

**Item 4(1)(b)(iii)**

**The procedure followed in the decision making process,  
including channels of supervision and accountability**

## **Process of decision making & Identifying key decision making points:**

Overall management of the Company is vested with the Board of Directors of the Company. The Board of Directors is the highest decision making body within the Company.

As per the provisions of the Companies Act, 2013 (erstwhile 1956) certain matters require the approval of the shareholders of the Company in General Meeting.

The Board of Directors is accountable to the shareholders of the Company, which is the ultimate authority of a Company. REC Ltd. being a Public Sector Enterprise (PSE)/ Government Company, the Board of Directors of the Company is also accountable to Government of India.

The day-to-day management of the Company is entrusted on the Chairman and the Functional Directors and other Officers of the Company. The Board of Directors has delegated powers to the Chairman, Functional Directors, and Executives of the Company through Delegation of Powers. The Chairman, Functional Directors and other officers exercise their decision-making powers as per the delegation of powers.

The Powers, which are not delegated are exercised by the Board of Directors Subject to restrictions and provisions of the Company Act, 1956.

Decisions in day-to-day working are made through office notes, initiated by an officer and put up to the controlling officer. Final approval of the Competent Authority is obtained in line with the delegation of Power.

### **Final decision making authority:-**

Instrument of delegation of power broadly flows from top-downwards with Board of Directors in its capacity of being the highest decision making body having powers to dispose of business decision and with the same having been delegated to Chairman and Managing Director, Directors and there below for adequate and speedy decision making.

### **Related provisions, acts, rules etc.**

Broadly the following manuals, rules and regulations, instructions, records etc. are held by the corporation and complied with by employees in the course of discharging various functions and responsibilities.

- a) Articles of Association and Memorandum of Association
- b) Manuals/Guidelines developed for conducting of business and work
  - HR manual,
  - Procurement guidelines,
  - Vigilance manual,
  - Resource Mobilization Manual
  - Investment Manual,
  - Risk Management Policy etc.
  - Corporate Social Responsibility & Sustainability Policy
  - Project Monitoring guidelines etc.

- c) Various presidential directives issued from time to time such as on reservation and concessions available to economically and socially weaker sections of the society such as SC/ST/OBC/PH etc. as also in the context of wage revision and policies etc.
- d) Operational Policy Statement (developed by the corporation), policies on grants & concessional or Interest free loans etc., Standard loan documents, terms of bilateral /multilateral agreement etc.
- e) Various guidelines issued by Government of India on subjects, such as, Pradhan Mantri Sahaj Bijli Har Ghar Yojana (Saubhagya), Deen Dayal Upadhaya Gram Jyoti Yojana (DDUGJY), National Electricity Fund (NEF) Uday, terms of Memorandum of Understanding (MoU) reached with Government of India represented by Ministry of Power and REC Ltd. for various financial years, MOUs entered into with other organizations such as training institutions etc.
- f) Necessary provisions of laws applicable such as Companies Act, 2013 (Erstwhile 1956), Income Tax Act 1961, SEBI Guidelines & other related Acts.
- g) Various guidelines issued by Department of Public Enterprises in the matter of service condition, benefits etc. available to various sections of employees. Instructions, guidelines, circulars issued by tax enforcement authority such as Central Board of Direct Taxes, Comptroller and Auditor General Accounts, Ministry of Finance etc.
- h) Scheme of Delegation of Power (DoP) as approved by Board of Directors.
- i) Various circulars, instructions issued by the corporation in the matter of disposal of business etc.

**Time limit for taking a decisions, if any:-** Time schedule is mentioned in the Fair Practice code of REC, which is available at the below mentioned link :

[FAIR PRACTICE CODE OF REC](#)

### **Channel of supervision & accountability**

Channel of supervision and accountability of the Corporation is regulated by the Delegation of Power (DoP) as approved by the Board of Directors.