

L&T POWER DEVELOPMENT LIMITED
POLICY ON CORPORATE SOCIAL RESPONSIBILITY (CSR)

CSR PHILOSOPHY

L&T Power Development Limited fosters a culture of caring, trust and continuous learning while meeting the expectations of all stakeholders and society at large. The Company shall contribute towards inclusive growth by empowering communities and accelerating development in the surrounding areas including project sites.

The Company's CSR Policy framework details the mechanisms for undertaking various programmes in accordance with section 135 of the Companies Act 2013 ('Act') and the Companies (Corporate Social Responsibility) Rules, 2014 ('Rules') (as amended from time to time) for the benefit of the community.

CSR THEMES

The Company will focus on various CSR activities as stipulated under the Companies Act 2013 which will include, amongst others, the following;

Rural Development - may include but not limited to construction and maintenance of roads, pathways, protection works, drains, toilets, water tanks, community centres, health centres, skill training centres, sports and other infrastructure.

Water - may include but not limited to support for programmes making clean drinking water available, building check dams, rain water harvesting, facilitating irrigation, conservation and purification of water.

Education - may include but not limited to construction and renovation of schools, libraries, science laboratories, etc., education infrastructure support to educational Institutions, educational programmes & nurturing talent at various levels.

Health - may include but not limited to support for community health centres, mobile medical vans, dialysis centres, general and specialized health camps and outreach programmes, centres for elderly / disabled, support to HIV / AIDS programme.

Skill Development - may include but not limited to creating training centres vocational training, skill building, computer training, women empowerment, support to ITI's and CSTI's, support to specially abled, infrastructure support, providing employability skills at project sites, etc.

Governance would be the key driver across all the CSR initiatives.

CSR BUDGET

- The Board of the Company is required to allocate at least 2% of the average profit during the three preceding financial years.
- The Company may collaborate or pool resources with other entities to undertake CSR activities.
- In case of any surplus arising out of CSR programmes the same shall not form part of business profits of the Company.

ROLES AND RESPONSIBILITIES

The CSR Governance structure comprises of the Board, CSR Committee and the working level committee.

The Board

The Board of Directors of the Company shall:

- Approve the CSR Policy of the Company.
- Ensure spend of at least 2% of profits
- Disclose the content of the CSR Policy in its report place the Policy and provide details of the Committee Composition as prescribed under on the Company's website as prescribed under the Act and the Rules. .
- Ensure that the social programmes undertaken are aligned to the CSR Policy of the Company and the requirements of the Companies Act, 2013 and the rules made thereunder.
- Specify reasons in its report for not spending the earmarked amount in case the Company fails to spend such amount.
- Approve the Annual Action Plan as recommended by the CSR Committee
- Oversee and adhered to all other responsibilities as mandated by the Rules.

CSR Committee of the Board

The CSR Committee of the Board will:

- Formulate and recommend the CSR Policy to the Board for approval.
- Monitor the Policy from time to time.
- Recommend the amount of expenditure to be incurred on CSR programmes.
- Constitute transparent monitoring mechanism for ensuring implementation of the CSR programme.
- Recommend an Annual Action Plan to the Board for approval

Working level committee

- Spread awareness regarding the approved CSR policy.
- Ensure that CSR programmes are aligned with company's CSR policy.

- Recommend programmes to be undertaken during the financial year to the CSR Committee of the Board.
- Facilitate effective implementation of CSR policy.
- Keep reviewing the CSR policy and actual implementation status to achieve desired outcome for community development.

IMPLEMENTATION

- CSR programme will be undertaken by the Company in identified areas. The Company will undertake need assessments as and when required.
- The time period / duration over which a particular programme will be spread, will depend on its nature, extent of coverage and the intended impact of the programme.
- The Company may enter into partnerships with the government, business partners and communities to create multiplier effect of its social programmes.
- The mode of implementation of CSR programmes will include a combination of direct implementation and / or through partners such as NGOs, Trusts, academic institutions, business associates, registered societies etc. The Company will select its partners after appropriate due diligence.
- The Company may use the services of internal teams, volunteers, expert agencies, consultancy firms etc. wherever required for carrying out base line surveys, guidance on programme design and implementation, impact assessment surveys etc.

MONITORING AND REPORTING FRAMEWORK

The Company has a constituted committee to monitor and report the progress of its CSR programmes. An accounting system has been established by the Company to ensure appropriate accounting of CSR spends. The working level committee will be responsible for monitoring and implementing the CSR programmes.

The committee of the Board shall

- Review the implementation of the CSR programmes and the CSR audit reports periodically
- Review the implementation and monitoring mechanism appropriately
- Report to the Board appropriately

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

DISCLOSURE

The CSR Policy framework, Committee composition and projects approved by the Board (Annual Action Plan) will be displayed on the website of the Company. The Board Report will include an Annual report on the CSR activities in the format specified under the Rules.

REVIEW OF POLICY

The CSR Policy document will be reviewed from time to time and any changes, if necessary, will be approved by the CSR Committee or the Board as the case may be.