

Corporate Social Responsibility Policy

BSES Yamuna Power Limited, New Delhi



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1. Introduction

- 1.1 BYPL' licensed area of 200 sq kms in East and Central Delhi is interspersed with settlements whose residents are deprived of basic infrastructure, hygienic living conditions, employable skills and appropriate earning opportunities. As a corporate citizen, BYPL aims to address such problems through its CSR activities and thus make a difference in the lives of these underprivileged citizens, who also happen to be its customers and consumer of electricity. The business philosophy for BYPL 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 BYPL has been framed to dovetail with the charter of the Corporate Social Responsibility of the ADA 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 BYPL for the benefit of needy and underprivileged segments of the society.
- 1.4 This policy has been framed in consonance with the Corporate Social Responsibility (Policy) Rules 2014 under the Section 135 of the new Companies Act 2013. The financial component/budgetary spend on CSR and Sustainability will be based on the profitability of the company and shall be determined by the Net Profit of the company in the previous three years.

1.5 CSR Vision, Mission and Objectives

- 1.5.1 The CSR vision of BYPL derives its essence from the following Group CSR Corporate Vision, which aims to realize full potential of millions of Indians.
- To build a global enterprise for all our stakeholders and a great future for our country

- To give millions of Indians the power to shape their destiny, the means to realize their full potential

1.5.2 CSR Vision of BYPL:

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

1.5.3 CSR Mission of BYPL:

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

1.5.4 The objectives of this policy are:

- To improve quality of life and economic well-being of underprivileged citizens in our licensed area
- To increase engagement with employees and further engagement with other stakeholders

2. Thrust Areas for CSR

2.1 Guidelines for Selection of Thrust Areas

BYPL shall follow the following guidelines while selecting the thrust areas for CSR:

- 2.1.1 CSR intervention should meet specific needs of local community.
- 2.1.2 CSR interventions should entail high degree of participation of local communities.
- 2.1.3 CSR interventions 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 are identified under CSR Framework of the Group :

- i. **Work Force development**
- ii. **Education/Promoting or enhancing Literacy levels**
- iii. **Sanitation**
- iv. **Health care services**
- v. **Miscellaneous**

2.3 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.

2.4 Brief Description of Thrust Areas

2.4.1 **Work Force development:** These initiatives will improve employability of the youths by enhancing the inherent skills of the youth from the local community, by imparting skills required in the neighboring economic hubs and by improving skills required in the industries having high employment opportunities.

2.4.2 **Education/Promoting Literacy:** These programs will aim at improving literacy levels of residents in low income clusters. Also provide IT knowledge to children and youth in our licensed areas to improve their employability.

2.4.3 **Sanitation:** These projects will help the underprivileged communities to improve hygiene in their area.

2.4.4 **Health care services:** BYPL will use its own medical infrastructure or tie-up with local hospitals to provide free or subsidized medical treatment.

2.4.5 **Miscellaneous:** Various CSR projects which are not covered under the above categories will be grouped under this category

3. Resources

3.1 Allocation of funds

3.1.1 BYPL will spend at least 2% of its three-year average net profit every year on CSR.

3.1.2 Any unspent un-utilized CSR allocation of a particular year will be treated in compliance with notification from Ministry of Corporate Affairs.

3.1.3 Surplus arising out of CSR project or programmes or activities undertaken by BYPL shall not form part of the business profit of the company.

3.2 Overall budget distribution for CSR

3.2.1 Annual CSR Budget will be allocated under the following major budgetary heads:

S No.	Budget Head	Indicative Fund Allocation
1	Developmental projects in any of the thrust areas	80%
2	Need identification and impact assessment studies	10%
3	Capacity building initiatives for employees	5%
4	Contribution for Natural calamities and disaster at local or National level through contribution to the Prime Minister's National Relief Fund or any other fund set up for such eventualities / calamities	5%

3.2.2 The distribution of expenditure among the thrust areas will depend upon the need identification studies/surveys and specific requirement of the programs.

However, the following table provides an indicative allocation of funds for the development projects undertaken under the identified thrust areas:

S No.	Thrust Areas	% Fund Allocation
1	Work Force development	35%
2	Sanitation	20%
3	Education/Literacy enhancement	15%
4	Health care services	15%
5	Miscellaneous	15%

4. Planning and Implementation

4.1 The target areas for CSR activities will be urban slum, urban and rural villages, unauthorized colonies, low-income resettlements and JJ clusters located in the licensed area of BYPL in East and Central Delhi.

4.2 As it is not feasible for BYPL to undertake CSR activities in all the target areas simultaneously, CSR activities in areas will be prioritized on the basis of :

- i. Areas having maximum number of low income and low consumption consumers
- ii. Proximity to other under-privileged communities
- iii. Perceived ease of achieving CSR objectives

4.3 Distinct entry-level activities shall be planned to develop rapport with the communities.

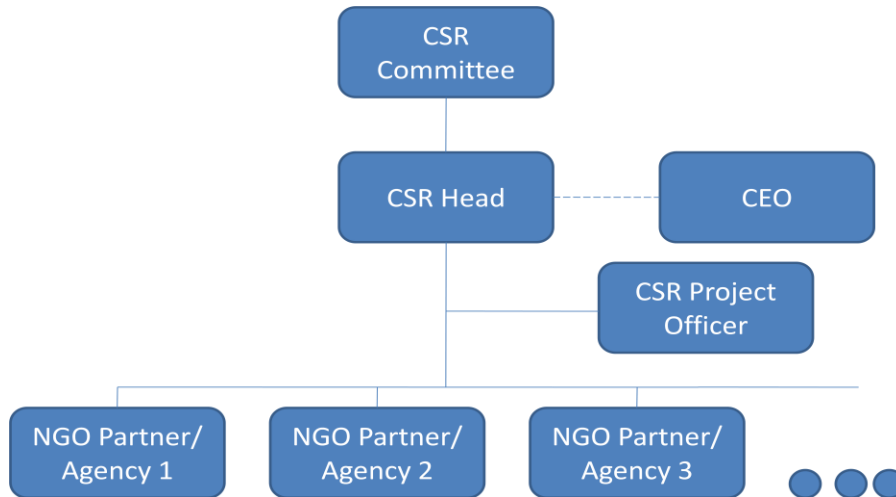
4.4 Once an underprivileged community is selected for CSR intervention, multiple interventions from the thrust areas shall be undertaken in an integrated manner to ensure sustainable development.

4.5 Sustainability of program objectives after completion of CSR intervention shall be factored in while selecting and designing CSR activities.

- 4.6 BYPL shall frame the mandate and partner to create desired social good. In keeping with the group philosophy of executing initiatives ourselves rather than passing on the responsibility by signing on the dotted line. For execution, we may partner with local govt, NGOs other institutions etc.
- 4.7 BYPL may also partner with other companies or consortium of companies to implement the social projects
- 4.8 BYPL will enter into a 'Standard Model' agreement with external agencies.
- 4.9 The duration of a program shall depend on its nature, extent of coverage and objectives. Based on the duration, programs are to be classified as:
- i. Short-term (less than 1 year)
 - ii. Medium-term (1 year-3 years)
 - iii. Long-term (3 years and above)
- 4.10 A project concept note shall be prepared prior to the launch of a CSR program. The project concept note will typically cover 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.
- 4.11 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.
- 4.12 Best efforts by way of skill transfer, creation of self-help groups, strengthening of local institutions, etc. shall be undertaken for the sustenance of developmental objectives.

5. CSR Governance Structure

The CSR head will report on an operational level to the CEO, a 3-tier structure shall be followed to manage CSR program in the company:



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. Ensuring proper implementation of the CSR policy
- ii. Approval of CSR Roadmap and Annual Operating Plan
- iii. Approval of the CSR plan presented by the CSR Head
- iv. Approval of project reports of long-term CSR programs
- v. Review of the progress and its feedback on a quarterly basis
- vi. Change/amendment in the CSR policy

5.2 CSR Head

5.2.1 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:

- i. Implementation of the CSR policy.

- ii. Preparation of CSR roadmap for five years and seeking its approval from the CSR Committee.
- iii. Preparation of CSR Annual Operating Plan which is divided into quarters with clear deliverables on output and budgetary allocations and seeking its approval from the CSR Committee.
- iv. Identification and selection of External Agencies/NGOs for implementation of CSR programs.
- v. Approval of project reports of short and medium term CSR programs.
- vi. Utilization of the Budget approved for CSR programs. However, an approval shall be sought by the CSR Head from the CEO of the company prior to award of any order to any outside party.
- vii. Monitoring implementation of CSR programs.
- viii. Reporting progress of the CSR programs to the Head Group-CSR Committee on a monthly basis.
- ix. Reporting progress of the CSR programs to the CSR Committee on a quarterly basis and on an operational level to the CEO.
- x. Conduct audit of CSR initiatives undertaken during the financial year.
- xi. Presentation of information to the Company Secretary for publication in the Annual Report.

5.3 CSR Project Officer

5.3.1 The CSR Head shall be assisted by CSR Project Officer.

5.3.2 Supervise the implementation of the projects on a periodic basis.

5.3.3 Develop/ revisit a database of volunteers, their skills and areas of interest.

5.3.4 Develop/ revisit a database of external agencies/NGOs.

5.3.5 Provide all support to the external agencies/NGO who is partnering the organization for CSR implementation.

5.3.6 Prepare monthly activity report for submission to CSR-Head.

5.3.7 While selecting Project Officer, preference will be given to those employees who volunteer to undertake additional responsibility of CSR because of their passion for such work.

6. Criterion for identifying external agency/NGOs

6.1 External agencies/NGOs to execute the CSR projects shall be selected by the CSR Head using the following criteria:

- i. Presence of a Regional/permanent office in Delhi, Registration as a Society under Societies Registration Act or a Registered Trust
- ii. Registration as a society under Societies' Registration Act
- iii. Possession of a valid Income-tax Exemption certificate
- iv. Willingness to customize the program to align with the CSR thrust areas and objectives of the company
- v. Proven 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.
- 7.2 The Company has every right to add, amend or delete any of the rules mentioned in the policy.
- 7.3 Any modifications in the policy are to be approved by the CSR Committee.