

ANNUAL REPORT ON CSR ACTIVITIES for FY 2014-15

1. **A brief outline of the company's CSR policy, including overview of the projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.**

CSR Policy

The Company has already formulated and implemented CSR Policy as per Companies Act, 2013. The policy aims to integrate the objectives of profit maximization and long term growth with sustainable development & ethical business practices, by conducting business in a socially responsible way addressing the concerns of key stakeholders. The policy lays down the criteria to be followed during selection and planning of a CSR activity and while choosing the area of implementation of CSR projects. The management structure for CSR implementation consists of a Board level CSR Committee, nodal officer for CSR, the project head and his team for planning, implementing and monitoring CSR activities. The roles and responsibilities of each tier of the management structure is defined in the policy. The policy lays down that activities which fall within the purview of Schedule VII of Companies Act, 2013 shall be taken up by the company and the resource allocation for CSR would be as per fund allocation norms specified under sub-section (5) of Section 135 of Companies Act, 2013.

Major CSR works of creation of biodiversity park, augmentation of fish stock in reservoirs of Indira Sagar and Omkareshwar projects of NHDC Ltd and promotion of handicrafts of Madhya Pradesh were proposed in MOU for FY 2014-15. Miscellaneous works such as running and maintenance of Industrial Training Institute (ITI) at Narmada Nagar, running & maintenance of water supply facilities and electricity for street lights at various resettlement sites of Indira Sagar and Omkareshwar Projects, providing treatment and distribution of medicines to local people at OPD of project hospital were also taken up during FY 2014-15.

Further details in relation with above works is available at website of NHDC Ltd (http://nhdcindia.com/staticsite/Corp_Gov.asp).

2. **The Composition of CSR Committee**

As on 31st March, 2015 the composition of CSR Committee consists of following Board members:

1. Sh. Jayant Kumar, Director NHDC Ltd– Chairman of the Committee
2. Sh. K.M.Singh, Chief Executive Director, NHDC Ltd- Member
3. Sh. S. K. Panwar, Director, NHDC Ltd- Member

3. **Average net profit of the company for last three financial years**

Average net profit of the company calculated in accordance with the provisions of section 198 of Companies Act, 2013 made during the three immediately preceding financial years (i.e. FY 2011-12, FY 2012-13 and FY 2013-14) comes to Rs 962.67 Crore.

4. **Prescribed CSR expenditure (two percent of the amount as in item 3 above)**

Rs 19.25 Crore

5. **Details of the CSR spent during the financial year (i.e. FY 2014-15)**

- (a) Total amount to be spent for the financial year ; Rs 19.25 Crore
 (b) Amount unspent, if any ; Rs 16.30 Crore
 (c) Manner in which the amount spent during the financial year is detailed below.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl No.	CSR project or activity identified	Sector in which the project is covered	Project or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget project or programs wise)	Amount spent on the projects or programs Sub heads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency
1	Providing treatment and distribution of medicines to local people at OPD of project hospital	Health care and sanitation	Local area (Narmada Nagar, District Khandwa, Madhya Pradesh)	Rs 7.20 Lakh	Rs 7,18,328/-	Rs 7,18,328/-	Direct
2	Running & Maintenance of Industrial Training Institute (ITI) at Narmada Nagar	Education and skill development	Local area (Narmada Nagar, District Khandwa, Madhya Pradesh)	Rs 100 Lakh	Rs 1,10,03,058/-	Rs 1,10,03,058/-	NVDA, GoMP
3	Running & Maintenance of Water Supply facilities and electricity for street lights at various resettlement sites of Indira Sagar Project and Omlkareshwar Project	Rural Development	Local area (Khandwa district of Madhya Pradesh)	Rs 1.84 Crore	Rs 1,45,91,433/-	Rs 1,45,91,433/-	Direct
4	Construction of toilets at Gov't schools in Barwani, Burhanpur, Harada, Indore, Sehore and Ujjain districts of Madhya Pradesh under Swachh Vidyalaya Abhiyan	Health care and sanitation	Barwani, Burhanpur, Harada, Indore, Sehore and Ujjain districts of Madhya Pradesh	Rs 8 Crore	Rs 31,90,019/-	Rs 31,90,019/-	Direct

Reasons for unspent amount of Rs 16.30 Crore out of CSR budget of Rs 19.25 Crore for FY 2014-15

Major CSR works of creation of biodiversity park, augmentation of fish stock in reservoirs of Indira Sagar and Omkareshwar projects of NHDC Ltd and promotion of handicrafts of Madhya Pradesh were assigned in MOU for FY 2014-15. Accordingly the agencies for implementation of these works were identified and put up to the CSR Committee of the Board. The CSR Committee advised to engage consultants for implementation of these works. The process for the same were initiated but due to poor response and change in priority for construction of total 1300 no. toilets in the Gov't. schools at Barwani, Burhanpur, Harda, Indore, Sehore and Ujjain districts of Madhya Pradesh under Swachh Vidyalaya Abhiyaan as per directive of Govt of India, the work of biodiversity park, augmentation of fish stock and promotion of handicrafts of Madhya Pradesh were deferred and the works of construction of toilets were taken .

Out of 1300 no. toilets to be constructed by NHDC Ltd during FY 2014-15 & FY 2015-16, contracts were awarded for construction of total 800 no. toilets for a cumulative amount of Rs 16.12 Crore during FY 2014-15, however payment of Rs 31.90 Lakh only was made to contractors against the toilets construction. Total amount spent on CSR activities during FY 2014-15 was Rs 2.95 Crore including Rs 31.90 Lakh on construction of toilets. The unspent amount of Rs 16.30 Crore shall be utilized during FY 2015-16 for the works to be carried out under CSR.