

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY
OF ASSAM POWER GENERATION CORPORATION LIMITED
(APPROVED BY BOARD OF DIRECTORS)

1. PREAMBLE:

The concept of Corporate Social Responsibility has gained prominence from all avenues.

Assam Power Generation Corporation Limited (APGCL) has an ethical and social responsibility through its core value i.e. being ethically and socially responsive to support communities ostensibly impacted by its business in any manner. To fulfill the rooted values, APGCL is creating framework to identify, access and manage socio-economic development. The Company is committed to attain sustainable economic and infrastructure development with an interconnected vision of people's welfare, social growth and environmental conservation through adopting people-centric approach within the business.

In order to streamline the assessment and screening procedure, bring clarity among executing link of CSR, increase the level of involvement through dedicated work force for CSR activities in all levels of operation and comply with the directives of the Companies Act, 2013, APGCL desires to formulate comprehensive Corporate Social Responsibility Policy.

This Policy deals with the basic aspects of CSR with reference to APGCL. The Policy will provide an institutional framework to establish an efficient and effective platform to perform CSR activities. The Policy will ascertain role and responsibility, budget provision, information disclosure at different levels of operation in Field and at the Corporate level.

2. SHORT TITLE:

This Policy, which encompasses the Company's philosophy for delineating its responsibility as a corporate citizen and lays down the guidelines and mechanism for undertaking socially relevant programs for welfare and sustainable development of the community at large, is titled as the 'Corporate Social Responsibility (CSR) Policy of Assam Power Generation Corporation Limited (APGCL)'.

3. APPLICABILITY:

This Policy shall apply to all CSR initiatives and activities taken up by the Company at the Company's areas of operations and also within the State of Assam and in any other parts of the country, for the benefit of the different segments of the society provided that the preference shall be given to the local areas and areas where the Company operates for undertaking the CSR activities.

4. DEFINITIONS:

4.1. "Act" means the Companies Act, 2013 as amended from time to time.

- 4.2. “Corporate Social Responsibility (CSR)” or “CSR Activities/Initiatives” means Corporate Social Responsibility (CSR) or CSR Activities/Initiatives as defined in Section 135 of the Act, Rules and Schedule(s) as amended from time to time.
- 4.3. “CSR Committee” means a CSR Committee constituted/reconstituted by the Board in accordance with the Act.
- 4.4. “CSR Cell” means a CSR Cell constituted/reconstituted in the Company to implement and monitor CSR projects
- 4.5. “Rules” means The Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time, prescribed under the Act.
- 4.6. “APGCL” means Assam Power Generation Corporation Limited or “the Company”.

5. **VISION:**

In alignment with vision of the Company, APGCL, through its CSR initiatives, shall continue to enhance value creation in the society and in the community in which it operates, through its services, conduct and initiatives, so as to promote sustained growth for the society and the community.

6. **OBJECTIVES:**

APGCL introduces Corporate Social Responsibility (CSR) Policy with following objectives:

- To create sensitivity within the Company and society toward social development and to consider CSR as one of the Company’s responsibilities and to encourage cooperation with the wider stakeholder community.
- To promote high standard of authenticity, responsibility and accountability toward all stakeholders including employees, community, consumers, Government, etc.
- To promote socio-economic development through community development initiatives/programs.
- To bring about attitudinal change in APGCL employees and other stakeholders about the idea/perception of CSR.

This Policy will create a frame work, procedure for assessment, implementation and monitoring of any activity under CSR.

7. BUDGET:

For achieving its CSR objectives through implementation of meaningful and sustainable CSR programs, every year budget for CSR activities shall be as decided by the Board as per the provisions of the Act, Rules and on recommendation of CSR Committee. The same will be distributed among CSR activities (either new or ongoing) or as per the recommendation of CSR Committee.

In exceptional circumstances, the percentage of budget allocation may be varied with the approval of the Board.

8. SPENDING:

The expenditure on CSR activities shall be incurred in accordance with the provisions of the Act, Rules and Schedules in force from time to time and within the approved budget. Any unspent/unutilized CSR allocation of a particular year will be carried forward to the next year, i.e. the CSR budget will be non-lapsable in nature.

Any surplus arising out of CSR Projects or Programs or activities may not form part of the business profits of the Company.

9. SCOPE OF CSR ACTIVITIES:

The Company shall undertake any of the following Activities/Projects or such other activities/projects including new or ongoing projects/activities covered therein as may be notified by the Ministry of Corporate Affairs from time to time as a part of the Corporate Social Responsibility (CSR):

- i) Eradicating hunger, poverty, malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water;
- ii) Promoting education including special education, and employment enhancing vocational skills, especially among children, women, elderly, and 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;
- 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 benefit of armed force veterans, war widows and their dependents;
- vii) Training to promote rural sports, nationally recognized sports, paralympic sports and Olympic Sports;
- viii) Contribution to Prime Ministers National Relief Fund or any other Fund set up by the Central Government, for socio economic development and relief and welfare of scheduled castes and 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 (Explanation: For the purposes of this item, the term “slum area” shall mean any area declared as such by the Central Govt. or any State Govt. or any other competent authority under any law for the time being in force).
- xii) Any other activities in relation of the above and all other activities which forms part of CSR as per Schedule VII of the Act. (Collectively hereinafter referred to as “CSR Activities”)

The above list is illustrative and not exhaustive.

The CSR Activities shall be undertaken only in India for the benefit of the public provided that the preference shall be given to the local areas and areas where the Company operates for undertaking the CSR activities.

10. EXECUTING AGENCY /PARTNERS:

APGCL will seek to identify suitable programmes for implementation in line with the CSR objectives of the Company and also to the benefit the stakeholders and the community for which those programmes are intended.

The Board of the Company may decide to undertake its CSR activities approved by the CSR Committee, through a company established under section 8 of the Act or a registered trust or a registered society, established by the company, either singly or alongwith any other company, or a company established under section 8 of the Act or a registered trust or a registered society, established by the Central Government or State Government or any entity established under an Act of Parliament or a State legislature.

The Board of the Company may decide to undertake its CSR activities through a company established under section 8 of the Act or a registered trust or a registered society, other than those specified as above, if such company or trust or society shall have an established track record of three years in undertaking similar programs or projects; and the company has specified the projects or programs to be undertaken , the modalities of utilisation of funds of such projects and programs and the monitoring and reporting mechanism.

11. PROJECT IDENTIFICATION:

While identifying the CSR initiative, APGCL would consider the following broad parameters while identifying /selection of schemes/projects:

- (a) Need identification Studies by the senior management/ professional institutions/agencies.
- (b) Internal need assessment by cross-functional team at the local level.
- (c) Receipt of proposals/requests from District Administration/local Govt. etc.
- (d) Suggestions from the Board of Directors/senior management level.

12. MONITORING MECHANISM:

CSR Committee has been constituted by the Board of Directors to oversee the implementation of CSR Policy. The CSR Committee will monitor and review the progress of activities to be undertaken.

CSR Cell shall be set-up which shall submit its recommendations for consideration of the proposals. The CSR Cell shall be responsible for implementation of CSR activities. The progress of CSR programmes under implementation and status of the work done shall be reported to CSR Committee of the Company.

The CSR Cell shall also conduct impact studies on a periodic basis, through independent professional third parties / professional institutions, especially on the strategic and high value programs.

13. DOCUMENTATION:

Appropriate documentation of CSR Policy, annual CSR activities, executing partners' details and expenditure incurred/earmarked shall be undertaken on a periodical basis and the Company's CSR Policy as well as its activities shall be suitably placed on its website.

Suitable reporting on CSR activities/initiatives of the Company shall be made in the Annual Report of the Company as required under the Companies Act, 2013 and the Rules made thereunder.

14. PROCEDURE FOR CSR ACTIVITIES:

- i. The CSR Committee shall approve suitable CSR activities/projects/proposals to be undertaken for 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; and
- ii. The 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.

For meeting the requirements arising out of immediate and urgent situations, Managing Director is authorized to approve proposals within the overall budget and shall place the same before the CSR Committee for post facto approval.

15. RESPONSIBILITY:

(a) **Responsibility of Managing Director will be:**

1. To monitor the projects undertaken from time to time.

(b) **Responsibility of CSR Cell will be:**

1. To identify and implement CSR Projects with due approvals.

2. To report progress of CSR programmes under implementation and status of the work done to CSR Committee through the Managing Director.

3. To conduct impact studies on a periodic basis, through independent professional third parties / professional institutions, especially on the strategic and high value programs.

16. EXCLUSIONS:

The following activities shall not be considered as CSR activities in accordance with Section 135 of the Act:

- i. Activities in pursuance of normal course of business of the Company.
- ii. Subject to provisions of sub-section (5) of Section 135 of the Act, the CSR projects or programs or activities undertaken outside India shall not amount to CSR expenditure.
- iii. Contribution of any amount, directly or indirectly to any Political Party(ies) under Section 182 of the Act.
- iv. The CSR projects or programs or activities that benefit only the employees of the Company and their families.
- v. Any surplus arising out of the CSR projects or programs or activities shall not form part of the business profit of the Company but should be added in the CSR Fund.

17. GENERAL:

In case of any doubt with regard to any of the provisions of this Policy and also in respect of matters not covered herein, a reference shall be made to CSR Committee. In all such matters, the interpretation and decision of the CSR Committee in accordance with the requirements of the law for the time being in force shall be final.

Any or all provisions of the CSR Policy would be subject to revision/amendment based on changing needs and aspirations of the target beneficiaries and in accordance with the requirements of the law for the time being in force.

The CSR Committee reserves the right to modify, add, or amend any of provisions of this Policy in accordance with the requirements of the law for the time being in force, subject to approval of the Board.

The CSR Committee shall meet at such intervals as may be required.