

Corporate Social Responsibility (CSR) Policy

BSES Rajdhani Power Limited, New Delhi



[Revised with effect from April 1, 2021]

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1. Introduction

1.1 BRPL licensed area is dotted with settlements whose residents are deprived of basic infrastructure, hygienic living conditions, employable skills and appropriate earning opportunities. As a responsible corporate citizen, BRPL aims to address such problems through its Corporate Social Responsibility (CSR) activities and thus make a difference in the lives of these underprivileged citizens. The business philosophy for BRPL originates from the guiding philosophy of the Group Chairman, who has always sought to help build more capable and vibrant communities by managing our businesses in a manner that is socially responsible and environmentally sustainable.

1.2 The CSR policy of BRPL has been framed to synergize with the charter of the Corporate Social Responsibility of the ADA (Reliance Group), which states, “We are committed to augment the overall economic and social development of local communities by discharging our social responsibilities in a sustainable manner.”

1.3 This policy will cover CSR initiatives, activities, projects and programs to be undertaken by BRPL for the benefit of needy and underprivileged segments of the society.

1.4 This policy has been framed in consonance with the Companies (Corporate Social Responsibility (Policy) Rules, 2014 (“the rules” or “CSR Rules”) under Section 135 of the Companies Act 2013, as amended from time to time. The financial component/budgetary spend on CSR and Sustainability will be based on the profitability of the company and shall be determined as per the provisions of the Companies Act, 2013 and the Rules made there under.

1.5 CSR Vision, Mission and Objectives

1.5.1 CSR Vision of BRPL:

“To emerge as a socially responsible corporate by enabling sustainable socio-economic development of the underprivileged communities primarily in its local area.”

1.5.2 CSR Mission of BRPL:

“To deploy and sustain the social endeavours to deliver social good for the earmarked underprivileged communities through managerial, technical and financial interventions.”

1.5.3 The objectives of the CSR policy are:

- i. To improve quality of life of underprivileged citizens in its local area.
- ii. To adopt an approach that aims at achieving a greater balance between social development and economic development.

2. Thrust Areas for CSR

2.1 Guidelines for Selection of Thrust Areas

The guidelines followed by BRPL while selecting the thrust areas for CSR are as under:

- 2.1.1 CSR intervention should meet specific needs of the local community.
- 2.1.2 CSR intervention should entail a high degree of participation of local communities.
- 2.1.3 CSR intervention should be targeted at development as against relief or emergency support.
- 2.1.4 Outcome resulting from CSR activities should be sustainable after the completion of the CSR program.
- 2.1.5 The interventions should be aligned and integrated to the core business.

2.2 Thrust Areas

- 2.2.1 Based on the guidelines prescribed above and in accordance with the Schedule VII of the Companies Act 2013, the following thrust areas have been identified for CSR out of the high-level areas of engagement identified under the CSR Framework of the ADA Group :
 - i. Education: Literacy Programs, Skill development, Aid in furtherance of advance studies etc.
 - ii. Sanitation
 - iii. Health care/Medical services/Public Health
 - iv. Promoting Energy Conservation
 - v. Women Empowerment

2.2.2 Thrust areas listed above are not exhaustive. Other areas that fulfill the selection guidelines laid out above may also be included provided they help in achieving the CSR objectives and are in accordance with Schedule VII of the Companies Act, 2013 and rules made there under.

2.3 **Brief Description of Thrust Areas**

2.3.1 **Skill development and Education / Literacy Programs:** These initiatives will provide literacy, improve the employability of the youth / women/ under privileged communities by enhancing the inherent skills of the youth from the local community, by imparting skills required in their neighbouring economic hubs and by improving skills required in the industries having high employment opportunities.

These programs will aim at improving English and providing IT knowledge and other suitable non- IT related vocational training to children/ youth / women/ under privileged communities in its local areas to improve their employability.

The initiatives will also provide financial literacy to youth/ women /men and help them move up in the social ladder.

2.3.2 **Sanitation:** These projects will help the underprivileged communities to improve hygiene in their area of living and work and in aiding in breaking the vicious cycle of poverty.

2.3.3 **Health care/Medical Services:** BRPL will use its own infrastructure or tie-up with local hospitals / NGOs/ Trust / Society to help and support the medical needs of the underprivileged or needy as per the requirement and also to fight with any emergency situation requiring medical attention or general wellbeing.

The company will help the community in fighting any unforeseen medical exigencies. BRPL will support and aid the efforts being undertaken by communities and institutions/ government agencies in mitigating the impact of medical emergency.

2.3.4 **Promoting Energy Conservation:** Create awareness campaigns to help conserve energy. Undertake activities such as tree plantation to increase the green cover in the city.

2.3.5 **Women empowerment:** Undertake /support activities such as self defence training etc. that empower girls/ women. These activities are in addition to the women specific activities already being undertaken in education.

3. Resources

3.1 Allocation of funds

CSR Funds, Administrative Overheads and Expenditure on Impact Assessment, if any shall be allocated as per the provisions of the Companies Act, 2013 and rules made there under.

- 3.1.1 Any unspent CSR amount pursuant to any short term project, shall be transferred to a Fund specified in Schedule VII within a period of six months of the expiry of that Financial Year.
- 3.1.2 Any unspent CSR allocation of a particular year pursuant to any ongoing project, in pursuance of its CSR Policy, shall be transferred by the Company within a period of 30 days from the end of the financial year to a special account "Unspent Corporate Social Responsibility Account" to be opened by the Company in that behalf for that financial year in any scheduled bank, and such amount shall be spent by the company in pursuance of its obligation towards the Corporate Social Responsibility Policy within a period of three financial years from the date of such transfer, failing which, the Company shall transfer the same to a Fund specified in Schedule VII, within a period of 30 days from the date of completion of the third financial year or as per any amendment or modification on CSR provisions under the Companies Act, 2013.
- 3.1.3 Any surplus arising out of the CSR activities shall not form part of the business profit of a Company and shall be ploughed back into the same project or shall be transferred to the Unspent CSR Account and spent in pursuance of CSR policy and annual action plan of the Company or transfer such surplus amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year or as per any amendment or modification on CSR provisions under the Companies Act, 2013.
- 3.1.4 Any amount spent by the Company in excess of its CSR obligations, such excess amount may be set off against the CSR obligations in the immediately succeeding three financial years subject to the conditions that –
 - (i) the excess amount available for set off shall not include the surplus arising out of the CSR activities, if any, in pursuance of sub-clause (3.1.2) of this Policy.
 - (ii) the Board of the Company shall pass a resolution to that effect.

4. Planning and Implementation

- 4.1 The target areas for CSR activities will be urban slum, urban and rural/ semi-urban villages, unauthorized colonies, low-income resettlements and JJ clusters located primarily in the local area of the Company in South and West Delhi.

- 4.2 As it is not feasible for BRPL to undertake CSR activities in all the target areas simultaneously, CSR activities in areas will be prioritized on the basis of:
- i. Activities that contribute to the growth of the society.
 - ii. Proximity to under-privileged communities
 - iii. Feasibility of ground level Implementation.
 - iv. Perceived ease of achieving CSR objectives.
 - v. Partnering Implementing Agencies to attain our CSR objectives.
- 4.3 Distinct entry-level activities shall be planned to develop rapport with the communities.
- 4.4 Thrust areas shall be undertaken in an integrated manner to ensure sustained integrated development in the earmarked communities.
- 4.5 Sustainability of program objectives after the completion of CSR intervention shall be factored in while selecting and designing CSR activities.
- 4.6 BRPL shall frame the mandate and partner to create desired social good. All planning and implementation of the CSR activities shall be undertaken by the Company itself and / or by the Implementing Agencies.
- 4.7 BRPL may also collaborate with the other companies for undertaking projects or programmes or CSR activities in such a manner that the CSR Committees of respective companies are in a position to report separately on such projects or programmes.
- 4.8 BRPL will enter into a separate agreement with each Implementing Agency.
- 4.9 The duration of a program shall depend on its nature, the extent of coverage and objectives. Based on the duration, programs are to be classified as:
- i. Short-term Project (less than 1 year), or
 - ii. Ongoing project not exceeding 03 years excluding the financial year in which it was commenced.
- 4.10 The Board shall monitor the implementation of the ongoing project with reference to the approved timelines and year-wise allocation and shall make modifications, if any, for smooth implementation of the project within the overall permissible time period.

4.11 A project concept note shall be prepared prior to the launch of a CSR program. The project note will typically cover brief outline on the targeted community, need assessment, project objective, linkages with the CSR objectives, scope, project implementation mechanism, deliverables and outcomes, organization and human resources plan, institutional tie-ups, capital and operational budgets, monitoring and evaluation mechanism and implementation schedule.

4.12 CSR programs and partnerships will be synergized with programs benefitting our social mandate and those of the Local Administration, and State and Central Government Departments.

4.13 Best efforts by way of skill transfer, creation of self-help groups, strengthening of local institutions, etc. shall be inbuilt for the purpose of the sustenance of the program and its developmental objectives.

4.14 Monitoring of CSR Activities:

- i. To ensure effective implementation of the CSR projects, the Company shall put in place, suitable monitoring mechanism.
- ii. CSR Committee shall periodically monitor the progress of CSR projects, programs and activities of the Company.

4.15 Impact Assessment of CSR Projects:

The CSR team shall endeavor to conduct through an independent agency impact assessment of its projects, as and when applicable.

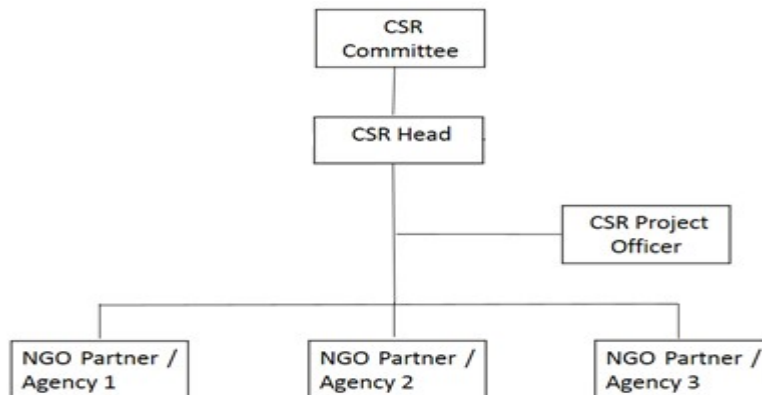
- a) Applicability: The Impact assessment of the CSR projects (having outlays of Rs. 1 Crore or more) shall be conducted as and when the company has an average CSR obligation of Rs. 10 Crore or more in the three immediately preceding financial years, in pursuance of Section 135 (5) of the Companies Act, 2013, as amended from time to time.
- b) The impact assessment shall be conducted of those CSR projects which are completed and at-least one year has elapsed.
- c) Expenditure on Impact Assessment: A Company undertaking impact assessment may book the expenditure towards CSR for that financial year, which shall not exceed five percent of the total CSR expenditure for that financial year or fifty lakh rupees, whichever is less.
- d) The impact assessment reports, if any shall be placed before the Board and shall be annexed to the annual report on CSR.

4.16 Annual Action Plan

- i) The CSR Committee shall formulate and recommend to the Board, an annual action plan in pursuance of the CSR Policy which shall include the following:
 - (a) The list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Companies Act, 2013;
 - (b) The manner of execution of such projects or programmes;
 - (c) The modalities of utilisation of funds and implementation schedules for the projects or programmes;
 - (d) Monitoring and reporting mechanism for the projects or programmes; and
 - (e) Details of need and impact assessment, if any, for the projects undertaken by the company
- ii) The Board may alter such plan at any time during the financial year, as per the recommendation of its CSR Committee, based on the reasonable justification to that effect.

5. CSR Governance Structure

The CSR operational structure to manage the CSR programmes of the Company shall be as follows:



5.1 CSR Committee

CSR Committee is the apex level entity for the CSR program. This committee shall comprise of three or more Directors including at least one Independent Director as per

the provisions of the Companies Act 2013. The roles and responsibilities of this committee are:

- i. To formulate and recommend to the Board, an annual action plan in pursuance of its CSR Policy including any modification thereof;
- ii. Approval of Short-term and Ongoing CSR projects;
- iii. To ensure proper implementation of CSR Policy;
- iv. To review the progress of CSR projects and its feedback on a periodical basis; and
- v. To recommend any change/amendment in the CSR policy to the Board.

The above roles and responsibilities are not exhaustive. CSR Committee also fulfills the other responsibilities as prescribed in the Companies Act, 2013 and rules made thereunder.

5.2 **CSR Head**

The CSR Head shall be selected from the Senior Management cadre. The selected person should have passion to drive the program. The roles and responsibilities of the CSR Head are as follows:

- i. Implementation of the CSR Policy;
- ii. Preparation of CSR Annual Action Plan;
- iii. Identification and selection of Implementing Agencies for implementation of CSR projects;
- iv. Approval of short term and ongoing CSR projects;
- v. Utilization of the Budget approved for CSR projects. However, an approval shall be sought by the CSR Head from the CEO of the Company prior to award of any order to any implementing agency;
- vi. Monitoring the implementation of CSR projects;
- vii. Reporting progress of the CSR projects to the CSR Committee on a periodical basis and on an operational level to the CEO; and
- viii. Presentation of information to the Company Secretary for publication in the Annual Report.

5.3 CSR Project Officer

- i. The CSR Head shall be assisted by the CSR Project Officer;
- ii. Supervise the implementation of the projects on a periodic basis;
- iii. Develop/ revisit a database of volunteers, their skills and areas of interest;
- iv. Develop/ revisit a database of implementing agencies;
- v. Provide all support to the implementing agencies who is partnering the organization for CSR implementation;
- vi. Prepare monthly activity report for submission to CSR-Head;

5.4 CFO Certification

The Chief Financial Officer or the person responsible for financial management shall certify to the effect that the CSR funds so disbursed have been utilized for the purposes and in the manner as approved by the Board.

5.5 Reporting of CSR Activities

BRPL shall report the applicable compliances of its CSR activities as per the provisions of the Companies Act, 2013 and rules made there-under, amended from time to time.

6. Criteria for identifying the Implementing Agency

Implementing Agencies to execute the CSR projects shall be selected by the CSR Head using the following criteria:

- i. The Implementing Agency should be registered as:
 - a) A company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80 G of the Income Tax Act, 1961, established by the company, either singly or along with any other company, OR
 - b) A company established under section 8 of the Act or a registered trust or a registered society, established by the Central Government or State Government; OR
 - c) Any entity established under an Act of Parliament or a State legislature; OR
 - d) A company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities.

- ii. Holding unique CSR Registration Number, as issued by the Ministry of Corporate Affairs;
- iii. Presence of a Regional/Permanent office in Delhi;
- iv. Willingness to customize the program to align with the CSR thrust areas and objectives of the Company; and
- v. Established track record of minimum 3 years in the proposed thrust area.

7. General

7.1 The CSR policy shall be modified, if there are any relevant changes in the Companies Act, 2013.

7.2 Any modifications in the policy are to be approved by the Board, based on the recommendation by the CSR Committee.