

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY AS RECOMMENDED BY CSR COMMITTEE AND APPROVED BY THE BOARD OF DIRECTORS

OBJECTIVES

Corporate Social Responsibility (CSR) is the Company's commitment to its stakeholders to conduct business in an economically, socially and environmentally sustainable manner that is transparent and ethical. Company is committed to undertake CSR activities in accordance with the provisions of Section 135 of the Companies Act, 2013 and the related Rules

CSR ACTIVITIES

The Company has been involved various community focused activities since the introduction of CSR activities as per Schedule VII of the Companies Act 2013 and the primary focus of the Company shall be in the following CSR activities: -

- a) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of 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) other activities as per Schedule VII of the Companies Act 2013 as amended from time to time

CSR APPROACH AND GUIDING PRINCIPLES

The selection of the CSR projects and guiding, shall be based on long-term objective of each of the project, its benefit, and carrying out such activities individually by the Company. CSR activities will be carried out either directly or based on the partnership with various Governmental /Non-governmental Agencies, NGOs, Trusts/ Foundations / Local Communities or other applicable methods as contemplated in the Companies Act 2013 read with the rules framed thereunder.

CSR BUDGET, EXPENDITURE AND ANNUAL ACTION PLAN

The Annual action plan as recommended by the CSR committee shall be approved by the Board of Directors and ensure that at least 2% of the average net profits earned during the three immediately preceding financial years, in accordance with the provisions of Section 135 of the Companies Act, 2013, read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 [as amended from time to time] be spent in every financial year.

The budget allocated for CSR project / activities planned for each financial year is expected to be spent within that financial year. Any unspent CSR amount or excess spent CSR amount shall be dealt as per the provisions of the Companies Act 2013 read with the rules framed thereunder.

Preference will be given to the local area and areas where the company operates, for spending the amount earmarked for Corporate Social Responsibility activities.

MONITORING

Monitoring shall be done by the Senior Management officials, periodically to ensure timely completion of the CSR activities and to achieve deliverables on the amount spent. Reviews shall be done at Corporate Office level by the above team and any bottlenecks identified, remedial actions shall be taken.

The Senior Management officials monitor the implementation schedules of the various CSR projects towards which the Company has made contributions, on the basis of the timelines indicated by the respective Institutions. The report in the form of MIS and on the status, issues of CSR activities shall be put up to the CSR Committee in the event of any bottlenecks and intervention is sought wherever required.

Steps shall be taken to ensure that the contributions are made only to institutions / agencies that have obtained a CSR Registration Number from the Ministry of Corporate Affairs.

Further, the Chief Financial Officer or the person responsible for financial management of the Company shall issue a certificate to the effect that the funds disbursed towards CSR have been utilised for the relevant purposes and in the manner as approved by the Committee/ Board.

EVALUATION:

Shall be done through both internal & external methods. Evaluation studies shall be carried out to verify effectiveness of implementation of the CSR activities.

Wherever considered necessary, the Board/ Committee may advise on-site visits for the purpose of carrying out a due diligence except in the case of contributions made to the Central/State Government(s). Such on-site monitoring may be carried out either by the employees of the Company or through an independent external agency.

Social Impact Evaluation shall be done through credible external agencies and the findings therefrom shall be the basis for initiating corrective actions and formulation future schemes/ plans.

REPORTING

CSR activities undertaken by the Company shall be reported to the Board/Committee

The Company Secretary shall submit a report to the CSR Committee after the closure of each financial year, providing therein brief details about various contributions made during the year under each broad head.

The Company shall mandatorily undertake an impact assessment through an independent agency when the Company has average minimum CSR obligation of Rs.10 crore or more in pursuance of subsection (5) of section 135 of the Act, in the three immediately preceding financial years, of their CSR projects having outlays of Rs.1 crore or more, and which have been completed not less than one year before undertaking the impact study.

The Company Secretary shall ensure that the impact assessment reports wherever applicable are placed before the Committee and Board for review after the closure of each financial year and annexed to the CSR Annual Report.

Expenses incurred in connection with the impact assessment shall be added to the overall CSR outlay for the financial year, subject to a maximum of 5% of the total CSR outlay or Rs.50 lakhs, whichever is less. This will be over and above the administrative expenses incurred by the Company towards CSR.
