

CORPORATE SOCIAL RESPONSIBILITY POLICY

SMC POWER GENERATIONS LIMITED

Adopted on 20th January, 2016

COMPANY'S VISION AND INTENT:

The Company's vision behind Corporate Social Responsibility ("CSR") is to actively contribute to the social and economic development of the country. In so doing build a better, sustainable way of life and promoting healthcare including preventive health care and sanitation. The Company shall contribute a certain part of its earnings towards the growth, uplift, advancement of weaker sections of society; progression in the slum and backward areas and also contribute towards the development and progression of the Country.

AREAS AND ACTIVITIES:

The scope of the CSR activities of the Company will cover the areas / activities specified in Schedule VII of the Act read with Companies (Corporate Social Responsibility Policy) Rules, 2014 (CSR Rules- 2014) as amended from time to time, and as appended to this Policy as Annexure-1.

The said Annexure -1 may be revised in line with any amendments/inclusions/exclusions made to Schedule VII of the Act by the Government from time to time.

CSR EXPENDITURE:

CSR expenditure shall include all expenditure including contribution to corpus for projects/programs related to CSR activities approved by the Board on the recommendation of its CSR Committee but does not include any expenditure on an item not in conformity or not in line with the activities which fall within the purview of Annexure 1 attached to the policy.

COMPOSITION OF THE CSR COMMITTEE

The Company's CSR Committee shall presently consist of 3 Directors, out of which two are independent director.

RESPONSIBILITIES OF THE COMMITTEE:

The responsibilities of the CSR Committee include:

- Formulating and recommending to the Board of Directors the CSR Policy and indicating the activities to be undertaken by the Company in any year / block of years;
- Recommending the amount of expenditure to be spent on the CSR activities to be undertaken by the Company in any year / block of years;
- Formulating the annual CSR Budget and obtaining Board's approval thereto;
- Monitoring and reporting of the CSR activities to the Board from time to time;
- Reviewing the CSR Policy from time to time.

CSR SPEND:

The CSR Committee shall endeavor to spend at least 2% of the average net profit of the Company made during the 3 immediately preceding financial years on CSR activities, projects and programs as mentioned in Annexure-1. For this purpose, “average net profit” shall mean the net profits of the Company as per the Profit & Loss Statement prepared in accordance with the Act. No part of it shall form part of the business profit of the Company.

IMPLEMENTATION:

The Company will endeavor to spend the requisite amount in the best possible manner to contribute towards the company’s objective behind this policy.

DISCLOSURES:

The Directors’ Report of the Company shall include a report on CSR outlining the Company’s CSR Policy, CSR Committee, CSR Initiatives undertaken by Company, the CSR spend during the financial year and other information as required/prescribed under the Companies Act, 2013.

COMPLIANCE WITH LAW:

In all such matters as may not be specifically mentioned in this Policy, the Company shall at all times comply with the applicable provisions of the Companies Act, 2013, the Rules & Regulations made and the Notifications, Circulars, Guidelines etc. issued thereunder. Provisions contained in the Act, Rules, Regulations, Notifications, Circulars, Guidelines shall prevail over anything contained in this Policy to the extent latter is contrary to the former.

Annexure-1

- i. eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of 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; including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga;
- 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 the 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;
- xi. Slum area development.

NOTE:

In undertaking any CSR projects/programs/activities, the Company shall ensure to give preference to the area and areas around which it operates.