

## **CAPRIHANS INDIA LIMITED**

### **CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY**

#### **Preamble:**

Caprihans Corporate Social Responsibility (CSR) involves participating, contributing and make our presence in social, economic, infrastructural, educational, cultural developments, for augmenting the quality of life of the people of our country, especially in and around areas where are our factories and corporate office are located.

#### **CSR vision statement:**

In alignment with vision of the company, Caprihans India Ltd (CIL), through its CSR initiatives, will continue to enhance value creation in the society and in the community in which it operates, through its services, conduct & initiatives, so as to promote sustained growth for the society and community, in fulfillment of its role as a socially responsible corporate citizen.

#### **Purpose:**

The key purpose of this policy is to:

- Broad approach to CSR
- Identify broad areas of intervention in which the company may undertake projects
- Serve as a guiding document to help execute and monitor CSR projects
- Broad criteria for implementation agencies
- Ensure an increased commitment at all levels in the organization
- Directly or indirectly take up programmes that benefit the communities in & around its work-centers and results, over a period of time, in enhancing the quality of life & economic well being of the local populace.
- Generate, through its CSR initiatives, a community goodwill for CIL and help reinforce a positive & socially responsible image of CIL as a socially responsible corporate entity.

**Scope of CSR activities:**

As a practice, we classify only those projects that are over and above our normal course of business as CSR. This policy applies to all our CSR projects. On a periodic basis this policy will be reviewed and updated in line with relevant codes of corporate governance and best practices.

Furthermore, the policy aims to fulfill the requirements of the CSR rules as per the Section 135 of the Companies Act, 2013 or any other legislation which may be enacted from time to time and any amendment(s) thereof.

**Organizational Mechanism:****CSR Committee Levels:****1. At the top level:**

The CSR governance structure will be headed by the Board-level CSR committee to oversee the implementation of CSR Policy and monitoring CSR activities. The Committee will comprise of minimum 3 Directors of which one Director shall be independent and in compliance with the requirements of Section 135 of the Companies Act, 2013.

This committee will report to the Board of the company.

**2. At the Operational Level:**

CSR Management Committee will be formed to monitor and guide the CSR activities.

**Scope of Work of CSR Committee of Board of Directors are:**

- Formulate and update CIL's CSR Policy, which will be approved by the Board of CIL
- Suggest areas of intervention
- Put monitoring mechanisms in place to track the progress of each project
- Recommend the CSR expenditure to the Board of CIL for approval
- Meet once a year or at such intervals as may be decided to review the progress made and the quorum for the CSR Committee will be 2 members.
- The Board-level CSR committee, based on reports presented by the Management, will annually publish report on the CSR projects as a part of the Director's report. The report will disclose information in the format as prescribed by the Section 135 of the Companies Act, 2013 or any amendments thereof.

## **CSR Committee:**

A CSR Management Committee will be formed. The Committee will have the following as permanent members:

- CEO or MD;
- CFO
- Factory Head of Nashik , and
- Factory Head of Thane.

The committee will report to the Board–level CSR Committee.

The CSR Management Committee is responsible for ensuring the smooth execution of all the CSR projects within the company.

## **Identification of Thrust Areas and Strategic Initiatives:**

For the purpose of focusing CIL CSR Policy in a continued and effective manner, the following thrust areas have been identified as to:

- § promote education
- § health and welfare
- § community well being
- § promote gender equality and empower women
- § reduce child mortality and improve maternal health
- § ensure environmental sustainability
- § enhance vocational skills on employment
- § social business projects
- § such other matters as may be decided from time to time, and also may include activities which are connected to the company's core activities and fruitful in the long run.

## **Funding & Allocation:**

The total budget for the CSR projects will be decided as a part of the Annual Operating Plans. Limits prescribed by statute will act as a guiding factor. For instance, provisions of Sec 135 of the Companies Act, 2013.

For the annual CSR Budget allocation, a provision will be made for incurring expenditure on the above activities, on a year on year basis.

**Implementation Strategy:**

The CSR activities shall be implemented in three ways as below:-

- Directly by CIL.
- Through State/District Authorities
- Through NGOs/Voluntary Organizations/Trusts.

**GENERAL:**

- All administrative expenses including expenditure on wages & salaries, tours and travels, training & development of personnel deputed on CSR activities would be borne from CSR funds.
- If it is observed that any CSR activity taken up for implementation is found not properly implemented, CIL at its discretion may discontinue funding the activity at any time during the course of implementation.
- MD shall be empowered to amend or modify this policy and such changes shall be placed before the Board for approval.
- 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 CSR Committee. In all such matters, the interpretation & decision of the CSR Committee shall be final.
- 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 by the Government, from time to time.
- The Company reserves the right to modify, cancel, add, or amend any of these Rules.