



M.P. POWER GENERATING CO. LTD.,

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No. ED(HR&A)/MPPGCL/ 2889

/ Jabalpur, Date : 29 JUL 2016

ORDER

In pursuance to the Resolution passed by the Board of Directors in its meeting held on 24th June 2016 and in compliance to the provisions of Section 135 of Companies Act, 2013, MPPGCL adopts the CSR policy of the company which is available on Company's Website of MPPGCL.

By Order

(D.N. RAM)

EXECUTIVE DIRECTOR (HR&A)
MPPGCL: JABALPUR

No. ED(HR&A)/MPPGCL/ 2890

Jabalpur, Date : 29 JUL 2016

Copy forwarded to:-

1. The Officer on Special Duty, GoMP, Energy Deptt., Vallabh Bhawan, Bhopal.
2. The Executive Director /Chief Engineer (O&M:Gen.) / (FM.) / (Civil:Engg.) /(R&M) /(PRG) / (MM)/ (Engg.)/(O&M-Hydel (CS))/(MPPGCL, Jabalpur.
3. The Chief Financial Officer, MPPGCL, Jabalpur
4. The Executive Director/Chief Engineer (Gen) SGTPS/ SSTPP/STPS/ATPS, MPPGCL, Birsinghpur/ Khandwa/Sarni/Chachai.
5. The Executive Assistant to Chairman, MPPGCL, Vallabh Bhawan, Bhopal.
6. The Chief Security Officer, MPPGCL, Jabalpur.
7. The Addl. Chief Engineer (Gen.: Stores)/, THC/Civil (S&I) MPPGCL, Jabalpur/Sirmour.
8. The Superintending Engineer (O&M), RABS HPS/ Gandhisagar HPS/ Pench HPS/Rajghat HPS/Bansagar-II/III/IV HPS/ Madhikheda HPS, MPPGCL, Barginagar/Gandhisagar / Totladoh/ Chanderi/ Silpara/Deolond/Jhinna/Shivpuri.
9. The Superintending Engineer (Civil) S&I, MPPGCL, Jabalpur / Gondbahera, Ujheni, Singrauli.
10. All Deputy Secretary/Executive Engineer/DGM (HR)/Sr.W.O./Sr.L.O. O/o ED (HR&A), MPPGCL, Jabalpur.
11. The Sr. A.O/ A.O. (COG&HS), / SGTPS/SSTPP/ATPS/STPS/ THC,MPPGCL, Jabalpur/Birsinghpur/Khandwa/Chachai/Sarni/Sirmour.
12. The PS / PA to Managing Director, Director (Tech)/ (Comm), MPPGCL, Jabalpur,
13. The Assistant Engineer (IT), O/o ED (HR&A), MPPGCL, Jabalpur.
- for information and necessary action.

(P.K.CHATURVEDI)
JOINT SECRETARY-I
O/o EXECUTIVE DIRECTOR (HR&A)
MPPGCL: JABALPUR

MPPGCL



2016

Corporate Social Responsibility (CSR) Policy

Madhya Pradesh Power Generating Company Limited

(Govt. of M.P.Undertaking)

Corporate ID No : U40109MP2001SGC014882

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1. INTRODUCTION:

Corporate Social Responsibility (CSR) is defined within a frame work of Corporate Philosophy which favours the needs of the community and the regions in which corporate entity functions. It is the responsibility of each Public Sector Enterprise to identify and implement activities that are beneficial to the society keeping in view its financial ability to sustain such activities.

Policy in CSR of a Public Sector Enterprises is mandatory as per guidelines issued as per section 135 of the Companies Act 2013. In pursuant to this, Madhya Pradesh Power Generating Company Limited (MPPGCL) has framed a policy for CSR applicable to all its Power Stations, New Projects & Corporate Office.

The Power Stations of MPPGCL are located in different parts of State of Madhya Pradesh (M.P.) and relatively in isolated areas with little contact to the outside society. Power Generation has profound impact on the people living in and around the areas where the Power Plants are situated. The obvious impact of the introduction of any production activity in such areas may change the traditional lifestyle of the original inhabitants and indigenous communities and will have impact on the socio-economic profile of the Area. Hence, the primary beneficiaries of CSR should be land outstees, Project Affected Persons (PAPs) and those staying within the radius of 15 Kms of the Project.

Poor and needy section of the society living in different parts of M.P. should be second beneficiaries. Moreover, MPPGCL's CSR policy should be integrated with the business plan of MPPGCL so that environmental and social concerns are well addressed along with growth in business.

In the aforesaid backdrop, policy on Corporate Social Responsibility of MPPGCL is broadly framed taking into account the following measures:-

- (a) Welfare measures for the community at large so as to provide opportunities to the poorer section of the Society for deriving the maximum benefits.
- (b) It will take care of landless and project affected persons. Proper rehabilitation of the land oustees/displaced persons based on R&R policy, separately formulated.
- (c) Contribution to the society at large by way of social and cultural development, imparting education, training and creating social awareness specially with regard to the economically backward class for their development and generation of income.
- (d) Protection and safeguard of environment and maintaining ecological balance.

This CSR Policy of MPPGCL includes an indicative list of CSR Projects/ Programmes which the company plans to undertake, falling within the purview of Schedule VII of the Companies Act, the expenditure thereon, specifying modalities of execution, implementation schedules and monitoring process of such projects/ programmes.

2. BACKGROUND:

With effect from April 1, 2014, every company, private limited or public limited, which either has a net worth of Rs 500 crore or a turnover of Rs.1,000 crore or net profit of Rs 5 crore, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on Corporate Social Responsibility (CSR) activities as per Section 135 of the Companies Act, 2013.

The CSR activities should not be undertaken in the normal course of business and must be with respect to any of the activities mentioned in Schedule VII of the Companies Act, 2013.

3. APPLICABILITY:

This policy shall be effective from the financial year 2016-17 onwards.

The poor and needy sections of the Society living in different parts of M.P. would normally be covered with special focus on those around the Power Stations of MPPGCL. MPPGCL shall execute CSR activities within the radius of 15 Kms for every project and will include its corporate office also. MPPGCL's CSR Committee can approve specific cases of projects beyond 15 Kms of Power Station areas.

4. CSR OBJECTIVES:

The main objective of CSR policy is to lay down guidelines to make CSR a key business process for sustainable development of the Society. It aims at supplementing the role of the government in enhancing welfare measures of the society based on the immediate short term and long term activities keeping in view the environmental consequences of such activities. MPPGCL will act as a good Corporate Citizen, subscribing to the provisions of Companies (CSR Policy) Rules, 2014 for implementation.

1. MPPGCL will lay its focus on CSR activities especially on local communities in and around areas of Company's Power Stations & New Project locations and areas around Corporate office.
2. MPPGCL will implement CSR activities to empower weaker, less privileged and marginalized sections of the society to create Social Capital.

5. CSR ORGANIZATIONAL STRUCTURE:

The Organizational Set-up of MPPGCL for carrying out CSR activities shall include a CSR Committee, a CSR Cell (at HQ) & a CSR Sub-Cell (at Plant level).

The CSR Committee of MPPGCL shall have the following Set-up, as per the act:

1. Director (Technical)
2. Director (Commercial)
3. An Independent Director

Role of the CSR Committee:

- (i) To formulate & recommend to the Board of Directors of MPPGCL, a CSR Policy which shall indicate the activities to be undertaken by the company as specified in the Schedule VII of the Companies Act, 2013.
- (ii) To recommend the amount of expenditure to be incurred on such activities to the Board of Directors of MPPGCL.
- (iii) To monitor the CSR Policy of the company from time to time.

(HR & Admin.) Office of MPPGCL shall be the Nodal office for placing the proposals before the CSR Committee. The Nodal Office shall also arrange to implement the CSR Programs/Projects/Activities in the company.

The HQ Level CSR Cell comprising of the following shall be constituted for identification and implementation of CSR activities:-

1. HoD(HR&Admin.)- **Chairman**
2. HoD(Civil Engineering)
3. Chief Financial Officer
4. HoD(Project Generation)
5. Industrial Relations Officer/ Sr. Welfare Officer- **Convenor**
6. An Officer nominated by HoD(HR&Admin.)

Role of the CSR Cell:

- (i) The CSR Cell at HQ under the administrative control of HoD(HR&Admin.) will examine the recommendations received from CSR Sub-Cell, District Administration and other External Agencies.
- (ii) The CSR Cell will also examine the proposal / requests submitted by CSR implementing agencies for Grant of donation / Financial Assistance/ Sponsorship etc. and also submit its recommendation before the CSR Committee of MPPGCL.
- (iii) The CSR Cell will obtain necessary approval of CSR Committee of MPPGCL for release of the fund & its allocation at various heads/activities/ projects. In case, the fund is released to the District Administration, it is to be ensured that fund be spent for the Project/purpose for which it was intended.
- (iv) The CSR Cell will also interact with the CSR Implementing agencies for determining the activities to be undertaken.
- (v) The CSR Cell will interact with the concerned State Officials/Govt. officials to confirm the areas for undertaking activities under CSR and ensure to avoid duplicity of the job.
- (vi) Based on the total activities to be undertaken, the CSR Cell will recommend the quantum of CSR Budget for the year.
- (vii) The CSR Cell will decide the priority of activities to be undertaken under CSR.
- (viii) Utilization Certificate with statement of expenditure duly certified by an Authorized Auditor shall be obtained from the Organization/ Institution to whom CSR fund is allocated.

- (ix) The CSR Cell will monitor and review the progress of activities undertaken/ completed and proper documentation of the completed projects.
- (x) The CSR Cell shall facilitate the implementation of CSR Programs/Projects/ Activities in the company

MPPGCL Power Stations/HQ shall act at tandem in order to avoid duplication of activities/projects. At the same time activities undertaken by State / Central authorities should not form a part of the MPPGCL's CSR activities.

The Plant/Site level CSR Sub-Cell comprising of the following shall also be constituted at each Power Station for identification and implementation of CSR activities:-

1. HoD of Power Station- **Chairman**
2. SE(HQ)/ Executive Engineer (HQ)/equivalent
3. Head of Civil Wing at Power Station
4. Head of the Accounts Wing at Power Station/equivalent Officer
5. Welfare Officer/Personnel Officer/Assistant Engineer (HQ)- **Convenor**
6. An Officer nominated by HoD of Power Station

Role of the CSR Sub-Cell:

- (i) The CSR Sub-Cell at each Power Station shall function as per the directives of CSR Cell at HQ.
- (ii) It shall identify the list of CSR activities necessary for the areas around the Power Station & recommend proposals along with financial expenditure involved and sent it to CSR Cell at HQ.
- (iii) The CSR Sub-Cell will also interact with the Local CSR Implementing agencies for determining the activities to be undertaken and examine the proposal / requests submitted by the local CSR implementing external agencies for Grant of donation / Financial Assistance/ Sponsorship etc. and also submit its recommendation before the CSR Cell.
- (iv) The CSR Sub-Cell will interact with the concerned Local State Officials/Govt. officials to confirm the areas for undertaking activities under CSR and ensure to avoid duplicity of the job. In case, the fund is released to the District Administration, it is to be ensured that fund be spent for the Project/purpose for which it was intended.
- (v) Utilization Certificate with statement of expenditure duly certified by an Authorized Auditor shall be obtained from the Organization/ Institution to whom CSR fund is allocated.
- (vi) The CSR Sub-Cell will monitor and review the progress of activities undertaken / completed and proper documentation of the completed projects wherein all CSR activities, its status & expenditure is maintained.
- (vii) The CSR Sub-Cell shall facilitate the implementation of CSR Programs /Projects/ Activities in the company.
- (viii) The CSR Sub-Cell shall submit a quarterly Progress Report to CSR Cell at HQ.

Volunteering:

Employees of MPPGCL & their family members can voluntarily participate as a support in carrying out the CSR Activities. The Consent from CSR Sub-Cell / Cell, as the case may be, would be required before any voluntary participation.

6. SCOPE

All the CSR activities to be undertaken by MPPGCL shall fall into the following 09 categories so as to incorporate all the activities listed as per Schedule VII of the Companies Act, 2013:

1. Natural Resource Management
2. Livelihood Development
3. Education
4. Health
5. Empowerment
6. Infrastructure Support & Development
7. Environmental Protection & Conservation
8. Disaster Management
9. Sports Promotion & Cultural Conservation

A list of activities/Programmes to be undertaken under the above broad categorization are:

(1) Natural Resource Management

- (i) Water Supply to village through mobile Tanker in summer till permanent Arrangement.
- (ii) Installation/Repair of Hand Pumps/Tube Wells.
- (iii) Digging/Renovation of Wells & other irrigation facilities.
- (iv) Gainful utilization of waste water through treatment plants for cultivation or any other purpose.
- (v) Development/construction of Water Tank/Ponds.
- (vi) Rain water-harvesting scheme.
- (vii) Formation of a Task Force of Volunteers to educate people regarding proper use of drinking water.
- (viii) Empowerment to the villagers for maintenance of the above facilities for availability of water.

(2) Livelihood Development

- (i) To provide assistance to villagers having small patch of land to develop mushroom farming, medicinal plants, vegetable farming & other cash crops to make them economically dependent on their available land resources. Training may be provided by agricultural experts for above farming.

- (ii) Promotion of livelihood/ Employment facilities to the community especially to the backward & weaker section by providing education and training thereby developing their skill for suitable employment. Further opportunities for selfemployment should be provided by constructing Shopping Complex in and around the projects.
- (iii) Self Help Groups (SHGs) should be formed by active participation of local people for setting up Dairies, Poultries etc, which will also help to generate self-employment.
- (iv) Placement assistance programs for youth.
- (v) Grant/donation/financial assistance/sponsorship to reputed NGOs of the Society /locality doing/involve in upliftment of the standard of the society.

(3) Education

- (i) Support to Technical/Vocational Institutions for their self- development.
- (ii) Academic education by way of financial assistance to Primary, Middle and Higher Secondary Schools.
- (iii) Adult literacy especially amongst those belonging to Below Poverty Line (BPL).
- (iv) Awareness programmes on girl education.
- (v) Counseling of parents.
- (vi) Special attention on education, training and rehabilitation of mentally & physically challenged children/persons.
- (vii) Spreading legal awareness amongst people and disadvantageous sections of the society about their rights & remedies available.
- (viii) Promotion of Professional Education by setting up Scholarships.
- (ix) Provide fees for a period of one year or more to the poor and meritorious, preferably girl students of the school in the operational area of the Company to enable them to get uninterrupted education.
- (x) Provide cycle to needy girl students who are attending school in remote and distant areas.
- (xi) MPPGCL Scholarship to the needy meritorious students every year who are pursuing Engineering Degree Course (Graduation Course) in IITs, NITs and other Government Colleges and Diploma Engineering Course in Government Engineering College and (MBBS Course) Government Medical Colleges for meeting the reimbursement of tuition fees, Hostels fees (Accommodation charges) and Incidental Fee of Rs.10000/- (Rupees Ten thousand) only per academic session, with special focus on students belonging to SC, ST, OBC & disabled categories.
- (xii) The above Scholarships will be operated by MPPGCL through respective Government Engineering Colleges, Technology Institutes and Government Medical Colleges.

(4) Health

- (i) Health care by organizing camps and providing health check up & medicine.
- (ii) Sanitation & Public Health.
- (iii) AIDS Awareness Campaign.
- (iv) TB and Leprosy awareness programme.
- (v) Social evils like alcohol, smoking, drug abuse etc.
- (vi) Child and Mother care.

- (vii) Diet and Nutrition awareness.
- (viii) Eye Care Camps to help the people of the peripheral area for necessary assistance.
- (ix) Blood donation camps.
- (x) Diabetics detection & Hypertension Camps.
- (xi) Promotion of Family Planning activities.
- (xii) Senior Citizen Health Care.
- (xiii) Fully equipped Mobile Medical Vans for periodic visit to neighbouring villages.
- (xiv) To supplement the different programmes of Local/State Authorities like Swacch Bharat Abhiyan etc.

(5) Empowerment

- (i) Imparting Vocational Training to rural youth on Welding, Fabrication, Motor Winding and other professional expertise.
- (ii) Organizing training programmes for women on tailoring Embroidery designs, Home Foods/Fast Foods, Pickles, Painting and Interior Decoration and other Vocational Courses.
- (iii) Setting-up skill development centres for youth, women, girls etc.
- (iv) Empowerment of women for education / health & self employment.
- (v) Capacity building of the Project affected persons (PAPs) to improve their employability.
- (vi) Care for senior citizens, physically challenged, destitute women, widow.
- (vii) Improving lives of people belonging to Scheduled Caste & Scheduled Tribe.
- (viii) Adoption/construction of Hostels (specially those for SC/ST & girls)

(6) Infrastructure Support & Development.

To develop infrastructural facilities to the nearby villages. Recurring expenditure should be borne by the beneficiaries. Also, villages may be adopted for carrying out the activities like infrastructural development e.g. road, water supply, electricity and community centre etc. Construction of the following may be undertaken:-

- (i) Installation of Solar Lights or alternative renewal energy.
- (ii) Construction of Auditorium.
- (iii) Educational Institutions.
- (iv) Rural Dispensaries (initiated by reputed NGOs).
- (v) Mobile Crèches.
- (vi) Bridges, Culverts & Roads.
- (vii) Check Dam.
- (viii) Shopping Centres/ Complex to facilitate business/self employment for local people.
- (ix) Community Centre.
- (x) Sulabh Souchalaya.
- (xi) Yatri Shed / Bus Stand.
- (xii) Burning Ghat/Crematorium.
- (xiii) Development of Park.
- (xiv) Play ground/Sports complex/Good Coaches.
- (xv) Construction of Old Age Home /Night Shelter/Orphanage.
- (xvi) Supplementing development programmes of the Government.

(7) Environmental Protection & Conservation

- (i) Organizing sensitizing programmes on Environment Management and Pollution Control.
- (ii) Development of smokeless fuel out of coal and also arrangement for distribution of energy efficient lamps to the villagers.
- (iii) Green belt Development.
- (iv) Aforestation, Social Forestry, Check Dams, Park.
- (v) Restoration of barren lands.
- (vi) Development of jobs related to agro product i.e Dairy/Poultry/farming and others.
- (vii) Plantation of saplings producing fruit.
- (viii) Animal care-Vaccination & Checkup.

(8) Disaster Management.

- (i) Relief for victims of Natural Calamities like Earth Quake, Cyclone, Draught and Flood situation in any part of the country.
- (ii) Relief for family members of Army Personnels losing their lives at War.
- (iii) Disaster Management Activities including those related to amelioration/Mitigation.

(9) Sports Promotion and Cultural Conservation.

- (i) Promotion of Sports, Games and Cultural Activities for participation in State level.
- (ii) Promotion/Development of sports/games activities in nearby villages by conducting tournaments like Cricket, Football, Kabaddi and Khokho etc.
- (iii) Providing sports costume and materials/kit for Cricket, Football, Volleyball, Hockey sticks etc to the young and talented villagers.
- (iv) Promotion of State level sports/games teams.
- (v) Sponsorship of National Sports events in Power Station & Corporate office areas.
- (vi) Sponsorship of Cultural event to restore Indian Cultural Traditions and Values.
- (vii) Possibility of providing sports facilities for physically handicapped persons may be explored.
- (viii) Medias for preparing of documentary films.
- (ix) Promotion of Art & Culture.
- (x) Protection of Heritage sites in the CSR purview. .

The Above list is illustrative and not exhaustive. CSR Committee may also consider CSR activities not falling in this list.

The Activities will be specific to the area depending on the need assessed for the people. As far as possible, efforts will be made to co-ordinate with similar CSR activities that are taken up by the Central or State Govt. All CSR activities should be environment friendly and acceptable to the local people and society.

7. BUDGET/SOURCE OF FUND

As per guidelines on CSR, the fund for the CSR shall be allocated to the extent of 2% of the average retained earnings of three previous years. However as and when there is any change in the fund, the same will be distributed on proportionate basis.

A Separate head of account will be created at each accounting unit to book all expenditure related to CSR Activities for the Power Stations declared under commercial operation. In case of new projects and expansion projects that are under construction /commissioning, the CSR activities are to be planned under CSR Budget for CSR Cell at HQ.

Plants/ stations shall be allocated separate CSR budgets under the annual budget allocations to be spent by them on CSR activities. For ensuring effective delivery, all CSR Action Plans shall be financed in a phased manner. Funds shall be disbursed on yearly basis.

Any Surplus arising out of CSR Projects or programmes or activities shall not form part of business profits of the company.

Provision shall be kept for maintenance of some of the developed infrastructure. The utilization of maintenance fund shall be based on the decision of CSR Committee of MPPGCL.

8. FUND ALLOCATION

The allocation will be made as follows :-

- (a) Fund to the extent of 2% of company's average net profit for the immediately preceding three financial years is to be spent on CSR activities as per the decision of the CSR Committee of MPPGCL. The CSR Committee will identify the activities to be taken up in the respective periphery area i.e within the radius of 15 Kms of the project / Area/Headquarter within the fund allocated for CSR activities.
- (b) About 80% Fund shall be allocated to Heads of the Power Stations under CSR head, so that they can take the activities within 15 KMs of their Area.
- (c) About 20% Fund will be spent by CSR Cell at HQ level in the following manner:
 - (i) 80% of the above 20% Fund will be allocated to be spent beyond 15KM radius of New Projects/HQ.
 - (ii) The remaining 20% Fund is to be spent within 15 KMs of Headquarter at Jabalpur.
- (d) It is envisaged that 50% of the funds shall be earmarked for long-term incremental plans, 30% shall be available for Mid-term plans and 20% for Short-term plans.

9. PLANNING:

The Activities will be specific to the area depending on the need assessed for the people. As far as possible efforts will be made to co-ordinate with similar CSR activities

that are taken up by the Central or State Govt. All CSR activities should be environment friendly and acceptable to the local people and society.

The first step of planning shall be identification of broad activities. The broad activities shall be closely linked with the long-term CSR objectives and adhere to the practice of sustainable development. An indicative list of areas for carrying out CSR activities as per Schedule VII of Companies Act is provided in Annexure-I. The list is only indicative and not exhaustive. The geographical area for implementation of the CSR project shall be in the target villages, preferably around Power Stations of MPPGCL.

The Action plan would involve empowering PAPs, community and the target villages in a phased manner and for an identified planned period. This could involve the basic and immediate needs of the PAPs, community and target villages, such as roads, education, health, sanitation, drinking water-related plans and self employment projects etc.

Basically, a three phased plan shall be prepared:

(a) Long-term plan:

Long-term perspective plan for around 20 years, which shall be in accordance with the long-term corporate plan. The plan shall include the overall development of the identified project area. There shall be only one long-term plan under one Power station at a time.

(b) Medium-term plan:

Medium-term project plan for five years, which shall be in coherence with the MPPGCL business plan. The plan shall consider different sector specific projects such as education, health, and infrastructure development in the project area. There can be a number of medium-term plans under one power station.

(c) Short-term plan:

Short-term action plan for one year which shall be in accordance with MPPGCL's annual CSR target plan. The plan shall include the activities to be undertaken in a particular year.

Each year, the achievements shall build on the work undertaken in previous year, so that the final CSR Targets can be achieved in an incremental manner. The long and medium plans shall be periodically reviewed and shall have enough flexibility to incorporate changes as and when necessary.

Entry points activities

To get the project popularized in the project area, entry point activities (EPAs) shall be conducted. Action plan to mitigate social risks shall be planned and implemented for establishing rapport with the community. Programme promotion activities shall be identified as per the need and suitability of the local communities and public representatives from time to time, depending on assessment and perception of social risks.

The CSR Action Plan/ CSR Proposal shall cover title, targets, map demarcating project area, baseline scenario, needs assessment, community participation, linkages with national goals, project implementation mechanism, associated risks and mitigation measures, deliverables, output, outcome, organization and staffing, institutional tie-ups, timeline, specific start and end dates, estimated budget, financial plan, monitoring and evaluation mechanism. A format for sending proposal for carrying out CSR activities in areas around Power Station/New Projects/HQ is placed in Annexure-III. Survey, need prioritization, and development of an action plan would be prerequisites for allocation of resources.

Quantifiable targets

The plan shall clearly enunciate targets that are proposed to be achieved over the plan period. For each activity, a set of quantifiable indicators shall be developed for reporting on achievement.

The specific targets, indicators and benchmarks shall be identified based on National and State goals, local needs and existing situations. An Illustrative list of parameters for judging the effectiveness of various CSR activities in an area of intervention.(Annexure-II)

Linked to government development schemes

The plans based on the thrust areas need to identify specific government programmes that can be dovetailed to achieve the desired targets. Such dovetailing can focus on complementing both financial and human resources. Preference shall be given to activities that benefit the State government/local administration/ Panchayat, provide matching budgets/grants.

Adequate care shall be taken to ensure that there is no duplication of CSR projects with that of programmes run by Central, State, and/or Local Governments. Use of local resources and low-cost technologies Interventions for the area shall be planned with a focus on making use of local resources/materials, particularly to minimize the cost without compromising on quality. Such local resources and low-cost technologies shall be identified in consultation with Implementing agencies.

Participation of panchayat, communities and local authorities

The PAPs, targeted communities and local authority shall be closely involved in the planning, implementation, and monitoring and evaluation of CSR activities to the extent possible. The percentage of community contribution shall be clearly indicated in the CSR Action Plan. Since the community contribution is an index of community's readiness to own and sustain the facilities, preference shall be given to those activities where the community is willing to contribute relatively a higher amount.

10. BASELINE SURVEY:

The CSR projects shall be framed with a long-term objective of provision for basic infrastructure and civic facilities, along with attendant maintenance mechanisms.

At the end of project period, the impacts shall be quantified based on the baseline data and shall be compared with the set CSR objectives, State and National development goals. Thus, fresh data on existing status shall be mandatory before planning for CSR projects. The initial baseline survey conducted under socio-economic studies carried out while preparing the CSR Action Plan/CSR Proposal shall be considered as baseline.

The bottom-up approach shall be adopted in planning CSR projects. The CSR projects for each of the MPPGCL Power stations shall be formulated based on need assessment surveys (NAS). NAS will involve in-depth village–beneficiaries/stakeholder consultation and gap identifications based on surveys and analysis.

Information collected at the household level shall focus on demography, literacy levels, socio-economic status, and occupation pattern. Based on the survey, a detailed project prioritizing needs of PAPs, community and target villages shall be prepared with specific deliverables, time-frame and budget. NAS shall attempt to capture the needs of the most vulnerable of the community.

The overall quantifiable deliverables of the CSR projects shall be framed based on the gaps between the development goals framed at State and National level, and the existing situation of the area of intervention.

The CSR projects shall be formulated so as they synergize with the development goals. Effort shall be made to contribute to the national and state plan targets.

11. APPROVAL OF CSR PROPOSALS

Approval of CSR proposals will be as under:-

- (a) The **CSR Sub-Cell** shall recommend the CSR activities in the prescribed format to be undertaken around the Power station areas before the CSR Cell at HQ.
- (b) The **CSR Cell at HQ** shall examine all the received proposals along with those received from external implementing agencies.
- (c) The **CSR Cell** shall recommend the CSR activities before the CSR Committee of MPPGCL.
- (d) **CSR Committee** shall recommend the proposals for obtaining approval from Board of Directors of MPPGCL.

Out of Total CSR Budget, 8% and 10% would be allocated separately and exclusively in the Annual Plan for undertaking Welfare Activities under CSR for development of Scheduled Caste and Scheduled Tribes populations respectively and balance 82% Fund would be utilized for implementation of CSR Activities for the entire population including SCs and STs.

The CSR Projects shall be assessed for each financial year. This fund will not lapse. The unspent CSR Fund available under the CSR Head will be accumulated for next year. However, CSR committee is empowered for diversion of fund from one head to another head with approval of BoD of MPPGCL as and when necessity arises.

12. IMPLEMENTATION :

- (a) For Implementation of CSR Activities, the CSR Sub-Cell at Power Stations shall co-ordinate with State Officials, project implementing agencies etc. to confirm the

- areas for undertaking activities under CSR & to ensure avoidance of duplicity of the work.
- (b) The investment in CSR shall be project based and for every project time framed periodic mile stones should be finalized by the Cell in consultation with the implementing agency.
 - (c) Project activities identified under CSR are to be implemented by specialized Agencies and generally NOT by Staff of the MPPGCL. Specialized Agencies could be made to work singly or in tandem with other agencies. Such specialized agencies would include:
 - (i) Government, Semi Government and autonomous Organizations.
 - (ii) Elected local bodies such as Panchayats.
 - (iii) Community based organization whether formal or informal.
 - (iv) Institutes/Academic Organizations.
 - (v) Trusts, Mission etc.
 - (vi) Self-Help Groups (SHGs).
 - (vii) Voluntary Agencies (NGOs).
 - (viii) Standing Conference of Public Enterprises (SCOPE).
 - (ix) Mahila Mandals/Samitis and the like.
 - (x) Contracted agencies for civil works.
 - (xi) Professional Consultancy Organization etc.
 - (d) The villages falling within 15 Kms of Project/Area shall be identified by Head of the Power Station of that area. In case any village falling in the periphery of two or more areas, the same shall be considered in one area only.
 - (e) Activities related to Sustainable Development will form a significant element of the total initiatives of CSR.
 - (f) MPPGCL shall make an effort to decentralize and devolve implementation of CSR Projects to local NGOs and local institutions in a systematic and planned manner.
 - (g) MPPGCL shall identify and collaborate with credible local institutions/ national specialized institutions. The specialized agencies could be made to work singly or in tandem with other agencies.
 - (h) MPPGCL CSR Cell at the HQ shall develop a mechanism to verify the reliability and credibility of the specialized agencies identified for implementation of CSR projects. The team may develop a panel of such credible agencies or may select from panels maintained by Government, Semi-government, Autonomous organizations and so on.

13. MONITORING

- (a) The CSR Sub-Cell at Plant level in co-ordination with implementing agency shall monitor the progress of programmes/ projects and prepare the Report on CSR Activities. Quarterly Report on CSR should be sent to the CSR Cell by each Plant/Site CSR Sub-Cell highlighting the cumulative outlays and outcomes of the program with specific details.

- (b) In every six months Board of Directors of MPPGCL should review the implementation of CSR.
- (c) MPPGCL shall include a separate/chapter in the Annual Report on the implementation of CSR activities/project including the facts relating to physical and financial progress.

14. EVALUATION

A two-tier evaluation mechanism for the CSR projects would be developed:

- Internal Evaluation
- External evaluation by a independent and credible agency

Internal Evaluation

The members of the CSR Cell at the HQ shall evaluate the CSR projects on Halfyearly basis. The outcomes of the evaluation shall be deliberated for suggesting suitable policy interventions. The Chairman of the CSR Cell shall review the progress & appraise the CSR committee of MPPGCL accordingly.

External evaluation

The effectiveness of the CSR projects shall be evaluated through credible external agencies for providing required feedback and inputs to formulate and improve the projects in future. Each station shall get reviewed/ evaluated its CSR projects by a third party at least once every three years and this evaluation shall be both concurrent and final.

15. CSR REPORTING

All the Power stations of MPPGCL shall follow a synchronized reporting format. The reporting format for CSR projects is placed at Annexure-IV.

The Power stations shall identify detailed indicators in consultation with the Implementing agencies to report on CSR projects. These indicators shall be in accordance with list of parameters as in Annexure-II.

Periodic Reviews:

MPPGCL shall carry out periodic reviews of the programmes on a quarterly basis. Quarterly review reports shall be prepared by the Power stations, shared with the community and the feedback shall be sought and incorporated into the subsequent action plans as well as in the final annual reports.

16. GRIEVANCE REDRESSAL

Provision shall be made for a system of grievance redressal and feedback through Community Visit/Visit to area of Intervention for all its CSR projects. This mechanism can be on a monthly basis. This system can address all the grievances of the community from the beginning (at the implementation stage) of the project itself so

that mid-term review of projects is facilitated and necessary alterations can be made as and when deemed necessary. External Implementing agency representatives, members of the CSR Cell/Sub-Cell (if required) shall be present during the Community Feedback Visit. In case the PAPs or the CSR beneficiary is not satisfied by the action taken by the CSR team, he/ she may appeal to the Chairman of the CSR Cell/Sub-Cell of the region, whose decision, however, will be final and binding.

17. DOCUMENTATION

- (a) The impact made by CSR activities should be quantified to the best possible extent with reference to base line data, which need to be created before the start of any project. Hence Base-line Surveys are mandatory. These surveys are to be carried out by Implementing Agencies in co-ordination with CSR Committee.
- (b) Detailed documentation relating to CSR approaches policies, programmes, expenditures, procurement etc. should be prepared and put in the Public Domain, (particularly through the internet) and made available to the CSR Cell at HQ.
- (c) The Press releases on CSR Activities shall be sent out regularly particularly in the local vernacular languages, so that the public is in the loop on the company's activities on a sustained basis.
- (d) A Centralized Data Management System related to CSR shall be developed under the Enterprise Resource Planning (ERP). The data management system shall develop systems for maintaining archives, communicating, and updating information which shall be accessible to all the Power stations and Corporate Office.

18. UPKEEP AND MAINTENANCE OF ASSETS CREATED

If the mid-term project plans comprises development of any infrastructure, then MPPGCL shall work out a mechanism for operation and maintenance of the infrastructure/facilities.

After the end of the any project period (withdrawal phase), the maintenance of Assets created under CSR would be the Responsibility of the concerned State Government and local representative of the Society. Before any Capital investment is made, an undertaking would be taken from the representatives of local community / local administration that they would be responsible for maintenance of the Assets.

19. DISPLAY OF CSR ACTIVITIES

- (i) Annual audit of all activities undertaken by the company would be done by the Authorized Auditor. The CSR activities will be reflected in the Annual Report and Accounts of MPPGCL under Social Overhead (CSR). Proper records should be maintained for the activities taken up, agencies involved etc.
- (ii) The CSR Sub- cell constituted at the Plant/Site area will inspect all sites and send the report to CSR Cell for their information, record and further action.

(iii) Clear information should be displayed on all the structures completed under CSR.

Name of structure

Completed on

Courtesy “Madhya Pradesh Power Generating Company Limited”

Funded under Corporate Social Responsibility

(iv) Photographs of all activities should be taken and copy of photograph along with soft copy should be sent to CSR Cell.

(v) The CSR activities undertaken by the company shall be displayed on the company’s website.

20. CONCLUSION

The above guidelines would form the framework within which the CSR activities would be undertaken. Every Area should have specific activities to adopt mostly in their close vicinity of the projects extendable up to 15 Kms. CSR Policy of MPPGCL includes all the Community Development activities in a broader perspective.

MPPGCL will review the Policy from time to time based on changing needs and aspirations of the target beneficiaries and make suitable modifications, as may be necessary.

Annexure-I

An Indicative list of areas for carrying out CSR activities as per Schedule VII of Companies Act.

- 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 centers 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 dependants;
- 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 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.

Annexure-II**An Indicative list of parameters for judging the effectiveness of various CSR activities in an area of intervention.****Education: primary school—infrastructure**

- Primary school should be located within 1km and middle of the settlement.
- Not to be located near hazardous area or sources of noise like highways, rail tracks, and factories.
- Building structure should be pucca one with sufficient class rooms (one room per one section each) and with an 8 ft. high boundary wall.
- Number of students per section is 40 with teach student ration of 1:40.
- Adequate availability of filtered/safe drinking water.
- Separate toilet blocks for boys and girls with adequate water supply and cleaning arrangements.
- Playground with all necessary facilities.
- A minimum of 80% attendance rate each both for students and teachers.
- Dropout rate of students should be less than 5%.
- Scholarship/incentives for the students from the poor/BPL households.
- A minimum of three weeks annual training programme for the teachers.

Rural roads—infrastructure

- 100% of all villages with population above 1000 and 75% of all villages with population of 500–1000.
- All villages must be covered with all-weather roads with necessary culverts and cross drainage structures.
- All rural roads except those in an arid region with annual rainfall less than 500 mm and traffic up to motorized vehicles per day (except two wheelers) are required to be bituminous.
- All roads to be placed in excavation sloping downwards with cross drainage structures.
- Cement concrete, modified bitumen, fly ash as well as soil stabilization techniques and other new technologies/methodologies needs to be used.
- Adequate fund should be made available to the panchayat for annual repair and maintenance of roads

Potable water supply—infrastructure

- The entire population in all the habitations, including the main habitation, should be provided with drinking water that is affordable to all.
- Access to drinking water should be within 500 meters in plains.
- In case of distant water taps, maximum travel time for fetching water should be 20 minutes.
- Minimum availability of 40 litres per capita per day water (drinking-3, cooking-5, bathing-15, washing utensils and house-7, ablution-10)
- One standpost for every 20 households or 100 persons
- One handpump for 50–300 persons
- Safe potable water through the use of technology like filtration and chlorination.

- Ensure regular testing of water quality.
- Adequate fund and staff for regular repair and maintenance of borewell/ handpumps and pipelines.

Primary health—infrastructure

- One subcentre for population of 2000 (within 3 km of the habitation) and one primary health centre for a population of 30,000 (within 10 km of the habitation).
- Laboratory facilities for investigations like haemoglobin estimation, urine for albumin and sugar.
- Labour room with equipment for safe delivery, as well as immunization, contraceptive services, first aid, emergency care, water-quality testing, and blood smear collection.
- Accommodation for the ANM/ male health worker will be available on rent in the village.
- Adequate toilet facilities (separate for staff and public as well as for male and female) with regular water supply.
- Uninterrupted power supply has to be ensured, for which inverter facility / solar power facility is to be provided.
- Adequate and safe potable water through the use of technology like filtration and chlorination.
- Adequate fund and staff members for repair and maintenance all the facilities.

Sanitation and sewerage—infrastructure

- Access to pit latrines in rural areas to be 100 per cent.
- Community public toilets and bathroom facilities with provision of water and minimum of one toilet/one bathroom for 20–50 persons.
- Sewerage design: provision sanitary individual lines for households with underground shallow sewerage system.
- Toilet blocks in institutional and public buildings such as panchayat ghar, community building, marriage hall, shopping complex.
- Soak pits with proper drainage facilities around the tubewell/ handpumps.
- Cemented well compound with proper drainage.
- Ghat for cleaning clothes and taking baths in the ponds.
- Adequate fund and staff members for cleaning and maintenance of drains and public toilet.

Electricity—infrastructure

- All households in the village should be connected with electricity (minimum life line consumption of 1 unit) within affordable range.
- All households should have metered connection.
- One distribution transformer in each habitation of every village or hamlet.
- Street lighting poles 30m apart, on all major roads, with an average of 20 posts for 1ha.
- Where grid supply is not possible, alternative renewable energy sources (solar lighting, domestic as well as street, water pumping, and cooking systems.) should be provided.
- Arrangement for adequate fund and staff members for repair and maintenance of street lights to the panchayats

Format for sending proposal for carrying out CSR activities in areas around Power Station/ New Projects/ HQ

1. Name of the Power Station:
2. Sectors of Interventions:
3. Period of Intervention:
 - (a) Start date (Month/ Year):
 - (b) End date (Month/ Year):
4. Total Tentative Cost of the Project:
5. Identification of project area
 - (a) Name of the villages:
 - (b) Boundary and resource map of the identified villages:
 - (c) Demographic summary:
6. Situation analysis
 - (a) Baseline data collection methodology and analysis
 - (b) Community needs assessment methodology and analysis
 - (c) Identified problems
 - (d) Summary of existing situation
7. Identification of projects
 - (a) Identified sectors of intervention
 - (b) Justification for the proposed interventions
8. Project strategy
 - (a) National norms and indicators with regard to the identified sector
 - (b) National policy/strategy to deal with the above situation at macro level
 - (c) Proposed strategy to deal with the above situation at the identified villages
 - (d) Strategy to dovetail with existing government schemes, if any
 - (e) Project goal and objectives
 - (f) Relevance of the CSR objectives to MPPGCL's Business plan/ annual target

The Broad areas are:

(a) Natural Resource Management	(f) Infrastructure Support & Development
(b) Livelihood Development	(g) Environmental Protection & Conservation
(c) Education	(h) Disaster Management
(d) Health	(i) Sports Promotion & Cultural Conservation
(e) Empowerment	
9. Project results and resource framework
10. Project management
 - (a) Project staff and responsibilities
 - (b) Institutional tie ups
 - (c) Beneficiaries/Stakeholders participation
 - (d) Community organization and their responsibilities
 - (e) Monitoring and evaluation mechanism
11. Detailed Tentative budget
12. Reporting
13. Timeline

Annexure-IV**Format for the Quarterly Report on CSR Activities to be sent to CSR Cell**

1. A Brief Outline of the CSR projects or programmes proposed to be undertaken.
2. The Composition of the CSR Sub-Cell.
3. Fund Allocated to the Power Station for the financial year.
4. Status of each CSR Activity undertaken
5. Details of amount spent on CSR activities during the financial year:
 - (a) Total amount to be spent for the financial year;
 - (b) Amount Spent in the last quarter
 - (c) Amount Unspent/remaining; if any
 - (d) Manner in which the amount spent is detailed below:

S.No.	CSR Project or Activity identified	Sector in which the project is covered	Projects or Programmes (1) Local area or other (2) Specify the State & district where projects or programmes was undertaken	Amount Outlay (Budget) project or Programme –wise.	Amount spent on the projects or programmes. Sub-Heads: (1) Direct Expenditure on Projects or Programmes. (2) Overheads	Cumulative Expenditure upto the reporting period.	Amount Spent; Direct or through implementing agency(s)*
1							
2							
3							
TOTAL							

* Give Details of Implementing Agency(s)

6. In Case of Underspend/Not spend, reasons:
7. Responsibility Statement of the CSR Sub-cell that the implementation & monitoring of CSR Policy, is in compliance with CSR Objectives & Policy of the company.

CSR Sub-Cell of MPPGCL

(Signature of Member, CSR Sub-Cell)

(Signature of Member, CSR Sub-Cell)

(Signature of Member, CSR Sub-Cell)

(Signature of Chairman, CSR Sub-Cell)
Name of the Power Station

Annexure-V**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 programmes proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programmes.
2. The Composition of the CSR Committee.
3. Average Net Profit of the Company for last three financial years.
4. Prescribed CSR expenditure [Two percent (2%) of the amount as in item 03 above]
5. Details of amount spent on CSR activities during the financial year:
 - (e) Total amount to be spent for the financial year;
 - (f) Amount Unspent; if any
 - (g) Manner in which the amount spent during the financial year is detailed below:

S.No.	CSR Project or Activity identified	Sector in which the project is covered	Projects or Programmes (1) Local area or other (2) Specify the State & district where projects or programmes was undertaken	Amount Outlay (Budget) project or Programme –wise.	Amount spent on the projects or programmes. Sub-Heads: (3) Direct Expenditure on Projects or Programmes. (4) Overheads	Cumulative Expenditure upto the reporting period.	Amount Spent; Direct or through implementing agency(s)*
1							
2							
3							
TOTAL							

* Give Details of Implementing Agency(s)

6. In Case of Underspend/Not spend, reasons:
7. Responsibility Statement of the CSR Committee that the implementation & monitoring of CSR Policy, is in compliance with CSR Objectives & Policy of the company.

CSR Committee of MPPGCL

(Signature of Member, CSR Committee)

(Signature of Member, CSR Committee)

(Signature of MD, MPPGCL)

(Signature of Member, CSR Committee)

Annexure-VI

Format for Grievance Redressal in respect of CSR activities.

To,

.....
.....
.....

1. Name of the Applicant:
2. Gender:
3. Age:
4. Address:
5. Contact Details:
6. Name of the Power station/ Office to which grievance is related:
7. Grievance Details:

<p>Subject:</p> <p>.....</p> <p>Brief Description:</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p>

8. List of Enclosures:

Dated:
Place:

Signature of the applicant

Declaration: I/We, the applicant/s herein declare that (a) the grievance furnished herein above is true & correct, (b) I/We have not concealed/mis-represented any fact stated in aforesaid grievance and the documents submitted herewith.

Annexure-VII**Format of Undertaking taken from the representatives of local community/Govt. Official for maintenance of the Assets.****Undertaking**

To,

.....
.....
.....**Sub :** Undertaking for maintenance of the Assets constructed by MPPGCL under its CSR Projects /Programmes.

Sir,

The following Constructions under CSR Projects/Programmes is proposed to be undertaken by MPPGCL at Village which is around Power Station

S.No.	Details of Construction Work	Location	Name of the Village

The Undersigned has NO OBJECTION in the above construction work proposed to be undertaken by MPPGCL under its CSR Projects/Programmes for the welfare of the community.

Also, at the withdrawal phase of the above Infrastructure CSR Projects, the maintenance of Assets created by MPPGCL under CSR would be the responsibility of the Undersigned.

I Undertake that:

- (i) I understand that taking the responsibility of maintenance of Assets created by MPPGCL under CSR would involve developing a periodic repair & maintenance mechanism.
- (ii) I understand that allowing me the maintenance of the constructed building is purely provisional, and there is no claim for ownership of the asset.
- (iii) I understand that I will not claim rights on the above construction.

Thanking you,

Yours faithfully,

Place:

Dated:

Signature of the Authorized Signatory

Seal

Name in full.

Address