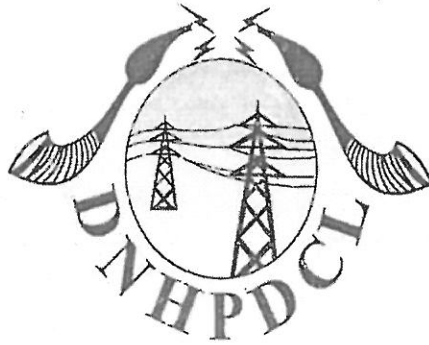


HELD AT _____ ON _____ TIME _____



DNHPDCL

CSR

POLICY

Corporate Identity Number: U40100DN2012GOI000405

Registered Office: 1st Floor, Vidyut Bhavan, Opp. Secretariat, Silvassa,
Dadra & Nagar Haveli-396230Tele/Fax: 0260-2642338 Website: www.dnhpdcl.in

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DNHPDCLCORPORATE SOCIAL RESPONSIBILITY POLICYINTRODUCTION

DNH Power Distribution Corporation Ltd (DNHPDCL) was incorporated on 13th July, 2012, with the main object of distribution of electricity in UT of Dadra and Nagar Haveli.

DNHPDCL interface with community through its nature of business i.e. by Distributing Electricity. DNHPDCL have an ethical & social responsibility through its core value i.e. being ethically & socially responsive to support communities ostensibly impacted by its business in any manner. To fulfil our rooted values, DNHPDCL is creating framework to identify, access, and manage socio economic development. DNHPDCL is committed to attain sustainable economic & infrastructure development with an interconnected vision of people's welfare, social growth and environmental conservation through adopting people-centric approach within our business.

To streamline the assessment & screening procedure, bring clarity among executing link of CSR, to increase the level of involvement through dedicated work force for CSR activities in all levels of operation and complying the directives of Companies Act, 2013, DNHPDCL desires to formulate comprehensive Corporate Social Responsibility policy.

This policy will deals with the basic aspects of CSR with reference to DNHPDCL. Policy will provide a institutional framework to establish an efficient and effective platform to perform CSR activities. Policy will ascertain roles & responsibility, budget provision, information disclosure etc.

This policy shall apply to all CSR initiatives and activities taken up by DNHPDCL in UT of Dadra & Nagar Haveli, for the benefit of different segments of the society, specifically the deprived, under privileged and differently unable persons.



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I. OBJECTIVE:

The main objectives of DNHPDCL's CSR policy

- To lay guidelines to make CSR a key business process for sustainable development of the society
- To directly or indirectly take up programs that benefit the communities in the UT of Dadra & Nagar Haveli, and result, over a period of time, in enhancing the quality of life & economic wellbeing of the local populace.
- To ensure an increased commitment at all levels in the organization, to operate its business in an economically, socially & environmentally sustainable manner, while recognizing the interests of all its stakeholders.
- To generate, through its CSR initiatives, a community goodwill for DNHPDCL, and help reinforce a positive & socially responsible image of DNHPDCL as a corporate entity.

II. REGULATORY FRAMEWORK THE COMPANIES ACT 2013

Section 134 & 135 of the Companies Act 2013 creates an obligation for DNHPDCL to have Corporate Social Responsibility Committee of the Board and its own CSR Policy. Provision of CSR under the Companies Act 2013 is as follow:

1. As per **Section 134 of the Companies Act 2013**, in Financial Statement, Board's report, etc, following provisions needs to be considered:

There shall be attached to statements laid before a company in general meeting, a report by its Board of Directors, which shall include the details about the policy developed and implemented by the company on corporate social responsibility initiatives taken during the year;

2. As per **Section 135 of the Companies Act 2013**, following provisions needs to be considered:

135. Corporate Social Responsibility

- i) Every company having **net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more** during any financial year shall constitute a Corporate Social Responsibility Committee of the Board consisting of three or more directors, out of which at least one director shall be an independent director.
- ii) The Board's report under sub-section (3) of section 134 shall disclose the composition of the Corporate Social Responsibility Committee

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iii) The Corporate Social Responsibility Committee shall,—

- (a) Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII;
- (b) Recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and
- (c) Monitor the Corporate Social Responsibility Policy of the company from time to time.

3. The Board of every company referred to in sub-section (1) shall,—

- (a) after taking into account the recommendations made by the Corporate Social Responsibility Committee, approve the Corporate Social Responsibility Policy for the company and disclose contents of such Policy in its report and also place it on the company's website, if any, in such manner as may be prescribed; and
- (b) ensure that the activities as are included in Corporate Social Responsibility Policy of the company are undertaken by the company.

4. The Board of every company referred to in sub-section (1), shall ensure that the company spends, in every financial year, at least two per cent. of the average net profits of the company made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy:

Provided that the company shall give preference to the local area and areas around it where it operates, for spending the amount earmarked for Corporate Social Responsibility activities:

Provided further that if the company fails to spend such amount, the Board shall, in its report made under clause (o) of sub-section (3) of section 134, specify the reasons for not spending the amount.

Explanation.— For the purposes of this section "average net profit" shall be calculated in accordance with the provisions of section 198.

5. Further Companies (Corporate Social Responsibility Policy) Rules, 2014 dated 27.02.2014 and Amendment to Scheduled VII dated 27.02.2014 is implemented and come into force on 01.04.2014.

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Activities under Amendment to Scheduled VII of the Companies Act, 2013 dated 27.02.2014, which may be included by companies in their Corporate Social Responsibility Policies.

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

- i. Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation and making available safe drinking water;
- ii. Promoting education, including special education and employment enhancing vocational 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 others 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 nation heritage, art and culture including restoration of building and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts;
- vi. Measures for the benefit of armed forces veterans, war widows and their dependents;
- vii. Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports;
- viii. Contribution to the Prime Minister's National Relief Fund or any other fund set up by Central Government for socio-economic development and relief and welfare of the Scheduled Caste, Scheduled Tribes, other backward classes, minorities and women;
- ix. Contribution or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
- x. Rural development projects.


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6. General Instructions for Preparation of Statement of Profit And Loss as per the Companies Act 2013_ Additional Information.

- a) A Company shall disclose by way of notes additional information regarding aggregate expenditure and income on the following items:—

In case of Companies covered under section 135, amount of expenditure incurred on corporate social responsibility activities;

7. DNHPDCL is coming under the preview of Section 135 (1).

8. Considering directive under clause No. 135 (1) of Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 dated 27.02.2014, DNHPDCL need to establish Corporate Social Responsibility Committee of the Board consisting of three or more directors and comprehensive Corporate Social Responsibility Policy.

III. CSR ACTIVITIES (Funding & Allocation)

1. For achieving its CSR objectives through implementation of meaningful and sustainable CSR programs, DNHPDCL will allocate at least 2% of the average net profits of the Company made during the three immediately preceding years, as its Annual CSR Budget.
2. From the above Annual Budget allocation, the provisions for following CSR activities of the Corporation will be made but not limited to the same and may extend to other specific projects/programs as permitted under the law from time to time.
 - a. **Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation and making available safe drinking water;**
 - Contribution for purchase of Modern Medical equipment including cardiac ambulances to Government Hospitals, Community Health Centers, Government Health Societies or Samities in Dadra & Nagar Haveli
 - To arrange/promote medical camps, Blood donation camps etc.
 - Construction of toilets in villages, Govt. schools etc.
 - Arrangements for safe Drinking water
 - B) **Promoting education, including special education and employment enhancing vocational skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects:**



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- To conduct /promote vocational guidance courses, skill development programs etc

C) Protection of nation heritage, art and culture including restoration of building and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts;

- To set up public libraries

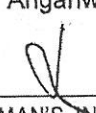
D) Contribution to the Prime Minister's National Relief Fund or any other fund set up by Central Government for socio-economic development and relief and welfare of the Scheduled Caste, Scheduled Tribes, other backward classes, minorities and women;

- Contribution to Prime Minister's National Relief Fund

E) Rural Development project

To adopt villages under rural development project and/ or by converging the resources under Saansad Adrash Gram Yojana (SAGY) and earmark funds for following activities:

1. Sanitation facilities
2. To promote cleanliness
3. To promote diversified agricultural livelihoods, including livestock and horticulture etc.
4. To promote rural industrialization
5. To promote and conduct Skill development programs
6. To organize Women Self Help Groups and financial inclusion
7. To promote environment development activities like roadside plantations, tree plantation in homesteads, schools and public institutions, social forestry etc.
8. To promote watershed management especially revival of traditional water bodies
9. To promote awareness for local pollution of air, water and land.
10. Rainwater harvesting-roof top as well as others
11. Pucca houses for all houseless poor/poor living in kutcha houses
12. Drinking water, preferably treated piped water with household taps
13. Internal all weather roads with covered drains and all-weather road connectivity to the main network
14. To promote solar energy, Solar light on streets.
15. Pucca infrastructure for public institutions- Anganwadis, schools, health institutions, libraries etc.


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16. Civic infrastructure including community halls, buildings for SHG federations, playgrounds, PDS outlets and burial grounds/crematoria

17. Village markets

18. Broadband, telecom connectivity and Common Service centers

F) Disaster Relief

- To provide medical aid, food, water etc in natural calamities.

Any unspent/unutilized CSR allocation of a particular year will be carried forward to the following year i.e. the CSR budget will be non-lapsable in nature.

IV. EXCLUSION FROM CSR

The following activity shall not form part of the CSR activities of the Company:-

- The activities undertaken in pursuance of normal course of business of the Corporation.
- CSR projects/programs or activities that benefit only the employees of the Corporation and their families.
- Any contribution directly/indirectly to political party or any funds directed to political parties or political causes.
- Any CSR projects/programs or activities undertaken outside India

V. BUDGET PROVISION

CSR Committee shall meet in the beginning of each year and review, recommend the allocation of funds for CSR activities/programs in terms of the provisions of the Companies Act, 2013(including its amendments from time to time) for approval of the Board.

VI. IMPLEMENTATION:

1. CSR Programs will be undertaken by DNHPDCL to the best possible extent within the permissible activities under the Companies Act, 2013 or its amendments from time to time.
2. Initiative of UT Administration of Dadra and Nagar Haveli would be synergized with the initiatives taken by DNHPDCL.
3. CSR activities may be done directly by the Corporation or through a registered trust or a registered Society/ NGO or Govt. Department or Government undertaking or any other implementing agency approved by the Board from time to time.

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4. Identification of programs will be done by means of the following :

- (a) Proposal recommended by CSR Committee and approved by the Board of Directors of DNHPDCL.
- (b) Receipt of proposals/request from UT Administration of Dadra & Nagar Haveli.
- (c) Request of local representatives/civic bodies/citizen's forums/ Voluntary organizations/ Govt. Societies or Samities.

5. Area of CSR activities: CSR activities will be focused in the UT of Dadra & Nagar Haveli.

VII. POWERS FOR APPROVAL

- 1. CSR programs identified needs to be put up to the CSR Committee at the beginning of each financial year which, in turn, will make its recommendations to the Board of Directors for approval:

VIII. MONITORING, FEEDBACK AND DISCLOSURE

- 1. To ensure effective implementation of the CSR programs undertaken, a monitoring mechanism will be put in place by DNHPDCL.
- 2. The CSR Committee will conduct impact studies on a periodic basis, to be conducted by peer body, especially on the strategic and high value programs.
- 3. Such Impact Studies will obtain feedback from beneficiaries about the programs on which the funds of the Corporation have been spent.
- 4. CSR Committee may inspect CSR activities/asset/initiatives with approval of the Board.
- 5. Appropriate documentation of the DNHPDCL CSR Policy, annual CSR activities, executing partners, and expenditure entailed will be undertaken on a regular basis and the same will be available in the public domain.
- 6. CSR initiatives of the Corporation will also be reported in the Annual Report of the Corporation.



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7. DNHPDCL website will have a head of 'DNHPDCL CSR initiatives' and DNHPDCL CSR Policy along with necessary information of existing and ongoing project with photographs will be shared accordingly.

IX. GENERAL

1. In case of any doubt with regard to any provision of the policy and, also in respect of matters not covered herein, a reference to be made to the Board. In all such matters, the interpretation & decision of the Board shall be final.
2. Any or all the provisions of the CSR Policy would be subject to revision / amendment in accordance with the guidelines on the subject as may be issued by Government, from time to time.
3. The Company reserves the right to modify, cancel, add, or amend any conditions or terms of this policy with the approval of Board of Directors.



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