



ଓଡ଼ିଶା ଜଳ ବିଦ୍ୟୁତ୍ ବିକାଶ ନିମିତ୍ତ

(ଓଡ଼ିଶା ସରକାରଙ୍କ ଦ୍ୱାରା)

ଓଡ଼ିଶା ରାଜ୍ୟ ସରକାରୀ କ୍ଷୁଦ୍ରମାଧ୍ୟମ ସହ ଉପାଦାନୀୟ ନିଗମ ଲିମିଟେଡ୍, ଓଡ଼ିଶା ସରକାର, ଉତ୍ତର ଭଙ୍ଗ, କଟକ-୨, ଭୁବନେଶ୍ୱର-୨

ଫୋନ୍ : ୯୧-୦୬୭୪-୨୫୪୨୯୮୩, ୨୫୪୨୮୦୨, ୨୫୪୫୨୬, ୨୫୪୨୮୨୬, ୨୫୪୨୮୨୬, ୨୫୪୨୮୨୬, ୨୫୪୨୮୨୬, ୨୫୪୨୮୨୬

ODISHA HYDRO POWER CORPORATION LTD.

(A Government of Odisha Undertaking)

Regd. Office

ODISHA STATE POLICE HOUSING & WELFARE CORPORATION BUILDING, VANIVIHAR CHOUK, JANPATH, BHUBANESWAR-22

Tel. : 91-0674-2542983, 2542802, 2545526, 2542826, Fax. : 2542102

E-MAIL : ohpc.co@gmail.com / md@ohpcitd.com, WEB : www.ohpcitd.com

CIN:U40101OR1995SGC003963

No.OHPC. HQ:HRD:IRW-I-1/2014/

1003

Dated the, 3rd February, 2015.

To

The Unit Head, Upper Indravati H E Project, Mukhiguda.

The Unit Head, Balimela H. E Project, Balimela.

The Unit Head, Hirakud HEP, Burla.

The Unit Head, Upper Kolab H.E Project, Bariniput.

The Unit Head, Rengali H E Project

The Unit Head, CHEP, Chiplima

The Project Manager, Upper Indravati H E Project, Khatiguda.

Sub: POLICY ON CORPORATE SOCIAL RESPONSIBILITY.

Sir (s),

In pursuance of Section 135 of Companies Act, 2013 and Companies (Corporate Social Responsibility) Rules, 2014, the Board of Directors of the Company, taking into account the recommendations made by the CSR Committee of the Company in line with the activities specified in Schedule VII, has approved the Corporate Social Responsibility (CSR) Policy in its meeting held on 26.12.2014. The activities included in the approved CSR Policy of the Company are to be undertaken by the company from the Financial Year commencing on or after the 1st day of April 2014.

The copy of the approved CSR Policy as approved by the Board of Directors of OHPC Ltd. at its meeting held on 26.12.2014 is enclosed herewith for information and necessary action.

Thanking you,

Yours faithfully


COMPANY SECRETARY

Encl: As above.

Memo No.

1004

Dated the, 3rd February, 2015.

Copy along with copy of the CSR Policy of OHPC forwarded to Sr. P.S to CMD, GRIDCO favour of kind information of CMD, GRIDCO & Director (OHPC) and Chairman, CSR Committee of OHPC please.


COMPANY SECRETARY

P.T.O

Memo No. 1005 Dated the, 3rd February, 2015.

Copy along with copy of the **CSR Policy of OHPC** forwarded to Director (HRD) /Director (Finance) / Director (Operation) for favour of kind information and necessary action please.


COMPANY SECRETARY

Memo No. 1006 Dated the, 3rd February, 2015.

Copy along with copy of the **CSR Policy of OHPC** forwarded to PS to CMD for favour of kind information of CMD please.


COMPANY SECRETARY

Memo No. 1007 Dated the, 3rd February, 2015.

Copy along with copy of the **CSR Policy of OHPC** forwarded to SGM (Finance) /SGM (EI) / SGM (HRD) / DGM (F)/ DGM (F&A) / DGM (HRD) for information and necessary action please.


COMPANY SECRETARY

Memo No. 1008 Dated the, 3rd February, 2015.

Copy along with copy of the **CSR Policy of OHPC** forwarded to Manager (IT) with a request to upload the **CSR Policy** in PDF format in the OHPC Website.


COMPANY SECRETARY

Memo No. 1009 Dated the, 3rd February, 2015.

Copy to Notice Board for wide circulate.


COMPANY SECRETARY

CSR POLICY OF OHPC

1.0 PREAMBLE

Since 2000 onwards, OHPC, a premiere gold rated state PSU, has been informally engaged in various peripheral developmental activities in and around six of its power stations located at different parts of Odisha, although the formal notification to that effect was issued vide OHPC Order No.2874, Dt. 07.03.2006.

After enactment of the Companies Act, 2013 followed by issuance of CSR Rules by Govt. of India on dt.27.02.2014 framed there under and General Circular No. 21/2014 dated 18th June, 2014, it was imperative to frame a new CSR Policy for OHPC in the light of distinctive changes made in the New Companies Act, 2013 pertaining to corporate social responsibility.

Now, in accordance with section-134, 135 and sub-section (1) & (2) of section- 469 of the Companies Act, 2013 (18 of 2013) and pursuant to the decision taken in the 120th meeting of the Board of Directors of OHPC, the CSR Policy of OHPC is hereby formulated as hereunder.

2.0 SHORT TITLE AND COMMENCEMENT

2.1 This policy may be referred to in the name and style as "Corporate Social Responsibility Policy of OHPC, 2014".

2.2 The policy shall come into effect from 1st day of April 2014.

3.0 DEFINITION

3.1 In this policy, unless the context otherwise requires and explicitly expressed, the following definitions shall hold good.

- a) "Act" means the Companies Act, 2013 (18 of 2013).
- b) "Annexure" means the annexure appended to this policy.
- c) "Company" means Odisha Hydro Power Corporation Limited.
- d) "Corporate Social Responsibility (CSR)" means and includes but is not limited to:
 - (i) Project or programmes relating to activity specified in Schedule- VII to the Act; or
 - (ii) Project or programmes relating to activities undertaken by the Board of Directors of OHPC (BoD) in pursuance of recommendation of the CSR committee of the Board as per



Rajesh Kumar

declared CSR Policy of the company subject to the condition that such Policy will cover items enumerated in Schedule-VII of the Act.

- e) "CSR Committee" means the Corporate Social Responsibility Committee of the Board as referred to in section- 135 of the Act.
- f) "CSR Policy" relates to the activities to be undertaken by the company as specified in the schedule- VII to the Act and the expenditure incurred there on, excluding activities undertaken in pursuance of the normal course of business of the Company.
- g) "CSR Rules" mean the Companies (Corporate Social Responsibility Policy) Rules, 2014 as notified in the Gazette of India, Dated 28th February 2014 and all such Rules to be framed by the concerned authorities from time to time.
- h) "Net Profit" means the net profit of the Company as per its audited financial statement prepared in accordance with the applicable provisions of the Act, but shall not include the followings, namely :
 - i) Any profit arising from any overseas branches(s) of the Company, whether operated as a separate Company or otherwise; and
 - ii) Any dividend received from other Companies in India, which are covered under and complying with the provisions of section- 135 of the Act.

3.2 Words and expressions used and not defined in this Policy, but defined in the Act & Rules shall have the same meaning respectively assigned to them in the Act/Rules.

4.0 CSR COMMITTEE

OHPC in accordance with sub-section (1) of the Section- 135 of the Act has constituted a Board Level CSR Committee comprising of Shri Hemant Sharma, IAS, Director, OHPC; Director (Finance), OHPC; Director (HRD), OHPC and Sri S.C. Bhadra, Independent Director, OHPC for the purpose of recommending the projects to be undertaken to the BoD, expenditure to be incurred and monitoring of the CSR activities of OHPC from time to time, among other scope, in compliance to the provisions of the Act. In the event of change in composition of the Committee, the same shall be notified from time to time separately.

4.1 The CSR Committee shall consider projects/ activities that are enlisted under Schedule-VII of the Act read with CSR Rules dated 27th February, 2014 & General Circular No. 21 dated 18th June, 2014. The



recommendation of the Committee shall be placed before the Board of the Director (BoD) of OHPC for accordance of the approval.

5.0 CSR ACTIVITIES AND POLICY

The CSR activities shall be undertaken by OHPC, as per its stated CSR Policy, as projects or programmes or Activities (either new or ongoing) excluding activities undertaken in pursuance of its normal course of business.

5.1 The CSR Policy *inter alia* include but not limited to a list of CSR projects or programmes which OHPC plans to undertake falling within the purview of the Schedule- VII of the Act, specifying modalities of execution of such project or programmes and implementation schedule for the same; and monitoring process of such projects or programmes.

5.2 CSR Activities do not include the activities undertaken in pursuance of normal course of business of OHPC. The Board of Director (BoD) of OHPC shall ensure that the surplus arising out of the CSR projects or programmes or activities shall not form part of the business profit of OHPC.

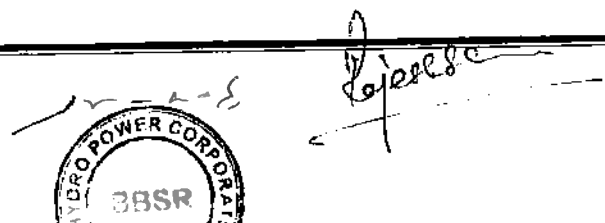
6.0 CSR EXPENDITURE

The Board of Director (BoD) shall ensure that OHPC spends, in every Financial Year, at least two percent (2%) of the average net profit made during the three (03) immediately preceding financial years, in pursuance of its CSR Policy in accordance with sub-section (5) of the section- 135 of the Act. For the purpose of the calculation of "average net profit", the same shall be done as per section- 198 of the Act.

6.1 OHPC shall give preference to the local area and areas around where it operates, for spending the amount earmarked for CSR activities.

6.2 CSR expenditure shall include all expenditures including contribution to corpus for projects or programmes relating to CSR activities as approved by the Board of Directors (BoD) on 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 preview of Schedule-VII of the Act.

6.3 The CSR projects or programmes or activities that benefit only the employees of the OHPC and their families shall not be considered as CSR activities or expenditure in accordance with Section- 135 of the Act.



- 6.4 OHPC may build CSR capacities of its own personnel as well as those of its implementing agencies if any, by way of spending in such activities as creation of infrastructure to deliver, training of personnel on CSR issues etc but such expenditure shall not exceed five percent (5%) of the total CSR expenditure of the company in one financial year.
- 6.5 Contribution of any amount directly or indirectly to any political party under Section- 182 of the Act, shall not be considered as CSR activity.
- 6.6 CSR projects or programmes or activities undertaken in India shall only be considered as valid CSR expenditure in accordance with sub-section (5) of Section- 135 of the Act.

7.0 CAPPING OF CSR EXPENDITURE

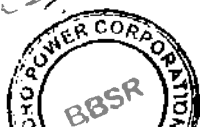
- 7.1 The lower statutory limit of CSR expenditure shall be 2% of the average net profit of OHPC made during three immediately preceding financial years strictly in accordance with sub-section(5) of Section- 135 of the Act.

8.0 GENERAL METHODOLOGY

- 8.1 The CSR Policy should comply with the provisions of CSR activities as enumerated under Section-135 of the Companies Act, 2013 read with Schedule-VII and CSR Rules as already notified by Government of India and to be notified from time to time.
- 8.2 The major focus area of CSR activities should be at locations in and ~~around six power stations under the control of OHPC across the state of Odisha.~~ However due consideration may be given to the peripheral developmental activities which OHPC has been carrying out for past several years provided such activities/programmes/schemes are covered under the Schedule-VII.
- 8.3 The CSR Policy of OHPC will prioritize its activities for the displaced families from the reservoir area & rehabilitated in those villages in & around BHEP, Balimela, UIHEP, Mukhiguda & UKHEP, Bariniput.

After identification of all such villages, the priority will be for imparting skill development training to the interested persons of the said villages & to implement deep bore well Scheme of Govt of Odisha.

Under skill development Scheme, OHPC will bear the expenditure for the concerned persons undergoing such training programme.



Under deep bore well Scheme, OHPC will contribute a sum of Rs. 20, 000/- (Rupees twenty thousand) only presently on behalf of each eligible farmers of such villages & the balance contribution will be made by Govt of Odisha.

In order to implement the above proposal, all such villages may be identified by any Non Governmental Organization (NGO) preferably either through NAFCON or Xavier Institute of Management, Bhubaneswar (XIMB). This agencies/institution will be requested to identify the farmers interested for availing the benefit of deep bore well Scheme for lift irrigation purposes and villagers/persons interested to undergo skill development training programme.

The CSR committee is authorized to engage the NGO/Institution for the above purpose of study & survey.

- 8.4 As far as practicable and in accordance with Clause No. 4 (3) of the CSR Rules dated 27th February, 2014, OHPC can also collaborate with other Government owned State PSUs such as OPTCL, OMC etc for supporting various **CSR projects**.
- 8.5 OHPC shall not invite applications for supporting CSR projects from agencies/institutions, rather all such applications received from different sources should normally be placed before the CSR Committee once in a quarter.
- 8.6 Broadly, OHPC shall not involve itself in project or programmes or activities in so far as execution & maintenance of such projects are concerned, given the fact that there are staff crunch at the moment and it may take a considerable amount of time for capacity building **in respect of creating a full-fledged and dedicated CSR structure** within the existing organizational scheme of things of OHPC.
- 8.7 OHPC will make an endeavour to support various social sector spending by Govt of Odisha especially those covered under the items enlisted under Schedule-VII of the Companies Act, 2013 and Rules framed there-under read with subsequent amendments &/or clarifications, if any, which broadly include but not limited to the followings:-
- Supporting fees (tuition & hostel) of some needy SC/ST/SEBC candidates pursuing technical education through DTET, Odisha.
 - Supporting efforts of Govt of Odisha for promoting Clean India Movement through OPEPA & Deptt of Education.
 - Providing ambulance services to Health Administration of Govt of Odisha.



- Contribution towards old age home, orphanage and such organizations working in the field of uplifting differently abled persons.

8.8 Wherever possible and as far as practicable, channelization of financial resources under CSR Policy of OHPC may be made through concerned District Administration and/or such other government authorities as considered & recommended by the CSR Committee in line with the items enlisted under Schedule-VII. However, financial contribution to other entities directly or indirectly shall be considered on a case-to-case basis by the CSR Committee on merit and as facts justify.

8.9 To meet the statutory requirement of 2% CSR spending as per sub-section (5) of Section- 135 of the Act and to avoid any possible default by the end of any Financial Year, emphasis may be given to such items as contribution made to funds as mentioned in item No. (IX) of Schedule-VII and Point No. (iv) (Salary paid to the regular CSR staff) & Item No. 16 (Renewable Energy Projects) of the General Circular No. 21/2014 dated 18th June, 2014 of Government of India.

9.0 CSR REPORTING

The Board of Director (BoD) of OHPC covered under CSR Rules pertaining to a Financial Year commencing on or after the 1st Day of April' 2014 shall ~~include an annual report on CSR containing particulars as specified and enclosed as Annexure to this policy.~~

10.0 WEBSITE DISPLAY

The Board of Director (BoD) of OHPC shall, after taking into account the recommendation of CSR Committee, approve the CSR Policy for the company and disclose contents of such policy in its report and the same shall be displayed on the Company's website, as per the particular specified and enclosed as Annexure to this Policy.

11.0 GRIEVANCE REDRESSAL

Disputes or complaints or grievances arising out of implementation of this policy, if any, shall be adjudicated and disposed of by Director (HRD), OHPC Ltd., Bhubaneswar.



[Handwritten signature]

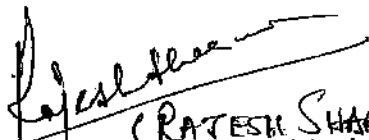
12.0 ENCLOSURES

- a) Copy of the CSR Rules notified by Govt. of India, dated 27.02.2014.
- b) General Circular No. 21/2014 dated 18th June, 2014 of Govt. of India.

Total Pages including Annexures: Twenty-six (26)
All pages Stamped and Signed

No corrections and over-writing.

Signature and Seal


(RATESH SHARMA)
Authorized Signatory *Director (HRD)*
OHPC Ltd, Bhubaneswar



General Circular No. 21/2014

No. 05/01/2014- CSR
Government of India
Ministry of Corporate Affairs

5th Floor, 'A' Wing,
Shastri Bhawan, Dr. R. P. Marg
New Delhi - 110 001
Dated: 18th June, 2014

To,
All Regional Director,
All Registrar of Companies,
All Stakeholders

Subject: - Clarifications with regard to provisions of Corporate Social Responsibility under section 135 of the Companies Act, 2013.

Sir,

This Ministry has received several references and representation from stakeholders seeking clarifications on the provisions under Section 135 of the Companies Act, 2013 (herein after referred as 'the Act') and the Companies (Corporate Social Responsibility Policy) Rules, 2014, as well as activities to be undertaken as per Schedule VII of the Companies Act, 2013. Clarifications with respect to representations received in the Ministry on Corporate Social Responsibility (herein after referred as ('CSR')) are as under:-

- (i) The statutory provision and provisions of CSR Rules, 2014, is to ensure that while activities undertaken in pursuance of the CSR policy must be relatable to Schedule VII of the Companies Act 2013, the entries in the said Schedule VII must be **interpreted liberally** so as to capture the essence of the subjects enumerated in the said Schedule. The items enlisted in the amended Schedule VII of the Act, are broad-based and are intended to cover a wide range of activities as illustratively mentioned in the Annexure.

Contd....

- (ii) It is further clarified that CSR activities should be undertaken by the companies in project/ programme mode [as referred in Rule 4 (1) of Companies CSR Rules, 2014]. One-off events such as marathons/ awards/ charitable contribution/ advertisement/ sponsorships of TV programmes etc. would not be qualified as part of CSR expenditure.
- (iii) Expenses incurred by companies for the fulfillment of any Act/ Statute of regulations (such as Labour Laws, Land Acquisition Act etc.) would not count as CSR expenditure under the Companies Act.
- (iv) Salaries paid by the companies to regular CSR staff as well as to volunteers of the companies (in proportion to company's time/hours spent specifically on CSR) can be factored into CSR project cost as part of the CSR expenditure.
- (v) "Any financial year" referred under Sub-Section (1) of Section 135 of the Act read with Rule 3(2) of Companies CSR Rule, 2014, implies 'any of the three preceding financial years'.
- (vi) Expenditure incurred by Foreign Holding Company for CSR activities in India will qualify as CSR spend of the Indian subsidiary if, the CSR expenditures are routed through Indian subsidiaries and if the Indian subsidiary is required to do so as per section 135 of the Act.
- (vii) 'Registered Trust' (as referred in Rule 4(2) of the Companies CSR Rules, 2014) would include Trusts registered under Income Tax Act 1956, for those States where registration of Trust is not mandatory.

Contd....

- (viii) Contribution to Corpus of a Trust/ society/ section 8 companies etc. will qualify as CSR expenditure as long as (a) the Trust/ society/ section 8 companies etc. is created exclusively for undertaking CSR activities or (b) where the corpus is created exclusively for a purpose directly relatable to a subject covered in Schedule VII of the Act.

2. This issues with the approval of Competent Authority.

Yours faithfully,

Sd/-

(Seema Rath)
Assistant Director (CSR)
Phone No. 23389622

Copy to:

1. PSO to Secretary
2. PPS to Additional Secretary
3. PS to DG (IICA)/JS (M) /JS(B)/JS(SP)/DII (UCN)/EA/DII(POLICY)
4. DIR (AK)/DIR (AB)/DIR(NC)/DIR(PS)
5. e-Governance Cell for uploading on website of MCA

Annexure referred to at para (i) of General Circular No. 21/2014 dated 18.06.2014

Sl. No.	Additional items requested to be included in Schedule VII or to be clarified as already being covered under Schedule VII of the Act	Whether covered under Schedule VII of the Act
1.	<p>Promotion of Road Safety through CSR:</p> <p>(i) (a) Promotions of Education, "Educating the Masses and Promotion of Road Safety awareness in all facets of road usage,</p> <p>(b) Drivers' training,</p> <p>(c) Training to enforcement personnel,</p> <p>(d) Safety traffic engineering and awareness through print, audio and visual media" should be included.</p> <p>(ii) Social Business Projects : "giving medical and Legal aid, treatment to road accident victims" should be included.</p>	<p>(a) Schedule VII (ii) under "promoting education".</p> <p>(b) For drivers training etc. Schedule VII (ii) under "vocational skills".</p> <p>(c) It is establishment functions of Government (cannot be covered).</p> <p>(d) Schedule VII (ii) under "promoting education".</p> <p>(ii) Schedule VII (i) under 'promoting health care including preventive health care.'</p>
2.	<p>Provisions for aids and appliances to the differently- able persons - 'Request for inclusion</p>	<p>Schedule VII (i) under 'promoting health care including preventive health care.'</p>
3.	<p>The company contemplates of setting up ARTIIC (Applied Research Training and Innovation Centre) at Nasik. Centre will cover the following aspects as CSR initiatives for the benefit of the predominately rural farming community:</p> <p>(a) Capacity building for farmers covering best sustainable farm management practices.</p> <p>(b) Training Agriculture Labour on skill development.</p>	<p>Item no. (ii) of Schedule VII under the head of "promoting education" and "vocational skills" and "rural development".</p> <p>(a) "Vocational skill" livelihood enhancement projects.</p> <p>(b) "Vocational skill"</p>

	<p>(c) Doing our own research on the field for individual crops to find out the most cost optimum and Agri – ecological sustainable farm practices. (Applied research) with a focus on water management.</p> <p>(d) To do Product Life Cycle analysis from the soil conservation point of view.</p>	<p>(c) 'Ecological balance', 'maintaining quality of soil, air and water'.</p> <p>(d) "Conservation of natural resource" and 'maintaining quality of soil, air and water'.</p>
4.	<p>To make "Consumer Protection Services" eligible under CSR. (Reference received by Dr. V.G. Patel, Chairman of Consumer Education and Research Centre).</p> <p>(i) Providing effective consumer grievance redressal mechanism.</p> <p>(ii) Protecting consumer's health and safety; sustainable consumption, consumer service, support and complaint resolution.</p> <p>(iii) Consumer protection activities.</p> <p>(iv) Consumer Rights to be mandated.</p> <p>(v) all consumer protection programs and activities" on the same lines as Rural Development, Education etc.</p>	<p>Consumer education and awareness can be covered under Schedule VII (ii) "promoting education".</p>
5.	<p>a) Donations to IIM [A] for conservation of buildings and renovation of classrooms would qualify as "promoting education" and hence eligible for compliance of companies with Corporate Social Responsibility.</p> <p>b) Donations to IIMA for conservation of buildings and renovation of classrooms would qualify as "protection of national heritage, art and culture, including restoration of buildings and sites of historical importance" and hence eligible for compliance of companies with CSR.</p>	<p>Conservation and renovation of school buildings and classrooms relates to CSR activities under Schedule VII as "promoting education".</p>

6.	Non Academic Technopark TBI not located within an academic Institution but approved and supported by Department of Science and Technology.	Schedule VII (ii) under "promoting education", if approved by Department of Science and Technology.
7.	Disaster Relief	<p>Disaster relief can cover wide range of activities that can be appropriately shown under various items listed in Schedule VII. For example,</p> <p>(i) medical aid can be covered under 'promoting health care including preventive health care.'</p> <p>(ii) food supply can be covered under eradicating hunger, poverty and malnutrition.</p> <p>(iii) supply of clean water can be covered under 'sanitation and making available safe drinking water'.</p>
8.	Trauma care around highways in case of road accidents.	Under 'health care'.
9.	Clarity on "rural development projects"	Any project meant for the development of rural India will be covered under this.
10.	Supplementing of Govt. schemes like mid-day meal by corporates through additional nutrition would qualify under Schedule VII.	Yes. Under Schedule VII, item no. (i) under 'poverty and malnutrition'.
11.	Research and Studies in the areas specified in Schedule VII.	Yes, under the respective areas of items defined in Schedule VII. Otherwise under 'promoting education'.
12.	Capacity building of government officials and elected representatives – both in the area of PPPs and urban infrastructure.	No.

13.	Sustainable urban development and urban public transport systems	Not covered.
14.	Enabling access to, or improving the delivery of, public health systems be considered under the head "preventive healthcare" or "measures for reducing inequalities faced by socially & economically backward groups"?	Can be covered under both the heads of "healthcare" or "measures for reducing inequalities faced by socially & economically backward groups", depending on the context.
15.	Likewise, could slum re-development or EWS housing be covered under "measures for reducing inequalities faced by socially & economically backward groups"?	Yes.
16.	Renewable energy projects	Under 'Environmental sustainability, ecological balance and conservation of natural resources',
17.	(i) Are the initiatives mentioned in Schedule VII exhaustive? (ii) In case a company wants to undertake initiatives for the beneficiaries mentioned in Schedule VII, but the activity is not included in Schedule VII, then will it count (as per 2(c)(ii) of the Final Rules, they will count)?	(i) & (ii) Schedule VII is to be liberally interpreted so as to capture the essence of subjects enumerated in the schedule.
18.	US-India Physicians Exchange Program – broadly speaking, this would be program that provides for the professional exchange of physicians between India and the United States.	No.

[To be published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section -(ii)]

Government of India
Ministry of Corporate Affairs
Notification

New Delhi, the 27th Feb 2014

S.O. _____(E).- In exercise of the powers conferred by sub-section (3) of section 1 of the Companies Act, 2013 (18 of 2013), the Central Government hereby appoints the 1st day of April, 2014 as the date on which the provisions of section 135 and Schedule VII of the said Act shall come into force.

[File No. 1/15/2013-CL.V]



RENUKA KUMAR,
Joint Secretary to the Government of India

MKS

[TO BE PUBLISHED IN THE GAZETTE OF INDIA, EXTRAORDINARY, PART II, SECTION 3, SUB-SECTION (i)]

Government of India
Ministry of Corporate Affairs

Notification

New Delhi, dated 27th Feb 2014

G.S.R. ____ (E). – In exercise of the powers conferred under section 135 and sub-sections (1) and (2) of section 469 of the Companies Act, 2013 (18 of 2013), the Central Government hereby makes the following rules, namely: -

1. Short title and commencement. – (1) These rules may be called the Companies (Corporate Social Responsibility Policy) Rules, 2014.

(2) They shall come into force on the 1st day of April, 2014.

2. Definitions.- (1) In these rules, unless the context otherwise requires,

(a) "Act" means the Companies Act, 2013;

(b) "Annexure" means the Annexure appended to these rules;

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

(i) Projects or programs relating to activities specified in Schedule VII to the Act; or

(ii) Projects or programs relating to activities undertaken by the board of directors of a company (Board) in pursuance of recommendations of the CSR Committee of the Board 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.

- (d) "CSR Committee" means the Corporate Social Responsibility Committee of the Board referred to in section 135 of the Act.
- (e) "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 a company;
- (f) "Net profit" means the net profit of a 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 profit arising from any overseas branch or branches of the company, whether operated as a separate company or otherwise; and
 - (ii) any dividend received from other companies in India, which are covered under and complying with the provisions of section 135 of 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, (1 of 1956) shall not be required to be re-calculated in accordance with the provisions of the Act:~~

Provided further that in case of a foreign company covered under these rules, net profit means the net profit of such company as per profit and loss account prepared in terms of clause (a) of sub-section (1) of section 381 read with section 198 of the Act.

(2) Words and expressions used and not defined in these rules but defined in the Act shall have the same meanings respectively assigned to them in the Act.

3. Corporate Social Responsibility. -

(1) Every company including its holding or subsidiary, and a foreign company defined under clause (42) of section 2 of the Act having its branch office or project office in India, which fulfills the criteria specified in sub-section (1) of section 135 of the Act shall comply with the provisions of section 135 of the Act and these rules:

Provided that net worth, turnover or net profit of a foreign company of the Act shall be computed in accordance with balance sheet and profit and loss account of such company prepared in accordance with the provisions of clause (a) of sub-section (1) of section 381 and section 198 of the Act.

(2) Every company which ceases to be a company covered under sub-section (1) of section 135 of the Act for three consecutive financial years shall not be required to -

- (a) constitute a CSR Committee; and
- (b) comply with the provisions contained in sub-section (2) to (5) of the said

~~section,~~

till such time it meets the criteria specified in sub-section (1) of section 135.

4. CSR Activities.-

(1) The CSR activities shall be undertaken by the company, as per its stated CSR Policy, as projects or programs or activities (either new or ongoing), excluding activities undertaken in pursuance of its normal course of business.

(2) The Board of a company may 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.

(3) A company may also collaborate with other companies for undertaking projects or programs or CSR activities in such a manner that the CSR Committees of respective companies are in a position to report separately on such projects or programs in accordance with these rules.

(4) Subject to provisions of sub-section (5) of section 135 of the Act, the CSR projects or programs or activities undertaken in India only shall amount to CSR Expenditure.

(5) The CSR projects or programs or activities that benefit only the employees of the company and their families shall not be considered as CSR activities in accordance with section 135 of the Act.

(6) Companies 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 percent. of total CSR expenditure of the company in one financial year.

(7) Contribution of any amount directly or indirectly to any political party under section 182 of the Act, shall not be considered as CSR activity.

5. CSR Committees.-

(1) The companies mentioned in the rule 3 shall constitute CSR Committee as under.-

(i) an unlisted public company or a private company covered under sub-section (1) of section 135 which is not required to appoint an independent director pursuant to sub-section (4) of section 149 of the Act, shall have its CSR Committee without such director ;

(ii) a private company having only two directors on its Board shall constitute its CSR Committee with two such directors;

(iii) with respect to a foreign company covered under these rules, the CSR Committee shall comprise of at least two persons of which one person shall be as specified under clause (d) of sub-section (1) of section 380 of the Act and another person shall be nominated by the foreign company.

(2) The CSR Committee shall institute a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the company.

6. CSR Policy.-

~~(1) The CSR Policy of the company shall, inter-alia, include the following,~~
namely :-

(a) a list of CSR projects or programs which a company plans to undertake falling within the purview of the Schedule VII of the Act, specifying modalities of execution of such project or programs and implementation schedules for the same; and

(b) monitoring process of such projects or programs:

Provided that the CSR activities does not include the activities undertaken in pursuance of normal course of business of a company.

Provided further that the Board of Directors shall ensure that activities included by a company in its Corporate Social Responsibility Policy are related to the activities included in Schedule VII of the Act.

(2) The CSR Policy of the company shall specify that the surplus arising out of the CSR projects or programs or activities shall not form part of the business profit of a company.

7. 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.

8. CSR Reporting.-

(1) The Board's Report of a company covered under these rules pertaining to a financial year commencing on or after the 1st day of April, 2014 shall include an annual report on CSR containing particulars specified in Annexure.

(2) In case of a foreign company, the balance sheet filed under sub-clause (b) of sub-section (1) of section 381 shall contain an Annexure regarding report on CSR.

9. Display of CSR activities on its website. -

~~The Board of Directors of the company shall, after taking into account the~~
recommendations of CSR Committee, approve the CSR Policy for the company and disclose contents of such policy in its report and the same shall be displayed on the company's website, if any, as per the particulars specified in the Annexure.

(File No. 1/16/2013-CL.V)


(Renuka Kumar)

Joint Secretary to the Government of India

ANNEXURE

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)Overhead s:	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/- (Chief Executive Officer or Managing Director or Director)	Sd/- (Chairman CSR Committee)	Sd/- (Person specified under clause (d) of sub-section (1) of section 380 of the Act) (wherever applicable)
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[TO BE PUBLISHED IN THE GAZETTE OF INDIA, EXTRAORDINARY, PART II,
SECTION 3, SUB-SECTION (i)]

Government of India
Ministry of Corporate Affairs
Notification

New Delhi, dated, the 27/11^{Reb}, 2014

G.S.R. ___(E).- In exercise of the powers conferred by sub-section (1) of section 467 of the Companies Act, 2013 (18 of 2013), the Central Government hereby makes the following amendments to Schedule VII of the said Act, namely:-

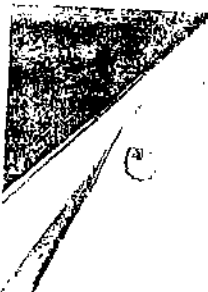
(1) In Schedule VII, for items (i) to (x) and the entries relating thereto, the following items and entries shall be substituted, namely:-

“(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) 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;



(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 recognised 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.”

2. This notification shall come into force with effect from 1st April, 2014.

File Number 1/15/2013-CL-V


(Renuka Kumar)

Joint Secretary to the Government of India