Corporate Social Responsibility Policy – 2015

Preamble

Corporate and society has a clear symbiotic relationship confirming the interdependence between each other. This interdependence created an opportunity to change in the perspective of corporate and society toward CSR from a mere philanthropic activity to a powerful tool of gaining competitive edge.

GETCO interfaces with outside community through its nature of business i.e by putting EHV transmission lines & substations. GETCO have an ethical & social responsibility imbibed in its core value i.e. being ethically & socially responsive to support communities ostensibly impacted by its business in any manner. To fulfil our deep rooted values, GETCO is creating framework to identify, access, and manage socio economic development. GETCO 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 GETCO desires to formulate Corporate Social Responsibility policy.

This policy will deal with the various aspects of CSR with reference to GETCO. 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 at corporate & field level office.
Short title, extent, applicability and definitions

1. The policy shall be called the Corporate Social Responsibility (CSR) Policy of Gujarat Energy Transmission Corporation Limited, herein referred as GETCO's CSR Policy.
2. This Policy shall apply to all CSR initiatives/activities taken up by the GETCO in and around its area of operations within the State of Gujarat through its Corporate office, Zonal office, Circle office, Division and Sub-division office.
3. The policy shall come into force from the date of approval of Corporate Social Responsibility Committee and Board of GETCO.
4. Terms in the policy is defined as under:
   a. “Act” means The Companies Act, 2013, as amended from time to time.
   b. “Corporate Social Responsibility (CSR) Project/Activities/Initiatives” means Corporate Social Responsibility (CSR) Project/Activities/Initiatives as defined in Section 135 of the Act, Rules and Schedule(s) as amended from time to time.
   d. “Board level Corporate Social Responsibility Committee” means a CSR Committee constituted/reconstituted by the Board in accordance with the Act.
   e. “Corporate level CSR Committee” means a CSR Committee consisting of Head of Finance Department/ GM (F&A), Head of HR Department/ GM (HR), Respective circle SE (TR) or as may be nominated by MD of GETCO for assessment of project to facilitate Board level Corporate Social Responsibility Committee.
   f. “Nodal Officers” means a designated officer in GETCO for processing, implementing and monitoring CSR projects including Post completion assessment & Impact analysis.
   g. Stakeholders- environment, consumers, employees, local community and society and their families in public sphere.
Vision of Corporate Social Responsibility (CSR) Policy

To integrate CSR in our business activity and to have consistent commitment to work ethically and positively with the aim to embrace responsibility for the company’s actions on society and build sustainable impact on stakeholders.

Objectives of Corporate Social Responsibility (CSR) Policy

Corporate Social Responsibility (CSR) Policy will create a framework, procedure for assessment, implementation and monitoring of any activity under CSR. Following shall be the prime objective of the policy:

- Integrated growth of all stakeholders (Corporate & Society - communities, employees, consumers, environment, and all other members of the public sphere),
- To minimize the difference of opinion between society and company through concentrating public issues under CSR.
- 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.
- High standard of authenticity, responsibility and accountability toward all stakeholders including employee, community, consumers, government etc.
- Promote Socio-economic development through community development initiatives.
- To bring an attitudinal change in GETCO employee and society about the idea/perception of CSR.
Regulatory Framework_ the Companies Act, 2013

Under the Companies Act, 2013, GETCO is statutorily required to execute CSR projects in its area of operation. The Companies Act, 2013, CSR Rules, 2014 and general circulars as amended or modified from time to time by the Ministry of Corporate Affairs has provided a framework within which GETCO has to execute its CSR activities. Relevant clause of the Act & Rules are as under:

1. Section 134 & 135 of The Companies Act, 2013 cast an obligation on GETCO to have Corporate Social Responsibility Committee of the Board and its own CSR Policy.

2. Companies (Corporate Social Responsibility Policy) Rules, 2014 dated 27.02.2014 and Amendment to Scheduled VII dated 27.02.2014 is implemented and come into force on 01.04.2014.

3. Activities under Amendment to Scheduled VII of the Companies Act, 2013 dated 27.02.2014, which may be included by companies in their Corporate Social Responsibility Policies. Amendment to Scheduled VII of the Companies Act, 2013 dated 27.02.2014 is stated in this policy under ‘Activities under CSR’.

4. General circular No. 21/ 2014 dated 18.06.2014 was issued to provide clarification with regard to provisions of Corporate Social responsibility under Section 135 of the Companies Act, 2013.

Institutional framework

Considering clause No. 135 (1) of Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 dated 27.02.2014, GETCO decides to establish its comprehensive Corporate Social Responsibility Policy.

Board level Corporate Social Responsibility Committee shall 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 within the limits of budget approved by the Board;
The CSR Committee, after approval, shall submit its yearly report giving status of the CSR Activities undertaken, expenditure incurred and such other details as may be required by the Board.

Institutional framework is modified as per the Companies Act, 2013.

Roles & responsibilities

For effective implementation of CSR activities, designated officer as nodal officers is to be appointed for processing, implementing and monitoring CSR projects including Post completion assessment & Impact analysis. Corporate level nodal officer will be appointed by GM (HR) and Field level nodal officer will be appointed by SE (TR) of respective transmission circle.
Corporate level Nodal Officers:

Corporate level nodal officer will ensure followings:

1. Coordination between Board level CSR Committee and Corporate level CSR Committee,
2. Coordination of Corporate level CSR Committee for assessment of CSR activity, reporting, monitoring, administrative approvals for initiating any activity and directives compliances,
3. Project completion report and time to time inspection/ evaluation of completed, ongoing or planned CSR activity,
4. Coordination between field level nodal officers for information sharing/ clarifications/ MIS.
5. Disclosure of CSR information on GETCO website & any other forum with due approval,

Field level Nodal Officers:

Field level nodal officer will ensure followings:

1. Identification of areas to be considered in CSR,
2. 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 & relevance of the activity/ project to our project vicinity,
   d. Clear identification of beneficiaries
   e. Tangible & intangible benefits to society,
   f. Ownership requirement- whether any MoU between Panchayat or any other agency.
   g. Photograph of existing condition/ situation of activity/ project,
   h. Rough estimation of cost with time limit to complete proposed activity/ project,
   i. Brief report with recommendation of circle office.
3. Coordination between Corporate level nodal officer for any information sharing/ directive compliance,
4. Time to time inspection/ evaluation of completed, ongoing or planned CSR activity,
5. Coordination between GETCO civil department of field for existing and ongoing project progress.
Activities under CSR

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 are close to our work area and ostensibly impacted by our business in any manner.

GETCO can take-up CSR activities (either new or ongoing) based on Schedule VII mentioned in Section 135. 3 (a) of The Companies Act 2013 and amendment to Schedule VII of the Companies Act, 2013 dated 27.02.2014 and further clarification vide General circular No. 21/ 2014 dated 18.06.2014 duly approved by Corporate Social Responsibility Committee through either independently (by itself) or through a registered trust or a registered society or a company established by the Company or its holding or subsidiary or associate company under Section 8 of the Act or otherwise fulfilling the criteria as specified in the Act or Rules. The company may also collaborate with other companies for undertaking projects or programs or CSR activities in such a manner that the CSR Committees of respective companies are in a position to report separately on such projects or programs in accordance with the Rules.

GETCO is required to execute CSR activities/ project as per Amendment to Scheduled VII of the Companies Act, 2013 dated 27.02.2014 and further clarification vide General circular No. 21/ 2014 dated 18.06.2014 or any other documents/ clarification notified by the Ministry of Corporate Affairs from time to time as a part of the Corporate Social Responsibility (CSR). Activity head under amendment to schedule VII is namely:-

i.  Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water;

ii. Promoting education, including special education and employment enhancing vocational 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 others 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, agroforestry, conservation of natural resources and maintaining quality of soil, air and water;

v. Protection of nation heritage, art and culture including restoration of building and sites if historical importance and works of 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 recognised sports, paralympic sports and Olympic sports;

viii. Contribution to the Prime Minister’s National Relief Fund or any other fund set up by Central Government for socio-economic development and relief and welfare of the Scheduled Caste, Scheduled Tribes, other backward classes, minorities and women;

ix. Contribution or funds provided to technology incubators located within academic institutions which are approved by the Central Government;

x. Rural development projects.

Any other activities in local areas and areas where GETCO operates in relation of the above category will be part of CSR as per Schedule VII of the Act. The above list is illustrative and not exhaustive.

Budget Provision

GETCO CSR budget for a year would be as per the Companies Act, 2013 and recommendation of Board level CSR Committee within the limits of budget approved by Board and same will be distributed among CSR activities (either new or ongoing) or as per approval of CSR Committee.

CSR budget of GETCO will be at least @ 2 (two) per cent of the average net profits of the GETCO during the three immediately preceding financial years or as per the provisions of the Companies Act.

All the expenditure on CSR activities has to be booked under A/c head No. 76.163.
Disclosure

GETCO website shall have a head of ‘GETCO CSR initiatives’ and GETCO CSR Policy along with necessary information of existing and ongoing project with photographs.

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

By order and in the name of Board of Directors.

[Signature]
Company Secretary

Date: 09.02.2015
Place: Vadodara

Note: ‘Institutional framework’ clause is suitably amended by Board of Directors at their 104th Board Meeting held on 21.11.2015.