

CORPORATE SOCIAL RESPONSIBILITY POLICY OF UJVN LIMITED

Short Title and Commencement

- These rules may be called "Corporate Social Responsibility Rules, 2013 of UJVN Limited. In short these rules shall be termed as CSR Rules.
- These rules shall come in to force from the date they are approved by the Board of Directors of the Company and shall be applicable from financial year 2014-15.

Definitions

In these rules, unless the context otherwise require:

1. 'Act' means The Companies Act, 2013.
2. 'Board' means the Board of Directors of UJVN Limited.
3. 'Company' shall mean UJVN Limited, A Government of Uttarakhand undertaking having its registered address at Ujjwal, Maharani Bagh, GMS Road, Dehradun and in short UJVNL.
4. 'Corporate Social Responsibility' shall mean The Corporate Social Responsibility as defined under Section 135 of the Act.
5. 'Government' shall mean Government of Uttarakhand.
6. 'Ministry' shall mean the Ministry of Corporate affairs, Government of India.
7. 'Net Profit' shall mean net profit before tax as per books of the accounts calculated as per provisions of Section 135 of the Act.
8. 2% of C.S.R. spending shall be calculated as 2% of the average net profit made by the company in a block of 3 years. For purpose of first CSR reporting the net profit shall mean average of annual net profit of the preceding three financial years ending on or before 31st March, 2014.
9. Reporting will be done on annual basis starting from financial year 2014-15.
10. 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.

Guiding Principle

CSR is the process by which UJVNL shall think about and evolve it's relationship with the stakeholders for the common good and demonstrate it's commitment

in this regard by adoption of appropriate business processes and strategies. CSR does not intend to act as a charity or donation.

CSR shall be a way to conduct business by UJVNL in which it will visibly contribute the social good. The CSR activities will be used to integrate economic, environmental, social and other statutory objectives.

Scope

The Corporate Social Responsibility activities shall be undertaken by the Company as a project or programme or activities (either new or ongoing) excluding the activities undertaken by the Company in pursuance of normal course of business. The items that would be undertaken under CSR activities shall be as enumerated in schedule VII of The Companies Act, 2013 as amended up to date.

Management Structure

- CSR Committee shall be constituted by Board of Directors and shall have minimum three members of the Board out of which one must be independent director.
- 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, therefore, Company Secretary UJVNL shall be Secretary, SR Committee and will conduct the business and keep records as per the provisions of The Companies Act, 2013.
- Subject to the superintendence and control of CSR Committee, Managing Director UJVNL shall have the full power to co-ordinate the planning, identification of CSR activities, award the work and monitor it's progress from time to time.
- After the approval of statutory limit of 2% by the CSR Committee, it will be within the full powers of Managing Director to spend such amount on such schemes and in such areas as have been specified by CSR Committee.
- Any fund that is left unutilized in any financial year, shall be carried forward to the next year as per the provisions of The Companies Act, 2013.

Items that can be undertaken under CSR

All items that are enumerated in Schedule VII of The Companies Act, 2013 as amended upto date can be undertaken by the Company under the CSR Policy. The updated list of the activities on the date of formation of this policy is enclosed with these rules and shall form essential part of this policy.

Out of the aforesaid list, the company will prepare a list of CSR Projects/programmes which the company plans to undertake during the implementation year by specifying modalities of execution in the areas/sector chosen and implementation schedule for the same. The focus shall be to integrate the business models with social and environmental priorities and processes in order to create shared value.

Methodology and other Covenants

- (i) The Board of Directors shall ensure that the Company spends in a financial year at least 2% of the average net profit of the Company made in immediately preceding three financial years in pursuance of the Corporate Social Responsibility activities and preference will be given to local area and areas around the Company where it operates for spending this amount.
- (ii) The Corporate Social Responsibility activities shall be undertaken by the Company as a project or programme or activities (either new or ongoing) excluding the activities undertaken by the Company in pursuance of normal course of the business.
- (iii) The Company may decide to undertake the Corporate Social Responsibility activities either through registered trust or registered society or a Company established by the Company for this purpose and in case the Company do not establish such trust or society or a Company then such Company must have an established track record of three years in undertaking similar programmes or the projects.
- (iv) The CSR Committee shall be specifying the modalities of utilization of funds on such projects and programmes and its monitoring and reporting mechanism also. Managing Director UJVNL will have full powers to implement the policy.
- (v) Subject to prior approval of CSR Committee, the Company may also collaborate with other Company for undertaking projects or programmes of Corporate Social Responsibility activities in such a manner that the Corporate Social Responsibility Committees of the respective Companies are in a position to report separately on such projects or programmes and the

embargo of three years' experience Company shall also be applicable on such collaborating.

- (vi) Any activity undertaken outside India shall not be treated as expenditure under Corporate Social Responsibility Policy.
- (vii) The programmes or activities that benefit only the employees of the Company and their families shall not be considered as Corporate Social Responsibility activities.
- (viii) The Company can build the Corporate Social Responsibility capacity of its' own personal as well as of the implementing agencies through institutions having established track record of at least three financial years but such expenditure incurred shall not exceed 5% of Corporate Social Responsibility expenditure for that financial year. The modalities of such development will require prior approval of CSR Committee.
- (ix) Any contribution made directly or indirectly to any political parties shall not be considered as Corporate Social Responsibility activities.
- (x) For Corporate Social Responsibility activities separate corpus shall be maintained and any surplus/un-utilized amount arising out of this activity shall not form part of the business of the Company and shall be carried forwarded.
- (xi) The details of Corporate Social Responsibility in the prescribed form shall have to be incorporated in the Report of Board of Directors' to the Shareholders and the reasons of unspent amount, if any, has to be explained in such report.

Control, Amendment and Repeal

The implementation, additions and alterations and interpretation of CSR policy shall fall in the ambit and domain of CSR Committee who will be the final authority in these matters. All major amendments or repeal of the policy shall require approval from the Board.

SCHEDULE VII OF THE COMPANIES ACT, 2013 REGARDING CORPORATE SOCIAL RESPONSIBILITY

The following items can be undertaken under Corporate Social Responsibility:-

- (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 force 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;'

- (xi) Contribution to the Swachh Bharat Kosh set up by the central government for the promotion of sanitation;'
- (xii) Contribution to the Clean Ganga Fund set up by the central government for rejuvenation of river Ganga.
