



CORPORATE SOCIAL RESPONSIBILITY POLICY

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1. INTRODUCTION & SCOPE

Corporate Social Responsibility (CSR) at Vayunandana Power Limited (“VPL” or “the Company”) goes beyond business and extends to the implementation of socially relevant activities for the benefit of society at large.

This Policy outlines the Company’s philosophy and responsibility as a corporate citizen of India and lays down the guidelines and mechanism for undertaking socially useful programmes for welfare & sustainable development of the community, in and around its area of operations and other parts of the country.

This Policy shall apply to all CSR initiatives & activities taken up by the Company at the various locations in India, for the benefit of different segments of the society at large, specially the deprived and underprivileged.

This Policy is in compliance of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014 (“the Rules”).

This Policy is effective from April 1, 2017.

2. AIM OF CSR POLICY

This Policy aims to support various activities for betterment of the environment and living conditions of population directly or through recognised agencies/ funds. Such activities will cover one or more of the CSR activities laid down in Schedule VII of the Companies Act, 2013.

3. RESOURCES

For achieving its CSR objectives through implementation of meaningful & sustainable CSR Programmes, the Company shall endeavour to allocate the following as its *Annual CSR Corpus*:

- i) 2% of average net profits made during the three immediately preceding financial years, as prescribed under the Companies Act, 2013 and the Rules;
- ii) Any income arising therefrom; and
- iii) Surplus arising out of CSR activities.

It is clarified that surplus arising out of CSR projects/ programmes shall not form part of business profits of the Company.

4. PROJECTS AND PROGRAMMES

The Company may undertake any one or more of the following activities, as prescribed in Schedule VII to the Companies Act, 2013 and the Rules thereunder, as amended from time to time, as may be recommended by the CSR Committee of the Board and approved by the Board of Directors from time to time depending upon the resources and opportunities available:

- (i) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation [including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.
- (ii) promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.
- (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.
- (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 including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga.
- (v) 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;
- (vi) measures for the benefit of armed forces veterans, war widows and their dependents;
- (vii) training to promote rural sports, nationally recognised sports, paralympic sports and olympic sports
- (viii) contribution to the prime minister's national relief fund or any other fund set up by the central govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;
- (ix) contributions or funds provided to technology incubators located within academic institutions which are approved by the central govt.
- (x) rural development projects
- (xi) slum area development.

Explanation.- For the purposes of this item, the term `slum area' shall mean any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force.

The above list is illustrative not exhaustive. All activities under CSR should be environment friendly and socially acceptable to the local people and society.

5. MODALITIES OF EXECUTION OF PROJECTS & PROGRAMMES

The Company will undertake its CSR activities, approved by the CSR Committee, through one or more of the following methods:

- i) Directly, on its own;
- ii) Through any other Registered Trust, Society or Section 8 Company (i.e. Company registered under section 8 of the Companies Act, 2013) with an established track record of at least three years in carrying on activities in related areas and duly approved by the VPL's CSR Committee;
- iii) In collaboration with other organisations.

The allocated CSR budget or Corpus will be utilised for CSR activities undertaken within India, which are not:

- i) Exclusively for the benefit of employees of the Company or their family members; or
- ii) Undertaken in pursuance of normal course of business of the Company.

7. GEOGRAPHICAL REACH

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

6. IMPLEMENTATION

The investment in CSR should be project based and for every project time framed periodic mile stones should be finalised at the outset. Also, the time period for implementation of the programme will depend upon its nature, extent of coverage intended impact of the programme.

8. MONITORING AND FEEDBACK

- a) CSR Committee shall periodically monitor the progress of CSR projects, programs and activities incorporated in the CSR Policy. CSR Committee shall hold atleast two meetings during a Financial Year.
- b) The progress on CSR programmes under implementation will be reported to the Managing Director on quarterly basis.
- c) The CSR team will conduct studies on a periodic basis depending upon the activity being carried out like regular visits, progress reports, obtaining ground level feedback, etc

- d) CSR Policy will be displayed on the Company's corporate website www.vayunandana.com
- e) An annual report on CSR containing the particulars as prescribed under the Companies (Corporate Social Responsibility Policy) Rules, 2014 shall form of Annual Report of the Company.
- f) The CSR team will also try to obtain feedback from beneficiaries about the programme.

9. Amendments to the Policy

The Board may in its own and/ or on the recommendation of the CSR Committee can amend this Policy as and when deemed fit subject to the provisions of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time.