

Corporate Social Responsibility and Sustainability Initiatives



Lighting up Lives.....

Power System Operation Corporation Limited (POSOCO)
(A wholly owned subsidiary of POWERGRID)
B-9, Qutub Institutional Area, Katwaria Sarai, New Delhi-110016

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CSR & Sustainability

1. Concept

Corporate Social Responsibility (CSR), in the context of Public Sector Enterprises, is a way of conducting business, which enables the creation and distribution of wealth for the betterment of its stakeholders, through the implementation and integration of ethical systems and sustainable management practices.

CSR is a company's commitment to operate in an economically, socially and environmentally sustainable manner, while recognizing the interests of its stakeholders. This commitment is beyond the statutory requirements.

CSR policies are closely linked with the practice of sustainable development. Sustainability practiced through CSR involves conduct of business operations in a way that minimizes harm to the environment and local communities located in the vicinity of a company's commercial production units while benefitting consumers and employees and thus contributing to sustainable development.

CSR and Sustainability are so closely entwined, it can be said that Corporate Social Responsibility and Sustainability is a company's commitment to its stakeholders to conduct business in an economically, socially and environmentally sustainable manner that is transparent and ethical.

POSOCO understands its responsibilities towards society and its sustainable development. POSOCO as responsible Corporate is promoting development of underprivileged sections of society and has also undertaken several initiatives towards conserving the environment.

2. Background

CSR activities in POSOCO were commenced from FY 2012-13 in compliance of the Department of Public Enterprises (DPE's) guidelines on Corporate Social Responsibility and Sustainability.

As per DPE guidelines for MoU 2012-13, CSR and Sustainable Development were mandatory activities as part of the MoU under the non-financial parameters with a mandatory weightage of 10 marks. There were separate guidelines for implementation of Corporate Social Responsibility and Sustainable Development. The activities under these areas were taken by POSOCO as part of the approved MoU for the first time. As per the DPE guidelines, to steer the implementation of the CSR activities, an approach paper for CSR was approved by the POSOCO Board. Same approach paper was also followed for implementing and monitoring of the mandatory Sustainable Development related activities during 2012-13.

Similarly, in DPE Guidelines for MoU for FY 2013-14 also, CSR and Sustainable Development are mandatory activities (DPE guidelines enclosed at [Annexure-I](#)). For FY 2013-14, DPE has issued revised guidelines on Corporate Social Responsibility and Sustainability which are effective from 1st April 2013 ([Annexure-II](#)). Under these guidelines, CSR and Sustainable Development have been clubbed together under the head CSR and Sustainability. Further, DPE vide OM No.3 (12)/2012-DPE (MoU) dt. 10th January 2013, has reduced weightage of CSR and SD from 10 marks in FY 2012-13 to 8 marks in FY 2013-14 (Copy of the OM and MoU 2013-14 is placed at [Annexure-III and IV](#)). For providing the roadmap for implementation of the CSR and Sustainability activities during FY 2013-14, a CSR and Sustainability policy has also been prepared ([Annexure-V](#)).

3. Budget Allocations:

DPE guidelines for CSR and Sustainability provide that the budgetary allocation for CSR and Sustainability activities shall be made through approval of Board of Directors as a Percentage of net profit. The CPSEs which are having net profit (Previous year) less than ₹100 Cr shall spend 3-5% of Profit after Tax towards CSR and Sustainability activities.

Accordingly, an allocation of 3% of Profit after Tax of preceding year i.e. FY 2012-13 has been made for F.Y. 2013-14 for implementation of CSR and Sustainability activities. The allocation may vary in the subsequent years as per the DPE guidelines.

Profit after Tax (PAT) for FY 2012-13 was ₹ 85.65 Crore. After deducting REC income of ₹ 4.17 Crore, PAT comes at ₹ 81.48 Crore. Accordingly, allocation for CSR and Sustainability during 2013-14 is ₹ 2.44 Crore

During implementation of these activities during FY 2012-13, an allocation of 3% of the PAT of FY 2011-12 was made for CSR activities. Allocation of 0.5% of the PAT was made for activities related to Sustainable Development. PAT for FY 2011-12 was ₹ 50.52 Crores. Accordingly, allocation of ₹1.52 Crore was made towards CSR and ₹ 25 Lac was made towards Sustainable Development.

4. Implementation

A tow-tier organizational structure i.e. a CSR and Sustainability Management Level Committee and a Board Level CSR and SD Committee has been formed with the approval of Board members in the POSOCO Board meeting held on 27.05.2013 for administration of CSR and Sustainability activities.

The constitution of the Board Level Committee approved by the Board is as below:

- | | | |
|-----------------------------------------------|---|---------------------------|
| (i) Shri R.N. Nayak, Chairman (POSOCO) | - | Chairman of the Committee |
| (ii) Shri Santosh Saraf, Independent Director | - | Member |
| (iii) Shri I.S. Jha, Director | - | Member |

(iv) Shri R.T. Agarwal, Director - Member

The members of the Management Level Committee nominated are as below:

- (i) Sh. V.K. Agarwal, ED NLDC as Chairperson of the Committee.
- (ii) Sh. K.V.S. Baba, GM-NLDC shall be the Member Convener
- (iii) Sh. U.K.Verma, GM ERLDC
- (iv) Sh. V.Kaikhochin, DGM NERLDC
- (v) Sh. H.K.Chawla, DGM NRLDC
- (vi) Sh. R.K.Bansal, AGM (Contracts) as representative from Contracts Department
- (vii) Sh. Anil Chadha, DGM (Fin), POSOCO as representative from Finance Department
- (viii) Sh. A.K.Marwaha, CM(HR), POSOCO as representative from HR Department

Till date three meetings of Management Level Committee has been held on 17th June 2013, 29th July 2013 and 5th September 2013 respectively. The Board Level CSR and SD Committee have met once on 21st June 2013.

5. Schemes under CSR and Sustainability

The CSR and Sustainability projects may be selected from vast range of available options; priority has to be accorded to activities pertaining to inclusive growth of society with special attention to development of weaker sections of society and the backward districts of the country and environment sustainability. Activities on capacity building, skill development, infrastructural development, education, promotion of heritage, art, culture and music, providing sanitation and healthcare facilities, promoting renewable, scholarship to under privileged school children etc. may be chosen. Activities like promoting research and excellence in the core area of operations of the company may also be chosen as this will lead to more reliable, secure and economic handling of the power system resources of the nation thus helping the environmental sustainability in long run.

6. Highlights of the activities implemented during FY 2012-13

(a) Activities under Corporate Social Responsibility (CSR)

(i) Awareness programs for school children on energy efficiency, environment friendly technologies and non-conventional energy sources- Project titled 'E for Energy Efficiency'

As human consumption of energy continues to increase, it has become necessary to foster consciousness amongst people on energy conservation and energy efficiency so that they realise the importance of utilising limited resources and focus towards building a sustainable

society. In this direction only, POSOCO took up this noble cause of educating young students and teachers on energy conservation and efficiency. The program was executed through “The Energy and Resource Institute (TERI)” a specialized agency in this area.

Awareness program for school children reached out to students in the age group of 8 to 12 (classes IV-VII) in 20 Schools from Mumbai and Bangalore.

Various activities like intra-school competitions, teacher’s training programme, exposure visits to energy efficient building, inter-school competitions under the event EUPHORIA and Prize distribution ceremony were organised.



Poster Painting Competition on “Save energy



Bringing in awareness on Energy y through Quiz Competitions

(ii) Scholarships to the meritorious students belonging to SC/ST/ OBC and disabled categories.

The objective of this program was to encourage SC/ST/OBC & Disabled students to continue their studies at college level and to reduce financial burden on their parents. This scheme was executed in association with Central Board of Irrigation & Power (CBIP), New Delhi.

The scholarship were awarded to the students belonging to the SC/ST/OBC/PH category who have passed 10th Exam of CBSE in the year 2012, and studying in class 11th during the year of 2013 in schools of Govt. of Delhi.



Scholarship Distribution to Students

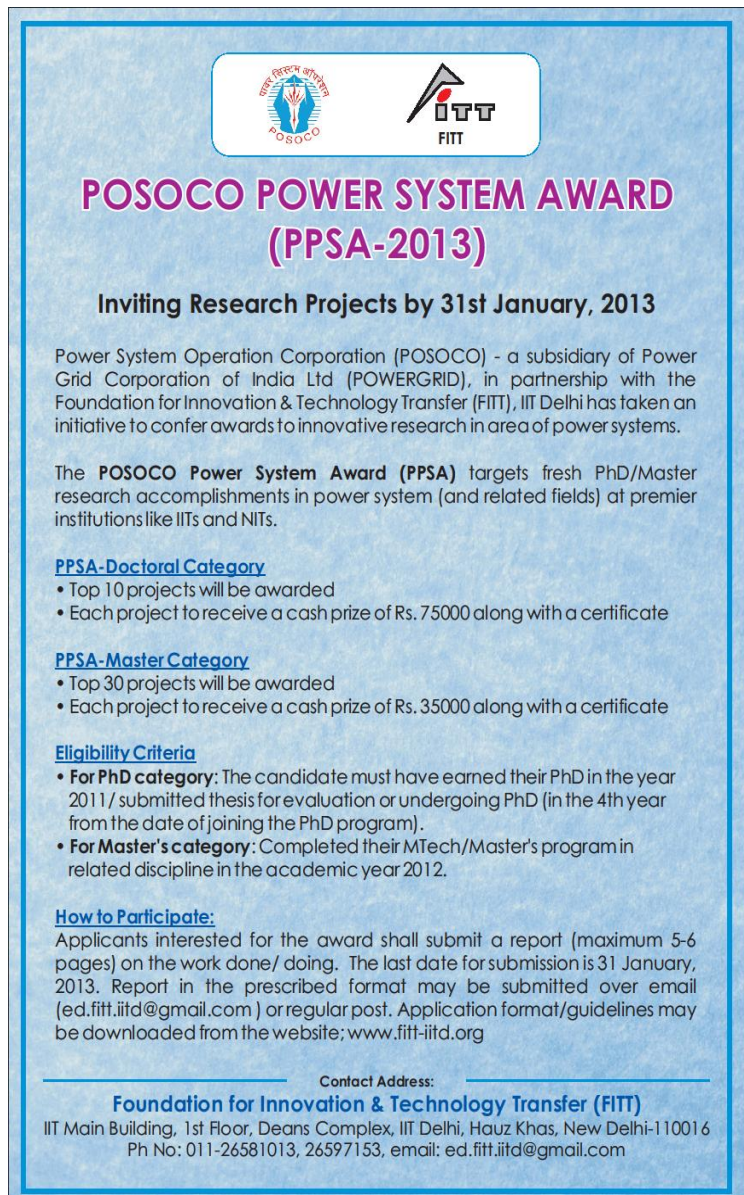
The scholarships of value Rs. 75, 00/- each were awarded to a total of 698 students.

(iii) Awards in the field related to Power Systems in selected IITs/ NITs to encourage excellence in the area- Project titled ‘POSOCO Power System Award 2013’

Motive behind this program was to identify and recognize research efforts and innovative work in the functional area of the company i.e. the broad field of power systems in the various premier technical institutions e.g. IITs, NITs, ISM and IISc. Recognizing and awarding the work being carried out in this area, will work as a catalyst to encourage young engineers to take up research related activities.

Under this scheme, two categories of the awards were chosen- the Doctoral category (10 awards) and Master category (30 awards). The prize money in each PhD and M.Tech award was set at Rs. 75,000/- and Rs. 35,000/- respectively.

This task was carried out by Foundation for Innovation and Technology Transfer (FITT), which is a unit of prestigious Indian Institute of Technology (IIT), Delhi. The organization of POSOCO Power System Award is a good example of successful industry-academia partnership.



The poster for the POSOCO Power System Award (PPSA-2013) features the logos of POSOCO and FITT at the top. The title 'POSOCO POWER SYSTEM AWARD (PPSA-2013)' is prominently displayed in purple. Below the title, it states 'Inviting Research Projects by 31st January, 2013'. The text describes the award as an initiative by POSOCO, a subsidiary of Power Grid Corporation of India Ltd (POWERGRID), in partnership with FITT, IIT Delhi. It targets fresh PhD/Master research accomplishments in power systems. Two categories are listed: PPSA-Doctoral Category (top 10 projects, Rs. 75,000 prize) and PPSA-Master Category (top 30 projects, Rs. 35,000 prize). Eligibility criteria are provided for both categories. The 'How to Participate' section details the submission process, including a 5-page report limit and a deadline of 31 January 2013. Contact information for FITT is provided at the bottom.

POSOCO POWER SYSTEM AWARD (PPSA-2013)

Inviting Research Projects by 31st January, 2013

Power System Operation Corporation (POSOCO) - a subsidiary of Power Grid Corporation of India Ltd (POWERGRID), in partnership with the Foundation for Innovation & Technology Transfer (FITT), IIT Delhi has taken an initiative to confer awards to innovative research in area of power systems.

The POSOCO Power System Award (PPSA) targets fresh PhD/Master research accomplishments in power system (and related fields) at premier institutions like IITs and NITs.

PPSA-Doctoral Category

- Top 10 projects will be awarded
- Each project to receive a cash prize of Rs. 75000 along with a certificate

PPSA-Master Category

- Top 30 projects will be awarded
- Each project to receive a cash prize of Rs. 35000 along with a certificate

Eligibility Criteria

- **For PhD category:** The candidate must have earned their PhD in the year 2011/ submitted thesis for evaluation or undergoing PhD (in the 4th year from the date of joining the PhD program).
- **For Master's category:** Completed their M.Tech/Master's program in related discipline in the academic year 2012.

How to Participate:

Applicants interested for the award shall submit a report (maximum 5-6 pages) on the work done/ doing. The last date for submission is 31 January, 2013. Report in the prescribed format may be submitted over email (ed.fitt.iitd@gmail.com) or regular post. Application format/guidelines may be downloaded from the website; www.fitt-iitd.org

Contact Address:
Foundation for Innovation & Technology Transfer (FITT)
IIT Main Building, 1st Floor, Deans Complex, IIT Delhi, Hauz Khas, New Delhi-110016
Ph No: 011-26581013, 26597153, email: ed.fitt.iitd@gmail.com

(iv) Promotion of art and culture- Project titled ‘Rhythms from the River Banks’

Under this scheme, young people in 20 colleges in Delhi and Kolkata (10 colleges in each city) were approached to spread awareness on culture and traditions of their respective cities.

Key activities involved in the implementation of the program were organising knowledge Workshops in the colleges, filed visits to Mathura in Delhi and Chandan Nagar in Kolkata, 5-day film making workshops in each city, undertaking action projects on any one art and cultural

aspects of their respective cities and organising photography competitions. Specialized agency “The Energy and Resource Institute (TERI)” was engaged for execution of this program.

Programs was successful in engaging youth in understanding the importance and relevance of these old cities like Delhi and Kolkata, their various spaces and historical progression. Educating youth on appreciating the traditions and culture of their respective cities would culturally empower them and they will become active citizens having the capability to steer societies towards a culture of sustainability and co-existence.



Field visits to ecologically sensitive Rivers



Youth Engagement through Film making workshops

(v) Promotion of non-conventional energy sources- Project titled ‘Providing livelihood, clean lighting and improved cooking solutions’

This program was executed in 200 rural households around Shillong in the districts, who do not have access or have partial access to electricity. Two districts, East Khasi Hills and Jaintia Hills were identified for implementing this program.



Providing Livelihood

Objective of this program was to facilitate overall development of the region by promoting solar and improved cook stove technology with a twin objective of creating livelihood and providing clean energy solutions in an entrepreneurial mode that is financially sustainable. Solar Lanterns and improved cooking stoves were disseminated to the rural households. Approximately 1000 lives were illuminated by provisioning of improved solar lighting services to rural

communities, expanding the existing livelihood potential of the region. The Program was implemented in association with “The Energy and Resource Institute (TERI)”.

Promotion of non- conventional energy sources is an agenda of Government of India. The steps taken in this direction shall be continued in the coming years in other backward remote villages of the country and replicated on a larger scale.



Cleaner cooking with improved stoves

(b) Activities under Sustainable Development (SD)

(i) Energy Audit of NLDC/ RLDCs for Energy Conservation

The energy audit was carried out by POSOCO in NERLDC, Shillong and NLDC, Delhi by certified energy auditors in accordance with the guidelines prescribed for energy audit. POSOCO has initiated steps for implementing the recommendations in the report so that the energy efficiency can be achieved.

(ii) Voluntary procurement of Renewable Energy Certificates

Regarding procurement of REC, DPE has issued the guidelines to all the CPSEs to procure the RECs as voluntary procurement to encourage the REC mechanism. 800 nos. of RECs were procured at central level by NLDC.

(iii) Training of Employees on aspects of SD

POSOCO has imparted the training to its employees on sustainable development by engaging external agency-TERI. TERI is a reputed agency in the field giving specialized training on the subject.

Training of Employees on aspects of SD was organized in all the RLDCs. Capacity building is an ongoing process. POSOCO plans to continue such programs in future also.

(iv) Biodiversity Conservation- Afforestation- Plantation

Under Biodiversity Conservation, 1000 trees were planted by SRLDC in Bangalore. Services of the forest department were availed for plantation.

(v) Energy Management - Solar lighting system

Promotion of solar energy sources is an agenda of Government of India. Solar lighting system for lighting of 10 street lamp posts has been implemented in ERLDC Kolkata office of POSOCO through a state owned agency West Bengal Green Energy Development Corporation Limited.



Solar PV Power Plant



Night View of Solar street lights

(c) Independent Evaluation of the of the CSR and SD activities carried out during FY 2012-13

Performance of the MoU signed between POSOCO and POWERGRID is assessed every year by Department of Public Enterprises (DPE). Documentary evidence as indicated in the signed MoU, is required to be submitted towards performance of each and every parameter included in the MoU. CSR and SD activities included in the MoU 2012-13 under parameters 2(g) & 2(h), Part-III are to be evaluated by an Independent group. The evaluation report is to be submitted to DPE as documentary proof for the performance evaluation of these parameters. To comply with the DPE's requirements on evaluation of CSR and SD activities, an independent review of all the activities except Scholarship scheme for school children was carried out by M/s Central Board of Irrigation and Power (CBIP). CBIP has appreciated the work done by POSOCO in the area of CSR and SD and has recommended taking up similar projects in future also. Scholarship scheme was evaluated by Dr. Samsher, professor, Delhi College of Engineering. Some of the activities like providing solar lanterns in the North-East, Energy awareness program for school children and Solar lighting system in ERLDC were also reviewed and appreciated by Regional Power Committees (RPCs). Evaluation reports by CBIP and Dr. Samsher are placed at [Annexure-VI](#) and [VII](#).

7. Activities under implementation during 2013-14

Four activities have been identified under the MOU of F.Y. 2013-14 signed between POSOCO and POWERGRID. The estimated expenditure on these four activities shall be Rs. 1.25 Crore. In the MoU 2013-14, Rs. 2.44 Crore (3% of the PAT) have been earmarked for implementation of the CSR activities during FY 2013-14. Therefore, to utilize the entire allocated budget,

additional activities have also been taken up for implementation. The CSR and Sustainability Policy 2013-14, approved by the POSOCO Board in its meeting held on 27.05.2013, also envisages to take up other activities for utilisation of the budget earmarked for CSR and Sustainability activities. Accordingly, additional activities related with the area of education & knowledge have been chosen for implementation. The target areas would be in the vicinity of the RLDCs.

Activities under implementation are briefed below:

(i) Providing solar lanterns and cooking stoves in one of the backward districts identified by the Planning Commission

This activity was part of MoU of FY 2012-13 also and was executed through The Energy and Resources Institute (TERI) in the districts of East Khasi Hills and Jaintia Hills in Meghalaya. During 2013-14 also, this scheme is being executed through the same agency i.e. TERI.

The target group for the project are the Villages in the Ri bhoi district of Meghalaya (Ri bhoi is among the backward districts identified by Planning Commission). Around 350 Households in approx 10 villages are likely to be covered under this program that would translate into 1750 Khasi people that will be enabled to access clean and affordable lighting and cooking solutions at their doorsteps.

Project Cost for this scheme is Rs. 35 Lac (Rupees Thirty Five Lacs) + Service Tax as applicable.

Agreement with TERI, in this regard, has already been signed and work is under progress.

(ii) Awards in the field related to Power Systems in the premier engineering institutions to encourage excellence in the area

The objective of the PPSA program is to reward the research excellence & immediate creative accomplishments in power system and related fields in the various technical institutes like IITs & NITs, etc.

There are twenty five awards for PPSA-Doctoral category with a cash prize Rs.60,000/- for short listed project along with certificates. Similarly, there are twenty five awards under PPSA-Master category with a cash prize of Rs.30,000/- per shortlisted project. An award ceremony shall be organised for distribution of awards. Top ten candidates would be called for attending this ceremony.

During FY 2012-13, this activity was executed through “Foundation for Innovation and Technology Transfer (FITT)-Unit of IIT Delhi”. This year also, FITT has been engaged for this job. The work on the scheme has been initiated by FITT. This scheme shall be executed at an estimated cost of Rs. 30 Lac.

(iii) Procurement of Renewable Energy Certificates

POSOCO is the central agency for the REC Mechanism. As REC mechanism promotes renewable sources for energy requirements, it can be a tool for compensating for reduction of carbon foot print of the company. Hence, procurement of REC certificates has been identified as one of the activities required to be performed for fulfillment of the objectives on the similar lines of procurement during FY 2012-13.

The estimated expenditure on procurement of RECs shall be Rs. 10 Lac.

(iv) Installation and commissioning of Solar Multi Utilities (SMU) in two sites in the selected regions of Sundarbans

This program aims to provide clean energy to supply electricity in hospitals/ schools, households and market places in two identified sites in Sunderbans of West Bengal. Use of clean energy sources will save their fragile ecosystem from harmful effects of other energy sources like diesel generators prevalent at these places.

Two sites have been selected for setting up the SMU plants in the Sundarbans region of West Bengal. Details are as below:

- Village- Khetromohanpur, Gram Panchayat- Brojoballavpur, Block- Patharpratima, District- South 24 Paraganas, Distance from Kolkata-190 Kms
- Village- Binodpur, Gram Panchayat- Maipith Baikuntapur, Block- Kultali, District- South 24 Paraganas, Distance from Kolkata-150 Kms

The selected sites are un-electrified and usually use diesel or kerosene to meet their energy needs, which are extremely harmful for the environment.

It is proposed to provide electricity supply for 70 shops and 30 HHs in Khetromohanpur village and 42 shops and 50 HHs in Binodpur village . These applications will be powered by Photovoltaic Power Plant. Power Plant can be centralised or spitted at multiple locations. Power lines will be drawn from Power Plant to the households/shops/hospitals.

This activity is being executed by TERI in association with Mlinda Foundation at an estimated Cost of Rs. 38 Lac plus Service Tax as applicable.

(v) Seminars/Workshops/Training Sessions

Seminars/Workshops/Training Sessions are to be organised to sensitise the employees regarding the CSR and Sustainability policies of the organisation, and the need to adopt ethical business practices. Specialist agencies for imparting the training in all the RLDCs are being explored.

(vi) Awareness programs and capacity building for school children on energy efficiency, environment friendly technologies and non-conventional energy sources- Project titled 'E for Energy Efficiency'

This program aims to inculcate awareness and a sense of responsibility among the school students about energy efficiency and environmental protection issues. Apart from awareness on these issues, program envisages introduction to renewable energy options through knowledge workshops, Teachers' training workshops, seminars, competitions, visits to energy efficient buildings and festivals etc.

Program is being executed in Mumbai, Bangalore and Delhi at a cost of Rs. 30 Lac plus service tax in association with TERI. Total 21 schools have been covered under this program considering 7 schools in each city. This program was also conducted in FY 2012-13 in Mumbai and Bangalore in 20 schools (10 schools in each city). Out of the 10 old schools in each city, 2 most active schools have been retained.

(vii) Scholarships to meritorious students in Govt. Schools

This activity was successfully implemented during 2012-13 through CBIP. CBSE had provided requisite details of the meritorious students.

This year also, CBSE was approached expressing willingness for taking up this activity during 2013-14. In reply, CBSE has provided a merit list of top 2000 students who have passed Delhi secondary schools examination 2013 from Govt. schools of Delhi. Similar list from Meghalaya Board in the North East has been received.

Further strategy is being chalked out for implementation of this activity. Allocated budget for this activity is Rs. 80 Lac.

(viii) Relief and Rehabilitation activities in the flood affected areas of Uttarakhand

The CSR and Sustainability guidelines for FY 2013-14 issued by DPE mandate that upto 5% of the annual budget for CSR and Sustainability activities has to be earmarked for Emergency needs, which would include relief work undertaken during natural calamities / disasters, and contributions towards Prime Minister's / Chief Minister's Relief Funds and/or to National Disaster Management Authority.

In the recent natural calamity in Uttarakhand, there was a large scale loss of life and property. Considering this, an amount of Rs. 10 Lac has been earmarked towards relief work in Uttarakhand. This amount falls within the overall ceiling of 5% of the CSR and Sustainability Budget.

Recently, Department of Public Enterprises (DPE) also desired that CPSEs under administrative control of Ministries / Departments may be directed to take up relief and rehabilitation activities in the flood affected areas of Uttarakhand by undertaking such projects under their CSR and Sustainability activities in that area.

Further, as decided by MoP, THDC, on behalf of the CPSEs under MoP, may take up some activity in Uttarakhand in consultation with the State Govt. and the CPSEs under MoP may give their contribution to THDC. THDC has been coordinating with the State Govt. and the amount earmarked for relief work shall be transferred in consultation with THDC.