

Overview : Corporate Social Responsibility is not a new concept in India, however, the Ministry of Corporate Affairs, Government of India has recently notified the Section 135 of the Companies Act, 2013 along with Companies (Corporate Social Responsibility Policy) Rules, 2014 "hereinafter CSR Rules" and other notifications related thereto which makes it mandatory (with effect from 1st April, 2014) for certain companies who fulfil the criteria as mentioned under Sub Section 1 of Section 135 to comply with the provisions relevant to Corporate Social Responsibility.

Accordingly, this policy is governed in its entirety by the directives of the Companies Act 2014 and any all usage of the word "Act" expressly means the Companies Act 2014 unless specified otherwise.

Objective :

- 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 for employees to participate in socially responsible initiatives.

Scope The CSR activities of the Company shall include, but not limited to any or all of the sectors/activities as may be prescribed by Schedule VII of the Companies Act, 2013 amended from time to time. Further, the Company will review the sectors/activities from time to time and make additions/ deletions/ clarifications to the above sectors/activities.

Applicability : The companies on whom the provisions of the CSR shall be applicable are contained in Sub Section 1 of Section 135 of the Companies Act, 2013. As per the said section, the companies having Net worth of INR 500 crore or more; or Turnover of INR 1000 crore or more; or Net Profit of INR 5 crore or more during any financial year shall be required to constitute a Corporate Social Responsibility Committee of the Board "hereinafter CSR Committee" with effect from 1st April 2014.

Process : As provided under Section 135(1) itself, the companies shall be required to Constitute a Corporate Social Responsibility Committee of the Board "hereinafter referred to as the CSR Committee which shall be comprised of 3 or more directors, out of which at least one director shall be an independent director.

1. The Board's report shall disclose the compositions of the CSR Committee.
2. All such companies shall spend, in every financial year, at least two per cent of the average net profits of the company made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy. It has been clarified that the average net profits shall be calculated in accordance with the provisions of Section 198 of the Companies Act, 2013. Also, proviso to the Rule provide 3(1) of the CSR Rules that the net worth, turnover or net profit of a foreign company of the Act shall be computed in accordance with balance sheet and profit and loss account of such company prepared in accordance with the

provisions of clause (a) of sub-section (1) of section 381 and section 198 of the Companies Act,2013.

The names of the members so appointed should be entered in Annexure 2 to this policy whenever there is a change.

Reporting for CSR:

Rule 8 of the CSR Rules provides shall be required to incorporate in its Board's report an annual report on CSR containing the following particulars.

1. A brief outline of the company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.
2. The composition of the CSR Committee.
3. Average net profit of the company for last three financial years.
4. Prescribed CSR Expenditure (2% of the amount of the net profit for the last 3 financial years).
5. Details of CSR Spent during the financial year.
6. In case the company has failed to spend the 2% of the average net profit of the last three financial year, reasons thereof.

The Role of the CSR Committee :

- a) Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII of the Companies Act 2014.
- b) Recommend the amount of expenditure to be incurred on the activities referred to in clause (a).and
- c) Monitor the Corporate Social Responsibility Policy of the company from time to time.
- d) Review changes in the Act in respect of the policy every year.

Annual CSR Plan:

Annual CSR Plan The Annual CSR Plan is a yearly plan of CSR activities that would be placed before the Board of Directors of the Company based on recommendation of its CSR Committee which outlines inter alia the following aspects of CSR initiatives of the Company: Project Proposals Targeted Beneficiaries and their key needs Alignment with Schedule VII Project Goals and milestones Activities and Timelines including expected closure dates CSR Budget with projections Monitoring mechanism Progress reporting and frequency of reports Risks and mitigation strategies Any other information as may be required by the CSR Committee

Roles and responsibilities:

Department	Key responsibilities
Board of Directors and CSR Committee	<ol style="list-style-type: none">1. Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII of the Companies Act 2014.2. Recommend the amount of expenditure to be incurred on the activities referred to in clause (a).and3. Monitor the Corporate Social Responsibility Policy of the company from time to time.4. Review changes in the Act in respect of the policy every year.

Exceptions : Any exception to this policy would require the approval of the Board of Directors and the CSR Committee. The reason for deviation should be documented and filed in the Policy Deviation Record, which should be updated as and when deviations occur and filed with this policy. Please note that the Management reserves the right to alter, modify, delete, or add any amendment to the above policy or procedure from time to time without assigning any reasons whatsoever.

WHEN THE CSR COMMITTEE IS NOT APPLICABLE

Rule 3(2) of the Corporate Social Responsibility Rules, 2014 provides that every company which ceases to be a company covered under section 135(1) of the Act for three consecutive financial years shall not be required to:

1. constitute a CSR Committee ;and
2. comply with the provisions contained in subsection (2) to (5) of the said section till such time it meets the criteria specified in sub section (1) of Section135 of the Act.

Accordingly, if a company, for 3 consecutive years, ceases to be covered under the ambit of section 135(1), it shall not be required to fulfil the conditions relating to the constitution of CSR Committee and other related provisions.

Amendments : The Board of Directors 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.

Other policy references: NIL

All policies are to be read and implemented along with other relevant documents such as The Standing Orders, the Union Agreement, ISO 9000/14001 Guidelines, as examples. As these may change from time to time, it is required that the employee checks all relevant document when taking a decision. For a list of all policies and other documents, please refer the Policy and Document Index.

Review : The Policy will be reviewed once a year and will be checked for Accuracy every year, or whenever required by the Management including the board of Directors and the CSR Committee.

Annexure – I
CSR ACTIVITIES WHICH MAY BE UNDERTAKEN AS PER THE ACT

The following are CSR activities.

- i. Eradicating hunger, poverty & malnutrition, promoting preventive health care & sanitation & making available safe drinking water.
- ii. Promoting education, including special education & employment enhancing vocation skills especially among children, women, elderly & the differently unable & livelihood enhancement projects.
- iii. Promoting gender equality, empowering women, setting up homes & hostels for women & orphans, setting up old age homes, day care centres & such other facilities for senior citizens & measures for reducing inequalities faced by socially & economically backward groups.
- iv. Reducing child mortality and improving maternal health by providing good hospital facilities and low-cost medicines.
- v. Providing with hospital and dispensary facilities with more focus on clean and good sanitation so as to combat human immunodeficiency virus, acquired immune deficiency syndrome, malaria, and other diseases.
- vi. Ensuring environmental sustainability, ecological balance, protection of flora & fauna, animal welfare, agro- forestry, conservation of natural resources & maintaining quality of soil, air & water.
- vii. Employment enhancing vocational skills.
- viii. Protection of national heritage, art & culture including restoration of buildings & sites of historical importance & works of art, setting up public libraries. promotion & development of traditional arts & handicrafts.
- ix. Measures for the benefit of armed forces veterans, war widows & their dependents.
- x. Training to promote rural sports, nationally recognized sports, sports & Olympic sports.
- xi. Contribution to the Prime Minister’s National Relief Fund or any other fund set up by the Central Government for socio-economic development & relief & welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities & women.
- xii. Contributions or funds provided to technology incubators located within academic institutions, which are approved by the Central Government.
- xiii. Rural development projects, etc
- xiv. 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.]] The Above list is illustrative not exhaustive. All activities under the CSR activities should be environment friendly and socially acceptable to the local people and Society. Contribution towards C.M relief fund shall be a part of CSR activities above 2% of Net profit other than the activities mentioned above. Further Ministry of Corporate Affairs vide Notification dated 24.10.2014 increased the scope of contribution made towards Corporate Social Responsibility Activities:

- (i) In item (i), after the words "and sanitation", the words "**including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation**" shall be inserted.
- (ii) In item (iv), after the words "and water", the words "**including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga**" shall be inserted.

LOCAL AREA UTILISATION

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 the State herein the Company has/will have its operations. However, the Committee may identify such areas other than stated above, as it may deem fit, and recommend it to the Board for undertaking CSR activities.

ANNEXURE 2**COSTITUTION AND RESPONSIBILITIES OF THE CSR COMMITTEE****TO BE REVIEWED AND FILLED AND SIGNED ANNUALLY**

The CSR Committee will consist of 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 are required to be present for the proceeding to take place. The Chairperson and members of the committee of the committee are as follows :

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| 1) | Mrs.Jayashree S Mani | Chairperson |
| 2) | Mr.B.Venugopal | Member |
| 3) | Mr.R.Venkatakrishnan | Member |

Scope And functions of CSR Committee

The CSR committee will recommend a formal CSR Policy, this document and will recommend particular CSR activities, set forth a budget, describe how the company will implement the project, and establish a transparent means to monitor progress

Implementation of CSR PROJECTS

- a) The investment in CSR should be project based and for every project time framed periodic milestones should be finalized at the outset.
- b) Project activities identified under CSR are to be implemented by Specialized Agencies and generally NOT by staff of the organization. Specialized Agencies could be made to work singly or in tandem with other agencies.
- c) Such specialized agencies would include:
 - i) Community based organization whether formal or informal.
 - ii) Elected local bodies such as Panchayats
 - iii) Voluntary Agencies(NGOs)
 - iv) Institutes/Academic Organizations
 - v) Trusts, Mission etc.
 - vi) Self-help groups
 - vii) Government, Semi Government, and autonomous Organizations.
 - viii) Standing Conference of Public Enterprises(SCOPE)
 - ix) Mahila Mondals / Samitis and the like Contracted agencies for civil works Professional Consultancy Organization etc.
 - x) Service organisations like Rotary club and Lion club etc

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. Any unutilized CSR allocation fund of a particular year will be carried forward to the next financial year i.e., the CSR budget will be non-lapsable in nature.
 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.
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