

Diliigent Power Private Limited

Corporate Social Responsibility (CSR) Policy

1. Preamble

Diliigent Power Private Limited, as an organization, has been a socially responsible corporate since inception. Being in the field of Power Generation, Company's contributions to the community are in different areas and miscellaneous activities such as contribution to other social development organizations etc, in order to improve the standard of living for underprivileged so that, they are better prepared for future. Teams across its divisions interact with the neighboring community on regular basis at identified places of Social Activities related work at Dabhara, Janjgir Champa, Chhattisgarh.

Need Based Survey are undertaken and the CSR activities are carried out with proper involvement & consultation of people.

The Company has its own team of CSR, who are working throughout the year on various CSR activities in different places in the state of Chhattisgarh where the company has operations through its Subsidiary Company. Education, Environment, betterment of under-privileged people has been the focus areas around which various CSR activities are undertaken by the Company.

2. Objective

With introduction of CSR regulations under the Companies Act, 2013 & corresponding Rules, Corporates now have a legal mandate towards their social responsibility. Hence the company is pledging itself for continued CSR activities within the corporate policy framework.

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 from time to time and will, inter-alia, provide for the following:

- Establishing a guideline for compliance with the provisions of Regulations to dedicate a percentage of company's profits for social welfare projects.
- Ensuring the implementation of CSR initiatives in letter and spirit through appropriate procedures and reporting.

3. Definitions

In this policy unless the context otherwise requires:

- (a) 'Act' means the Companies Act, 2013 as amended from time to time;
- (b) 'Corporate Social Responsibility' means Corporate Social Responsibility (CSR) as defined in Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended from time to time;

- (c) 'Ministry' means the Ministry of Corporate Affairs, Government of India, New Delhi
- (d) 'Net Profit' means net profit as defined in Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended from time to time.
- (e) 'CSR Committee' means the Corporate Social Responsibility Committee of the Board of Directors referred to in Section 135 of the Act as amended from time to time.
- (f) 'CSR Policy' means this policy, as amended from time to time.
- (g) 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.

4. CSR Activities

The Policy recognizes that corporate social responsibility is not merely compliance; it is a commitment to support initiatives that measurably protect environment, spread/promote education, and improve the lives of underprivileged and villagers. CSR Activities that may be undertaken by the company shall include all the items or activities that are recognized as such under Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time. These are as follows as on today:

- i. Eradicating hunger, poverty & malnutrition, promoting preventive health care and 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;
- 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 arts and handicrafts;
- vi. Measures for the benefit of armed forces veterans, war widows and their dependents;
- vii. Training to promote rural sports, nationally recognized sports, paralympic sports and Olympic sports;
- viii. Contribution to 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;
- ix. Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
- x. Rural development projects;

The above areas shall be liberally interpreted so as to capture the essence of the subjects enumerated in the said Schedule. Clarifications/ notifications issued by

Ministry from time to time shall be used to determine whether any activity is covered under prescribed activities mentioned under Schedule VII of the Companies Act, 2013.

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.

CSR projects or programs or activities undertaken in India only shall amount to CSR Expenditure. Further any activity that benefit only the employees of the company and their families shall not be considered as CSR activities.

5. The Geographic 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. The Company will thus give preference to conducting CSR activities in the States, where it has its operations. 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.

6. Annual spends

The Company would spend not less than 2% of the average net profits of the company made during the three immediately preceding financial years. The surplus arising out of CSR activity will not be part of business profits of the company and it would be added back to the CSR spends.

The company has its in house team, which is working on various CSR activities across different states where the Company operates. Salaries of all such personnel shall form part of the CSR expenditure.

The Company may build CSR capabilities of its own regular CSR staff as well as those of their implementing agencies through institutions with established track records of at least three financial years, but such expenditure shall not exceed 5% of total CSR expenditure of the company in any year.

7. Modalities

The company shall execute various CSR activities which are in line with Clause 4 of this policy

1. through its own CSR staff or
2. through a registered trust or a registered society or a company established by the company under Section 8 of the Act or
3. by way of making contribution to a registered trust towards various activities carried out by such trust which are in conformity with areas / items mentioned under clause 4 of this policy or
4. in collaboration with other companies for undertaking projects or programs or CSR activities in such a manner that the CSR committee of the respective companies are in a position to report separately on such projects or programs in accordance with Companies (Corporate Social Responsibility Policy) Rules,

- 2014 or
5. Otherwise, in any other manner as may be permitted under the Act and the Rules,

Provided that if such trust, society or company is not established by the company or its associate company, it shall have an established track record of 3 years in undertaking the activities in the areas as mentioned under clause 4 of this policy.

Managing Director of the company shall from time to time approve the budget and the modalities of expenditure on any CSR activities which are in conformity with the CSR Policy and are within the overall ceilings on the spend as may be specified by the CSR Committee.

8. Monitoring

The CSR Committee shall meet at least once in a year to review the CSR activities undertaken by the Company.

At the beginning of every financial year, annual requirement of CSR spend shall be determined along with broad estimates of periodic spending and identified list of activities / areas with respective estimated spend. The balance of annual spends against which CSR activities are yet to be identified, shall be separately indicated for decision during the year.

A periodic review, at regular monthly / quarterly intervals, shall be taken by Executive Directors, wherein they shall review -

1. Progress of various activities undertaken under CSR Policy.
2. Estimated CSR expenditure on identified activities and actual expenditure on them till date.
3. New activities identified with estimated expenditure.
4. Revised Balance from the Annual spend, not so far allocated to any identified CSR activity.

The Managing Directors shall, at every meeting of the CSR Committee, place a report based on the periodical review conducted by them. The CSR Committee shall review such reports and keep the Board apprised of the same, if any.

9. Reporting and Disclosure

The Company shall provide, in prescribed format as set out under Companies (Corporate Social Responsibility Policy) Rules, 2014, the details of CSR initiatives and activities of the company in its Director's Report. The contents of this policy shall also be posted on the website of the Company.

10. Amendments to the Policy

Any or all provisions of this CSR Policy would be subject to revision/amendment by the Board of Directors on its own or on the recommendations of CSR Committee or else in accordance with the Regulations on the subject as may be issued by the relevant statutory authorities from time to time.

Any revision/amendment to the Policy as a result of such regulatory changes shall be carried out with the approval of the Managing Director.
