



INDIA POWER CORPORATION LIMITED
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CORPORATE SOCIAL RESPONSIBILITY
POLICY

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CORPORATE SOCIAL RESPONSIBILITY POLICY

Corporate Social Responsibility (hereinafter referred to as “CSR”) is traditionally driven by a moral obligation and philanthropic spirit. Over time CSR has become an integral part of every business. India Power Corporation Limited (hereinafter referred to as “the Company”) recognises its sense of responsibility towards the community and the environment in which it operates. The Company believes that by exhibiting socially, environmentally and ethically responsible behaviour in governance of its operations, the business can generate value and long term sustainability for itself while making positive contribution for the betterment of the society. The Company invests a part of its profits/revenues beyond business, for the larger good of the society. It is therefore a conscious strategy to design and implement CSR projects/programmes/activities that encompass the most disadvantaged sections of society through economic empowerment.

The Corporate Social Responsibility Policy (hereinafter referred to as the “Policy”) has been formulated in terms of the provisions of the Companies Act, 2013 (hereinafter referred to as the “Act”), by the Corporate Social Responsibility Committee of the Company and is approved and adopted by the Board of Directors (hereinafter referred to as the “Board”) of the Company.

OBJECTIVE

CSR is a form of corporate self regulation integrated into a business model. Therefore, the Policy shall function as a built-in, self regulating mechanism whereby the business will monitor and ensure positive contribution to society through high impact, sustainable programs.

The CSR policy seeks:

- To provide a framework of activities to be undertaken by the Company in the areas or subject, specified in Schedule VII to the Act;
- To specify the modalities of execution of the CSR Project or Programs and implementation schedules for the same;
- To establish a monitoring process of the CSR projects or programs.

COSTITUTION AND TERMS OF REFERENCE OF THE CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Company has constituted a **Corporate Social Responsibility Committee** (hereinafter referred to as “the Committee”) in line with the requirements of the Act.

The roles and responsibilities of the Committee shall include the following:

- To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company in the areas or subject, specified in Schedule VII of the Act;
- The Committee may review the Policy as and when it deems fit and recommend any changes or modifications for approval of the Board;
- To Recommend the amount of expenditure to be incurred on the activities referred to in the Policy;
- To Monitor the Policy of the Company from time to time;
- To institute/prepare a transparent monitoring mechanism for ensuring implementation of the CSR projects / programmes / activities proposed to be undertaken by the Company;
- To perform such other functions as may be provided in the Policy of the Company or as may be delegated by the Board and/or mandated by any regulatory provisions from time to time.

The Committee shall have the power to carry out the aforesaid functions either by itself or through any other delegated authority in accordance with the provisions of the Act.

CSR FRAMEWORK**ACTIVITIES**

The Policy recognizes that CSR is not merely a compliance, it is a commitment to support initiatives that measurably improve the lives of underprivileged by undertaking activities in the areas or subjects specified under Schedule VII to the Act. The Company shall undertake activities relating to the following subjects, preferably in the Local areas and areas around it where it operates of its operation, in order to discharge its CSR obligations:

- Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water;
- Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects;
- 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;
- Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga;
- 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 art and handicrafts;
- Measures for the benefit of armed forces veterans, war widows and their dependents;
- Training to promote rural sports, nationally recognised sports, paralympic sports and olympic sports;
- 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 schedule caste, tribes, other backward classes, minorities and women;
- Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
- Rural development projects;
- Slum area development;
- Such other activities as may be prescribed under the provisions of the Act and the Rules made thereunder from time to time.

PLANNING & IMPLEMENTATION

The CSR activities shall be undertaken by the Company within the ambit of the Policy, either as new or ongoing projects/ programs or activities. The expenditure to be incurred on the CSR activities, which shall be at least 2% of the average net profits of the Company made during the three immediately preceding financial years, shall be approved by the Board on the recommendation of the Committee in accordance with the provisions of the Act.

The CSR activities may be undertaken either:

- (a) Singly or by collaborating with other Companies for undertaking projects or programs or activities, to create multiplier effect of its social projects, in such a manner that the CSR Committees of respective Companies are in a position to report separately on such projects or programs in accordance with the provisions of the Act and the Rules framed there under; or
- (b) Through a Company established under section 8 of the Act or a Registered Trust or a Registered Society, established by the Company, either singly or alongwith any other company, or
- (c) Through a Company established under section 8 of the Act or a Registered Trust or a Registered Society, established by the Central Government or State Government or any entity established under an Act of Parliament or a State legislature.

If such Company, Trust or Society is not registered as above, then such Company or Trust or Society shall have an established track record of three years in undertaking similar programs or projects;

The Company shall also specify the projects or programs to be undertaken through these entities, the modalities of utilisation of funds of such projects and programs and the monitoring and reporting mechanism.

MONITORING & REVIEW

- The projects and initiatives undertaken by the Company shall be closely reviewed by the Committee or any other person as the Committee may authorise.
- The Committee may authorise any official of the Company to monitor and ensure proper utilization of the CSR Budget, as approved by the Board on the recommendation of the Committee, in accordance with the provisions laid down in the Act.
- The Committee shall give an annual report on the CSR activities undertaken by the Company during the Financial Year, in the format prescribed under the provisions of the Act, which shall be annexed to the Board's Report of the Company.
- Further, the Committee shall affirm compliance with the CSR Objective and the Policy in its Annual Report on the CSR activities.

EXCLUSIONS FROM CSR

The following projects/ programs or activities shall be outside the purview of CSR as per the provisions of the Act.

- Activities undertaken by the Company in the normal course of Business;
- Any CSR projects or programs or activities undertaken by the Company outside India;
- The CSR projects or programs or activities that are exclusively for the benefit of the employees of the Company and their families;
- Any contribution made by the Company directly or indirectly to any Political party.

SUPPLEMENTARY PROVISION

- All the words and expressions used in this Policy, unless defined herein, shall have meaning respectively assigned to them under the Act and the Rules, Notifications and Circulars made/issued there under, as amended, from time to time.
- The implementation of the Policy shall be monitored by the Committee and/or the Board from time to time. The Committee and/or the Board may review the Policy as and when it deems fit and recommend any changes or modifications for approval of the Board of Directors.
- In case of any subsequent changes in the provisions of the Act and the Rules, Notifications and Circulars made/issued there under which makes any of the provisions in the policy inconsistent with the Act and the Rules, Notifications and Circulars made/issued there under, then the provisions of the Act and the Rules, Notifications and Circulars made/issued there under would prevail over the Policy and the provisions in the Policy would be modified in due course to make it consistent with law.