

Corporate Social Responsibility Policy:

Preamble:

M/s Southern Power Distribution Company of Andhra Pradesh Limited, Tirupati

(APSPDCL) is a power utility spread across eight districts in the state of Andhra Pradesh.

It has always been delivering goods to customers to the utmost satisfactory levels. APSPDCL has continuously pursuing in reducing the AT&C losses and one of the best in terms of operational efficiency.

APSPDCL is responsible for undertaking distribution and bulk supply of power in the operation circles of Krishna, Guntur, Prakasam, Nellore, Chittoor, Kadapa , Anantapura and Kurnool in the State of Andhra Pradesh.

The Registered office/ Corporate Office of APSPDCL is situated at Tirupati. APSPDCL Corporate Social Responsibility Policy is

“To provide the best Service to the Consumers, employees, local community and society at large as a part of its social responsibility “

Applicability

This Corporate Social Responsibility Policy (“CSR Policy”) has been adopted by the Company in consonance with Section 135 of the Companies Act 2013 (“Act”), the Companies (Corporate Social Responsibility Policy) Rules 2014 (“CSR Rules”), and notifications/circulars issued by the Ministry of Corporate Affairs, Government of India, from time to time.

The Policy shall apply to all CSR projects/programmes undertaken by the Company in India as per Schedule VII of the Act.

CSR Budget

The CSR Committee of the Board constituted under Section 135 of the Act will recommend the annual budgeted expenditure towards each project dedicated to CSR activities to the Board for its consideration and approval.

The total CSR budget for any financial year commencing from 2014–15 shall be for an amount equivalent to 2% of the average net profits of the Company made during the three immediately preceding financial years.

Any unspent/unutilized CSR fund of a particular year, shall be carried forward to the following year, i.e. the CSR budget will be non-lapsable in nature. However, the reason for not being able to spend shall be disclosed.

Activities:

It is the endeavour of the Company to focus on the following broad activities.

- i. eradicating hunger, poverty and malnutrition, {promoting preventive health care including preventive health care) and sanitation(including contribution to the Swach Bharat Kosh setup by the Central Government for the promotion of 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 maintaining quality of soil, air and water;(including contribution to the Clean Ganga Fund set_up by the Central Government or rejuvenation of river Ganga)
- v. 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;
- vi. measures for the benefit of armed forces veterans, war widows and their Dependents;
- vii. training to promote rural sports, nationally recognised 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;
- xi. Slum area development.

The Company may take up such other activities which are broadly covered under Schedule VII of the Act and any additions which may be made hereafter.

CSR Committee

Composition of the CSR committee: The CSR Committee of the Board presently consist of :

1. Chairman and Managing Director,
2. Director (Finance) , and
3. Director (Operations).

Section 135 of the Act stipulates that the Corporate Social Responsibility Committee shall consist of three or more directors, out of which at least one director shall be an independent director. Accordingly, the Committee shall be duly re-constituted on appointment of Independent Directors by the State Government in accordance with the provisions of the Act.

The CSR committee will be responsible for:

- Formulating the CSR policy in compliance to Section 135 of the Act read with the rules made there under.
- Identifying activities to be undertaken as per Schedule VII of the Companies Act 2013.
- Recommending to Board the CSR expenditure to be incurred.
- Recommending to Board, modifications to the CSR policy as and when required.
- regularly monitoring the implementation of the CSR policy

Implementation:

The investment and duration of programme will depend on its nature, extent of coverage and intended impact of the programme. It may be ensured that majority of the CSR activities are undertaken in Andhra Pradesh.

Implementation may be taken up through designated teams of executives at the respective units of the company or at corporate level under the programs as approved by the CSR Committee and the Board of the company.

The Board of company may also implement the CSR activities through a registered trust or a registered Society created either by the company or any other trust as may be approved by the company. The Company may also implement programmes in collaboration with its associate companies or other companies, wherever feasible.

Execution of Programmes:

Project activities identified under CSR are to be implemented by employees, selected volunteers, specialized agencies, which include Voluntary Organisations (NGOs), Elected local bodies such as Panchayats, Institutes / Academic Organisations, Trusts, Missions, Self Help Groups, Govt./Semi Govt. / Autonomous Organisations, Mahila Mandals/ Samitis, Professional Consultancy Organization etc.,

Initiatives of State Governments, District administration, Local Administration as well as Central Government Departments/ Agencies, Self-Help Groups etc., would be dovetailed / synergized with the initiatives taken by the Company.

Activities shall, as far as possible, be implemented in a project mode. For easy implementation, long-term CSR projects shall be broken down into medium-term and short-term plans. Each plan shall specify the CSR activities planned to be undertaken for each year. Accordingly, the budget shall be allocated for the implementation of these activities and achievement of targets set for each successive year, till the final completion of the project.

All the CSR activities shall be monitored by the Chairman and the CSR Committee.

Roles and Responsibilities:

The Board of the Company will be responsible for:

- Approving the CSR policy as recommended and formulated by the CSR Committee.
- Ensuring that in each financial year the Company spends at least 2% of the average net profits before taxation made during the three immediate preceding financial years on the CSR activities specified in Schedule VII of the Act.
- Ensuring that every financial year funds committed by the Company for CSR activities are utilized effectively, and regularly monitoring implementation. For this

purpose, the Board shall seek a short progress report from the CSR Committee on a periodical basis.

- Display of CSR activities: The Board of Directors of the Company shall, after taking into account the recommendations of CSR Committee, approve CSR policy for the company and disclose contents of such policy in its report and the same shall be displayed on the Company's website.
- Ensuring annual reporting of CSR policy to the Ministry of Corporate Affairs, Government of India, as per the format prescribed under the CSR rules as amended from time to time.

As per Section 135 of the Act, the reasons for under spending of the allocated CSR budget shall be specified in the Board's Report.

The surplus arising out of the CSR activities, if any, will not be considered as a part of the business profits of the company.

General

- a) The CSR Policy shall be recommended by the CSR Committee to the Board of Directors for its approval.
- b) The Company reserves the right to modify, cancel, add, or amend any of the above rules/guidelines, with the recommendation of CSR Committee & approval of Board of Directors.
- c) Any or all provisions of the CSR policy shall be subject to revision/amendment in accordance with the guidelines on the subject as may be issued from Government of India/MCA, from time to time.
- d) In case of doubt with regard to any of the provision of the policy and also in respect of matters not covered herein, the interpretation & decision of the CSR Committee shall be final.
- e) Certain projects/activities which are not approved by CSR Committee but are required to be implemented on an urgent basis in unforeseen circumstances relating to Natural calamity, can be taken up for implementation as per approval from the Chairman. The CSR Committee and Board of Directors would be appraised about such projects/activities during their next meeting.



SOUTHERN POWER DISTRIBUTION COMPANY OF ANDHRA PRADESH LTD

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ABSTRACT

APSPDCL-Tirupati – Nomination/Appointment of Sri. Dinesh Parchuri, IRS, Director (Finance) /APTRANSCO and Independent Director on the Board of the Company (APSPDCL) - To appoint as a Member in the Corporate Social Responsibility Committee – Orders - Issued.

S.O.O. (C.S) Ms. No. 226

Dt:27- 11- 2015.

Read the Following:-

Ref: 1. G.O.Rt.No.37 , of Energy, Infrastructure & Investment Department, (OP.A3),
Dt.09.11.2015.

2. Board Resolution Dt: 27.11.2015.

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ORDER:

Sri.Dinesh Parchuri, IRS, Director (Finance) /APTRANSCO and Independent Director of the Company is appointed as Member in the Corporate Social Responsibility Committee by the Board as per the ref.2nd cited

Sri.Dinesh Parchuri, IRS, Director (Finance) /APTRANSCO and Independent Director of the Company shall continue as Member in Corporate Social Responsibility Committee till he remains as Director on the Board of the Company.

After re-constitution, the Corporate Social Responsibility Committee consists of the following members:

1. Sri. H.Y.Dora- Chairman and Managing Director – Chairman
2. Sri. Dinesh Parchuri,IRS, Director (Finance) /APTRANSCO &
Independent Director – Member
3. Sri. Syed Bilal Basha, Director (Finance)-Member
4. Sri. P. Pulla Reddy, Director (P & MM& Civil& IPC)/Technical & HRD – Member.

And Company Secretary as Secretary to the Committee.

**(BY ORDER AND IN THE NAME OF SOUTHERN POWER DISTRIBUTION
COMPANY OF ANDHRA PRADESH LIMITED)**

**H.Y.DORA
CHAIRMAN AND MANAGING**

DIRECTOR

To

Sri..Dinesh Parchuri, IRS, Director (Finance) /APTRANSCO
and Independent Director of APSPDCL

Copy to:

The Director (Finance)/APSPDCL.

The Director (P&MM&Civil&IPC)

P.S to CMD/SPDCL/Tirupati.

The Executive Director/Projects

All the Chief General Managers/C.Es/J.S.(HRD) of APSPDCL

All the General Managers/ S.E's./D.E's /APSPDCL.

All the Deputy General Manager's / P&G Wing,

The Pay Officer/APSPDCL/TPT

APSPDCL/CS/D.No.966/2015, Dt:27.11.2015.

// FORWARDED BY ORDER//

COMPANY SECRETARY