

CORPORATE SOCIAL RESPONSIBILITY POLICY

**Noida Power Company
Limited**

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A. INTRODUCTION

Noida Power Company Limited ('The Company') is a joint venture between the RP-Sanjiv Goenka Group, a leading business house in India and Greater Noida Industrial Development Authority. The Company started its operations in December 1993. The Company distributes power in the upcoming township of Greater Noida, near Delhi in Uttar Pradesh. As on date, the Company is the sole distributor of electricity in its licensed area covering an area of 335 square kilometers in Greater Noida, Uttar Pradesh.

The Company is a part of the RP-Sanjiv Goenka Group which has diversified business interests across multiple sectors. The Company strives to positively impact the community by devising a multi-pronged strategy after assessing the needs of the Community.

The Company's Corporate Social Responsibility (CSR) activities reflect its philosophy of building a better and a more sustainable society, by taking into account the societal needs of the Community. The Company engages several programmes for the benefit of the society which focuses mainly on empowering underprivileged strata of the society and their up-liftment. The Company, through CSR, empowers women, the real users of Electricity in rural domestic category, through education, training need assessment, vocational training, specialized training and provides market linkage. The Company also trains the local uneducated youths and provides them income opportunity by partnering them in its rural revenue cycle activities. Thus the Company strives to be in service of to the community at large and provide services that create holistic development and operate in alignment with the Company's philosophy.

B. DEFINITIONS

'Act' means Companies Act, 2013 and rules thereunder.

'Board of Directors' or 'Board', in relation to the Company, means the collective body of the directors of the Company.

'CSR Committee' means the Corporate Social Responsibility Committee as constituted or reconstituted by the Board from time to time.

'CSR Policy' means the policy framed by the CSR Committee to carry out CSR activities in accordance with Schedule VII of the Act.

'Directors' means Directors of the Company.

'Ministry' means the Ministry of Corporate Affairs of the Government of India.

C. TITLE AND APPLICABILITY

The Company has been undertaking community oriented programmes for inclusive development of the deprived sections of the population. The Company's focus areas are concentrated on increasing access to health, education and holistic development with a focus on underprivileged people living around its area of operations. The Company wishes to formalize and institutionalize its efforts made in the domain of corporate social responsibility in this Policy document.

This Policy shall serve as a guiding document to help identify, execute and monitor CSR projects in keeping with the spirit of the Policy. This Policy shall apply to all CSR initiatives and activities taken up by the Company for the benefit of different sections of the society.

Further to the Company's philosophy and guiding principles, in compliance with the spirit underlying the provisions of Section 135 and related clauses of the Act:

1. The Company recognizes the importance of good corporate governance and corporate social responsibility. It seeks to promote and strengthen the trust of shareholders, other stakeholders and the public; and believes that operating in accordance with good corporate governance and corporate social responsibility practices is inherent in its philosophy.
2. The CSR Policy shall be governed and guided by the Group's corporate vision to achieve inclusive growth, and its aspiration for serving multiple market segments, its customers, shareholders, employees and community at large.
3. To this endeavor, the Company shall strive to demonstrate the highest standards of ethics and act in accordance with the applicable law for the best interests of its shareholders, stakeholders and the society.
4. The Company's CSR Policy has been framed and formulated in accordance with Section 135 of the Act and the rules made thereunder.
5. The Company's CSR Policy is aligned with Schedule VII of the Act.
6. The Policy shall apply to all CSR programmes/projects of the Company.

D. SCOPE

This policy will apply to all projects/ programmes undertaken as part of the Company's Corporate Social Responsibility and will be developed, reviewed and updated periodically with reference to relevant changes in corporate governance, international standards and sustainable and innovative practices. The policy will maintain compliance and alignment with Section 135 of the Act and Schedule VII thereto.

E. CSR VISION

- To be a socially responsible Indian Company empowering lives by providing access to education, healthcare, art facilities, skill development, livelihood opportunities etc to improve the overall quality of life.
- To actively contribute to the social and economic development of the communities in which the Company operates. It wishes to build a better, safer and sustainable way of life for the weaker sections of society and contribute to the overall human development.
- To promote inclusive growth fired by free-spirited entrepreneurship and community development
- To be recognized for the Company's strong commitment towards the community and to uphold the values of community service.

F. CSR MISSION

The Company's mission is to implement CSR programmes and projects that assist in creating an empowered environment in the Indian society for inclusive growth leading to social and economic development of the community. Through a series of interventions, it seeks to reach out to various sections of society and provide them opportunities that empower their lives.

The Company's strategy is to integrate the activities in community development, social responsibility and sustainable livelihoods, and encourage each business unit or function to include these considerations into its operations. To achieve the same, the Company will constantly strive to review and improve its efforts to positively contribute towards the well-being and welfare of the people across the country, especially across its area of operation. It would ensure the same by continually reviewing and improving its efforts to conduct responsible business practices, uphold the highest ethical standards in all its engagements, and take the extra initiative to reduce damaging impacts on the environment and to nurture a workplace of diversity and inclusion.

G. CORPORATE SOCIAL RESPONSIBILITY PURPOSE STATEMENT

The Company seeks to impact the lives of the disadvantaged by supporting and engaging in activities that aim to improve its contribution to the society. It is dedicated to the cause of providing access to basic services, empowering people, educating them and to improving their quality of life. While the Company undertakes programmes based on the identified needs of the community, healthcare, education, art and promoting community development initiatives remains at the forefront. Across the different programme areas focused by the Company, it would be the Company's tireless endeavor to reach the disadvantaged and the marginalized sections of the society.

The Company is committed to identifying and supporting programmes aimed at:

- Provision of access to basic healthcare services/facilities, safe drinking water & sanitation and conducting health awareness camps
- Empowerment of the disadvantaged sections of society through promoting inclusive education for all, as well as through livelihood generation and skill development
- Supporting environmental and ecological balance through energy conservation, adoption of initiatives resulting into Greenhouse Gas Emissions (GHG) reduction and transformation into a low carbon business practices
- Undertaking livelihood generation/promotion and women empowerment projects
- Any other programme that falls under the Company's CSR Policy and is aimed at the empowerment of disadvantaged sections of the society
- Undertaking / supporting sports activities and programmes of art & culture in various forms

H. GOVERNANCE

The approval of the CSR policy and oversight is the responsibility of the Company's Board of Directors. The responsibility of the CSR committee is to promote the strategy and to administer the policy through implementing partner(s) or via self-implementation or through a Trust to be formed by the Company either alone or in association with other companies / entities of RP-Sanjiv Goenka Group (hereinafter referred to 'CSR Trust'). The CSR Committee shall provide guidelines for projects/partner selection to the respective HR or CSR teams, wherever applicable. The CSR Committee is to ensure that projects/ programmes are compliant with the regulations and are monitored and reported effectively.

I. ROLES AND RESPONSIBILITIES: BOARD OF DIRECTORS

The Board of the Company will be responsible for:

- constituting a CSR Committee
- approving the Company's CSR Policy, CSR action plan and budget placed by the CSR Committee

- disclosing the Policy's content in its Report to the members and placing the Policy on the Company's website in such a manner as prescribed under Section 135 of the Act.
- ensuring that the Company spends, in every financial year, at least two percent of the Company's average net profit, made during the three preceding financial years
- specifying the reasons in its report if ,in an unlikely circumstance, the Company fails to spend the stipulated CSR money during a financial year,
- making any change(s) in the constitution of the CSR Committee from time to time

J. COSTITUTION OF CSR COMMITTEE

The Company has constituted a CSR Committee of the Board as per the provisions of the Act, read together with the Companies (Corporate Social Responsibility Policy) Rules, 2014, to ensure that the purpose of this Policy is being effectively served.

The Composition of the CSR Committee of the Board is as follows:

Name	Designation
Mr. S N Kuckreja	Chairman
Mr. R C Agarwala	Member
Mr. Utpal Bhattacharyya	Member

K. ROLES & RESPONSIBILITIES OF THE CSR COMMITTEE

1. Prepare, revise and modify the CSR Policy for the Company and place the same with the Board of Directors for its approval
2. Ensure that the programmes /projects undertaken by the Company on its own or through the implementing partners are aligned with the approved CSR policy of the Company and are also aligned to Schedule VII and Section 135 of the Act.
3. Will provide guidelines for selection of projects/ programmes or implementing partners to the respective Human Resource or CSR teams, wherever applicable
4. Review and approve annual budgets with respect to CSR programmes
5. In case the Company is not able to spend the stipulated two percent of the average net profits of the preceding three financial years or any part thereof, the CSR Committee shall provide the reasons for not spending the amount to the Board and such reasons shall also be included in the Board's report
6. Receiving reports from Implementing Partners to assess the performance and effectiveness of projects supported by the Company

7. Reviewing the findings and recommendations regarding the CSR initiatives from any investigation or audit conducted by regulatory agencies or external auditors or consultants
8. Respond to any query, observation or clarification sought by the Ministry of Corporate Affairs or any other regulatory authority with regard to the Company's CSR supported initiatives
9. Ensure that the Company's website displays the approved CSR policy
10. Develop and institutionalize a CSR reporting mechanism in light with Section 135, Rule 8 of the Act.
11. Develop, recommend and oversee CSR Action Plan.
12. And any other responsibility, as may be suggested by the Board.

L. CSR BUDGET

The CSR Committee shall recommend the amount of expenditure to be incurred on the CSR activities to be undertaken by the Company as specified in Schedule VII of the Act. In case of any surplus arising out of CSR projects, the same shall not form part of business profits of the Company.

M. IMPLEMENTATION

The Company shall participate in CSR projects / programmes either independently or through a CSR Trust in conformity with the requirements of the Act, Schedule VII thereto and the Rules framed thereunder.

The Company may enter into partnerships or alliances with NGOs, other Trusts, or other Corporate Foundations etc. to create a multiplier effect of its CSR programmes / projects.

The Company can also implement programmes in collaboration with other companies such that the CSR Committees of respective companies are in a position to report separately on such programme and projects.

The CSR Committee will oversee the implementation and monitoring of all CSR projects/programmes and periodic reports shall be provided for review to the CSR Committee.

N. MONITORING

The Company will institute a monitoring and review mechanism to ensure that each CSR project/ programme has:

1. Clear objectives developed out of the societal needs that may be determined through need assessment studies and research (secondary or primary)
2. Clear targets, time lines and measureable indicators wherever possible
3. A progress monitoring and reporting framework that is aligned with the requirements of Section 135 of the Act and the CSR Rules

The CSR Committee shall assign roles and responsibilities to the relevant team towards monitoring of the CSR activities and would have the responsibility of monitoring approved projects and funds disbursements for such projects. Monitoring mechanisms may include visits, meetings, and progress reports.

With regard to the budget, the Company will establish an accounting system that will allocate and account for CSR spend across projects and programmes

O. REPORTING

The Company will monitor progress of CSR projects and expenditure and will report impact to the Board and the CSR Committee from time to time. The Company is required to report its CSR performance in its annual Director's Report as per the structure and format prescribed in the notified CSR Rules of Section 135 of the Act.

P. AMENDMENT IN CSR POLICY

Any modification/amendment in the CSR Policy shall be carried out by the "CSR Committee" with the prior approval of the Board of Directors of the Company.

Q. AREAS FOR CSR INTERVENTION

The Company has adopted a focused and structured approach towards implementing its CSR initiatives. It has identified thematic and programme areas to guide the design, intent and approach of its CSR initiatives. It will strengthen and enhance its footprint in the areas the Company is currently working in, and wish to explore opportunities and further expand to new focus areas aiming at community development around its areas of operation.

The CSR Committee will select projects and programmes that align to the thematic and programme areas specified within this policy. This will also include the modalities of execution that will be used to deliver and implement the projects/programmes, the timeframe, and disbursement and allocation of spend. The guidelines for selection of projects are as below and stipulate that:

- ✓ The Company will ensure that its CSR projects are non-discriminatory in nature and do not have any restrictive political or religious affiliations
- ✓ The programmes/projects will be within the areas recommended and/or listed by the CSR Committee and mentioned in the Policy
- ✓ Programmes/projects will not be in pursuance with the Company's normal course of Business
- ✓ The programmes/projects will be implemented within the country and preferably in areas where the Company has its presence
- ✓ The Company will consider programmes/projects closely linked with the principles of sustainable development
- ✓ The Company can actively consider programmes/projects that have been identified by employees and also those where employees are directly involved through volunteering efforts Programmes/projects should not be exclusively for the benefit of the Company's employees or their family members
- ✓ Any surplus generated out of the Company's CSR activities will be re-invested back to the CSR initiatives of the Company.

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