



Corporate Social Responsibility (CSR) Policy

1. Concept

Corporate Social Responsibility (CSR) is strongly connected with the principles of Sustainability; an organization should make decisions based not only on financial factors, but also on the social and environmental consequences. Therefore, it is the core corporate responsibility of Shyama Power India Limited (Shyama) to practice its corporate values through its commitment to grow in a socially and environmentally responsible way, while meeting the interests of its stakeholders.

The term "Corporate Social Responsibility (CSR)" can be referred as corporate initiative to assess and take responsibility for the company's effects on the environment and impact on social welfare. The term generally applies to companies efforts that go beyond what may be required by regulators or environmental protection groups.

Corporate social responsibility may also be referred to as "corporate citizenship" and can involve incurring short-term costs that do not provide an immediate financial benefit to the company, but instead promote positive social and environmental change.

2. Definitions

Company shall mean **Shyama Power India Ltd.**, a Company incorporated under the provisions of the Companies Act, 1956 with its registered Office at Naga Cottage, Circular Road, Dimapur, Nagaland - 797 112;

Act shall mean the Companies Act, 2013 and includes any other rules, regulations made under the Act, statutory amendments, from time to time, and any other statutory enactment thereof;

Board shall mean Board of Directors of the Company (Shyama Power India Limited);

Independent Director shall mean the Director as defined and enunciated in sub section 6 of section 149 of the Act, 2013;

CSR shall mean the Corporate Social Responsibility as defined in the Section 135 of the Act and rules made there under;

Committee shall mean the CSR Committee formed by the Board of Directors of the Company;

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An ISO 9001 : 2008 Company

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CIN No. U45203NL1998PLC005301

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Activities shall mean the CSR activities as prescribed by the Committee to the Board in cohesion with those enunciated in the schedule VII of the Act and analogies drawn from same for the primary benefits of the localities of nearby area of operations of the Company;

NGO shall mean the non-profit organizations be it a registered trust, society, section-8 companies of the Act made by the company or its holding, subsidiary or associate company, or any association formed and registered under the respective statutory body in India;

Global NGO shall mean non-profit organizations formed and registered under the respective law of the Country other than India and caters for the beneficiaries globally and includes UNO, UNESCO;

Beneficiaries shall mean the person (s) or sector of people fructifying the benefits from the activities defined and shall include ecology and environment;

Directors' Report shall mean the report under the Section-134 of the Act by the Company;

Website shall mean the official website of the Company;

3. Effective Date

This policy will come into force with effect from date of approval by Board after seeking inputs and recommendation from CSR Committee constituted for the purpose.

4. CSR Committee

i. The Board of Directors of the Company shall constitute a Corporate Social Responsibility Committee (CSR Committee) of the Board consisting of three or more directors, out of which at least one shall be an Independent Director. The present composition of Committee comprises of persons as enshrined in **"Annexure-A"**;

ii. The Committee, referred above, shall:

a. Formulate and recommend to the Board the CSR Policy and any amendments thereof;

b. Recommend the area, amount and timing of expenditure to be incurred on the activities, as per CSR Policy (**gist stated as "Annexure-B"**);

c. Be responsible for implementation and monitoring of CSR projects or programmes or activities of the Company whereupon transparency is to be ensured by members and they are free to devise any means to ensure same for proper implementation and monitoring of

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CSR Projects. The Committee may ask for explanation and may visit the sites at which activities are undertaken including having discussion with locals i.e beneficiaries and may adapt other strategies for ensuring appropriate and effecting monitoring independent of the Board.

iii. Quorum of meeting of CSR Committee shall be one third of the total strength or two directors, whichever is higher and Company Secretary of the Company shall act as Secretary of the Committee.

iv. The CSR Committee may invite Executives, Advisors, representatives of Social Organizations, Auditors i.e Statutory/Internal of the Company and such other person (s) as it may consider necessary to attend the meeting.

Chairman

The Chairman of the committee shall be elected by the members of the Committee. It is desired to have the committee be headed by an Independent Director.

Meeting

The committee members may meet according to exigencies of circumstances and its decision / discussion etc. must be apprised to the Board.

Notice of any meeting of the CSR Committee has to be given at least 3 days prior to any such meeting to be held, unless all Members unanimously waive such notice. Irrespective of the length of notice being given, attendance of a meeting by a Member shall be deemed waiver of the requisite length of notice by the Member.

Minutes

Minutes of the proceedings and resolutions of the CSR Committee meetings shall be signed and confirmed by the Chairman of the meeting. Minutes so signed and confirmed shall be conclusive evidence of such proceedings and resolutions.

Minutes of all Committee meetings will be open for inspection at any reasonable time on reasonable notice by any member of the Board of Directors of the Company.

Minutes of the committee meeting shall be recorded in loose sheets bound and shall be initialed by the Chairman in physical or in electronic form and may also be signed digitally by the Chairman.

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Maintenance Of Records

Company Secretary of the Company or any other member of his/her team may be nominated as a responsible person for maintaining the records of all the Meetings and duly signed minutes of the Meeting of the CSR Committee at a place designated by the Committee which is the registered office of the Company at present.

5. Activities and implementation

The scope of this policy will extend to activities as stated under Schedule VII of the Companies Act, 2013, read with section 135 and applicable rules as presently in force and/or amended from time to time provided CSR Policy as framed is not inconsistent with terms of reference of provisions of Companies Act, 2013. The scope of the policy is to also include all additional and allied matters, as will be notified by Ministry of Corporate Affairs or such other body, as appointed / notified by Central or State Government, from time to time for this purpose so as to sub serve and upheld the cause of introduction of concept of CSR.

The Board of Directors of the Company may on recommendation of the CSR Committee, determine / approve the projects or programmes or activities (identified project or programme or activity) to be undertaken by the Company under CSR initiatives, from time to time. However, the Board shall ensure that the projects or programmes or activities undertaken are related and within the broad purview of the activities as stated under Schedule VII or any other relevant provision of the Companies Act, 2013.

The minimum eligibility criteria for any project or programme or activity and / or other incidental or ancillary matters, including but not limited to quantum of proposed expenditure, shall be finalized by the Board of Directors or any delegate thereof, on recommendation of the CSR Committee which recommendation is binding as to quantum, timing and avenue for spending upon Board provided same is in the larger interest of the Company and those for whom initiative is being taken.

The modalities including timing of execution of CSR projects or programmes or activities and implementation thereof shall be determined by the Board of Directors or its Committee (excluding any Board Committee formed for some other specific purpose, however including but not limited to Committee of Directors, if any, from time to time, upon recommendation of the CSR Committee.

The CSR Committee shall frame rules or issue directives with regard to monitoring of the CSR projects or programmes or activities and said directives may include directions as to providing impetus to CSR Committee as and when deemed expedient by Committee.

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The CSR Committee may by resolution or under authority of Chairman (whereupon same is to be ratified by Committee in its ensuing meeting) delegate or entrust any of the function, acts, deeds or things, etc. as may be required to be performed or complied by it, whether under Companies Act, 2013 or rules made thereunder or otherwise to any person, whether in employment of the Company or otherwise, and any such function, acts, deeds or things, etc. performed by such person pursuant to such resolution shall have effect, as if the same has been performed by the Committee itself.

The Board may on the recommendation of the CSR Committee, decide to undertake CSR projects or programmes or activities through a registered trust or a registered society or a Company or an associate Company established by Shyama or otherwise (Implementing Agency). Provided that, in such case the provisions relating to Companies (Corporate Social Responsibility) Rules, 2014, are required to be complied with.

The Board of Directors may on recommendation of the CSR Committee decide to collaborate with other Companies for undertaking CSR projects or programmes or activities.

While undertaking CSR projects or programmes or activities preference shall be given to the local area or area including proposed area of operations of the Company. Such area of operation including timing thereof for any identified project or programme or activity shall be finalized by the Board of Directors or any Committee thereof, upon recommendation of the CSR Committee.

6. Quantum of investment

The Company shall spend, in every financial year, at least 2% of the average net profits of the Company made during the immediately 3 preceding financial years. Net profit in such case will have the meaning as stated under Rule 2(f) of the Companies (Corporate Social Responsibility) Rules, 2014, but shall not include the following :

- (i) Any profit arising from any overseas branch or branches of the company, whether operated as a separate company or otherwise, and
- (ii) Any dividend received from other companies in India which are covered under and complying with the provisions of section 135 of the Act.

The Board may recommend spending beyond threshold of 2 % as aforesaid to CSR Committee which prerogative vests with CSR Committee and Board has to act accordingly.

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It is further stated that any unutilized CSR allocation fund of a particular year, will be carried forward to the next financial year i.e. the CSR budget will be non lapsable in nature.

CSR Expenditure shall include all expenditure including corpus for projects or programmes relating to CSR activities approved by the Board on recommendation of CSR Committee. However, the same will not include expenditure on any item not in conformity or in line with the activities stated under Schedule VII of the Companies Act, 2013.

CSR projects or programmes or activities undertaken in India only shall be considered as CSR Expenditure.

Projects or programmes or activities that benefit only the employees of the Company and their families shall not be considered as CSR activities.

Contribution of any amount directly or indirectly to any political party shall not be regarded as a CSR activity.

Any expenditure incurred for building CSR capacity, whether own or that of eligible Implementing Agency, shall not exceed five percent of total CSR expenditure, in one particular financial year.

It is also agreed that 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.

Compliance with provisions of Rule 7 of The Companies (Corporate Social Responsibility) Rules, 2014 shall be ensured all the time.

7. Allied Matters

With regard to CSR activities, Boards Report to state such particulars as stated under Companies (Corporate Social Responsibility) Rules, 2014.

The Company shall display such particulars relating to CSR Policy and activities undertaken thereunder as stated under Companies (Corporate Social Responsibility) Rules, 2014.

However if the Company ceases to be covered under sub-section (1) of Section 135 of the Act for three financial years, then it shall not be required to, comply with the provisions laid down under sub-section (2) to (5) of the said section, till such time it meets the criteria

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specified in sub-section (1) of the Act. The CSR Committee though will be in existence and may recommend to Board for its obligations (voluntarily) towards CSR, which may/may not be adhered to by the Board, irrespective of % terms norms.

8. Website Disclosures

The following shall be disclosed on the website of the Company:

- The composition of the CSR Committee;
- CSR Policy and Projects approved by the Board; and
- CSR policy

9. Amendments to the CSR Policy:

This policy shall be updated from time to time, by the Company in accordance with the amendments, if any, to the Companies Act, 2013, rules made thereunder or any other applicable enactment for the time being in force so as to make same in sync therewith. Shyama's Board shall have power to amend the CSR Policy at any point of time after taking recommendation of CSR Committee.

10. Assessment

Accounting on the money spent on CSR.

Auditing and submission of activity report for the approval of the Board before the AGM.

11. Reporting

The CSR Committee shall be responsible for monitoring of the amount of expenditure, as approved by the Board of Company and proper utilization of funds. Apart from the above, the Board Report of the Company shall include an annual report on CSR containing the particulars in the prescribed format.

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ANNEXURE A

Composition of CSR Committee

<u>Member's Name</u>	<u>Category</u>	<u>Designation</u>
Mr. Madan Mohan priya	Independent Director	Chairman
Mr. Binod Kumar Thakur	Joint Managing Director	Member
Mr. Prasoon Kumar	Independent Director	Member

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ANNEXURE B

ACTIVITIES INTENDED TO BE INCLUDED IN CSR POLICY-

The Policy recognizes that corporate social responsibility is not merely compliance; it is a commitment to support initiatives that measurably improve the lives of underprivileged by one or more of the following focus areas as notified under Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended from time to time :

The Company intends to initiate/foray/continue in either of specified genre of activities:

- Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water.
- Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
- Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water;
- Reducing child mortality and improving maternal health by providing good hospital facilities and low cost medicines;
- Providing with hospital and dispensary facilities with more focus on clean and good sanitation so as to combat human immunodeficiency virus, acquired immune deficiency syndrome, malaria and other diseases;
- Employment enhancing vocational skills

Subject to approval of CSR Committee in specific the Board may initiate either of the activities as hereunder:

- 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;

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- 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;
- measures for the benefit of armed forces veterans, war widows and their dependents;
- training to promote rural sports, nationally recognized sports, Paralympics sports and Olympic sports;
- 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 Caste, the Scheduled Tribes, other backward classes, minorities and women;
- contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government
- Rural development projects
- Slum Area Development
- disaster management, including relief, rehabilitation and reconstruction activities
- Contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation”.
- Contribution to the Clean Ganga Fund setup by the Central Government for rejuvenation of river Ganga.

The Above list is illustrative not exhaustive. All activities under the CSR activities should be environment friendly and socially acceptable to the local people and Society and should be undertaken considering need of the area so as to serve the cause of CSR and not lead to wastage of resources. However, the Committee may identify such areas other than stated above including timing thereto, which may/may not be on recommendation of Board, as it may deem fit, and recommend it to the Board for undertaking CSR activities.

The modalities of execution may include construction/improvement in infrastructure as to school and health centres, provisions towards mid day meal etc. enhancing vocational skills of unskilled and semi skilled persons in the vicinity and prompting them to join same which

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will lead to eradication of poverty as after seeking skills and basic education they are able to utilize same in other spheres of life.

For SHYAMA POWER INDIA LIMITED

**Sd/-
Madan Mohan Priya
Chairman
CSR Committee
DIN : 06449906**

**Sd/-
Binod Kumar Thakur
Joint Managing Director
DIN : 00251601**

****The policy was amended on 04th February, 2021 pursuant to the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021.***

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