

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

Maithon Power Limited

Sustainability Policy: Index

1.0 Preamble

2.0 Corporate Social Responsibility Policy

Annexure I: Linkage between Maithon Power Corporate Social Responsibility Thrust Areas and Schedule VII to Companies Act 2013

Annexure II: CSR Programs and Initiatives along with Outcome Indicators

Annexure III: Monitoring, Review and Evaluation

Annexure IV: CSR Committee

Annexure V: Reporting Framework

Annexure VI: Geography

<i>Board Resolution Number for CSR Committee Formation: 21st March 2017</i>
<i>Date of Formation of CSR Committee: 24th March 2017</i>
<i>Date of Recommendation by CSR Committee:</i>
<i>Board Resolution number and Date of CSR Policy Approval by the Board of Directors: Board Resolution No.11 dated 26th April 2017</i>

1.0 Preamble

Maithon Power Limited ('MPL' or 'the Company') is a joint venture of The Tata Power Company Limited ('Tata Power') and Damodar Valley Corporation ('DVC') in the ratio of 74:26 respectively.

MPL believes in integrating its business values and operations to meet the expectations of its stakeholders. The key stakeholders of the Company are the communities around its plant periphery situated at Maithon in the District of Dhanbad, Jharkhand. MPL is committed to ensure that the community benefit from the company's presence in their neighbourhood.

Based on the guiding philosophy with which Tata Power and DVC approaches its CSR activities, MPL has outlined its CSR Vision and Mission. The Strategic approach and choices that MPL is making to achieve its CSR vision has been defined. The choices outline the six key thrust areas where MPL will focus its CSR efforts in the vicinity of its operations. The Company may also consider undertaking or supporting CSR initiatives beyond its geography in alignment to six Thrust Areas on matters of national importance based on community need and exigencies including natural disasters, etc. involving stakeholders opinion and evaluative process. Also MPL's 80:20 Paradigm of CSR would provide the flexibility to fund the activities, to meet some of the compelling opportunities not necessarily outlined in the mandated fields, areas. Based on this thought process, the MPL CSR policy has been framed to drive planning, implementation and evaluation of initiatives and resources.

2.0 CSR Policy

MPL is committed to ensure the social wellbeing of the communities in the vicinity of its business operations through CSR initiatives.

MPL shall engage with the community by undertaking the following principles and activities;

- Consult pro-actively with the community and other key stakeholders for understanding needs and designing initiatives for the social well-being of the community.
- Undertake activities as per 6 major thrust areas, which include,
 - Gender Balance in Education (up to Secondary)
 - Positive Health and Sanitation Practices
 - Farm and Non Farm Livelihood
 - Social Capital and Institution Building
 - Financial Inclusivity and Renewable Energy
 - Water(These thrust areas are mapped with the activities as suggested in the Schedule VII to the Companies Act (as per Annexure-I))
- Facilitate assistance during natural disasters, *as appropriate*
- Build and strengthen community institutions and stakeholder engagement
- Collaborate with Civil Society, Industry Associations and Government institutions etc.
- Encourage its employees for volunteering (**ARPAN**)
- Undertake CSR initiatives (as per Annexure-II) with the aim that over time these become self-sustainable
- Engage with disadvantaged sections of the community as per Affirmative Action Policy
- The CSR Committee (as per Annexure-IV) of the Board will Monitor, Review and Evaluate (as per Annexure-III) CSR activities and expenses on a periodic basis as per the calculation of 2% of average net profit of immediately preceding 3 years based on financial statements and report as per defined format (as per Annexure-V)
- Communicate the CSR activities to stakeholders as per the regulatory requirement

MPL shall work as per the Company's Community Relation Policy for community initiatives in and around the vicinity of its business presence for Corporate Social Responsibility.

Chief Executive Officer &
Executive Director

Date: 26.04.2017

Annexure I

Linkage between MPL Corporate Social Responsibility Thrust Areas and Schedule VII

Major Activities Schedule VII	MPL Corporate Social Responsibility Thrust Area					
Schedule VII, Section 135 of Companies Act 2013	Gender Balance in Education (up to Secondary)	Positive Health and Sanitation Practices	Farm and Non Farm Livelihood	Social Capital and Institution Building	Financial Inclusivity and Renewable Energy	Water
(i) eradicating extreme hunger and poverty and malnutrition, promoting preventive healthcare and sanitation and making available safe drinking water		√				√
(ii) promotion of education; including special education and employment enhancing vocation skills especially among children, woman, elderly and the differently abled and livelihood enhancement projects	√		√			
(iii) promoting gender equality and 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 of quality of soil, air and water.			√		√	√

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Schedule VII, Section 135 of Companies Act 2013	Gender Balance in Education (up to Secondary)	Positive Health and Sanitation Practices	Farm and Non Farm Livelihood	Social Capital and Institution Building	Financial Inclusivity and Renewable Energy	Water
(v) protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up of 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, and Paralympics sports and Olympic sports				√		
(viii) contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government or the State Governments 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				√		

* Will be decided by the CSR Committee/ Board on case to case basis.

Note: Key Community Initiatives and Geography are given in Annexure II & Annexure VI respectively

Annexure II: CSR Programs and Initiatives along with Outcome Indicators

The CSR programs and projects for FY 2017-18 along with modality and schedule are given below:-

Thrust Areas	Sr. No	CSR Projects/Activities	Implementation Modality	Reference Sr. No. of Schedule VII, Section 135	Implementation Schedule			
					Q1	Q2	Q3	Q4
A. Gender Balance in Education (up to Secondary)	1	Education Excellence Program and Augmenting School Infrastructures	TIAI	ii/iii	√	√	√	√
B. Positive Health and Sanitation Practices	1	Rural Health Services	TIAI	I	√	√	√	√
	2	Sanitation Promotion Drive(ODF)	TIAI	i	√	√	√	√
C. Farm and Non Farm Livelihood	1	Agriculture Development Livestock Improvement	TIAI	ii/iii/iv/v	√	√	√	√
	2	Entrepreneurship development Program	TIAI	ii/iii/iv/v	√	√	√	√
	3	TPSDI	TIAI	ii/iii/iv/v	√	√	√	√
	4	Career Development Centre	TIAI	ii/iii/iv/v	√	√	√	√
D. Social Capital and Institution Building	1	Model Village Program	TIAI	vii/viii/x	√	√	√	√
	2	Common Property Resource Development /Convergence with Govt. Initiatives and natural resources based livelihood, social capital, institution based entrepreneurship	DIR	vii/viii/x	√	√	√	√
E. Financial Inclusivity and Renewable Energy	1	Social Security Campaign	TIAI	iii/iv	√	√	√	√
	2	Solar Powered Microgrid	DIR	iii/iv	√	√	√	√
F. Water	1	Integrated Water Resource Management	TIAI	i/iv	√	√	√	√

Abbr.	Description
DIR	Direct: MPL severally or jointly with support from its promoters.
TIAI	Through Implementation Agency Internal: Tata Power Community Development Trust (TPCDT) or any other Trust, Employee Volunteers, Employee Families
TIAE	Through Implementation Agency External: Govt Agencies, Local Panchayats, Zila Parishad, NGOs, Skill Development Agency, Other Resource Agencies

Key Outcome Indicators and targets

Thrust Areas	CSR Projects	Flagship Activities	Outcome Indicator	Output Indicators
A. Gender Balance in Education (up to Secondary)	Education Excellence Program and Augmenting School Infrastructures	Promotion of digital learning and activity based learning/ Providing key infrastructures in schools/Community mobilization and programs for adolescent girls	Gender education gap : From current 16% to 12% Dropout rate : From current 51% to 40%	<ul style="list-style-type: none"> • Development of digital classrooms in 33 Schools • Assisting 4500 students through digital and activity based learning • One "State of the art Middle School" • 13 Nos of Awareness Sessions reaching out to 500 adolescent girls
B. Positive Health and Sanitation Practices	Rural Health Services	Mobile medical unit/Rural health centre/Awareness Campaign on Health and related issues	Health Insurance Coverage : From current 1% to 5% Addiction related illness: From current 5% to 4%	Outreach : 20,000 persons
	Sanitation Promotion Drive (ODF)	Awareness Generation and Hand Holding	Open Defecation : From current 94% to 85 % Improper disposal of waste: From current 74% to 70 %	Outreach : 2000 HH Number of HH Having Toilets: 400

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Thrust Areas	CSR Projects	Flagship Activities	Outcome Indicator	Output Indicators
C. Farm and Non Farm Livelihood	Promotion of Agriculture	Horticulture/Livestock development and breed improvement/ Development of irrigation facilities	Provide forward and backward linkages for agriculture: Community Led Farmers committee	Total no. of HH engaged in gainful agriculture & allied activities : 1000 HH
	Enterprise Development	Handicraft Manufacturing, Fly ash brick manufacturing,	Women un-occupied in economic generation activities: From current 24% to 20 % Promote traditional art and develop forward market linkages: Handicraft Marketing Group Facilitate access to loan and guidance for self-employed as part of enterprise promotion: Formation of support group of multifunctional team.	Total no. of HH engaged in gainful entrepreneurial activities : 100 HH
	TPSDI	Tata Power skill development Institute (Vocational training on Power Sector)	Industry relevant higher education : Dedicated Institution aimed at developing skills for Power & other Industry	Total no. of youths having vocational skills : 600 Youths
	Career Development Centre	Soft Skill Development	Placement linked skill training via conducting relevant skill gap assessment: 10 % youths will appear in Competitive Exams	Total no. of youths provided with relevant skills: 100 Youths

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Thrust Areas	CSR Projects	Flagship Activities	Outcome Indicator	Output Indicators
D. Social Capital and Institution Building	Model Village Program	Gram Seva Kendra	<ul style="list-style-type: none"> • Social Inclusion of SC/ ST community • Capacity Building of Community and Panchayati Raj Institutions 	Outreach: 500 tribal HH
	Common Property Resource Development/ Convergence with Govt. Initiatives and natural resources based livelihood, social capital, institution based entrepreneurship	Development of Common Properties and Resources related to livelihood, entrepreneurship development & Social capital building/ Facilitation of Govt. Campaigns and Initiatives	20 % of the villagers will have better livelihood options & augment enterprise development which adds socio-economic value & social harmony	Total No. of villages covered under Common Property Resource Development: 9 villages
E. Financial Inclusivity and Renewable Energy	Social Security Campaign	Promotion of social security	Life Insurance coverage : From current 8 % to 15 %	Outreach : 1000 HH
	Solar Powered micro grid	Integrated Microgrid	Regular availability of Power during study hours	1) 1 School will have electricity 2) 55 HH will have electricity during study hours
F. Water	Integrated Water Resource Management	Development of Ground Water Recharge Structures, Surface Water Harvesting	Water-Access at household level: From current <5% to 15% Ground water recharge through undertaking rain water harvesting projects	Number of Villages: 20 villages

Annexure III

Monitoring, Review and Evaluation

Level 1 - Monitoring and Review will be undertaken by MPL management for CSR Initiatives

Level 2 - CSR Committee would form the Apex Level of Review on periodic basis

Level 3: Board committee on CSR Review.

Next level could be Corporate CSR Team with Tata Power Group Level for strategic insights and overall guidance

There are two kinds of evaluation undertaken:-

- **Internal Evaluation** - CR Team using CR Program Effectiveness Index and other tools on annual basis to assess the outcome
- **External Evaluation** - It is also undertaken with reputed academic institutions/industry association/consultant/market research agencies to assess the overall impact on community

Besides evaluation, the basis for engaging with community is, undertaking thorough socio-economic baselines studies to assess the community needs and priorities and align the community development programs, to meet the objectives. All divisions have to undertake baseline studies prior to developing programs and implementing programs within a defined geography in vicinity of operations (5-10 kms radius) in a phased manner.

Note- CSR Committee will apprise Board of Directors from time to time

Annexure IV

MPL's CSR Committee Composition

A Committee of Board of Directors has been formed pursuant to Section 135 of the Companies Act 2013. MPL's CSR Committee comprises of 3 Directors, as under:

1. Mr. Krishnava Dutt, Independent Director (Chairman)
2. Mr. Nandakumar S. Tirumalai, Director (Member)
3. Mr. Manabendra Biswas, Director (Member)

Brief profile of the members of MPL's CSR Committee

Name	Personal Details	Qualification	Experience
Mr. Krishnava Dutt	<p>Father's Name : Lt. Kunal Dutt</p> <p>D.O.B:16.10.1974</p> <p>Address: Electra Planet, Godrej Tower-3, 3rd Floor, Flat No.301, Keshavrao Khandke Marg, Sant Gadge Maharaj Chowk, Mahalaxmi, Mumbai 400011</p> <p>DIN: 02792753</p>	BSLLL.B.	<p>Mr. Krishnava Dutt's experience encompasses the entire repertoire of corporate practice including mergers and acquisitions, private equity, banking and finance, projects and project finance. Mr. Dutt has closely worked with several large corporate groups, investors, private equity funds and renowned banks and financial) in several transactions including disinvestments of PSUs and framing of policies. He has also been the legal advisor to the Public Enterprises Department of Government of Orissa for its restructuring initiative of Government of Orissa undertakings.</p> <p>Mr. Dutt started his legal career in the Calcutta High Court where he practiced civil law. After a short stint at High Court, he joined ICICI Bank in Mumbai where he gained several years of experience in handling transactions in the stressed assets space and international banking sector. He joined Amarchand & Mangaldas & Suresh A. Shroff & Co. in 2005 and became the partner in charge of the eastern operations of the firm in the year 2007. He retired from Amarchand & Mangaldas & Suresh A. Shroff & Co. in June 2009. Mr. Dutt is currently the Managing Partner of Argus Partners.</p>
Mr. Nandakumar S. Tirumalai	<p>Father's Name : Seshadri Srinivasan Tirumalai</p> <p>D.O.B : 13.07.1971</p> <p>Address : Flat No.403, Amanda, B Wing, Hiranandani Meadows, Gladys Alwares Road, Vasant Vihar, Thane 400 610</p> <p>DIN:02601127</p>	B.Com, FCA and ICWA	<p>Mr. Nandakumar S. Tirumalai is a commerce graduate and also a Fellow Member of The Institute of Chartered Accountants of India and the Institute of Cost Accountants of India. Mr. Tirumalai has over 2 decades of professional experience of which 12 years has been in treasury management, 5 years as Chief Financial Officer and 4 years as Business Finance Head.</p> <p>Mr. Tirumalai joined Tata Power in November 2012 as Head - Corporate Treasury and Investor Relations and was elevated as Dy. Chief - Corporate Finance and Accounts in February 2015 and then Chief - Corporate Finance & Accounts in February 2016. Prior to joining Tata Power, Mr. Tirumalai has worked with Raymond Limited, Reliance Securities, ITC Limited in senior positions. His areas of expertise includes financial accounting, treasury management, investor relations and business finance.</p>

Name	Personal Details	Qualification	Experience
Mr. Manabendra Biswas	Father's Name : (Late) Mr. Deb Kumar Biswas D.O.B : 01.01.1959 Address : Flat No.67CC/13, Anupama Housing Complex, Phase-II, VIP Road, Kolkata 700 052, West Bengal DIN :07125259	B.E (Electrical) from Jadavpur University, Kolkata	Mr. Manabendra Biswas is a Bachelor of Electrical Engineering from Jadavpur University, Kolkata. He joined DVC in 1982 and has held various senior positions during his tenure of 34 years. Mr. Biswas is currently the Executive Director (Commercial) in DVC.

Annexure V

Reporting Framework

1.	2.	3.	4.	5.	6.	7.	8.
S No	CSR project/activity	Sector	Project/programme 1. Local area/others 2. State district	Amount outlay (budget) project/programme wise	Amount spent by project/programme: 1. Direct 2. Over-heads	Cumulative spend up to reporting period	Amount spent direct/through implementing agency*
1.							
2.							
3.							

* Give details of implementing agency

Note: In case of a multi-company collaboration on CSR, each company will need to report separately on such projects or programmes

1. Outline of the Company's CSR Policy – overview of activities to be undertaken and weblink to Policy and projects or programmes.
2. Composition of the CSR Committee.
3. Average net profit for the past 3 financial years.
4. Prescribed CSR Expenditure i.e. 2% of 3 above.
5. Financial year spend:
 1. Total to be spent.
 2. Amount unspent if any
 3. Details of spend in table
6. In case of underspend, reasons.
7. Responsibility statement of CSR Committee that policy, implementation and monitoring complies with the CSR objectives in letter and spirit.
8. Signature of CEO/MD/Director.

Annexure VI: Geography

Presently MPL operates in Nirsa Block of Dhanbad District in State of Jharkhand covering more than 20 neighbouring villages/habitations. The focus of its CSR efforts is in the immediate vicinity of its operations. The geographical focus area for Maithon Power Station is broadly in the 10 kms range, with program focus at two pronged level

While CSR efforts in areas beyond its operations is feasible and will be undertaken in special situations (such as in the case of natural disasters, projects of national importance etc), the priority will be on maintaining a geographical focus in the vicinity of operations.

Total CSR Budget for FY18: ₹ 5.50 crore