
CORPORATE SOCIAL RESPONSIBILITY POLICY
SIMBHAOLI POWER PRIVATE LIMITED

CORPORATE SOCIAL RESPONSIBILITY POLICY

1. PREAMBLE

Simbhaoli Power Private Limited (“the Company”) believes that a business is an active entity of society and economy and plays an important role in nation building. The Company’s focus has always been to contribute to the sustainable development of the society and environment.

This Corporate Social Responsibility Policy (“the CSR Policy”) has been developed in accordance with Section 135 of the Companies Act 2013 (“the Act”) and the Companies (Corporate Social Responsibility) Rules, 2014 notified by the Ministry of Corporate Affairs, Government of India.

2. OBJECTIVES

The CSR Policy lays down guidelines and mechanisms to be adopted by the Company in order to carry out CSR Projects /Programs.

All CSR Projects / Programs will be conceived and implemented through a focused approach towards target beneficiaries for generating maximum impact.

CSR Projects / Programs of the Company may be carried out in partnership with credible implementing agencies.

3. APPLICABILITY

The CSR Policy shall apply to all CSR Projects/Programs undertaken by the Company for the welfare and sustainable development of different segments of the society.

4. CSR ACTIVITIES

The Company’s CSR initiatives shall mainly focus on the following areas:

- a. Promoting health care including preventive health care and sanitation
- b. Making available safe drinking water
- c. Promoting gender equality and empowering women
- d. Ensuring environmental sustainability, ecological balance, protection of flora and fauna and conservation of natural resources

The Company may choose to undertake additional CSR activities as permitted under Schedule VII of the Companies Act, 2013.

5. CSR COMMITTEE

The Board of Directors shall constitute a Corporate Social Responsibility Committee (CSR Committee) consisting of 3 (three) or more board members, out of which at least 1 (one) board member shall be an independent director.

The CSR Committee shall be responsible for:

- a. Formulating and recommending the CSR Policy to the Board;
- b. Identifying Projects / Programs to be undertaken as per Schedule VII of the Act and Policy;
- c. Recommending to the Board the CSR expenditure to be incurred;
- d. Regularly monitoring the implementation of the CSR Policy;
- e. Identifying and engaging with partners such as NGOs, business partners etc. for effective implementation of the CSR Policy;
- f. Constituting a transparent monitoring mechanism to ensure implementation of the CSR Projects / Programs undertaken by the Company;
- g. Reporting to the Board on the progress of the various CSR Projects / Programs and expenditure on a regular basis; and
- h. Recommending to the Board, modifications to the CSR policy as and when required.

6. RESPONSIBILITIES OF BOARD

The Board of directors shall be responsible for:

- a. Setting up the CSR Committee as per the Act;
- b. Approving the CSR policy as formulated by the CSR Committee and ensuring that the activities included are undertaken by the Company;
- c. Ensuring that in each financial year the Company spends at least 2% of the average net profit made during the three immediate preceding financial years;
- d. Ensuring that the activities included in the CSR policy are related to the activities specified under Schedule VII of the Act.
- e. Disclosing the contents of the CSR Policy in its Report.
- f. Display of CSR Policy on the website of the Company.

7. IMPLEMENTING CSR ACTIVITIES/IMPLEMENTATION

Areas for undertaking CSR

For undertaking CSR activities and programmes, the Company shall give preference to the local areas and the periphery around which it is operating. However, the Company may also choose to undertake CSR activities and programmes at other places in India.

Long-term, medium-term and short-term activities

The Company may, depending on the programmes, activities and needs, decide and undertake long-term, medium-term and short-term CSR activities, and accordingly plan their implementation.

Executing Agency

The Company will identify suitable activities and programmes for implementation in line with aforesaid CSR activities of the Company. These activities and programmes may be implemented by one or more of the following modes:

- a. through a registered trust or society or a company under section 8 of the Companies Act, 2013 (Companies with charitable objects) having an established track record of 3 (three) years in undertaking similar programs or projects; or
- b. through associate companies in India of the Company; or
- c. by collaborating with other companies for undertaking projects or programs or CSR activities; or
- d. Directly undertake CSR activities by building CSR capacities of the Company's personnel.

The CSR Committee will decide implementation schedule and modalities of execution on the basis of each CSR project or activity.

The Company will set up a CSR team for supporting the CSR Committee and implementation of the CSR activities.

8. CSR BUDGET

In a financial year, the Company shall spend at least 2% of the average net profits of the Company made during the immediately preceding 3 (three) financial years.

CSR Expenditure shall mean all expenditure incurred in respect of specific projects / programs relating to the approved CSR activities.

CSR Expenditure shall not include –

- a. Expenditure on an item not in conformity or not in line with activities which fall within the purview of the CSR activities listed in Schedule VII of the Companies Act, 2013;
- b. Expenditure towards projects or programs or activities undertaken outside India.

The Annual CSR Budget will be approved by the Board of Directors of the Company upon recommendation by the CSR Committee.

Surplus arising out of the CSR activities and programmes shall not form a part of the business profits.

9. MONITORING

A comprehensive monitoring framework shall be devised by the Company to ensure that all Projects / Programs are duly implemented as per the CSR Policy.

The Company's CSR Committee shall periodically review the progress of various CSR projects/programs undertaken by the Company.

10. REVIEW AND AMENDMENT

The Policy may be reviewed and amended from time to time. The CSR Committee may amend or modify any or all of the provisions of the policy subject to the approval of Board of directors.