



## CHAMUNDESHWARI ELECTRICITY SUPPLY CORPORATION LIMITED

(A Government of Karnataka Enterprise)

Regd. Office No.29, Vijayanagara 2<sup>nd</sup> Stage, Hinakai, Mysuru – 570 017.

CIN : U40109KA2004SGC035177

No. CESC/AS/AGM/F-4/2017-18/614-615.

Date: 17 OCT 2017

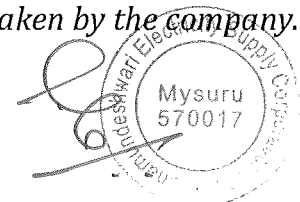
### TRUE EXTRACT OF RESOLUTIONS PASSED AT 65TH MEETING OF BOARD OF DIRECTORS OF CESC HELD ON THURSDAY, THE 21ST SEPTEMBER 2017 @3.00PM AT BOARD ROOM, CORPORATE OFFICE, CESC, MYSURU-17

#### 1. Agenda Item No.BODM 65/10: Approval for Corporate Social Responsibility (CSR) policy.

*The Company Secretary submitted and explained the requirement of compliance of statutory provisions laid down under Companies Act 2013 and Rules thereon as below:*

#### **(1) Section 135 of the Companies Act, 2013 mandates as below:**

- (1) Constitution of Corporate Social Responsibility Committee of the Board consisting of three or more directors, out of which at least one director shall be an independent director.
- (2) The Board's report shall disclose the composition of the Corporate Social Responsibility Committee.
- (3) The Corporate Social Responsibility Committee shall,—
  - (a) formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII;
  - (b) recommend the amount of expenditure to be incurred on the activities and monitor the Corporate Social Responsibility Policy of the company from time to time.
- (4) The Board shall,—
  - (a) after taking into account the recommendations made by the Corporate Social Responsibility Committee, approve the Corporate Social Responsibility Policy for the company and disclose contents of such Policy in its report.
  - (b) ensure that the activities as are included in Corporate Social Responsibility Policy of the company are undertaken by the company.



- (5) The Board 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 CSR Policy.
- (6) The company in its 57<sup>th</sup> meeting of the Board of Directors held on 4th July, 2016 has constituted a CSR Committee of the Board consisting of three directors as detailed hereunder as required under section 135(1) of the Companies Act, 2013. Copy of the extract of the minutes of the 57<sup>th</sup> Board Meeting is enclosed herewith for your kind information.

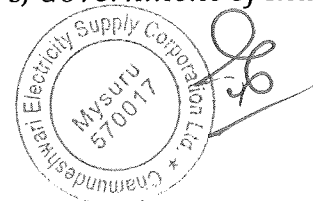
1	Sri H Nagesh Director (Transmission), M/s Karnataka Power Transmission Corporation Limited, Bangalore	Chairman
2	Sri KT Mahanthappa, Director (Technical), CESC, Mysuru	Member
3	Sri M. Pratap, Chief Engineer, M/s Karnataka Power Transmission Corporation Limited, Mysore	Member

**(2) Board perused and noted the following:-**

- (a) Two per cent of the average net profits of the company as required under sec 135(5) of the Companies Act, 2013 made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy are as under:

Financial Year	Net Profit (in lakh Rs.)
2012-13	(26,963.36)
2013-14	(1,561.07)
2014-15	4,027.37
Total	(24,497.10)
<b>Average Net Profit</b>	<b>Nil</b>

- (b) Board noted that, the company has incurred aggregate losses in the three preceding financial years. Therefore there is no need to spend any amount towards CSR Activities mentioned under schedule VII of the Companies Act, 2013 does not arise.
- (c) However, as per the mandate of Section 135 of the Companies Act, 2013 a CSR policy has been prepared including the activities as mentioned in Schedule VII of the Companies Act and as per the notification dated 27.02.2014 of the Ministry of Corporate Affairs, Government of India.



- (3) Present proposal is submitted for approval of CSR Policy as annexured to the agenda note.

Board further perused the provisions laid down under section 135 of Companies Act 2013 and applicable rules thereon and approved the CSR policy of the company and passed the resolution in this context:

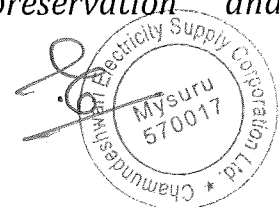
**“RESOLVED THAT, pursuant to Section 135 of Companies Act 2013 and applicable rules thereon, approval be and is hereby accorded for CSR policy of Chamundeshwari Electricity Corporation Ltd. as below:”**

**CSR POLICY OF CESC:-**

- (1) **Preamble:** Corporate Social Responsibility Policy has been developed in accordance with section 135 of the Companies Act 2013 and the Companies (Corporate social Responsibility) Rules, 2014 Notified by the Ministry of Corporate Affairs, Government of India.
- (2) **Introduction:**
- (a) Chamundeswari Electricity Supply Corporation Limited, (herein after referred to as “CESC”) is one among the five ESCOMs in Karnataka discharging the duties of distribution of electricity in five districts viz., Mysuru, Mandya, Kodagu, Hassan and Chamarajanagara.
- (b) The Company is having assets portfolio comprising of 33/11Kv stations, distribution transformers and distribution lines of 33Kv and 11Kv and LT Lines for serving strong consumer base of various category.
- (c) The Company is having a vision to improve the conditions of society and contribute to economic development through the supply of power at affordable prices. We believe that over successes in distribution of electricity is depended on long term development oriented approach and parallel bond with our consumers
- (d) CESC has undertaken and shall continue to undertake appropriate Corporate Social Responsibility (CSR) measures to have direct, measurable and positive economic, social, and environmental impact on the community and with a particular emphasis on the areas of distribution of electricity.

**(3) CSR Policy:**

- (a) To direct CSR programs of CESC towards one or more of the following- promotion of education, preservation and



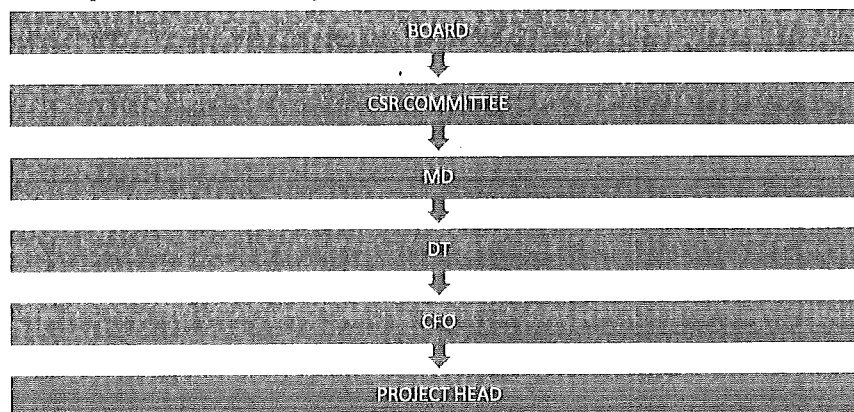
enhancement of environmental and natural capital, promotion of sports, contributing to development and relief funds of government, contributing to the welfare of schedule castes and the scheduled tribe and other backward classes and minorities, promoting gender equality and women empowerment, promoting healthcare in rural areas, promotion of cultural activities:

- (b) To engage in activities such as skill development, vocational training so as to enhance employability of persons from different sections of society.
- (c) Adopt approaches that contribute towards achieving balanced socio-economic development of the society.
- (d) To carry out CSR programs to full fill commitments arising from requests by government/regulatory authorities/other social institutions.

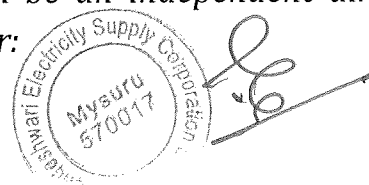
**(4) Focus areas :** CESC CSR targets inclusive growth of all stakeholders under the following categories mentioned in schedule VII of the Companies Act, 2013 as under:

- a) Education, including consumer education.
- b) Environment and wild life protection
- c) Promotion of sports and youth empowerment
- d) Promoting of health care awareness among rural people.
- e) Welfare of SC/ST and other back ward class and minorities
- f) Any other additional item under schedule VII of the Companies Act 2013 as may be prescribed from time to time.

**(5) Governance Structure :** Six- tier governance structure is looking after the implementation of CSR activities at CESC:



**(6) Roles & Responsibilities :** CSR Committee shall consist of three or more directors of which at least one shall be an independent director. The Committee shall be responsibilities for:



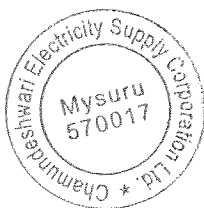
- (a) Formulation of CSR Policy*
- (b) Regular monitoring of implementation of CSR policy*
- (c) Identify key initiative pursuant to the CSR policy*
- (d) Recommend to the Board CSR expenditure to be incurred*
- (e) Recommend to the Board, modifications to CSR policy as and when required.*

**(7) Implementation:** *To implement the Company's CSR Programmes through Company personnel or through external implementing agencies or through Section 8 companies that may be established by the Company from time to time. In such cases, the Company will specify the CSR Programmes which may be undertaken by those Section 8 Companies/NGO's accordance with their Objects and administrative and accounting process laid down in the respective Deeds/Byelaws/Memorandum and Articles of Association.*

**(8) Governance :**

- (1) Every year, the CSR Committee shall place for the Board's approval, a CSR Plan delineating the CSR Programmes to be carried out during the financial year and the specified budgets thereof. The Board will consider and approve the CSR Plan with any modification that may be deemed necessary.*
- (2) The persons/bodies to which the implementation is assigned shall carry out such CSR Programmes as determined by the CSR Committee within the specified budget and timeframes and report back to the Committee on the progress thereon at such frequency as the Committee may direct.*
- (3) The CSR Committee shall review the implementation of the CSR Programmes on regular basis and issue necessary directions from time to time to ensure orderly and efficient execution of the CSR Programmes in accordance with this Policy.*
- (4) At the end of every financial year, the CSR Committee shall submit its report to the Board.*

**"CERTIFIED TRUE"**



*[Handwritten Signature]*  
**Authorized Signatory  
(Company Secretarial)  
CESC.**

