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CORPORATE SOCIAL RESPONSIBILITY POLICY REVISED
(CSR Policy)

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TI CSR Policy

Chapter 1

1. CONCEPT:

1.1. SHORT TITLE & APPLICABILITY:

1.1.1 This 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 programs for welfare & sustainable development of the community at large, is titled as the '**TI CSR Policy**'.

1.1.2 This policy shall apply to all CSR initiatives and activities taken up at various units and locations of the company and its subsidiaries/tie-up/leased units, for the benefit of different segments of the society with focus on giving back to the community in which it operates while adding value to the society around it.

1.2. CSR VISION STATEMENT & OBJECTIVE:

1.2.1. In alignment with *vision* of the Company to ensure a healthy environment and empowered community around it, the Company has adopted a triple bottom line approach of people, planet and profit. Towards this end, the Company has embraced the United Nation's (UN) Millennium Development Goals (MDG), representing the basis for the Company's inclusive agenda encompassing Poverty Reduction, Health, Education and Environment Conservation.

Company, through its CSR initiatives and in fulfillment of its role as a *Socially Responsible Corporate*, will continue to spread the largest good to the widest number. The Company has chosen to intervene in those areas where it can strengthen the base, enable people to lead healthier and happier life and spread cheers for the better good of the community in which it operates, through its services, conduct and initiatives.

1.2.2. The objective of the *TI CSR Policy* is to:

- ensure an increased commitment at all levels in the organization, to operate its business in an economically, socially & environmentally sustainable manner, while recognizing the interests of all its stakeholders;
- directly or indirectly take up such community development programs that benefit the communities in and around its area of operations which over a period of time culminates in inclusive growth and equitable development of the local populace;
- build a community where women and children, orphans, senior citizens and people with disabilities lead a healthy and nourished life, and adopt measures for reducing inequalities faced by socially and economically backward groups;

- imbibe a socially responsible culture amongst its employees and stakeholders to encourage them to contribute to the CSR goals of company; and
- collaborate with local government/bodies/citizen's forums/NGOs having similar goals.

Chapter 2

2. RESOURCES

2.1. Funding & Allocation:

- 2.1.1. For achieving its CSR objectives, the Company will allocate every financial year an amount upto a minimum limit of 2% and maximum limit of 5% of the average net profits of the Company of immediately preceding 3 financial years (eligible profits) to the separate bank account opened in this regard, in one or more tranches, based on the CSR Budget approved by the Board of Director (hereinafter referred as Corpus).
- 2.1.2. The Corpus shall include the amount allocated by the Company as per Clause 2.1.1 above, any income arising there from and surplus arising out of CSR Activities.
- 2.1.3. The surplus arising out the CSR activities will not be treated as part of the business profits of TI.
- 2.1.4. In the event that the amount indicated above is not spent in its entirety in that Financial Year, the reasons thereof will be outlined as per Section 134(3) (o) of the Act and also adopt any one option from the below mentioned as provided in the Act:

A) In case the project is not an 'on - going' project

- a. Transfer such unspent amount to the below mentioned Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.
 - Prime Minister's National Relief Fund or
 - Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund or
 - Any other fund set up by the Central Government for socio-economic development and relief and welfare of the Schedule Castes, the Schedule Tribes, other backward classes, minorities and women or
 - Clean Ganga Fund

In case the project is or is to be considered as 'Ongoing project'

- a. Pass a Board Resolution to approve the project as 'on-going' if it has not been already identified as an ongoing project;
- b. Open an 'Unspent CSR' bank account' and transfer the amount which is unspent/ unutilized on the approved CSR project within a period of 30 days from the end of the Financial Year;
- c. Ensure completion of the project within 3 years from the date of such transfer to the unspent CSR bank account of the Company.

2.2 Treatment of Surplus

In the event that the Company makes any surplus or profit from pursuing its CSR Projects / Programs, these will not form part of the business profit and will be invested back into CSR Projects 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.

Any amount spent in excess of requirement provided under the Companies Act, such excess amount may be set off against the requirement to spend 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;
- (ii) the Board of the Company shall pass a resolution to that effect

The CSR amount may be spent by a Company for creation or acquisition of a capital asset, which shall be held by –

- (i) a company established under Section 8 of the Act, or a Registered Public Trust or registered society having charitable objects and CSR registration number under sub-rule (2) of rule 4 of CSR rules as per the Companies Act, 2013, or

Beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities; or

- (ii) Public authority

Chapter 3

3. PLANNING

3.1 Formulating the Annual Action Plan

The CSR Committee shall, at the beginning of each financial year, submit an annual action plan to the Board detailing the list of CSR activities planned for that financial year, along with the proposed implementation schedules, monitoring mechanism and if impact assessment is required to be undertaken in case of applicable projects. The CSR Committee will monitor the implementation of the CSR projects and recommend changes to the action plan during the year if so required and recommend such amended plan to the Board, along with sufficient justification for such changes.

The CSR committee will submit an Action Plan to the Board. The plan encompasses the following components:

Section 1 - Summary

- a. CSR budget allocated
- b. CSR budget pending for allocation
- c. CSR budget utilized by implementation agencies

Section 2 - Detailed plan (covering allocation and utilization)

- a. List of approved projects
- b. Implementation mode and timelines
- c. Budget

Programmatic and Financial utilization status

3.2. Identification of Thrust Areas and Strategic Initiatives:

- 3.2.1. For purposes of focusing its CSR efforts in a continued and effective manner, the following five Thrust Areas have been identified:

Sr. Nos.	Thrust Areas
1	Eradicate Extreme Poverty, Hunger and Malnutrition
2	Promotion of Education
3	Empowerment of Women, Senior citizens, differently abled and socially and economically backward Section of Society
4	Promoting preventive healthcare, sanitation and making available safe drinking water
5	Promotion of rural sports
6	Ensuring Environmental Sustainability
7	Animal Welfare

As a guideline for the CSR Department to distribute their annual CSR Expenditure amongst the 7 thrust areas, an indicative percentage, as below, has been suggested. However, the actual distribution of expenditure among these thrust areas will depend upon the local needs as may be determined by the need Identification studies or discussions with local government/bodies/citizen's forums/NGOs.

Sr. Nos.	Thrust Areas	% Allocation
1	Eradicate Extreme Poverty, Hunger and Malnutrition	29
2	Promotion of Education	10
3	Promotion of Rural sports	5
4	Empowerment of Women, Senior citizens, differently abled and socially and economically backward Section of Society	5
5	Promoting preventive healthcare, sanitation and making available safe drinking water	17
6	Ensuring Environmental Sustainability	3
7	Animal Welfare	31
	TOTAL	100

The CSR committee is empowered to review and revise the above mentioned budgetary allocation from time to time within the overall CSR budget approved by the Board of Director

3.3 CSR INITIATIVES:- The Company shall ensure that strategic CSR initiatives are undertaken in the identified thrust areas that align with the developmental vision of the Company such as following:

3.3.1 Eradicate Extreme Poverty, Hunger and Malnutrition by:

- a) operating annakshetra (Community Kitchen) at various locations;
- b) supplying mid-day meals to schools, orphanages etc.;
- c) providing monthly pensions to poor and needy;
- d) managing clinics for treatment of malnutrition;
- e) conducting outreach programs for prevention and eradication of malnutrition;
- f) providing training to village and government representatives for prevention of malnutrition; and
- g) undertaking any other activities for furthering the achievement of the above goal;

3.3.2 Promotion of Education by:

- a) supporting the administration of educational institutions directly or through Trusts;
- b) providing services of supplementary teaching staff free of cost to various educational institutions;
- c) undertaking various educational awareness activities;
- d) promoting sports and fitness among school children;
- e) promoting arts and culture among school children; and
- f) undertaking any other activities for furthering the achievement of the above goal.

3.3.3 Promotion of rural sports by:

- a) Providing sports training through Zilla Parishad schools or other educational institutions,
- b) Undertake sporting tournaments and training camps
- c) Undertake various sports awareness activities
- d) Undertake any other activities for furthering the achievement of the above goal.

3.3.4 Empowerment of Women, Senior citizens, differently abled and socially and economically backward Section of Society by:

- a) forming Self Help groups to promote financial inclusion;
- b) identifying and training differently abled persons for skill building and improve livelihoods;
- c) conducting vocational training programs for women through NGO's, institutions, government bodies etc.;
- d) promoting savings and increasing financial literacy;
- e) providing marketing support for existing rural micro enterprises; and
- f) undertaking any other activities for furthering the achievement of the above goal.

3.3.5 Promoting preventive healthcare, sanitation and making available safe drinking water by:

- a) creating awareness in villages and conducting training programs for NGOs/Institutions on improving maternal health;
- b) distributing medicines, supplements and therapeutic foods for improving health and nutrition;
- c) managing dispensaries and mobile clinics
- d) organizing awareness programs on preventive healthcare in educational institutions and communities;
- e) providing medical sponsorships for HIV/AIDS patients;
- f) providing financial assistance to NGOs addressing the treatment of above illnesses; and
- g) undertaking any other activities for furthering the achievement of the above goal.

3.3.6 Ensuring Environmental Sustainability by:

- a) conducting afforestation drives across the country through own or other plant nurseries;
- b) promoting environmental conservation through promotion of sustainable farming;
- c) demonstrating sustainable farming and waste management methods on its lands to communities;
- d) training farmers, government agencies and NGO's on sustainable farming and waste management;
- e) undertaking/promoting cultivation of organic foods;
- f) undertaking water conservation and promoting the need for the same in communities; and
- g) undertaking any other activities for furthering the achievement of the above goals.

3.3.7 Animal Welfare by:

- a) Constructing and managing goshalas, animal shelters and veterinary clinics to address animal care;
- b) Conducting veterinary camps in villages for prevention and cure of animals in the villages;
- c) Conducting awareness and sensitization camps to improve community outlook towards animal welfare;
- d) Undertake adoption camps for animals under shelter and/or elsewhere;
- e) Conducting medication and immunization for animals
- f) Supporting NGO's engaged in animal welfare or those running animals shelters or goshala and;
- g) Undertaking any other activities for furthering the achievement of the above goals.

- 3.4** It shall be ensured that minimum 2% of the average net profits calculated as per the provision specified under the Companies Act, 2013 is spent on CSR activities under Schedule VII of the said Act in each financial year.
- 3.5** The Company will dovetail its CSR activities in a manner that it facilitates the fulfillment of the *Millennium Development Goals* so as to ensure gender sensitivity, skill enhancement, entrepreneurship development and employment generation by co-creating value with local institutions/people. Activities related to sustainable development will form a significant element of the total initiatives of CSR.
- 3.6** CSR activities may generally be conducted as projects or programs (either new or ongoing) excluding activities undertaken in the normal course of business of the Company.
- 3.7** The Company shall not be sponsoring high cost medical treatments. However, in deserving exceptional cases, the CSR committee is empowered to sponsor the treatment, if it deems fit.
- 3.8** Financial aid should not be provided by the Company in cases where any government schemes/ policies are available, however, proper training should be provided to educate concerned persons about such schemes/ policies.
- 3.9** Only CSR activities which are not exclusively for the benefits of employees of the company or their family members shall be considered as CSR Activity.
- 3.10** The Thrust areas as mentioned above may be modified from time to time after taking approval of the Board of Directors on the basis of recommendation of CSR Committee, in line with the Schedule VII of the Companies Act, 2013 as amended from time to time.

Chapter 4

4. IMPLEMENTATION

- 4.1** CSR programs will be undertaken by CSR Department to the best possible extent within the list of activities specified in Chapter 3 of the CSR Policy. Any new program within the thrust areas, to be initiated by the CSR Department shall be subject to the approval of the CSR Committee.
- 4.2** The time period/duration over which a particular program will be spread, will depend on its nature, extent of coverage and the intended impact of the programme.
- 4.3** By and large, it may be ensured that majority of the CSR programs are executed in and around the local areas where TI operates directly/through its subsidiaries/tie-up/leased units.

4.4 Initiatives of State Governments, District Administration, Local Administration as well as Central Government Departments Agencies, Self Help Groups, etc., would be dovetailed and synergized with the initiatives taken by TI.

4.5 The Process of Implementation:

4.5.1 The process for implementation of CSR programs will involve the following steps:

- a) identification of the projects by conducting assessment of the community where the activities are intended to be undertaken;
- b) identification of the activity to be carried out after conducting prioritization exercise with the community and/or its representatives/leaders;
- c) preparation of the blueprint defining the mode of implementation and timeline in consultation with CSR Department/village representatives and the implementing agency;
- d) preparation of budgetary estimates for seeking approval from the CSR Committee;
- e) assignment of projects to respective project manager outlining the deliverables;
- f) monitoring and assessment of the progress of the project on continuous basis with budgetary and operational reviews every quarter by the CSR Committee; and
- g) training the relevant stakeholders in the community to ensure sustainability of the activity/project.

4.5.2 The Company's CSR Department will follow a project based accountability approach to stress on the long term sustainability of CSR projects.

4.5.3. While identifying programs, all efforts must be made to the extent possible to define the following:

- a) program objectives
- b) baseline survey – It will give the basis on which the outcome of the program will be measured
- c) implementation schedules - Timelines for milestones of the program will need to be prescribed
- d) responsibilities and authorities
- e) major results expected and measurable outcome.

4.6 Powers for approval:

4.6.1 CSR Committee shall be empowered to administer and monitor the CSR activities of TI and CSR Department shall be responsible for executing the CSR Projects as per the CSR Policy of TI within the CSR Budgets allocated.

4.6.2. CSR programs as may be identified by CSR Department(ongoing and/or new) will be required to be put up to the CSR Committee of the Board at the beginning of each financial year with due recommendations of the head of CSR Department.

4.7 For meeting the requirements arising out of immediate and urgent situations, Chairperson of the CSR Committee is authorised to approve proposals falling within activities specified under Chapter 3 subject to ratification in the next CSR Committee.

4.8 Executing Agencies:

Project activities identified under CSR will be implemented directly or through:

- a) community based organizations whether formal or informal
- b) elected local bodies such as Panchayats
- c) voluntary agencies (NGOs)
- d) institutes/academic organizations
- e) trusts, missions
- f) self help groups
- g) government, semi Government, autonomous organizations
- h) mahila mandals/samitis
- i) professional consultancy Organizations

4.9 The Company may also collaborate with other companies for undertaking projects or programs or CSR activities in such a manner as may be prescribed in the Companies Act, 2013.

4.10 Criterion for identifying Executing agency:

4.10.1. While identifying programs the CSR Department will also identify the External agency, if required, who will help in executing the said program. In case of program execution by Trusts/NGOs the following minimum criteria need to be ensured:

- a) The NGO/Agency has a permanent office/ address in India with track record of atleast 3 years;
- b) The NGO is a registered society under Societies' Registration Act;

- c) Possesses a valid Income tax Exemption Certificate;
- d) The antecedents of the NGO/Agency are verifiable/subject to confirmation and
- e) Any such criteria as may be specified by the Companies Act, 2013.

4.10.2 In exceptional circumstances, such NGOs/Trusts not fulfilling the aforesaid conditions but fulfilling the criteria under the provisions of the Companies Act, 2013 can be engaged subject to prior approval of CSR Committee and Committee shall record its justification while granting such approval. However, in such cases, the expenditure incurred will not be treated as part of CSR spend under the provisions of the Companies Act, 2013.

4.10.3 In such cases the Company shall specify the project or programs to be undertaken through these entities, the modalities of utilization of funds on such projects and programs and the monitoring and reporting mechanism.

4.11 Company build CSR capacities of their own personnel as well as those of their implementing agencies through Institutions with established records of at least three financial years but such expenditure shall not exceed percentage as prescribed by the Companies Act, 2013.

Chapter 5

5. MONITORING AND FEEDBACK

- 5.1** CSR Department at the corporate office will monitor the effectiveness of the CSR programs/activities on a periodic basis especially on the strategic and high value programs.
- 5.2** To ensure effective implementation of the CSR programs undertaken, a monitoring mechanism will be put in place by the CSR Department. The progress of CSR programs under implementation at various units will be reported to CSR Department at corporate office on a monthly basis.
- 5.3** CSR Department will also try to obtain feedback from beneficiaries about the programs.
- 5.4** Appropriate documentation of the TI CSR Policy, annual CSR activities, executing partners and expenditure entailed will be undertaken on a regular basis by the CSR department. CSR policy will be available in the public domain.
- 5.5** CSR initiatives of TI will also be reported in the Annual Report in the form and manner as may be prescribed in the Companies Act, 2013.

- 5.6** Mandatory impact assessment will be undertaken as per the criteria specified under applicable law, and that the impact assessment reports will be placed before the Board and disclosed as per the Act and CSR Rules.

Chapter 6

6. GENERAL

- 6.1** 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 Chairperson of the CSR Committee. In all such matters, the interpretation & decision of the Chairperson of the CSR Committee shall be final.
- 6.2** 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 under the provisions of Section 135 of the Companies Act, 2013, from time to time.
- 6.3** In the event of any conflict between the provisions of CSR policy and the applicable provisions of the Companies Act, 2013, the provisions of the Companies Act, 2013 shall prevail.
- 6.4** TI reserves the right to modify, cancel, add, or amend any provisions of this Policy.

Place: Mumbai
Date : May 30, 2022

**By order of the Board
For Tilaknagar Industries Ltd.**

**Sd/-
Amit Dahanukar
Chairman & Managing Director**