

SITAPURAM POWER LIMITED

CORPORATE SOCIAL RESPONSIBILITY POLICY

Policy & Philosophy

Sitapuram Power Limited (the Company) is a public unlisted company, incorporated under the provisions of Companies Act, 1956 with an exclusive objective of Power Generation. The Company has set-up a 43MW Coal based Power Plant at Sitapuram, Dondapadu (Village), Mellacheruvu (Mandal), Nalgonda (Dist), Telangana. Our Corporate Identity Number is U40109TG2005PLC046893.

The Company has been pursuing CSR activities long before it became a statutory requirement under the Companies Act, 2013.

The CSR activities of the Company reflect its basic philosophy of being an infrastructure company that not only generates power – which is an essential building block for the development and sustenance of the economy – but also, a company that seeks a larger role in nation-building through its contribution towards improving the lives of the communities in whose midst it works.

Constitution of a Corporate Social Responsibility Committee of the Board and formulation of a Corporate Social Responsibility Policy has become mandatory under the Companies Act, 2013. Accordingly, our Company has formulated this CSR Policy which encompasses its philosophy and guides its sustained efforts for undertaking and supporting socially useful programs.

CSR Operating Principles

The Company is committed to establish best practices in CSR and is guided by the following principles:

- **Openness and Accountability** – CSR policy, objectives and performance will be communicated openly to our shareholders, consumers, employees, local community and society at large.
- **Continuous Improvement** - As part of our best practices, we are committed to measuring and improving our CSR performance. Will develop and implement specific environmental and social policies and procedures, monitor our performance, set targets for improvement and report our progress.
- **Demonstrate Statutory Compliances**- We will meet all relevant statutory legislation and compliances and where none exists will seek to develop and implement own appropriate methods and standards

Projects and Programmes that are to be undertaken:

The Company's CSR initiatives towards community are essentially focused on five thrust areas:

1. Education
2. Health and Family welfare
3. Sustainable Development
4. Infrastructure Development
5. Cultural and Community Support

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The Company may undertake any one or more of the following activities, as mentioned in Schedule VII of Companies Act, 2013 (as amended), as may be decided by the Board of Directors or CSR Committee of the Board from time to time depending on the suitable opportunities available and need of the area concerned.

1. Eradicating hunger, poverty and malnutrition, promoting preventive healthcare 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;
2. Promoting education, including special education and employment enhancing vocation skills especially among children, women elderly, and differently abled and livelihood enhancement projects;
3. Promoting gender equality, empowering women, setting up homes and hostels for women and orphans, setting up old age homes and such other facilities for senior citizens and measures for reducing inequalities faced by the socially and economically backwards groups;
4. 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 setup by the Central Government for rejuvenation of river Ganga;
5. 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;
6. Measures for the benefits of armed forces veterans, war widows and their dependents;
7. Training to promote rural sports, nationally recognized sports, Paralympics sports and Olympic sports;
8. Contribution to Prime Minister's National Relief Fund or any other fund set up by Central Government for socio-economic development and relief and welfare of the Scheduled Castes, Scheduled Tribes, other backward classes, minorities and women;
9. Contributions or funds provided to technology incubators located within academic institutions which are approved by the central government;
10. Rural development projects.
11. Slum Area Development.

Modalities of execution of Projects and Programs

The Company is exploring various options out of the activities mentioned above and once the same is identified, the Company/CSR Committee will work out the CSR modalities for the same.

The Company may also decide to undertake CSR activities through a registered trust / foundation/ society promoted by the Company or its holding or subsidiary or associate companies. This will help widen the Company's reach and leverage upon the collective expertise, wisdom and experience that these partnerships bring to the table.

Implementation Schedule:

The Company has plans to undertake CSR activities during the current year and implementation schedule for the same will be finalized taking into consideration the nature of activity, duration required for its completion, need to carry on to next year(s) and amount available.

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Further, evaluation of CSR programmes of the Company can be undertaken internally by CSR team and externally by consultants / market research agencies.

The surplus, if any, arising out of CSR initiatives of the Company shall not form part of its business profits.

Monitoring process for such project or programs

The CSR Committee shall:

- i. constitute a transparent monitoring mechanism for implementation of CSR projects or programs or activities undertaken by the Company; and
- ii. Monitor and if required, modify the CSR Policy of the Company from time to time.

Commitment:

The Company intends to follow the new statutory stipulations as applicable in addition to marshalling additional resources for dedicated pursuit of these various initiatives. The Company intends to take benefit of expertise of various other specialist agencies in the areas of community development to undertake initiatives that contribute to build a better and environmentally sustainable way of life for all stake-holders including consumers, shareholders, employees, local community and society at large.