

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

I. Preamble

The Company recognizes its responsibility to contribute towards sustainable development and inclusive growth of society. This Corporate Social Responsibility Policy (“**CSR Policy**”) is framed in accordance with the provisions of Section 135 of the Companies Act, 2013, read with Schedule VII and the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time.

II. Applicability

The CSR Policy lays down the guidelines for undertaking programmes geared towards social welfare activities or initiatives. Through this CSR Policy, the Company proposes to adopt short, medium and long-term CSR programs and initiatives.

Notwithstanding anything to the contrary contained in this CSR Policy but subject to applicable law, in the event that the Company fails to meet the thresholds set out under Section 135(1) of the Act for three consecutive financial years, it shall not be required to:

- (i) Constitute/maintain the CSR Committee; and
- (ii) Comply with the provisions of this CSR Policy

till such time as it again meets the criteria specified in Section 135(1) of the Act.

III. Definitions

“**Act**” means the Companies Act, 2013 and rules made thereunder.

“**CSR Activities**” means such programs and projects as may be approved by the Board in terms of this CSR Policy.

“**CSR Committee**” means the Committee of the Board constituted under Section 135 of the Act.

“**CSR Expenditure**” means the amount recommended by the CSR Committee to be incurred on the CSR Activities in India in terms of the Act and the CSR Rules as approved by the Board from time to time.

“**CSR Rules**” means the Companies (Corporate Social Responsibility Policy) Rules, 2014.

“**Board**” means the Board of Directors of the Company.

“**Implementing Agency**” means an implementing agency as defined under paragraph V (3).

“**Implementation Group**” means an implementation group as defined under paragraph V (2).

“**Average Net Profits**” shall be net profit of the Company calculated in accordance with the provisions of Section 198 of the Act.

“**Society**” means a society registered under the Societies Registration Act, 1860 or any other applicable law in India.

“**Trust**” means a trust registered under the Indian Trusts Act, 1882 or any other applicable law in India.

Any term not defined above, shall have the meaning assigned to it under the Act or the CSR Rules.

IV. CSR Objectives

The objectives of the CSR Policy are to:

- Integrate social and environmental concerns into business operations.
- Contribute to community development and social welfare.
- Promote sustainable and inclusive growth.

V. Implementation

- The Board shall be responsible for implementing the mandate of the CSR Policy and shall ensure that the CSR Activities are carried out in accordance with the CSR Policy read with the Act and CSR Rules.
- The Board shall constitute an implementation group for the purposes of implementation of the CSR Activities approved by the Board from time to time (the “**Implementation Group**”) and submitting report of the progress on the CSR Activities to the Board as well as the CSR Committee.
- Mode of Implementation: The CSR Activities may be undertaken by the Company directly through the Implementation Group or with the prior approval of the Board:
 - Through a Trust, or a Society or a company established by the Company or its holding or subsidiary or associate company under Section 8 of the Act or otherwise; and/ or
 - Through a Trust, or a Society or a company established under section 8 of the Act with an established track record of three years in undertaking similar programs or projects; and/ or
 - In collaboration with other companies or NGOs

- Direct contribution / implementation of any project approved by CSR committee/Board
- Contribution to PM Relief Fund or any other fund as may be notified by Government.

(the entities referred to under sub-clause (i) and (ii) above, are hereinafter referred to as “**Implementing Agencies**”).

- The Board shall empower the Implementation Group to finalize, approve and execute various agreements, deeds, writings, confirmations, undertakings or other documents, as may be necessary, under the Common Seal of the Company or otherwise, with any party including Implementing Agencies and/or others for the purposes of the CSR Policy and accept modifications, changes and amendments to any such documents/agreements as it may deem fit.
- In case of failure to ensure the minimum CSR Expenditure, details reasons for the same should be submitted by the Implementation Group to the Board, who shall include the same in their report.

VI. CSR Committee

- The CSR Committee shall be responsible for providing recommendations to the Board with respect to CSR Activities that may be undertaken by the Company in accordance with the CSR Policy as well as the Act and the CSR Rules.
- The CSR Committee shall consist of at least two directors of the Company.
- The number of members of the CSR Committee and their powers and functions can be specified, varied, altered or modified from time to time by the Board, subject to the provisions of the applicable law.
- The CSR Committee shall hold meetings which shall be attended by minimum of two members of the Committee.
- All questions of interpretation or discrepancies which shall arise under, or as a result of, or pursuant to, or in connection with the implementation of the CSR Policy or any initiative or activities undertaken by the Company in terms of the CSR Policy, shall be referred to the CSR Committee for their inputs and the final decision/determination/interpretation shall rest with the Board.
- No member of the CSR Committee shall be personally liable for any decision or action taken in good faith with respect to the CSR Policy.
- Where the amount spent by the Company does not exceed the prescribed limits under the Act, requirement for constitution of the CSR Committee shall not be applicable and

the functions of such Committee shall be discharged by the Board of Directors of the Company.

VII. CSR Key Areas

The Board shall ensure that the CSR Activities that are undertaken by the Company should be within the scope of the following activities as detailed in Schedule VII of the Act:

- 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.
- promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.
- 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.
- 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 including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga.
- 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 art and handicrafts;
- measures for the benefit of armed forces veterans, war widows and their dependents, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows;
- training to promote rural sports, nationally recognised sports, paralympic sports and olympic sports
- contribution to the prime minister's national relief fund or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) or any other fund set up by the central govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;
- Contributions:
 - 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

- 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).
- rural development projects.
- 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.]

- disaster management, including relief, rehabilitation and reconstruction activities.

VIII. CSR Expenditure

CSR expenditure shall include all kinds of expenditure towards CSR Projects including creation, acquisition of capital assets, contribution to corpus of CSR projects or programs as approved by the Board.

The prescribed minimum amount to be spent on CSR (at present at least 2% of average net profits of the company made during the three immediately preceding financial years) shall be calculated in accordance with the provisions of the Act and Rules made thereunder. However, the Board, can approve higher amounts, as it may deem fit, from time to time.

If the Company spends in excess of prescribed minimum amount, such excess amount may be set off in such number of succeeding financial years as may be prescribed under the Act. The Board shall pass necessary resolution to this effect, in the absence of such resolution, the entire amount shall be considered to have spent for the same financial year only.

Subject to above, and, unless the unspent amount relates to any ongoing project undertaken by the Company, the Company shall transfer such unspent amount to a Fund specified in Schedule VII of the Act, within a period of six months of the expiry of the financial year.

Any amount remaining unspent, pursuant to any ongoing project, fulfilling such conditions as may be prescribed, undertaken by a company in pursuance of this Policy, shall be transferred by the company within a period of thirty days from the end of the financial year to a special account to be opened by the Company in that behalf for that financial year in any scheduled bank to be called the "Unspent Corporate Social Responsibility Account", and such amount shall be spent by the company in pursuance of its obligation towards the Corporate Social

Responsibility Policy within a period of three financial years from the date of such transfer, failing which, the company shall transfer the same to a Fund specified in Schedule VII of the Act, within a period of thirty days from the date of completion of the third financial year.

Notwithstanding above, any surplus arising out of the CSR activities shall not form part of the business profit of a company and shall be either:

- ploughed back into the same project or
- shall be transferred to the Unspent CSR Account and spent in pursuance of CSR policy and annual action plan of the company or
- be transferred to a Fund specified in Schedule VII, within a period of 6 months of the expiry of the financial year.

IX. Implementation of CSR Activities

CSR activities may be implemented:

- Directly by the Company, or
- Through eligible implementing agencies registered with the Central Government, in accordance with CSR Rules.

Preference may be given to local areas around the Company's operations.

X. Monitoring, Reporting and Disclosure Requirements

- To ensure that the objectives of CSR Policy are being met in an efficient and effective manner, the utilisation of the amount sanctioned towards CSR Activities should be reported by the Implementation Group to the Board as well the CSR Committee on an annual basis in such manner as the Board may direct.
- The Board or CSR Committee shall monitor the implementation of CSR projects periodically.
- The CSR Committee shall maintain proper minutes of all its meetings.
- The Board shall ensure proper disclosures in the Board's Report, as prescribed under the Act and CSR Rules.
- In the event of Company having average CSR obligation of ten crore rupees or more in three immediately preceding financial years, the Board shall undertake impact assessment, through an independent agency, of the CSR Projects having outlay of one crore rupees or more and which have been completed not less than one year before undertaking the impact study. However, without regard to the above said prescribed average CSR obligation, but subject to other conditions, the Board may voluntarily undertake the impact assessment of any of the CSR projects, as it deem fit.

- All disclosures, display and reporting requirements related to CSR shall be made in accordance with the provisions of the Act and the Rules made thereunder, as prevailing from time to time.

XI. Amendments

The Board of the Company may, subject to compliance with applicable law, at any time alter, amend or modify the CSR Policy as it deems fit to comply with the statutory obligation of the Company to undertake the CSR Activities.