MEGHALAYA ENERGY CORPORATION LIMITED
(A Government of Meghalaya Enterprise)
Corporate Affairs
Corporate Identification No.U40101ML2009SGC008374
LUM JINGSHAI, SHORT ROUND ROAD, SHILLONG 793 001, MEGHALAYA
Fax :0364-2590355 : Website address : www.meecl.nic.in

No. MeECL/CA/GA/298/2018/14 Dated: 21st November, 2018

OFFICE ORDER

In compliance to Section 135 of the Companies Act, 2013 along with Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board of Directors, MeECL vide Resolution No.4 dated. 25.09.2018 approved the implementation of the Corporate Social Responsibility of MeECL and its three subsidiaries (Viz. MePGCL, MePTCL, MePDCL).

The policy is available at MeECL official website www.meecl.nic.in

Sd/-
(Shri M. S. Lhuid, IAS)
Director Corporate Affairs

Memo No. MeECL/CA/GA/298/2018/14(a) Dated: 21st November, 2018

Copy to:-

1. The P.A. to the Chairman-cum-Managing Director, MeECL, for kind information of the Chairman-cum-Managing Director.
2. The Director (Finance), MeECL, Shillong.
3. The Director (Transmission), MePTCL, Shillong.
4. The Director (Generation), MePGCL, Shillong.
5. The Director (Distribution), MePDCL, Shillong.
6. All Chief Engineers, MePGCL/MePDCL/MePTCL/Director, HRDC, MeECL.
7. The Chief Accounts Officer, MeECL, Shillong.
8. The Company Secretary, Corporate Affairs, MeECL, Shillong.
9. All Additional Chief Engineers, MePGCL/MePDCL/MePTCL.
10. All Deputy Chief Accounts Officers, MeECL
11. All Superintending Engineers/ Chief Executive Officers/ MePGCL/MePDCL/MePTCL/ Deputy Director, HRDC/, MeECL.
12. The Chief Security-cum-Vigilance Officer, MeECL, Shillong.
13. The Public Relations Officer, MeECL, Shillong.
14. All Senior Accounts Officers, MeECL.
15. All Executive Engineers/Deputy General Managers, MePGCL/MePDCL/MePTCL.
16. The Executive Engineer (MIS), MePDCL, Shillong. With a request to upload the same the MeECL official website.
17. All Assistant Executive Engineers/Resident Engineers/Area Managers, MePGCL/MePDCL/MePTCL
18. The Medical Consultant-cum-Authorised Medical Attendant, MeECL, Shillong.
19. The Medical Superintendent, MeECL, Sumer.
20. All Headmasters/Headmistresses, MeECL School.
21. All Officers, MeECL, Corporate Affairs, Shillong.
22. Guard file.

(Shri M. S. Lhuid, IAS)
Director Corporate Affairs

CORPORATE SOCIAL RESPONSIBILITY POLICY OF MeECL & ITS THREE SUBSIDIARIES (VIZ. MePGCL, MePTCL & MePDCL)

This policy is framed as per the provisions of Section 135 of the Companies Act, 2013 read with rule 9 of the Companies (Corporate Social Responsibility Policy) Rules, 2014.

I. Object:

As a corporate entity, the Company acknowledges its obligation to contribute to the economic development of the State and the country while improving the quality of life of its workforce and their immediate families as well as of the community and society at large.

While undertaking statutorily required CSR projects/programmes within India, the Company will consistently strive for opportunities to meet the expectation of its stake holders by pursuing the concept of sustainable development with focus on improving the quality of life.

The Company recognizes the importance of corporate social responsibility and has framed and formulated this policy in accordance with Section 135 of the Act and the rules made thereunder.

This Policy shall serve as a guiding document to identify, execute and monitor CSR projects. This policy shall apply to all CSR initiatives and activities taken up by the Company for the benefit of different sections of the society.

II. Scope:

This policy is applicable for MeECL and of its three subsidiaries namely MePGCL, MePDCL & MePTCL.

III. Definitions: The definitions of some of the key terms used in this Policy are given below:

i) Act "means the Companies Act, 2013

ii) "Company" means the 'Meghalaya Energy Corporation Ltd. and its three subsidiary companies i.e. Meghalaya Power Generation Corporation Ltd. (MePGCL), Meghalaya Power Distribution Corporation Ltd. (MePDCL) and Meghalaya Power Transmission Corporation Ltd. (MePTCL).

iii) "Corporate Social Responsibility (CSR)" means and includes but is not limited to:-

- *i.* Projects or programmes relating to activities specified in Schedule VII to the Act; or
- *ii.* Projects or programmes relating to activities undertaken by the Board in pursuance of recommendations of the CSR Committee as per declared CSR Policy of the Company subject to the condition that such policy will cover subjects enumerated in Schedule VII of the Act.

iv) "CSR Committee" means the separate Corporate Social Responsibility Committee constituted for the MeECL and its three subsidiary companies, referred to in section 135 of the Act.

v) "Board" means the Board of Directors of the respective Company

vi) "CMD" means the Chairman-cum-Managing Director of the Company;

vii) Director' means Director of the respective Company appointed as per the relevant provisions of the Act.

viii) "Net profit" means the net profit of the Company as calculated under the provisions of section 198 of the Act.

ix) "Rules" means the Companies (Corporate Social Responsibility Policy) Rules, 2014.

IV. Applicability:

This Policy shall apply to all CSR programmes/projects of the MeECL and its three subsidiary companies.

V. CSR Activities

The Company will endeavour to adopt an integrated approach to address the societal and environmental concerns of the community by taking up a range of the CSR activities, which shall be taken up in a focused manner to the extent possible and allowed as per the CSR Policy.

The CSR activities of company will primarily be applicable to the project associated areas in the vicinity of the existing Distribution, Generation and Transmission Projects/substations, divisions etc. and to be developed in future.

The CSR activities shall be undertaken by the Company as per its stated CSR policy as projects, Programmes or activities (either new or on-going) excluding activities undertaken in pursuance of its normal course of business.

The following activities will be undertaken under Corporate Social Responsibility:

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 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. supporting environmental and ecological balance through energy conservation, 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 the benefit of armed forces veterans, war widows and their dependents;

vii. undertaking / supporting sports activities;

viii. Rural Development projects.

ix. 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;

VI. Prohibited activities under CSR

The Company will abstain from making contribution of any amount directly or indirectly to any political party.

VII. Roles and Responsibilities of the Board of Directors:

i. Constituting a CSR Committee

ii. approving the Company's CSR Policy and any amendments thereof

iii. Approving budget for expenditure to be incurred as recommended by the CSR Committee

iv. disclosing the CSR Policy's content in its Report to the members

v. Placing the Policy on the Company's website in such a manner as prescribed under Section 135 of the Act.

vi. ensuring that the Company spends, in every financial year, at least two percent of the Company's average net profit, made during the three preceding financial years

vii. specifying the reasons in its report if ,in an unlikely circumstance, the Company fails to spend the stipulated CSR money during a financial year,

viii. making any change(s) in the constitution of the CSR Committee from time to time

ix. to decide to undertake its CSR activities approved by the CSR committee, 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:

Provided that-

(i) if such trust, society or company is not established by the company or its holding or subsidiary or associate company, it shall have an established track record of three years in undertaking similar programs or projects;

(ii) the company has specified the project or programs to be undertaken through these entities, the modalities of utilization of funds on such projects and programs and the monitoring and reporting mechanism.

VIII. Constitution of CSR Committee

The separate CSR Committee have been constituted for MeECL and its three subsidiary companies, as per the provisions of the Act, read together with the Companies (Corporate Social Responsibility Policy) Rules, 2014, to ensure that the purpose of this Policy is being effectively served.

<u>The Composition of the CSR Committee of MeECL is as follows:</u>

1.	Director(Corporate Affairs)	-	Chairman
2.	Director (Finance)	-	Member
3.	Sri R. V. Warjri, Independent Director	-	Member
4.	Company Secretary	-	Convener

<u>The Composition of the separate CSR Committee of MePGCL, MePDCL and MePTCL is as follows</u>:

1.	Director(HR&A)	-	Chairman
2.	Director (Finance)	-	Member
3.	Sri R. V. Warjri, Independent Director	-	Member
4.	Company Secretary	-	Convener

The above mentioned four CSR committees constituted for MeECL and its subsidiary companies shall function in accordance with this Common CSR policy.

IX. Roles and Responsibilities of the CSR committee:

i. Prepare, revise and modify the CSR Policy for the Company and recommend the same to the Board for its approval.

ii. Ensure that the programmes /projects undertaken by the Company on its own or through the implementing partners are aligned with the approved CSR policy of the Company and are also aligned to Schedule VII and Section 135 of the Act.

iii. Prepare and review annual budgets with respect to CSR programmes and place before the Board for approval

iv. In case the Company is not able to spend the stipulated two percentage of the average net profits of the preceding three financial years or any part thereof, the CSR Committee shall provide the reasons for not spending the amount to the Board and such reasons shall also be included in the Board's report.

v. Reviewing the findings and recommendations regards the CSR initiatives from any investigation or audit conducted by regulatory agencies or external auditors or consultants

vi. Respond to any query, observation or clarification sought by the Ministry of Corporate Affairs or any other regulatory authority with regard to the Company's CSR supported initiatives.

vii. Determining modalities of execution of CSR activities that will be used to deliver and implement the projects/programmes, the timeframe, and disbursement and allocation of spend.

viii. Develop, recommend and oversee the implementation and monitoring of all CSR projects/programmes and periodic reports shall be provided to the Board.

ix. Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company in area or subjects specified in Schedule VII (activities which may be included by Companies in their Corporate Social Responsibility policies) and monitor the CSR Policy from time to time for any modification.

x. Any other responsibility, as may be suggested by the Board.

X. CSR Budget

The CSR Committee shall recommend to the Board, the amount of expenditure to be incurred on the CSR activities to be undertaken by the Company as specified in Schedule VII of the Act. In case of any surplus arising out of CSR projects, the same shall not form part of business profits of the Company.

XI. Implementation

The Company shall participate in CSR projects / programmes either independently or through a CSR Trust in conformity with the requirements of the Act, Schedule VII thereto and the Rules framed thereunder.

The Company may enter into partnerships or alliances with NGOs, other Trusts, or other Corporate Foundations etc. to create a multiplier effect of its CSR programmes / projects. The Company can also implement programmes in collaboration with other companies such that the CSR Committees of respective companies are in a position to report separately on such programme and projects.

The Company may build CSR capacities of their own personnel as well as those of their Implementing agencies through Institutions with established track records of at least three financial years but such expenditure shall not exceed five percentage of total CSR expenditure of the company in one financial year.

XII. Reporting

The CSR Committee shall place before the Board an annual progress report on the CSR activities in the prescribed format as enclosed herewith as Annexure -A.

XIII. Areas for CSR activities

The CSR Committee will select projects and programmes that align to the areas or subjects as specified within this policy. The guidelines for selection of projects are given below:

1) The Company will ensure that its CSR projects are non-discriminatory in nature and do not have any restrictive political or religious affiliations.

2) The programmes/projects will be within the areas recommended and/or listed by the CSR Committee and mentioned in the Policy.

3) Programmes/projects will not be in pursuance with the Company's normal course of Business.

4) The programmes/projects will be implemented within the country and preferably in areas where the Company has its presence/operates.

5) The Company will consider programmes/projects closely linked with the principles of sustainable development.

6) The Company can actively consider programmes/projects that have been identified by employees and also those where employees are directly involved through volunteering efforts Programmes/projects should not be exclusively for the benefit of the Company's employees or their family members.

7) Any surplus generated out of the Company's CSR activities will be re-invested back to the CSR initiatives of the Company.

XIV. General

1) The power to interpret, administer and right to minor modification/amendment to the policy shall rest with Chairman cum Managing Director whose decision shall be final and binding.

2) This Policy serves as the referral document for planning and selection of CSR activities.

3) Formula for calculation of Net Profit as per the provisions of Section 198 of the Act (with amendment) is enclosed herewith as Annexure –B.

4) CSR activities as per Schedule VII of the Act is enclosed herewith as Annexure – C for reference only.

(6)

ANNEXURE – A

FORMAT FOR THE ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARD'S REPORT

1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.
2. The Composition of the CSR Committee.
3. Average net profit of the company for last three financial years
4. Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above)
5. Details of CSR spent during the financial year.
   (a) Total amount to be spent for the financial year;
   (b) Amount unspent , if any;
   (c) Manner in which the amount spent during the financial year is detailed below.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S.No	CSR project or activity identified.	Sector in which the Project is covered.	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken.	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs. (2) Overheads:	Cumulative expenditure upto to the reporting period.	Amount spent: Direct or through implementing agency
1							
2							
3							
	TOTAL						

*Give details of implementing agency:

6. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.
7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.

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

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Annexure-B

198. Calculation of profits

(1) In computing the net profits of a company in any financial year for the purpose of section 197,—

(a) credit shall be given for the sums specified in sub-section (*2*), and credit shall not be given for those specified in sub-section (*3*); and

(b) the sums specified in sub-section (*4*) shall be deducted, and those specified in sub-section (*5*) shall not be deducted.

(2) In making the computation aforesaid, credit shall be given for the bounties and subsidies received from any Government, or any public authority constituted or authorized in this behalf, by any Government, unless and except in so far as the Central Government otherwise directs.

(3) In making the computation aforesaid, credit shall not be given for the following sums, namely:—

(a) profits, by way of premium on shares or debentures of the company, which are issued or sold by the company;

(b) profits on sales by the company of forfeited shares;

(c) profits of a capital nature including profits from the sale of the undertaking or any of the undertakings of the company or of any part thereof;

(d) profits from the sale of any immovable property or fixed assets of a capital nature comprised in the undertaking or any of the undertakings of the company, unless the business of the company consists, whether wholly or partly, of buying and selling any such property or assets:

Provided that where the amount for which any fixed asset is sold exceeds the written-down value thereof, credit shall be given for so much of the excess as is not higher than the difference between the original cost of that fixed asset and its written down value;

(e) any change in carrying amount of an asset or of a liability recognised in equity reserves including surplus in profit and loss account on measurement of the asset or the liability at fair value.

(4) In making the computation aforesaid, the following sums shall be deducted, namely:—

(a) all the usual working charges;

(b) directors' remuneration;

(c) bonus or commission paid or payable to any member of the company's staff, or to any engineer, technician or person employed or engaged by the company, whether on a whole-time or on a part-time basis;

(d) any tax notified by the Central Government as being in the nature of a tax on excess or abnormal profits;

(c) any tax on business profits imposed for special reasons or in special circumstances and notified by the Central Government in this behalf;

(d) interest on debentures issued by the company;

(e) interest on mortgages executed by the company and on loans and advances secured by a charge on its fixed or floating assets;

(f) interest on unsecured loans and advances;

(g) expenses on repairs, whether to immovable or to movable property, provided the repairs are not of a capital nature;

(h) outgoings inclusive of contributions made under section 181;

(i) depreciation to the extent specified in section 123;

(j) the excess of expenditure over income, which had arisen in computing the net profits in accordance with this section in any year which begins at or after the commencement of this Act, in so far as such excess has not been deducted in any subsequent year preceding the year in respect of which the net profits have to be ascertained;

(k) any compensation or damages to be paid in virtue of any legal liability including a liability arising from a breach of contract;

(l) any sum paid by way of insurance against the risk of meeting any liability such as is referred to in clause (*m*);

(m) debts considered bad and written off or adjusted during the year of account.

(5) In making the computation aforesaid, the following sums shall not be deducted, namely:—

(a) income-tax and super-tax payable by the company under the Income-tax Act, 1961, or any other tax on the income of the company not falling under clauses (*d*) and (*e*) of sub-section (*4*);

(b) any compensation, damages or payments made voluntarily, that is to say, otherwise than in virtue of a liability such as is referred to in clause (*m*) of sub-section (*4*);

(c) loss of a capital nature including loss on sale of the undertaking or any of the undertakings of the company or of any part thereof not including any excess of the written-down value of any asset which is sold, discarded, demolished or destroyed over its sale proceeds or its scrap value;

(d) any change in carrying amount of an asset or of a liability recognised in equity reserves including surplus in profit and loss account on measurement of the asset or the liability at fair value.

रजिस्ट्री सं० डी० एल०—(एन)04/0007/2003—18 REGISTERED NO. DL—(N)04/0007/2003—18

भारत का राजपत्र
The Gazette of India

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No. 1] NEW DELHI, WEDNESDAY, JANUARY, 3, 2018/PAUSHA 13, 1939 (SAKA)

इस भाग में भिन्न पृष्ठ संख्या दी जाती है जिससे कि यह अलग संकलन के रूप में रखा जा सके।
Separate paging is given to this Part in order that it may be filed as a separate compilation.

MINISTRY OF LAW AND JUSTICE
(Legislative Department)

New Delhi, the 3rd January, 2018/*Pausha* 13, 1939 (*Saka*)

The following Act of Parliament received the assent of the President on the 3rd January, 2018, and is hereby published for general information:—

THE COMPANIES (AMENDMENT) ACT, 2017

No. 1 of 2018

[3*rd January,* 2018.]

An Act further to amend the Companies Act, 2013.

Be it enacted by Parliament in the Sixty-eighth Year of the Republic of India as follows:—

1. (*1*) This Act may be called the Companies (Amendment) Act, 2017. Short title and commencement.

(*2*) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint and different dates may be appointed for different provisions of this Act and any reference in any provision to the commencement of this Act shall be construed as a reference to the coming into force of that provision.

18 of 2013. **2.** In section 2 of the Companies Act, 2013 (hereinafter referred to as the principal Act),— Amendment of section 2.

(*i*) in clause (*6*), for the *Explanation*, the following *Explanation* shall be substituted, namely:—

'*Explanation*.—For the purpose of this clause,—

(*a*) the expression "significant influence" means control of at least twenty per cent. of total voting power, or control of or participation in business decisions under an agreement;

(*b*) the expression "joint venture" means a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement;';

(*e*) in sub-section (*11*), the words "and if such conditions are not being complied, the approval of the Central Government had been obtained" shall be omitted;

(*f*) after sub-section (*15*), the following sub-sections shall be inserted, namely:—

"(*16*) The auditor of the company shall, in his report under section 143, make a statement as to whether the remuneration paid by the company to its directors is in accordance with the provisions of this section, whether remuneration paid to any director is in excess of the limit laid down under this section and give such other details as may be prescribed.

(*17*) On and from the commencement of the Companies (Amendment) Act, 2017, any application made to the Central Government under the provisions of this section [as it stood before such commencement], which is pending with that Government shall abate, and the company shall, within one year of such commencement, obtain the approval in accordance with the provisions of this section, as so amended.".

68. In section 198 of the principal Act,— Amendment of section 198.

(*i*) in sub-section (*3*),—

(*a*) in clause (*a*), after the words "sold by the company", the words, letter, brackets and figures "unless the company is an investment company as referred to in clause (*a*) of the *Explanation* to section 186" shall be inserted;

(*b*) after clause (*e*), the following clause shall be inserted, namely:—

"(*f*) any amount representing unrealised gains, notional gains or revaluation of assets.";

(*ii*) in sub-section (*4*), in clause (*l*), the words "which begins at or after the commencement of this Act" shall be omitted.

69. In section 200 of the principal Act, the words "the Central Government or" appearing at both the places shall be omitted. Amendment of section 200.

70. In section 201 of the principal Act,— Amendment of section 201.

(*a*) in sub-section (*1*), for the words "this Chapter", the word and figures "section 196" shall be substituted;

(*b*) in sub-section (*2*), in clause (*a*), for the words "any of the sections aforesaid", the word and figures "section 196" shall be substituted.

71. In section 216 of the principal Act, in sub-section (*1*),— Amendment of section 216.

(*i*) in clause (*b*), for the word "company", the words "company; or" shall be substituted;

(*ii*) after clause (*b*), the following clause shall be inserted, namely:—

"(*c*) who have or had beneficial interest in shares of a company or who are or have been beneficial owners or significant beneficial owner of a company.".

72. In section 223 of the principal Act, in sub-section (*3*), after the words "may be obtained", the words "by members, creditors or any other person whose interest is likely to be affected" shall be inserted. Amendment of section 223.

73. In section 236 of the principal Act, in sub-sections (*4*), (*5*) and (*6*), for the words, "transferor company", wherever they occur, the words "company whose shares are being transferred" shall be substituted. Amendment of section 236.

74. In section 247 of the principal Act, in sub-section (*2*), in clause (*d*), for the words "during or after the valuation of assets", the words "during a period of three years prior to Amendment of section 247.

Annexure-C

Schedule VII
(See sections 135)

Activities which may be included by companies in their Corporate Social Responsibilities Policies

Activities relating to:-

(i) eradication extreme hunger and poverty;

(ii) promotion of education;

(iii) promotion of gender equality and empowering women;

(iv) reducing child mortality and improving maternal health;

(v) Combating human immunodeficiency virus, acquired immune deficiency syndrome, malaria and other diseases;

(vi) ensuring environmental sustainability;

(vii) employment enhancing vocational skills;

(viii) social business projects;

(ix) contribution to the Prime Minister's Nation Relief Fund or any other fund set up by the Central Government or the State Governments for socio-economic development and relief and funds for the welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women; and

(x) such other matters as may be prescribed.