

CORPORATE SOCIAL RESPONSIBILITY POLICY

Scope and Purpose:

In accordance with Section 135 of the Companies Act (CA), 2013 every Company having net worth of Rs 500 crores or more, or turnover of Rs 1,000 crores or more, or a net profit of Rs 5 crores or more during the immediately preceding financial year, shall constitute a Corporate Social Responsibility (CSR) committee to recommend its activities for discharging CSR in such a manner that the Company would spend at least 2 per cent of its average net profits of the previous three year on CSR activities. CSR Committee of the Board shall consists of 3 or more directors.

The Company is having net worth of more than Rs. 500 crores and therefore the Board in its meeting held on 15th April, 2014 had constituted the Corporate Social Responsibility (CSR) Committee of the Board to consider and approve the matters related to the Corporate Social Responsibility in accordance with the Act and Rules.

Policy Statement:

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 as may be applicable and as amended from time to time:

The Geographic reach:

The Act provides that the Company shall give preference to the local area and areas around it where it operates, for spending the amount earmarked for Corporate Social Responsibility. The Company will thus give preference to conducting CSR activities in those states where the projects of the Company is situated and the Company has/will have its operations.

Annual spends/Allocation of Funds:

The Company would spend not less than 2% of the average Net Profits of the Company made during the three immediately preceding financial years. The surplus arising out of the CSR activity will not be part of business profits of the Company. The Corpus would thus include the 2% of average net profits, as aforesaid, any income arising there from and surplus arising out of CSR activities.

CSR Committee:

Committee Members:

The Chairman and Members of the Committee are as follows:

Serial No.	Name	Chairman / Member
1	Mr B K Malagi	Chairman
2	Mr Hemant Tikoo	Member
3	Mr Sanjay Bakliwal	Member

The Committee will meet at least twice in a year to discuss and review CSR activities and Policy. A quorum of two members is required to be present for the proceedings to take place. Such other meetings of the Committee can be convened as and when deemed appropriate. The Committee shall have the authority to call such employee(s), senior official(s) and or externals, as it deems fit.

Scope of activities to be undertaken by CSR Committee:

The scope of activities to be undertaken by CSR Committee of the Company will, inter-alia, include the following:

- i. Eradicating hunger, poverty and malnutrition, promoting healthcare including preventive health care and sanitation including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promoting of sanitation and making available safe drinking water;
 - ii. Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the 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 centres 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, protection of flora and fauna, animal welfare, agro-forestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up 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 recognised sports, and Olympic sports;
 - viii. Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Schedule Castes, the Schedule Tribes, other backward classes, minorities and women;
 - ix. Contribution to incubators funded by Central Government or State Government or any agency or Public Sector Undertaking of Central Government or State Government, and contributions to public funded Universities, Indian Institute of Technology (IITs), National Laboratories and Autonomous Bodies (established under the auspices of Indian Council of Agricultural Research (ICAR), Indian Council of Medical Research (ICMR), Council of Scientific and Industrial Research (CSIR), Department of Atomic Energy (DAE), Defence Research and Development Organisation (DRDO), Department of Science and Technology (DST), Ministry of Electronics and Information Technology) 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;
- Explanation.- For the purposes of this item, the term 'slum area' shall mean any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force.
- xii. Disaster management, including relief, rehabilitation and reconstruction activities.

Monitoring Mechanism

The CSR Committee shall prepare a transparent monitoring mechanism for ensuring implementation of the projects/programmes/activities proposed to be undertaken by the Company.

Procedure to implement CSR activities:

Funding

- i. In accordance with the Act and Rules, 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. Any unutilized CSR allocation of a particular year, will be carried forward to the following year, i.e. the CSR budget will be non-lapsable in nature.
- ii. The details and amount of the proposed expenditure for respective Financial Year, towards CSR activities will be reviewed and approved by the Committee after considering the average Net Profits of the Company made during the last 3 years. The proposed expenditure shall be amended annually according to the Financial Year after the review by the Committee or at such time, as the Committee may deem fit.
- iii. Tax treatment of CSR spend will be in accordance with the Income Tax Act, 1961 as may be notified by Central Board of Direct Taxes (CBDT).

Planning and Implementation

- i. The Projects may be divided into two main categories – Direct Project Funding and Employee Engagement. Projects which involve considerable financial commitment undertaken on a timeframe of 1-3 years where Company will be the primary sponsor, will be considered under Direct Project Funding and accorded due significance.
- ii. A list of CSR projects/programmes which the Company plans to undertake during the implementation year will be laid down before the Committee at the beginning of each year, specifying modalities of execution in the areas/sectors chosen and implementation schedules for the same.
- iii. Identification of projects and the executing agency/NGO will be made, inter-alia, by assessing the following:
 - a. Project Objectives
 - b. Implementation schedules – Timelines for milestones of the project will need to be prescribed and agreed upon
 - c. Responsibilities and authorities
 - d. Major results expected and measurable outcome including the expenses/charges ratio as against the actual CSR spend.

Projects / Partners:

CSR Committee in consultation with the Board of Directors of the Company will identify suitable projects for implementation in line with the objectives of the Company and requirements laid down under the Regulations. These projects would be executed through a registered trust or a registered society or a company established by the company or its holding or subsidiary or associate company under section 8 of the Companies Act, 2013 or otherwise.

Provided that-

(i) if such trust, society or company is not established by the company or its holding or subsidiary or associate company, it shall have an established track record of three years in undertaking similar programs or projects;

(ii) The company has specified the project or programs to be undertaken through these entities, the modalities of utilization of funds on such projects and programs and the monitoring and reporting mechanism.

If the project is to be executed through already registered trust or a registered society or any other NGO, such trust/society/NGO needs to be registered under Foreign Contribution Regulation Act, 2010 and comply with all applicable laws, rules and regulation of Foreign Contribution Regulation Act, 2010, otherwise prior permission from Ministry of Home Affairs is required to be obtained by such trust/society/institution.

Review and Reporting:

The CSR Committee will review the philanthropic activities of the Company and will provide progress update to the Board of Directors every six months/such other intervals as deemed fit.

The Company will report, in the prescribed format the details of CSR initiatives and activities of the Company in the Directors' Report and on the website of the Company, as required under the Act and Rules. Such reporting will be done, pertaining to financial year(s) commencing on or after the 1st day of April 2014.

Amendments to the Policy:

The Board of Directors on its own and/or as per the recommendations of CSR Committee can amend this Policy, as and when required as deemed fit. Any or all provisions of the CSR Policy would be subject to revision/amendment in accordance with the Regulations on the subject as may be issued from relevant statutory authorities, from time to time.