

Corporate Social Responsibility (CSR) Policy

Purpose

The objective of this Policy is to promote inclusive growth and equitable development of identified areas by contributing back to the society and identifying the thematic domains listed within this Policy that resonate with the overall CSR purpose.

Functions

The main functions of the CSR Committee are as under:

- Identify the areas for carrying out the CSR activities and formulate an annual proposal / action plan to undertake the CSR activities;
- To identify the projects, programs for specific areas of activity specified or covered under Schedule VII of the Companies Act, 2013 as amended, finalize the budget and earmark the expenditure for each activity and the modalities for its utilization and recommend the same to the Board every year;
- To determine the location(s) where the CSR activities shall be undertaken;
- To monitor the progress of the projects/activities from time to time and identify suitable reporting mechanisms;
- To nominate employees who will be responsible for implementation, execution and monitoring of the CSR activities;
- To hire services of external service providers, Non-Governmental Organizations, volunteers, professionals, consultants, specialized agencies etc., if required, to undertake the said activities and for designing, monitoring and evaluation of the CSR projects or programs including capacity building of the employees / personnel;
- Specify the projects that would need an impact assessment, where applicable;
- Such other functions as may be delegated by the Board.

The main functions of the Board of Directors are as under:

- Approving the CSR policy as formulated and recommended by the CSR Committee;
- Ensuring the effective use of the funds allocated to CSR activities for the purposes and in the manner as approved by it which shall also be certified by the Chief Financial Officer or the person responsible for financial management;

- Ensuring from the financial year 2021-22 onwards that any entity which is permitted under the statute to undertake CSR activities and through which the Company intends to implement its CSR activities is registered with the Central Government;
- Ensuring that multi- year projects (“**ongoing projects**”) , if any, undertaken by the Company do not extend beyond three years excluding the financial year in which it commences;
- Monitoring ongoing projects undertaken by the Company, if any, with respect to approved timelines and annual fund allocation and making any modifications that it considers necessary for the smooth implementation of such projects within the permissible time period;
- Ensuring that administrative overheads as defined in the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time (“**CSR Rules**”)do not exceed five percent of the CSR expenditure for the financial year;

Including in its Board Report an annual report on CSR activities with all details as specified in the CSR Rules, including the composition of the CSR Committee and the CSR policy;

- Disclosing the composition of the CSR Committee, the CSR policy and the projects approved by the Board on the Company's website;
- Any other acts, deeds and things as may be required under law from time to time.

Areas

The CSR activities, excluding those which are specifically not considered as such, shall be undertaken by the Company in any one or more of the following areas, projects, programs or activities, either new or ongoing or such other areas/activities prescribed by the Companies Act, 2013, as amended from time to time, to take forward its commitment towards Social Responsibility:

- (i) Eradicating hunger, poverty and malnutrition, promoting health care, 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;
- (ii) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
- (iii) 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;
- (iv) 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 including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga;
 - (v) 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;
 - (vi) 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
 - (vii) Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports;
 - (viii) Contribution to the Prime Minister's National Relief Fund or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Schedules Castes, the Schedules Tribes, other backward classes, minorities and women;
 - (ix) Contributions or funds provided to technology incubators located within academic institutions which are approved or funded by the Central or State Government or public sector undertaking or any agency of the Central or State Government; and
 - (x) Rural development projects.
 - (xi) Slum area development.
 - (xii) Disaster management, including relief, rehabilitation and reconstruction activities.

Investment

The Company shall invest at least two per cent of its average net profits, excluding profits arising from overseas branches and dividend received from other companies in India which are covered under and complying with the provisions of Section 135 of the Act, during the three immediately preceding financial years, towards CSR activities. Any surplus arising out of the CSR activities or project or programs shall not form a part of business profit of the Company.

Executing Agencies

The Company may undertake the CSR activities either on its own or through a registered public trust or a registered society, or a company established under Section 8 of the Companies Act, 2013 established for this purpose by the Company or otherwise and which are registered under Section 12A and Section 80G of the Income Tax Act, 1961. The Company may also undertake the CSR activities through other entities specified under the CSR Rules including through a registered trust, a registered society, a Company established under Section 8 of the Companies Act, 2013 which is registered

under Section 12A and Section 80G of the Income Tax Act, 1961 and has a track record of at least three years in undertaking similar activities. However, no Director or Key Managerial Personnel or their relatives shall have substantial interest in such, trust, and society, NGO or Section 8 Company. The Company may also collaborate with other companies for undertaking the projects/programs in accordance with the CSR Rules.

CSR Budget and Utilisation

Treatment of Unspent Amount in case of projects other than ongoing projects

In case of any unspent amount arising in any financial year out of the CSR projects, other than ongoing projects, such unspent amount shall be transferred by the Company within six months from the end of the financial year to any fund specified in Schedule VII of the Companies Act, 2013 or to such specific fund as may be prescribed from time to time for this purpose under the Companies Act, 2013 or Rules thereunder.

Treatment of Unspent Amount in case of ongoing projects

Where the unspent amount is in respect of an ongoing project, the Company shall within thirty days from the end of the financial year transfer such unspent amount to a separate account called Unspent Corporate Social Responsibility Account to be opened in any scheduled bank by the Company for that financial year. The Company shall utilise such unspent amount for its CSR activities within a period of three financial years from its transfer, failing which such amount shall be transferred to any fund specified in Schedule VII of the Companies Act, 2013 or to such specific fund as may be prescribed from time to time for this purpose under the Companies Act, 2013 or Rules thereunder within 30 days from the end of the third financial year.

Treatment of Surplus Amount

Surplus amount, if any, arising out of CSR activities shall not form part of the business profit of the Company. Such surplus amount may within a period of six months from the end of the financial year be :

- (a) ploughed back into the same project or
- (b) transferred to the Unspent Corporate Social Responsibility Account and spent in pursuance of the Company's CSR policy and its annual action plan or
- (c) transferred to any fund specified in Schedule VII of the Companies Act, 2013 or to such specific fund as may be prescribed from time to time for this purpose under the Companies Act, 2013 or Rules.

Set-Off of excess CSR amount spent

Subject to the Board of Directors passing a resolution to that effect, any amount spent in a financial year by the Company in excess of the CSR requirement for such financial year, excluding surplus arising out of CSR activities, may be set-off against the CSR amount to be spent by the Company in the immediate three financial years.

Audit

The CSR activities and the expenditure thereon shall be audited by an external auditor who may be appointed by the Committee.

Reporting

The Committee may appoint any executive(s) to monitor the activities and report back to the Committee periodically. The executive(s) shall also ensure that the utilization of funds on such projects and programs are in line with the agreed CSR activities and place its detailed report periodically before the CSR Committee. The Committee shall give a detailed report of the CSR activities to the Board of Directors every year. The Board shall disclose the details of the Policy in its report and also include in its report an annual report on CSR providing all details as specified under the Act and the Rules thereunder. The Board shall also disclose the composition of the CSR Committee, the CSR policy and the projects approved by it on the Company's website.

Acquisition of capital Assets

The company may utilise the CSR amount to create or acquire a capital asset which shall be held by an entity as may be specified under the CSR Rules from time to time.

Impact Assessment

Commencing from the financial year 2020-21, in respect of each of the years where the Company has an average CSR obligation to spend Rupees ten crores or more on its CSR activities in the three immediately preceding years or such other threshold as may be specified from time to time, it shall undertake an impact assessment by an independent agency of all its projects having an outlay of Rupees one crore or more that were completed not less than one year before undertaking the impact assessment.

The impact assessment report, where carried out, shall be placed before the Board and shall form part of its annual report on CSR.

The expenses incurred by the Company for conducting the impact assessment can be included in the CSR expenditure for that financial year to the extent of five percent of the CSR expenditure for such financial year or Rupees fifty lakhs, whichever is lesser.

The constitution and functioning of the CSR Committee for discharging its functions in any financial year shall be subject to the threshold limits applicable under CSR Rules issued by the Government from time to time.

Amendment

The Company reserves the right to amend or modify this Policy in whole or in part, at any point of time. Any amendment to applicable Regulations or statutes governing this policy shall become automatically applicable to this Policy and shall have an overriding effect to the extent the same may be applicable to a particular provision in the Policy. Pursuant to such amendments or modifications, the Company Secretary shall carry out the necessary changes to this Policy, as may be required.

Projects

Focus area	Projects being/to be undertaken for 2021-22 to 2023-24
Health & Sanitation	<ul style="list-style-type: none">▪ Contribution to PM Cares and CSR support in Telangana / Hyderabad for COVID-19.
Environment Sustainability	Solid waste management; energy / water conservation; Solar street lights; etc.,
Education	<ul style="list-style-type: none">▪ Support school infrastructure say building, library, etc.▪ Mid-day meal program▪ Employment enhancing vocational skill training