



**GUIDELINES  
FOR  
UNDERTAKING/ IMPLEMENTATION OF CSR  
ACTIVITIES**

**June, 2022**

**CSR & SD DIVISION  
NHPC LIMITED**

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## **1. BACKGROUND**

- 1.1 NHPC's CSR Vision is to contribute to sustainable development and inclusive growth while taking care of People, Planet and organizational goals/ growth and its mission is to become a socially responsible corporate entity committed to improving the quality of life of the society at large; to create and develop facilities for the communities we engage with; and to balance social economic and environmental development objectives through collective and unified efforts of all stakeholders.
- 1.2 In accordance with the Companies Act 2013, NHPC 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. For undertaking the CSR activities/ projects, NHPC adheres to the Companies Act 2013, the Companies (Corporate Social Responsibility Policy), Amendment Rules 2021, DPE guidelines, notifications and clarifications issued from time to time & Corporate Social Responsibility & Sustainability Policy of NHPC, etc.
- 1.3 For undertaking/ implementation of CSR activities/ projects a guideline has been formulated (hereinafter referred to as 'the Guidelines'). These Guidelines do not supersede or override any provision of the Act, or Schedule VII of the Act, or the CSR Rules, but will only supplement them. The Guidelines are in the nature of initiatives or endeavour which the key stakeholders expect from NHPC in the discharge of its Corporate Social Responsibility. Any possible situation, in which there may be a conflict between the CSR Rules and the Guidelines though, is not envisaged, however, it is clarified that in case of any perceived conflict between the CSR Rules and the Guidelines, the former shall prevail in all circumstances.
- 1.4 The Guidelines covers Planning and Implementation of the CSR Activities/ projects and the Guidelines shall be read in conjunction with the Companies Act 2013, Companies (Corporate Social Responsibility Policy Rules), 2014, DPE guidelines issued from time to time & Corporate Social Responsibility & Sustainability Policy of NHPC, etc.

## **2. PLANNING**

- 2.1 NHPC prepares preferably medium term (1-3 year) projects for CSR&SD activities. Priority will be for activities contributing to benefits of needy section of the society and environmental sustainability. The stakeholders residing in the vicinity of our project

area and who are directly impacted by its operations and activities will be given priority as beneficiary of CSR and Sustainability activities.

- 2.2 NHPC's thrust will be to undertake CSR & Sustainability activities primarily near to our Projects, Power Stations or Regional/ Liaison/ Corporate Office. It will be ensured that at least 80% of the CSR & Sustainability schemes/ activities are executed in and around NHPC's Projects, Power Stations and Offices preferably within 25 Km and in the district where the Project is located. However, other locations beyond 25 Km may also be chosen, based on the needs and as per the direction of Govt. of India on National schemes/ campaign, wherein about 20% amount of the CSR Budget may be spent, for the larger benefit of society/ environment.
- 2.3 Choice of CSR & Sustainability schemes for implementation will preferably be made in consultation/ association with the Administrative authorities of District/ Subdivision/ Blocks/ Panchayats in which the NHPC's Units are operating. This will help to avoid overlapping of the works/ initiatives being undertaken by NHPC so that the genuine requirements of the targeted segments of the society are addressed by the chosen schemes.

### **3. SELECTION PROCESS:**

The CSR proposals received from Power Stations, Projects, Units, NGOs, VIPs, Central/ State Government Departments etc. are examined and deliberated on the basis of Section 135 of Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 as amended from time to time, Ministry of Corporate Affairs, DPE guidelines issued from time to time, CSR Policy of NHPC etc. Further, the CSR activities are recommended by the CSR Committee and approved by the Board.

- 3.1 In accordance with Schedule VII of the Companies Act, 2013 as amended from time to time, the CSR activities/ projects, may be undertaken by NHPC in areas or subject specified in Schedule VII. Expenditure on CSR activity/ project in the areas or subject not specified in Schedule VII will not be accounted towards CSR expenditure.
- 3.2 While planning long-term/ mid-term projects, budgetary provisions to meet cost of each project till its completion will be ensured. Each long-term/ medium term activity/ project will be broken up into annual targets and activities to be implemented each year and budget will be allocated for the implementation of these activities as per targets set for each successive years till the completion of the activity/ project.

- 3.3 While shortlisting the CSR & Sustainability activities, adhoc/ one time/ philanthropic activities, which do not contribute to social value creation, environment protection or sustainable development, will be avoided.
- 3.4 NHPC can collaborate with other Companies for undertaking CSR projects/ programmes/ CSR activities in such a manner that the CSR Committees of the respective companies are in a position to report separately on such projects or programmes in accordance with the applicable CSR rules.
- 3.5 Engagement of international organizations for designing, monitoring and evaluation of the CSR Projects or programmes as per CSR Policy as well as for capacity building of own personnel for CSR may be done.
- 3.6 For efficient and effective planning of CSR Activities, an SOP consisting of following broad assessment criteria has been developed and enclosed with these guidelines:
  - i) Pre-assessment of CSR Activity.
  - ii) Assessment Criteria for Internal CSR Activities/ Projects.
  - iii) Assessment Criteria for External CSR Activities/ Projects.
- 3.7 As per the Companies (Corporate Social Responsibility Policy), Amendment Rules 2021, the CSR activities are undertaken by NHPC or through-
  - a) A Company established under section 8 of the (Companies) Act, or a registered Public Trust or a Registered Society, registered under Section 12A and 80 G of the Income Tax Act, 1961 (43 of 1961), established by the Company, either singly or along with any other Company, or
  - b) A Company established under Section 8 of the Act or a registered Trust or a registered Society, established by the Central Government or State Government; or
  - c) Any entity established under an Act of Parliament or a State Legislature; or
  - d) A Company established under Section 8 of the Act, or a registered public trust or a registered Society, registered under Section 12A and 80G of the Income Tax Act, 1961 and having an established track record of at least three years in undertaking similar activities.
  - e) The entities covered above shall register themselves on the MCA portal by filing the CSR-1 and obtain a CSR Registration Number.
- 3.8 The companies/ agencies should be registered for undertaking CSR activities by filling up CSR-1 with MCA.

## **4. IMPLEMENTATION:**

### **4.1 Implementation of approved CSR Activities:**

Approved CSR Projects/ Activities are implemented either directly by NHPC or through Implementing Agency.

**a) CSR activities implemented directly by NHPC:** The approved CSR activities/ projects in vicinity of Power Stations/ Projects/ Units are generally implemented directly by NHPC. The works of these CSR activities/ projects are awarded and executed as per NHPC's procedures, Delegation of Powers, etc.

**b) CSR activities through Implementing Agency:** Some of the CSR activities/ projects also implemented by external agencies, i.e. District Administration, registered public trust & registered society. In such cases, Memorandum of Understanding (MOU) will be signed with the Implementing Agency/ partners with specific deliverable, key performance indicators/ milestones etc.

### **4.2 The Management structure for implementation of CSR & Sustainability:**

a) The Corporate Social Responsibility Committee of the Board, formulate & recommend an Annual Action Plan, in pursuance of CSR policy to the Board, which include the list of CSR projects or programmes that are to be undertaken in areas or subjects specified in Schedule VII of the Act; the manner of execution of such projects or programmes as specified in sub-rule (1) of rule 4; the modalities of utilisation of funds and implementation schedules for the projects or programmes. The CSR Committee monitor and review the progress of CSR activities/ projects.

b) Nodal Officer preferably of the Rank of Executive Director assisted by his team, who will co-ordinate the identification and selection of CSR & Sustainability schemes/ activities and also exercise an effective oversight on progress of implementation of the same. list of the items as mentioned in rule 5(2) of the Companies (CSR Policy), Amendment Rules 2021 as amended from time to time review the progress and recommends the amount of expenditure to be incurred on CSR activities

c) Regional ED/ Project Head/ Unit Head and his team assist in identification, implementation & monitoring of CSR & Sustainability schemes/activities etc.

## **5. MONITORING:**

- 5.1 Departmental Monitoring Committees (DMC) comprising of 2-3 members will be constituted at Projects/ Power stations/ Units or at Regional levels to closely monitor the progress of CSR & Sustainability schemes.
- 5.2 In case of schemes/ activities, that require specialized subject knowledge, the committee will comprise of experts from suitable external agencies including representative from NHPC.
- 5.3 Regular monitoring of progress will be done in respect of all key performance indicators covering physical and financial parameters.
- 5.4 The progress of CSR & Sustainability schemes under implementation at each of the location will be reported by the DMC to Nodal Office of CSR & Sustainability at Corporate Office on a monthly basis. Records will be maintained along with photographs/ videos to show progress of works.
- 5.5 Effective oversight & implementation of CSR & Sustainability Projects/ Activities will also be exercised by the Nodal Officer (CSR/ Sustainability) with the assistance of the team working with him and officers of CSR&SD Division, Corporate Office shall also visit to Projects/ Power Stations/ Units on regular basis.
- 5.6 The designated Nodal Officer will regularly submit reports regarding the progress of implementation of CSR and Sustainability activities to the Committee of Directors on CSR & Sustainability on quarterly basis containing reference to the approved timelines and year-wise allocation.
- 5.7 NHPC will also obtain feedback from beneficiaries about the implementation of activities and its outcome from time to time wherever possible and would take necessary actions, if required, for improvement. The feedback shall also be informed to the CSR Committee of the Board, may be on quarterly basis.

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## **STANDARD OPERATING PROCEDURE (SOP) FOR ASSESSMENT OF CSR ACTIVITIES**

### **1 INTRODUCTION:**

CSR&SD Division receives CSR proposals from various channels and they are segregated as per the following classification:

- In-house sources/ internal proposal recommended by HOPs/ HODs - Power Stations/ Projects/ Units/ ROs/ Corporate Office.
- External Sources –
  - VIPs/ MPs/ MLAs etc.
  - District Administration/ Government departments/ Ministries etc.
  - NGOs etc.
  - Others

### **2 PRE-ASSESSMENT:**

The received proposals are pre-assessed/ preliminary examined on the basis of Section 135 of Companies Act, 2013, Companies (CSR Policy) Amendment Rules, 2021, Ministry of Corporate Affairs, DPE guidelines issued from time to time and CSR Policy of NHPC etc w.r.t. following aspects:

- Whether the proposal has a Social, Economic or Environmental impact or not.
- Whether the proposal has an outreach for the underprivileged people of the society.
- Whether it impacts the rural population/ areas of the country.
- Whether the activity can be covered under CSR as per the provisions of Schedule VII of the Companies Act, 2013.
- Whether the proposals are as per the guidance, directives issued by Ministry of Corporate Affairs (MCA) and Department of Public Enterprises (DPE) from time to time.

### **3 ASSESSMENT CRITERIA:**

The CSR Projects/ proposals that qualify the Pre-assessment criteria as set out above are further subjected to the following assessment:

Availability of Detailed Project Report (DPR) along with the proposal would warrant further examination of the proposal. DPRs are preferred in the following formats:

- Format-I (Internal proposals recommended by HOPs/ HODs).
- Format-II (External proposals recommended by external sources).
- Proposals that do not contain DPR are not examined further.
- Qualifying proposals (which qualify the pre-assessment criteria), and those contain DPR, in Format-I/II are subjected to qualitative assessment by CSR&SD Division.
- The proposals should contain all relevant information about the CSR activity/ project as sought, as per the applicable Format-I/II. Incomplete information in the DPR would lead to rejection of the CSR proposal.



### 3.1 **Assessment Parameters for Internal CSR Projects:**

- Summary of Need Assessment/ Baseline Survey of the project/ coverage with snaps (High Quality) & Audio/ Video Clips, Media/ MoM/ Press Coverage (if any).
- Scope of Work with Physical, Social, Economic and Environmental milestones set for the activity.
- Deliverables/ Outcome to be achieved.
- Methodology of the selection of the beneficiaries and number of beneficiaries in detail:
  - i) Who would be direct beneficiaries with approx. number;
  - ii) Who would be the in-direct beneficiaries with approx. number
- Sustainability Plan and Stakeholder Engagement of the project to be enumerated.
- Activity coverage with snaps (High Quality) & Audio/ Video Clips, Media/Press coverage of milestones fixed at the time of planning.
- Project Duration, Cost and execution mode (like Tendering/MOU etc).
- About Probable Implementing agency(ies)
- Project Monitoring Plan during the project implementation.
- Case studies (if any)
- Objectives / Outcomes to be achieved
- Physical Verification Plan of the activity(ies) (as per applicable format for the purpose)
- Periodic Assessment Report plan after implementation.
- Beneficiaries' feedback and feedback reporting plan.
- Impact Assessment Planning of the Project.

### 3.2 **Assessment Parameters for External CSR Projects:**

External proposals recommended by VIPs/MPs/MLAs, District Administration / Government Departments/Ministries/NGOs etc are also submitted to the CSR & SD Division for assessment of the proposals. Only shortlisted proposals as per conditions defined earlier as per the Pre-Assessment Criteria and Format-II FRM/CSR/CO/PRPL/EXT/01 are recommended after assessment by CSR & SD Division.

- Summary of Need Assessment / Baseline Survey of the project / coverage with snaps (High Quality) & Audio/Video Clips, Media/MoM/Press Coverage (if any).
- Scope of Work with Physical, Social, Economic and Environmental milestones set for the activity.
- Deliverables / Outcome to be achieved.
- Methodology of the selection of the beneficiaries and number of beneficiaries in detail:
  - i. Who are direct beneficiaries with approx. number;
  - ii. Who are the in-direct beneficiaries with approx. number
- Stakeholder Engagement of the project to be enumerated.
- Milestone fixed
- Project Duration, Cost and execution mode like MOU etc.
- Project Monitoring Plan during the project implementation.
- Case studies (if any)
- Clearances from Distt. Administration on non-overlapping / duplication of this activity / funding with any other Govt./ Pvt CSR support funding agencies.
- Mechanism of Assessment of objectives/ outcomes achieved.
- Mechanism of Periodic Assessment during and after implementation.
- Mechanism of collecting and reporting Beneficiaries feedback.

- Plan of Impact Assessment of the Project.
- Sustainability and Maintenance Plan.
- Details of similar projects ongoing / completed by the organization/agency in previous three years.
- The impact assessment (Third Party) of the previous projects executed by your organization in the similar focus areas to that of current proposal, if any.
- Details of previous support received from NHPC Limited
- The details of largest project undertaken by the agency in recent past, to provide the financial implication involved in it.
- Justification for taking up proposed CSR project.
- Documents providing rate reasonability.
- Documents depicting the funding sources for the total budget of project under reference other than NHPC Limited and details of the amount funded by each organization, if any.
- Copy of Trust Deed / Registration Certificate / Bylaws of Society (Trust/Society/Section 8 company must have been registered minimum for past three years)
- Income tax exemption certificate, if any
- ECS Form
- Cancelled Cheque
- Copy of PAN Card
- Copy of Audited Account Statement of previous 3 years
- Affidavit (as per annexure I)
- The documents proving ownership of land where the civil construction is proposed. In case the documents are in local language, to submit copy of its English/Hindi translation duly certified by the legal authority.
- Copy of approved construction map and estimate duly vetted and signed by the Implementation agency with NOC from the government authorities for construction.
- Detail budget estimates of the construction plan as per SOR/DSR.
- Need of requirement of capital items with respect to benefits to the beneficiaries?
- What is the life of capital items and who will bear the maintenance cost of capital items and till what duration?
- Quotations for each of the capital items.

**3.3 Post Implementation Assessment (Impact Assessment) – Any CSR project/activity having outlay of Rs. One crore or more and which have been completed not less than one year shall undergo impact assessment through an independent agency.**

➤ **Methodology Guidance for conducting Impact Assessment :**

- i. To produce a high-quality impact assessment report for wider dissemination and future reference, the research methodology should involve both qualitative and quantitative techniques.
- ii. Qualitative methods should include techniques like questionnaire survey, focused group discussion, in-depth interview with targeted beneficiaries/end user community representatives/ Panchayati Raj Institutions (PRIS) and Govt. officials etc.

- iii. Quantitative method will include collection of secondary data available with Project implementing agency, District Administration, and NHPC.
- iv. Other stakeholders may be involved for tertiary inputs.
- v. Survey/ data findings should be interpreted and analysed using statistical software.
- vi. The impact assessment study should be well supported with the relevant geo-tagged photographs.