

CORPORATE SOCIAL RESPONSIBILITY POLICY

1. INTRODUCTION

The 'Corporate Social Responsibility' is a statutory provision under Section 135 of THE COMPANIES ACT, 2013 read with Schedule VII of the Act. Subsequent to the statutory provision, the Ministry of Corporate Affairs (MCA), Government of India, notified on 27th February 2014, "The Companies (Corporate Social Responsibility Policy) Rules, 2014" ("CSR Rules" for short). Along with this an amended Schedule VII to the Companies Act, 2013, which provides the list of activities which may be undertaken as CSR activities are also notified. The CSR Rules and the amended Schedule VII have come into force with effect from 1st April, 2014. The above Act enjoins all companies to have a CSR policy, and the information which needs to be furnished in the CSR policy is specified in the CSR Rules. The initiatives which a Company broadly intends to undertake should also find mention therein.

2. CSR VISION STATEMENT AND OBJECTIVE

CSR is a form of self-regulation integrated into the company's business model and practices. Therefore, the Policy will function as a built-in mechanism whereby the Company will monitor and ensure its active and full compliance so as to meet the designated ethical goals and standards. The main objective of the Policy is to establish the basic principles and a general framework of action for the management to undertake and fulfil its corporate social responsibility.

3. CSR COMMITTEE

Composition :

Corporate Social Responsibility Committee shall consist of three Non-Executive Independent Director and one Executive Director.

Meetings :

The committee shall hold meetings as and when necessary.

Role of CSR Committee

The CSR Committee shall-

- formulate and recommend to the Board a set of CSR activities and programmes to be undertaken by the company as specified in Schedule VII of the Companies Act, 2013;
- Recommend the amount of expenditure to be incurred on the activities and programmes as referred to above, in a financial year;
- Monitor the CSR activities of the company from time to time;
- Any other matter as may be considered necessary or expedient by the Members in furtherance of or to comply with the CSR Policy of the company.

The Board of Directors shall, after taking into account the recommendations made by the CSR Committee, approve the suggested programmes and activities along with the expenditure proposed, disclose the details in their report and also publish the same on the company's website in such manner as laid down in the Companies (Corporate Social Responsibility) Rules, 2014.

The Board shall ensure that the company spends 2% of the average net profit of the company during the three preceding financial years in pursuance of the CSR Policy.

4. IMPLEMENTATION

Areas

The company shall identify projects, programmes and activities which are in line with the activities mentioned in Schedule VII of Companies Act 2013. Schedule VII is annexed herewith as Annexure 1.

Preference shall be given to local areas where the company operates for spending the funds earmarked for CSR. The CSR projects, programmes or activities undertaken by the Company as per Company's CSR Policy shall only be counted as CSR expenditure in accordance with the provisions of sub-section(5) of section 135 of the Act.

Implementing agency

The company may decide to undertake its CSR activities directly or a registered trust or a registered society or a company established by the company under section 8 of the Act in compliance with the CSR Rules notified by the Central Government. Identification of the programmes, projects or activities at the corporate and unit levels shall be done by:

- Need identification studies by the senior management/professional Institutions/agencies.
- Internal need assessment by the functional team at the local level.
- Receipt of proposals or requests from District Administration or local government etc.
- Suggestions from the Board of Directors or senior management personnel.

Exclusions

The CSR activities shall be undertaken by the company (either new or ongoing) should not include activities undertaken in pursuance of its normal course of business. Any contribution of any amount directly or indirectly to any political party under section 182 of the Act by the company shall not be considered as CSR activity. The CSR projects or programmes that benefit exclusively the employees of the company or their families shall not be considered as CSR activities as per section 135 of the Act. Any surplus arising out of CSR projects or programmes shall not form part of the business profit of the company but should be added to the CSR fund.

5. APPROVAL AND MONITORING

All CSR programmes, projects and activities should have the approval of the Board of Directors. The Board shall set up an effective mechanism for monitoring and guiding the CSR activities on the basis of a periodic reporting system. CSR activities of the company shall be reported in the Annual Report of the company and the Board's Report in compliance with the section 135 of the Act.

6. REPORTING

In terms of Section 135 of the Companies Act, 2013 read with Rule 8 of the CSR Rules, CSR activities and progress shall be reported as part of the Director's Report in the Company's Annual Report and also as per any other statutory and regulatory reporting requirements. The internal reporting of the CSR activities and progress shall be reported from time to time to Board Level CSR Committee and also to the Board of Directors. Above reports shall be in such form and manner as may be convenient and appropriate to suit the purpose of effective communication.

7. GENERAL

In case of any doubt with regard to any provision of the Policy and also in respect of matters not covered therein, a reference may be made to the CSR committee and in such matters the interpretation and decision of the committee shall be final. Any or all of the provisions in the Policy will be subject to any revision or amendment in accordance with the guidelines on the subject as may be issued by the Government from time to time. The CSR committee, subject to the final approval of the Board, reserves the right to modify, add or amend any of the provisions of this Policy.