

CORPORATE SOCIAL RESPONSIBILITY POLICY

The Company is committed to ensure the social well-being of the society through Corporate Social Responsibility (CSR) Programmes, while meeting the interests of its stakeholders.

Towards this vision the Company intends to support corporate social responsibility initiatives across the country through various initiatives including but not limited to education, vocational training, sanitation, hygiene, health, women empowerment etc.

AIMS & OBJECTIVES:

- a) To develop a long-term vision and strategy for Company's CSR Programmes.
- b) Establish relevance of potential CSR activities and create an overview of activities to be undertaken, in line with Schedule VII of the Companies Act, 2013.
- c) To establish process and mechanism for the implementation and monitoring of the CSR Programmes.

MODALITIES OF SELECTION, EXECUTION, AND IMPLEMENTATION:

- a) The Company's CSR Programmes would be implemented by the Company itself or through:
 - (i) A company established under section 8 of the Companies Act, 2013 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, singly or along with any other company or
 - (ii) A company established under section 8 of the Companies Act, 2013 or a registered trust or a registered society, established by the Central Government or State Government or
 - (iii) Any entity established under an Act of Parliament or a State legislature or
 - (iv) A company established under section 8 of the Companies Act, 2013 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.

- b) Some of the initiatives taken up will have the involvement of Company's employees as volunteers in ongoing projects and events, giving them an opportunity to engage in socially meaningful activities, thus, enabling them to realize their full potential and role as socially responsible citizens.
- c) The Company may engage International Organization for designing, monitoring and evaluation of CSR projects or programmes as per its CSR policy as well as for capacity building of its own personnel for CSR.

Where "International Organisation" means an organization notified by the Central Government as an international organisation under section 3 of the United Nations (Privileges and Immunities) Act, 1947 (46 of 1947), to which the provisions of the Schedule to the said Act apply.

- d) The Company may also collaborate with other companies to undertake CSR activities in such a manner that CSR Committees each company is in a position to report separately on such CSR activities.
- e) The following activities do not qualify as CSR Activities under the Companies Act, 2013:
 - (i) Activities undertaken in pursuance of normal course of business;
 - (ii) Activities undertaken by the Company outside India except for training of Indian sports personnel representing any State or Union territory at national level or India at International level;
 - (iii) Contribution of any amount directly or indirectly to any political party under section 182 of the Companies Act, 2013;
 - (iv) Activities benefitting the employees of the Company as defined in clause (k) of section 2 of the Code on Wages, 2019;
 - (v) Activities supported by the Company on sponsorship basis for deriving marketing benefits for its products or services;
 - (vi) Activities carried out for fulfilment of any other statutory obligations under any law in force in India.
- f) The CSR Activities are expected to be implemented from time to time.

CSR EXPENDITURE:

- a) The CSR expenditure will include all expenditure, direct and indirect, incurred by the Company in undertaking the CSR Programmes.

- b) The CSR Committee shall recommend to the Board the amount of expenditure to be incurred on the CSR Programmes which shall not be less than 2% of the average net profits of the Company made during the three immediately preceding financial years.

Where Net profits shall mean the net profits of the Company as per its financial statement prepared in accordance with the applicable provisions of the Companies Act, 2013 but shall not include the following namely (i) any profit arising from any overseas branch or branches of the Company, whether operated as a separate company or otherwise; and (b) any dividend received from other companies in India, which are covered under and complying with the provisions of section 135 of the Act.

Provided that in case of foreign company covered under these rules, net profit means the net profit of such company as per the profit and loss account prepared in terms of clause (a) of sub section (1) of section 381, read with section 198 of the Companies Act, 2013.

- c) The CSR Committee shall formulate and recommend to the Board, an annual action plan in pursuance of its CSR policy, which shall include the following namely:
- (i) The list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
 - (ii) The manner of execution of such projects or programmes as specified in sub-rule (1) of rule 4
 - (iii) The modalities of utilization of funds and implementation schedules for the projects or programmes
 - (iv) Monitoring and reporting mechanism for the projects or programmes
 - (v) Details of needs and impact assessment, if any, for the projects undertaken by the Company

Provided that the Board may alter such plan at any time during the financial year, as per the recommendation of its CSR Committee, based on the reasonable justification to that effect.

- d) The CSR Committee shall also recommend to the Board from time to time the amount of expenditure to be incurred on any particular CSR activity falling within the ambit of approved CSR Programme.
- e) CSR expenditure shall not include expenditure on an item not in conformity or not in line with activities which fall within the purview of the CSR activities listed in Schedule VII of the Companies Act, 2013.

- f) The surplus arising out of the CSR activities or projects shall not form part of the business profit of the Company and shall be ploughed back into the same project or shall be transferred to the Unspent CSR Amount and spent in pursuance of CSR policy and annual action plan of the Company or transfer such surplus amount to a Fund specified in Schedule VII, within a period six months of the expiry of the financial year.
- g) The Board shall ensure that the administrative overheads shall not exceed five percent of total CSR expenditure of the Company for the financial year.
- h) The Board shall satisfy itself that the funds so disbursed have been utilized for the purposes and in the manner as approved by it and the Chief Financial Officer or the person responsible for the financial management shall certify to that effect.
- i) In case of ongoing project, the Board shall monitor the implementation of the project with reference to the approved timelines and year wise allocation and shall be competent to make modifications, if any, for smooth implementation of the project within the overall permission time period.

Where ongoing project means a multiyear project undertaken by a company in fulfilment of its CSR obligation having timelines not exceeding three years excluding the financial year in which it was commenced and shall include such project that was initially not approved as multi-year project but whose duration has been extended beyond one year by the board based on reasonable justification.
- j) Where the Company spends an amount in excess of requirement provided under sub-section (5) of section 135, such excess amount may be set off against the requirement to spend under sub-section (5) of section 135 up to immediate succeeding three financial years, subject to the condition that:
 - (i) The excess amount available for set off shall include the surplus arising out of the CSR activities, if any, in pursuance of sub-rule (2) of this rule.
 - (ii) The Board of the Company shall pass a resolution to that effect.

GOVERNANCE:

- a) The CSR Committee will review the implementation of CSR Programmes from time to time and issue necessary directions to ensure orderly execution.

- b) The CSR Committee shall recommend the CSR Expenditure to be incurred on the CSR activities.
- c) The CSR Committee shall institute a transparent mechanism for implementation of the CSR Programmes. Effectively monitor the execution of the CSR Programmes.
- d) The CSR Committee members or the persons authorized by them may visit the project site to review the work being carried on.
- e) The CSR Committee will submit at the end of every financial year its report with regard to the CSR Programmes undertaken by the Company, their accomplishment, the spend made and such other information as would be required by the Board.
- f) The composition of the CSR Committee, CSR Policy and Projects approved by the Board on the recommendations of the CSR Committee shall be disclosed on the website of the Company for the public access.

AMENDMENTS:

The CSR Policy may be reviewed and amended from time to time as per the recommendations of the CSR Committee by the Board. Any amendment or modification in the Companies Act, 2013 and any other applicable regulations relating to the CSR Policy shall automatically be applicable to the Company.

CSR PROGRAMMES/ACTIVITIES:

The Company may engage in one or more of the following Activities relating to:-

- a) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation and making available safe drinking water.
- b) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.
- c) 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.

- d) Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water.
- e) Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art, setting up public libraries, promotion and development of traditional arts and handicrafts.
- f) Measures for the benefit of armed forces veterans, war widows and their dependents, Central Armed Forces, Central Para Military Forces veterans and their dependents including widows.
- g) Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports.
- h) Contribution to the Prime Minister's National Relief fund or Prime Minister's Citizen Assistance and Relief in Emergency Situations Funds (PM Cares Fund) any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women.
- i) Contributions to funded by Central Government or State Government or any agency or Public Sector Undertaking of Central or State Government and contributions to public funded universities, IITs, National Laboratories and Autonomous Bodies, Indian Council of Medical Research, Council of Scientific and Industrial Research, Department of Atomic Energy, Defence Research and Development Organisation, Department of Biotechnology, Department of Science and Technology, Ministry of Electronics and Information Technology engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals.
- j) Rural development projects.
- k) Disaster management, including relief, rehabilitation, and reconstruction activities.