



NORTHERN POWER DISTRIBUTION COMPANY OF TELANGANA LIMITED

Regd. & Corporate Office: 'Vidyuth Bhavan' Warangal-506001. CIN: U40109TG2000SGC034119

TSNPDCL – Corporate Affairs - Corporate Social Responsibility (CSR) Policy, 2014 – Orders – Issued.

N.O.O(CS).Ms. No.13

Dated: 22-01-2015.

Read the following:

1. Section 135 of the Companies Act, 2013.
2. Companies (Corporate Social Responsibility) Rules, 2014 notified by the Ministry of Corporate Affairs, Govt. of India Dated. 27.02.2014.
3. Resolution passed by the Board of Directors Dt. 21.11.2014.
4. Minutes of the 83rd Board Meeting Dt. 23.12.2014.
5. N.O.O(CS).Ms.No.1, Dated 07.01.2015.

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ORDER:

Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility) Rules, 2014 provides that following companies shall spend, in every financial year, at least two per cent of the average net profits of the company, made during the three immediately preceding financial years, on Corporate Social Responsibility activities:

- Every company having a net worth Rs.500 crore or more; or
- Every company having a turnover of Rs.1,000 crore or more; or
- Every company having a net profit of Rs.5 crore or more, during any financial year.
 - "Average net profit" shall be calculated in accordance with the provisions of section 198.
 - "Any financial year" means 'any of the three preceding financial years'.

2. Other provisions relating to compliance of CSR matters by the above companies are indicated below:

- after taking into account the recommendations made by the Corporate Social Responsibility Committee, approve the Corporate Social Responsibility Policy for the company and disclose contents of such Policy in its report and also place it on the company's website, if any, in such manner as may be prescribed; and
- ensure that the activities as are included in Corporate Social Responsibility Policy of the company are undertaken by the company.
- Company shall give preference to the local area and areas around it where it operates, for spending the amount earmarked for Corporate Social Responsibility activities:
- If the company fails to spend such amount, the Board shall, in its report made under clause (o) of sub-section (3) of section 134, specify the reasons for not spending the amount.
- The Board's report under sub-section (3) of section 134 shall disclose the composition of the Corporate Social Responsibility Committee.
- Every company which ceases to be a company covered under sub-section (1) of section 135 of the Act for three consecutive financial years shall not be required to
 - (a) constitute a CSR Committee; and
 - (b) comply with the provisions contained in sub-section (2) to (5) of the said section, till such time it meets the criteria specified in sub-section (1) of section 135.

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3. In the N.O.O reference 5th cited above, TSNPDCL has constituted a Board level Corporate Social Responsibility committee inter-alia to formulate and recommend a CSR policy, which shall indicate the activities to be undertaken under CSR.
4. The Board of Directors of TSNPDCL in their 83rd Board meeting held on 23.12.2014 has approved 'Corporate Social Responsibility (CSR) Policy, 2014' formulated and recommended by the Board level committee.
5. After careful consideration, Northern Power Distribution Company of Telangana Limited hereby accorded approval for 'Corporate Social Responsibility (CSR) Policy, 2014'. CSR committee shall monitor CSR policy from time to time.

(BY ORDER AND IN THE NAME OF NORTHERN POWER DISTRIBUTION COMPANY
OF TELANGANA LIMITED)

Encl: Annexure I&II

K. VENKATA NARAYANA
CHAIRMAN & MANAGING DIRECTOR

To
All Chief General Managers/TSNPDCL
The Chief Vigilance Officer/TSNPDCL
The Superintending Engineers/OP/WGL/KMNR/KHAM/ADB/NZB/TSNPDCL
The General Managers/Corporate Office/TSNPDCL/Warangal
All Superintending Engineers/Corporate Office/TSNPDCL/Warangal
All Divisional Engineers/Operation/Construction/MRT/TRE/DPE/TSNPDCL.
Copy to Peshi to Director (HRD&IR)/Projects/Operation/Finance/TSNPDCL.
Copy to DE/Tech to C&MD/TSNPDCL

// FORWARDED BY ORDER //

COMPANY SECRETARY



NORTHERN POWER DISTRIBUTION COMPANY OF TELANGANA LIMITED

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Annexure - I

Corporate Social Responsibility Policy-2014

1. SHORT TITLE AND COMMENCEMENT:

This policy may be called "Northern Power Distribution Company of Telangana Limited Corporate Social Responsibility Policy-2014" and shall be effect from the date of issue of this order.

2. DEFINITION:

Unless repugnant to the context and inconsistent with the relevant Acts and Rules made there under,

- a. "Act" means the Companies Act, 2013;
- b. "Annexure" means the Annexure appended to these rules;
- c. "Board" means the Board of Directors of the Company;
- d. "CMD" means the Chairman and Managing Director of the Company;
- e. "Company" means the 'Northern Power Distribution Company of Telangana Limited' (hereinafter referred to as "TSNPDCL");
- f. "Corporate Social Responsibility (CSR)" means and includes but is not limited to:-
 - (i) Projects or programmes relating to activities specified in Schedule VII to the Act; or
 - (ii) Projects or programmes relating to activities undertaken by the Board in pursuance of recommendations of the CSR Committee of the Board as per declared CSR Policy of the company subject to the condition that such policy will cover subjects enumerated in Schedule VII of the Act.
- g. "CSR Committee" means the Corporate Social Responsibility Committee of the Board referred to in section 135 of the Act.
- h. "CSR Policy" relates to the activities to be undertaken by the company as specified in Schedule VII to the Act and the expenditure thereon, excluding activities undertaken in pursuance of normal course of business of a company;
- i. "Director" means a Director of the Board of TSNPDCL
- j. "Net profit" means the net profit of a company as per its financial statement prepared in accordance with the applicable provisions of the Act, but shall not include the following, namely:- (i) any dividend received from other companies in India, which are covered under and complying with the provisions of section 135 of the Act:

Provided that net profit in respect of a financial year for which the relevant financial statements were prepared in accordance with the provisions of the Companies Act, 1956, (1 of 1956) shall not be required to be re-calculated in accordance with the provisions of the Act.
- k. "Rules" means the Companies (Corporate Social Responsibility Policy) Rules, 2014 notified by the Ministry of Corporate Affairs, Govt. of India vide G.S.R. 129(E) dated 27.02.2014 and hereby amended.

3. Words and expressions used and not defined in this policy and Rules but defined in the Act shall have the same meanings respectively assigned to them in the Act.

4. OBJECTIVES:

The Company with its broader mission to become the best power distribution company in the country shall stride for the development of the society as a whole and its customers, service providers and employees in particular, to the extent its resources afford and with certain broad principles on Corporate Social Responsibility.



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5. TSNPDCL'S APPROACH TOWARDS CORPORATE SOCIAL RESPONSIBILITY:

The approach of TSNPDCL towards Corporate Social Responsibility would be oriented to identify and formulate CSR projects/ programmes as per statutory requirement 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 also provide financial assistance in the form of grant-in-aid assistance, contribution etc.

6. AIMS AND OBJECTIVES:

As a responsible corporate entity, TSNPDCL will consistently strive for opportunities to meet the expectation of its stake holders by pursuing the concept of sustainable development with focus on undertaking statutorily required CSR projects/programmes within India.

Note: CSR activities of TSNPDCL should be carried out in a win-win situation/ perspective where the society would be benefited from such activities at the same time image of the Company would be shining as the pay-back/ return on investment.

7. ACTIVITIES UNDER CSR:

- 7.1 TSNPDCL would endeavor to adopt an integrated approach to address the community, societal & environmental concerns by taking up a range of activities as described in Scope of CSR, which shall be taken up strategically, in a focused manner to the extent possible and allowed as per the CSR policy.
- 7.2 The CSR activities shall be undertaken by the company, as per its stated CSR Policy, as projects or programs or activities (either new or ongoing), excluding activities undertaken in pursuance of its normal course of business.
- 7.3 The Board of a company may decide to undertake its CSR activities approved by the CSR Committee, through a registered trust or a registered society or a company established by the company or its holding or subsidiary or associate company under section 8 of the Act or otherwise:
Provided that-
 - (i). if such trust, society or company is not established by the company or its holding or subsidiary or associate company, it shall have an established track record of three years in undertaking similar programs or projects;
 - (ii). the company has specified the project or programs to be undertaken through these entities, the modalities of utilization of funds on such projects and programs and the monitoring and reporting mechanism.
- 7.4 A company may also collaborate with other companies for undertaking projects or programs or CSR activities in such a manner that the CSR Committees of respective companies are in a position to report separately on such projects or programs in accordance with these rules.
- 7.5 Subject to provisions of sub-section (5) of section 135 of the Act, the CSR projects or programs or activities undertaken in India only shall amount to CSR Expenditure.
- 7.6 The CSR projects or programs or activities that benefit only the employees of the company and their families shall not be considered as CSR activities in accordance with section 135 of the Act.
- 7.7 Companies may build CSR capacities of their own personnel as well as those of their Implementing agencies through Institutions with established track records of at least three financial years but shall not exceed five percent of total CSR expenditure of the company in one financial year.

8. SCOPE OF CSR:

For attaining the above aims and objectives, the following activities can be undertaken under Corporate Social Responsibility:



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- (i) eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation and making available safe drinking water;
- (ii) promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently-abled and livelihood enhancement projects;
- (iii) promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
- (iv) ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water;
- (v) protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts;
- (vi) measures for the benefit of armed forces veterans, war widows and their dependents;
- (vii) training to promote rural sports, nationally recognized sports, paralympic sports and Olympic sports;
- (viii) contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;
- (ix) contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
- (x) rural development projects.
- (xi) Slum area development.

9. PROHIBITED ACTIVITIES UNDER CSR:

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

- i. Activities disturbing social harmony in any manner.
- ii. Contribution of any amount directly or indirectly to any political party.

10. ADMINISTRATIVE SET-UP:

- 10.1 Corporate Office: A CSR Sub-Committee at Corporate office level will be responsible for coordinating CSR activities in TSNPDCL. They shall also be responsible for compilation of information & annual reports and facilitate the processing of proposals received from Circles/Divisions for approval & allocation of funds by the CSR Committee.
- 10.2 Circle headquarters: The Circle headquarters will organize & coordinate CSR activities within the respective Circle. Based on the requirement of division offices for conducting of CSR activities, the Circle office will prepare a comprehensive proposal of each activity and send it to the Corporate Office for approval and allocation of funds. They will also compile CSR activities undertaken within their jurisdiction and shall apprise to Corporate office from time to time.
- 10.3 Division: The head of Division will be responsible for implementing CSR activities in his area of jurisdiction.

11. ADMINISTRATION OF SCHEME:

- 11.1 The specific activities will be identified based on the need of communities, which may change from time to time and location to location.



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11.2 The Circle headquarter will prepare annual plan of CSR activities to be undertaken in their respective jurisdiction including budget estimate. The proposal should reach CSR Committee by end of September for the activities to be taken up in the next financial year. The CSR Committee will review each CSR activities and thereafter sanction approval of the annual plan and budget.

12. MONITORING:

The effectiveness of CSR activities will be evaluated by the CSR Committee with assistance from external agencies, if required, for getting required feedback & inputs to formulate & improve the CSR activities in future.

13. REPORTING:

13.1 Circle headquarter will prepare an annual report of CSR activities undertaken in their respective jurisdictions mentioning the activities undertaken, budget utilization, the benefits accrued to communities and the number of people benefited.

13.2 The CSR Committee will compile the report received from the Circle office and of CSR activities undertaken in Corporate office and prepare a comprehensive annual report for the Company, which will be placed to the CSR Committee.

13.3 The Board's Report of a company pertaining to a financial year commencing on or after the 1st day of April, 2014 shall include an annual report on CSR containing particulars specified in Annexure.

14. DISPLAY OF CSR ACTIVITIES ON COMPANY WEBSITE.

The summary of the report will be published in print and also posted on the TSNPDCL website under a separate dedicated section on Corporate Social Responsibility. The website will include the policy, the details of CSR activities undertaken and other particulars as per Annexure-II.

15. ALLOCATION OF FUNDS:

15.1 The Board of the Company shall ensure that the company spends, in every financial year at least two percent of the average net profits of the Company made during the three immediately preceding financial years.

15.2 A major portion will be allocated for carrying out CSR activities in it's licensed area.

15.3 Allocation of funds will be based on the proposals submitted and the overall availability of funds.

16. CSR Expenditure:

CSR expenditure shall include all expenditure including contribution to corpus, for projects or programs relating to CSR activities approved by the Board on the recommendation of its CSR Committee, but does not include any expenditure on an item not in conformity or not in line with activities which fall within the purview of Schedule VII of the Act.

17. GENERAL:

17.1 Surplus, if any arising out of the CSR projects or programmes of activities shall not form part of the business profit of the Company.

17.2 The power to interpret, administer and right to minor modification/amendment to the policy shall rest with CMD whose decision shall be final and binding.

17.3 The Company reserves the right to modify, cancel, add or amend any of the provisions in the policy.

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Annexure – II**FORMAT FOR THE ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARD'S REPORT**

1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.
2. The Composition of the CSR Committee.
3. Average net profit of the company for last three financial years
4. Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above)
5. Details of CSR spent during the financial year.
 - (a) Total amount to be spent for the financial year;
 - (b) Amount unspent, if any;
 - (c) Manner in which the amount spent during the financial year is detailed below.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No.	CSR project or activity identified.	Sector in which the Project is covered.	Projects or programs (1). Local area or other (2). Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: (1). Direct expenditure on projects or programs. (2). Overheads	Cumulative expenditure upto the reporting period.	Amount spent: Direct or through implementing agency

*Give details of implementing agency:

6. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.
7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.

Sd/-
Chairman & Managing Director

Sd/-
Chairman /CSR Committee