



DAKSHIN HARYANA BIJLI VITRAN NIGAM LIMITED

**CORPORATE SOCIAL RESPONSIBILITY POLICY-2014**

**DAKSHIN HARYANA BIJLI VITRAN NIGAM LTD.**

**(A Power Distribution & Retail Supply Utility, Govt. of Haryana)**

**An ISO 9001:2008 Compliant Utility, CIN:- U99999HR1999SGC034165**

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RESPONSIBILITY POLICY-2014

**1.0 SHORT TITLE AND COMMENCEMENT:**

This policy may be called "Dakshin Haryana Bijli Vitran Nigam Limited Corporate Social Responsibility Policy-2014" and shall be effective on and from 1<sup>st</sup> April, 2014.

**2.0 DEFINITION:**

Unless repugnant to the context and inconsistent with the relevant Acts and Rules made there under,

- a) "Act "means the Companies Act,2013
- b) "Board" means the Board of Directors of the DHBVNL;
- c) "CMD" means the Chairman and Managing Director of the Company;
- d) "Company" means the 'Dakshin Haryana Bijli Vitran Nigam Limited hereinafter, referred to as "DHBVNL".
- e) "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.
- f) "CSR Committee" means the Corporate Social Responsibility Committee of the Board referred to in section 135 of the Act.
- g) "CSR Policy", relates to the activities to be undertaken by the company as specified in Schedule VII to the Act and the expenditure thereon, excluding activities undertaken in pursuance of normal course of business of the company.
- h) "Director" means a Director of the Board of DHBVNL.
- i) "Net profit" means the net profit of the company as per its financial statement prepared in accordance with the applicable provisions of the Act, but shall not include the following, namely:- i) any dividend received from other companies in India, which are covered under and complying with the provisions of section 135of the Act:

Provided that net profit in respect of a financial year for which the relevant financial statements were prepared in accordance with the provisions of the Companies Act, 1956, (I of 1956) shall not be required to be-recalculated in accordance with the provisions of the Act.

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

Words and expressions used and not defined in this policy and Rules but defined in the Act shall have the same meanings respectively assigned to them in the Act.

### **3.0 OBJECTIVES**

The Company with its broader mission to become the best power distribution company in the country shall stride for the development of the society as a whole and its customers, service providers and employees in particular, to the extent its resources afford and with certain broad principles on Corporate Social Responsibility.

### **4.0 DHBVNL'S APPROACH TOWARDS CORPORATE SOCIAL RESPONSIBILITY**

The approach of DHBVNL towards Corporate Social Responsibility would be oriented to identify and formulate CSR projects/programmes as per statutory requirement and to implement them with full involvement and commitment in a time bound manner. In cases where other agencies/organizations are involved, approach, would be to focus on collaboration and partnership. It will also provide financial assistance in the form of grant-in-aid assistance, contribution etc.

### **5.0 AIMS AND OBJECTIVES**

As a responsible corporate entity, DHBVNL will consistently strive for opportunities to meet the expectation of its stake holders by pursuing the concept of sustainable development with focus on undertaking statutorily required CSR projects/programmes within India.

Note: CSR activities of DHBVNL should be carried out in a win-win situation/ perspective where the society would be benefited from such activities at the same time image of the Company would be shining as the pay-back /return on investment.

### **6.0 ACTIVITIES UNDER CSR**

DHBVNL would endeavor to adopt an integrated approach to address the community, social & environmental concerns by taking up a range of the following activities, which shall be taken up strategically, in a focused manner to the extent possible and allowed as per the CSR policy.

### **7.0 SCOPE OF CSR**

For attaining the above aims and objectives the following activities can be undertaken under Corporate Social Responsibility:

- (i) eradicating hunger, poverty and malnutrition, promoting 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 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 for 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 recognized sports, paralympic 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.

Explanation- For the purposes of this item, the term "slum area" shall mean any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force.

## **8.0 PROHIBITED ACTIVITIES UNDER CSR**

The Company, will abstain from carrying out following activities under CSR which may create dissatisfaction among any section of the Society:-

- I. Activities disturbing social harmony in any manner.
- II. Contribution of any amount directly or indirectly to any political party.
- III. Activities concerned with religion like construction of temple/mosque etc.

## **9.0 ADMINISTRATIVE SET-UP.**

**9.1 Corporate office:** A CSR Sub-Committee at Corporate office level will be responsible for coordinating CSR activities in DHBVNL. They shall also be responsible for compilation of information & annual reports and facilitate the processing of proposals received from Circles/Divisions for approval & allocation of funds by the CSR Committee.

**9.2 Circle headquarters:** The Circle headquarters will organize & coordinate CSR activities within the respective circle. Based on the requirement of division offices for conducting of CSR activities, the Circle office will prepare a comprehensive proposal of each activity and send it to the Corporate Office for approval and allocation of funds. They will also compile CSR activities undertaken within their jurisdiction and shall apprise, to Corporate Office from time to time.

**9.3 Division:** The head of Division will be responsible for implementing CSR activities in his area of jurisdiction.

## **10.0 ADMINISTRATION OF SCHEME:-**

**10.1** The specific activities will be identified based on the need of communities, which may change from time to time and location to location.

**10.2** The Circle Headquarter will prepare annual plan of CSR activities, to be undertaken in their respective jurisdiction including budget estimate. The proposal should reach CSR Committee by end of September for the activities to be taken up in the next financial year. The CSR Committee will review each CSR activities and thereafter sanction approval to the annual plan & budget.

## **11 .0 REPORTS:**

**11.1** Circle headquarter will prepare an annual report of CSR, activities undertaken .in their respective jurisdictions mentioning the activities undertaken, budget utilization, the benefits accrued to communities and the number of people benefitted.

**11.2** The CSR Sub Committee will compile the report received from the Circle office and of CSR activities undertaken in Corporate office and prepare a comprehensive annual report for the Company, which will be placed to the CSR Committee.

**11.3** The summary of the report will be published in print and also posted on the DHBVNL website under a separate dedicated section on Corporate Social Responsibility. The website will include the policy, the details of CSR activities undertaken and other particulars as per **Annexure-I**.

**11.4** The Board's Report of a Company pertaining to a financial year commencing on or after the 1st day of April, 2014 shall include an annual report on CSR containing prescribed particulars.

## **12.0 MONITORING**

**12.1** The effectiveness of CSR activities will be evaluated by the CSR Committee with assistance from external agencies, if required, for getting required feedback & inputs to formulate & improve the CSR activities in future

## **13.0 ALLOCATION OF FUNDS**

**13.1** The Board of the Company 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.

**13.2** A major portion will be allocated for carrying out CSR activities in it's licensed areas.

**13.3** Allocation of funds will be based on the proposals submitted and the overall availability of funds.

## **14.1 CSR EXPENDITURE**

CSR expenditure shall include all expenditure including contribution to corpus, for projects or programs relating to CSR activities approved by the Board on the recommendation of its CSR Committee, but does not include any expenditure on an item not in conformity or not in line with activities which fall within the purview of Schedule VII of the Act

## **15.0 GENERAL**

**15.1** Surplus, if any arising out of the CSR Projects or programmes of activities shall not form part of the business profit of the Company.

**15.2** The power to interpret, administer and right to minor modification /amendment to the policy shall rest with CMD whose decision shall be final and binding

**15.3** The Company reserves the right to modify, cancel, add or amend any of the provisions in the policy.

## 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)
Sr. No.	CSR projects or activities 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 up to the reporting period.	Amount spent: Direct or through 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/-

Chairman &amp; Managing Director

Sd/-

Chairman/CSR Committee