

RAILTEL CORPORATION OF INDIA LTD.

POLICY ON CORPORATE SOCIAL RESPONSIBILITY

1. Aims & Objectives

To integrate social and environmental concerns in the business processes.

2. Budgetary Provisions

RCIL shall make an allocation every year as per MOU and guidelines issued by DPE on CSR. 2010-2011 MOU stipulates allocation to the extent of 1% of net profit in CSR. 2009-10 net profit is about 110 crores. A sum of Rs. 1.1 crore is proposed to be allocated for CSR activities in 2010-11. The money shall be non-lapsable and spent on a clear set of programmes as identified in CSR policy/action plan. A special non-lapsable fund to be denoted as “**CSR Fund**” shall be created for such activities, accumulating any unspent/unutilized amount, if any, in a fiscal year.

3. Implementation Mechanism

The *planning & coordination* of all such activity on company wide basis shall be centralized and vested with the **CSR Cell in Corporate Office to be constituted by MD/RCIL**. The CSR Cell will consider the proposals received for CSR from Regions/ NGOs/Institutions etc. CSR cell will evaluate and select or formulate the item wise CSR projects every year in accordance with the CSR policy. Approval of individual CSR projects would be accorded by MD after examination of proposals by DF. Auditor's fee and other expenses relating to the execution and administration of the CSR programme shall be included in the CSR budget. The CSR Cell will submit quarterly progress reports to RCIL Management.

The CSR Cell may engage NGOs, Institutes, Trusts, Missions, etc of proven track record or appoint professionals with requisite expertise as field officers on contract basis to assist in delivery of the CSR programme. The *periodic monitoring* of the CSR programme will be done at the BOD level by a Directors Committee appointed by BOD.

4. Activities under CSR

RCIL shall constantly strive to remain a good corporate citizen committed to the concerns of the society as a whole. The CSR funds and efforts of the company shall be invested in community development projects & people centric activities with emphasis on Rural, weaker and poor sections of society, under developed areas. Any activity of the areas mentioned in the list of possible areas in DPE guidelines would be taken up under CSR. However, to start with, thrust areas would be as follows:-

- * Education
 - Skill Development, Vocational Training
 - Sanitation and Public Health
 - Relief to Victims of Natural Calamities, Communal and Terrorist Violence and their families
 - Health and Family welfare.
 - Drinking water facility, electricity facility, Solar energy
 - Supplementing development programmes of the Govt..
 - Promotion of livelihood for economically weaker sections and development of backward areas.
 - Scholarships to meritorious students belonging to SC,ST,OBC and Disabled categories.
 - Adoption of villages

5. Reporting

CSR activities undertaken by the company shall be duly reflected in the Annual Report both in narrative form and in numbers quantified in terms of:

- Amount utilized vis-à-vis amount budgeted
- No. of projects with recurring allocation taken up/completed /in progress
- No. of projects with nonrecurring allocation taken up/completed /in progress

RCIL website shall also carry the CSR policy and details of programmes undertaken.
