



MADHYA PRADESH POWER TRANSMISSION CO. LTD.

(A wholly owned Govt. of Madhya Pradesh Undertaking)

CIN: U40109MP2001SGC014880



CORPORATE SOCIAL RESPONSIBILITY POLICY – 2019-20

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1. INTRODUCTION:-

- 1.1 Corporate Social Responsibility is a company's sense of responsibility towards the community and environment in which it operates. It is the continuing commitment by the Company to its stakeholders to behave ethically and in a transparent manner and contribute to economic development of the society at large and building capacity for sustainable livelihoods.
- 1.2 Madhya Pradesh Power Transmission Company Limited (herein after referred to as "Company") as a State Transmission Utility (STU) is vested with the functions of Transmission of power in the entire State of Madhya Pradesh through its EHV Sub-stations & Transmission Lines. While the Company is committed to have an efficient, economical and co-ordinated intrastate transmission system for smooth flow of quality and uninterrupted power, it has a responsibility to address the social needs and bring about an overall positive impact on the society and environment where it operates and as a part of its social objectives.
- 1.3 Section 135 of the Companies Act 2013 (herein after referred to as "the Act") and CSR Policy rules, which deal with the CSR Activities, have been made effective w.e.f. 1st April 2014. The CSR Policy of the Company is being framed in compliance of the Companies Act, 2013 and the Rules made there under and as amended time to time.

2. MPPTCL's APPROACH TOWARDS CSR:-

- 2.1 The transmission line projects have some localized impact on villages where construction of substations or construction and maintenance of transmission lines takes place. Thus, the main focus of CSR activities to be undertaken by the Company would be in undertaking CSR activities that benefit persons under local area of its operations.
- 2.2 The approach of MPPTCL towards Corporate Social Responsibility would be to identify and formulate CSR projects/ programmes for the well-being of the inhabitants or the stakeholders directly impacted by the operations of the Company. Such stakeholders are generally located in the periphery of the commercial operations of the Company. For this reason, MPPTCL will give priority to CSR activities in the neighborhoods around its areas of operation and new project sites and implement them with full involvement and commitment in a time bound manner.
- 2.3 With a view to achieve the above objectives; MPPTCL has developed its CSR Policy.

3. ACTIVITIES THAT CAN BE UNDERTAKEN UNDER CSR:-

- 3.1 Schedule VII (as amended from time to time) of the Companies Act, 2013 lists down the activities which may be included by companies in their Corporate Social Responsibility Policies. The said activities are enumerated hereunder: -
- (i) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to Swachh Bharat Kosh set-up by the Central Government for the promotion of 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 able 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, including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga.
 - (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 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, Paralympics 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) Contribution to incubators funded by Central Government or State Government or any agency or Public Sector Undertaking of Central Government or state Government, and contributions to public funded Universities, Indian Institute of Technology (IITs), National Laboratories and Autonomous Bodies (established under the auspices of Indian Council of Agriculture Research (ICAR), Indian Council of Medical Research (ICMR), Council of Scientific and Industrial Research (CSIR), Department of Atomic Energy (DAE), Defence Research and Development Organisation (DRDO), Department of Science and Technology (DST), Ministry of Electronics and Information Technology) engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs);”

- (x) Rural development projects.
- (xi) Slum area development.
- (xii) Disaster Management, including relief, rehabilitation and reconstruction activities.

4.0 CSR ACTIVITIES/ PROJECTS THAT WILL BE UNDERTAKEN BY THE COMPANY DURING THE FINANCIAL YEAR 2019-20

4.1 As a corporate entity, MPPTCL acknowledges its obligation to contribute to the economic development of the State and the country as well as improving the quality of life of the community and society at large.

4.2 As per Department of Commerce, Industry & Employment, GoMP order no. एफ 208/2013/बी-ग्यारह dtd 13.10.2017 forwarded by Energy Department, GoMP vide letter no. 3-68/2015/तेरह dtd 07.11.2017, it is mandatory for the wholly owned companies of GoMP to undertake projects as CSR activity that are displayed on website of MP Trade & Investment Facilitation Corporation Ltd. (TRIFAC)
The Company plans to carry out CSR activities/ projects on the basis of recommendation of State/ District administration.

Schedule VII of the Companies Act, 2013 enumerates the activities that may be undertaken by a Company as a part of its CSR activities. Accordingly, the Company for the financial year 2019-20 mainly plans to carry out the following CSR activities/ projects near its local area of operations: -

- i. Promoting education benefiting the children covered under point (ii) of Schedule VII.***

5.0 ADMINISTRATIVE SETUP -

5.1 The Board of Directors of the Company have constituted a CSR Committee consisting of three Directors as required under the provisions of the Act.

5.2 The Corporate Social Responsibility Committee shall: -

- formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII;
- recommend the amount of expenditure to be incurred on such activities; and
- monitor the Corporate Social Responsibility Policy of the company from time to time.

5.3 The Board of Directors shall, after taking into account the recommendation made by the CSR Committee, approve the CSR Policy for the Company and ensure that the CSR Policy is implemented.

- 5.4 Approve the methodology/ plan proposed by the CSR Committee for undertaking CSR activities.
- 5.5 Ensure that the Company spends annually at least two percent of the average net profit made during the three immediately preceding financial years on CSR Policy. [Average Net Profit must be calculated as provided in Section 198 of the Act 2013]
- 5.6 The Board may delegate powers for ensuring implementation of the CSR Policy as it deems necessary.
- 5.7 The CSR Committee may get a need assessment done for CSR project/program/activity through survey/ study by in-house experts or by external agency. Further, recommendations of State/District administration/ Local self-Government, Ministries of Government of India and other stakeholders may be considered for undertaking activities/projects under CSR.
- 5.8 The CSR Committee will recommend to the Board the projects and programs to be undertaken by the Company in pursuance of the approved CSR Policy and set up a monitoring system for implementation of the CSR Policy.
- 5.9 Taking into consideration the suggestions of the various offices of the Company, the HR&ADeptt. of the Company, being the Nodal Office will place the proposals before the CSR Committee for activities that may be undertaken as CSR programs/ projects/ activities.
- 5.10 The HR&A Deptt, of the Company will be the nodal office for matters relating to CSR policy including its implementation and for coordinating amongst various concerned implementing offices of the Company. It shall also monitor and report to the CSR Committee for matters relating to implementation of the CSR Policy and CSR Activity Plan.

6. MODE OF EXECUTION OF CSR ACTIVITIES: -

- 6.1 The CSR activities shall preferably be implemented in project mode. The implementation of various activities will be normally done through placement of award by the Company as per Works and procurement rules of the Company. Services of various departments of Central/State Govt., Local self-Government institutions etc. may also be availed for implementation of CSR activities.
- 6.2 CSR activities/projects/programs may also be taken up through
 - a) Company established under section 8 of the Act or a registered trust or a registered society established by the company, either singly or along with any other company, or

b) Company established under section 8 of the Act or a registered trust or a registered society established by the Central Govt. or State Govt. or any entity established under an Act of Parliament or State legislature. Provided that - if the Board of the Company decides to undertake its CSR activities through a Company established under section 8 of the Act or a registered trust or a registered society, other than those specified in this sub rule, such company or trust or society shall have an established track record of three years in undertaking similar programs or projects; and the company has specified the project or program to be undertaken, the modalities of utilization of funds of such projects and programs and the monitoring and reporting mechanism.

6.3 The Company may collaborate with other corporations/ companies/ PSUs for undertaking projects or programs or CSR activities. However, CSR committees of respective CPSEs/ companies should be in a position to report separately on such projects or programs in accordance with the companies (CSR) rules.

6.4 The HR&A Department of the Company will prepare an Annual Plan of CSR activities and Budget and put it up for approval of the CSR Committee. The CSR Committee should send its recommendations on the Annual Plan to the Board each year for final approval.

6.5 The CSR projects/ activities as per CSR activity plan for a year are targeted to be completed before the end of the financial year.

7.0 MONITORING OF CSR ACTIVITIES:-

The CSR Committee will be responsible for setting up a transparent monitoring mechanism for implementation of the CSR activities/ projects undertaken by the Company.

8.0 REPORTING:

8.1 The Board's report shall disclose the composition of CSR committee, contents of the Company's CSR policy and its implementation during the year and also have the same placed on the website of the Company as per the particulars specified in the Annexure to the Companies (CSR Policy) Rules,2014.

8.2 The Board's report pertaining to a financial year commencing on 1st Day of April 2014 shall include an annual report on CSR containing particulars specified in the Companies (CSR Policy) Rules, 2014.

8.3 If the Company fails to spend the specified amount for CSR activities, the Board shall specify the reasons for inability to spend the said sum in the Report of the Board of Directors.

- 8.4 The CSR Committee will issue a responsibility statement, signed by the Chairman of CSR Committee and any other Director that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.
- 8.5 The HR&ADepartment of MPPTCL will report to the Board through the CSR Committee in all matters relating to the CSR policy of the Company.
- 8.6 The HR&ADepartment of MPPTCL will ensure that documentation of all the activities is maintained at respective offices of the Company for audit and reporting.
- 9.0 **FUNDING FOR CSR ACTIVITIES:-**
- 9.1 The Company will be required to spend annually at least two percent of the average net profit made during the three immediately preceding financial years in pursuance of its CSR Policy. [Average Net Profit must be calculated as provided in Section 198 of the Act 2013].
- 9.2 CSR expenditure shall include all expenditure including contribution to corpus for projects or programs relating to CSR activities approved by the Board on recommendation of its CSR Committee, but do not include any expenditure on item not in conformity or not in line with activities which fall within the purview of Schedule VII of the Act.
- 9.3 All expenditure incurred on the activities involved in the need assessment, baseline study, planning, implementation, monitoring and impact assessment of the projects and also building CSR capacity of personnel of Company will be included in the CSR expenditure. Sincere efforts should be made to keep such expenditure at optimum levels. However, such expenditure shall not exceed five percent of total CSR expenditure of the Company in one financial year.
- 9.4 Any surplus funds arising out of CSR projects or programs or activities shall not form part of the business profit of the Company. CSR Committee may recommend for approval of the Board schemes for utilizing such funds for CSR activities.
- 9.5 Unspent CSR budget of any year, if any, along with any surplus arising out of any CSR activity undertaken will be carried forward and shall be available for spending on CSR activities along with the budget for the succeeding year.
- 9.6 If the CSR activities proposed to be undertaken for any financial year are completed below the approved CSR budget then MD, MPPTCL is authorized for taking necessary decisions for spending the remaining amount on other CSR activities.

10.0 GENERAL: -

- 10.1 This policy shall stand modified by the provisions of the Companies Act/ Companies (CSR) Rules as amended from time to time and Government guidelines as and when these are in place and made enforceable.
- 10.2 This policy would serve as the referral document for planning and selection of CSR activities, though, whenever in doubt, cross reference to Companies Act & Companies (CSR) Rules is advised to avoid any inconsistency with the latter.
- 10.3 The power to modify /amend the CSR Policy will rest with the Board of Directors.
- 10.4 The Managing Director will be responsible for the overall implementation of the CSR activity plan framed in accordance with and in furtherance of the CSR Policy and is also empowered to make minor modification in the CSR activity plan approved by the Board.

