



**Odisha
Coal and
Power
Limited**



CSR POLICY OF ODISHA COAL AND POWER LIMITED

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PREFACE

OCPL the State PSU engaged in coal mining business at its Manoharpur Coal Mines at Sundargarh District, registered profit during FY 2021-22. Under the CSR guidelines of Govt. the CSR related compliances are mandatory, once the company secures the prescribed financial parameter.

Accordingly, management of OCPL is pleased to approve the CSR Policy of OCPL effective from 1st June, 2022.

OCPL Management

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Corporate Social Responsibility Policy of OCPL

1.0 Objective and Concept.

- 1.1 The main objective of CSR policy is to lay down guidelines for OCPL to make CSR a key business process for sustainable development for the society. It aims at supplementing the role of government in enhancing welfare measures of the society based on the immediate and long term social and environmental consequences of coal mining.
- 1.2 This policy shall be called OCPL Corporate Social Responsibility Policy (OCPL CSR Policy) and will regulate the CSR activities of the Company. While this policy has been formulated for general guidelines, all the provisions of section 135 of the Companies Act 2013 (here in after called as the Act) and rules made there under will have same meaning & coverage. Any uncovered areas will be governed by the Act & Rules there under.
- 1.3 This policy shall apply to all the CSR activities approved by the Board of Directors of the Company.
- 1.4 Corporate Social Responsibility is a concept whereby the Company shall integrate social and environmental concerns in its business operations and interactions with its stakeholders.
- 1.5 The Company acknowledges the effects of its business and industrial activities on the society at large and strives to amalgamate its business values and operations a way of conducting business, which would enable the Company to pursue actions that are optimal for building strong relationships with a broad class of stakeholders, rather than those that serve only to maximize shareholder interests, in an ethical and transparent manner to demonstrate its commitment to sustainable development.
- 1.6 Stakeholders include investors, shareholders, customers, business partners, clients, employees, civil society groups, Government and non-government organizations, local communities, environment and society at large.

2.0 Definitions

Unless there is anything repugnant to the subject or context, the following terms used in the Rules are defined as under:

- 2.1 “Corporate Social Responsibility (CSR)” means and includes but is not limited to :-
- (i) Projects or programs relating to activities specified in Schedule VII to the Act and any amendments thereto from time to time; or
 - (ii) Projects or programs relating to activities undertaken by the Board of Directors of a Company (Board) in pursuance of recommendations of the CSR Committee of the Board as per declared CSR Policy of the company subject to the condition that such policy will cover subjects enumerated in schedule VII of the Act.
- 2.2 “Company” means Odisha Coal and Power Limited (OCPL);
- 2.3 “Board” means the Board of Directors of OCPL;
- 2.4 “Competent Authority” means the CEO or the authority empowered by him in this behalf by any general or special order to perform the functions and exercise the powers of the Competent Authority under this policy;
- 2.5 “Act” means the Companies Act 2013;
- 2.6 “Annexure” means the Annexure appended to this policy;
- 2.7 “CSR Committee” means the Corporate Social Responsibility Committee constituted under Section 135 of Companies Act 2013;

3.0 Corporate Social Responsibility (CSR) Committee

- 3.1 The Company shall constitute a Corporate Social Responsibility Committee of the Board consisting of 3 or more directors out of which at least 1 Director shall be an Independent Director.

3.2 The Corporate Social Responsibility Committee shall –

- (a) Formulate and recommend to Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company;
- (b) Recommend to the Board, the CSR activities to be undertaken by the company, along with the time period and estimated expenditure;
- (c) Monitor the Corporate Social Responsibility Policy of the company from time to time and inform the Board;

4.0 Scope of Corporate Social Responsibility (CSR) activities

Corporate Social Responsibility (CSR) means and includes projects or programs or activities pertaining to any of the following areas:

- 4.1 Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water;
- 4.2 Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently-abled and livelihood enhancement projects;
- 4.3 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;
- 4.4 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;
- 4.5 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;

- 4.6 Measures for benefit of armed forces veterans, war widows and their dependents;
- 4.7 Training to promote rural sports, nationally recognized sports, Paralympics sports;
- 4.8 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;
- 4.9 Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
- 4.10 Rural development projects;

5.0 Budget & Expenditure

- 5.1 The Board shall ensure that the Company spends at least average of 2% of Net Profit made during the three immediate preceding financial years towards its CSR activities as envisaged under clause 135 (5) of the Companies Act 2013 read with Section 198 of said Act.
- 5.2 CSR initiatives will be taken up primarily in the peripheral areas/direct impact zones of OCPL command areas i.e. within 16 kms radius of its working/establishments. While doing so it is to be ensured that at least 80% of the total CSR expenditure of a financial year be spent in the areas around the place of operation/establishments of OCPL in the following heads as given below:
 - i. Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water – 30% of allocated fund.
 - ii. Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently-abled and livelihood enhancement projects – 20% of allocated fund.

- 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 – 5% of allocated fund.
- 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 – 20% of allocated fund.

However, the above fund can be readjusted as per the requirement based upon the recommendation of CSR Committee of Board level and approval of the competent authority.

- 5.3 The unspent amount, if any, at the close of the financial year shall be treated in accordance with the provisions of the Section 135 of Companies Act, 2013 and rules made thereunder.
- 5.4 The projects recommended by OCPL shall be placed before the CSR Committee and upon approval of the projects, the same is to be implemented through OCPL directly/ Govt. agencies / NGOs / others having proven track record.

6.0 Modalities for implementation of CSR projects

- 6.1 The CSR activities shall be undertaken by the Company as per this policy framework as projects, programs or activities (either new or ongoing) excluding activities undertaken.
- 6.2 The Board may decide to undertake its CSR activities through OCPL directly and/or, a Trust registered by the Company under the Indian Trusts Act 1882, and/or through companies / NGOs / specialized agencies / trusts / institutions / foundations / societies / community-based organizations / bodies etc. having an established track record of 3 years in undertaking projects or programs of the required kind.

- 6.3 The Company may also collaborate with other companies for undertaking projects or programs or CSR activities in such a manner that the CSR Committees of all the companies involved are in a position to report separately on such projects or programs in accordance with this CSR Policy.
- 6.4 All the CSR projects or programs or activities shall be undertaken in Odisha only.
- 6.5 Any project or program or activity that benefits only the employees of the Company shall not be considered as CSR.
- 6.6 The Company may build CSR capacities of its own personnel as well as those of its Implementing Agencies through institutions with established track records of at least 3 financial years but such expenditure shall not exceed 5% of total CSR expenditure of the Company in one financial year.
- 6.7 Proposals / Requests from a Registered and specialized body for providing financial assistance for carrying out specific CSR initiative subject to the condition that it fulfills the criteria as prescribed in point 7.2 and such body should have an established track record of three years in undertaking similar programs or projects (Rule 4(2)(i)). A CSR activity through this mode would only be permissible when it is planned to be carried out in project mode. These proposals should be considered only after checking the credibility of the associated agency and the quality of its job as per the following procedure:

Evaluation of Projects / Documents

- 6.7.1 Any project proposal as mentioned at 6.1 to 6.7 will be evaluated as per the below given process.
- 6.7.2 Site visits shall necessarily be made for projects having financial implication above Rs 5 lakhs and only when visit report is found to be favourable, such projects should be processed ahead.
- 6.7.3 For projects exceeding Rs.25 lakhs, the site visit must be conducted by a cross-functional group of officials consisting of at least 1 representative each from CSR and Finance departments for assessing the performance of the agency in terms of value for money. It should be clearly mentioned in the proposal that whether similar projects have earlier been carried out by the agency or not.
- 6.7.4 With reference to point 6.7.3 above, if similar projects have been / are being carried out by the agency at other locations(s), the OCPL team should visit such site and shall record in writing the location, the organization which is supporting the project, a brief regarding the pre-project status of the target beneficiaries, the improvements brought out during implementation / after completion of the project gathered through interaction with the beneficiaries, comments of concerned official of the donor organization regarding the performance of the agency, in the visit report.
- 6.7.5 With reference to point 6.7.3 above, if similar projects have not been carried out by the agency earlier, then the quality of work done by the agency in the past shall be assessed by the same process as mentioned at point 6.7.4 above by visiting any other appropriate project carried out by the agency.
- 6.7.6 The visit report must be accompanied with relevant facts, figures, comments of the beneficiaries and donor's representative regarding the quality of work done,

photographs etc establishing the quality / credibility of the job carried out by the agency.

- 6.7.7 The administrative cost as percentage of the total project cost should be within reasonable limits depending upon the nature of the project and shall be well justified in the proposal if it is within 15%.
- 6.7.8 The projects so approved by the CSR Committee will be displayed in the website of OCPL.
- 6.7.9 An amount as deemed fit by the Board, may be kept in reserve out of the CSR budget for contributing towards Natural calamity relief work in case of such unfortunate incident taking place in the country. If remained unutilized till the 3rd quarter, this fund may be used for carrying out other CSR activities in the last quarter of the financial year.

7.0 Monitoring, Feedback and Evaluation

- 7.1 Monitoring will be done periodically with the help of identified key performance indicators; the periodicity being determined largely by the nature of performance indicators.
- 7.2 For projects being implemented by external agencies, monitoring will be performed by the Company through its team of officials specifically designated for this task. The external agency, if any, engaged for implementing a project will not be considered for the task of monitoring and evaluation because of the likely conflict of interest involved in the assignment.
- 7.3 However, whenever CSR activities are implemented by the Company and its staff, it may associate an external agency also for monitoring purposes, as it would enable an impartial assessment of work done.
- 7.4 To ensure effective implementation of the CSR programs undertaken at each of OCPL's sites, a monitoring mechanism will be put in place by Corporate Office and site offices

for NF and RPDAC respectively. The progress of CSR programs under implementation will be reported to corporate office on monthly basis.

- 7.5 For all the projects, the base line/pre-implementation phase data/status in terms of measurable parameters must be documented along with relevant photographs (if possible) before commencement of the project. In case the project is being implemented through external agencies, the base line data shall be collected through in house resources/by engaging a third party.
- 7.6 The CSR projects should include well defined milestones in terms of measurable parameters.
- 7.7 To maintain transparency, details of every project i.e. base line data, targeted beneficiaries, intermediate milestones, targeted outcomes, completion schedule, payment plan, fund utilization certificates, project completion certificates, Impact assessment etc. should be maintained as prescribed under the Company's rules so that they are available for any cross checks and future scrutiny.
- 7.8 A consolidated progress report of CSR activities as prescribed under Companies (CSR Policy) Rules, 2014] will be provided by the site-level CSR teams to the Corporate CSR on a quarterly basis which shall then be put up for consideration of the CSR Committee. On the basis of progress report, the CSR Committee may recommend appropriate action with respect to any project/activity of the Policy.
- 7.9 CSR team may also propose any addition /deletion/modification (with proper justification) of project/activity after getting it duly recommended from the respective competent authorities for inclusion in/removal from the CSR Policy. On receipt of such proposals, CSR Committee may consider recommending suitable modification in the CSR Policy for approval of the Board.

8.0 Impact Assessment

- 8.1 The impact created by the project shall necessarily be documented and shall include the development/up-gradation achieved in respect of the parameters corresponding to base line data and intermediary milestones (where ever possible) along with relevant photographs. To assess the impact of strategic and high value CSR schemes/projects, specialized independent professional institutions/agencies shall preferably be engaged.

9.0 Documentation, Reporting and Disclosure

- 9.1 The CSR Rules formulated to provide direction and thrust to Section 135 of the Companies Act, 2013, make it mandatory for companies to disclose their CSR Policy, programs/projects undertaken and amount spent in their Annual Report and the CSR Rules provide for a specific format for such reporting. OCPL will uphold these provisions both in letter and spirit.
- 9.2 The Annual Report containing details of such activities in accordance with its CSR Policy will be made available on the Company's website for information of all concerned stakeholders.
- 9.3 OCPL will continuously generate evidence based Corporate Social Responsibility (CSR) reports designed to meet the needs of all its stakeholders.

10.0 Compliance and Adherence

- 10.1 This Corporate Social Responsibility (CSR) Policy of OCPL which has been formulated by the CSR Committee and approved by the Board is in compliance with as well as adheres to:
- 10.1.1 The Companies Act, 2013 (and its amendments from time to time).
- 10.1.2 The Companies CSR Rules, 2014 (and its amendments from time to time).

11.0 General

The Section 135 of the Companies Act 2013, enclosed as Annexure I and its amendment notification dtd: 27/02/2014, the Rules Corporate and the Companies (Corporate Social Responsibility policy) Rules 2014 framed there under enclosed as Annexure-II are part & Parcel of this Policy. Any aspect/expression not covered and or interpretation thereof will be as contained in the Act & the Rules. Any clarifications issued by the Ministry of Corporate Affairs pertaining to the subjects will be part of these rules and will be effective from the dates as mentioned therein.









