

INDIA POWER CORPORATION (HALDIA) LIMITED
VIGIL MECHANISM
(WHISTLE BLOWER POLICY)

Preamble	<p>Companies Act, 2013 provides for establishment of Vigil Mechanism for directors and employees to report genuine concerns in the prescribed manner.</p> <p>The Vigil Mechanism, through this Whistle Blower Policy, is intended to encourage and enable the employees and directors of the Company to raise genuine concerns within the organization rather than overlooking the concerns or dealing them externally.</p>
Applicability	<p>This policy applies to all permanent employees and directors of the Company. This policy shall extend to ex-employees upto 90 days after leaving the organization.</p>
Scope of Policy	<p>This Policy aims at providing avenues for employees and directors to raise concerns (hereinafter referred to as ‘concerns’) about suspected unethical behaviour or improper practices or wrongful conduct. Such concerns could be any of the following in nature:</p> <ol style="list-style-type: none"> a) Manipulation of Company data/ records stored physically or electronically b) A substantial and specific danger to public health and safety c) An abuse of authority d) Leaking confidential/ proprietary information e) Violation of any law or regulations f) Gross wastage or misappropriation of Company resources g) Activities violating policies including Code of Conduct h) Forgery or alteration of documents i) Corruption/ Bribery j) Misappropriation of funds/ assets k) Financial Statement Fraud l) Actual or suspected Fraud <p>(The above list is only illustrative and should not be considered as exhaustive)</p>
Definitions	<p>In this Policy, the following words and expressions, unless the context otherwise requires, shall have the following meanings ascribed to them:</p> <p>Board or Board of Directors means the Board of Directors of the Company.</p> <p>Company means India Power Corporation Limited.</p> <p>Complaint means a written concern on issues including but not limited to fraud, corruption, theft, embezzlement or moral turpitude.</p> <p>Complainant means an Employee or Director of the Company who reports to employer misconduct or wrongdoing within the Company.</p> <p>Compliance Officer shall mean the Company Secretary of the Company.</p> <p>Disciplinary Action means any punitive action taken by the Investigating Authority, including but not limited to wage freeze, suspension or termination of employment.</p> <p>Employee means any person employed by the Company, whether on a part-time or full time basis.</p> <p>Investigation means a comprehensive and systematic inquiry conducted by the Investigating Authority into a complaint.</p>

	Investigating Authority means the person investigating the complaint as described in the Compliant Process.
Interpretations	<p>This Policy shall be interpreted as follows:</p> <ol style="list-style-type: none"> a) Terms that have not been defined herein shall have the same meaning assigned to them in the Companies Act, 2013, as amended from time to time. b) This Policy can be modified or amended only by Board of Directors of the Company; and c) Unless the context otherwise requires, all words (whether gender-specific or gender neutral) shall be deemed to include each of the masculine, feminine and neuter genders and words importing the singular include the plural and vice versa.
Compliant Process	<ol style="list-style-type: none"> a. A director or an employee of the Company can make a complaint regarding any concern. b. The complaint should be in writing and should clearly address the following: <ol style="list-style-type: none"> i. Background and history of the concern raised in the complaint; ii. Specific instances including dates, places and names; iii. Reason for naming a particular Employee/ Director; and iv. Sufficient grounds and evidence in the knowledge of the complainant. c. The complaint can be handled in the following ways: <ol style="list-style-type: none"> i. Investigation by a person nominated by the Chairman of the Audit Committee, if the complaint is in relation to General Manager and above upto Presidents; ii. Investigation by the Company Secretary or a person nominated by the Chairman of the Audit Committee, if the complaint is in relation to an employee upto the rank of GM. <p>However, if the circumstances so require, the employee can make complaint directly to the Chairman of the Audit Committee.</p> d. The Investigating Authority may make a reference to any Government Authority, if so required. e. The complaint shall be made by the complainant to any of the persons as stated above, depending on the person in respect of whom an allegation is being made. If any Investigating Authority has any conflict of interest in a given case, they should not participate in the investigation. f. Within ten working days of receiving the complaint, the Investigating Authority shall write to the complainant: <ol style="list-style-type: none"> i. Acknowledge that the complaint has been received; ii. Indicating the tentative process to deal with the complaint; and iii. Giving an estimate of the time frame for the final response. g. The Investigating Authority may arrange a meeting with the complainant to gather evidence and to collect information. h. The Investigating Authority has the following duties: <ol style="list-style-type: none"> i. Conduct of an appropriate investigation; ii. Collection of evidence in relation to the allegation; iii. Taking appropriate Disciplinary Action after due investigation; iv. Subject to legal constraints, communicating the outcome of the investigation conducted; v. Referring the complaint to any superior if required.

Protection	<p>No discrimination, harassment, victimization or, in the case of employees, any other unfair employment practice like retaliation, threat or intimidation or termination/ suspension of service, disciplinary action, transfer, demotion, refusal of promotion or the like will be adopted against the complainant.</p> <p>The identities of the complainant and subject shall be kept confidential to the extent possible; subject to the needs of the investigation or law.</p> <p>The Investigating Authority shall investigate the concerns raised and recommend suitable action to the management which may inter alia include:</p> <ul style="list-style-type: none"> i. Reinstatement of the employee to the same position or to an equivalent position. ii. Order for compensation for lost wages, remuneration or any other benefits, etc.
Allegation	<p>This policy requires an individual to reveal his/ her identity to any disclosures they make, to facilitate a proper investigation.</p>
Confidentiality	<p>The Company will treat all disclosures under this policy in a sensitive manner and will endeavour to keep identity of the complainant confidential.</p> <p>However, the investigation process may inevitably reveal source of information and the complainant may need to provide a statement which cannot be kept confidential if legal proceedings arise.</p>
Untrue / Malicious / Vexatious Allegations	<p>Protection under this policy would not mean protection from disciplinary action arising out of false or bogus allegations made by the complainant, knowing it to be false or bogus or with a malafide intention.</p> <p>In case of repeated frivolous complaints being filed by a director or an employee, the Audit Committee may take suitable action against the concerned director or employee, including reprimand.</p>
Concerns not covered under the policy	<p>Career related or other personal grievances are excluded from the policy. Any matter already discussed or in the process of being addressed pursuant to any disciplinary or other procedures of the Company cannot be addressed under the policy.</p> <p>Business and financial decisions taken by management cannot be questioned under the policy.</p>

India Power Corporation (Haldia) Limited

IPCHL Nomination & Remuneration Policy

(Framed under Section 178(3) of Companies Act, 2013)

1. Preamble

- 1.1 Sub-section (3) of Section 178 of the Companies Act, 2013 states that the Nomination and Remuneration Committee shall formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
- 1.2 Section 178 of the Companies Act, 2013 has been made effective from April 1, 2014 by the Central Government by notification no. S.O. 902(E) issued on March 26, 2014. Therefore, this Nomination and Remuneration Policy (“the Policy”) has been framed in compliance with the provisions of the Act and Rules made under the Act.
- 1.3 The Policy provides a framework for remuneration to the members of the Board of Directors (“Board”), Key Managerial Personnel (“KMP”) and the Senior Management Personnel (“SMP”) of the Company (collectively referred to as “**Executives**”).

The expression “senior management” means employees of the Company who are members of its core management team excluding directors comprising all members of management one level below the executive directors, including the functional heads.
- 1.4 The existing Remuneration Committee of the Board of Directors has been re-named as Nomination and Remuneration Committee (“the Committee or NRC”) so as to comply with the provisions of Section 178(1) of the Act. The Members of the Committee shall be appointed by the Board and shall comprise three or more non-executive directors out of which not less than one-half shall be independent directors. Any fraction in the one-half shall be rounded off to one.
- 1.5 This Policy will be called “IPCHL Nomination & Remuneration Policy” and referred to as “the Policy”.
- 1.6 The Policy will be reviewed at such intervals as the Nomination and Remuneration Committee will deem fit.

2. Objectives

- 2.1 The objectives of the Policy are as follows:
 - 2.1.1 To set criteria for determining qualifications, positive attributes and independence of a director and remuneration of the Executives.
 - 2.1.2 To enable the Company to attract, retain and motivate highly qualified members for the Board and other executive level to run the Company successfully.
 - 2.1.3 To enable the Company to provide a well-balanced and performance-related compensation package, taking into account shareholder interests, industry standards and relevant Indian corporate regulations.

- 2.1.4 To ensure that the interests of Board members & senior executives are aligned with the business strategy and risk tolerance, objectives, values and long-term interests of the company and will be consistent with the "pay-for-performance" principle.
- 2.1.5 To ensure that remuneration to directors, KMP and senior management employees of the Company involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

3. Principles of remuneration

- 3.1 Support for Strategic Objectives: Remuneration and reward frameworks and decisions shall be developed in a manner that is consistent with and supports and reinforces the achievement of the Company's vision and strategy.
- 3.2 Transparency: The process of remuneration, management shall be transparent, conducted in good faith and in accordance with appropriate levels of confidentiality.
- 3.3 Internal equity: The Company shall remunerate the Executives in terms of their roles within the organisation. Positions shall be formally evaluated to determine their relative weight in relation to other positions within the Company.
- 3.4 External equity: The Company strives to pay an equitable remuneration, capable of attracting and retaining high quality personnel. Therefore, the Company will remain logically mindful of the ongoing need to attract and retain high quality people and the influence of external remuneration pressures. Reference to external market norms will be made using appropriate market sources, including relevant and comparative survey data, as determined to have meaning to the Company's remuneration practices at that time.
- 3.5 Flexibility: Remuneration and reward shall be sufficiently flexible to meet both the needs of individuals and those of the Company while complying with relevant tax and other laws.
- 3.6 Performance-Driven Remuneration: The Company shall establish a culture of performance-driven remuneration through the implementation of the Performance Incentive System.
- 3.7 Affordability and Sustainability: The Company shall ensure that remuneration is affordable on a sustainable basis.

4. Terms of Reference and Role of the Committee

- 4.1 The Terms of Reference and Role of the Committee as set by the Board of Directors are as under:
 - 4.1.1 Evaluate the current composition and organization of the Board and its committees in light of requirements established by any Regulatory Body or any other applicable statute, rule or regulation which the Committee

deems relevant and to make recommendations to the Board with respect to the appointment, re-appointment and resignation of Independent, Executive and Non-Executive Directors of the Company;

- 4.1.2 Review the composition and size of the Board in order to ensure that the Board is comprised of members reflecting the proper expertise, skills, attributes and personal and professional backgrounds for service as a Director of the Company, as determined by the Committee;
- 4.1.3 Review and recommend to the Board an appropriate course of action upon the resignation of current Board members, or any planned expansion of the Board, and review the qualifications, experience and fitness for service on the Board of any potential new members of the Board;
- 4.1.4 Review all stockholder proposals submitted to the Company (including any proposal relating to the nomination of a member of the Board) and the timeliness of the submission thereof and recommend to the Board appropriate action on each such proposal;
- 4.1.5 Formulate, administer and supervise the Company's Stock Option schemes, if any, in accordance with relevant laws;
- 4.1.6 Ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
- 4.1.7 Ensure that relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- 4.1.8 Ensure that remuneration to Directors, Key Managerial Personnel (KMPs) and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals;
- 4.1.9 Formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel (KMPs) and other employees of the Company;
- 4.1.10 Formulate the criteria for evaluation of Independent Directors and the Board;
- 4.1.11 Identify the persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal;
- 4.1.12 Deal with such matters as may be referred to by the Board of Directors from time to time;

4.2 The Committee shall:

- 4.2.1 review the ongoing appropriateness and relevance of the Policy;
- 4.2.2 ensure that all provisions regarding disclosure of remuneration, including pensions, leave encashment, gratuity, etc. are fulfilled;
- 4.2.3 obtain reliable, up-to-date information about remuneration in other companies;
- 4.2.4 ensure that no director or executive is involved in any decisions as to their own remuneration.

4.3 Without prejudice to the generality of the terms of reference as set out above, the Committee shall:

- 4.3.1 operate the Company's share option schemes (if any) or other incentives schemes (if any) as they apply to. It shall recommend to the Board the total aggregate amount of any grants to the Executives including individual limit and make amendments to the terms of such schemes, as the case may be;
- 4.3.2 liaise with the trustee/ custodian of any employee share scheme which is created by the Company for the benefit of employees or Directors.
- 4.3.3 review the terms of Executives service contracts from time to time.

5 Procedure for selection and appointment of the Board Members

5.1 Board membership criteria:

- 5.1.1 The Committee, along with the Board, shall review on an annual basis, appropriate skills, characteristics and experience required of a Board Member. The objective is to have a Board with diverse background and experience in business, government, academics, technology and in areas that are relevant for the Company's global operations.
- 5.1.2 In evaluating the suitability of individual Board members, the Committee shall take into account many factors, including general understanding of the Company's business dynamics, global business and social perspective, educational and professional background and personal achievements. Directors must possess experience at policy-making and operational levels in large organizations with significant international activities that will indicate their ability to make meaningful contributions to the Board's discussion and decision-making in the array of complex issues facing the Company.
- 5.1.3 Director should possess the highest personal and professional ethics, integrity and values. They should be able to balance the legitimate interest and concerns of all the Company's stakeholders in arriving at

decisions, rather than advancing the interests of a particular constituency.

- 5.1.4 In addition, Directors must be willing to devote sufficient time and energy in carrying out their duties and responsibilities effectively. They must have the aptitude to critically evaluate management's working as part of a team in an environment of collegiality and trust.
 - 5.1.5 The Committee shall evaluate each Director with the objective of having a group that best enables the success of the Company's business.
- 5.2 Selection of Board Members/ extending invitation to a potential director to join the Board:
- 5.2.1 One of the roles of the Committee is to periodically identify competency gaps in the Board, evaluate potential candidates as per the criteria laid above, ascertain their availability and make suitable recommendations to the Board. The objective is to ensure that the Company's Board is appropriate at all points of time to be able to take decisions commensurate with the size and scale of operations of the Company. The Committee also identifies suitable candidates in the event of a vacancy being created on the Board on account of retirement, resignation or demise of an existing Board member. Based on the recommendations of the Committee, the Board evaluates the candidate(s) and decides on the selection of the appropriate member.
 - 5.2.2 The Board then shall make an invitation (verbal/ written) to the new member to join the Board as a Director. On acceptance of the same, the new Director may be appointed by the Board.

6 Procedure for selection and nomination of KMP and SMPs

The Vice Chairman, who is also a Member of the NRC, shall along with the Chairman and Managing Director (CMD) and the Head of Human Resource (HR) Department shall identify and appoint suitable candidates for appointing them as KMPs (excluding Executive Directors) or SMPs of the Company on the basis of their academic, professional qualifications, relevant work experience, skill and other capabilities suitable to the position of concerning KMP or SMP.

Further, in case of KMP (excluding Executive Director) appointment, approval of the Board of Directors/ concerned Committee shall be taken in accordance with provisions of relevant Act, statutes, regulations etc. existing as on that date. The appointment and/or removal of KMPs shall be placed before the NRC and / or Board of Directors at regular intervals.

Further, in case of appointment of SMPs (excluding KMPs), the appointment as approved by the Vice Chairman, CMD and Head of the HR Department shall be placed before the NRC at regular intervals.

7 Compensation Structure

7.1 Remuneration to Non-Executive Directors:

The Non-executive Directors of the company are paid remuneration by way of fees only for attending the meetings of the Board of Directors and its Committees. The fees paid to the Non-executive Directors for attending meetings of Board of Directors shall be such as may be determined by the Board within the limit prescribed under the Companies Act, 2013. Beside the sitting fees, they are also entitled to reimbursement of expenses.

The fees of the Non-executive Directors for attending meetings of Board of Directors and the Committees thereof may be modified from time to time only with the approval of the Board in due compliance of the provisions of Companies Act, 2013 and amended from time to time.

An Independent Director shall not be entitled to any stock option and may receive remuneration only by way of fees and reimbursement of expenses for participation in meetings of the Board or Committee thereof and profit related commission, as may be permissible by the applicable law.

If any such director draws or receives, directly or indirectly, by way of fees/ remuneration any such sum in excess of the limit as prescribed or without the prior sanction, where it is required, under the applicable law such remuneration shall be refunded to the Company and until such sum is refunded, hold it in trust for the Company.

7.2 Remuneration to Executive Directors, Key Managerial Personnel(s) (KMPs) & Senior Management Personnel(s) (SMPs)

The Company has a credible and transparent framework in determining and accounting for the remuneration of the Managing Director / Whole-time Directors (MD/WTDs), Key Managerial Personnel(s) (KMPs) and Senior Management Personnel(s) (SMPs). Their remuneration shall be governed by the external competitive environment, track record, potential, individual performance and performance of the company as well as industry standards. The remuneration determined for MD/WTDs shall be approved by the Board of Directors at a meeting which shall be subject to the approval of members at the next general meeting of the Company and by the Central Government in case such appointment is at variance to the conditions specified in Schedule V of the Companies Act, 2013. As a policy, the Executive Directors are not paid any fees for attending the Board and/ or Committee meetings.

If any Director draws or receives, directly or indirectly, by way of remuneration any such sums in excess of the limit as prescribed or without the prior sanction, where it is required, under the Applicable law, such remuneration shall be refunded to the Company and until such sum is refunded, hold it in trust for the Company.

A Director who is in receipt of any commission from the Company and who is a managing or whole-time director of the Company may receive any remuneration

or commission from any holding or subsidiary company of the Company, subject to its disclosure by the Company in the Board's report.

The remuneration (including revision) of KMPs (excluding Executive Directors) and SMPs shall be determined by VC along with the CMD and Head of Human Resource (HR) Department after taking into consideration the academic, professional qualifications, work experience, skill, other capabilities and industry standards.

Further, the remuneration (including revision) of KMPs (excluding Executive Directors) shall also be subject to approval of the Board of Directors/ Concerned Committees, if stipulated by any Act, statute, regulations etc.

8 Powers of the Committee and Meetings of the Committee

The Committee shall have inter-alia the following powers:

- 8.1 Conduct studies or authorise studies of issues within the scope of the Committee with full access to all books, records, facilities and personnel of the Company;
- 8.2 Retain or seek advice of consultants and experts for performance of their role under this Policy and the costs relating thereto shall be borne by the Company;
- 8.3 Delegate its powers to any Member of the Committee or any KMP of the Company or form sub-committees to perform any of its functions or role under this Policy.

9. Approval and publication

9.1 This Policy as framed by the Committee shall be recommended to the Board of Directors for its approval.

9.2 The Policy shall form part of Director's Report as required under Section 178(4) of the Companies Act, 2013.

10. Supplementary provisions

10.1 This Policy shall formally be implemented from the date on which they are adopted pursuant to a resolution of the Board of Directors.

10.2 Any matter not provided for in this Policy shall be handled in accordance with relevant laws & regulations and the Company's Articles of Association.

10.3 The right to interpret this Policy vests in the Board of Directors of the Company.

Corporate Social Responsibility Policy

India Power Corporation (Haldia) Limited

Preamble

In INDIA POWER CORPORATION (HALDIA) LIMITED [IPC(H)L], Corporate Social Responsibility (CSR) is focused on enhancing the lives of the local community in which it operates and in general, creating a better quality of life for the people in the communities in which the Company operates.

In terms of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended ('the Act'), every Company having net worth of Rs. 500 crore or more or turnover of Rs. 1,000 crore or more or net profit of Rs. 5 crore or more during any financial year shall constitute Corporate Social Responsibility Committee ('CSR Committee') and the CSR Committee shall:

- i. formulate and recommend to the Board, a Corporate Social Responsibility (CSR) Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Act,
- ii. recommend the amount of expenditure to be incurred on the activities referred in the Policy,
- iii. monitor the Corporate Social Responsibility Policy of the Company from time to time.

The Board of Directors of the Company has at its meeting held on 20th March, 2015, constituted a Corporate Social Responsibility Committee.

This Policy on Corporate Social Responsibility (CSR Policy) has been formulated by the CSR Committee and then was recommended to the Board of Directors of the Company (the 'Board') for its approval. The Board at its meeting held on 21st May, 2015 approved and adopted the CSR Policy with immediate effect.

The Companies Act, 2013 further provides that the Board of every Company referred to in to which Section 135(1) applies, shall ensure that the Company spends, in every financial year, at least two percent, of the average net profits of the Company made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy; provided that the Company shall give preference to the local area and areas around it operates, for spending the amount earmarked for CSR activities; however, if the Company fails to spend such amount, the Board shall, in its Report made under clause (o) of the sub-section (3) of the Section 134, specify the reasons for not spending the amount.

1.1. Objectives of the Policy

This Policy shall be read in line with Section 135 of the Companies Act, 2013, Companies (Corporate Social Responsibility Policy) Rules, 2014 and such other rules, regulations, circulars, and notifications (collectively referred hereinafter as 'Regulations') as may be applicable and as amended/ notified from time to time and will, inter-alia, provide for the following:

- i. Establishing a guideline for compliance with the provisions of the Regulations to dedicate a percentage of Company's profits for CSR activities.
- ii. Ensuring the implementation of CSR initiatives in letter and spirit through appropriate procedures and reporting.
- iii. Creating opportunities for employees to participate in socially responsible initiatives.

1.2. Definitions

In this Policy unless the context otherwise requires:-

- i. 'Act' means Companies Act, 2013;
- ii. 'Corporate Social Responsibility' means Corporate Social Responsibility (CSR) as defined in Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014;
- iii. 'Net Profit' means net profit as defined in the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014;
- iv. 'Any Financial Year' referred under Sub-Section (1) of Section 135 of the Act read with Rule 3(2) of the Companies (Corporate Social Responsibility Policy) Rules, 2014, implies 'any of the three preceding financial years'.

Words and expressions used in this CSR Policy and not defined herein but defined in the Act shall have the meaning respectively assigned to them in the Act.

1.3. CSR Activities

The Policy recognizes that corporate social responsibility is not merely compliance; it is a commitment to support initiatives that measurably improve the lives of underprivileged by one or more of the following focus areas as notified under Schedule VII to the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014:

- i. eradicating hunger, poverty and malnutrition, promoting preventive health care, sanitation, making available safe drinking water, safety traffic engineering and awareness through print, audio & visual media, disaster relief & giving medical & legal aid, treatment to road accident victims;
- ii. promoting education, research and studies including special education and employment enhancing vocation skills especially among children, women, elderly and the differently-abled, livelihood enhancement projects & Non Academic Technopark TBI;
- iii. promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups; enabling access to or improving the delivery of public health systems & re-development or EWS housing;
- iv. reducing child mortality and improving maternal health by providing good hospital facilities and low cost medicines;
- v. providing with hospital and dispensary facilities with more focus on clean and good sanitation so as to combat human immunodeficiency virus, acquired immune deficiency syndrome, malaria and other diseases;
- vi. ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources, maintaining quality of soil, air & water, product life cycle analysis and renewable energy projects;
- vii. employment enhancing vocational skills, farm management practices & training agriculture labour on skill management;

- viii. 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;
- ix. measures for the benefit of armed forces veterans, war widows and their dependents;
- x. training to promote rural sports, nationally recognized sports, Paralympics sports and Olympic sports;
- xi. 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;
- xii. contributions or funds provided to technology incubators located within academic institutions, which are approved by the Central Government;
- xiii. rural development CSR activities shall be undertaken as projects, programs or activities (either new or ongoing) excluding activities undertaken in pursuance of the normal course of business of the Company;
- xiv. such other activities included in Schedule VII of the Companies Act, 2013 as maybe identified by the CSR Committee from time to time which are not expressly prohibited.

The above listed entries would be interpreted liberally so as to capture the essence of the same.

Salaries paid to regular CSR staff as well as to volunteers of the Company (in proportion to Company's time/ hours spent specifically on CSR) can be factored into CSR project cost as part of the CSR expenditure.

It may be noted that the above activities are indicative and are activities that the Company may at any point in time engage into.

1.4. Geographical Reach

The Act provides that the Company shall give preference to the local area and areas around where it operates, for spending the amount earmarked for Corporate Social Responsibility. However, the Committee may identify such areas other than stated above, as it may deem fit and recommend it to the Board for undertaking CSR activities.

2. **CSR Committee**

2.1. Guiding Principles for Constitution of CSR Committee

CSR Committee shall be formed as per the applicable laws and the committee shall be responsible for the implementation/ monitoring and review of this policy and various projects/ activities undertaken under the policy. The Committee members may attend the meeting physically or via such audiovisual means as permitted under the Regulations. The Committee shall have the authority to call such employee(s), senior official(s) and/ or externals, as it deems fit.

2.2 Scope of Functions of CSR Committee

The function of the CSR Committee will be to formulate and recommend to the Board, the activities to be undertaken by the Company and the amount of expenditure to be incurred on these activities.

2.3 Transparent Monitoring Mechanism

The CSR Committee shall institute a transparent monitoring mechanism for ensuring implementation of the CSR projects/ programs/ activities proposed to be undertaken by the Company. The CSR Committee shall have the authority to obtain professional advice from external sources and have full access to information contained in the records of the Company as well as the powers to call any employee/ external consultant or such other person(s) and for such purpose as may be deemed expedient for the purpose of accomplishments of overall CSR objectives laid down under the Act.

3. **Procedures**

3.1 Planning and Implementation

- I. The Projects may be divided into two main categories- Direct Project Funding and CSR Partner Funding. Projects which involve considerable financial commitment undertaken on a timeframe of 1-3 years where IPC(H)L will be the primary sponsor, will be considered under Direct Project Funding and accorded due significance. CSR Partner Funding will include all services provided by IPC(H)L like manpower, rental space, construction expertise and the like.
- II. A list of CSR projects/ programmes undertaken shall be reviewed by the CSR Committee at regular intervals.
- III. CSR activities shall be undertaken in project/ programme mode.
- IV. Identification of projects and the executing agency/ NGO will be made, inter-alia, by assessing the following:
 - a. Project Objectives;
 - b. Baseline survey – As-is and To-be state basis, accordingly the outcome of the project will be measured;
 - c. Implementation schedules – Timelines for milestones of the project will need to be prescribed and agreed upon;
 - d. Responsibilities and authorities;
 - e. Major results expected and measurable outcome including the expenses/ charges ratio as against the actual CSR spend;
 - f. The Company may empower the members of the CSR Committee to spend such amount as they think appropriate for some other strategic CSR contingencies that may arise during any financial year. The amount spent as above shall be put up for ratification of the committee at its next meeting and shall report to the Board accordingly.
- V. If the Company decides to set up a Registered Trust or Section 8 Company or Registered Society or any other form of entity operating within India to facilitate implementation of its CSR activities in accordance with its stated CSR Policy, the following shall apply:
 - a. The Company would need to specify the projects/ programs to be undertaken by such an organization, for utilizing funds provided by it;
 - b. The Company shall establish a monitoring mechanism to ensure that the allocation is spent for the intended purpose only;
 - c. The Trust/ Society/ Section 8 Company etc. would be exclusively for undertaking CSR activities.

‘Registered Trust’ (as referred in Rule 4(2) of the CSR Rules, 2014) would include Trusts registered under Income Tax Act, 1956, for those States where registration of Trust is not mandatory.

- VI. The Company may also conduct/ implement its CSR programs through Registered Trusts, Registered Societies or Section 8 companies, operating in India, which are not set up by the Company itself, herein collectively referred to as ‘CSR Partner’ or ‘CSR Partner(s)’.
- VII. Such spends may be included as part of its prescribed CSR spend only if such organizations have an established track record of at least three years in carrying on activities in related areas.
- VIII. Company may collaborate or pool resources with other Companies to undertake CSR activities within India. Only activities which are not exclusively for the benefit of employees of the Company or their family members shall be considered as CSR activities.

3.2 Criterion for CSR Partner(s) and Agreement

While identifying projects, CSR Committee will assess CSR Partner(s) organizations who would execute the projects at the grass root level. The Committee shall lay down the minimum criteria for such CSR partner(s).

3.3 Review and Reporting

The CSR Committee will review the philanthropic activities of the Company and will provide progress update to the Board of Directors every six months/ such other intervals as deemed fit. The Company will report, in the prescribed format, if any, the details of CSR initiatives and activities of the Company in the Directors’ Report and on the website, (if any) of the Company, as required under the Regulations. Such reporting will be done, pertaining to financial year(s) commencing on or after the 1st day of April, 2014.

4. **Monitoring**

- I. Appropriate documentation and amendments of the CSR Policy, annual CSR activities, reports on execution by CSR Partner(s) and expenditures will be undertaken on a regular basis and same will be available to the Board of Directors of the Company.
- II. Initiatives undertaken on the CSR front will be reported in the Annual Report of the Company.
- III. The CSR Committee and persons/ entities authorised by it, may conduct due diligence checks on the current projects/ partners on a quarterly basis and report anomalies, if any, immediately.
- IV. Based on analysis of current projects, carry out roadmap planning for allocation of budget and selection of projects. The same will be done at least once in a financial year.
- V. Plan and publish an annual calendar of major events so as to strive for maximum participation of stakeholders/ society.

5. **Amendments to the Policy**

The Board of Directors on its own and/ or as per the recommendations of CSR Committee can amend this Policy, as and when required and as deemed fit. Any or all provisions of the CSR Policy would be subject to revision/ amendment in accordance with the Regulations on the subject as may be issued from relevant statutory authorities, from time to time.

In case of any clarification on any matter, including interpretation of this Policy, the Company Secretary of IPC(H)L shall be contacted. The decision of the Board of Directors on all matters, relating to this Policy,

shall be final and binding upon all concerned. This Policy is subject to continuous review and updates as may be required from time to time.