

IMPLEMENTATION OF PROCEDURES, APPLICABLE FOR CSR-CD ACTIVITIES



**CORPORATE CSR GROUP
THDC INDIA LIMITED**

(1st AMENDMENT- MAY-2012)



THDC INDIA LIMITED

(A Joint Venture of Govt. of India & Govt. of U.P.)
(A MINI RATNA COMPANY)

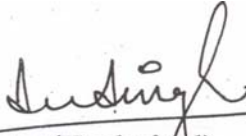
NO.3413/THDC/RKSH/DTS, DT. 31.05.2012

Circular

Sub:-Implementation of procedures applicable for CSR-CD activities.

For Implementation of procedures applicable for CSR-CD activities a "Hand Book for CSR-CD activities" was issued vide letter no.THDC/RKSH/DTS/3199, DT.29.06.2011. For more effective implementation the latest "Hand Book for CSR-CD activities(Amendment-May-2012) " shall be followed henceforth.

Encl: As Above


Director(Technical)

TO:

1. ED(MPSP), THDCIL, Pune
2. All OM's THDCIL
3. AOM(OMS)/(MPSY(CP) THDCIL
4. Company Secretary, THDCIL

Copy to:

1. CMD, THDCIL
2. D(P), THDCIL
3. D(F), THDCIL



For favor of information please.



Hand Book on Procedures Applicable for CSR-CD Activities

(1st Amendment- May-2012)

Introduction

As per guidelines issued by the Department of Public Enterprises on Corporate Social Responsibility, meticulous **documentation** relating to CSR policies, programmes, expenditure, procurement, etc and placing details in **public domain** and sharing with the National CSR Hub is an essential requirement. The implementation of CSR activities will also be monitored by the Board/ Ministry on a regular basis.

The Board of Directors in its 150th meeting approved THDC CSR-CD Scheme. For effective implementation of the scheme the following procedures/ practices will be followed for preparation of CSR Budget, accounting of expenditure on approved CSR Projects, submission of periodical MIR on implementation of CSR Projects, documentation on executed Projects etc.

Glossary

Activity:	Identified area of work under CSR (Environment, Infrastructure Development, Income Generation etc.)
Project:	Action plan against an identified Activity approved by competent authority for implementation.
Committed Fund:	Estimate approved for the entire Project . The expenditure may be spread over more than one Financial Year.
Unit:	Business location of the corporation (Corporate Office/Project Site/ Liaison Office etc) and Company sponsored NGO SEWA/ THDC Education Society(TES)

NB:

1. Each Activity identified for work under CSR should be allotted a fixed **Activity Code**.
2. Each approved project should be allotted a unique **Project Code**.
3. Each Unit executing Projects under CSR-CD scheme should be allotted a fixed **Unit Code**.



1.0 Preparation of Budget:

1.1 By 15th January every year the Budget Proposals of each Unit for CSR activity of the next financial year under CSR-CD Scheme, duly approved by the Head of the Unit, will be forwarded to the Head of CSR Group at Corporate Office in Form CSR- 001.

1.2 The Head of CSR Group, Corporate Office would be nodal officer responsible for CSR activities and budgetary control. He will consolidate the Budget Proposals received from the Units. Priority would be accorded for allocation of funds for ongoing Projects already approved. Provisions for new Projects would be considered after meeting requirement of ongoing Projects.

1.3 Head of Corporate CSR group will make necessary Budget allocation by 31st March every year for CSR activities to be implemented in the following financial year through SEWA, THDC Education Society (TES) and THDC Units.

In respect of activities to be implemented through SEWA /TES the Budget allocation will be considered and approved by the Managing Committee of SEWA/TES. The total Budget allocation for the financial year, to be considered and approved by SEWA/TES should be within the total Budget allocation earmarked by the Head of Corporate CSR Group.

1.4 Maximum 2% of the budgeted expenditure may be allocated toward Administrative Expenses of SEWA and TES (Office Establishment, Promotion & Publicity etc) and for purchase of Fixed Assets (Office Equipments & Furniture etc).

1.5 The approved annual budget of the respective units will be intimated with full details to the units.

2.0 Approval and Execution of Projects:

2.1 Execution of Projects:

CSR projects will be executed by Company Sponsored NGOs, namely SEWA and TES either directly or through specialized agencies listed in THDC CSR-CD Scheme -2010. The process of selection of the specialized agencies will be



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decided by the Managing Committee of SEWA and TES. CSR projects can also be executed directly by THDC.

2.2 **Approval of Projects:**

A standing committee, under the Chairmanship of the Head of Corporate CSR Group, will consider the proposed projects for approval as per due process. The standing committee will consist of the following:

- i) Head of CSR Group, Corporate Office, Chairman.
- ii) One member to be nominated by Director (Technical).
- iii) One member from Finance functions to be nominated by Director (Finance).
- iv) Secretary, SEWA.
- v) Secretary, TES

2.3 Proposal for approval of CSR Projects, within the allocated budget and for the identified activity, will normally be forwarded by Head of Social Group of Unit through/ with the approval of Unit Head, for consideration and approval of the Head of CSR Group at Corporate Office.

Head of Social Group of Unit, nominated by Head of Corporate CSR or any other Cell constituted for execution of CSR activities may also obtain approval directly from Head of Corporate CSR Group, where administrative convenience so warrants.

Proposal for approval of CSR Projects will also be forwarded by SEWA/TES to Corporate CSR Group, within the allocated budget and for the identified activity

All proposals for CSR Projects will be put up by Corporate CSR Group to the Standing Committee for consideration and approval.

2.4 The Project proposal by Units/ SEWA/TES must contain the following information/ document.

- a) Name of the Project.
- b) Activity.
- c) Area of operation of the Project.



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- d) Base line data/ survey report (to be used during final Impact Assessment of the project).
- e) Yardstick/ Parameter of Impact Assessment.
- f) Target Group.
- g) Numbers of expected beneficiary.
- h) Total time required for implementation of the Project.
- i) Proposed date of start of the Project.
- j) Estimated Project Cost (Estimated cost break up to be enclosed).
- k) Year wise phasing of fund requirement.

2.5 With every proposal for approval of a project, the following information should be submitted to the Head of CSR Group, Corporate Office.

Budget allocation for the proposed Activity

1	Fund allocated for the Activity for the year	
2	Fund already committed for approved Projects out of (1) above	
3	Fund available for commitment for this Project (1-2)	
4	Fund approved for this Project	**

**(To be filled up after approval of the Project)

2.6 On approval/ acceptance of the Project by the Standing Committee, a unique project Code, followed by Activity Code and Unit Code will be allotted for the purpose of monitoring and control. The sanction order for CSR Projects will be communicated in FORM CSR-005.

2.7 Head of Social Group of each Unit and SEWA/TES shall submit Impact Assessment Report, after completion of the Project. The time limit for submission of Impact Assessment Report shall be incorporated in the Sanction Order in Form CSR- 005.

.. A Nodal Officer will be nominated by the head of Corporate CSR Group for each sanctioned project. The Nodal Officer will monitor implementation of the work as per MOU/Letter of Award issued to the nominated agency by SEWA/ TES/ THDC.



3.0 Project Monitoring, Documentation and Reporting:

- 3.1 After completion of the Project and receipt of Impact Assessment Report, a Dossier of the completed project should be prepared.
- 3.2 All Projects in the nature of promoting sustainable livelihood in the long term and Project costing more than ₹ 5.0 lakh should be got evaluated by an independent external agency and the evaluation report included in the Dossier. For one time activities, such as Medical Camps etc. the closure report should enumerate the benefits and impact of the Project. Evaluation by independent external agency may not be required for such one time activities. However, Photograph, Video recordings (CDs) etc should be kept on record.
- 3.3 The Dossier should, inter alia, contain the following information.
- a) Name of the project and Project Code.
 - b) Name of the implementing Unit and Unit Code.
 - c) Project Cost.
 - d) Location/ area of operation of the Project.
 - e) Activity covered in the Project and Activity Code.
 - f) Targeted Group.
 - g) Number of people benefited from the project.
 - h) Quantification of benefit accrued from the project, as derived from the Impact Assessment Report/ evaluation report by independent agency.
 - i) Documentary proof like photo/video/news items etc.
- 3.4 The Dossier should be prepared both in hard and soft form. The soft copy of the Dossier should be hosted in the THDCIL website and also in the National CSR Hub, when available for hosting.
- 3.5 The Head of Social Group of each Unit and SEWA/TES will prepare the status, as on the last date of the previous month, of ongoing Projects and completed Projects under CSR-CD schemes, in **Form CSR-002** and **CSR-003** respectively, and submit to the Head of CSR group, Corporate Office by 10th of every month.



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- 3.6** The Head of CSR, Corporate Office will periodically monitor CSR activities through in-house independent CSR Committee /Social Audit Committee or a credible external agency.

The effectiveness of CSR-CD programme shall be evaluated through independent external agencies like TISS or DPE approved agencies/institutions. This evaluation should be both concurrent and final.

- 3.7** The Head of Corporate CSR Group will compile quarterly information of progress of implementation of CSR Projects, in consultation with Secretary SEWA/TES and submit quarterly report to the Board of Directors. The report to the Board should, inter alia, include the following.

- a) Expenditure incurred during the quarter and progressive expenditure under CSR-CD scheme.
- b) Particulars of Projects approved during the quarter, with highlights on important Projects approved.
- c) Status of ongoing Projects and status of completed Project (Compiled from information received in Form CSR-002 & CSR-003 vide Para 3.5 above).
- d) Highlights on selective important Projects completed, with evaluation report of the Project by any Committee/ external agency, if any.
- e) Report of CSR Committee /Social Audit Committee or any external agency on the CSR activities, if any (vide Para 3.6)

- 3.8** Annual Report highlighting complete CSR activities for the year will be submitted to the Board by head of Corporate CSR Group.

4.0 Payment and Accounting of CSR expenditure

- 4.1** Payment against approved CSR projects will be released by the units. The system of payment will be as under.

- a) SEWA/TES is a separate entity and having an independent Tax Account Number (TAN). So a separate Bank account will be opened by SEWA/TES at Rishikesh/Tehri for releasing its payments.



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- b) The cheque signatory will be the respective Unit Heads, one Finance officer of the Unit and Nodal Officer of SEWA/TES in the Unit, in addition to signatories of SEWA/TES at Rishikesh.
- c) Cheque Book of centralised bank account of SEWA at Rishikesh will be issued to the Nodal Officer of SEWA/TES in each unit of THDCIL which is implementing CSR Projects through SEWA/TES.
- d) Bills for approved Projects of SEWA/TES will be processed by the Nodal Officer of SEWA/TES of the Unit and payment made by Cheque/ RTGS/NEFT with the approval of the respective Unit Heads, after ensuring compliance of Income Tax/ VAT etc. The payments for Rishikesh work of SEWA/TES will be made by Rishikesh office of SEWA/TES.
- e) TDS will be remitted centrally from SEWA/TES, Rishikesh Office. A separate circular will be issued by SEWA/TES, Rishikesh Office for getting the information from various Units so that the TDS is deposited in time.
- f) Monthly statement of expenditure account, along with original copy of supporting vouchers etc. will be sent by Nodal Officer of SEWA/TES of each Unit to the SEWA/TES office at Rishikesh for compilation of accounts, audit etc. The photo copy of the same should be kept by Nodal Officer of SEWA/TES of each unit for record. The monthly expenditure statement should be furnished in the following format.
 - Sl. No.
 - Name of the Party
 - Project Name
 - Project Code
 - Cheque No and Date or RTGS/NEFT Reference No.
 - Amount
 - Vr. No

- 4.2** Accounting of expenditure under CSR-CD scheme will be done against approved Projects Code and against approved sub-heads of Administrative Expenditure. Monitoring and control of CSR expenditure shall be on cash basis.



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- 4.3** Project wise ledger should be maintained and balancing of ledger done as on the last date of every month. The Project wise figure of ledger balance will be utilised for the purpose of reporting monthly Status of ongoing Projects in **Form CSR 002** (Refer Para 3.5 above).
- 4.4** Quarterly (Provisional) Balance Sheet, Receipt and Payment, Income and Expenditure account of SEWA/TES will be prepared by 15th of the following month for the first three quarters.
- 4.5** The quarterly (Provisional) accounts, with Receipt and Payment A/c, for the first three quarter, duly signed by the Treasurer and Secretary, SEWA/TES will be submitted on 15th of July, October and January for the previous quarter to the Head of Finance (Establishment), Rishikesh, for adjustment of Advance A/c (Transfer of Fund from THDCIL to SEWA/TES).
- 4.6** The final Audited Annual Accounts of SEWA/ TES, with Receipt and Payment A/c, will be submitted to the Head of Finance (Establishment), Rishikesh, for final adjustment of Advance A/c, by 15th of May for the previous financial year.
- 4.7** Opening Cash and Bank Balance + Advance from THDCIL– Closing Cash and Bank Balance, as per Receipt and Payment Account, will be treated as expenditure incurred on CSR-CD Scheme for the purpose of adjustment of Advance by Finance (Establishment) in the books of THDCIL.
- 5.0 Transfer of fund to SEWA/ TES by THDCIL**
 - 5.1** Request for fund transfer from THDCIL account to SEWA/ TES A/c will be submitted to Corporate Finance in FORM **CSR-004** duly signed by the Secretary and Treasurer of SEWA/ TES through Head of CSR Group, Corporate Office.
 - 5.2** Requisition for fund transfer for the first quarter should be submitted along with Audited Final Accounts for the previous financial year. For the next three quarter, the requisition should be submitted along with quarterly (Provisional) Accounts (Refer Para 4.4 and 4.5). Certified Balance in the Bank accounts of SEWA and TES at the end of each quarter, with



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Bank Reconciliation Statement, should also be submitted with the Requisition for fund transfer.

- 5.3** Linking the time schedule of preparation and submission of quarterly (Provisional) Accounts and Audited Final Accounts, the requisition for fund transfer should be submitted on 15th May for next two months, on 15th July and 15th October for next three months and on 15th January for next four months.
- 5.4** Accumulation of fund in SEWA and TES account much in excess of estimated requirement for one month expenditure should be avoided. For this purpose, the quarterly requirement of fund, requisitioned in **Form CSR-004**, may be transferred to SEWA and TES account in instalments as per advice of Secretary/ Treasurer of SEWA and TES.



Budget Proposal of SEWA/ TES/-----Unit
for the year _____

SL No	Activity	Budget Allocation Proposed	Remarks
Total			

Note: The proposed Activity should be within the list of approved Activities under CSR-CD Scheme.

SEWA/TES/ Head of Social Group



Status of ongoing Projects

SEWA/TES/-----Unit

Date:.....

Status as on----- (Last date of every month)

SI No.	Project Name & Project Code	Date of approval	Fund approved for the Project ₹	Expenditure incurred @@ ₹	Balance fund Available (4-5) ₹	Expected completion date	Remarks
1	2	3	4	5	6	7	8

@@ This figure should be as per booking reflected in Project wise ledger in the books of SEWA/ TES/THDC. In case of difference in booking in Project ledger and actual expenditure incurred, the same should be reconciled and explained in Remark column-8

SEWA/TES/ Head of Social Group

**Status of completed Projects**

SEWA / TES/ -----Unit

Date:.....

Status as on----- (Last date of every month)

SL No	Project Name & Project Code	Final Cost of the Project ₹	Date of Completion of Project	Status of		
				Impact Assessment Report	Preparation of Dossier	Uploading in THDCIL website
1	2	3	4	5	6	7

SEWA/TES/ Head of Social Group



Requisition for fund transfer

Date:

	₹	₹
A. CSR Provision in the Books of THDCIL:		
Opening Balance as on 1.4.-		
Add transfer to CSR Provision-	_____	
Total		_____
B. Expenditure During the year:		
(Vide Para 4.6 of Hand Book on CSR-CD)		
Up to 1 st /2 nd /3 rd /4 th quarter ending-----		_____
(As per Provisional / Final Audited Receipt and Payment Account enclosed)		
C. Balance in CSR Provision (A-B)		

₹ -----will be required for expenditure on CSR-CD Projects, which may be transferred as per the following schedule.

Date SEWA A/c TES, RKSH A/c TES, Tehri A/c

1.

2.

Treasurer

Secretary

Head of Corporate CSR



Sanction Order of CSR Project

NO:.....

Dated:.....

Project Name:

Project Code:

Activity Code:

Unit Code:

1. Proposal for undertaking the above Project under CSR activity during financial year....., received vide letter No..... Dated..... has been considered and approved. The total budget allocation for the Project is ₹.....(Rupees).
2. The project will be executed by SEWA/ TES/Unit.
3. Shri.....is nominated as Nodal Officer for this project, who shall monitor the implementation of the work as per MOU signed / letter of award issued by *SEWA/ TES/ Unit* to the implementing agency.
4. Withindays of completion of the Project, Impact Assessment Report should be forwarded to the Corporate CSR, Rishikesh.
5. For all future correspondence on this project, the Project Code should be quoted.

(Head of Corporate CSR Group)