

Reliance Power Limited
Business Responsibility Report for FY 2014-15

Section A: General Information about Company

1	Corporate Identity Number	L40101MH1995PLC084687
2	Name of the Company	Reliance Power Limited
3	Registered address	1 st floor, H - Block, Dhirubhai Ambani Knowledge City, Navi Mumbai - 400 710
4	Website	www.reliancepower.co.in
5	Email	reliancepower.investors@relianceada.com
6	Financial Year Reported	2014-15
7	Sector(s) engaged in	Code 51 - Electric power generation Code 351 - Mining of hard coal Code XXX – CBM Blocks.
8	Key products / services company manufacturers	Electricity generation and development of CBM blocks.
9	Number of locations where business is undertaken	
	i. International locations	01
	ii. National locations	10
10	Markets served by the company	Throughout India through its subsidiaries

Section B: Financial Details of the Company

1	Paid-up Capital (in INR)	2,80,513 lakh (On Standalone basis)
2	Total Turnover (INR)	6,85,065 lakhs (consolidated)
3	Total profit after taxes (INR)	1,02,832 lakhs (consolidated)
4	Total Spending on CSR as % profit after tax	Rs. 20.98 crore (consolidated)
5	List of activities in which CSR expenses incurred	Refer Section to Section E of Report.

Section C: Other Details

1	Details on subsidiary companies	41 Subsidiary Companies (Both direct and step-down) as on March 31, 2015.
2	Participation of subsidiary companies in the BR initiatives of the parent company	Subsidiary companies constituted as SPVs set up for execution of specific projects are involved in BR initiatives at their respective project locations. This is appropriate as the projects are being

		developed through subsidiaries of the Company. Subsidiaries participating in BR initiatives include : Rosa Power Supply Company Limited, Sasan Power Limited, Vidarbha Industries Power Limited, Samalkot Power Limited and Dhursar Solar Power Private Limited.
3	Participation of other entities (suppliers, contractors, etc.) in the BR initiatives of the Company	Reliance Power actively encourages other entities such as (suppliers, contractors, etc.) to participate in its BR initiatives.

Section D: BR Information

1. Details of Director / Directors responsible for BR

1	a. Details of director responsible for implementation of BR policies - Director Identification Number - DIN	<p>Since BR and CSR are seen as critical components of the larger society, BR functions are, <i>inter alia</i>, monitored by CSR Committee of the Board on a consolidated basis. CSR committee as a whole is responsible for BR.</p> <p>Dr. Yogendra Narain (DIN - 01871111), an Independent Director is the Chairman of the CSR Committee. The other members of the Committee are:</p> <ul style="list-style-type: none"> a) Shri J. L. Bajaj, independent director (DIN - 00004652) (Till August 13, 2014) b) Dr. V. K. Chaturvedi, non-executive non-independent director (DIN - 01802454) c) Shri D. J. Kakalia, independent director (DIN -00029159) d) Shri Sateesh Seth, Non-executive non-independent director (DIN-00004631) (with effect from July 18, 2014) e) Smt. Rashna Khan (Woman Independent Director)(DIN-06928148) (with effect from November 12, 2014)
	b. Details of BR Head	Board has not assigned the responsibilities specifically to any Director to act as BR head. Currently it

is under the chairmanship of Dr. Yogendra Narain. Details of Dr. Narain are as follows:

DIN	01871111
Name	Dr. Yogendra Narain
Designation	Independent Director
Telephone	022-3038-6600
Email ID	yognarain@gmail.com

2. Principle-wise BR policy - As per National Voluntary Guidelines

	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1.	Do you have a policy /policies for	Y	Y	Y	Y	-	Y	-	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	-	Y	-	-	Y	-	-	-
3.	Does the policy conform to any national /international standards? If yes, specify?	-	-	Y	-	-	Y	-	-	-
4.	Has the policy being approved by the Board? Is yes, has it been signed by MD / owner / CEO / appropriate Board Director?	Y	-	Y	Y	-	Y	-	Y	Y
5.	Does the company have a specified committee of the Board/ Director/Official to oversee the implementation of policy?	Y	-	Y	Y	-	Y	Y	Y	Y
6.	Indicate the link for the policy to be viewed online?	NA								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	The policies have been communicated to key internal stakeholders. The communication is an on-going process and is intended to cover all internal and external stakeholders in due course.								
8.	Does the company have in-house structure to implement the policy/policies?	Yes.								
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	As on the date of this report, the Board has set up a Committee only to address the grievances of the stake holders, debenture holders and other persons holding securities in the Company as required under law. The mechanism may be gradually extended to								

Questions		P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
		cover other stakeholders.								
10.	Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	No Independent evaluation has been done. However, the CSR interventions in particular are reviewed and evaluated by the CSR Committees set up both by the parent company and by the subsidiaries in accordance with the provisions of the Companies Act, 2013 in line with the CSR policies formulated for the respective companies.								

3. Governance related to BR

While the senior management of the Company reviews BR performance on an on-going basis, reviews by the Board/Committees are made on quarterly basis. The Company prepares Business Responsibility Report on a consolidated basis covering the activities of its subsidiaries annually and the same can be viewed on the website of the company.

Section E: Principle-wise performance

1. Ethics, Transparency and Accountability

Matters of accountability, transparency and ethical conduct are an integral part of the Company's value system. The corporate governance principles of the Company are, *inter alia*, anchored on these three principles. To foster these essential principles, a set of interwoven policies and guidelines are put in place. While adhering to principles laid down in the National Voluntary Guidelines on Social, Environmental & Economic Responsibilities of Business, these policies and guidelines brings within its ambit, not only the employees, but also the other stakeholders including the directors of Reliance Power.

Code of Ethics, have been made applicable to both the Senior employees and directors since the year 2008, is periodically reviewed by Audit Committee of the Board. Conformity to Code of Ethics is mandatory for all internal stakeholders and it is intended to extend the same to uncovered stakeholders over a period of time. Reliance Power has in place a Whistle Blower Policy for quite some years and the same has been realigned in line with the Vigil Mechanism requirements as required under the Companies Act, 2013, and the revised requirements of Clause 49 in the Listing Agreement relating to Corporate Governance. While ensuring transparency, the policy empowers stakeholders to report / express concerns through electronic submissions to the appropriate authority. During the course of the last financial year, no complaints were received from any of its stakeholders under the Company's vigil mechanism system. To ensure accountability and adherence to various legislations, a compliance monitoring team has been constituted in the last financial year. More than 250 employees, at various hierarchical levels, are made participants in the compliance monitoring system. This system ensures timely discharge of responsibility as regards legal compliance on various matters and disclosures.

2. Designed services to address environmental / social concerns

Reliance Power is committed towards sustainable economic development and plays a key-role in addressing the challenges facing the environment. We approach these challenges in a holistic manner by pursuing innovative approaches and adopting the global best practices. Continued efforts to address the environmental concerns are clearly visible *inter alia*, in the

selection of state-of-the-art power generation technologies for implementation of the projects, use of higher efficiency power generation technologies, lesser emission intensive fuels and ultra-modern technologies make evident our sustainable commitment. These sustained efforts have enabled Reliance Power to emerge as one of the world's largest Carbon Dioxide offset project developer. Our contribution to the development of sustainable India is evident from the fact we help India to achieve reduction in greenhouse gas emission by as much as 1%.

Steps to conserve natural resources are an integral part of Company's growth strategy. As best-in-class technology is used for setting up of our plants and mining of coal, our operations are designed to reduce the consumption of natural resources, specifically the land, auxiliary electricity, fuel and water. Reduction in consumption of natural resources will be demonstrated in due course.

Reliance Power recognizes the critical need for inclusive growth. The locations of our power plants and coal mines are in economically backward regions of India. Proactive engagement with the local community has been maintained since the inception of these projects. Various capacity building programmes, in education, healthcare, livelihood development and infrastructure, have been implemented / are under implementation with active participation of local community. Dedicated resources have been put in place to determine the efficacy of each capacity building programme.

Well-being of employees

Reliance Power has built its human resource base for overall management of Operations and Maintenance of its power plants and for operating Coal mines. To operate and manage the power plants and mines, various technical and managerial teams have been constituted at power plants, mines and Mumbai locations.

A well thought-out human resources strategy, drawn by senior management team has been adopted and location specific teams have been constituted to implement the same.

Recognizing the need to develop large-scale high quality pool of resources, Reliance Power has built a talent pipeline, the programme for which is institutionalized, including for its subsidiaries. The Programme moulds the entry level talent on a periodic basis and undertakes necessary interventions to help them take on greater responsibilities.

Similarly keeping in mind the requirement of lateral resources, which include in the context of power plants / mines, graduate engineers and diploma engineers, various training programs have been developed. Simulators have been installed at plant and mine locations where operational training is provided to identified employees.

A system of high-performance culture is inculcated through-out Reliance Power. Employees are evaluated on the basis of quantitative and qualitative parameters in an objective and transparent manner.

In line with our growth plans, Company's total number of employees, including those on the rolls of the Subsidiary Companies but excluding the temporary / contractual / casual basis employees increased from 1,824 in 2013-14 to 1,900 in 2014-15.

The total number of permanent woman employees marginally fell from 102 to 74 between financial years 2013-14 and 2014-15. Count of permanent employee's differently-abled employees remained the same, between financial years 2013-14 and 2014-15.

Reliance Power attaches utmost importance to skill upgradation to meet future requirements giving employees an advantage for professional development. Skill upgradation exercises are undertaken to ensure that employees are trained on all recent relevant developments. Nearly 80% of our employees, including permanent woman and casual/temporary/contractual employees at the Corporate office are provided training in skill upgrading. Likewise, nearly all employees, located at various projects, are provided training in functional and behavioural areas. During the last financial year alone, 78,000 man-hours of training was provided to employees.

To ensure employee safety, external and internal safety audits are periodically conducted. Similarly, compliance audits are conducted, on monthly basis, to ensure that all aspects relating to the safety are regularly monitored.

There are no employee associations in the company. Strong deterring policies on recruitment against child labour / forced labour / involuntary labour and discrimination in any manner are made part of employment process. Similarly, Reliance Power has zero tolerance on sexual harassment. During the course of the financial year, no complaints have been registered in any of the above areas.

Responsiveness to Stakeholders

Based on guidance provided in Global Reporting Initiatives (G4), Reliance Power has identified both internal and external stakeholders. While the internal stakeholders include employees, investors and shareholders, suppliers and lenders, external stakeholders include other entities or individuals that are reasonably be affected by organization's activities such as central and state governments, regulatory authorities, customers, local communities and others.

Reliance Power engages with stakeholders on multiple channels of communication both formally and informally. Reliance Power and its subsidiaries have developed internal systems and procedures to identify, prioritize and address needs and concerns of stakeholders at various levels. Likewise, various departments have been entrusted with responsibility of interacting and engaging with stakeholders.

Respect and Promote Human Rights

It is widely believed that governments have a duty to protect human rights. Policies of Reliance Power cover the human rights aspects of its employees and other resources associated with matters relating to the construction / operation of the power plants. No complaints have been received in the past financial year on human rights.

Respect, Protect and Make Efforts to Restore Environment

Reliance Power understands its obligation towards the environment. Our Subsidiaries which are engaged in electricity generation and coal mining are aware of the environmental risks associated with the implementation of the projects and environmental obligations imposed thereof. The strong Operations teams set up to ensure that these facilities conform to the norms set by various nodal agencies.

Considering the serious consequences of global warming, technologies opted for the power generation, are more efficient and technologically superior than the power plants commissioned in India For e.g., super-critical technology used, by Sasan Power Limited, is superior to the subcritical technology used for commissioning power plants in India.

Similarly, gas based generation projects are approximately 40% less emission intensive than the coal based power plants predominantly operating in India. In addition to the hydro-power technology, technologies opted for commissioning of renewable power plants, 45 MW wind power plant commissioned by Reliance Power in Maharashtra, 40 MW solar photo-voltaic plant and 100 MW concentrated solar power commissioned by its subsidiaries in Rajasthan, are state-of-the-art.

There are no unresolved show-cause / legal notices received from either Central Pollution Control Board or State Pollution Control Board.

With the exception of Rosa Power Ltd. all the projects implemented / under commissioning, have achieved the distinction of being environmental friendly / Greenhouse gas abating by the Clean Development Mechanism, a market based mechanism introduced under Kyoto Protocol, adopted through United Nations Framework Convention on Climate Change (UNFCCC). UNFCCC Reference numbers of the projects are 3690, 4533, 4629, 7103, 9225 and 9293. These efforts would cumulatively reduce 150 million tons of Carbon Di-oxide emissions during the life-time.

Influencing public and regulatory policy in a responsible manner

Reliance Power is a member of Association of Power Producers (APP), Arunachal Pradesh Power Producers Association (APPPA), Independent Gas Based Power Producers Association (IGBPPA), Andhra Pradesh apart from being a member of Chambers of Commerce and Industry. We have, through APP, APPPA and IGBPPA, represented to governments (both central and state) for the development of an efficient electricity sector. Objective of these representations is to introduce reforms aimed at providing sustainable power for all on a 24 x 7 basis.

Support Inclusive Growth and Equitable Development

Company's Corporate Social Responsibility (CSR) Policy as adopted aims to achieve equitable development. Since locations of the projects are in economically and socially backward locations of India, it is a constant endeavour to include the local community as a critical stakeholder in the inclusive measures initiated by the Company. The Company's efforts, mentioned in the programmes specified under principle(2) above are implemented through delivery mechanisms comprising of employees, local bodies, non-governmental organizations, not-for-profit entities and government Institutions to mention a few. As a conscious and responsible corporate citizen, Reliance Power has complied with the requirements under the Companies Act 2013, with regard to CSR.

As fly-ash is generated as a by-product in some of the plants, its use as a raw-material is encouraged in cement manufacturing, brick and tile manufacturing, road embankment, etc.

Education

Various schemes have been introduced to promote education in local communities, including construction / renovating of existing educational infrastructure, free distribution of uniforms / study material / transportation facility and, offering financial incentives when the drop-outs are observed high.

Healthcare

Similarly, medical health centres and mobile medical units are put in place throughout the year for improving the health care conditions of the local population which lives in the vicinity of the Project locations.

Infrastructure:

So far houses have been provided with solar / off-grid electricity generation systems in all the 11 villages surrounding the Rosa Power Plant benefitting over thousand families.

Livelihood development

Programmes implemented through women self-help groups (vocational training in sewing, food products, poultry, etc.) have improved livelihood standards of several hundred families of the neighbouring villages. Also, animal husbandry programmes initiated since the last two years, have improved the productivity by benefitting several hundred families in the nearby villages.

While respecting the needs of the marginalized sections of society, specifically the senior citizens and widowed women, pension schemes have been implemented in Rosa and Sasan Power Plants.

Community Development expenditure incurred by the Company and its Subsidiaries on various projects amounted to Rs. 9.16 crores in the financial year 2014-15

Provide value to customers and consumers

The main business activities of the Company and its Subsidiaries are generation and supply of electricity to distribution companies (Discoms) and mining of coal for generation of electricity. Main consumers are the Discoms with whom the power purchase agreements have been entered into. As the nature of electricity tariff determination is made under stringent sectoral regulations, tremendous value is offered to all our consumers.

No complaints were received / pending, from any of our consumers, as on March 31, 2015. Similarly no cases, as regards unfair trade practices, irresponsible advertising and/or anti-competitive behaviour, have been filed against the company or are pending in the five years.