

**CORPORATE SOCIAL RESPONSIBILITY POLICY**

**OF**

**FLOWCRETE INDIA PRIVATE LIMITED**

*[Pursuant to Section 135 of the Companies Act, 2013, read with Schedule VII of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014]*

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## 1. OVERVIEW

As required under the provisions of Companies Act, 2013 (**“Act”**) Flowcrete India Private Limited (**“Flowcrete”** or **“the Company”**) is pleased to announce its Corporate Social Responsibility Policy (**“CSR Policy”** or **“Policy”**).

### 1.1. **CSR Philosophy:**

Flowcrete believes in development with sustainability and strives to achieve a balance of economic, environmental and social necessities. As a corporate citizen we recognize that we have responsibilities to many constituents. We recognize that we need to make a positive impact on the communities where we work and live. The Company’s sense of responsibility towards the community and environment is reflected in the CSR policy of the Company.

Our goal shall be to focus on CSR activities strictly in compliance with applicable laws from time to time in force, including the Act and the rules thereunder. Towards this purpose, the Policy has been designed to achieve the Company’s social goals, while satisfying the required statutory obligations.

## 2. CSR FOCUS AREAS

2.1 In accordance with the primary philosophy of the Company and the specified activities under the Act read with Companies (Corporate Social Responsibility Policy) Rules, 2014, and any amendment(s) thereof, the CSR activities to be undertaken by the Company under this Policy shall among any of the following:

- (i) Health and Wellness: To promote 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.
- (ii) Education: To promote education, including special education and employment enhancing vocation skills, especially among children, women, elderly, youth from underprivileged communities and differently abled and livelihood enhancement projects
- (iii) Women empowerment and reducing inequalities: To promote 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.
- (iv) Environment: To undertake various projects / programs in relation to Renewable energy, environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources, 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) National Heritage: 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) To promote and support any measures for the benefit of armed forces veterans, war widows and their dependents;
- (vii) Sports: Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports
- (viii) To contribute to the 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 Scheduled Tribes, other backward /disadvantaged classes, minorities and women;

(ix) Technology: To contribute or provide funds to technology incubators located within academic institutions which are approved by the Central Government;

(x) Rural development projects;

(xi) Slum area development: 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; and

(xii) Any other area(s) or items notified by the Govt. of India, Ministry of Corporate Affairs from time to time.

2.2 The provisions indicated in Clause 2.1 above are broad-based and are intended to cover a wide range of activities as illustratively mentioned. While deciding the program or project to be undertaken based on the focus areas indicated, the Company shall ensure that the provisions are interpreted liberally and the essence thereof is strictly adhered to.

2.3 Every activity to be undertaken by the Company under Clause 2.1 above shall be approved by the CSR Committee (as defined herein). For the purpose of carrying out the CSR activities, preference shall be given to the local area and the areas around which the Company operates.

### 3. IMPLEMENTATION OF CSR ACTIVITIES

- 3.1 The Company may carry out the CSR activities in accordance with the terms of this Policy, either on its own, or through a registered trust or registered society or through a company registered under Section 8 of the Act, whether established by the Company, a subsidiary of the Company, an Associate Company<sup>1</sup> of the Company or by a third party.
- 3.2 The Company may also collaborate with other companies to undertake projects, programs or CSR activities in such a manner that the CSR Committees of the respective companies are in a position to report separately on such projects or programs in accordance with the Policy and the applicable CSR regulations from time to time in force.
- 3.3 If the Company chooses to carry out the CSR Activities through a registered trust or registered society or a Section 8 company incorporated under the Act, which is established by a third party ("CSR Partner"), guidelines mentioned in Clause 4 below are required to be followed in choosing such CSR Partner.

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<sup>1</sup> 'Associate Company' in relation to the Company means a company over which the Company has significant influence. However, such other company shall not be a subsidiary company of the Company and may include a joint venture company. Significant influence means control of at least 20% of the total share capital of such company or control over business decisions of such company under an agreement.

#### **4. GUIDELINES FOR CHOOSING CSR PARTNER**

- 4.1 CSR Partner shall be either a registered trust or a registered society under the applicable laws or a Company incorporated under Section 8 of the Act with an established track record of 3 years in undertaking activities in the focus areas in which the Company intends to carryout CSR Activities.
- 4.2 At least 50% of the Board of Directors or the trustees or the management committee members or the governing body members, as the case may be, of the CSR Partner, shall have at least 5 years of experience and expertise in carrying out CSR activities in the focus areas in which the Company intends to carryout CSR Activities.
- 4.3 The Board of Directors or the trustees or the management committee members or governing body members of the CSR Partner, as the case may be, or the members of the CSR Partner or the CSR Partner itself, shall not in any way be, directly or indirectly, connected with any political parties and the CSR Partner should not be, directly or indirectly, promoted by political parties.
- 4.4 CSR Partner shall not engage in religious or political activities, for the private benefit of the CSR Partner, discriminate on the basis of race, color, religion, sex, age, national origin, citizenship status, disability, sexual orientation or veteran status.
- 4.5 The Board of Directors or the trustees or the management committee members or governing body members of the CSR Partner, as the case may be, or the members of the CSR Partner should not be adjudicated as an insolvent or convicted by a Court of any offence involving moral turpitude.
- 4.6 CSR Partner should not be or should not have been a party at any time to bankruptcy or insolvency or winding up proceedings or to proceedings involving a composition of creditors, or should not make or should not have at any time made an assignment for the benefit of creditors. Custodian, receiver or any other person with like power should not have been appointed to take charge of or liquidate all or a part of the its business, property or assets or no order should have been made or a resolution should have been passed for the winding-up or liquidation or any corporate proceedings for its liquidation, winding-up or dissolution shall have been commenced.
- 4.7 CSR Partner should have complied with the applicable laws and no notice for non-compliance under any applicable laws should have been received from any authorities.
- 4.8 CSR Partner should have audited its accounts for each of the financial years from the date of its existence and the financial statements should reflect true and fair view of its affairs.

- 4.9 The Company shall conduct a legal, financial and regulatory due diligence on the CSR Partner and satisfy itself of its credibility, compliance status and ability to carry out CSR Activities on behalf of the Company.
- 4.10 The CSR Committee shall discuss the CSR Policy and the objectives of the Company in this regard with the proposed CSR Partners.
- 4.11 The Company shall procure a detailed project report from the shortlisted CSR Partners regarding the course of action that they intend to undertake, if chosen to implement a particular CSR Activity on behalf of the Company.

The Company shall, before executing the projects with CSR Partners, ensure that the specifications for the project or programs to be undertaken through the CSR Partners, the utilization of funds on such projects and programs and the monitoring and reporting mechanism are made clear



## 5. CSR EXPENDITURE

- 5.1 The Company shall utilise, every financial year, an amount not less than 2% of the average net profits of the company made during the three immediately preceding financial years, for CSR activities under this policy.
- 5.2 Net Profit for this purpose means, the net profit of a Company as per its financial statements prepared in accordance with the applicable provisions of the Companies Act, 2013, but does not include, profits arising from branches outside India or dividends received from other Companies in India, which comply with the CSR provisions.
- 5.3 In the event <sup>the</sup> Company is unable to spend the amount earmarked for the CSR Activities in a Financial Year, the CSR Committee shall submit a report in writing to the Board of Directors of the Company specifying the reasons for not spending the amount, which in turn shall be reported by the Board of Directors of the Company in their report to the shareholders of the Company for that particular Financial Year.

## 6. CSR COMMITTEE

CSR Committee shall be constituted by the Board. The roles, responsibilities and functioning of the CSR Committee are as provided below:

**Constitution:** CSR Committee shall consist of three directors of the Company. If the Board consists of only two directors, then two directors will form CSR Committee.

**Quorum:** Two Directors personally present or via video conferencing, shall form quorum for every meeting of the CSR Committee. Provisions relating to conducting Board meetings via video conferencing shall apply *mutatis mutandis* to the CSR Committee meetings.

**Meetings:** The meetings of the CSR Committee shall be held as and when required. Meetings can be convened at such time, at such place and on such day, as the members of the CSR Committee may deem fit. The minutes recording the proceedings of the CSR Committee meetings shall be placed before the next Board meeting of the Company for approval.

**Notices:** Every notice convening the meeting of CSR Committee shall be accompanied by an agenda.

**Experts:** The CSR Committee may invite experts from various fields to attend its meetings from time to time.

**Decisions:** Matters transacted at the meetings of the CSR Committee or by way of resolutions by circulation shall be decided by majority vote of the CSR Committee members.

**Matters to be transacted:** CSR Committee may as appropriate discuss the following matters at its meetings:

- (i) Preparation of budget outlay for each of the CSR activities;
- (ii) Implementation schedule for each of the CSR activities;
- (iii) Allocation of responsibilities to carryout CSR activities;
- (iv) Report on the CSR activities carried out from the date of last meeting till date with supporting documents;
- (v) Discussion on the new proposals, if any;
- (vi) Road map for the CSR activities to be carried out for the next 6 months; and
- (vii) Any other matter as the CSR Committee may deem fit.

## **7. ROLES AND RESPONSIBILITIES OF THE CSR COMMITTEE**

CSR Committee shall:

- (i) formulate and recommend the CSR Policy to the Board. Any amendments to be carried out to the CSR Policy shall be taken up by the Board only with the recommendation of the CSR Committee;
- (ii) recommend the amount of expenditure to be incurred by the Company in each Financial Year in relation to the CSR activities to the Board. Such expenditure shall be calculated in accordance with the provisions of the Act after consultation with the finance department of the Company;
- (iii) identify and recommend CSR activities to the Board which are covered under this Policy by providing a detailed project report. The project report shall elaborate on the sectors in which the CSR activities shall be carried out, need, statistics, modalities of execution of the CSR activities, budget outlay, implementation schedule, location where the CSR activities are proposed to be implemented and impact of such CSR activities on the target audience;
- (iv) recommend CSR Partners, to the Board and procure their approval before engaging the CSR Partner(s) to carry out the CSR activities on behalf of the Company. The CSR Partners recommended to the Board shall be selected in accordance with the guidelines mentioned in this Policy;
- (v) allocate budget to each of the CSR activities and the CSR Partners, if required;
- (vi) undertake all necessary steps to implement the CSR activities in accordance with the implementation schedule, as approved by the Board;

- (vii) monitor the CSR activities in such manner as prescribed in this Policy;
- (viii) update the Board from time to time on the progress of the CSR activities along with a report on the amount allocated for such activity, amount utilised, amount unspent, if any, additional funds required, if any and expenditure incurred;
- (ix) produce an annual CSR Report containing details of expenditure along with a report on the amount allocated, amount utilised, amount unspent, if any, additional funds required, if any and expenditure incurred;
- (x) ensure that the CSR activities do not benefit the Company or its employees and their families.

## **8. REPORTING**

In the event Company fails to spend the amount earmarked for the CSR activities in a financial year, the CSR Committee shall submit a report in writing to the Board specifying the reasons for not spending the amount which in turn shall be reported by the Board in their report to the shareholders of the Company for that particular financial year.

The Board shall provide certain information in its report to its shareholders as well as on the website of the Company (if any). The Board of Directors of the Company shall provide the following information in its report to its shareholders as well as on the website of the Company:

- (i) Brief outline of the CSR Policy;
- (ii) Website link (if any) to CSR Policy and update on the CSR Activities undertaken by the Company;
- (iii) Composition of CSR Committee;
- (iv) Average net profits of the Company for last three financial years;
- (v) Prescribed CSR expenditure;
- (vi) Total amount to be spent in a financial year and amount unspent, if any, along with the reasons;
- (vii) Manner in which the amount spent on CSR Activities during a financial year in the following format:
  - (a) A description of the CSR Activities;
  - (b) Sectors covered by the CSR Activities;
  - (c) CSR Activities Undertaken – (1) Local Area or Other; and (2) Specify the State and district where CSR Activities were undertaken;
  - (d) Amount outlay (budget) for each of the CSR Activity;
  - (e) Amount spent on the CSR Activities – (1) Direct Expenditure; (2) Overheads.
  - (f) Cumulative expenditure up to the reporting period;
  - (g) Amount spent – (1) Direct; (2) through the implementing agency; and

- (h) Details of the implementing agency.
- (viii) Reasons for the Company failing to spend the amount required under the Act (if any), on the CSR Activities;
- (ix) Responsibility statement from CSR Committee that the implementation and monitoring of CSR Policy is in compliance with CSR objectives.

## **9. POLICY ON NON DISCRIMINATION AND CONTROVERSIAL ORGANIZATIONS**

The Company seeks to support organizations that are in alignment with the core values of the Company. The Company is committed to equal opportunity and fair treatment, and will not support charitable organizations that discriminate on the basis of race, colour, religion, sex, age, national origin, citizenship status, disability, sexual orientation, veteran status, or any other protected status. The Company defines discrimination in connection with its charitable giving program to include (but not necessarily be limited to) denial of services, employment, or volunteer opportunities to any class of individuals in a manner that negatively restricts opportunities available to that class of individuals.

In addition, to ensure that all recipient organizations are aligned with the Company's values, the Company shall not make charitable grants to any organization or program that in any way is controversial or, implicitly or explicitly, promotes, advocates, or instigates an ideology or environment that is divisive or not otherwise aligned with the Company's values.

As part of an ongoing effort to support only those organizations that fully align with the Company's values and policies, the Company reserves the right to evaluate the eligibility of a recipient organization at any time regardless of whether prior grants have been made. The Company, in its sole discretion, may suspend or terminate current or future grants to any organization that is not aligned with the Company's values and policies.

## **10. SELF-GOVERNANCE**

The Company, its Board of Directors, employees, officers, CSR Committee members, its invitees, shall not:

- i. directly or indirectly engage in lobbying of CSR activities;
- ii. Accept any kind of favors and gifts, in any form, from any prospective or potential CSR Partners or beneficiaries as a result of consideration of the proposal to grant funds to such CSR Partners or beneficiaries under this Policy

## **11. EXCLUSION TO CSR ACTIVITIES**

The following activities shall not qualify as CSR activities:

- (i) Projects, programs or activities undertaken during the normal course of Company's business;
- (ii) Projects or programs or activities undertaken that benefit only the Company's employees, or its customers or vendors, or their families;
- (iii) One-off events such as marathons / awards / charitable contribution / advertisement / sponsorships of TV programs etc.;

- (iv) Expenses incurred by companies for the fulfilment of any act (other than the Act), statute or regulations (such as Labor Laws, Land Acquisition Act etc.); and
- (v) No portion of salaries paid to and / or time spent by the Company's employees and volunteers may be factored into CSR Cost.

#### **12. POLICY REVIEW AND FUTURE AMENDMENT**

The CSR Committee shall review the CSR Policy from time to time and make suitable changes as may be required and submit the same for the approval of the Board of Directors of the Company