

**HIRANMAYE ENERGY LIMITED**  
**[FORMERLY INDIA POWER CORPORATION (HALDIA) LIMITED]**

**CORPORATE SOCIAL RESPONSIBILITY POLICY**

**1. Preamble**

At Hiranmaye Energy Limited [HEL], 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'.

- v. 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 HEL 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 HEL 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 1<sup>st</sup> 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 HEL 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.

<b>Date of original adoption</b>	<b>21st May, 2015</b>
<b>Effective date of the Policy</b>	<b>21st May, 2015</b>