

*Corporate  
Social  
Responsibility (CSR) Policy*



**HIMACHAL PRADESH  
POWER CORPORATION LTD**

## **CONTENTS OF THE SCHEME**

1. Abbreviations
2. Introduction & Background
3. HPPCL Relief & Resettlement Policy
4. Provision Under New Companies Act
5. HPPCL Policy Statement on CSR
6. HPPCL Approach for CSR Community
7. Constitution of CSR Committee
8. Activities included under CSR Policy
9. Involvement of Community Based Organization
10. HPPCL CSR Policy
11. Budget Allocation
12. CSR Expenditure
13. Display of CSR Activities

## **List of abbreviations used**

CAT	Catchment Area Treatment
CBO	Community Based Organization
CSR	Corporate Social Responsibility
EIA	Environment Impact Assessment
EMP	Environment Management Plan
GOHP	Govt of Himachal Pradesh
HPPCL	Himachal Pradesh Power Corporation Limited
HPSEBL	Himachal Pradesh State Electricity Board Limited
IEC	Information, Education and Communication
LADF	Local Area Development Fund
NHPC	National Hydro Power Corporation
NTFP	Non-Timber Forest Produce
NTPC	National Thermal Power Corporation
R&R	Relief & Rehabilitation
SJVNL	Satluj Jal Vidhyut Nigam Limited

## **INTRODUCTION & BACKGROUND**

Himachal Pradesh Power Corporation Limited (HPPCL) a clean and green energy company, was incorporated in December 2006 under the Companies Act 1956, with the objective to plan, promote and organize the development of all aspects of hydroelectric power on behalf of Himachal Pradesh State Government (GoHP) and Himachal Pradesh State Electricity Board Ltd (HPSEBL) in Himachal Pradesh. Towards achieving the target of maximum power generation in the state, HPPCL is engaged in development and execution of number of power projects in various parts of the state with a total projected capacity of more than 1000 MW. So far HPPCL has following Projects in hand:

### **PHASE-I PROJECTS (under construction)**

1	Shongtong Karchham HEP	450 MW
2	Sainj HEP	100 MW
3	Sawra Kuddu HEP	111 MW
4	Integrated Kashang HEP (Stage-I,II,III)	195 MW

### **PHASE-II PROJECTS (under investigation)**

1	Renukaji Dam Project	40 MW
2	Chirgaon-Majhgaon HEP	60 MW
3	Kashang Stage-4	48 MW
4	Gyspa HEP	300 MW
5	Nakthan HEP	460 MW
6	Surgani-Sundhla HEP	48 MW
7	Thana-Plaun HEP	191 MW
8	Triveni- Mahadev HEP	78 MW
9	Deothal- Chanju HEP	33 MW
10	Chanju-III HEP	48 MW

HPPCL is an emerging power generating utility with all the technical and organizational capabilities at par with other generating companies like NTPC/SJVNL/NHPC. Efforts are afoot to further strengthen the respective departments with professionals of proven credentials and qualified technical manpower. HPPCL, apart from Hydro Power Development, intends to diversify its power development activities in other areas of renewable sources of energy, like solar

power. The basic idea is to have a long term corporate plan for planned implementation of power projects to meet the growing energy demand, ensuring environmental and ecological balance for contributing towards the progress and prosperity of the State. HPPCL intends to meet the challenges of dynamically transforming business and environment to build a sustainable relationship with the stakeholders for maximum benefits and economic growth by achieving performance excellence.

### **HPPCL RELIEF AND REHABILITATION POLICY**

HPPCL's aim is to work with a commitment to make the lives of project affected people better than what it was before the implementation of the project. HP Power Corporation Limited has accordingly prepared Resettlement & Rehabilitation(R&R) Plan for its Projects. HPPCL R&R Policy was approved by Govt of Himachal Pradesh (GoHP) on 19<sup>th</sup> January 2009 and it has also been adopted as the standard for hydropower projects in the State. Further, HPPCL also contributes to the Local Area Development Fund (LADF) in the districts concerned as per provisions of HP Hydro Power Policy 2007. HPPCL is also committed to contribute 1% of its revenue from power generation to LADF during operation phase of the projects. HPPCL has formulated and is implementing a number of R&R schemes, which assist in better rehabilitation of the Project Affected Families (PAFs). These new Schemes are in addition to R&R Plan and LADF contribution.

#### **Rehabilitation and Resettlement for HPPCL means:**

1. Going beyond compensation.
2. To improve lives of project affected families
3. To make project affected families live better than what it was before land acquisition.
4. Any development has no meaning if it does not benefit people. HPPCL believe in long term associations

### **PROVISION UNDER NEW COMPANICES ACT, 2013**

The new Companies Act, 2013 has been implemented/enforced w.e.f 1<sup>st</sup> April, 2014. The provisions of the Act in relation to Corporate Social Responsibility (CSR) have been made mandatory to be complied with by the specified companies. As per Section 135 of the Companies Act, 2013 and Rules made thereunder, specified Companies need to constitute a CSR committee of the Board consisting of three or more Directors, out of which at least one director shall be an independent Director and spend in every financial year, 2% of the average net profits of the Company made during the three immediately preceding financial years, in pursuance of its CSR Policy. Specified Companies are those having net worth of Rs. Five hundred crore (Rs. 500 crore) or more or turnover of Rs. One Thousand Crore (Rs. 1000 crore) or more or a net profit of Rs. Five Crore (Rs. 5 crore) or more.

As per requirement of the new Companies Act, 2013, HPPCL Policy of Corporate Social Responsibility (CSR) has been formulated

### **HPPCL POLICY STATEMENT ON CSR**

HPPCL is committed to the concerns of its stakeholders and strives to maintain good standards of corporate social responsibility (CSR) in its business activities. Working with a commitment to make socially, culturally and economically the lives of affected people better than what it was before starting project activities. HPPCL believes in long term harmonious relationship with local communities in its project areas going beyond legal provisions and remains committed to provide good compensation, adequate grant and greater relief to the affected families, so as to set standards for the hydropower sector in the State. HPPCL aims to minimize involuntary resettlement and other inconveniences to the communities. HPPCL believes in making the communities a stake holder in its projects. HPPCL will make conscious efforts to enhance the quality of life through its CSR programmes.

## **HPPCL's APPROACH FOR CSR-COMMUNITY**

HPPCL is executing Hydro electric power projects in tough, hard and difficult areas. Some of the projects of HPPCL are located in tribal areas, where as others are located in far reaches of mountainous regions. HPPCL, being a responsible corporate, strives to bring about overall positive impact on societies living in the project areas. Besides, CSR activities will also cover a wide range of issues relevant to larger society and activities that could have lasting impact.

### **Constitution of CSR Committee vide BoD decision 46.07 dated 16.06.2014**

As per requirement of new companies Act, 2013, For HPPCL, CSR committee has been constituted as follows.

- |   |          |
|---|----------|
| 1. Principal Secretary, (MPP & P) to the GoHP | Chairman |
| 2. Managing Director, HPPCL                   | Member   |
| 3. Director (Personnel), HPPCL                | Member   |
| 4. Director (Finance), HPPCL                  | Member   |

As per decision of BoD vide item No. 47.03 dated 21.07.2014, it was decided that the Director (Personnel) will act as Member Secretary to this committee and the Chief Environment Specialist and Chief Social and RR Specialist will assist the committee on CSR matter.

The Corporate Social Responsibility Committee shall:

- (a) formulate and recommend to the Board, a CSR 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 CSR Policy of the company from time to time

## **ACTIVITIES UNDER CSR POLICY**

As per new Companies Act, 2013, Section 135 Schedule VII following activities may be included in the CSR Policy.

1. Eradication of hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water;
2. Promoting education including special education and employment, enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects;
3. 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;
4. 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;
5. 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.
6. Measures for the benefit of armed forces veterans, war widows and their dependents;
7. Training to promote rural sports, nationally recognized sports, paralympic sports and Olympic sports;
8. Contribute 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 Schedule Castes, the Schedule Tribes, other backward classes, minorities and women;
9. Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;



## 10. Rural development projects

### **INVOLVEMENT OF COMMUNITY BASED ORGANIZATIONS**

HP Power Corporation Limited, in its task to construct and run power projects, has to acquire land and other assets not only from the private owners but also community assets, common property resources and government owned lands on which communities exercise certain rights and concessions. As such, HPPCL has to work closely with village communities for smooth functioning. Being a government owned commercial entity, HPPCL has the responsibility of better statutory compliance and is in the process setting model & standards in Corporate Social Responsibility (CSR). In Himachal Pradesh, in almost all the villages, Community Based Organizations (CBOs) like Mahila-Mandals, Yuvak Mandals and other similar organizations exist and play an important role in spreading awareness, maintaining links for communication within the village communities and with outside agencies including government organizations, maintaining cultural traditions, improve the community harmony and help in rural livelihoods as well enhancement of incomes. They also play crucial role in enhancing capabilities of the members of the organization and also make them aware about their responsibilities towards the village community or just being responsible citizens. CBO's will be preferably engaged in identifying and implementing CSR activities by HPPCL, so that village community and stakeholder own the activities.

### **HPPCL CSR POLICY**

The focus of HPPCL CSR policy will be in the following areas;

- i. **Eradication of hunger and poverty:** HPPCL will endeavor to eradicate hunger and

poverty in its project area by creating employment opportunities in the project areas as well as in the state of Himachal Pradesh. HPPCL will also organize camps to make the communities aware of the latest and beneficial practice/techniques; and also help them to adopt the same into practice with demonstration and training so that they can improve their livelihoods. In each camp one or more experts from the relevant field would be invited to present and demonstrate latest and/ or best practices suited to the area for the benefit of farmers and other rural communities, which may include agriculture, horticulture, harvesting techniques & practices, post-harvest operations, first-stage/primary or even secondary processing, food preservation, Non-Timber Forest Produce (NTFP) including medicinal plants cultivation & processing, poultry, bee-keeping (apiculture), fish rearing, animal husbandry, rural artisan, handicraft, sanitation, health & hygiene including local health tradition, career counseling, Investment Counseling and skill upgradation activities.

ii. **Health Care:** HPPCL proposes to support health institutions/centres facilitating health care to people in the project affected areas as well as in the state of Himachal Pradesh. It will also collaborate with School Health Programme. Free medical camps will also be organized by HPPCL in the Villages/Towns. HPPCL also proposes to give assistance for such medical treatment that is not possible in medical camps and may provide free medicine. HPPCL may also provide early child hood nutrition and care, immunization and child health programme, assistance for treatment by specialist(s) or for critical diseases or referral cases. HPPCL will also support research and development in healthcare and information, education and communication (IEC) preventive and promotive health.

iii. **Education:** HPPCL proposes to support educational institutions by

creating/augmenting infrastructure facility. The other activities will be vocational training to the youth, partnership with industrial training institutes, girl child education, adult education etc. It will also support research and development in education sector.

iv. **Environment Sustainability:** . HPPCL will extend help in promoting organic farming, vermicomposting, social forestry and silivculture practices. It will support work for rain water harvesting soil conservation and reduction of environmental pollution. It will also support Research & Development in Environmental sector. HPPCL will also support to promote activities under “Swachh Bharat” Mission.

v. **Protection of National Heritage & Culture:** HPPCL will also support protection of National Heritage and provide financial assistance for cultural and public places etc. Financial assistance may also be provided for organizing Local, National or International fairs etc. HPPCL will also support institutions, artists and artisans engaged in the promotion of culture and heritage.

vi. HPPCL will also support the measures for the benefit of armed forces veterans, war widows and their dependents.

vii. HPPCL will also support training to promote rural sports, nationally recognized sports, paralympic sports and Olympic sports.

viii. **Infrastructural Development and Community Development:** HPPCL will support creation of community assets/ institution in the project areas.

ix. **Contribution to relief fund:** : HPPCL will make contribution to the Prime Minister’s National Relief Fund /Chief Minister’s Relief Fund or any other fund set up by the Central Government for socio economic development and relief and welfare of the Schedule Castes, the Scheduled Tribes, others backward classes, minorities & women .

- x. HPPCL will also support rural development projects.

### **BUDGET ALLOCATION**

2% of the average net profits of the HPPCL made during the immediately preceding financial three years, in pursuance of its CSR Policy

### **CSR EXPENDITURE**

CSR expenditure shall include all expenditure including contributions to corpus for project or programmes relating to CSR activities approved by the Board on the recommendation of its CSR Committee.

### **DISPLAY OF CSR ACTIVITIES ON ITS WEBSITE**

The Board of Directors of the company shall, after taking into account the recommendations of CSR committee, approve the CSR Policy for the company and disclose contents of such policy in its report and the same shall be displayed on the company's website.

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