



TAMILNADU TRANSMISSION CORPORATION LIMITED

CORPORATE SOCIAL RESPONSIBILITY POLICY

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TAMILNADU TRANSMISSION CORPORATION LIMITED

CORPORATE SOCIAL RESPONSIBILITY POLICY

1. BACKGROUND

The Tamil Nadu Electricity Board was restructured into three entities viz. TNEB Ltd., the Holding Company and Tamil Nadu Generation and Distribution Corporation Ltd & Tamil Nadu Transmission Corporation Ltd., two Subsidiary Companies vide G.O.114 dated 08-10-2008 as mandated in the Electricity Act 2003.

The Tamil Nadu Transmission Corporation Ltd. (TANTRANSCO), was registered as Company vide G.O.38 dated 21-05-2009 under the Companies Act, 1956 and was incorporated on 15-06-2009.

TANTRANSCO is a company wholly owned by the Govt. of Tamil Nadu & started functioning from 14-12-2009. Consequent to the issuance of G.O.(Ms).No.100 Dated 19.10.2010 and started functioning from 01-11-2010.

2. VISION:

To provide adequate and reliable Transmission infrastructure.

3. PREAMBLE:

Pursuant to section 135 of the Companies Act, 2013 read along with applicable rules thereto, the Board of Directors of TANTRANSCO has to formulate a Corporate Social Responsibility Policy (CSR Policy).

4. TITLE & OPERATION:

The Policy shall be named as “Corporate Social Responsibility (CSR) Policy” of Tamil Nadu Transmission Corporation Limited hereinafter referred as Policy.

The Policy shall come into force from the date of its approval by the Board of TANTRANSCO.

The Board of Directors of TANTRANSCO may review the Policy as and when deemed necessary.

5. AIMS AND OBJECTIVES:

TANTRANSCO is committed to do business of Transmission of Electricity within the State of Tamil Nadu by adding value to the community and society on a sustainable basis through responsible practices and good governance.

TANTRANSCO's CSR Policy will be operative within the overall ambit of CSR provisions contained in the Companies Act 2013, Companies (CSR Policy) Rules 2014, Schedule-VII to the Companies Act 2013 and amendments thereof from time to time.

6. CSR COMMITTEE:

- (1) Managing Director/TANTRANSCO - Chairperson
- (2) Director(Finance)/TANTRANSCO - Member
- (3) Director(Generation)/TANGEDCO - Member

Company Secretary, TANTRANSCO will be the convenor of the CSR committee meetings.

7. INSTITUTIONAL FRAMEWORK/FUNCTION:

The Corporate Social Responsibility Committee shall

- (i) formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company.
- (ii) approve suitable CSR activities/Projects/proposals to be undertaken during the financial year along with the detailed plan, modalities of execution, implementation schedule, monitoring process and amount to be incurred on such activities referred to in (i) with the limits of budget approved by the Board.
- (iii) submit its yearly report giving status of the CSR activities undertaken, expenditure incurred and such other details as may be required by the Board.

8. CSR WORKING COMMITTEE:

For effective implementation of CSR activities, the CSR Working Committee consisting of following members are formed for processing, implementing and monitoring CSR Projects including post completion assessment and impact analysis.

1. Chief Engineer / Civil /Transmission
2. Superintending Engineer, Chennai Development Circle-I, TANTRANSCO.
3. Financial Controller/Revenue & Purchase, TANTRANSCO.

The CSR Working Committee will report to CSR Committee from time to time.

The Nodal officer of the CSR Working Committee will be appointed by the Managing Director/TANTRANSCO.

9. FUNCTIONS OF CSR WORKING COMMITTEE:

- (i) Identify the areas to be considered in CSR activities,
- (i) Submission of proposal with initial assessment report including following 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 the cost with time limit to complete the proposed project.
 - (h) Brief report with recommendation of circle office.
- (ii) Co-ordination with the field officers for any information sharing/clarification/MIS and directive compliance.
- (iii) Time to time inspection/evaluation of completed, ongoing or planned CSR activity for purpose of fulfilment.

- (iv) Co-ordination between TANTRANSCO civil wing of field for existing and ongoing project progress.
- (ii) Disclosure of CSR information in TANTRANSCO website & any other forum.
- (iii) Preparation of Annual Progress Report.

The various circles shall be responsible for executing CSR within the circle. The circle CSR nodal department will be responsible for organizing and co-ordinating CSR within that circle.

10 SCOPE OF ACTIVITIES UNDER CSR:

The Schedule VII of the Companies Act, 2013 prescribes the activities which may be included by Companies in their CSR Policies, Ministry of Corporate Affairs (MCA) vide its notification No. G.S.R. 129 (E), dated 27.2.2014 has also prescribed the rules namely "Companies (Corporate Social Responsibility Policy) Rules, 2014.

As per Schedule VII of the Act, following activities may be included by the Companies in their CSR Policies;

- (i) Eradicating hunger, poverty and malnutrition, promotion 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 centres 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 maintain 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 and 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, 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) Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government.
- (x) Rural development projects.

11 CSR BUDGET:

The Sub-clause (5) of Section 135 of the Act specifies that the Board of every company that requires to constitute CSR Committee 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 activities.

The profit shall be computed as per section 198 "Calculation of Profit" of the Companies Act, 2013.

The CSR Budget shall be passed by the Board of Directors.

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. The accounts are to be maintained on accrual basis.

The expenditure shall be booked under Account Code 79.220.

12 MONITORING THE PROGRESS OF CSR ACTIVITIES:

The CSR Working 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 CSR Working committee to the CSR Committee.

The Annual Progress Report approved by the CSR Committee shall be placed before the Board of Directors of TANTRANSCO.

13 OWNERSHIP OF ASSETS:

Ownership of assets developed under CSR Policy would vest in the concerned Government Department/Panchayats. Upkeep & maintenance of these assets shall be the responsibility of the concerned Department/Panchayats. TANTRANSCO will not be responsible for any repair and maintenance of the assets or any of the projects funded under CSR activities.

14 Report/Reflection of CSR activities:

TANTRANSCO website will have a head of “TANTRANSCO-CSR initiatives” and TANTRANSCO CSR Policy along with necessary information of existing and ongoing project with photographs be shared accordingly.

15 Power to issue clarifications:

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

Reporting on existing and ongoing CSR activities/initiatives shall be disclosed in the Annual Report of TANTRANSCO along with justification in case of non fulfilment of target in line with the Companies Act, 2013.