

## CSR POLICY

### ➤ Preface:

Corporate Social Responsibility ('CSR') policy is framed pursuant to Section 135 of the Companies Act, 2013 and rules made thereunder and Schedule VII of the Companies Act, 2013. In adherence to Company's values, the Company has been engaged in these activities for several years. The company does not stop only with spending of money towards CSR but actually monitors at the ground level the utilization and channelization of resources in the most optimal manner and strives to ensure that the benefit of these initiatives reach to the needy section of the Society at large.

### ➤ Policy Objectives:

The objective of the CSR 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").

### ➤ Scope:

This Policy shall apply to all the CSR projects undertaken by the Company, whether such project is executed in collaboration with any other company or on its own.

### ➤ Constitution and composition of the CSR Committee:

The CSR committee shall comprise three or more Directors, out of which at least one Director shall be an Independent Director. The members of the CSR Committee shall elect one of them as the Chairman of the Committee.

### ➤ Role of the CSR Committee:

- Draft the CSR policy and recommend the same to the Board for approval.
- Review and recommend any new CSR initiatives to be taken up by the company.
- Recommend the amount of expenditure to be incurred on the activities referred to in the CSR Policy.
- Review and recommend the CSR report to be included in the board's report.
- Review and recommend any amendments to be made in the CSR policy of the Company.
- To carry such other functions as may be delegated to it by the board relating to CSR activities of the company.

Where the amount to be spent by the Company under sub-section (5) of section 135 does not exceed fifty lakh rupees, the Board is not required to constitute the CSR Committee of the Company and in such situation, the functions of such Committee, as required under that section read with the CSR Rules, will be discharged by the Board.

However, if there are any on-going projects for which the amount is transferred to Unspent CSR Account, constitution of CSR Committee would be required.

➤ **CSR Initiatives:**

In line with Schedule VII of the Act and the CSR Rules, the Company shall undertake CSR activities included in its Annual CSR Plan, as recommended by the CSR Committee at the beginning of each year. The Committee is authorized to approve any modification to the existing Annual CSR Plan or to propose any new program during the financial year under review.

➤ **Focus Areas:**

For purposes of focusing its CSR efforts in a continued and effective manner, the following areas have been identified

1. Eradicating hunger, poverty and malnutrition, promoting health care including 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.
2. Promotion of education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects;
3. Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
4. 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;
5. 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;
6. 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;
7. Training to promote rural sports, nationally recognized sports, paralympic sports and Olympic

➤ **Execution of Projects/Programs:**

The company may undertake one or more projects or programs or activities provided in the CSR policy either directly or through an implementing agency which can be a Registered public Trust or through a Registered Society or establish another company under Section 8 of the Companies Act, 2013 or even to collaborate with other entities.

While engaging a third party agency for implementing a project or program covered in the CSR policy, the CSR committee shall ensure that they have credible standing and experience in the respective fields for at least three preceding financial years and are also eligible to act as implementing agency through which CSR activities can be routed; or the Company can form their own section 8 company or registered trust or society through which the CSR activities can be undertaken.

➤ **CSR Expenditure:**

The Company shall endeavor to spend, in applicable financial year at least 2% of the average net profits before tax of the Company made during the 3 immediately preceding financial years for CSR Policy.

For this purpose, "average net profit" shall be calculated in accordance with provisions of Section 198 of the Companies Act, 2013, after deducting there from the dividends that may be received from companies in India which are covered under and complying with the provisions of Sec 135 of the Companies Act 2013.

The Company will give preference to the local area(s) in and around our offices in India.

➤ **Monitoring of CSR Activities:**

CSR committee of the company will be responsible for the monitoring of various CSR projects or programs undertaken by the company directly or indirectly. The committee shall ensure that;

- Company undertakes the CSR activities as provided in the CSR policy
- The projects/ programs are implemented as per the program approved by the board
- The budget allocated for each of the project is utilized for the projects as per the approved plans.
- Company shall provide necessary resources and human capital for implementation and the effective monitoring of the CSR projects and programs as may be directed by the CSR Committee. The services of any external agencies or persons who have experience in the same or similar projects or programs undertaken or proposed to be undertaken by the company may also be made available for successful implementation and monitoring of the project.

The CSR Committee either on its own or through an external agency will periodically or half yearly monitor the implementation of the projects/programs/activities under the CSR and report the progress of CSR initiatives and activities to the Board.

If 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, Company 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.

Expenditure incurred for such assessment shall not exceed 2% of the total CSR expenditure for the financial year or 50 lakh rupees, whichever is higher

➤ **ANNUAL ACTION PLAN:**

The Board of the Company or its CSR Committee shall formulate an Annual Action Plan in pursuance of this 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.

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

➤ **Disbursement:**

The disbursement of funds will be either in tranching drawdown form or one-time payment depending on the nature and requirement of the project. The terms, conditions and timing of disbursement will be discussed and agreed to with the Finance team and will typically form part of the Memorandum of Understanding wherever possible with the entity implementing the project.

➤ **Disclosures:**

Regular reporting and disclosure of all CSR activities will be a mandatory component as per the Act. Established reporting mechanisms will be put in place. The Company will also disclose the CSR projects /programmes /activities on the official website as required under the Act and the rules.

A brief summary of CSR projects/programmes/activities will also be included in the Annual Report in the prescribed format as per the CSR rules of the Act.

The CSR Policy issued pursuant to the Act has been recommended by the CSR Committee of the Board of Directors and approved by the Board of Directors and shall be placed on the Company's website [www.tarachandindia.in](http://www.tarachandindia.in)

➤ **Review And Amendments:**

- a) The Policy shall be subject to revision / amendment in accordance with the guidelines as may be issued by the Ministry of Corporate Affairs from time to time, on the subject matter. Any modification in the Policy on account of change in prevailing regulations will be carried out immediately and will be informed to all concerns. Any other modifications will be carried out only with the previous approval of the Corporate Social Responsibility Committee.
- b) The Company reserves right to alter, modify, add, delete or amend any of the provisions of this policy.
- c) The Policy shall be effective from the date of approval by the Board unless specified otherwise.

➤ **Amendment of CSR Policy:**

The CSR policy of the company may be amended at any time by the board of the company on the Recommendation of the CSR committee.

➤ **Reporting of CSR Policy:**

On approval of the CSR policy or any amendments thereof, the contents of the policy shall be included in the Boards' report.

At the end of each financial year, the CSR committee shall prepare a report of the CSR program in the prescribed form relating to the financial year and submit to the board for its inclusion in the Board's report in the format recommended in the Companies (Corporate Social Responsibility Policy) Rules, 2014, as may be amended from time to time, as part of its annual report.

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