



Transmission Corporation of Telangana Limited

Vidyut Soudha, Hyderabad – 500 082. PABX: 040-23396000
CIN No: U40102TG2014SGC094248, Website: www. tstransco.in

ABSTRACT

TSTRANSCO – Corporate Affairs – Adoption of Corporate Social Responsibility (CSR) Policy – Orders – Issued.

T.O.O(CS) Ms.No. 387

Date: 22.06.2019

Read the following:

1. Section 135 of the Companies Act, 2013
2. Resolution passed by the Board of Directors Dt. 01.03.2019.
3. T.O.O.(CS) Ms. No. 330, Dt. 18.03.2019.
4. Resolution passed by the Board of Directors Dt. 15.06.2019.

ORDER:

As per the provisions of Section 135 (5) of the Companies Act, 2013, the Board of every company referred to in sub-section (1), shall ensure that the company spends, 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, in pursuance of its Corporate Social Responsibility (CSR) Policy.

2. The CSR Committee has formulated and recommended the draft CSR Policy to the Board of Directors for adoption in its Meeting held on 10.04.2019.
3. The Board of Directors of TSTRANSCO in their 33rd Board meeting held on 15.06.2019 has approved and adopted the ‘Corporate Social Responsibility (CSR) Policy.’
4. After careful consideration, Transmission Corporation of Telangana Limited hereby accorded approval for adoption of “Transmission Corporation of Telangana Limited – Corporate Social Responsibility Policy” (enclosed).

Encl: ANNEXURE

(BY ORDER AND IN THE NAME OF TRANSMISSION CORPORATION OF TELANGANA LIMITED)

D. PRABHAKAR RAO,
CHAIRMAN AND MANAGING DIRECTOR

To
The Executive Directors }
The Chief General Manager (HRD) }
The Chief Vigilance Officer }
All Chief Engineers. } TSTRANSCO
The Joint Secretary }
FA&CCA / Dy. CCAs }
All Superintending Engineers }
All Divisional Engineers/ Executive Engineers }

Copy to:

PS to Chairman & Managing Director/TSTRANSCO/Vidyut Soudha/Hyderabad

PS to JMD(Finance, Comml., & HRD)/TSTRANSCO/VS/Hyderabad.

PA to Director (Projects)/TSTRANSCO/VS/Hyderabad

PA to Director (Transmission)/TSTRANSCO/VS/Hyderabad.

PA to Director (Lift Irrigation Schemes)/TSTRANSCO/VS/Hyderabad.

PA to Director (Grid Operation)/TSTRANSCO/VS/Hyderabad.

SE/Tech to C&MD/TSTRANSCO.

//FORWARDED BY ORDER//

COMPANY SECRETARY



**CORPORATE SOCIAL
RESPONSIBILITY POLICY**

OF

**TRANSMISSION CORPORATION OF
TELANGANA LTD**

I. Context:

The Transmission Corporation of Telangana Limited (TSTRANSCO) has been incorporated under The Companies Act 2013 on 29th May 2014 and is one of the largest State Transmission utility in India. TSTRANSCO interface with community through its nature of business i.e by putting EHV transmission lines & substations. Transmission lines projects are environmentally clean and do not involve any disposal of waste, effluents and hazardous substances on land, air and water. However, transmission line projects have some localised impact on villagers whose lands are acquired for construction of substations and on natural resources like crops and trees, when transmission lines pass through agriculture fields or forest areas.

TSTRANSCO have an ethical & social responsibility through its core value of Social responsibility. To fulfil our rooted values, TSTRANSCO is creating framework to identify, access, and manage socio economic development. TSTRANSCO is committed to attain sustainable economic & infrastructure development with an interconnected core value of Social responsibility.

To streamline the assessment & screening procedure, bring clarity among executing link of CSR, to increase the level of involvement through dedicated work force for CSR activities in all levels of operation and complying the directives of Companies Act, 2013, TSTRANSCO desires to formulate comprehensive Corporate Social Responsibility Policy.

II. Purpose:

This policy will deal with the basic aspects of CSR with reference to TSTRANSCO. Policy will provide a institutional framework to establish an efficient and effective platform to perform CSR activities. Policy will ascertain roles & responsibility, budget provision, information disclosure at different level of operation in field & corporate level. TSTRANSCO aims to actively contribute to sustainable socio-economic development of the local community and society at large, including its employees and their families, so as to improve the quality of life.

III. TSTRANSCO'S APPROACH TOWARDS CORPORATE SOCIAL RESPONSIBILITY:

The approach of TSTRANSCO 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.

IV. Composition of the CSR committee.

The CSR committee shall be constituted by the Board of Directors of the Company Pursuant to the provisions of Section 135 of the Companies Act, 2013, as amended from time to time.

In addition to CSR Committee which has already been formed, following persons shall be co-opted, if required, by the Committee on case to case basis:

- i. Chief Financial Officer of the Company.
- ii. Chief Engineer/ Civil.

The function of this committee is to implement the activities in line with CSR policy and as per the guidelines of CSR committee.

V. Roles and responsibilities of the CSR Committee

The CSR Committee shall be responsible for:

1. Formulating the CSR policy and proposing revisions as and when required subject to the approval of the Board of Directors;
2. Identifying modalities in implementing the CSR activities;
3. Proposing budget for the CSR activities, subject to the approval of the Board of Directors;
4. Monitoring the progress of the CSR programs on a regular basis;

Besides above the Committee shall also report to the Board, the status of CSR activities and contributions made. The Board's annual report should contain details of CSR activities made by the Company at the end of the Financial year as per the format specified in Companies (Corporate Social Responsibility policy) Rules, 2014 (Appendix-2).

VI. CSR Budget and Expenditure.

As regards projects under construction/capital projects- Certain Percentage of total Project Cost is allocated towards CSR activities in Detailed Project Report itself (DPR).

As regards running projects (O&M) - Budget for CSR Activities shall be prepared and allocated to Operational Units in the RE/BE Proposals as per the decisions taken by CSR Committee and a review may be carried out for deviations from Budget.

The total amount allocated for the expenditure on CSR activities for each financial year by TSTRANSCO CSR Committee shall be in compliance of the following:

- Two (2) percent of the average net profits before tax of TSTRANSCO made during the three (3) immediately preceding financial years,
- In case the company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending in the given year in its Board report. However, unspent carried out amount has to be spent in the consecutive year.
- Any surplus arising out of the CSR projects or programs shall not form part of the business profit of the company.

VII. CSR Implementation:

- a) The CSR Committee shall recommend CSR Programs to be implemented, by one or more of the following methods:

1. Method - I: Directly by the company in conformity with requirements of the Act and CSR Policy of the company.
 2. Method - II: By participating in CSR projects or programmes through a registered trust or a registered society or section 8 company under Companies Act, 2013 established by the TSTRANSCO either singly or along with any other company. The Board of a company may also decide to undertake its CSR activities through a company established under section 8 of the Act or a registered trust or a registered society, such company or trust or society shall have an established track record of three years in undertaking similar programs or projects.
 3. Method - III: The Company may also implement programmes in Collaboration with other Central/State PSU companies, in a manner that TSTRANSCO CSR committee is able to report separately on such projects and programme.
 4. Method - IV: Various Programmes or Schemes launched by State Government Bodies may also be undertaken by the Company through District Collector or others.
- b) Proposals for CSR activities received/CSR activities to be taken up in all methods, shall be evaluated by CSR Committee by considering the viability and technical feasibility, estimation of price, budget and responsibility for implementation.

Further, approved CSR activities shall be carried out as follows:

Under Method - I: The CSR activity shall be implemented through internal functionaries, duly following the standard department procedure and delegation of powers.

Under Method - II & IV: The CSR activity thus approved by the CSR Committee shall be implemented duly obtaining Financial Sanction, a Letter of Authorization shall be issued duly incorporating terms and conditions such as: Spell out payment criteria, specify monitoring mechanism and Nodal officer certificate required for making disbursements

A Detail plan of implementation shall be drawn up with key performance Indicators /Milestones with regard to work done and Payment shall be made in a phased manner. Payment terms shall be project wise after duly certified by the Station Head on receipt of the bills for the work executed.

Under Method - III CSR activity undertaken in collaboration with other PSU Companies, a Memorandum of Understanding shall be entered stating terms and conditions including

- Adherence to CSR policy of both Companies
- Approval of CSR proposal by both Company's CSR Committee
- Determination of scope of work to be performed by companies (Division of work)
- Responsibility/Reporting of Completion of CSR activity, Release of payments according to division of work or as agreed.
- Certification on CSR spending by companies.

VIII. Monitoring and Evaluation Framework:

A transparent monitoring/evaluation mechanism as given below shall be put in place.

i. During the time of work taken up:

1. Details of respective Scheme/Officer /Department under which the CSR activity is taken up be obtained by Station Heads.
2. Enquiries about Award of work conferred to whom and assess the reasonability of such award of work by TSTRANSCO.
3. TSTRANSCO may also instruct CSR Committee to assign exclusively an official to monitor the CSR activities taken up by regularly visiting the area of work, assessing and reporting the status of CSR activity taken up and revised estimates if any.

ii. After completion of work in Full/Part:

1. On receipt of request for payment of CSR works executed payment shall be made in Installments, after examining the percentage of work completed and submission of utilization certificate (as the case may be).
2. Utilization certificate shall be given by respective officer and awardee to whom work is assigned, the same may also be simultaneously received from Stations confirming the status of work.
3. Audit of the work shall be carried out at regular intervals and reporting in prescribed format to respective authorities.
4. Apart from the above, areas like ownership of the work executed and Awareness among public/Involvement of public may also be considered as a control measure.
5. A display board is to be erected at the location of each work carried out mentioning that the work is executed through the funds released by TSTRANSCO under CSR Policy of particular station duly giving the details of work estimate value etc.

IX. Review of the CSR Policy:

CSR committee shall review the CSR policy at regular intervals in line with Amendments made from time to time.

- X. Display of CSR activities in the website:** The Company shall approve the CSR Policy, based on the recommendations of the CSR Committee, and disclose the contents on the Company's website.

List of CSR activities covered under Schedule VII of the Companies Act, 2013 and which is undertaken by the company (TSTRANSCO):

1. Eradicating hunger, poverty and malnutrition, (promoting health care including preventive health care) and sanitation including contribution to the Swachh Bharat Kosh set up by the central government for the promotion of sanitation and making available safe drinking water;
2. Promoting preventive health care:
 - a. Provision for operation and treatment for differently disable persons.
 - b. Enabling access to, or improving the delivery of, public health systems.
3. Promoting education, including special education and employment enhancing vocation skills especially among children, women and elderly, and the differently abled and livelihood enhancement projects.
4. 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.
5. 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 setup by the central government for rejuvenation of river Ganga.
6. 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;
7. Measures for the benefit of armed forces veteran, war widows and their dependents;
8. Training to promote rural sport, nationally recognized sport, Paralympics sport and Olympic sport.
9. Contribution to the Prime Minister 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;
10. Contribution or fund provided to technology incubators located within the academic institutions which are approved by the central government;
11. Rural development projects.
12. Infrastructure development works in surrounding villages of each of the particular TSTRANSCO transmission lines/ stations such as laying of roads, drains, safe drinking water supply, plants, toilets, improvement of school buildings, street lighting, green belt development etc.
13. Any other projects or activities approved by the central government pursuant to section 135 of the companies act,2013, from time to time.

In addition to the list mentioned above, The Committee also decided to include the list of activities issued as per Annexure referred to at para (i) of General

**Circular No. 21/2014 dated 18.06.2014 issued by Ministry of Corporate Affairs,
Government of India.**

Sl. No.	Additional items requested to be included in Schedule VII or to be clarified as already being covered under Schedule VII of the Act	Whether covered under Schedule VII of the Act
1.	<p>Promotion of Road Safety through CSR:</p> <p>(i) (a) Promotions of Education, “Educating the Masses and Promotion of Road Safety awareness in all facets of road usage,</p> <p>(b) Drivers’ training,</p> <p>(c) Training to enforcement personnel,</p> <p>d) Safety traffic engineering and awareness through print, audio and visual media” should be included.</p> <p>(ii) Social Business Projects: “giving medical and Legal aid, treatment to road accident victims” Should be included.</p>	<p>(a) Schedule VII (ii) under “promoting education”.</p> <p>(b) For drivers training etc. Schedule VII (ii) under “vocational skills”.</p> <p>(c) It is establishment functions of Government (cannot be covered).</p> <p>(d) Schedule VII (ii) under “promoting education”.</p> <p>(ii) Schedule VII (i) under ‘promoting health care including preventive health care.’</p>
2.	<p>Provisions for aids and appliances to the differently- able persons - ‘Request for inclusion.</p>	<p>Schedule VII (i) under ‘promoting health care including preventive health care.’</p>
3.	<p>The company contemplates of setting up ARTIIC (Applied Research Training and Innovation Centre) at Nasik. Centre will cover the following aspects as CSR initiatives for the benefit of the predominately rural farming community:</p> <p>(a) Capacity building for farmers covering best sustainable farm management practices.</p> <p>(b) Training Agriculture Labor on skill development.</p> <p>(c) Doing our own research on the field for individual crops to find out the most cost optimum and Agri - ecological sustainable farm practices. (Applied research) with a focus on water management.</p> <p>(d) To do Product Life Cycle analysis from the soil conservation point of view.</p>	<p>Item no. (ii) of Schedule VII under the head of “promoting education” and “vocational skills” and “rural development”.</p> <p>(a) “Vocational skill” livelihood enhancement projects.</p> <p>(b) “Vocational skill”</p> <p>(c) ‘Ecological balance’, ‘maintaining quality of soil, air and water’.</p> <p>(d) “Conservation of natural resource ”and maintaining quality of soil, air and water’.</p>
4.	<p>To make “Consumer Protection Services” eligible under CSR (Reference received by Dr. V.G.Patel, Chairman of Consumer Education and Research Centre.)</p> <p>(i) Providing effective consumer grievance redressal mechanism.</p> <p>(ii) Protecting consumer’s health and</p>	<p>Consumer education and awareness can be covered under Schedule VII (ii) “promoting education”.</p>

	<p>safety, sustainable consumption, consumer service, support and complaint resolution.</p> <p>(iii) Consumer Protection activities.</p> <p>(iv) Consumer Rights to be mandated.</p> <p>(v) All consumer protection programs and activities” on the same lines as Rural Development, Education etc.</p>	
5.	<p>a) Donations of IIM (A) for conservation of buildings and renovation of classrooms would quality as “promoting education:” and hence eligible for compliance of companies with Corporate Social Responsibility.</p> <p>b) Donations of IIMA for conservation of buildings and renovation of classrooms would quality as “Protection of national heritage:” art and culture, including restoration of buildings and sites of historical importance” and hence for compliance of companies with Corporate Social Responsibility.</p>	<p>Conversation and renovation of school buildings and classrooms relates to CSR activities under Schedule CII as “promoting education”.</p>
6.	<p>Non Academic Techno park RBI not located within an academic institution but approved and supported by Department of Science and Technology</p>	<p>Schedule VII (ii) under “promoting education.” If approved by Department of Science and Technology.</p>
7	<p>Disaster Relief</p>	<p>Disaster relief can cover wide range of activities that can be appropriately shown under various items listed in Schedule VII. For example.</p> <p>(i) Medical aid can be covered ‘promoting health care including preventive health care.’</p> <p>(ii) Food supply can be covered under eradicating hunger, poverty and malnutrition.</p> <p>(iii) Supply of clean water can be covered under ‘sanitation and making available safe drinking water’.</p>
8.	<p>Trauma care around highways in case of road accidents.</p>	<p>Under ‘health care’.</p>
9.	<p>Clarity on “rural development projects”</p>	<p>Any project meant for the development of rural India will be covered under this.</p>

10.	Supplementing of Govt. Schemes like mid-day meal by corporate through additional nutrition would qualify under Schedule VII.	Yes. Under Schedule VII, item. no. (i) under 'poverty and malnutrition'.
11.	Research and studies in the areas specified in Schedule VII.	Yes, under the respective areas of items defined in Schedule VII. Otherwise under 'promoting education'.
12.	Capacity building of government officials and elected representatives-both in the area of PPPs and urban infrastructure.	No.
13.	Sustainable urban development and urban public transport systems.	Not Covered.
14.	Enabling access to, or improving the delivery of public health systems be considered under the head "preventive healthcare" or "measures for reducing inequalities faced by socially & economically backward groups"?	Can be covered under both the heads of "healthcare" or "Measures for reducing inequalities faced by socially & economically backward groups", depending on the context.
15.	Likewise, could slum-re-development or EWS housing be covered "Measures for reducing in equalities faced by socially & economically backward groups">	Yes.
16.	Renewable energy projects	Under 'Environmental sustainability, ecological balance and conservation of natural resources'.
17.	(i) Are the initiatives mentioned in Schedule VII exhaustive? (ii) in case a company wants to undertake initiatives for the beneficiaries mention in Schedule VII, but the activity is not included in Schedule VII, the will it count(as per 2©(II) of the Final Rules, they will count)?	(i) & (ii) Schedule VII is to be liberally interpreted so as to capture the essence of subjects enumerated in the schedule.
18.	US-India Physicians Exchange Program - broadly speaking, this would be p[program that provides for the professional exchange physician between India and the United States.	No.

FORMAT FOR THE ANNUAL REPORT ON CSR ACITIVIES 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 percent. 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 (i)Direct Expenditure on projects or programs. (ii)Over heads	Cumulative expenditure up to the reporting period	Amount Spent" Direct or through implementing agency*
1							
2							
3							
	TOTAL						

*Give details of implementing agency.

6. In case the company has failed to spend the two percent 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/- (Chief Executive officer or Managing Director or Director	Sd/- (Chairman CSR Committee)
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