



UJVN Limited

(A Govt. of Uttarakhand Enterprise)

CIN NO : U40101UR2001SGC025866

2021

**CORPORATE SOCIAL
RESPONSIBILITY POLICY**

VERSION 2

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1. PREAMBLE

1.1. UJVN Limited fosters a culture of caring, trust and continuous learning while meeting the expectations of all stakeholders and society at large. As a responsible Corporate Citizen, the Company contributes towards inclusive growth by empowering communities and accelerating development. Through Company's CSR Policy, UJVNL addresses the needs of communities residing in the vicinity by providing facilities, taking sustainable initiatives in the areas of health, education, environment, social economic interest, and community development.

1.2. The Company's CSR Policy framework details the mechanisms for undertaking various programs in accordance with section 135 of the Companies Act 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014, (as emended) made thereunder for the benefit of the community.

2. SCOPE AND APPLICABILITY

2.1 This Policy of CSR encompasses Formulation, Implementation, Monitoring, Evaluation, Documentation and Reporting of CSR activities taken up by UJVNL, in Uttarakhand, and/or anywhere in India.

2.2 This Policy is intended to be in conformity with the provisions of Companies Act, 2013, including the CSR Rules as amended from time to time. In case of any contradiction between provisions of the Companies Act, and the policy, the former shall prevail.

2.3. Any new provision arising out of amendments to Companies Act, 2013 or Rules made thereunder shall be construed to be a part of this policy. However, such new provisions shall be specifically incorporated in the policy appropriately. This Policy has been formulated under the above provisions of the Act and shall be applicable to all CSR initiatives and activities undertaken by the Company, for the benefit of different segments of society.

2.4 UJVNL's CSR activities which are in accordance to Schedule VII of Companies Act 2013, are as set forth in **Annexure -I**

3. DEFINITIONS

3.1 In this policy unless the context requires otherwise.

- a) 'Act' means The Companies Act, 2013, and the Rules made thereunder, as amended from time to time
- b) 'Board' means the Board of Directors of UJVN Limited.
- c) 'UJVNL' shall mean UJVN Limited, which is a Government of Uttarakhand undertaking having its registered address at Ujjwal, Maharani Bagh, GMS Road, Dehradun and in short UJVNL.

d) "Corporate Social Responsibility (CSR)" means the activities undertaken by a Company in pursuance of its statutory obligation laid down in section 135 of the Act in accordance with the provisions contained in these rules, but shall not include the following, namely:-

(i) activities undertaken in pursuance of normal course of business of the company:

Provided that any company engaged in research and development activity of new vaccine, drugs and medical devices in their normal course of business may undertake research and development activity of new vaccine, drugs and medical devices related to COVID-19 for financial years 2020-21, 2021-22, 2022-23 subject to the conditions that-

(a) such research and development activities shall be carried out in collaboration with any of the institutes or organizations mentioned in item (ix) of Schedule VII to the Act;

(b) details of such activity shall be disclosed separately in the Annual report on CSR included in the Board's Report;

(ii) any activity undertaken by the company outside India except for training of Indian sports personnel representing any State or Union territory at national level or India at international level;

(iii) contribution of any amount directly or indirectly to any political party under section 182 of the Act;

(iv) activities benefitting employees of the company as defined in clause (k) of section 2 of the Code on Wages, 2019 (29 of 2019);

(v) activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services;

(vi) activities carried out for fulfilment of any other statutory obligations under any law in force in India.

e) CSR Policy" means a statement containing the approach and direction given by the board of a company, taking into account the recommendations of its

CSR Committee, and includes guiding principles for selection, implementation and monitoring of activities as well as formulation of the annual action plan.

- f) "CSR Committee" means the Corporate Social Responsibility Committee of the Board referred to in section 135 of the Act.
- g) "Government" shall mean Government of Uttarakhand or Government of India, as case may be.
- h) "Ministry" shall mean the Ministry of Corporate affairs, Government of India.
- i) "Administrative overheads" means the expenses incurred by the company for 'general management and administration' of Corporate Social Responsibility functions in the company but shall not include the expenses directly incurred for designing, implementation, monitoring, and evaluation of a particular CSR project or programme.
- j) "International Organization" means an organization notified by the Central Government as an international organization under section 3 of the United Nations (Privileges and Immunities) Act, 1947 (46 of 1947), to which the provisions of the Schedule to the said Act apply
- k) "Impact Assessment" - Every company having average CSR obligation of ten crore rupees or more in pursuance of subsection (5) of section 135 of the Act, in the three immediately preceding financial years, shall undertake impact assessment, through an independent agency, of their CSR projects having outlays of one crore rupees or more, and which have been completed not less than one year before undertaking the impact study.
- l) "Ongoing Project" means a multi-year project undertaken by a Company in fulfilment of its CSR obligation having timelines not exceeding three years excluding the financial year in which it was commenced and shall include such project that was initially not approved as a multi-year project but whose duration has been extended beyond one year by the board based on reasonable justification.

Words and expressions used in these rules and not defined here in but defined in the Act, shall have the meaning respectively assigned to them in the Act.

4. STRUCTURE & MECHANISM

The structure for consideration & approval of CSR initiatives and mechanism for focused & effective implementation of the CSR activities of the Company through CSR Cell is described hereunder:

- A three-tier structure, comprising of the Board, CSR Committee (Board level committee) of 3 or more Directors & headed preferably by an Independent Director, and UJVNL CSR Cell, who will oversee the CSR agenda of the company.
- The Board of Directors shall have power to nominate more persons to the aforesaid committee by nominating other members of the Board.
- Managing Director UJVNL shall be the permanent member of CSR committee.
- CSR Committee being a statutory sub-committee of the Board, Company Secretary UJVNL shall be Secretary, CSR Committee and will conduct the business and keep records as per the provisions of The Companies Act, 2013.
- All proposals received will be examined by UJVNL CSR Cell and then put up to the CSR Committee.
- The CSR Committee shall examine the proposals received along with recommendations from CSR Cell and recommend to the Board.
- The decision regarding taking up CSR activities shall vest with the Board of Directors of UJVNL within the ambit of Companies Act 2013 & CSR Rules 2014 thereof.
- Any activity undertaken by the delegated Authority shall have to be ratified by the Board of Directors.
- CSR Cell will be responsible for implementing the approved CSR initiatives.
- Routine process on the implementation of the project and other CSR activities shall be overseen by the Nodal officer, under the guidance of the CSR Cell.
- The detail structure and working mechanism is setout hereinafter in **Annexure II.**

5. SCOPE AND ROLE OF CSR CELL

- 5.1 After the CSR activities are approved by the Board, CSR Cell shall look into all aspects of planning & implementation of the CSR initiatives of the Company.
- 5.2 CSR Cell shall arrange for baseline survey / need assessment to facilitate management decision on the requirement of the proposal in required.
- 5.3 CSR Cell shall liaise with various stakeholders for proper planning and implementation of CSR initiatives. It may hire services of organizations / individuals to expedite the process of planning, implementation, monitoring, evaluation, impact assessment, and shall motivate

stakeholders / community to address the sustainability of the CSR initiatives.

- 5.4 CSR Cell shall maintain proper record keeping process along with documentary proof, and generation of reports and present the same to the CSR Committee.

6 FOCUS AREA

- Skill Development of rural youths
- Rural Livelihood Initiatives
- Organizing Health Camps/Eye Camps for the poor and aged
- Education supporting schools/colleges by improving infrastructure, equipment, smart classes.
- Supplementing Nutrition, including malnutrition amongst young children in remote areas/villages
- Assisting differently abled persons in rural areas by organizing camps and providing medical aided equipment(s).
- Improving health services in rural areas.
- Ensuring Environmental sustainability
- Promoting gender equality and empowering women - Economically backward groups
- Eradicating Hunger, Poverty & Malnutrition
- Reducing Child Mortality & Improving Maternal Health
- Promotion of Sports

7 ONGOING CSR PROJECTS

UJVNL is running various CSR initiatives under different focus areas. Major ongoing CSR initiatives shall be listed in the portal of the Company. All the Ongoing CSR initiatives shall be monitored and/or evaluated. Based on the evaluation, the CSR Committee shall recommend continuance or otherwise.

8 FUND ALLOCATION AND EXPENDITURE

- 8.1 The Budget provision towards CSR initiatives shall be at least 2% (two percent) of the average net profit of the Company (PBT) made during the 3 immediately preceding financial years, as laid down under the provision of Section 198 of the Companies Act 2013.

- 8.2 If the budget allocated in a year remains un-utilized, shall be utilized in accordance with the provisions of the Companies Act, as applicable from time to time. The surplus arising out of CSR shall not form part of business profit.
- 8.3 Majority of the annual budget earmarked for CSR activities shall have to be spent on implementation of activities in the project mode.
- 8.4 Based on the emerging needs, every year, list of activities to be undertaken by the Company along with financial allocation against each activity will be recommended by the CSR Committee and approved by the Board of Directors.
- 8.5 The Expenditure on building CSR&S capacities of own personnel as well as those of its implementing agencies through institution with established track record of at least three financial year, shall not exceed five percent of total CSR expenditure of UJVNL in one financial year.

9 PLANNING OF CSR ACTIVITIES.

9.1 The CSR projects are generally formulated based on inputs from State Authorities/Village level consultation with the local bodies.

9.2 The plans may be dovetailed with specific government programmes. Adequate care shall be taken to ensure that there is no duplication of CSR projects with that of Government's programmes and convergence is achieved.

9.3 Priority shall be given to:-

- (i) the people of affected areas of the projects,
- (ii) projects/activities, in terms of funding, where there is an element of contribution from the state Govt/ prospective beneficiary/ implementation partner concerned.

9.4 In case any assets are formed while carrying out the activity, maintenance/operational expenditure of such asset should not be borne by the Company.

9.5 Asset once created shall be transferred to respective State Govt/ Corporation / Panchayat/ Self Body Group etc. for operation and maintenance.

9.6 As far as possible, it should be ensured that CSR schemes/projects to be implemented should preferably not be open ended and CSR activities shall be taken up in project mode.

9.7 Skill Development training courses may be devised to impart training in fields which are vital to functioning of the Company.

9.8 Monitoring & Evaluation should be integral parts of any CSR initiative and the project cost estimate shall include cost of Monitoring & Evaluation.

10 CONSIDERATION OF PROPOSALS

10.1 All CSR&S project proposals shall be uniformly initiated and reviewed based on the defined checklist, as set out hereinafter in **Annexure -III**.

10.2. CSR proposals should to the extent possible focus on Capacity building, Skill development and Infrastructure development for the benefit of marginalized and under privileged sections of local communities.

10.3 CSR proposals shall be formulated after getting feedback on the expectations of the key stakeholders viz; Central/State Government and/or District/Local Administration, Public Representatives, Gram-Sabhas and Panchayat Raj Institutions so that the activities are properly grounded.

10.4. The releasing of funds in phased manner shall be clearly defined in the proposal to ensure proper utilization and submission of periodical progress reports before release of installments.

10.5 Project proposals can be prepared by CSR Cell on their own or through a Consultant as may be deemed fit. The CSR Projects prepared by State/District Authorities/Panchayat Raj Institutions at District/Block/Village level or Local Bodies or reputed NGOs within the purview of CSR policy may also be considered for implementation with the approval of

Competent Authority. However, such projects submitted by NGOs shall be approved only after verification of their credentials, capability and preparedness to work in the specified locations. The projects submitted by Panchayat Raj Institutions shall be routed through the District Magistrate concerned.

11 SELECTION OF CSR INITIATIVES

11.1 A three-tier structure, comprising of the Board, CSR Committee (Board level committee) of 3 (three) or more Directors & headed by an Independent Director, and CSR Cell, shall oversee the CSR agenda of the Company.

11.2 The CSR Committee shall recommend to the Board, the activities to be undertaken by the Company.

11.3. The power to approve CSR activities shall vest with the Board of Directors as per Companies Act 2013 & CSR Rules 2014.

11.4. Any activity undertaken by the delegated Authority shall have to be ratified by the Board of Directors.

11.5 CSR activities, in general, will be guided by the following:

- a) Baseline Survey Report on the need assessment / Secondary Data.
- b) Assessment of Needs through Stake-holder Consultation
- c) Preference will be given to the local area and areas around its operations of UJVNL.
- d) Preference will be given to the local area directly impacted by Company's business operations and to those stakeholders who are directly impacted by Company's operations / activities.
- e) CSR Projects or programs or activities undertaken in India only shall be accounted as CSR Expenditure.
- f) In the selection or choice of CSR projects, UJVNL shall avoid taking up ad-hoc or one off philanthropic activity, which does not contribute in any way to social value creation, environment protection or sustainable development.

12 IMPLEMENTATION

12.1 The CSR Projects/ Activities shall be implemented in any of the following ways as below: -

I. Directly by UJVNL

- a) The activities which can be implemented by UJVNL either directly or by engaging Contractors for infrastructural development shall be taken up by UJVNL.
- b) The periodical activities such as conducting medical camps, distribution of uniforms to schools, and activities like donation of Ambulances/medical equipment's to hospitals etc., shall also be taken up directly by UJVNL.
- c) The CSR works executed through contractors shall adopt the same procedure as followed for award of contracts for other UJVNL works.
- d) For the purchase of materials connected with CSR activity, procedure of Nigam depending upon the value of the purchases shall be adopted.
- e) To development/optimize utilization of resources, in the backward regions, UJVNL may join hands, or pool resources with other Government Bodies/ District Authority, Gram Samiti, and Self Group body.

II. Implementing partners (NGO/Registered Trusts)

- a) The proposals of the CSR Projects of long duration focusing on overall sustainable development in a given time frame requiring a dedicated team and full-time attention shall be considered for implementation through reputed NGOs/Voluntary Organizations /Trusts functioning in similar activities.
- b) The NGOs/VOs shall be identified based on their credentials and long-standing performance, and proven track record in respective fields shall be given preference.
- c) NGOs may also come forward on their own with specific proposals in the field of their expertise, within the purview of CSR Policy. Such proposals should be complete in all respects and supported by their credentials and capabilities.

- d) Every claim/installment of NGOs for the work completed should be supported by proper bills and receipts / documents in support of the claim.
- e) Release of funds may be done in tranches against submission of bills/ receipts/ documents, as per the decided by the Competent Authority.
- f) UJVNL may take up CSR programmes or projects through a NGO/ Registered Trust. if such a Trust is not established by the Company, it shall have an established track record of three years in undertaking similar programmes or projects.
- g) UJVNL shall as part of its due diligence process seek details pertaining to statutory & financial compliances, registration certificate from the Authorities, bank details along with list of authorized signatures, or any other details, as may be deem fit.
- h) UJVNL may seek declaration from the NGOs/Registered Trust seeking a commitment towards confidentiality w.r.t. information related to the initiative both accessed and entrusted as well as a declaration w.r.t non conflict of interest in relation to the initiative entrusted to them.

III. State/District Authorities/Panchayat Institutions at District & Block Village level

- a) The CSR works which cannot be taken up by UJVNL directly or through NGOs /Voluntary Organizations/Trusts/ Contractors due to various reasons, and administrative constraints, shall be carried out with the help of respective State /District Authorities.
- b) Upon approval of the projects, UJVNL may release funds to the respective authorities for initiation and implementation, based on the timeline, schedule and progress of the project.

IV. Partnership with other PSUs and Government Authorities

- a) Joint projects with other PSUs, and Government Authorities may be finalized after thoroughly deliberating upon clarity of role, financial outlay, implementing agency, socio-economic gains to the community etc.

- b) The draft proposal shall be further discussed, and recommendation should be made by CSR cell. Proposal duly examined and recommended by CSR Committee shall be put up to Board for approval.

V. Self-help groups

a) Self-help groups (SHG), which are in existence for at least 3 year with bank linkage and good repayment record can be considered for implementing CSR initiatives under a tripartite agreement involving Govt. Representative in the Gram Panchayat concerned.

b) Every claim/instalment of the SHG for the work completed should be supported by proper bills and receipts / documents in support of the CSR projects.

13 MONITORING, EVALUATION AND REPORTING

13.1– Monitoring of the CSR project shall go concurrently with implementation to assess if the progress is on expected lines in terms of timelines, budgetary expenditure and achievement of physical targets. Monitoring shall be done periodically with the help of identified key performance indicators; the periodicity being determined largely by the nature of performance indicators. Like implementation, monitoring too shall be done in project mode with continuous feedback mechanism, for mid-course correction in implementation, whenever required.

13.2. Monitoring shall be performed by CSR Cell through its team of officials specifically designated for this task or through an external agency to help in mid-course correction, if required. However, the final evaluation may be entrusted to an external agency. The external agency, if any, engaged for implementing a project shall not be considered for the task of monitoring and evaluation because of the likely conflict of interest involved in the assignment.

13.3. CSR Cell shall prepare and share the Dashboard giving a bird's eye view of the CSR programme of the Company shall be available to

the Competent Authority, for ready reference & effective monitoring, as set out hereinafter in **Annexure IV**

13.4 Independent Assessment of major CSR Projects of UJVNL will be taken up through specialized or independent agencies to assess and improve the effectiveness of the initiatives.

13.5 Monitoring shall be done at two levels viz., Corporate level and Project level. However, evaluation may be carried out by CSR cell on its own or through external agency.

13.6 UJVNL shall submit details of CSR activities as per the Annexure of the CSR Rules, as per the Annual Report and uploaded in the portal of Company.

14 AMENDMENTS TO THE CSR POLICY

14.1. The Board of Directors of the Company shall have the powers to revise/modify/amend this Policy from time to time, as the Board may think fit, based on the recommendations to be made by the CSR Committee to confirm to the revision/amendment, if any, made to the CSR Rules by the MCA, under the Act. For avoidance of doubt, any changes/amendments in the Companies Act, 2013 or Rules thereon issued from time to time, shall prevail over the CSR Policy of the UJVN Limited.

ANNEXURE-I

Activities which may be included by companies in their Corporate Social Responsibility Policies Activities (As per Schedule VII of Companies Act, 2013) relating to:—

[(i) eradicating hunger, poverty and malnutrition, promoting health care including preventive health and sanitation including contribution to the Swatch 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, agroforestry, 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, Central Armed Police Forces (CAPE) and Central Para Military Forces (CPMF) veterans, and their dependents including windows];

(vii) training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports;

(viii) contribution to the Prime Minister's National Relief Fund or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES 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) (a) Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government; and

(b) Contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defense Research and Development Organisation (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs)]

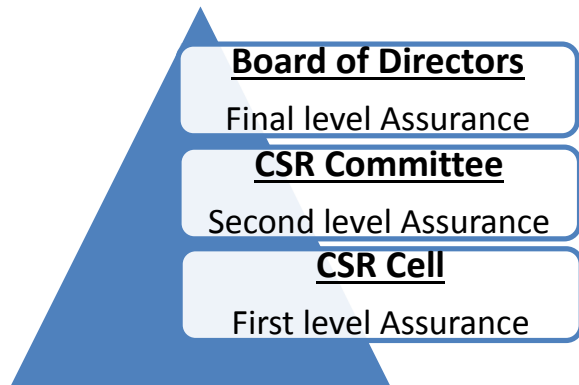
(x) rural development projects]

(xi) slum area development.

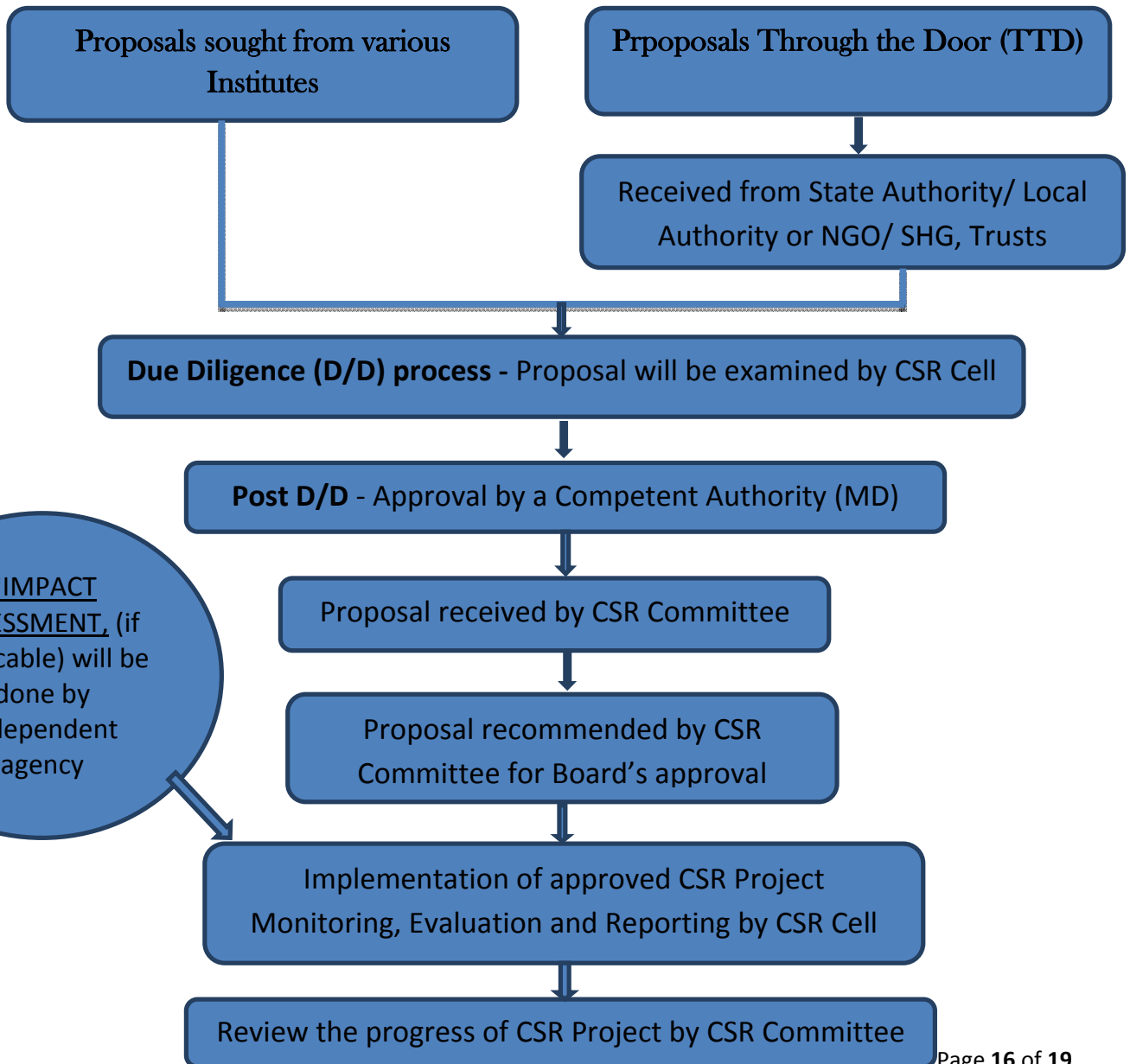
Explanation.- For the purposes of this item, the term `slum area' shall mean any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force.]

(xii) disaster management, including relief, rehabilitation and reconstruction activities.

**ANNEXURE II- STRUCTURE AND WORKING MECHNASIM
STRUCTURE**



MECHANISM



ANNEXURE III- CHECKLIST FOR FRAMING CSR PROPOSALS.

Sl no.	Particulars	Remarks
1.	Overview of the project proposal	
2	Need Assessment & baseline study	
3	Expected accrued benefits of the project	
4	Area of CSR&S activities, based on the Companies Act, 2013	
5	Purpose and reason for the Projects (Justification in terms of expected benefits/outcomes or targets)	
6	Details of the work. -Social engineering projects -Infrastructural projects -Operation and management of the institution. -Other (please specify)	
7	Location: District, Block, Village / Gram Panchayat & Complete address	
8	Proposed duration of Completion/ Implementation of the project	
9	Recommendation of the local administration, Gram Panchayat and District Administration, if any.	
10	Estimated cost of the project	
11	Basis of Estimate(SOR/PWD/CPWD etc for infrastructure works, market rates / DGS&D rate for purchase proposals and other criteria for other proposals if any)	
12	Name of the proposing organization/ Agency with necessary	

	background & track record in bullet form	
13	Detail about the instrument for implementation of the project, i.e., through MOU/LOA	
14	Periodicity of Monitoring	
15	End of Project evaluation & closure of the project	

ANNEXURE IV - REPORTING TEMPLATE

1	2	3	4	5	6
Sr No.	CSR project/ activity identified	Sector in which the project is covered	Projects/Programmes 1.Local areas/others 2.Specify the state/ district	Amount outlay (budget) project/ programme wise	Amount spent on the programme/ project sub-heads 1. Direct expenditure on projects 2.Overheads
1.					
2.					

7	8	9	10
Cumulative spend up to the reporting period	Amount spent Direct or through implementing agency	Mode of Implementation Direct (Yes/No)	Name of Implementing Agency and Registration number