

CMD MESSAGE



Corporate Social Responsibility Department is bringing out the Annual Corporate Social Responsibility report for the year 2014-15. I am delighted to dedicate the report to all our stakeholders.

Over the years, as part of our Corporate Social Responsibility, various activities have been undertaken, primarily focusing on inclusive social-economic growth for the development of marginalized and under-privileged sections of the society residing around its area of operation. These activities have succeeded in touching the lives of thousands of people in the local community and created value for the society.

In the reported year, remarkable contribution has been made to the “Swachh Bharat Abhiyan”, a national cleanliness campaign of Government of India, by initiating construction of about 11,000 toilets in about 5,000 Government schools in various States. I am happy that with the support of everyone, the project could be completed within the targeted completion time of Ministry of Power during the current fiscal year. The report enumerates various activities that have been undertaken during FY 2014-15 along with amount spent thereon. During the year, an amount of Rs.47.42 Crore have been spent on various CSR activities, an increase of around 75% over the previous fiscal, which is a commendable effort of our team.

I strongly believe that it is the responsibility of every one of us to contribute back to the society where we live by participating through such initiatives, which will certainly bring significant change in the society. I am confident that the report will promote awareness of the CSR activities being carried out by the Company both in house and outside amongst the stakeholders.

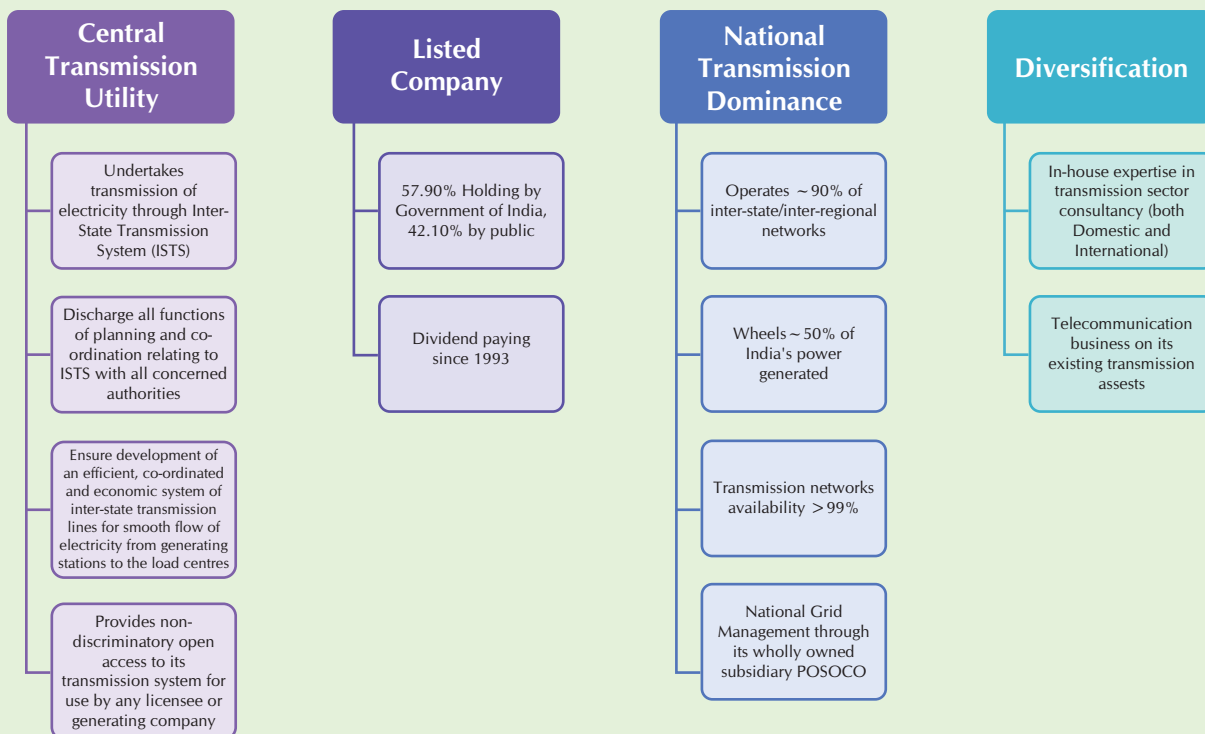
I extend my warmest wishes to the CSR team both at Corporate office and at Site(s) for their effort. I look forward for support of each and every employee to act as a brand ambassador, and actively participate in judicious selection of CSR project(s) and to ensure timely execution of projects undertaken, so as to bring a positive change in the society.



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POWERGRID's Overview



POWERGRID's VISION

“ World Class, Integrated, Global Transmission Company With Dominant Leadership in Emerging Power Markets Ensuring Reliability, Safety and Economy ”

Transmission

- 125,475 ckm transmission lines
- 203 substation
- > 99% system availability
- 245,744 MVA transformation capacity
- ~ 53,150 MW inter-regional capacity

Consultancy

- Transmission related consultancy to more than 150 domestic clients
- Global foot print in 18 countries catering to more than 25 clients

Telecom

- Own and operates approx. 36,563 kms of Telecom network
- Points of Presence of approx. 595 locations
- Has intra city network in 105 cities across India
- Backbone Telecom network availability > 99.5%

As on 30th November, 2015

CSR at a Glance for FY 2014-15

POWERGRID has been at the forefront of CSR activities spreading across the country. **305** number of projects were under progress during 2014-15; out of which **114** projects were completed during the year. The quantum of work undertaken by POWERGRID in the FY 2014-15 is as below:

Thrust Area	Project Sanctioned (Rs./Lakhs)	Expenditure (Rs./lakhs)	No. of projects under progress
Rural Development	9314.94	2072.9	172
Education	2286.12	1185.91	58
Health	14017.35	584.69	27
Skill Development	2315.95	381.96	17
Environment	589.05	268.48	26
Others	300.58	247.63	5
Total	28823.99	4741.57	305

CSR & Our Business

Corporate Social Responsibility (CSR) is a company's commitment to its stakeholders to conduct business in an economically, socially and environmentally sustainable manner that is transparent and ethical.

Stakeholders of Power Grid Corporation of India Ltd. (POWERGRID) include persons directly impacted by the activities of POWERGRID, employees, investors, shareholders, customers, business partners, clients, civil society groups, Government and non-Government organizations, local communities and their public representatives, Gram Sabhas and Panchayati Raj Institutions (PRIs) and society at large.

Major Thrust Areas of CSR activities





CSR Vision

To be a Corporate that sets a long term strategy for Social & Economic Development of communities through initiatives in rural development, education, skill development, health and other areas of national importance and adhere to sustainable environmental practices.

CSR Mission

To align CSR and Sustainability policy with the business policy so as to conduct business in a sustainable manner adhering to the principles of Avoidance, Minimization and Mitigation in dealing with environmental and social issues and to undertake high impact community development projects of national and local importance in consultation with stakeholders.

The focus is on long gestation, high impact projects with commitment being made for the entire expenditure till the completion of the project. The focus would be on initiatives that promote Inclusive Growth and address the basic needs of the deprived, under privileged, neglected and weaker sections of the society, which comprise of SC, ST, OBC, Minorities, BPL families, Old and aged, women/girl child, physically challenged, economically weaker sections etc.



“RINGI-CHINGI Pathashala” for school students in Raipur, Chhattisgarh

Education

The education sector in India has developed substantially since Independence. With the advent of the Millennium Development Goals (MDGs), significant attention has been given to achieving the goal of Universal Primary Education, at the center of which lies Universal Primary Enrollment. The Sarva Shiksha Abhiyaan (SSA) and the Right to Education Act (RTE) were India's responses to this commitment.

Realising the need of intervention in education, POWERGRID had aligned its CSR policy to supplement the activities of Government of India, State and Local Governments in the area of education. POWERGRID has been emphasising on developing the eco system for effective education particularly in remote and backward villages of the country. Moving forward with the above view, POWERGRID has taken up 360 degree developmental activities in schools, hygiene, nutrition, infrastructure, sports, culture, technology, medical, teaching equipment and personnel. Selecting remote locations for the above mentioned projects makes them further more critical in achieving the goal of universal primary education.

POWERGRID aims at significantly improving the quality of education imparted and on ensuring that educational opportunities are available to all segments of the society.

Major Activities / Key Initiatives

- Construction of 9437 nos of Toilets in 4244 nos of Schools in 170 blocks in 23 Districts in the 7 states of Andhra Pradesh, Assam, Bihar, Chhattisgarh, Madhya Pradesh, Odisha and Uttar Pradesh under "Swachh Vidyalaya Abhiyaan"



Distribution of 10,000 solar lanterns to school children in Bihar, Jharkhand & Odisha



- Construction of 40 room Boys' Hostel at Pt. Ravishankar Shukla University, Raipur, Govt of Chhattisgarh
- Scholarship to 850 students of Assam & Manipur, who became orphans due to Militancy/Communal violence, through National Foundation for Communal Harmony (NFCH) (Ministry of Home Affairs)
- Distribution of 10,000 solar lanterns to school children in Bihar, Jharkhand & Odisha for better education



- Installation of 14 solar hand pumps for providing solar drinking water facility to far off hostels of Tribal Development Department in district Jashpur, Chattisgarh
- Organized "RINGI-CHINGI Patashala" for rural and backward class school students in Raipur, Chhattisgarh
- Supply of furniture for Government schools at Neemrana of Rajasthan, Patna of Bihar, Vishakapatnam and Macharla of Andhra Pradesh



Health

The Twelfth Five Year Plan has outlined that one of its long term objectives is to establish a system of Universal Health Coverage (UHC) in the country. Substantial expansion and strengthening of public sector health care system, freeing the vulnerable population from dependence on high cost and often unreachable private sector health care system is part of the strategy to achieve Universal Health Coverage. Over the years governments have been laying increased emphasis on health care and as a result there has been increase in the total expenditure in the health sector aimed at developing infrastructure and manpower. Parallel to the efforts of the Government, private sector contribution in the healthcare sector has also been growing over the years.

The private healthcare sector is responsible for the majority of healthcare in India. Most healthcare expenses are paid out of pocket by patients and their families, rather than through insurance. The lack of extensive and adequately funded public health services pushes large numbers of people to incur heavy out of pocket expenditures on services purchased from the private sector. Out of pocket expenditures (OOP) arise even in public sector hospitals, since lack of medicines means that patients have to buy them. This results in a very high financial burden on families in case of severe illness and pushes them into the vicious cycle of poverty and illness.

This OOP expenditure can be reduced only by increasing public expenditure on health and by setting up widespread public health service providers.

Recognizing the need to strengthen the health services in India, particularly in the rural and socio-economically weaker sections of the society, POWERGRID aims to strengthen primary health care; which includes preventive, promotive and curative services ensuring that these services are accessible, physically and financially to the local community. POWERGRID has kept high priority in the provision of clean drinking water and sanitation as these have been identified as principal factors in control of diseases.



Handing over of Ambulance to Govt. Hospitals in presence of Chief Minister Chhattisgarh

Rural Development

India lives in its villages. Literally and from the social, economic and political perspectives the statement is valid even today. Around 65% of India's population is living in rural areas. It is desirable that people in rural areas should have an equally good quality of life as is enjoyed by people living in sub-urban and urban areas. Further there are cascading effects of poverty, unemployment, poor and inadequate infrastructure in clusters in urban areas giving rise to slums and consequential social and economic tensions manifesting in economic deprivation and urban poverty. Further, lack of opportunities and infrastructural constraints has resulted in migration of population towards the urban areas, which in turn is creating stress in the social, economic and infrastructure conditions of the urban areas. Hence Rural Development which is concerned with economic growth and social justice, improvement in the living standard of the rural people, has become essential. This inequality can be reduced to some extent by providing adequate and quality social services and minimum basic infrastructural needs.

India is primarily an agriculture-based country. Agriculture contributes nearly one-fifth of the gross domestic product in India. In order to increase the growth of agriculture, the Government has planned several programs pertaining to Rural Development in India. Corporate Social Responsibility thrust in rural areas is thus considered very important to provide further impetus to the Governmental initiatives.

POWERGRID, by nature of its business, is blessed with an opportunity to complement the efforts of the Government in this critical area of National importance. POWERGRID's focus has always been on conducting developmental activities around the areas of its operations.

POWERGRID has accorded due weightage to developing Infrastructure in rural areas and initiatives are for building roads, Anganwadi building, community centres, classrooms, tube wells, bore wells, renovation of ponds, toilets, roads, submersible pumps, culverts, water facilities, sewage drains, etc., which are considered essential for fulfilling various needs of the local community.





Check Dam at Mandlavanipalli Village,
Dhone, Kurnool (ICRISAT)



10 wheel mounted tractor pull able water tankers
to 10 near by villages of Khandwa

Major Activities undertaken:

- Construction of Community Centres, open shed, roads, culverts, drains, class rooms in schools, drinking water system, development of ponds etc. in villages in Angul District, Odisha
- Improving Rural Livelihoods through Farmer-centric Integrated Watershed Management in Kudgi (Karnataka) and Kurnool (Andhra Pradesh), of about 5000 hectare each, for a period of 5 years w.e.f. 2013-14
- Construction of 700 mtrs long PCC Road at Village Hirapur-Bandha, near 765 400 kV Pooing Station Jabalpur
- Construction of Pucca Nallah /drain at Abdullapur
- Construction of Mid day meal building at Dehgam
- Provided 10 wheel mounted tractor pull-able water tankers to 10 nearby villages of Khandwa
- Installation of handpumps in villages of districts of Garwah and Dhanbad of Jharkhand, Sitapur, Bilsarayan and Kanpur of UP and Banka of Bihar
- Construction of community centres in the villages of districts of Mau of UP, Patna of Bihar, Giridih of Jharkhand, Mushirabad of West Bengal, Prakasam of Andhra Pradesh, salem of Tamil Nadu, Yelahanka and Madikeri of Karnataka, Narsinghpur of Madhya Pradesh



PCC Road at Village Hirapur-Bandha, near Jabalpur



Solar Handpumps, Jashpur

Livelihood / Skill Development

Skills & Knowledge are the driving forces of economic growth and social development of society. Countries with higher & better levels of skills adjust more effectively to the challenges and opportunities of globalisation. The shortage of skilled labour across many industries is emerging as a significant and complex challenge to India's future growth. The demand for skilled individuals in both the private as well as the public sector in India is growing exponentially in this era of economic growth and investment. There is a growing need to increase employability through skill development programmes as evidenced by strong market linkages, institute industry coordination, specialised skill development, continuation of learning etc.

Although India's demographic dividend is usually lauded as one of its strengths, this has to be understood with caution. Unless the population is skilled and provided with employment opportunities, the huge demographic dividend that aims to propel India onto the world stage might end up being a liability rather than an asset.

"Skill India" is a project of National importance and thrust is given by the Govt. of India on this critical aspect of the National Agenda of "Make in India". Accordingly, the National Policy on Skill Development formulated by the Government of India has set a target of skilling 500 million people by 2022. To be able to deliver this target, a structured approach involving all stakeholders is imperative. The objective of this policy is to empower all individuals through improved skills, knowledge, nationally and internationally recognized qualifications to gain access to decent employment and ensure India's competitiveness in the global market.

Providing employment opportunity to unprivileged rural youth has always topped the agenda in the community intervention projects of POWERGRID and especially to the youth belonging to deprived section of the population. We believe that imparting skills and enabling the youth employable would help in uplifting standard of living of this disadvantaged community.



Vocational Skill development programme on tailoring at Gurgaon



Major Activities undertaken:

- Skill Development training on Transmission Line Tower Erection & Stringing
 - POWERGRID has set up various training centres for imparting skill training in the areas of transmission line erection and stringing
 - 638 youths were trained during 2014-15 and 195 during 2015-16 so far. 136 trainees are currently undergoing training in these centres. A total of 1597 youths have been trained so far.
- Skill Development training to 5000 youths through NSDC
POWERGRID signed MoU with National Skill Development Corporation for imparting livelihood oriented skill development training to 5000 youths spread across 33 locations across the country
- Vocational training programmes for 400 Rural Women on fruit and vegetable processing by Krishi Vigyan Kendra (KVK), Utukur, Kadapa
- Skill Development Programme for unemployed / unskilled youth through ITCOT in Bijapur District of Karnataka
- Five months (2 months orientation and three months certificate programme in Tailoring) at POWERGRID Township Gurgaon (Haryana) for under-privilege children
- Training in vocational skills has been imparted to around 20 girls and on successful completion of the course a certificate along with a sewing machine and associated accessories for tailoring required for self-employment has been provided. One such program was completed in 2014-15 also.

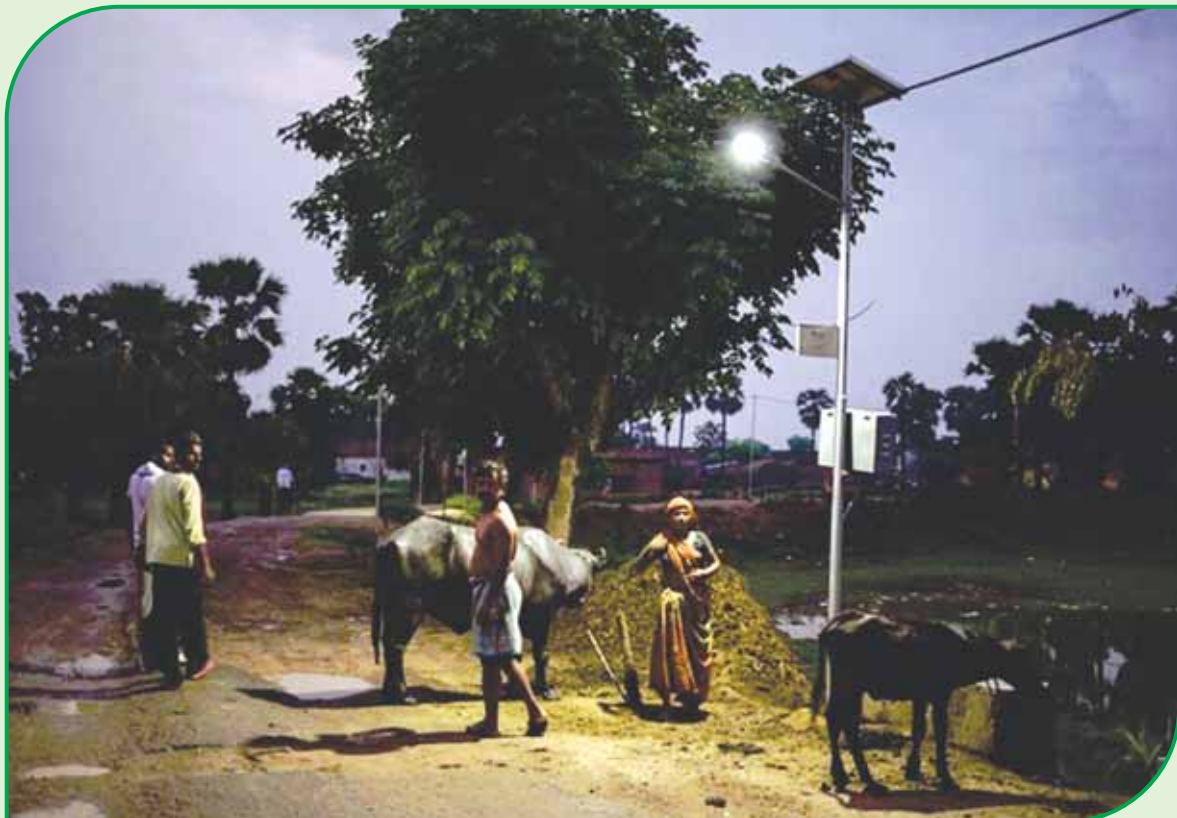


Environment

Currently, environmental sustainability is a topical issue that receives plenty of attention from the media and from different governmental departments. This is a result of the amount of research going into assessing the impact that human activity can have on the environment. Although the long term implications of this serious issue are not yet fully understood, it is generally agreed that the risk is high enough to merit an immediate response. Businesses are expected to lead in the area of environmental sustainability as they are considered to be the biggest contributors and are also in a position where they can make a significant difference.

This intent of the enterprise to make a positive difference to society has resulted in framing of an Environmental and Social Policy and Procedures (ESPP) document in 1998 to address the environment and socio-economic issues arising from its business operations. The ESPP outlines POWERGRID's approach and commitment to deal with environmental and social issues relating to its transmission projects, lays down the management procedures and protocols for the purpose that includes the framework for identification, assessment, and management of environmental and social concerns at both organizational and project levels.

POWERGRID strictly follows the basic principles of Avoidance, Minimization and Mitigation in dealing with Environmental and Social issues. Restoration and Enhancement is also undertaken, wherever it is necessary. Some of the other the key areas include Restoration of water bodies, Installation of solar street lights and tree plantations.





Major Activities Undertaken :

- Installation of Solar Photovoltaic Lights in various villages
 - Solar photovoltaic street lights have been installed in 308 no. of locations.
- Ponds has been renovated in Angul District of Odisha and Raigarh District of Chhattisgarh
- Installation of Highmast light at Vattapalli Junction, Alappuzha Town, Kerala
- Installation of 14 solar hand pumps for providing drinking water facility to far off hostels/ashrams in district Joshpur, Chhattisgarh
- Chirang Reserve Forest with plantation of 50,000 saplings was successfully undertaken by POWERGRID in association with Eco-Task Force of the Indian Army and the Bodoland Territorial Council



- Renovation of Bhairobaba Talab, Bilaspur, Chhattisgarh



Before Renovation



After Renovation

POWERGRID's experience of "Swachh Vidyalaya Abhiyaan"

POWERGRID was entrusted with the responsibility to construct toilets in Government schools spread across 23 districts in 7 states, under "Swachh Vidyalaya Abhiyaan".

POWERGRID took up the challenging task of executing this project within a tight time schedule. The nature of the project being unprecedented, called for undergoing steep learning curve. Cue was taken from its vast experience in project management and tailor making the solution to fit the project. Overwhelming challenges encountered in locating the identified schools, roping in the contractors for physical construction, locations of the schools being far flung and scattered over large areas where POWERGRID did not have its presence, poor road connectivity for movement of men and materials and natural calamities.

Considering tight timelines, POWERGRID adopted a hybrid technology solution was finalized where foundation was conventional and the superstructure was pre-fabricated, for reliable and quick execution of the project while at the same time maintaining the quality of works.

The project was closely monitored at the highest level on a day-to-day basis and immediate corrective actions were taken wherever there was any indication of slippages, so much so that the efforts of the initial implementing partners comprising of Hindustan Prefab Ltd, IrconISL and Gramin Vikas Trust, had to be supplemented by various contractors, engaged in construction of power transmission system, working with POWERGRID, who had to be roped in as a last resort to complete toilets under extremely challenging circumstances. These construction agencies, being experts in operating in difficult conditions, quickly mobilized large working gangs, T&Ps and the construction work speeded up in a very short time. In the meantime the materials which were directly procured by POWERGRID also started reaching the working sites, resulting in surge of completion activities. Other physical difficulties which were overcome in the process included shifting of men and materials in country boats, headloading of materials over very long distances/non-motorable roads / water logged pathways etc.

Eventually with the concerted efforts and co-operation of all concerned, going much beyond their call of duties, the project could be successfully accomplished within the time schedule and eventually 9437 toilets in all the allocated 4244 schools, located in 170 blocks in 23 districts in 7 states were constructed.

At the end it was a victory of team work, dedication, commitment and zeal of every individual, to defy all odds to achieve the task taken up by POWERGRID.





Business case of CSR as a strategic function

Construction of Transmission Line has always been challenging. Besides technical and environmental issues, social issues of late are increasingly experienced as one of the foremost challenges. During the year 2013-14, construction of 765 kV (S/C) Angul-Jharsuguda Transmission Line encountered such hindrances from villagers of Angul, Banharpal, Chendipada and Athamallik blocks of Angul Dist. for issues not directly attributable to POWERGRID. During various meetings, amongst different demands raised by the agitating villagers from time and again, they requested POWERGRID to undertake various community development activities in their villages.

The needs of the villages highlighted by the villagers were confirmed by POWERGRID officials. The villages were about 200–1000 mts. from POWERGRID's Transmission lines and substation. Most of the villagers were economically poor and infrastructural facilities like road, street light, drainage, drinking water, sanitation and decent place for meeting and get together are not available in these villages. Some of the development activities are also being taken up by the State Government, but many of the requirements are yet to be fulfilled.

Considering the situation, 39 CSR projects valued at Rs.3.06 Cr, were sanctioned in phases for execution in 32 villages. Projects were mostly for Construction of Community Centre, Construction of Rahasbari, Construction of roads, drains and culverts, Construction of classroom in Panchayat school, Renovation/Digging of pond, Drinking water system in Govt. Schools etc.

Since execution of these projects, spread out over such large area, was a big challenge, therefore these works were executed by village committees through the DRDA (District Rural Development Agency), Odisha. Due to their involvement, the villagers developed a sense of ownership over the projects which resulted in substantial improvement in the scope of work. For example; additional rooms were added, cement floors were replaced with tiles and in one case with marble. Top quality wood work and iron railings/doors were installed. The balance fund required for the additional scope of work, beyond the sanctioned amount of POWERGRID, was mobilized by the village panchayat. Moreover most of the workers/artisans being local villagers, resulted in economic vibrancy in the villages. Due to stake of the villagers in the project there was constant supervision by some or the other villagers which directly improved the quality of construction and completion of the works within a reasonable timeframe.

As a result, the villagers started taking interest in the activities of POWERGRID and have become partners and facilitators in the Nation Building process.



Status of Major Projects under Implementation

- **Construction of 325 bedded Dharmshala at AIIMS, New Delhi, for providing shelter to patients and their attendants (Cost Rs.29.00 Cr.):**

9th floor casting completed; Structure completed for all the floors; Brick and plaster upto seventh floor completed; Kota stone flooring in lower basement completed; Plumbing work upto forth floor started; Steel work for drain upto lower basement completed and Marble stone flooring started in first floor.



- **Improving Rural Livelihood by Integrated Watershed Management in 10,000 hec. of semi-arid land through M/S ICRISAT at Kurnool, Andhra Pradesh and Kudgi, Karnataka (Cost Rs.18.02 Cr.)**

i. Progress at Kurnool : Soil and Water Conservation

Various rainwater harvesting and groundwater recharge structures constructed were: three check dams under construction, two farm pond/percolation tanks and five rock filled dams (RFD) have been constructed.



★ Productivity Enhancement and Crop Diversification

- The kharif crop yield data of 2014-15 during 2014-15, participatory trials (64 no.) were conducted to evaluate soil test-based recommendations. The results showed productivity improvement by 19-24% in maize, 27% in pigeonpea, 8% in groundnut and 9% in paddy.





★ Livelihood Activities

- Under revolving fund, two SHG groups (Madhuri and Geetanjali) consisting 10 members in each group in two villages (Muddavaram and G Tanda) were supported to buy ram lambs in improve the livelihoods in addition to agricultural income. Vermicomposting is taken up by 5 farmers and another 25 beneficiaries have been identified for the year.

ii. Progress at Kudgi : Soil and Water Conservation

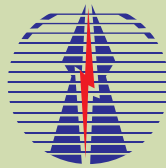
Various rainwater harvesting and groundwater recharge structures constructed were: two check dams, five farm ponds and three bore well recharge and two sunken pits have been constructed.



★ Productivity Enhancement

The kharif crop yield data was reported in previous report (March 2014–February2015). Participatory trials (49 no.) were conducted during 2014-15 to evaluate soil test-based recommendations. The results showed productivity improvement by 17% in maize, 15% in pigeonpea, 19% in groundnut and 22% in chickpea.





पावरग्रिड

POWER GRID CORPORATION OF INDIA LIMITED

(A Government of India Enterprise)

Regd. Office: B-9, Qutab Institutional Area, Katwaria, Sarai, New Delhi-110016

Corp. Office : "Saudamini", Plot No. 2, Sector- 29, Gurgaon, Haryana-122001

www.powergridindia.com