

Corporate Social Responsibility (CSR) Policy (Amended on 7th November 2022)

Over the years the Company has been involved in a number of community-focused activities, in the areas of health, education and preservation of the country's rich culture and heritage. Continuing the tradition, it is recommended that the Company may focus primarily on following activities **to be referred to hereinafter as "CSR activities"**:

- (i) Promoting preventive and general health care, sanitation and provision of safe drinking water;
- (ii) Promoting education by providing financial assistance to deserving educational institutions, meritorious and needy students, including special education and employment enhancing vocation skills, especially among children, women, elderly and the differently abled;
- (iii) Promoting livelihood enhancement projects and road safety projects with special emphasis on driver training programmes;
- (iv) Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centre and such other facilities for senior citizens.
- (v) 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;
- (vi) 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;
- (vii) Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
- (viii) Contributing to rural development projects; and
- (ix) Such other activities and projects covered in Schedule VII to the Companies Act, 2013 from time to time.

(b) Guiding Principles

The guiding principles for selection of the CSR projects, will be dependent on the long term objective of each project, credibility of the Institution that is involved in the implementation and the practical need for such projects.

(c) CSR Outlay

- (i) The Company shall endeavour to expend in every financial year, at least 2% of the average net profits earned during the 3 immediately preceding financial years, in pursuance of this Policy and in accordance with the provisions of Section 135 of the Companies Act, 2013, read with the Companies (Corporate Social Responsibility) Rules, 2014.

- (ii) Any unspent CSR amount or excess spent CSR amount shall be dealt with as provided in sub-section (5) & (6) of section 135 of the Companies Act 2013, read with the Companies (Corporate Social Responsibility) Rules, 2014 and Schedule VII to the Companies Act, 2013, as amended from time to time. For the sake of administrative convenience and ready reference these provisions are stated in Annexure A.

(d) Manner of Execution of Projects :

The Company will undertake its CSR activities either directly or through a Registered Trust or through a Registered Society or establish another company under Section 8 of the Companies Act, 2013 or even to collaborate with other entities.

The Company will give preference to the local area(s) in and around our offices in India.

(e) Modalities of Utilisation of Funds

The Company will utilise the CSR outlay for each financial year towards healthcare, education, preservation of heritage and other sectors or activities specified as “**CSR ACTIVITIES**”.

Steps shall be taken to ensure that the contributions are made only to institutions / agencies that have obtained a CSR Registration Number from the Ministry of Corporate Affairs.

Further, the Chief Financial Officer of the Company shall issue a certificate to the effect that the funds disbursed towards CSR have been utilised for the relevant purposes and in the manner as approved by the Board.

(f) Implementation Schedule, Monitoring and Reporting Process

Implementation Schedule

The Secretary & Compliance Officer or such other person as may be nominated by the Managing Director of the Company shall monitor the implementation schedules of the various CSR projects towards which the Company has made contributions, on the basis of the timelines indicated by the respective Institutions.

Monitoring and Reporting Process

The Company shall constitute a team under the supervision of the Chief Financial Officer and Secretary & Compliance Officer for the purpose of monitoring the progress of various projects, utilisation of funds and timeliness of implementation.

Where considered necessary, the Managing Director may advise on-site visits for the purpose of carrying out a due diligence in the case of projects involving an outlay of ₹25 lakhs or more, except in the case of contributions made to the Central/State Government(s). Such on-site monitoring may be carried out either by the employees of the Company or through an independent external agency.

The Secretary & Compliance Officer shall submit a report to the CSR Committee after the closure of each financial year, providing therein brief details about various contributions made during the year under each broad head.

(h) Resource Utilisation

The Company may use the CSR capabilities of their employees or avail of the services of one or more external agencies towards overseeing and monitoring the overall CSR programme of the Company. The administrative expenses to be incurred in this connection shall not exceed 5% of the total CSR outlay of the Company for the financial year.

(i) Impact Assessment

The Company shall undertake an impact assessment through an independent agency for CSR projects involving an outlay of ₹1 cr. or more and which have been completed at least one year before commencement of the impact study. The Secretary & Compliance Officer shall ensure that the impact assessment reports is placed before the Board for review after the closure of each financial year and annexed to the CSR Annual Report.

Expenses incurred in connection with the impact assessment shall be added to the overall CSR outlay for the financial year, subject to a maximum of 2% of the total CSR outlay or ₹50 lakhs, whichever is more. This will be over and above the administrative expenses incurred by the Company towards CSR.

Annexure to CSR Policy

Section 135 – Corporate Social Responsibility

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(5) The Board of every company referred to in sub-section (1), shall ensure that the company spends, 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 7[or where the company has not completed the period of three financial years since its incorporation, during such immediately preceding financial years], in pursuance of its Corporate Social Responsibility Policy:

Provided 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 activities:

Provided further that if the company fails to spend such amount, the Board shall, in its report made under clause (o) of sub-section (3) of section 134, specify the reasons for not spending the amount 8[and, unless the unspent amount relates to any ongoing project referred to in sub-section (6), transfer such unspent amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year].

[Provided also that if the company spends an amount in excess of the requirements provided under this sub-section, such company may set off such excess amount against the requirement to spend under this sub-section for such number of succeeding financial years and in such manner, as may be prescribed.]

[Explanation.—For the purposes of this section "net profit" shall not include such sums as may be prescribed, and shall be calculated in accordance with the provisions of section 198.]

[6] Any amount remaining unspent under sub-section (5), pursuant to any ongoing project, fulfilling such conditions as may be prescribed, undertaken by a company in pursuance of its Corporate Social Responsibility 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, within a period of thirty days from the date of completion of the third financial year.

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Companies (Corporate Social Responsibility) Rules, 2014.

7. CSR Expenditure. –

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(2) Any surplus arising out of the CSR activities shall not form part of the business profit of a company and shall be 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 transfer such surplus amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.

(3) 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 immediate 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, in pursuance of sub-rule (2) of this rule.

(ii) the Board of the company shall pass a resolution to that effect.