

**CORPORATE SOCIAL RESPONSIBILITY ("CSR")
POLICY
OF
INDEUTSCH INDUSTRIES PRIVATE LIMITED**

1. CONCEPT:

• **CSR VISION:**

Our objective is to grow our business, while making a lasting positive difference in the communities we serve. Company has been undertaking community initiatives, focusing on sectors such as education, Health Care, Women empowerment, environment preservation, rain water harvesting, plastic recycling, active and healthy living, skill development and inclusive economic growth.

The content of this policy shall act as an approach and direction to be followed by the Company for selection, implementation and monitoring of its CSR activities as approved by the Board on recommendation of the CSR Committee from time to time.

• **CSR MISSION:**

- Education
- Women Empowerment
- Sanitation
- Health Care
- Community Development
- Eradicating hunger & poverty
- Protection of National heritage
- Promotion of Sports
- Contribution to specified funds
- Promoting Gender Equality
- Any other activity(ies) specified by Ministry of Corporate Affairs from time to time.

• **SHORT TITLE & APPLICABILITY:**

This CSR Policy ("the Policy"), which encompasses the company's philosophy for delineating its responsibility as a Corporate Citizen and lays down the guidelines and mechanism for undertaking socially useful programmes for welfare & sustainable development of the community at large, is titled as the **INDEUTSCH INDUSTRIES PRIVATE LIMITED CSR Policy**.

The content of the policy shall act as an approach and direction to be followed by the Company for selection, implementation and monitoring of its CSR activities as approved by the Board on recommendation of the CSR Committee from time to time.

This policy shall apply to all CSR initiatives and activities taken up at the various units / undertakings / plants of the Company for the benefit of different segments of the society specifically the deprived, under privileged and differently abled persons.

- **OBJECTIVE/GUIDING PRINCIPLES:**

- To ensure an increased commitment at all levels in the organisation, to operate its business in an economically, socially & environmentally sustainable manner, while recognising the interests of all its stakeholders.
- To take up programmes that benefit the communities, in & around its units and that results in enhancing the quality of life & economic well-being of the local populace over a period of time.
- To generate, through its CSR initiatives, a community goodwill for the Company and help reinforce a positive & socially responsible image of the Company as a corporate entity.
- To contribute to the project/programmes in line with section 135 read with Schedule VII of the Companies Act 2013

- **RESOURCES:**

For achieving its CSR objectives through implementation of meaningful & sustainable CSR programmes, the Company will allocate in every financial year, CSR Funds i.e., the funds for expenditure on CSR Projects of the Company as follows (hereinafter "Annual CSR Budget")

- At least two (2%) of the average net profit of the preceding three financial years; ,
- Any income or surplus arising out of CSR Activities;

[Surplus is required to be ploughed back into the same project or 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 6 months of the expiry of the financial year. Further, Surplus arising out of the CSR projects shall not become part of the business profit of the Company]

- CSR expenditure done over and above the statutory obligation of CSR in a financial year may be set off against the CSR obligation up to immediate succeeding three financial years.
- Any unspent/unutilised CSR allocation of a particular year, will be transferred by the Company to any fund included in Schedule VII of the Act until a fund is specified in Schedule VII for the above purpose and within such time period as may be specified concerning the nature of project.

- **SCOPE:**

The Company can undertake only such activities as are specified in

Schedule VII to the Companies Act, 2013 ("Act"). These activities includes as under:

- Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of Sanitation and making available safe drinking water.
- Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects.
- 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.
- 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 including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga.
- 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.
- Measures for the benefit of armed forces veterans, war widows and their dependents
- Training to promote rural sports, nationally recognized sports, paralympic sports and Olympic sports.
- Contribution to Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Schedule Tribes, other backward classes, minorities and women
- Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government.
- Rural development projects
- Slum area development
- disaster management, including relief, rehabilitation and reconstruction activities

- Any other activity (ies) as specified by the Ministry of Corporate Affairs from time to time or included in Schedule VII of the Act.

The above CSR Activities are in alignment with Schedule VII of the Companies Act, 2013 ("Act") and is subject to revision in the event of any amendment to the applicable law or otherwise. It shall also be subject to amendment that may be made by the Company, in accordance with the provisions of this CSR Policy, and the applicable law.

• **IMPLEMENTATION**

The Corporate Social Responsibility Committee (hereinafter the "CSR Committee") shall have power to constitute such number of sub-committees, as it may deem appropriate, for the purpose of implementation and monitoring of Company's CSR projects or may appoint any outside implementing Agency to implement and monitor the CSR activities of the Company.

The process for implementation of CSR Projects will generally involve the following:

- Identification of projects: to be done by means of the following:
 - Need identification Studies by professional institutions/agencies.
 - Internal need assessment by the concerned the Company's department(s).
 - Receipt of proposals/ requests from local Civic Bodies/ District Administration/local Govt. etc.
 - Discussions and request with local representatives/ Civic bodies/ Citizen's forums/ Non-Governmental Organizations (NGOs).
- Geographic Coverage of CSR projects: CSR Activities and the projects thereunder would generally be carried out/ focused in the local areas and/ or communities where the Company has operations / plants / premises.
- Approvals: CSR projects as may be identified, will be required to be put up to the CSR Committee and thereafter to the Board of Directors of the Company for its approval, at the beginning of each financial year or on such regular intervals, as required by the CSR Committee, with due recommendations of the concerned department(s).
- Execution: CSR projects, as may be approved, would be executed under the supervision of the concerned department(s) of the Company, and if required, with assistance from any of following executing agencies:
 - Elected local bodies, such as Panchayats;
 - Registered Society / NGOs / Voluntary Organization;
 - Institutes/ Academic Organizations;
 - Registered Public Trusts, Missions;

- Government, Semi-Government and autonomous Organizations;
- Professional Consultancy Organizations

- **ANNUAL ACTION PLAN**

The Annual action plan for CSR Activities to be carried out during a financial year shall be formulated by the CSR Committee and shall be recommended to the Board for the approval. The Board of Directors on recommendation of the CSR Committee may alter the plan at any time during the financial year, based on recommendation of CSR Committee:

Following shall be included in Annual Action Plan:

- CSR Projects/ Programmes/ Activities to be undertaken in area or subjects specified in Schedule VII of the Act;
- Type of Project - (On-going Project / One-time or Annual Project);
- Year wise allocation in case of on-going project;
- Manner of Execution (i.e. by Company itself or through implementing agency);
- Implementation Schedules / Timeline for On-going Project;
- Modalities of Utilisation;
- Monitoring & Reporting of CSR Projects/ Programmes/ Activities (i.e. quarterly / half yearly / annually and the manner of monitoring);
- To undertake impact assessment through an independent agency of the CSR projects have outlays of one crore rupees or more and which have been completed not less than one year before undertaking the impact study, provided the average CSR obligation of the Company is at least ten crore rupees or more in the three immediately preceding financial years.

Ongoing Project

"Ongoing Project" means a multi-year project undertaken by a Company in fulfilment of its CSR obligation having timelines not exceeding three years excluding the financial year in which it was commenced Unspent Amount and shall include the projects that was initially not approved as a multi-year projects but whose duration has been extended beyond one year by the board based on reasonable justification.

- **IDENTIFICATION OF IMPLEMENTING / EXECUTING AGENCY**

The Board of Directors of the Company may decide to undertake its CSR activities as recommended by CSR Committee, through one or more of the following modes:

- directly by the Company; or
- through a Company established under Section 8 of the Act or a registered public trust or a registered society, established by the Company, either singly or along with any other company, or

- through a Company established under Section 8 of the Act or a registered trust or a registered society, established by the Central Government or State Government, or
- Any entity established under an Act of Parliament or a State legislature, or
- A company established under section 8 of the Act, or a registered public trust or a registered society, other than established by the Company itself, and having an established track record of at least three years in undertaking similar activities;
- A 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.

• CRITERION FOR IDENTIFYING AN IMPLEMENTING / EXECUTING AGENCY

In case the CSR project is to be executed by implementing / executing agency as may be identified by Company, the following minimum criteria need to be ensured:

- The implementing / executing agency / entities must be registered with the Central Government before April 01, 2021 and must have a valid unique CSR Registration number;
- Implementing / executing agency must be registered under section 12A and 80 G of the Income Tax Act, 1961;
- Such Implementing / executing agency must have valid registration certificate under law in which it is incorporated / established;
- Implementing / executing agency must have permanent office / address in India;
- The antecedents of the Implementing / executing agency are verifiable/subject to confirmation
- It shall have an established track record of three years in undertaking similar Projects
- Description of the CSR project / program / activity;
- Such other document / information as may be required for satisfaction of the Company before engaging the Implementing / executing agency.

• MONITORING AND EVALUATION:

For the purpose of monitoring and for the satisfaction of the Board of Company that the funds disbursed for CSR have been utilised for the

purposes, within approved time lines and in the manner as approved by it, the monitoring and evaluation can be done in any of the following manner.

- CSR Committee to institute a transparent monitoring mechanism for ensuring implementation of CSR projects undertaken or proposed to be undertaken as CSR Activities, and implementation schedule for the same.
 - For monitoring on project basis, if required, a monitoring / reporting process will put be in place, by the CSR Committee from time to time. The CSR Committee has power to appoint authorized officials, employees of the Company, any consultant and professional to monitor CSR programmes.
 - To obtain utilization certificate from Chartered Accountant or Statutory Auditor of Implementing / executing agency on such interval as may deem fit by the concerned Company's department(s);
 - To obtain necessary expenditure proofs, videography, photos proving the CSR;
 - Chief Financial Officer or the person responsible for financial management shall give certificate on annual basis certifying the utilization of funds;
 - CSR Committee to submit a report to the Board, for the financial period ending 31st March of every year, on the CSR Activities and projects undertaken by the Company.
 - vii. To engage international organization for monitoring and evaluation of the CSR projects or programmes. The said CSR Activities and projects will also be reported, in the Annual Board's Report.
- **GOVERNANCE:**
- **CSR COMMITTEE-ROLE & RESPONSIBILITIES:**
- Formulate/ amend and recommend to Board CSR Policy, inclusive of the details and specifications as required as per the Companies Act, 2013 from time to time.
 - Formulate annual action plan and recommend the same to the Board for approval.
 - Review/Monitor the CSR Policy from time to time and, as and when required, suggest amendment(s) for the Board's consideration.
 - Make recommendations to the Board and seek approval, regarding the amount/ expenditure to be incurred on each of the CSR projects to be undertaken by the Company, relating to the CSR Activities.
 - Ensure optimum utilization of CSR Funds for CSR projects relating to CSR Activities, bearing in mind that as per proviso to section 135 (5) of the Companies Act, 2013 Company is required to give preference to the local area(s) around which it operates for spending the CSR Funds;

- Ensure that CSR projects undertaken by the Company, fall within the purview of the CSR Activities, as provided in the CSR Policy and under the applicable law
- Constitute a transparent monitoring mechanism for ensuring implementation of CSR projects undertaken or proposed to be undertaken as CSR Activities;
- Review/ monitor progresses of CSR projects and implementation schedule for the same.
- Implementation and monitoring of CSR Policy so as to ensure that it is in compliance with the Company's CSR mission and objectives.
- Constitute sub-committees for implementation of the CSR Policy or any part thereof, if required;
- Consider that the CSR projects focus on integrating business models with social and environmental priorities and processes in order to create shared value;
- Ensure that the administrative overhead shall not exceed 5% of total CSR expenditure of the Company for the financial year

The Board may constitute/reconstitute CSR Committee as and when deemed necessary and such committee shall have at-least two director as member.

If the Annual CSR statutory obligation does not exceed Rs. 50 lacs during the particular financial year, the Board of Company may dissolve the CSR committee and such other roles and responsibilities of CSR committee shall be discharged by the Board, as may be required for the purpose of CSR.

- **EXCLUSION:**

CSR expenditure will include all expenditure, direct and indirect, incurred by the Company on CSR Programmes undertaken in accordance with the approved CSR Plan.

However the following activities shall not be included under CSR:

- CSR projects that benefit only the employees of the Company and/or their families shall not be considered as CSR Activities, within the purview of this Policy and section 135 of the Companies Act, 2013 read with the CSR Rules.
- Any activity undertaken by the company outside India except for training of Indian sports personnel representing any State or Union territory at national level or India at international level;
- Contribution of any amount directly or indirectly to any political party under section 182 of the Act;

- Activities benefitting employees of the company as defined in clause (k) of section 2 of the Code on Wages, 2019 (29 of 2019);
- Activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services;
- Activities carried out for fulfilment of any other statutory obligations under any law in force in India;

The Board of directors shall have power to amend the CSR Policy, at any point of time, as they deem appropriate, with recommendation from the CSR Committee.

- **GENERAL PROVISIONS IN TERMS OF APPLICABLE LAW**

- In case of any doubt with regard to any provision of the policy and also in respect of matters not covered herein and for any reference, the interpretation & decision of the Committee will be final.
- Any or all provisions of the CSR Policy would be subject to revision/amendment in accordance with the guidelines on the subject as may be issued by the Government, from time to time.
- The Board reserves the right to modify, cancel, add, or amend any of these Rules.
- Projects recognition and approval will be appropriately named as per nature of Projects.
- The CSR activities of the company shall not include any benefits which are exclusively for the employees of the Company or their family members.
- Expenditure is to be made in respect of CSR activities done in India only.
- The CSR Activities shall not include any activity undertaken by the Company in pursuance of normal course of business of the Company.