



CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

1. INTRODUCTION

Section 135 of the Companies Act, 2013 (hereinafter referred to as ‘the Act’) requires that every company having net worth of rupees five hundred crore or more or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during any financial year shall constitute a Corporate Social Responsibility (CSR) Committee of the Board considering of three or more directors, out of which at least one director shall be an independent director. Company comes in the criteria of net profit and accordingly constituted CSR Committee.

2. APPLICABILITY

The CSR Policy shall apply to all CSR projects undertaken by the Company in India as per Schedule VII of the Act.

3. RESPONSIBILITY OF THE CSR COMMITTEE

The CSR Committee shall:

- formulate and recommend to the Board, a CSR policy which shall include the activities to be undertaken by the company as specified in Schedule VII and recommend the amount of expenditure to be incurred on the activities; and
- monitor the CSR policy of the Company from time to time and recommend the Board for suitable modification(s) as and when required.

4. RESPONSIBILITY OF THE BOARD OF DIRECTORS (BOARD)

The Board shall:

- approve the CSR policy as formulated and recommended by the CSR Committee, subject to necessary changes/modifications as the Board may deem fit.
- ensure that the activities as are included in CSR policy of the company are undertaken by the company.
- ensure that in each financial year the company spends at least 2% of the average net profits (calculated in accordance with section 198 of the Act and rules made thereunder) of the company made during the three immediate preceding financial years.
- disclose the composition of CSR Committee and specify the reasons if the company fails to spend the amount.
- disclose in its Annual Report the names of CSR Committee members, the content of the CSR policy and ensure annual reporting of its CSR activities on the Company’s website.

5. CSR BUDGET & UTILISATION

CSR Committee will recommend the CSR expenditure considering the provisions of the section 135 of the Companies Act, 2013 and Companies (CSR Policy) Rules, 2014 to the Board for its consideration and approval and shall be utilized on the projects in accordance with the CSR Policy of the company.



The surplus, if any, arising out of the CSR projects or programs or activities will not form part of business profit of the Company.

6. IDENTIFICATION & SELECTION OF THE ACTIVITY / PROJECT

- CSR Committee shall identify the activities or projects in line with Section 135 read with Schedule VII of the Act and the Rules made thereunder.
- CSR Committee shall review the all the aspects of the selected activities or projects such as its operations, environmental impact, cost, timelines, sustainability, visibility of the activity or project, benefits to the society and other relevant factors which needs to be evaluated.
- In consultation with the management, Secretary of the CSR Committee shall submit a detailed proposal before the CSR Committee for consideration regarding the projects and selection of partner (Trust / Society / NGO) to implement the project(s). The CSR Committee, after due evaluation of the projects and competency, cost, credibility etc. of implementing agency/NGOs, will take the decision regarding the recommendation to be made to the Board.

7. CSR THROUGH REGISTERED TRUST, SOCIETY OR SECTION 8 COMPANIES

The Board of Directors of the Company may decide to undertake its CSR activities approved by CSR Committee, through a registered trust or a registered society or a company established by the company or its holding company or subsidiary company or associate company under section 8 of the Act or otherwise; provided that:

- if such trust, society or company is not established by the company or its holding company or subsidiary company or associate company, it shall have an established track record of three years in undertaking similar programs or projects;
- the company has specified the projects or programs through these entities, the modalities of utilization of funds in such projects and programs and the monitoring and reporting mechanism.

8. MONITORING AND REVIEW MECHANISM

CSR Committee shall monitor the implementation of the CSR Policy through periodic reviews of the selected activities / projects. The annual budget and list of CSR activities / projects shall be presented to the CSR Committee for its approval. The CSR Committee will in turn recommend this to the Board for its approval.

In compliance with the Act and rules made thereunder and to ensure funds spent on CSR activities / projects are creating the desired impact on the ground, a comprehensive Monitoring and Reporting framework would be followed in compliance with the provisions of the Act. The monitoring and reporting mechanism for each activities / project shall be monitored through CSR Committee or internal monitoring group which may be constituted by CSR Committee as and when required. The internal monitoring group shall report its Management Information System (MIS) to CSR Committee from time to time.



9. EVALUTION AND REPORTING

- CSR Committee will monitor and evaluate the objective of CSR and also may evaluate the Management Information System (MIS) submitted by the internal monitoring group and in case of need, third parties will be engaged to ensure objective assessment across baseline and end line parameters of CSR activities / projects.
- The CSR Committee will prepare the annual CSR report for the Board for their approval and for inclusion of Board's Report of the Company.

10. AMENDMENT

The Company reserves its right to amend or modify this Policy in whole or in part, at any time without assigning any reason whatsoever and any subsequent amendment/modification in the Companies Act, 2013 and rules made thereunder, listing agreement and/or other applicable laws in this regard shall automatically apply to this Policy.

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