



Corporate Social Responsibility (CSR) Policy

Maharashtra State Electricity Transmission Company Limited

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The Corporate Social Responsibility (CSR) Policy of Maharashtra State Electricity Transmission Company Limited

1 Background & Vision

MSETCL a State Government Company, is one of the largest State Transmission utility in India. MSETCL 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.

MSETCL have an ethical & social responsibility through its core value i.e. being ethically & socially responsive to support communities ostensibly impacted by its business in any manner. To fulfil our rooted values, MSETCL is creating framework to identify, access, and manage socio economic development. MSETCL is committed to attain sustainable economic & infrastructure development with an interconnected vision of people's welfare, social growth and environmental conservation through adopting people-centric approach within our business.

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 MSETCL desires to formulate comprehensive Corporate Social Responsibility Policy.

This policy will deal with the basic aspects of CSR with reference to MSETCL. 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.

MSETCL 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 and to raise the Human Development Index in the State.

1.1 Preamble

Corporate Social Responsibility 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 include employees, investors, shareholders, customers, business partners, clients, civil society groups, Government and non-Government organisations, local communities, environment and society at large. Corporate social responsibility means giving back to society what it gets from society.

For Company in the present context, CSR means not only investment of funds for social activity but also integration of business processes with social processes.

CSR is a process with the aim to embrace responsibility for the company's actions and encourage a positive impact through its activities on the environment, consumers, employees, communities, stakeholders and all other members of the public sphere who may also be considered as stakeholders.

According to **World Business Council for Sustainable Development** “*Corporate Social Responsibility is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large*”.

MSETCL is a socially committed organization and a responsible corporate citizen. It attaches great importance to discharging its social responsibilities to the community and Society of the area where the zones are being taken up.

MSETCL’s network is spread in entire state of Maharashtra. MSETCL has acquired land for its transmission lines in different remote areas, which may relocate people or affect their livelihood. As a responsible corporate citizen, it aims to restore the livelihood of the people, provide adequate compensation and to undertake the development works in the Project Affected Area for the upliftment of Project Affected Persons (PAPs). The Company will take up community development activities in the nearby areas of various Stations and Sub-stations.

2 Title & Operation

- 2.1 This Policy shall be known as the ‘Corporate Social Responsibility (CSR) Policy’ of Maharashtra State Electricity Transmission Company Limited
- 2.2 The Policy will remain in force until superseded by another Policy.
- 2.3 The Board of Directors of MSETCL may review the Policy as and when deemed necessary.

3 Aims & Objectives

The aims & objectives of this Policy are as under –

- 3.1 Improving socio-economic status of Persons who are residing in adjoining areas of Stations and Sub-stations of MSETCL.
- 3.2 Providing opportunities for sustainable improvement in the fields of income generation, skill development, health, education and such other fields.
- 3.3 To adopt a holistic approach to community development of Project Affected Areas and ensuring that the people of such areas improve or at least regain their previous standards of living.
- 3.4 Carrying out community development activities in a transparent and participative manner.
- 3.5 Ensuring participation and consultation with the local public representatives and setting up of institutional mechanisms for carrying out CSR activities in Project Affected Areas and Power station area.
- 3.6 Integrated growth of all stakeholders (Corporate & Society - communities, employees, consumers, environment, and all other members of the public sphere);

- 3.7 To minimize the difference of opinion between society and company through concentrating public issues under CSR;
- 3.8 To create a sensitivity between corporate & society toward social development and consider CSR as responsibility not charity to develop trust and cooperation within the wider stakeholder community;
- 3.9 High standard of authenticity, responsibility and accountability toward all stakeholders including employee, community, consumers, government etc.;
- 3.10 Promote Socio-economic development through community development initiatives;
- 3.11 To bring an attitudinal change in MSETCL employee and society about the idea/perception of CSR;
- 3.12 The policy will create a frame work, procedure for assessment, implementation and monitoring of any activity under CSR.
- 3.13 The policy will cover up the work of similar nature and purpose in relation of sister concern companies like Genco and Discom as they are supporting the business activities of MSETCL.

4 CSR Committee

At MSETCL, our CSR governance structure will be headed by the CSR committee that will be ultimately responsible for the CSR projects undertaken. The committee will report to our Board of Directors

4.1 CSR Committee Members

- Chairman & Managing Director
- Director (Finance)
- Director (Project)
- Independent Director-Finance Expert

CS, MSETCL will be the convener of the CSR Committee meetings.

4.2 Function

Function of Corporate Social Responsibility Committee shall be:

- (a) Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company;
- (b) Prepare an Annual Plan for CSR activities and place before the Board for approval.
- (c) Recommend the amount of expenditure to be incurred on the activities referred to in clause (a);
- (d) To give administrative approval to projects proposed by CSR Standing Committee; and
- (e) Monitor the Corporate Social Responsibility Policy of the company from time to time.

5 CSR Working Committee

At MSETCL, CSR Working Committee will report to CSR Committee from time to time;

5.1 CSR Working Committee Members

- ED(HR)
- Chief Industrial Relations Officer
- CGM(F&A)
- C.E. (Civil)

CIRO will be Corporate level Nodal Officer and convener of the CSR Working Committee Meeting.

5.2 Function

Function of CSR Working Committee shall be:

1. The major function of CSR Working Committee will be to vet and technically sanction the projects;
2. Once the projects are vetted and sanctioned, the proposals will be placed before the CSR Committee for administrative approval.
3. The members will visit the project areas to find out the progress of the project and ascertain whether the funds are being properly utilized or not and give a periodic report to CSR Committee.

5.3 Functions of Corporate level Nodal Officer shall be:

1. Coordination of Corporate level CSR Working Committee for assessment of CSR activity, reporting, monitoring, for initiating any activity and directives compliances;
2. Project completion report and evaluation of completed, ongoing or planned CSR activity for purpose fulfillment;
3. Coordination between field officers for information sharing/ clarifications/ MIS.
4. Disclosure of CSR information in MSETCL website & any other forum,
5. Preparation of Annual Progress Report

5.4 Functions of Field level Nodal Officers(C.E. of various zones) shall be:

1. Submission of proposal with initial assessment report including followings aspects:
 - a. Name of the activity/ project
 - b. Need, requirement, and usefulness of the activity/ project,
 - c. Purpose of the activity/ project,
 - d. Clear identification of beneficiaries

- e. Ownership requirement– whether any MoU between Panchayat or any other agency.
 - f. Photograph of existing condition/ situation of activity/ project,
 - g. Rough estimation of cost with time limit to complete proposed activity/ project,
 - h. Brief report with recommendation of circle office.
2. Coordination between Corporate level nodal officer for any information sharing/ directive compliance;
 3. Time to time inspection/ evaluation of completed, ongoing or planned CSR activity for purpose fulfillment;
 4. Coordination between MSETCL civil department of field for existing and ongoing project progress,

The various zones shall be responsible for executing CSR within the Zones. The Zones CSR nodal department will be responsible for organizing and coordinating CSR within that Zones/field/circle.

6 Areas & Scope of Activities

The scope of CSR policy is limited to its area of operations as stipulated in Clause 135 (5) of Companies Act, 2013 i.e. areas which is close to work area and ostensibly impacted by MSETCL business in any manner.

The list of the activities is purely suggestive in nature and any other activities may also be taken up. The list of CSR activities will be as under:

6.1

- a) Education;
- b) Sports & Cultural activities;
- c) Health Care;

6.2

- a) Social Sector
- b) Providing relief to victims of Natural Calamities like Earth Quake, Cyclone, Drought & Flood situation etc. by contribution to various Relief funds.
- c) Agriculture and allied activities

6.3

- a) Infrastructure development, such as community halls, sanitation facilities, etc. and Electrification activities.

The detailed list of activities which may be taken up under some of the aforesaid categories is enclosed as 'Annexure-I'. All activities under the Policy should be environment friendly and for the benefit of the local people and society at large.

6.4 The CSR activities do not include the activities undertaken in pursuance of normal course of business of a company.

6.5 The CSR projects/programs that benefit only the employees of the Company and their families shall not be considered as CSR activities.

7 CSR BUDGET

- 7.1 The CSR budget will be mandatorily passed by a Board Resolution.
- 7.2 2% of the average net profits of the company made during the three immediately preceding financial years, in pursuance of Corporate Social Responsibility Policy.
- 7.3 The CSR Budget should be fixed for each financial year. This funding will not lapse. It will be transferred to a CSR Fund which will get accumulated. As the accounts are maintained on accrual basis the profits are not in cash. The funds will be utilized for the CSR activities keeping in view cash realization from DISCOM.
- 7.4 The Budget will give indicative layout out. Further budget will try to achieve inter sector balance between various activities and efforts will be made to maintain regional balance as far as possible. The funds will be broadly utilized as under:

Heads/Activities	Budget Allocation
Education, Sports and Health	33%
Social Sector, Contribution to various relief funds & Agriculture & its allied activities	33%
Infrastructure & Electrification	34%

8 Execution and funding of project

The Committee will decide about the projects to be taken up. The Committee will decide on how the execution will take place i.e. by MSETCL on its own or by assigning work to any local government agencies like gram panchayat or other department. For works for Agency basis, the procedure for administrative approval, technical sanction, release of funds etc may be as per their existing policies. The Committee may decide modalities for transfer of funds to local agencies as well as requisite certificate for utilization of funds. The committees will ensure close supervision by the Company in either of cases.

9 Monitoring the Progress of CSR activities

- 9.1 The CSR Committee shall regularly monitor the progress of the various CSR activities/ works undertaken by it. A periodical status report on the progress of CSR activities shall be furnished by the concerned field level nodal officer of various zones through Corporate Level Nodal Officer.
- 9.2 The Annual Progress Report approved by the CSR Committee shall be placed before the Board of Directors of MSETCL.

10 Ownership of assets

Ownership of the assets developed under CSR Policy would vest in the concerned Government Departments/ Panchayats. Upkeep & Maintenance of these assets shall be the responsibility of the concerned Departments / Panchayats. MSETCL will not be responsible for any Repairs & Maintenance of the assets or any of the projects funded under CSR activities.

11 Report/Reflection of CSR Activities

MSETCL website will have a head of 'MSETCL CSR initiatives' and MSETCL CSR Policy along with necessary information of existing and ongoing project with photographs be shared accordingly.

12 Power to issue clarifications

MSETCL shall have the power to issue any clarifications on the various provisions of this CSR Policy, from time to time.

Annex –I

Suggestive CSR activities/ works under some of the fields stated at Clause-6 of Corporate Social Responsibility Policy of MSETCL.

(i) Education, Sports & Culture and Health Care:

- Skill Development Activities and Training for self employment;
- Education by providing Primary, Middle and Higher Secondary Schools in colonies;
- Counseling of villagers to encourage their children for education and Conduct awareness programmes for promotion of girl education;
- Special attention on education, training and rehabilitation of Project Affected People;
- Providing Scholarships to the meritorious students of the schools in the Project Affected Areas;
- Promotion of Professional Education by sponsoring PAP students for ITI/ Diploma courses;
- Promotion of sports activities in nearby villages by conducting tournaments in sports and providing sports materials etc to the young and talented villagers;
- Sponsorship of Sports event in the Project affected areas;
- Organizing Mobile Clinics/ medical camps in the villages of Project Affected Areas;
- Organizing general awareness camp for the surrounding villages to make the people realize the harmful effects of social evils like smoking, alcohol, drug abuse etc.;
- Conduct AIDS awareness programmes in Project affected areas.

(ii) Social Empowerment Social Sector, Contribution to various relief funds & Agriculture & its allied activities :

- Organizing training programmes for women in tailoring, embroidery, designs, home foods, pickles, painting, interior decoration and other such vocational Courses;
- Women Self Help Groups;
- Welfare schemes for tribal areas;
- Welfare schemes for SC segment;
- Welfare Scheme for agriculture and allied activities;

(iii) Infrastructural development & Electrification Activities

- Construction of community halls and development of play grounds in PAP areas;
- Providing furniture & equipments to educational institutions;
- Development of public utilities and sanitation facilities;
- Electrification Activities;