



**SHREE TIRUPATI
BALAJEE FIBC LTD.**

SHREE TIRUPATI BALAJEE FIBC LIMITED

CORPORATE SOCIAL RESPONSIBILITY POLICY

(Pursuant to section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014

CORPORATE SOCIAL RESPONSIBILITY POLICY

PREAMBLE:

We, at **Shree Tirupati Balajee FIBC Limited** (“Company”) recognize the importance of taking responsibility for the social, ethical and environmental impact of our business, and of giving back to the society in which we operate.

The Companies Act, 2013 (“the Act”) and rules made thereunder provides the broad legal framework of Corporate Social Responsibility. Section 135 of the Act requires an eligible Company to ensure spending in every financial year, at least two percent of the average net profits made during the three immediately preceding financial years in pursuance of its Corporate Social Responsibility Policy.

This Policy has been formulated under the above provisions of the Act and shall be applicable to all CSR initiatives and activities under taken by the Company, for the benefit of different segments of society.

OBJECTIVES:

The objective of this Policy is:

- i. Establish a guideline for compliance with the provisions of the Act and Rules related to CSR,
- ii. Implement CSR initiatives in both letter and spirit through appropriate procedures and reporting, and initiate projects that benefit the community at large.

DEFINITIONS:

In this Policy, unless the context requires otherwise,

“Act” means Companies Act, 2013 and the Rules made thereunder, as amended from time to time,

- a) “Company” means **Shree Tirupati Balajee FIBC Limited**
- b) “Administrative overheads” means the expenses incurred by the company for ‘general management and administration’ of Corporate Social Responsibility functions in the company but shall not include the expenses directly incurred for the designing, implementation, monitoring and evaluation of a particular Corporate Social Responsibility project or programme.
- c) “Corporate Social Responsibility (CSR)” means the activities undertaken by a Company in pursuance of its statutory obligation laid down in section 135 of the Act in accordance with the provisions contained in these rules, but shall not include the following, namely:-
 - i. activities undertaken in pursuance of normal course of business of the company:

Provided that any company engaged in research and development activity of new vaccine, drugs and medical devices in their normal course of business may undertake research and development activity of new vaccine, drugs and medical devices related to COVID-19 for financial years 2020-21, 2021-22, 2022-23 subject to the conditions that (a) such research and development activities shall be carried out in collaboration with any of the institutes or organization’s mentioned in item (ix) of Schedule VII to the Act; (b) details of such activity shall be disclosed separately in the Annual report on CSR included in the Board’s Report;

- ii. 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;
 - iii. contribution of any amount directly or indirectly to any political party under section 182 of the Act;
 - iv. activities benefitting employees of the company as defined in clause (k) of section 2 of the Code on Wages, 2019 (29 of 2019);
 - v. activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services;
 - vi. activities carried out for fulfilment of any other statutory obligations under any law in force in India;
- d) "CSR Committee" means the Corporate Social Responsibility Committee of the Board referred to in section 135 of the Act.
- e) "CSR Policy" means a statement containing the approach and direction given by the board of a company, taking into account the recommendations of its CSR Committee, and includes guiding principles for selection, implementation and monitoring of activities as well as formulation of the annual action plan.
- f) "Net profit" means the net profit of a company as per its financial statement prepared in accordance with the applicable provisions of the Act, but shall not include the following, namely:
- i. any profit arising from any overseas branch or branches of the company, whether operated as a separate company or otherwise; and
 - ii. any dividend received from other companies in India, which are covered under and complying with the provisions of section 135 of the Act:

Provided that in case of a foreign company covered under these rules, net profit means the net profit of such company as per profit and loss account prepared in terms of clause (a) of sub-section (1) of section 381, read with section 198 of the Act

- g) "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, and shall include such project that was initially not approved as a multi-year project but whose duration has been extended beyond one year by the board based on reasonable justification.

Words and expressions used in this CSR Policy and not defined herein but defined under the Act shall have the meaning respectively assigned to them in the Act

APPLICABILITY OF CSR COMMITTEE:

If the amount to be spent by a company under sub-section (5) of section 135 of the Act does not exceed fifty lakh rupees, the requirement under sub-section (1) of section 135 of the Act for constitution of the Corporate Social Responsibility Committee shall not be applicable and the functions of such Committee provided under section 135 shall, in such cases, be discharged by the Board of Directors of the company.

If the amount to be spent by a company under sub-section (5) of section 135 of the Act exceed fifty lakh rupees the Company shall constitute CSR Committee:

The CSR Committee shall consist of two or more Directors, as may be deemed fit by the Board. The Committee shall meet, whenever required, to discuss and review CSR activities and Policy. Quorum for the CSR Committee Meeting shall be one-third of its total strength (any fraction contained in that one-third be rounded off as one) or two members, whichever is higher.

The Committee members may attend the meeting physically or via such audiovisual means as permitted under the Act. The Committee shall have the authority to invite such employee(s), senior official(s) and or external experts, as it may deem fit, to attend the CSR Committee Meeting(s). The Company Secretary, if any, shall act as Secretary to the Committee.

SCOPE & FUNCTIONS OF CSR COMMITTEE:

The functions / terms of reference of CSR Committee shall, inter-alia, include the following:

- a. The CSR Committee shall formulate and recommend to the Board, an annual action plan in pursuance of its CSR policy, which shall include the following namely:-
 - i. the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act.
 - ii. the manner of execution of such projects or programmes as specified in sub-rule (1) of rule 4.
 - iii. the modalities of utilisation of funds and implementation schedules for the projects or programmes.
 - iv. monitoring and reporting mechanism for the projects or programmes and
 - v. details of need and impact assessment, if any, for the projects undertaken by the company

Provided that Board may alter such plan at any time during the financial year as per the recommendation of its CSR Committee, based on the reasonable justification to that effect.

- b. To formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company as per the Act.
- c. To recommend CSR activity / programme / project to the Board for its approval;
- d. To review and recommend the amount of expenditure to be incurred on the activities to be undertaken by the Company;
- e. To monitor the CSR Policy of the Company from time to time;
- f. To review the CSR activities of the Company and provide progress update to the Board of Directors at such interval as may be deemed fit.
- g. Any other matter as the CSR Committee may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors, from time to time.

CSR ACTIVITIES / PROGRAMMES / PROJECTS:

The Policy recognizes that corporate social responsibility is not merely compliance; it is a commitment to support initiatives that measurably improve the lives of underprivileged section of the society by one or more of the focus areas as outlined below.

The CSR Committee shall consider and approve (in line with the guidelines given below), CSR activities/programmes/projects to be undertaken during the year.

- a. To ensure that the CSR activity/programmes/project is not discriminatory in nature;

- b. The CSR activities be implemented within India and preferably in the areas where the Company has its presence;
- c. Programmes/projects that integrate business models with social and environmental priorities and process in order to create shared value shall be encouraged;
- d. CSR activity/ programme /project should not exclusively for the benefit of employees of the Company or their family members or those that are conducted /undertaken exclusively in pursuance to the normal course of business of the Company;
- e. Any surplus generated from CSR activity of the Company, will be plough back to the CSR initiatives of the Company.

CSR activities will include the following activities relating to:—

- a. Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water;
- b. promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.
- c. 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.
- d. 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.
- e. 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 art and handicrafts;
- f. 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;
- g. training to promote rural sports, nationally recognised sports, paralympic sports and olympic sports
- h. 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 govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;
- i. (a) 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; and

(b) 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).

- j. rural development projects
- k. slum area development. Explanation.- For the purposes of this item, the term 'slum area' shall mean any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force.
- l. disaster management, including relief, rehabilitation and reconstruction activities.
- m. And other area/sectors/funds/projects as may be notified by the Central Government in Schedule VII of the Companies Act, 2013.

The Corporation will abstain from carrying out the following activities under CSR that may create dissatisfaction in any section of the Society:-

- a. activities concerned with religion like construction of temple/mosque etc.
- b. activities disturbing social harmony in any manner.
- c. activities exclusively for the benefit of employees of the company or their family members
- d. such other activities as may be prohibited by Central Government

IMPLEMENTATION:

The Company shall undertake CSR Projects which are closely linked with the principles of sustainable development and shared value, with involvement of local institutions and the community at large. The Management Team would assist in implementation and monitoring of the CSR projects / initiatives.

The Board shall ensure that the CSR activities are undertaken by the company itself or through –

- a. a company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80 G of the Income Tax Act, 1961 (43 of 1961), established by the company, either singly or along with any other company, or
- b. 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

- c. any entity established under an Act of Parliament or a State legislature; or
- d. a company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities. For track record of at least three years Board may consider Income & Expenditure and Balance sheet for last three years.

REGISTRATION WITH CENTRAL GOVERNMENT:

Aforesaid (a to d) entity who intends to undertake any CSR activity, shall register itself with the Central Government by filing the form CSR-1 electronically with the Registrar, with effect from the 1st day of April 2021:

Provided that the above provisions shall not affect the CSR projects or programmes approved prior to the 1st day of April 2021.

Form CSR-1 shall be signed and submitted electronically by the entity and shall be verified digitally by a Chartered Accountant in practice or a Company Secretary in practice or a Cost Accountant in practice. On the submission of the Form CSR-1 on the portal, a unique CSR Registration Number shall be generated by the system automatically.

UTILIZATION OF FUND:

The Board of a company shall satisfy itself that the funds so disbursed have been utilised for the purposes and in the manner as approved by it and the Chief Financial Officer or the person responsible for financial management shall certify to the effect.

MONITORING, EVALUATION AND REPORTING:

Regular update on the CSR initiatives undertaken and/ or to be undertaken shall be given to the CSR Committee. The impact of the CSR activities may be quantified to the extent possible. The Chairman of CSR Committee shall draw a time frame from the date of initiation. In case of any delay noticed while monitoring the CSR initiatives, remedial measures shall be taken for timely completion of the Project.

In case of ongoing project, the Board of a Company shall monitor the implementation of the project with reference to the approved timelines and year-wise allocation and shall be competent to make modifications, if any, for smooth implementation of the project within the overall permissible time period.

The Company shall include an annual report on CSR containing particulars specified in Companies (CSR) Rules, 2014.

Company having average CSR obligation of ten crore rupees or more in pursuance of subsection (5) of section 135 of the Act, in the three immediately preceding financial years, shall undertake impact assessment, through an independent agency, of their CSR projects having outlays of one crore rupees or more, and which have been completed not less than one year before undertaking the impact study.

The impact assessment reports shall be placed before the Board and shall be annexed to the annual report on CSR.

GENERAL

- 1) 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.
- 2) 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.
 - ii. the Board of the company shall pass a resolution to that effect.
- 3) The CSR amount may be spent by a company for creation or acquisition of a capital asset.
- 4) In case of any doubt with regard to any provision of the policy and also in respect of matters not covered herein, a reference to be made to the CSR Committee. In all such matters, the decision of the CSR Committee shall be final.
- 5) Any or all provisions of the CSR Policy would be subject to revision/amendment in accordance with the Companies Act, 2013, rules and regulations as may be prescribed by the Central Government, from time to time.
- 6) The Company reserves the right to modify, cancel, add, or amend any of these Rules.

TRANSFER OF UNSPENT CSR AMOUNT:

Until a fund is specified in Schedule VII for the purposes of subsection (5) and(6) of section 135 of the Act, the unspent CSR amount, if any, shall be transferred by the company to any fund included in schedule VII of the Act.”.

DISPLAY OF CSR ACTIVITIES ON ITS WEBSITE:

The Board of Directors of the Company shall mandatorily disclose the composition of the CSR Committee, and CSR Policy and Projects approved by the Board on their website, for public access.