

CORPORATE SOCIAL RESPONSIBILITY POLICY

OVERVIEW:

The Corporate Social Responsibility Policy of the Company is prepared in accordance with the provisions of section 135, and other applicable provisions of The Companies Act, 2013.

To our Company, Corporate Social Responsibility means the responsibility of any Corporate towards building a stronger Society in which it operates. As a responsible Corporate Citizen, we strive for the betterment of the society in which we operate by trying to improve the quality and standard of living of the socially and economically backward sections of the society and also the environment. We take into consideration social and environmental factors too before arriving at any decision and focus our activities in a way as to continuously improve them.

AIMS:

The Corporate Social Responsibility Policy of the Company lays down the methodology for undertaking Corporate Social Responsibility activities aiming to improve the quality of life of the deserving sections of the society both in urban and rural areas in order to make a meaningful difference in their lives. It also aims at sustainable growth and therefore also works towards improving the environment.

ACTIVITIES:

The Corporate Social Responsibility Policy includes activities specified in Schedule VII to the Companies Act, 2013 as amended from time to time.

IDENTIFICATION:

Identification of Projects/ Programmes:

The CSR projects shall be identified either as an ongoing project or other than ongoing project. An 'ongoing project' means a multi-year project having such timeline as is prescribed under the applicable provisions of the Companies Act, 2013 and shall include such project that was initially

not approved as a multi-year project but whose duration has been extended beyond one year by the CSR Committee/ Board based on reasonable justification.

Every other project shall be identified as 'other than ongoing project'.

Identification of Activities:

Focus area and activities are identified by the Corporate Social Responsibility Committee/ Board of Directors in consultation with eminent citizens, representatives of voluntary organizations, local representatives, local administration, persons of the area where the activity is to be undertaken and other socially active persons/ entities. Subsequent to this, the activities are prioritized and a plan of action is chalked out and worked upon.

FOCUS AREA:

The focus area for the activities to be undertaken shall be near the areas in which the Company operates. However, the activities could also be undertaken at other places, based on the requirements.

IMPLEMENTATION:

The Company can undertake Corporate Social Responsibility activities on its own or in collaboration with other companies in such a manner that the Corporate Social Responsibility Committees of respective Companies are in a position to report separately on such projects or programmes or through any other entity (Section 8 Company/ Statutory Body/ Trust/ Society) in the manner provided under the Companies Act, 2013.

The Company may engage national/ international organisations for designing, monitoring and evaluation of the CSR projects or programmes or for capacity building of its own personnel.

The Board shall satisfy itself that the funds disbursed towards Corporate Social Responsibility have been utilized for the purposes and in the manner as approved by it and the Chief Financial Officer or the person responsible for financial management shall certify to that effect.

In case of an ongoing project, the Board shall monitor its implementation with reference to the approved timelines and year-wise allocation and shall make modifications, if any, for smooth implementation of the project within the overall permissible time period.

The CSR Committee shall formulate and recommend to the Board, an annual action plan in pursuance of its CSR policy including:

- The list of approved Corporate Social Responsibility Projects or Programmes;
- The manner of execution of such Projects or Programmes;
- The modalities of utilization of funds and implementation schedules for the Projects or Programmes;
- Monitoring and reporting mechanism for the Projects or Programmes;
- Details of need and impact assessment, if any, for the projects undertaken by the Company; and
- Such other information as is prescribed under the applicable provisions of the Companies Act, 2013.

The Board may alter this annual action plan at any time during the Financial Year as per the recommendation of the CSR Committee, based on the reasonable justification to that effect.

MONITORING OF ACTIVITIES:

The mechanism for monitoring of various Corporate Social Responsibility Projects/ Programmes is as under:

- I. Meetings as and when required, to monitor the implementation of all the Corporate Social Responsibility activities and give suitable directions/ recommendations for further improvements.
- II. Quarterly monitoring of ongoing projects by the Corporate Social Responsibility personnel.
- III. Half-yearly monitoring by the Corporate Social Responsibility Committee.
- IV. Yearly review by the Corporate Social Responsibility Committee and the Board of Directors of the Company.

COMMITTEE:

The Corporate Social Responsibility Committee of the Board of Directors of the Company has been constituted in accordance with the provisions of the Companies Act, 2013 and its scope, authorities and responsibilities are as defined under the Act.

AMOUNT TO BE SPENT:

The Company shall spend at least two percent of its Average Net Profits earned during the three immediately preceding Financial Years or such other percentage/ amount as may be prescribed under the applicable provisions of the Companies Act, 2013 towards Corporate Social Responsibility. Net Profit for this purpose shall be calculated in accordance with the applicable provisions of the Companies Act, 2013.

“Administrative overheads” means the expenses incurred by the Company for ‘general management and administration’ of Corporate Social Responsibility functions in the Company. Administrative Overheads shall not exceed five percent of total Corporate Social Responsibility expenditure of the Company for the Financial Year or such other percentage/ amount as may be prescribed under the applicable provisions of the Companies Act, 2013 from time to time.

In case, the Company spends an amount in excess of requirement provided in Section 135(5) of the Companies Act, 2013, such excess amount may be set-off against the requirement to spend under Section 135(5) of the Act in the immediately succeeding three financial years provided the Board of Directors approve the set-off by passing a resolution to that effect. The profit/ surplus arising out of the Corporate Social Responsibility activities shall not be available for set-off.

In case, the Company fails to spend the prescribed CSR amount in any financial year, the Board shall, in its report specify the reasons for not spending the amount. Further the Board shall also identify whether the unspent amount relates to Ongoing Projects or other than ongoing Projects.

The unspent amount relating to any Project other than Ongoing Project shall be transferred to such Fund as may be specified in Schedule VII to the Act within a period of six months of the expiry of the respective financial year.

The unspent amount relating to any Ongoing Project shall be transferred by the Company within a period of thirty days from the end of the financial year to a special 'Unspent CSR Account' for that financial year and such amount shall be spent by the Company in pursuance of its obligation towards the Ongoing Project within a period of three financial years from the date of such transfer, failing which, the Company shall transfer the unspent remaining amount to a Fund specified in Schedule VII, within a period of thirty days from the date of completion of the third financial year.

Any surplus arising out of CSR activities shall not form part of the business profit of the Company and the same shall be dealt with in accordance with the applicable provisions of the Companies Act, 2013.

Corporate Social Responsibility amount spent by the Company for creation or acquisition of any capital asset shall be held by any Section 8 Company, or a Registered Public Trust or Registered Society, having charitable objects and CSR Registration Number, or beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities, or any public authority, or such other entity as may be specified under the applicable provisions of the Companies Act, 2013 from time to time.

AMENDMENTS:

The Corporate Social Responsibility Policy of the Company could be reviewed and amended from time to time to keep it aligned with the applicable legal/ regulatory provisions.
