

## **CORPORATE SOCIAL RESPONSIBILITY POLICY**

### **IN TERMS OF SECTION 135 OF THE COMPANIES ACT, 2013 (“Act”) READ WITH COMPANIES (CORPORATE SOCIAL RESPONSIBILITY RULES), 2014 (“Rules”)**

#### **1. CSR VISION, STATEMENT & OBJECTIVES**

- 1.1** The Company, through its CSR initiatives, will continue to enhance value creation in the society and in the community in which it operates, through its services, conduct and initiatives, so as to promote sustained growth for the society and the community, in fulfilment of its role as a Social Responsible Corporate, with environmental concern.
- 1.2** The company shall implement its CSR activities to integrate economic, environmental and social objectives with its operations and growth for common good. The company is committed towards making visible and tangible contribution to communities and environment. The Company shall identify projects/programme and activities in this regard.
- 1.3** The CSR policy shall be implemented in accordance with Section 135 of the Act and rules framed there under. It shall apply to all the CSR Activities undertaken by the Company in India as per schedule VII of the Act and any amendments and modifications made there under.
- 1.4** The CSR activities shall not include activities undertaken by the company in the normal course of business. Further, project, programme or activities solely for benefits of the employees of the Company and their family shall not be considered as CSR Activities under this CSR Policy.

#### **2. COMPOSITION OF CSR COMMITTEE OF THE BOARD**

- 2.1** The Composition of the Corporate Social Responsibility Committee (“CSR Committee”) of the Board shall be notified from time to time, in terms of the provisions of sub-section (1) of section 135 of the Companies Act, 2013.
- 2.2** The Committee/ Board may invite such other executive(s) employee(s) of the Company and professionals and experts having relevant experience as it may consider appropriate in its sole discretion, to advise the committee/ Board on various CSR activities being undertaken/to be undertaken by the Company.
- 2.3** The amount to be spent by a Company as per the requirement of Section 135 of the Act, if does not exceeds Rs. 50 Lakhs, the requirement of forming a CSR Committee shall not be applicable and the functions of the CSR Committee shall be performed by the Board of Directors of the Company.

#### **3. TERMS OF REFERENCE OF CSR COMMITTEE/ BOARD, AS APPLICABLE**

- 3.1 To formulate, recommend and modify/alter, a CSR policy which shall indicate the activities to be undertaken by our Company as specified in Schedule VII of the Act;
- 3.2 To recommend the amount of expenditure to be incurred on the activities referred to above;
- 3.3 To monitor the CSR policy of our Company from time to time; and
- 3.4 To undertake any other acts, deeds and things as may be delegated by the Board from time to time in relation to the CSR of our Company.

#### **4. SELECTION OF CSR PROJECTS**

- 4.1 The CSR project to be selected for fulfilling the CSR obligation of the Company should be based on the requirements as specified under Section 135 of the Act read with Schedule VII and Rules.

#### **5. IMPLEMENTATION OF CSR PROJECTS**

- 5.1 Directly or through a company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80G of the Income Tax Act, 1961 (43 of 1961), established by the company, either singly or along with any other company, or
- 5.2 Directly or through a company established under section 8 of the Act or a registered trust or a registered society, established by the Central Government or State Government; or
- 5.3 Directly or through any entity established under an Act of Parliament or a State legislature; or
- 5.4 Directly or through a company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities.
- 5.5 In order to implementation of approved CSR activities, the company may involve specialised agencies which could include government/semi government /autonomous organisation, education institution, professional and consultancy organisation, registered voluntary organisation or any other appropriate agency/authority.
- 5.5 The Company can also collaborate with any entity established under an Act of Parliament or a State Legislature;
- 5.6 The Company may also collaborate with other Companies for undertaking Projects or programmes or CSR activities in such a manner that CSR Committees of the respective companies are in a position to report separately on such projects or programmes in accordance with section 135 of the Act.

## 6. CSR ALLOCATION

- 6.1** The CSR allocation for the financial year shall include (a) at least 2% of the average net profits of the Company during three immediately preceding financial years (b) any income arising there from (c) surplus arising out of CSR activities (d) any contribution specially received for the CSR activities. It is clarified that any surplus arising out of the CSR activities shall not form part of the business activities.
- 6.2** The unspent CSR amount in a particular year and if not relates to any ongoing project, be transferred to a fund specified in Schedule VII, within a period of six months of the expiry of financial year.
- 6.3** The unspent CSR amount pursuant to any ongoing project, shall be transferred by the Company within a period of 30 days from the end of the financial year in any scheduled bank to be called the Unspent Corporate Social Responsibility account, after fulfilling certain conditions as prescribed, and such amount shall be spent by the Company in pursuance of its obligations towards CSR policy within a period of three financial years from the date of such transfer, failing which the Company shall transfer the same to a fund specified in Schedule VII, within a period of 30 days from the date of completion of third financial year.
- 6.4** If the Company spends an amount in excess of the requirements as specified under Section 135 of the Act, such company may set off the excess amount against the requirement to spend the excess amount for such number of succeeding financial years and in such manner as prescribed under Section 135 of the Act.

## 7. CSR BUDGET

The overall amount to be committed towards the CSR will be approved by the Board upon the recommendation of the CSR committee, if applicable.

## 8. CSR ACTIVITIES

- 8.1** The Company shall take CSR Activities /projects in sectors as identified under Schedule VII of the Companies Act, 2013, with special focus on the areas given below:
- 8.1.1 RURAL TRANSFORMATION:** Creating sustainable livelihood solutions, addressing poverty, hunger and malnutrition, sanitation, relief and welfare of the schedules casts, the schedules tribes, the other backward classes, improving water conservation and rain-water harvesting, Developing Community infrastructure;
- 8.1.2 HEALTH:** Affordable solutions for healthcare through improved access and awareness, promoting health care including preventive health care and sanitation, Working on maternal and child health care, providing primary, secondary and territory care facilities;

- 8.1.3 EDUCATION:** Access to quality education, training and employment enhancing vocational skills, promoting primary and secondary education;
- 8.1.4 SOCIETY WELFARE:** Setting up homes and hostels for women and orphans, old age homes, day care centres and such other facilities for senior citizen;
- 8.1.5 ENVIRONMENT:** Environmental sustainability, ecological balance, conservation of natural resources, developing solar power, environmental friendly fuel;
- 8.1.6 DISASTER RESPONSE:** Developing expertise and resources to respond to disaster
- 8.1.7 Promoting Sustainable Development Goals (SDG's)**
- 8.2** The Company would give preference to local area/areas around it, where it operates for undertaking/implementing and executing/collaborating for the CSR activities.
- 8.3** The Company aims to continue its work in the above mentioned areas and scale up further for better reach, deeper engagement and impact.
- 8.4** The CSR committee/ Board, as applicable, will be entitled to include other projects, programme activities or any social development initiative as may be approved by the CSR Committee/Board, as applicable which is in consonance with schedule VII of the Act and Rules made there under from time to time

## **9. MONITORING & FEEDBACK**

- 9.1** The CSR Committee/ Board, as applicable, shall ensure transparent monitoring mechanism for ensuring effective implementation of the CSR activities proposed to be undertaken by the company.
- 9.2** The CSR Committee/ Board, as applicable, shall ensure that CSR activities undertaken are in accordance with the CSR Policy and in a project and programme made with a clearly defined project deliverables, implementation schedules, processes and budget mentioned above.
- 9.3** To ensure transparency & effective implementation of the CSR programmes undertaken a robust mechanism will be initiated by the Company providing for periodic monitoring at different levels using the following indicative medium.
- i) Quarterly Progress Report
  - ii) Site Visits
  - iii) Documentary evidence including photographs, films and videos

iv) Other in house monitoring mechanism as determined by CSR Committee/ Board, as applicable.

**9.4** The Company's Monitoring & Evaluation (M&E) framework aim to focus on outcome and impact measurement in multiple ways by measuring change in the lives of the communities that it engages with.

**9.5** The Company may engage international organisations for designing, Monitoring and evaluation of the CSR Projects or programmes as well as for capacity building of the Company's personnel for CSR.

## **10. REPORTING**

**10.1** An annual Report on the CSR containing details about the CSR policy and programmes implemented by the Company shall be included in the Report of Board of Directors for every financial year, as per the format prescribed under the Rule to section 135 of the Companies Act, 2013.

**10.2** Composition of CSR Committee will be included in the Annual Report on CSR and also be displayed on the website.

**10.3** The Proforma containing the details of CSR activities to be undertaken by the Company will be annexed on annual basis with the policy documents.

**10.4** The report of Board of Directors shall include a Responsibility Statement of the CSR Committee/ Board, as applicable, that the implementation and monitoring of CSR Policy is in compliance with CSR objective and Policy of the Company.

**10.5** For any reason, the Company, fails to spend 2% of the average net profit of the preceding three financial years on CSR, the reason thereof, shall be furnished in the report of the Board of Directors under Section 134 (3) (o) of the Companies Act, 2013.

**10.6** The Company having average CSR obligation of ten crore rupees or more pursuant to Section 135 of the Companies Act, 2013 in the three immediately preceding financial years, shall undertake impact assessment through an independent agency of the CSR projects having outlays of one crore rupees or more, and which have been completed not less than one year before undertaking the impact study.

**10.7** The impact assessment reports shall be placed before the Board and shall be annexed to the Annual Report on CSR.

## **11. AMENDMENTS**

**11.1** The CSR Committee/ Board, as applicable, is empowered to recommend amendments and modifications of the CSR Policy and such changes shall be placed before the Board for approval.

**11.2** Where the CSR policy is in variance with the requirement of Act/Rules, the provisions of the Act and or Rules made thereunder shall prevail.

**11.3** The CSR Policy shall stand amended from time to time as and when the amendment takes place under Section 135 and Schedule VII of the Companies Act, 2013 read with Rules made thereunder.

## **12. GENERALS**

**12.1** In case of any doubt with regard to any provisions of the CSR policy and also matters not covered herein, a reference shall be made to the CSR Committee/ Board or the Chairman of the CSR, the interpretation and the decision of the Chairman of the CSR Committee/ Board, as applicable, shall be final.

**12.2** The CSR activities benefiting only the employee of the Company and their families shall not be considered as CSR activities in accordance with section 135 of the Act.

## **13. ANNUAL ACTION PLAN**

**13.1** As per Section 135 of the Companies Act, the Company will develop an Annual Action Plan specifying therein the following key points:

- a) The list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
- b) The manner of execution of such projects or programmes as specified in sub-rule (1) of rule 4;
- c) The modalities of utilisation of funds and implementation schedules for the projects or programmes;
- d) Monitoring and reporting mechanism for the projects or programmes; and
- e) Details of need and impact assessment, if any, for the projects undertaken by the Company.

**13.2** The Board may alter such plan, as may be required, on the recommendation of CSR Committee/ Board, as applicable.

## **ANNEXURE - 1**

Indicative list of aspects to be considered while engaging with other entities

1. Due diligence of the implementing agency would be conducted to check the credentials of the organization. The following information from the interested implementing agencies would be sought, as relevant:
  - i) Memorandum/Article of Association or Constitution or bye-laws;
  - ii) Registration Certificate;
  - iii) Registration Certificate under Section 12A of Income Tax Act, 1961;
  - iv) Audited Accounts of last three years;
  - v) IT Exemption Certificate under Section 80G; (Lifetime validity)
  - vi) Pan Card;
  - vii) IT Exemption Certificate under Section 35(i), if available;
  - viii) Acknowledgement of Income Tax Return along with IT Return filed (last three years);
  - ix) FCRA Certificate (if any) and latest copy of FCRA Return FC-3, if available;
  - x) Description of the project(s).
2. Ensure that the projects/ programmes are consistent with list of activities in Schedule VII of the Companies Act, 2013.
3. Reporting on the progress in implementation of the projects/ programmes and utilization of the amounts.
4. Reserving the rights, to be exercised at its sole discretion, of stopping the funding at any stage of the project, if the program is not being implemented as per objectives and goals.

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