



## AEGCL CSR POLICY



**AEGCL**

## **CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY**

**ASSAM ELECTRICITY GRID CORPORATION LIMITED**

(A Government of Assam Undertaking)

**CIN: U40101AS2003SGC007238, GSTIN: 18AAFCA4973J9Z3**

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## AEGCL CSR POLICY

### Contents

Sl. No	Subject	Page No.
1	Introduction	3
2	CSR Vision and Mission	3
3	Administrative Set-up	4-5
4	Planning	5-7
5	Mode of Execution	7
6	Monitoring	7-8
7	Reporting	8
8	Report Submission	8
9	Activities not considered under CSR	8-9
10	General Provisions	9
11	<b>Annexure-I</b> - Activities which may be undertaken under Corporate Social Responsibility Policy.	<b>10</b>
12	<b>Annexure-II</b> - Format for the Annual Report on CSR activities to be included in the Board's Report.	<b>11-13</b>



## AEGCL CSR POLICY

### **AEGCL CORPORATE SOCIAL RESPONSIBILITY POLICY**

#### **1.0 INTRODUCTION**

- 1.1 Corporate Social Responsibility (CSR) is the company's commitment to its society at large to conduct business in an economically, socially and environmentally sustainable manner that is transparent and ethical.

Stakeholders of Assam Electricity Grid Corporation Limited (AEGCL) include persons directly impacted by the activities of AEGCL, employees, investors, shareholders, customers, business partners, clients, civil society groups, Government and non-Government organizations, local communities and their public representatives, Gram Sabhas and Panchayati Raj Institutions (PRIs) and society at large.

- 1.2 AEGCL is one of the largest electrical power transmission utilities in North East India. 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 localized impacts on villagers whose lands are acquired for construction of substations and on natural resources like crops & trees, whenever Transmission Lines pass through agriculture fields or forest areas. Thus, the main focus of CSR activities required of the Corporation would be in undertaking CSR activities that benefit persons directly impacted by the activities of AEGCL, as well as activities that help to reverse any adverse impact on the environment and ecology.
- 1.3 The Companies Act, 2013 enacted in August 2013 states that Corporate Social Responsibility is applicable to all companies and its Section 135 details the various activities that can be taken up. The Companies covered under the eligibility criteria, based on threshold limits of net-worth, turnover, or net profit, as specified in Section 135(1) of the Companies Act, shall be required to take up CSR Activities. Companies (Corporate Social Responsibility Policy) Rule, 2014, under the provisions of the Companies Act was notified with effect from 1<sup>st</sup> April, 2014. Later, Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 were introduced.

#### **2.0 CSR VISION AND MISSION**

##### **2.1 AEGCL's CSR VISION:**

To be a Corporate that sets a long-term strategy for Social & Economic Development of communities through initiatives in rural development, education, skill development, health and other areas of national importance and adhere to sustainable environmental practices.

##### **2.2 AEGCL's CSR MISSION:**

To align CSR and Sustainability policy with the business policy so as to conduct business in a sustainable manner adhering to the principles of Avoidance, Minimization and Mitigation in dealing with environmental and social issues and to undertake high impact community development projects of national and local importance.



## AEGCL CSR POLICY

### 3.0 ADMINISTRATIVE SETUP

#### 3.1 Role of the Board of Directors:

- 3.1.1 The Board shall constitute a CSR Committee, namely Board Level CSR Committee, consisting of three or more Directors, out of which at least one Director shall be an Independent Director.
- 3.1.2 Approve the CSR Policy for the Corporation.
- 3.1.3 Disclose the contents of the Corporation CSR Policy in the Report of the Board of Directors and the same shall be displayed on AEGCL's website, as per the particulars specified in the Annexure.
- 3.1.4 Ensure placing of composition of Board level CSR committee, Corporate CSR Policy and Projects approved by the Board on the website of the Corporation.
- 3.1.5 Ensure that the CSR Policy is implemented. For this purpose it may approve the modalities and administrative arrangements required by the Management within the Corporation to achieve the goals of CSR and have them incorporated into the AEGCL CSR Rules to be framed for the Corporation.
- 3.1.6 Approve the methodology proposed by the CSR Committee for transparent monitoring the progress of implementation of the CSR activities. The Board will decide the periodicity of Reporting to it the progress in implementation of the CSR activities.
- 3.1.7 Ensure that the Corporation 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 for in Section 198 of the Act 2013.]
- 3.1.8 For the ongoing projects under CSR, the AEGCL Board shall monitor the implementation of project with reference to the approved timelines and year wise allocation and shall be competent to make modifications, if any, for smooth implementation of the project within the overall permissible time period.
- 3.1.9 The Board will delegate powers to the Board Level CSR Committee and the Corporate CSR Department, for ensuring implementation of the CSR Policy/ CSR activities as per the Budget and Annual CSR Plan approved by the Board.
- 3.1.10 CSR implementation shall be done in accordance with the Companies (Corporate Social Responsibility Policy) Rule, 2014 and Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021.

#### 3.2 Role of Board level CSR Committee:

- 3.2.1 Formulate and recommend to the Board, a CSR Policy.
- 3.2.2 Indicate the activities to be undertaken by the Corporation as specified in Schedule VII.
- 3.2.3 The Board level 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 / Panchayati Raj Institutions, Ministries of Government of India and other stakeholders may be considered for undertaking activities/projects under CSR. On identifying the requirement of the community, a project will be prepared indicating the need for community development activity, time-frame of implementation,



## AEGCL CSR POLICY

action plan, budget requirement etc. Projects shall be broken into Long-term and short-term plans and annual plans.

- 3.2.4 Recommend the amount of expenditure to be incurred on the CSR as per provisions of the Act.
- 3.2.5 Approve the projects and programs to be undertaken by the Corporation in pursuance of the approved CSR Policy.
- 3.2.6 Institute, with the approval of the Board, a transparent monitoring system for the CSR Policy.

### 3.3 Internal Administrative Set-Up:

For coordinating the overall CSR activities in AEGCL, a Corporate CSR Department shall be formed, comprising of the following as members:

- 1. General Manager (HR), AEGCL
- 2. Deputy General Manager (Technical) – posted in HQ
- 3. Deputy General Manager (F&A)
- 4. Deputy Manager (HR) / Assistant Manager (HR)

The CSR Rules of AEGCL should incorporate the detailed duties and responsibilities of the CSR Department.

## 4.0 PLANNING

### 4.1 Resources:

- 4.1.1 Every year AEGCL shall ensure that at least 2% (Two) of the average net profit of the Company made during the three immediate preceding financial years is spent in pursuance of its CSR Policy, excluding such activities undertaken in pursuance of its normal course of business.

If the company fails to spend such amount, the Board shall, in its annual report, specify the reasons for not spending the amount and, unless the unspent amount relates to any ongoing project, transfer of such unspent amount is to be made to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year. If the company fails to spend such amount in pursuance of its Corporate Social Responsibility Policy, the Unspent amount shall be transferred by the company within a period of thirty days from the end of the financial year to a special account to be opened by the company on that behalf for that financial year in any scheduled bank to be called the Unspent Corporate Social Responsibility Account, and such amount shall be spent by the company in pursuance of its obligation towards the Corporate Social Responsibility Policy within a period of three financial years from the date of such transfer, failing which, the company shall transfer the same to a Fund specified in Schedule VII, within a period of thirty days from the date of completion of the third financial year.

If the company spends an amount in excess of the requirements provided under sub-section (5) of section 135 of the Companies Act (which shall not include the surplus arising out of the CSR activities), company may set off such excess amount against the requirement to spend under sub-section (5) of section 135 of the Companies Act upto three immediate succeeding financial years provided the Board shall pass a resolution to that effect.

- 4.1.2 Resources may be pooled with other CPSEs/companies for taking up high value projects, which have greater visibility, more number of beneficiaries, and wider and long lasting visible impacts. 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.



## AEGCL CSR POLICY

- 4.1.3 Expenditure on capacity building, such as training, workshops, seminars, conferences, for employees working in the CSR division of the Company as well as those of implementing agencies, through Institutions with track record of at least three financial years will qualify as CSR expenditure. Such expenditure on capacity building, including expenditure on administrative overheads shall not exceed 5% (Five) of the total CSR expenditure in any year.
- 4.1.4 The Budget and Annual CSR Plan shall be approved by the Board on the recommendation of the Board level CSR Committee.
- 4.1.5 All expenditure incurred on activities involved in the need assessment / baseline study, planning, implementation, monitoring and impact assessment of the projects will be included in the CSR expenditure, including expenditure on administrative overheads, but such expenditure shall not exceed 5% of total CSR expenditure of the company in one financial year.

### 4.2 Area to be covered under CSR:

- 4.2.1 The activities proposed to be undertaken under CSR shall include all the activities consistent with the CSR provisions of the Act, Schedule VII of the Companies Act 2013, CSR Rules, the Guidelines and the policy directions issued by the Government from time to time. The entries in Schedule VII may be interpreted harmoniously so as to capture the essence of the subjects.

For CSR activities, AEGCL will give preference to the stakeholders directly impacted due to the implementation of any Project. Since such stakeholders are generally located in the periphery of the Transmission lines and substations, AEGCL will accord priority for CSR activities in the local areas and neighborhood areas of its Project sites and its existing grid.

- 4.2.2 The Geographical limits of a district where AEGCL has its presence shall be considered as “local area” for CSR activities. In addition to the CSR activities in the local areas, AEGCL shall also undertake CSR activities outside it. The ratio of CSR spends between the local areas and outside would be approximately 70:30. However, projects/ activities executed under the directives of GoA or of foremost concern in the national development agenda will be outside the purview of this ratio. The Board level CSR committee is authorized to approve any project, irrespective of the amount involved, which is beyond the above ratio.
- 4.2.3 The Company will take into account its commitment to its stakeholders while selecting CSR activities, provided such activities qualify as CSR activities under the Act 2013.
- 4.2.4 The focus will be on long gestation, high impact projects with commitment being made for the entire expenditure till the completion of the project. Activities which are adhoc and philanthropic in nature shall be avoided.
- 4.2.5 The Multi Year activities/projects proposed to be undertaken by the Company shall not exceed three years excluding the financial year in which it was commenced.
- 4.2.6 At least 70% of the annual CSR budget is to be allocated to CSR programmes for local area and for the benefits of stakeholders who are directly impacted by the Company's business operations / activities.
- 4.2.7 After giving preference to local area, AEGCL will undertake CSR programmes in other areas.
- 4.2.8 Baseline/ need assessment survey will be desirable prior to the selection of any CSR programme. Baseline surveys may not be required in all cases, provided there is credible documentary evidence of having got the need assessment study done through own resources, or through some specialized agency, or having accessed reliable data in this regard from



## AEGCL CSR POLICY

recognized authoritative secondary sources.

### 5.0 MODE OF EXECUTION

- 5.1 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 Corporation as per Works & Procurement Policy of the Corporation. Services of various departments of Central/State Govt., Panchayati Raj Institutions etc. may also be availed for implementation of CSR activities preferably through MoU or deposit works. However, mode of implementation shall be spelt out at the proposal stage itself.
- 5.2 CSR activities/projects/programs shall be undertaken by the company itself or by-
- 5.2.1 Any entity established under an Act of Parliament or a State legislature; or
- 5.2.2 A company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities.
- 5.3 The Corporation 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.
- 5.4 The planning, implementation, monitoring and impact assessment of CSR activities shall be included as an activity under MoU of various regions/Projects.
- 5.5 CSR activities shall also be a part of Key Result Areas (KRA) of the executive directly executing CSR projects.
- 5.6 While proposing and approving the activities of CSR the priorities laid down in the Policy shall be kept in mind.
- 5.7 As a matter of policy, the communities intended to be benefitted shall be consulted and closely involved in the process of identifying, planning and implementation of the CSR activities. Wherever possible, the local authorities and specialised agencies may also be similarly consulted and involved.
- 5.8 As per the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, the company can undertake CSR activities either itself or through entities defined under Companies (Corporate Social Responsibility Policy) Rules, 2014. These companies/entities are required to mandatorily register themselves with the central government for undertaking any CSR activity by filing the e-form CSR-1 with the Registrar and shall possess valid unique CSR Registration Number, with effect from the 01st day of April 2021.

### 6.0 Monitoring:

- 6.1 The Board level CSR Committee will be responsible for setting up a transparent monitoring system of the CSR activities of the Corporation.
- 6.2 The Board may be kept informed regarding the progress in implementation of CSR Policy and activities at Half year ending.
- 6.3 Impact assessment must be done for each project undertaken and shall be carried out as per



## AEGCL CSR POLICY

guidelines and Rules approved by the Board.

### 7.0 REPORTING

#### 7.1 Role of the Board:

- 7.1.1 The Board's report on CSR activities pertaining to a financial year commencing on 1st Day of April of every financial year shall include an annual report on CSR containing particulars specified in the Companies (CSR) Rules notified from time to time.
- 7.1.2 The Board shall disclose the contents of the CSR Policy, Composition of CSR Committee and Projects approved by the Board in its report and on the Corporation's website as per the particulars specified in the Companies Rules.
- 7.1.3 If the Corporation fails to spend the specified amount for CSR activities the Board must specify the reasons for inability to spend the said sum in the above-mentioned Report of the Board of Directors.

#### 7.2 Role of the Board level CSR Committee:

- 7.2.1 The Board level CSR Committee will periodically submit reports on implementation of CSR Policy to the Board of Directors as directed by the Board.
- 7.2.2 The Board level CSR Committee will issue a responsibility statement, signed by the MD, the Chairman of Board level CSR Committee and Person specified under clause (d) of sub-section (1) of section 380 of Act 2013, as the case may be, that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Corporation.
- 7.2.3 The Board level CSR Committee will take up the change in timelines, deviation in quantities and financial implications of CSR projects to the board every half yearly for approval/ratification.

### 8.0 REPORT SUBMISSION

- 8.1 Quarterly progress report on CSR will be placed before the Board after consideration by the Board Level CSR Committee.
- 8.2 The Board's report in the Annual Report shall include Annual Report on CSR containing particulars specified in Annexure-II and the same shall be displayed in the AEGCL's website.

### 9.0 ACTIVITIES NOT CONSIDERED AS CSR ACTIVITIES

- 9.1 Contribution of any amount directly or indirectly to any political party under section 182 of the Act, shall not be considered as CSR activity.
- 9.2 The CSR projects or programmes or activities that benefit only the employees of AEGCL and their families shall not be considered as CSR activities.
- 9.3 The CSR programmes undertaken only in India will be considered for the purpose of mandated two percent expenditure. However, training of Indian sports personnel outside India, representing any State or Union territory at national level or India at international level, shall be permissible.
- 9.4 Activities which the Board considers ad hoc and philanthropic in nature.



## AEGCL CSR POLICY

- 9.5 Any activity not approved by the Board or Competent Authority as decided by the Board.
- 9.6 Activities carried out for fulfillment of any statutory obligations under any law in force in India.
- 9.7 Activities undertaken in pursuance of normal course of business of the Corporation.
- 9.8 Activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services.
- 9.9 Activities carried out for fulfilment of any other statutory obligations under any law in force.
- 9.10 Activities taken up under R&R.

### 10.0 GENERAL PROVISIONS

- 10.1 AEGCL shall execute all CSR activities and programmes in terms of the systems and procedures which are aligned/ based on the provisions of Section 135 of the Companies Act, 2013, the CSR Rules and the subsequent clarifications and amendments as notified by Ministry of Corporate Affairs.
- 10.2 In case of necessity, new CSR programmes can be taken up during the course of a year, with the Board's approval based on the recommendations of the Board level CSR Committee, in addition to CSR activities already incorporated in the annual CSR plan.
- 10.3 Any surplus arising out of the CSR activities shall not form part of the business profit of a company and shall be ploughed back into the same project or shall be transferred to the Unspent CSR Account and spent in pursuance of CSR policy and annual action plan of the company or transfer such surplus amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.
- 10.4 If there is any conflict between AEGCL CSR Policy and the related provisions of the Companies Act, 2013, the latter shall prevail.
- 10.5 In case any amendment is made in the CSR laws by the Government, the AEGCL CSR Policy will automatically stand modified to that extent.
- 10.6 This policy shall be reviewed after every 3 years.

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## AEGCL CSR POLICY

**Annexure – I may be placed in line with Schedule VII of Companies Act, 2013.**



## AEGCL CSR POLICY

### Annexure-II (Refer Para 7.3)

**Format for the Annual Report on CSR activities to be included in the Board's Report for Financial year commencing on or after 1<sup>st</sup> Day of April, 2023.**

1. A brief outline on CSR Policy of the company.
2. Composition of the CSR Committee.

SL. No	Name of the Director	Designation/ Nature of Directorship	No. of meeting of the CSR Committee held during the year	No. of meeting of the CSR Committee attended during the year

3. Provide the web-link(s) where Composition of CSR Committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the Company.
4. Provide the executive summary along with web-link(s) of Impact assessment of the CSR projects carried out in pursuance of sub-rule (3) of Rule 8, if applicable.
5. (a) Average net profit of the company as per sub-section (5) of section 135.  
(b) Two percentage of average net profit of the Company as per sub-section (5) of section 135.  
(c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years.  
(d) Amount required to be set off for the financial year, if any.  
(e) Total CSR obligation for the financial year [(b)+(c)-(d)]
6. (a) Amount spent on CSR Projects (both ongoing project and other than Ongoing Project).  
(b) Amount spent on Administrative Overheads including expenditure on capacity building.  
(c) Amount spent on Impact Assessment, if any.  
(d) Total amount spent for the Financial Year [(a) + (b) + (c)]  
(e) CSR amount spent or unspent for the Financial Year:

Total Amount spent for the Financial year (in RS)	Amount unspent (in Rs)				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135		
	Amount (in Rs)	Date of transfer	Name of the Fund	Amount (in Rs)	Date of Transfer



## AEGCL CSR POLICY

(f) Excess amount for set off, if any:

Sl. No	Particulars	Amount (in Rs)
(1)	(2)	(3)
(i)	Two percentage of average net profit of the Company as per sub-section (5) of section 135.	
(ii)	Total amount spent for the Financial Year	
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	
(iv)	Surplus arising out of the CSR project or programmes or activities of the previous Financial Years, if any	
(v)	Amount available for set off in succeeding Financial years [(iii)-(iv)]	

7. Details of the Unspent Corporate Social Responsibility amount for the preceding three financial years:

1	2	3	4	5	6	7	8
Sl No	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in Rs.)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in Rs.)	Amount Spent in the Financial Year (in Rs.)	Amount transferred to a Fund as specified under Schedule VII as per proviso to sub-section (5) of section 135, if any	Amount remaining to be spent in succeeding Financial Years (in Rs.)	Deficiency, if any
					Amount (in Rs)	Date of Transfer	
1	FY-1						
2	FY-2						
3	FY-3						



## AEGCL CSR POLICY

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

☐ Yes      ☐ No

If Yes, enter the number of Capital assets created / acquired

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

SI No	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property Or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity / authority / beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, if applicable	Name	Registered address

(All the fields should be captured as appearing in the revenue record, flat no, house no., Municipal Office/Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

9. Specify the reason(s), if the Company has failed to spend two percent of the average net profit as persub-section (5) of section 135.

Sd/- (Chief Executive Officer or Managing Director or Director)	Sd/- (Chairman Board level CSR Committee)	Sd/- (Person specified under clause(d) of sub-section (1) of section 380) (wherever applicable)
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