities (accounting for 90% of the turnover):

Sl. no.	Description of main activity	Description of business activity	% of turnover of the entity
1.	Financial and Insurance Service	Financial and Credit leasing activities	99.75%

15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

Sl. no.	Product/Service	NIC Code	% of total turnover contributed
1	Other Financial Services and Activities - Other Credit Granting	64920	99.71%

III. Operations

16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	-	23	23
International	-	-	-

Note: Addresses of REC offices are appearing separately in this Annual Report.

17. Markets served by the entity

a. Number of locations

Location	Number
National (No. of States)	28
International (No. of Countries)	1



b. What is the contribution of exports as a percentage of the total turnover of the entity?

The Company is a Non-Banking Financial Company (NBFC) categorized as Infrastructure Finance Company (IFC) by the Reserve Bank of India. The contribution of exports to the turnover of the Company was Nil for the financial year 2021-22. However, REC had sanctioned a loan of ₹2,500 crore towards 4x150 MW Kholongchhu hydroelectric project in Bhutan during the year under review.

c. A brief on types of customers

REC's principal products are interest-bearing loans to State utilities, private-sector borrowers etc. The Company's business

activities involve financing projects in the entire power sector value chain, be it power generation (both conventional and renewable energy), transmission, distribution, rural electrification, e-mobility, financing equipment manufacturing for power sector and activities having forward / backward linkage with power projects. The key products of the Company include long term loans, medium term loans, short terms loans etc. for the entire power sector value chain.

Customers of the Company include State Governments, Central/State power utilities, State Electricity Boards, independent power producers, rural electric cooperatives and private sector utilities etc.

IV. Employees

18. Details as at the end of financial year:

a. Employees and workers (including differently abled):

Sl. no.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
Employees						
1.	Permanent (D)	440	368	83.64%	72	16.29%
2.	Other than Permanent (E)	2	2	100%	-	-
3.	Total employees (D + E)	442	370	83.71%	72	16.29%
Workers						
4.	Permanent (F)	-	-	-	-	-
5.	Other than Permanent (G)	-	-	-	-	-
6.	Total workers (F + G)	-	-	-	-	-

b. Differently abled Employees and workers:

Sl. no.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
Differently Abled Employees						
1.	Permanent (D)	13	12	92.31%	1	7.69%
2.	Other than Permanent (E)	-	-	-	-	-
3.	Total differently abled employees (D + E)	13	12	92.31%	1	7.69%
Differently Abled Workers						
4.	Permanent (F)	-	-	-	-	-
5.	Other than Permanent (G)	-	-	-	-	-
6.	Total differently abled workers (F + G)	-	-	-	-	-

19. Participation/Inclusion/Representation of women:

	Total (A)	No. and Percentage of Females	
		No. (B)	% (B / A)
Board of Directors	7	2	28.57%
Key Management Personnel	3	0	0.00%

20. Turnover rate for permanent employees and workers (Disclose trends for the past 3 years)

	FY 2021-22			FY 2020-21			FY 2019-20		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	8.25	7.0	15.25*	9.7	12	21.7*	12.79	9.75	22.54*
Permanent Workers	-	-	-	-	-	-	-	-	-

* including superannuation



V. Holding, Subsidiary and Associate Companies (including joint ventures)

21. (a) Names of holding/subsidiary/associate companies/joint ventures

Sl. no.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Power Finance Corporation Limited (PFC)	Holding company	PFC holds 52.63% in REC	Yes
2	REC Power Development and Consultancy Limited (RECPDCL)	Subsidiary	100%	Yes
3	Chandil Transmission Limited	Subsidiary	100%	Yes
4	Dumka Transmission Limited	Subsidiary	100%	Yes
5	Mandar Transmission Limited	Subsidiary	100%	Yes
6	Koderma Transmission Limited	Subsidiary	100%	Yes
7	Bidar Transmission Limited	Subsidiary	100%	Yes
8	Rajgarh Transmission Limited [#]	Subsidiary	100%	Yes
9	MP Power Transmission Package-I Limited	Subsidiary	100%	Yes
10	ER NER Transmission Limited	Subsidiary	100%	Yes
11	Energy Efficiency Services Limited	Joint Venture	15.68%	Yes

[#] Was subsidiary as on March 31, 2022, subsequently transferred to GR Infraprojects Limited on May 30, 2022.

VI. CSR Details

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013 (Yes/No): Yes
- (ii) Turnover: ₹39,132.49 crore
- (iii) Net worth: ₹50,985.60 crore

VII. Transparency and Disclosures Compliances

23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2021-22			FY 2020-21		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes https://recindia.nic.in/grievances	98	1	-	166	2	-
Investors (other than shareholders)	Yes https://recindia.nic.in/bonds-grievances	18,042	0	-	16,655	0	-
Shareholders	Yes https://recindia.nic.in/investors-contact	4,670	3	The pending cases have since been resolved	2,304	0	-
Employees and workers	Yes Available on intranet	-	-	-	-	-	-



Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2021-22			FY 2020-21		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Customers	Yes https://recindia.nic.in/uploads/files/Fair-Practices-Code.pdf	-	-	-	-	-	-
Value Chain Partners	Yes https://recindia.nic.in/independent-external-monitor-iem-for-rural-electrification-corporation-ltd	-	-	-	-	-	-
Other (please specify)	-	-	-	-	-	-	-

24. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

Sl. no.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	Gradual shift from conventional power sources to renewable power sources	Opportunity	Thrust for cleaner power shall provide additional financing avenues for the corporation.	-	REC shall experience positive financial implication due to additional revenues from financing towards cleaner power.
2.	Shift to paperless environment to further the sustainability	Opportunity	Shift to digital means of communication & record management shall enhance speed, accuracy, efficiency, cost saving, accountability & preservation of records.	-	REC shall experience positive financial implication due to cost saving & increase in swiftness of operations.
3.	Climate conscious measures to ensure the sustainability	Risk	Growing climate concerns may pose a threat to operations of the Company.	REC has taken an "Adapt" approach to address the climate concerns. REC has built a climate conscious "Green" building for its corporate office. Further, REC has focused on financing towards cleaner & environment friendly projects.	REC shall experience positive financial implication due to cost saving & additional revenues.



SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions		P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes										
1.	a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
	b. Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
	c. Web Link of the Policies, if available	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Whether the entity has translated the policy into procedures. (Yes / No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Do the enlisted policies extend to your value chain partners? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
4.	Name of the national and international codes/certifications/labels/standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	Y	Y	Y	Y	Y	Y	Y	Y	Y
5.	Specific commitments, goals and targets set by the entity with defined timelines, if any.	REC enters into Memorandum of Understanding (MoU) with its holding company, PFC, under the framework prescribed in MoU Guidelines issued by the Department of Public Enterprises (DPE). The MoU demarcates key performance parameters for the Company finalized in consultation with the Ministry of Power, Government of India. REC's MoU score for FY 2020-21 was 100 out of 100 and was rated as "Excellent".								
6.	Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.									

Governance, leadership and oversight

7.	Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure) The Company is committed to develop a suitable ESG framework for the organization. The ESG Policy covering targets, challenges etc., is presently under preparation.									
8.	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Board of Directors								
9.	Does the entity have a specified Committee of the Board / Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Yes. The Company has a committee of senior officials for ESG matters. Further, Director (Technical) is responsible for decision making on sustainability related issues.								
10.	Details of Review of NGRBCs by the Company:									

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)									
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9	
Performance against above policies and follow up action	Y	Y	Y	Y	Y	Y	Y	Y	Y	On quarterly and annual basis									
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Y	Y	Y	Y	Y	Y	Y	Y	Y	On quarterly and annual basis									
11.	Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	P1	P2	P3	P4	P5	P6	P7	P8	P9	Y	Y	Y	Y	Y	Y	Y	Y	Y

Note: The relevant explanation/information/links are mentioned in the Annexure to this Report.

12. If answer to question (1) above is "No" i.e., not all Principles are covered by a policy, reasons to be stated.

Not applicable.



SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized

as “Essential” and “Leadership”. While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

PRINCIPLE 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

ESSENTIAL INDICATORS

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	% age of persons in respective category covered by the awareness programmes
Board of Directors	3	Orientation programmes for familiarization of Independent directors with business and operations of the Company, industry structure, nature of services offered. The above trainings covered Principles 1, 2 & 9.	42.86%
Key Managerial Personnel	1	Experiential Learning Programme	25%
Employees other than BoD and KMPs	21	Various technical and financial topics including experiential learning and personal effectiveness which are relevant for day to day work	52.27%
Workers	-	-	-

2. Details of fines/ penalties/ punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors/ KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as disclosed on the entity's website):

Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	Principle 1	1. National Stock Exchange of India Limited 2. BSE	₹86,21,080/-	For the financial year ended on March 31, 2022, the Company has complied with all requirements of SEBI LODR Regulations, the Companies Act, 2013 and rules made thereunder, applicable Secretarial Standards issued by ICSI and DPE Guidelines on Corporate Governance, as amended from time to time, except compliance related to appointment of requisite number of Independent Directors. Further, for some part of the year, the Company had no Independent Directors including Woman Independent Director on its Board and the composition of some Committees were also not in conformity with statutory provisions. Due to such non-compliances, NSE and BSE have imposed a total fine of ₹86,21,080/- including GST (₹43,10,540/- each including GST), for all the four quarters of FY 2021-22.	Yes