

VS Lignite Power Private Limited

Policy on Corporate Social Responsibility

Background

VS Lignite Power Private Limited (VSLP) has been pursuing CSR activities long before it became a statutory requirement under the Companies Act.

The CSR activities of VSLP reflect its basic philosophy of being an infrastructure company that not only generates power – which is an essential building block for the development and sustenance of the economy – but also, a company that seeks a larger role in nation-building through its contribution towards improving the lives of the communities in whose midst it works.

VSLP's commitment to the community moves beyond the requirement of social license to operate - to a far noble theme of ***'Bringing Dignity to Life'*** as part of ***'giving back to society'*** by supporting and running projects that provide sustainable solutions to the most pressing social and economic challenges faced by the communities with whom we operate.

At VSLP it is well recognized that integrating social, environmental and ethical responsibilities into the governance of businesses ensures the long term success, competitiveness and sustainability.

Objective

The main objective of VSLP's CSR policy is to make CSR a key business process for sustainable development of the society. VSLP will act as a good corporate citizen and aims to actively contribute to the social and economic development of the communities in which the Company operate and beyond. In doing so, build a better, environmentally sustainable way of life benefitting all stakeholders including local community, consumers, shareholders, employees and society at large.

Measures

In the aforesaid backdrop, policy on CSR of VSLP is broadly framed taking into account the following measures:

- The CSR activities shall be undertaken by VSLP, as stated in this Policy, as projects or programs or activities (either new or ongoing), excluding activities undertaken in pursuance of its normal course of business.
- The CSR activities which are exclusively for the benefit of employees or their family members shall not be considered as part of CSR activity.
- VSLP shall give preference to the local area or areas around it where it operates, for spending the amount earmarked for CSR activities.
- The Board of Directors of VSLP may decide to undertake its CSR activities, through a registered trust or a registered society or a company established by the company or its holding or subsidiary or associate company pursuant to Section 135 of the Companies Act, 2013 and rules made there-under.

CSR Thrust Areas

VSLP's CSR initiatives towards community are essentially focused on five thrust areas:

1. Education
2. Health and Family welfare
3. Sustainable Development
4. Infrastructure Development
5. Cultural and Community Support

1. Education:

In the area of Education, our desire is to make available quality education to all, through the following initiatives:

- Merit scholarships to students to premier educational institutions.
- Fee Reimbursement to students to pursue higher education.
- Equipment support such as school uniforms, school bags, stationary & sports material.
- Construction & renovation of school buildings including construction of sanitation facilities at local schools.
- Provision of sports kits and financial assistance for sports and extra-curricular activities.

2. Health and Family Welfare:

VSLP has three models of health-care delivery for the communities in its area of operation.

- Mobile clinics to provide preventive health care services at the door step of the client;
- Health camps to address common health concerns of the community; and
- Clinic / hospital facility for the community to address the major health needs.
- Tie-up with hospitals for providing emergency health care support free of cost

3. Sustainable Development:

VSLP believes that socio-economic empowerment of our communities alone can help us ensure sustainability of the development that we undertake. The Company is deeply committed to enhancing individual assets & capabilities as well as strengthening community infrastructure, where it operates.

The activities in this segment include:

- Providing of drinking water.
- Deepening of village ponds & digging of bore wells.
- Financial support to families under Income Generation Activity including agricultural inputs, distribution of vegetable and other seeds etc.
- Renewable sources of energy.
- Skill development & vocational training.
- Organizing and supporting women's groups for woman empowerment.

4. Infrastructure Development:

VSLP is committed to develop/renew common resources that are critical for rural economy. The Company is developing infrastructural facilities that improve community's access to basic services and livelihood opportunities

Following are the activities in this segment:

- Improved rural connectivity by laying approach roads.
- Repairs to damaged streets and drainage
- Water harvesting for recharging of local ponds
- Construction of RCC over-head Tanks (100 KL Capacity)
- Installation of High mast Lights
- Improving Sanitation & hygiene

5. Cultural and Community Support:

VSLP proactively seeks to deepen its relationship with local communities on a continuous basis. Building relationship for the Company is by sharing and being part of the joys and sorrows of the communities in which it operates.

Towards this end, VSLP support village festivals, sports & games events, besides extending helping hand in the hour of need – natural calamities, personal tragedies etc.

The above CSR projects and programs undertaken by the Company includes the activities falling within the preview of schedule VII of Companies Act, 2013.

Further, the Company may undertake new thrust areas which align with the requirements of the communities in which it operates, provided, they are within the scope of the activities provided in Schedule VII and which may be brought in into the schedule from time to time.

Organisational mechanism and responsibilities

As of date, since the Company is not required to appoint any Independent Director under the provisions of Section 149 of the Companies Act, 2013 and the Board comprises of only two Directors, the Board of Directors of the Company itself shall function as the **Corporate Social Responsibility** Committee of the Board ("CSR Committee") and shall perform the following functions in respect of CSR activities of the Company:

1. Formulate a CSR policy and activities to be undertaken by the company as per Schedule VII;
2. Recommend the amount of expenditure to be incurred on the activities; and
3. Monitor the Policy of the company from time to time.

The Board of the company shall, approve the policy for the company and disclose contents of such Policy in its report and ensure that the activities as per the CSR Policy are undertaken by the company.

The onus for the successful and time bound implementation of the CSR activities/projects is on the HR Head and CSR teams.

To measure the impact of the work done, a social satisfaction survey / audit may be carried out by an external agency, if deems necessary.

Partners in Implementation:

VSLP in its endeavour to achieve inclusive growth, partners with local non-governmental organizations, village panchayats, women self-help groups.

Measuring, Review and Evaluation:

CSR is ultimately about improving the quality of life of the community in all aspects. As such, reporting, verification and assurance are important tools to measure whether change has actually taken place. Besides it also gives shareholders and all interested parties an opportunity to see how well the firm is meeting its commitments and what difference its efforts are making to the lives of the community.

Monitoring and review of the CSR activities would be done, through the following:

- Review of execution by CSR and Quality Control Teams
- Periodic third party audit of key programs
- CSR committee review on quarterly basis
- Baseline and impact assessment with key indicators in our areas of operation

Further, evaluation of CSR programmes of the Company can be undertaken internally by CSR team and externally by consultants / market research agencies.

The surplus, if any, arising out of CSR initiatives of the Company shall not form part of its business profits.

Management Commitment

Our Board of Directors, our Management and all of our employees subscribe to the philosophy of compassionate care. We believe and act on an ethos of generosity and compassion, characterised by a willingness to build a society that works for everyone. This is the cornerstone of our CSR policy.

Update

The Board of Directors of VSLP shall review the policy from time to time based on the changing needs and aspirations of the target beneficiaries and make suitable modifications as may be necessary.

Compliance with Companies Act, 2013

VSLP's Corporate Social Responsibility policy conforms to the Section 135 of the Companies Act, 2013 on Corporate Social Responsibility as spelt out by the Ministry of Corporate Affairs, Government of India.