



## **CORPORATE SOCIAL RESPONSIBILITY POLICY**

### **INTRODUCTION**

As a responsible corporate citizen, the Company is committed to sustainable development and inclusive growth and has been focusing on issues relating to promotion of health, Community support & development for Handicapped education for children, social advancement, Eradicating Hunger, Ensuring Environmental Sustainability & Animal welfare over the past few years. The Company will continue to support activities as per Schedule VII of the Act. In terms of the CSR rules issued by the MCA the Company will be focusing on undertaking the project /programs /activities listed below, as specified in Schedule VII of the Act excluding activities undertaken in pursuance of normal course of business of a Company:

- i.** Eradicating hunger, poverty and mal-nutrition, 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;
- ii.** Promoting education, including special education and employment enhancing vocational skills especially among children, women, elderly, and differently abled and livelihood enhancement projects;
- iii.** Promoting gender equality, empowering women, setting up homes and hostels for women and orphans, setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
- iv.** Ensuring environmental sustainability, ecological balance, and protection of flora and fauna, animal, welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the "Clean Ganga Fund" setup by the Central Government for rejuvenation of river Ganga;
- v.** 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;
- vi.** Measures for the benefit of armed forces veterans, war widows and their dependents;
- vii.** Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports;
- viii.** Contribution to Prime Minister's National Relief Fund or Prime Minister's Citizen Assistance and Relief in emergency situation fund (PM CARES FUND )or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Schedule Tribes, other backward classes, minorities and women;



ix. a) Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government; and

(b) Contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defense Research and Development Organisation (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).]

x) rural development projects.

(xi) slum area development.

(xii) disaster management, including relief, rehabilitation and reconstruction activities.

## **THE OBJECTIVES OF THE POLICY**

This Policy shall be read in line with Section 135 of the Companies Act 2013, Companies (Corporate Social Responsibility Policy) Rules, 2014 and such other rules, regulations, circulars, and notifications (collectively referred hereinafter as Regulations') as may be applicable and as amended from time to time and will, inter-alia, provide for the following:

- Establishing a guideline for compliance with the provisions of Regulations to dedicate a percentage of Company's profits for social projects.
- Ensuring the implementation of CSR initiatives in letter and spirit through appropriate procedures and reporting.
- Creating opportunities to participate in socially responsible initiatives.

The Company Board of Directors shall ensure that in each financial year the Company spends at least 2% of the average Net Profit made during the three immediate preceding financial years.

**"Net profit"** means the net profit as per the financial statement of the company prepared in accordance with the applicable provisions of the Act. The Act uses the term 'Net Profits' in the provision and this can mean that PAT or Profit After Tax may be used for calculating

CSR amount. But it is the other way round and PBT or Profit Before Tax has to be taken into account for calculation of CSR amount. The Act clearly explains that the "average net profit" shall be calculated in accordance with the provisions of Section 198.

Ministry of Corporate Affairs vide notification dated January 22, 2021 notified the Companies (Corporate Social Responsibility Policy) Amendments Rules 2021. The amendments have been made with the objective of bringing transparency and increase the accountability of the company undertaking CSR Activities. Pursuant to the said Amendments the Company is required to do either of the following:

- Spend the required amount of CSR Activities as prescribed under schedule VII or
- Park the unspent amount of ongoing project in separate account within 30 days of the end of financial year ; or
- Transfer unspent amount to such fund as mentioned in Schedule VII within 6 months of the end of the financial year.

### **CSR EXPENDITURE:**

Where a 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 immediately succeeding three financial years subject to the conditions that –

- (i) the excess amount available for set off shall not include the surplus arising out of the CSR activities, if any,
- (ii) the Board of the company shall pass a resolution to effect.

### **CSR COMMITTEE**

The CSR Committee will consist of minimum three Directors who shall meet at least twice in a year to discuss and review the CSR activities and policy. The Quorum shall be two members and are required to be present for the proceeding to take place.

### **FUNDING**

1. As per the regulations the company will set aside, for annual CSR activities, an amount equal to 2% of the average net profits of the Company made during the three immediately preceding financial years.
2. The tax treatment of CSR spent will be in accordance with the Income Tax Act, 1961 as may be notified by the central board of Direct taxes.

### **Identification of activities/projects:**

Out of approved CSR activities, the Committee shall decide which activity/project should be given priority for the respective financial year. While arriving at the decision of the activity to be undertaken for the respective year, the Committee shall analyse the basic need of the



community/ area in which the Organisation operates or at the place where its registered office is situated. The Committee shall record its findings and prioritised the CSR activities.

## **Implementation process:**

After prioritizing the activity the Committee shall finalise the detail implementation project/programme, including planning for expenses against the total budget allocated for CSR activities.

## **Organisational Responsibility:**

At organisational level for implementation of agreed CSR activity, the committee may constitute an implementation team or authorised any of the Department of the Company to organize for the implementation of the CSR activity. The team or respective department shall monitor the implementation process from time to time, on behalf of the CSR committee and place a report to the Committee regarding the progress of the activity implementation, on a quarterly basis. The respective department or implementation team would be responsible for reporting of any irregularity to the Committee on immediate basis.

## **Monitoring by the Board:**

The Board of Directors shall constantly monitor the implementation of the CSR activities. The CSR committee shall place a progress report, including details of expenses, before the Board on quarterly basis. The Board shall review the same and suggest recommendation, if any, to the committee with regard to implementation process.

## **Compliance and Reporting to Board:**

The Committee is responsible to undertake CSR activities as per the approved CSR Policy. Recommendation for the CSR activities for next year etc. should be placed before the Board for its consideration.

## **Management Commitment:**

Our Board of Directors, our Management and all of our employees subscribe to the philosophy of compassionate care. We believe and act on an ethos of generosity and compassion, characterized by a willingness to build a society that works for everyone. This is the cornerstone of our CSR policy. Our Corporate Social Responsibility policy conforms to the relevant section of the Corporate Social Responsibility, Rules made under Companies Act, 2013 and amendment(s) to be made thereto in future.

## **AMENDMENTS TO THE POLICY**

The Board of Directors of the Company on its own and/or on the recommendation of CSR committee can amend its policy as and when required deemed fit. Any or all provisions of CSR Policy would be subjected to revision/amendment in accordance with the regulations on the subject as may be issued from relevant statutory authorities, from time to time.

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