HIMACHAL PRADESH STATE ELECTRICITY BOARD LIMITED

(A State Govt. undertaking)

Registered office	Vidyut Bhawan, HPSEBL, Shimla-171004(H.P)
Number (CIN)	U40109HP2009SGC031255
GST No.	HPSEBL 02 AACCH4894EHZB
Telephone Number	0177-2803600, 2801675 (Office), 2658984(Fax)
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NOTIFICATION

The Himachal Pradesh State Electricity Board's Limited is pleased to notify the Corporate Social Responsibility policy as per requirement of Section 135 of the Companies Act. 2013 approved by the Board of Directors of its meeting held on 24.08.2021 vide item No. 44.10 in the public interest.

Director (Pers./F&A),
H.P.State Electricity Board's Ltd.,
Shimla-4.

NO.HPSEBL (SECTT)(CS)(CSR)/309-1/2021-393/4-29 Dated- 07-09-2021

Copy forwarded for information and necessary action:-

1. The Worthy Chairman, HPSEB Ltd., Shimla-2.
2. The Spl. PS/ Sr. PS/PS to Managing Director/ Directors/Executive Director, HPSEBL, Shimla-04 for information of Managing Director/ Directors/ Executive Director.
3. All the Chief Engineers, HPSEB Ltd.
4. The Chief Accounts Officer, HPSEB Ltd., Shimla-04.
5. The Resident Audit Officer, HPSEB Ltd, Shimla-4.
6. The Superintending Engineer (IT), HPSEB Ltd., Shimla-4 for uploading the same on the website of HPSEB Ltd.

Director (Pers./F&A),
H.P.State Electricity Board's Ltd.,
Shimla-4.

9/9
Sr.Asst.

HIMACHAL PRADESH STATE ELECTRICTY BOARD LIMITED
(A STATE GOVT. UNDERTAKING)
CIN: U40109HP2009SGC031255
VIDYUT BHAWAN, HPSEBL, SHIMLA-04

CORPORATE SOCIAL RESPONSIBILITY POLICY

1. INTRODUCTION

The Himachal Pradesh State Electricity Board was constituted on the first day of September, 1971 in accordance with the Electricity (Supply) Act, 1948, which has been re-organized as Himachal Pradesh State Electricity Board Ltd.(HPSEBL) w. e. f. 14.06.2010(as notified) under the Himachal Pradesh Power Sector Reforms Transfer Scheme, 2010 as public Limited Company registered under the Companies Act, 1956 (Now "the Companies Act, 2013") which was registered on 03rd December 2009 vide CIN U40109HP2009SGC031255 with Ministry of Corporate Affairs, New Delhi.

The Himachal Pradesh State Electricity Board Limited has always been committed to the cause of social services such as development of local area through Local Area Development Fund(LADF), donation to various funds setup for reliefs/ rehabilitation by the Govt., organize programs/activities for awareness & welfare of public, etc. The Company has taken up various Corporate Social Responsibility (CSR) initiatives from its inception and enhanced value in the society.

2. DEFINITIONS

In this Policy, unless the context otherwise requires:

1. "Act" shall mean the Companies Act 2013, including any modifications, amendments or re-enactment thereof.

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2. “Agency” (or Agencies) means any Section 8 Company or a registered trust/ society/NGO/ institution, performing social services for the benefit of the society.

3. “Approved Budget” shall mean the total budget as approved by the Board of the Company upon the recommendation of the CSR Committee, which is to be utilized for CSR Projects.

4. “Board” shall mean the Board of Directors of the Company.

5. “Company” shall mean Himachal Pradesh State Electricity Board Limited and wherever the context requires, shall signify the Company acting through its Board.

6. “CSR Annual Plan” shall mean the annual plan detailing the CSR expenditure for the year.

7. “CSR Committee” shall mean the Corporate Social Responsibility Committee constituted by the Board in accordance with the Act, consisting of three or more directors, out of which at least one director shall be an independent/ non-official director.

8. “CSR Expenditure” means all CSR expenditure of the Company as approved by the Board upon recommendation of the CSR committee, including the following:

1. contribution to CSR Projects which shall be implemented and/or executed by the Company;
2. contribution to CSR Projects (including for corpus as required) which shall be implemented and/or executed by its Trust or Society;
3. contribution to CSR Projects (including for corpus as required) which shall be implemented and/or executed by an Agency, and
4. Any other contributions covered under Schedule VII. However, contribution of any amount directly or indirectly to any political party under section 182 of the Act, shall not be considered as CSR expenditure.

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9. "CSR Officer" shall mean the whole time person engaged/designated by the Company for activities envisaged in the CSR Policy, having due comprehension, understanding, drive and passion for such activities and designated as such.

10. "CSR Policy" shall mean the present Corporate Social Responsibility Policy of the Company, which covers the activities to be undertaken by the Company as specified in Schedule VII to the Act and the CSR Expenditure thereon.

11. "CSR Projects" or "Projects" means Corporate Social Responsibility projects/activities/ programs/ initiatives, instituted in India, either new or ongoing, and includes, but is not limited to those undertaken by the Board in pursuance of recommendations of the CSR Committee as per the declared CSR Policy of the Company. Projects/activities/ programs/ initiatives undertaken in pursuance of normal course of business of the Company and projects which benefit only the employees of the Company and their families shall not be considered as CSR Projects.

12. "Financial Year" shall mean the period beginning from 1st April of every year to 31st March of the succeeding year.

13. "Net profit" shall mean the net profit as per the Act and Rules based on which the specific percentage for CSR expenditure has to be calculated.

14. "Rules" shall mean the Companies (Corporate Social Responsibility) Rules 2014, including any re-enactment, modifications or amendments thereof.

15. "Thrust Areas" shall mean the areas or activities ascribed to them in this Policy, as amended by the CSR Committee, from time to time.

3. CSR OBJECT

The Company firmly believes that CSR is the responsibility of the Company in relation to the impact of its decisions and activities on the society through a transparent and ethical behavior which is:

(a) consistent with sustainable development and welfare of society,

(b) takes into account the expectations of public of Himachal Pradesh ,

(c) in compliance with applicable laws, and

(d) uniformly integrated and practiced throughout the Company.

4. CONSTITUTION AND FUNCTION OF CSR COMMITTEE

As per provisions of Section 135 of The Companies Act, 2013, the constitution of a Corporate Social Responsibility Committee of the Board and formulation of a Corporate Social Responsibility Policy became a mandatory requirement. The Board of Directors in its 36th meeting held on 23.03.2019, re-constitute the CSR Committee consisting of following members:-

1. Addl. Chief Secretary/Pr. Secretary(Finance) GoHP – Chairman
2. Addl. Chief Secretary/Pr. Secretary(MPP & Power) GoHP - Member
3. Director(Finance & Accounts), HPSEBL- Member
4. Shri K. R. Bharti, Director(Independent)- Member
5. Smt. Priyanta Sharma, Director(Woman)-Member

The Company Secretary, HPSEBL has been designated as Secretary of the CSR Committee.

Changes in the constitution of the Corporate Social Responsibility Committee, as approved by the Board of Directors, shall not be construed to be an amendment of this policy.

The CSR Committee may have the following functions:-

a. To formulate and recommend to the Board, a Corporate Social Responsibility Policy [this policy] which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013 and the rules made thereunder.
b. To recommend the amount of expenditure to be incurred on the CSR activities.
c. To monitor the implementation of framework of CSR Policy.

5. THRUST AREAS

The Activities proposed to be undertaken under CSR shall include all the activities mentioned in the Schedule VII in the Section 135 3(a) of the

Companies Act, 2013. However, at present, it proposes to undertake the following activities on priority basis as thrust areas:-

i. Rural Development Projects:

a) construction of roads, buildings, etc for rural development

b) construction/ installation/ maintenance of renewable power projects for the rural areas/ villages

c) build & maintain hospitals, dispensaries, sewerage and pollution treatment plants, schools, street lights etc. in rural area

d) construct/ build /maintain water supply systems

e) organize activities/ programs for awareness of general public in rural area

ii. Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water:

a. Establishment and management of state-of-the-art healthcare infrastructure with high level of excellence.

b. Providing financial and/or other assistance to the Agencies involved in exclusive medical research, public health, nursing etc.

c. Providing financial assistance to deserving people for specialized medical treatment in any medical institution.

d. Providing financial assistance/ other assistance/items such as food grains, nutrition, medicines to the general public suffering with hunger, poverty, malnurtion.

e. Activities concerning or promoting:

1) General health care including preventive health care

2) Safe motherhood

3) Child survival support programs

4) Health / medical camps

5) Better hygiene and sanitation

6) Adequate and potable water supply, etc

iii. **Training to promote rural sports, nationally recognized sports, paralympic sports and Olympic sports**

a. establish & management of the sports clubs/ societies

b. construction/ maintenance/ renovation of buildings/stadium / pavilion etc. for sports persons/ local youth/ schools/ colleges etc. institutions for sports activities

c. providing financial/ other assistance to sport persons, schools, college for promotion sports activities

d. organize games/ activities to increase the interest of society for participation in sports/ games

e. providing financial and/or other assistance to the needy and/or deserving students

f. providing financial assistance to any agency involved in education, knowledge enhancement and sports

g. facilitate enhancement of knowledge and innovation in the educational agencies

iv. **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**:

a. maintenance & preservation of buildings or infrastructure of national heritage/ special importance.

b. organize programs/ activities for the promotion of traditional arts and culture

c. providing financial assistance /organization of activities/ programs to increase/ save the handicrafts industries of the State

v. **measures for the benefit of armed forces veterans, war widows and their dependents:**

a. providing assistance to war widows and their dependents, whether directly or through trust/ societies
b. providing assistance for education, training, shelter, house etc. for war widows and their orphans
c. donations to national defense funds/ other funds set up by the Govt of India or the State Govt.

vi. **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;**

6. IDENTIFICATION OF CSR PROJECTS:

1) CSR Projects need to be identified and planned for approval of the CSR Committee, in particular in Thrust Areas, with estimated expenditure and phase-wise implementation schedules.
2) The Company shall ensure that in identifying its CSR projects, preference is given to the local area and areas around which the Company (including its Units) operates. However, this shall not bar the Company from pursuing its CSR objects in other areas.
3) The CSR Officer may engage external professionals/firms/agencies, if required, for the purpose of identification of CSR projects.

7. IMPLEMENTATION OF CSR PROJECTS

The Company shall implement the identified CSR projects by the following means:

I. Direct Method

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1) The Company may itself implement the identified CSR Projects presently within the scope and ambit of the Thrust Areas as defined in the Policy;
2) The Company may also implement the identified Projects presently through its Trust or Society which is involved in CSR activities, within the scope and ambit of the Thrust Areas as defined in the Policy.
3) The CSR Officer may engage external professionals/firms/agencies if required, for the purpose of implementation of its CSR Projects.
4) The Company may collaborate with other companies, for fulfilling its CSR objects through the direct method, provided that the CSR Committees of respective companies are in a position to monitor separately such CSR Projects.

II. Indirect Method

The Company may implement the identified CSR projects through agencies, subject to the condition that:

1) The activities pursued by the agency are covered within the scope and ambit of Schedule VII of the Act provided the agency has an established track record of at least three years in undertaking similar programs or projects, and
2) The Company has specified the Project to be undertaken through the agency which shall preferably be in Thrust Areas, the modalities of utilization of funds on such projects and the monitoring and reporting mechanism which shall be at least once in three months.
3) The Company may collaborate with other companies, Boards, Corporations, trusts for fulfilling its CSR objects through the Indirect method provided that the CSR Committees of respective companies are in a position to monitor separately such Projects.
4) The Company may also develop the projects through local bodies, NGO's/ Societies, Corporation, educational / medical institution for achieving the CSR objects.

8. FUND ALLOCATION AND OTHERS

1. The Company, in every Financial Year, shall endeavor to spend the feasible amount, which shall not be restricted by the statutory limit of a specified percentage of its average net profits of the immediately preceding three Financial Years. However, the aforementioned expenditure in any Financial Year shall be atleast 2% of Company's average Net profits for the three immediately preceding Financial Years.
2. The CSR Committee shall prepare a CSR Annual Plan for the above which shall include:
   a) Identified CSR Projects
   b) CSR expenditure
   c) Implementation Schedules
3. Total expenditure in the CSR Annual Plan shall be approved by the Board upon recommendation by the CSR Committee.
4. In case the Company fails to spend the statutory minimum limit of 2% of Company's average net profits of the immediately preceding three years, in any given financial year, the Board shall specify the reasons for the same in its report in terms of clause (o) of sub-section (3) of section 134 of the Act.
5. The Company has an option to carry forward such un-spent money to next year by depositing it in a separate CSR Fund (Corpus) created by the company or to contribute to the corpus of a Trust / Society / Section 8 Company etc., as long as they are created exclusively for undertaking CSR activities.

9. MONITORING MECHANISM

The CSR Officer of the Company will coordinate / review the implementation of CSR activities at various areas and report to the Board through the CSR Committee. The CSR Committee shall meet at least twice in a year to monitor the implementation of CSR Plan and its activities. The Committee shall ensure that the CSR Policy, as amended from time to time, is displayed on the company's website. The CSR Committee shall place before the Board, a draft annual report on CSR activities as per the specified format, in a board meeting to be held in April / May of the following year for Board's review and finalization. The Board shall include in its report to the shareholders, the annual report on CSR activities as per the format specified under the Rules.

The Company Secretary of the Company shall assist the CSR Committee and the Board for performing their respective duties under the CSR Policy, any changes by the Government in the regulations governing the CSR activities.

10. DUTIES AND RESPONSIBILITIES

1) Board of Directors

The Board shall include in its Report the annual report on CSR Projects as per the format provided in the Annexure to the Rules.

2) CSR Committee

a) The CSR Committee shall monitor the implementation of the CSR Policy and CSR Plan. For this purpose, the CSR Committee shall meet atleast twice a year.

b) In discharge of CSR functions of the Company, the CSR Committee shall be directly responsible to the Board for any act that may be required to be done by the CSR Committee in furtherance of its statutory obligations, or as required by the Board.

c) The CSR Committee shall place before the Board the draft annual report as per the format in annexure to the Rules in Board meeting in April/May of the following year for Board review and finalization.

d) The CSR Committee shall place before the Board in April/May every year 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 for inclusion in the Board's Report.

e) The CSR Committee shall ensure that the CSR Policy and finalized Annual Plan are displayed on the Company's website.

3) CSR Officer

a) The CSR Officer shall be responsible for the proper implementation and execution of CSR projects of the Company.

b) The CSR Officer shall be responsible for monitoring the projects vis-à-vis the Annual Plan.

c) The CSR Officer shall send the half yearly CSR report for the CSR Committee meeting in October and CSR Annual Plan and the draft annual report as per the format in Rules for the CSR Committee meeting in April/May of the following year.

d) The CSR Officer shall be directly responsible to the CSR Committee for any act that may be required to be done by the CSR Committee in accordance with the Policy.

11. REVIEW PERIODICITY AND AMENDMENT:

a) CSR Plan may be revised/modified/amended by the CSR Committee at such intervals as it may deem fit.

b) The CSR Committee shall review the Policy every two years unless such revision is necessitated earlier.