

POWERICA LIMITED

CORPORATE SOCIAL RESPONSIBILITY POLICY

Corporate Social Responsibility (“CSR”) is the commitment of companies to provide resources and support activities focussed on enhancing economic and social development. It is the effort made by companies to improve the living conditions of the local area in which they operate and the society at large. The activities taken up as a part of corporate social responsibility reflect the intent to create a positive impact on society without seeking any commensurate monetary benefits.

CSR has been a long-standing commitment at Powerica Limited (“Company”) and forms an integral part of our activities. Being a responsible corporate citizen, Company is committed to perform its role towards the society at large. In alignment with its vision, the Company always works towards adding value to its stakeholders by going beyond business goals and contributing to the well being of the community. Its contribution to social sector development includes several pioneering interventions, and is implemented through the involvement of stakeholders within the Company, the Group and the broader community.

Company’s objective is to pro-actively support meaningful socio-economic development. The Company works towards developing an enabling environment that will help citizens realise their aspirations towards leading a meaningful life. Company aims to identify critical areas of development contributing to the well-being of the community and benefitting them over a period of time.

The Corporate Social Responsibility Policy (the “CSR Policy”) of Company sets out the framework guiding the Company’s CSR activities. The Policy also sets out the rules that need to be adhered to while taking up and implementing CSR activities.

1. SCOPE OF CORPORATE SOCIAL RESPONSIBILITY POLICY

The policy would pertain to all activities undertaken by Company towards fulfilling its corporate social responsibility objectives. The policy would also ensure compliance with Section 135 of the Companies Act, 2013 and the rules framed thereunder (the “Companies Act”).

2. GOVERNANCE STRUCTURE

The Corporate Social Responsibility Committee (the “CSR Committee”) is the governing body that will define the scope of CSR activities for Company and ensure

compliance with the Policy. The CSR Committee would comprise three or more board of directors (the “**Board**”) including at least one independent director.

- (a) The CSR Committee shall:
 - (i) Formulate the CSR Policy and recommend to the Board and any amendments thereto;
 - (ii) Indicate the activities to be undertaken by Company as specified in the Companies Act;
 - (iii) Review and recommend the amount of expenditure to be incurred on the activities to be undertaken by the Company, and the annual CSR plan to the Board;
 - (iv) Monitor the CSR activities and compliance with the CSR policy from time to time; and
 - (v) Review and implement, if required, any other matter related to CSR initiatives.
- (b) The Committee shall meet at least twice in every financial year.

The Board shall:

- (i) Approve the CSR Policy based on the recommendation of the CSR Committee;
- (ii) Approve the CSR activities and annual CSR plan based on the recommendation of the CSR Committee; and
- (iii) Review the CSR Policy and CSR activities.

3. OPERATING FRAMEWORK

- 3.1** CSR activities will be undertaken in areas identified by the CSR Committee. An annual CSR plan shall be presented to the CSR Committee and, based on its recommendations to the Board of Directors of the Bank for approval.
- 3.2** CSR activities may be undertaken by Company.
- 3.3** Activities undertaken by Company may be implemented directly by the Company as well as by not-for-profit entities. Such entities and projects shall be supported after ascertaining the credibility of the agency and its track record in implementing projects. The entity shall generally have a track record of three years in implementing such projects.
- 3.4** The responsibility for implementation of identified activities/ projects shall be as per the organizational structure approved and recommended by the Chairman

and Managing Director & Joint Managing Director and Implementation by Chief Financial Officer and Company Secretary The annual plan shall incorporate the following:

- (a) The prescribed outlay on CSR as per the Companies Act and related rules as amended from time to time;
- (b) Key CSR activities proposed to be undertaken during the year, including analysis of their eligibility for classification as CSR under the Act and related rules as amended from time to time, their conformity with the CSR Policy and their implementation schedules;
- (c) Proposed outlay on each activity including expenditure on administrative overheads both directly and indirectly including employee costs;
- (d) Activities to be undertaken by Company directly;
- (e) Activities to be undertaken by other entities and Company's contribution to such entities; and
- (f) Aggregate proposed outlay and reasons for shortfall, if any, compared to the prescribed outlay.

3.5 The authority to incur expenditures under the above plan shall be as per the approved delegation of financial powers in the Company.

3.6 Funds would be disbursed either in tranches or as one-time payment. The terms, conditions and timing of disbursement would be conditional upon the nature and requirement of the CSR project or programme.

4. MONITORING

The CSR Committee shall ensure a transparent monitoring mechanism for CSR activities

- (a) The progress of the CSR activities shall be reviewed at least twice a year, including the annual review by the CSR Committee.
- (b) The Chief Financial Officer shall be responsible for monitoring expense on CSR activities with respect to the plan and submission of the same to the CSR Committee and the Board.
- (c) The Board of Directors shall review the progress of CSR activities at least annually.

5. DISCLOSURE

Company shall include in its annual report, commencing with the annual report for the year ending March 31, 2019, the following information on CSR:

- (a) A description of contents of the CSR policy;
- (b) An overview of the CSR activities;
- (c) The composition of the CSR Committee;
- (d) Average net profit for the preceding three financial years;
- (e) Prescribed CSR expenditure;
- (f) Details of amount spent in the prescribed format;
- (g) Amount unspent, if any, and reasons for not spending the amount; and
- (h) Responsibility statement of the CSR Committee that the implementation and monitoring of the CSR Policy is in compliance with the CSR objectives and CSR Policy.
- (i) Such other matters as may be specified from time to time for inclusion in the annual report.

The above information shall also be displayed on the Company's website.

6. CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

The projects or programmes to be undertaken by Company as CSR in India will be considered and approved by the CSR Committee of Company. Any project or programme that is exclusively for the benefit of Company's employees would not be considered as CSR. Company's primary focus areas for CSR activities are:

- (a) *Health care*

(Schedule VII (i) Eradicating hunger, poverty and malnutrition, promoting preventive healthcare and sanitation and making available safe drinking water; (iii) Promoting gender equality, empowering women, setting up measures for reducing inequalities faced by socially and economically backward groups; (x) Rural development projects)

The healthcare challenge in India spans a number of dimensions, including access to affordable healthcare for the poor; awareness of health issues & available facilities/ benefits among the less privileged segments of society and specific vulnerable sections of the population etc.

Addressing this challenge is essential to achieve the objective of inclusive growth. Company will directly focus on developing innovative models with the potential to scale up and bring about improvements in the delivery of healthcare to the marginalised sections of society. These will seek to enhance the availability of affordable healthcare to low income households and improve health seeking behaviour among low income and vulnerable

groups. Sanitation being a key enabler to healthcare, the Company will focus on initiatives with regards to improving sanitation in specific areas including in schools. Company will also drive wellness and preventive healthcare apart from promoting access to health cover with the aim to reduce the incidence rates of specific hazards or events.

Company in association with non-profit organizations will target specific geographies and population segment in the health care ambit of CSR. The Company will concentrate on reducing diseases rates and promote awareness through continuous and planned intervention.

The Company will also pursue regular activities of health check-ups for municipal school students and other remote areas of the country as also other social initiatives towards health care.

(b) *Road Safety*

(Schedule VII (ii) under “promoting education”- “Educating the Masses and Promotion of Road Safety awareness in all facets of road usage”; under “vocational skills”- For drivers training etc)

Road Safety is emerging as a critical social concern of the country. Lack of professional driver training and positive behavioural culture amongst the driving community is one of the major causes.

Shouldering the responsibility of enhancing road safety, the Company under the CSR mandate will organise road safety programs and drive initiatives focussing on lowering incidence rates of road accidents. The Company will target diverse segments including drivers, passengers and pedestrians to bring about a change in their behaviour.

Extending the scope of work, Company would also pursue initiatives aimed at creating awareness for and inculcating the right road safety habits among children. The Company will conduct awareness programs and distribute safety aids thus inculcating safe driving habits/ road behaviour among the target audience.

(c) *Education*

(Schedule VII (ii) promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects; “Consumer Protection Services” - providing effective consumer grievance redressal mechanism; protecting consumer’s health and safety, consumer service, support and complaint resolution; consumer protection activities; consumer rights to be mandated; “all consumer protection programs and activities” on the same lines as Rural Development, Education etc.)

Education represents a critical area of action to realise India's growth potential as also make it inclusive, by enabling citizens across population age groups to have access to quality education that equips them for taking up higher education or job-oriented skill training or provides them with requisite knowledge to improve their quality of life.

Company will continue to work with state governments and other not-for-profit organisations to improve the quality of education or perform facilitating programs in government and municipal schools, which account for the vast majority of school-going children in the country. Company will also continue to work with institutes of higher education for focused capacity-building in specified disciplines.

(d) *Skill development and sustainable livelihoods*

(Schedule VII (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)

Enabling India's youth to gain skills that can provide employment is key to realizing the potential of India's demographic dividend and driving inclusive growth. Improving employability of the youth from lower-income sections of society is hence an important focus area.

(e) *Support employee engagement in CSR activities*

Company supports the involvement of its employees in CSR activities. Company will encourage employees to participate in CSR activities of the Company. An ongoing initiative by the Company to involve employees in social initiatives is the 'Caring Hands' campaign where free health, eye check-ups are conducted for municipal school kids across the country. With the aim to address the concerns of wellness and health of underprivileged kids, Company has been organising such camps every year since 2011.

Company will work towards expanding the scope of the initiative to extend benefit to larger geographies, communities and population.

(f) *Other areas*

Company will continue to provide support to specific needs such as during natural disasters, through financial as well as logistical support.



A PROMISE FOR POWER

Company will also be open to and engage in activities in areas beyond the scope mentioned above if they are in alignment with the CSR focus of the Company.