

CORPORATE SOCIAL RESPONSIBILITY POLICY

Policy Objectives

The objective of the Corporate Social Responsibility Policy (Policy) is to lay down the guiding principles in undertaking various programs and projects by or on behalf of the Company relating to Corporate Social Responsibility (CSR) within the meaning of Section 135 of the Companies Act, 2013, read with Schedule VII of the Act and the CSR Policy Rules, 2014 (Rules), as amended from time to time.

Applicability

The Policy shall be applicable to all CSR activities of the Company whether carried by it or through any implementing agency.

CSR Committee

Pursuant to the Companies Act, 2013, the Board has constituted a CSR Committee, which will report to the Board on a bi-annual basis on all CSR activities undertaken. The Committee will ensure the entity's compliance with all legal requirements under Section 135 of the Companies Act, 2013, read with the Rules and other related legislation, as amended from time to time.

Role of the Committee

The Committee will be responsible for the drafting, formulation and execution of this Policy and recommend the same to the Board for their approval, including periodic amendments, as warranted, from time to time. The Committee, under the guidance of the Board, will monitor the progress and report to the Board on a bi-annual basis.

The Committee will review and recommend any new CSR initiatives to be taken up by the Company including the selection / appointment of implementation agencies.

The Committee will review the progress of CSR projects already undertaken by the Company and the utilization of budgets for each such projects.

The CSR report to be included in the Board's report will be reviewed by the Committee and recommend it to the Board.

The Committee will review and recommend any amendments to be made in the CSR Policy of the Company.

The Committee will carry out such other functions as may be delegated to it by the Board relating to CSR activities of the Company and the Group.

CSR Activities

As a part of the CSR program, the Company is presently engaged in activities / projects which are socially relevant and demanding in the locality surrounding its office and workshops. The Company may continue to undertake / fund project, programs or activities of the following nature and undertake such other activities as may be approved by the Board as is falling under Schedule VII of the Companies Act, 2013:

1. Promotion of Health care

The Company may undertake projects or programs, or activities aimed at improving the health and hygiene of the socially or economically weaker sections, families in the below poverty line (BPL) by providing free or subsidized medicine, clinical laboratory facilities, free or concessional treatments, provide medical equipments, setting up of medical and diagnostic camps, projects or programs aimed at eradicating malnutrition of women and children, pain and palliative care, etc.

2. Promoting Education

The Company may undertake projects or programs or activities aimed at the promotion of elementary to professional education and to support the students belonging to weaker sections of the Society (including students with disabilities or special needs) by way of setting up coaching centres, providing libraries, text books and other study materials, vocational training centers and centers for physically challenged students, providing endowments or other forms of recognition to successful candidates pursuing recognized examinations, scholarships, research study or other forms of merit cum means assistance, etc.

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)

3. Old Age Homes / Day Care facilities for Senior Citizens

The Company may undertake projects or programs or activities for the protection of elderly citizens by funding or otherwise supporting old age homes and day care facilities including medical aid, food and accommodation.

4. Environment

The Company may undertake projects or programs or activities to preserve and safeguard any available green space/ zones by way of plantation and maintenance of sapling.

Further, the Company may take up all or any projects, programs, or activities falling under any of the activities in the following fields as approved by the Board on the recommendation of the CSR Committee:

- i. Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water;
- ii. 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;
- iii. 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;
- iv. 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;
- v. Training to promote rural sports, nationally recognized sports, Paralympics sports and Olympic sports;
- vi. Contribution to the Prime Minister's National Relief Fund or Prime Minister's Central Assistance and Relief in Emergency Situations Fund (PM CARES Fund) or any other fund set up by the Central Government for socio-economic development, relief and welfare of backward classes and women;

- vii. 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;
- viii. Rural Development Projects;
- ix. Slum Area Development; and
- x. Disaster Management, including relief, rehabilitation, and reconstruction activities.

The CSR Committee will adopt a robust and transparent approach in reviewing the policy initiatives from time to time and ensure that these initiatives are broadly aligned with the approach spelt out in this policy document.

The total annual budget for CSR activities will be formulated by the CSR Committee subject to the approval of the Board. The CSR Committee will plan activities / projects within the stipulated budget. The Board will guide the Committee for selection, implementation, and monitoring of the CSR activities as well as formulation of the annual action plan.

Execution of projects / programs

The Company may undertake one or more projects or programs, or activities provided in the policy either as its own or through any implementing agency. It shall be the endeavor of the Company to build up capabilities to implement the CSR projects on its own in the long run. It can also acquire the services of experts in respective fields by appointing them as consultants in a particular program or project. While engaging a third-party agency for implementing a project or program covered in the CSR Policy, the CSR Committee shall ensure that the intermediary is registered w.e.f. April 1, 2021, and the unique CSR Registration Number is provided to the Company. The Committee shall also ensure that the intermediary have credible standing and experience in the respective fields for at least 3 preceding financial years.

The Board will satisfy that the funds so disbursed have been utilized for the purpose and manner approved by it and the Chief Financial Officer shall certify to that effect to the Board on an annual basis.

The implementation of the programs / projects will be monitored by the Board with reference to approved timelines and year wise allocation and make modifications, if any, for the smooth implementation of the project within the overall permissible time-period.

An annual action plan in pursuance of the CSR Policy will be formulated by the CSR Committee and recommended to the Board including the following:

- a) The list of CSR projects or programs that are approved to be undertaken in areas of subjects specified in Schedule VII of the Act;
- b) The manner of execution of such projects or programs;
- c) The modalities of utilization of funds and implementation schedules for the projects or programs;
- d) Monitoring and reporting mechanism for the projects and programs; and
- e) Details of need and impact assessment, if any, for the projects undertaken by the Company.

Administrative overheads

It will be ensured that the administrative overheads shall not exceed 5% of the total CSR expenditure of the Company for the financial year.

Surplus arising out of CSR

Surplus arising out of any CSR project / program / activities shall not form part of the business profit of the Company and shall be ploughed back into the same project or shall be transferred to Unspent CSR Account and spent in pursuance of the CSR policy. If the surplus amount is not utilized by the Company towards the

same project, it shall be transferred to a Fund specified in Schedule VII within a period of 6 months from the expiry of the financial year in which the surplus was generated.

Transfer of Unspent CSR amount

The Company shall ensure that it spends the budgeted expenditure by contributing to eligible CSR activities and incur the expenditure in that particular year. In case, if for any reason, the Company is not able to spend the statutory mandated CSR amount in that particular year, the amount remaining unspent pursuant to an ongoing project, fulfilling the conditions as mentioned in the Rules, undertaken by the Company shall be transferred within a period of 30 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 in pursuance of the Company’s obligation towards the CSR Policy within a period of 3 financial years from the date of transfer.

If the amount remains unspent in the Unspent Corporate Social Responsibility Account, it shall be transferred to a Fund specified in Schedule VII, within a period of 30 days from the date of completion of third financial year.

Reporting

On approval of the CSR policy or any amendments thereof, the CSR policy shall be displayed on the website of the Company.

The Company shall also disclose the composition of the CSR Committee, the Projects approved by the Board on the website of the Company.

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