

## **Corporate Social Responsibility Policy (CSR Policy)**

### **Background:**

The Company has been doing its bit in terms of giving back to the society by contributing to certain social causes, for the past many years.

Few notable CSR activities undertaken in the past were as follows:

- Donation of silver plate making machinery to the vocational training institute of 'Apla Ghar', an organization for rehabilitation of under privileged children and old age people.
- Donation of new computers to a government school at Ankleshwar.
- Sponsoring snacks at Annual day function at 'Dilkhush workshop' at Mumbai, imparting training to specially able children & adults.
- Internal and external painting work for Surhudh Mandal's "Chinchwad Badhir Mook Vidyalaya", a school imparting education to the deaf and dumb.
- Donations for re-settlement and welfare of the victims afflicted by unprecedented floods witnessed by Uttarakhand,
- Donations of aprons to ITI, Chinchwad,
- Donation of desks, benches & bunk beds, to child labour rehabilitation school at Hunsur, Dist. Mysore, Karnataka,
- Donation of used clothes in a cloth collection drive named 'Vastra Bhet' planned by 'SWaCH', an organization which is a wholly owned co-operative of self-employed waste pickers & waste collectors.

With the introduction of Section 135 of the Companies Act, 2013, the scope of social responsibility for corporates has broadened considerably.

The provisions of the Section requires that the Company fulfilling any of the below criteria, would be required to constitute a CSR Committee of the Board.

- Net Worth of Rs.500 Crore or more, or
- Turnover of Rs.1,000 Crore or more, or
- Net Profit of Rs.5 Crore or more during any financial year.

and ensure that the Company spends, in every financial year, at least two per cent of its average net profits made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy.

Also, since the projects or programs relating to CSR activities have been framed under a separate Schedule, the expectations are that the CSR spending will be channelized and Corporates will follow a more focused and organized approach towards such activities.

**Objective:**

The objective, the Company would like to achieve is twofold.

- To take up certain CSR activities from the Schedule and implement in the areas surrounding the Company and
- To adopt an organized approach for spending money on CSR activities

**Constitution:**

The CSR Committee of the Board shall consist of 3 or more Directors, out of which at least one Director shall be an Independent Director.

In compliance with the above, Company has established a CSR Committee comprising:

- Mr. Ranjal Laxmana Shenoy (Independent Director)
- Mrs. Kishori Udeshi (Independent Director)
- Mr. Ravindra Kumar (Managing Director)

**CSR activities under the Act**

The Companies Act 2013 provides for the following projects or programs relating to activities as per Schedule VII.

Activities which may be included by companies in their Corporate Social Responsibility Policies:

- a. eradicating extreme hunger and poverty;
- b. promotion of education;
- c. promoting gender equality and empowering women;
- d. reducing child mortality and improving maternal health;
- e. combating human immunodeficiency virus, acquired immune deficiency syndrome, malaria and other diseases;
- f. ensuring environmental sustainability;
- g. employment enhancing vocational skills;
- h. social business projects;
- i. contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government or the State Governments for socio-economic development and relief and funds for the

welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women; and

- j. such other matters as may be prescribed.

**Criteria for determining CSR Activities**

- a. The CSR activities shall be undertaken by the Company, as per its stated CSR Policy, as projects or programs or activities (either new or ongoing).
- b. The activities undertaken in pursuance of its normal course of business shall not be construed as CSR activities as required under the Act.
- c. The Board of a Company may decide to undertake its CSR activities approved by the CSR Committee, through a Registered Trust or a Registered Society or a Company established by the Company or its Holding or Subsidiary or Associate Company.

Provided that:

- 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;
- 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;
- The Company may also collaborate with other companies for undertaking projects or programs or CSR activities in such a manner that the CSR Committees of respective companies are in a position to report separately on such projects or programs in accordance with these rules.
- The CSR projects or programs or activities undertaken in India only shall amount to CSR Expenditure.
- The CSR projects or programs or activities that benefit only the employees of the Company and their families shall not be considered as CSR activities.
- Companies may build CSR capacities of their own personnel to undertake CSR activities
- Contribution of any amount directly or indirectly to any political party shall not be considered as CSR activity.

### **Scope of Company's CSR Activities**

Looking at the available infrastructure / manpower, the Company may take help of NGOs, social workers to pursue the objectives. However, it will also strive to carry out some of the social activities itself with the help of its employees, which will encourage/ motivate its employees to voluntarily participate in CSR project with a clear objective to improve the sensitivity of individuals towards social and environmental issues.

As an important component of its SR program, the Company would place particular emphasis on efficient use of material since resources are becoming ever scarcer.

In view of the above, out of the activities as specified above, the Company initially proposes to undertake the following activities:

1. Promotion of Education of its employees & their family members.

The Company would focus on 'Education including vocational education, Environment & Health' related activities.

2. Child education in surrounding areas in Pune/ Ankleshwar.
3. Employment enhancing vocational skills;
4. Ensuring environmental sustainability;
5. Promotion of health awareness

In the event of the Company not succeeding in identifying and carrying our CSR projects based on activities enumerated above, it will be open for the Company to spend the amount on any of the projects/programs specified under the Companies Act, 2013 to ensure compliance.

### **CSR Reporting**

The Board's Report of a Company shall include a report on CSR activities.

### **Display of CSR activities on its website**

The Board of Directors of the Company shall, after taking into account the recommendations of CSR Committee, approve the CSR Policy for the Company and disclose contents of such policy in its report and the same shall be displayed on the Company's website.

### **Operating mechanism**

A CSR budget will be drawn on the basis of previous three years average net profits.

CSR proposals, if any, received by the Company, NGOs, social workers or through the employees and acquaintances, will be internally vetted by the Management before recommending the same to the CSR Committee.

The CSR Committee, after scrutiny of the proposal, will approve the same with or without modification.

NGOs, social workers will submit their periodical/ final report to the Executive Management of the Company, regarding the implementation of CSR activities. If the CSR activity is to be carried out over a period of time, the Executive Management will monitor its progress.

The Committee shall review the CSR Policy of the company from time to time.

A separate account will be kept for expenses incurred on CSR activities.

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