



## Greaves Cotton Limited

### CSR Policy

(Effective from 4<sup>th</sup> May, 2021 as approved by the Board of Directors on 4<sup>th</sup> May, 2021)

#### 1. CONCEPT:

Pursuant to Section 135 of the Companies Act, 2013 ("the Act") read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 (collectively referred as "Applicable Laws"), Greaves Cotton Limited ("Greaves" or the "Company") has formulated this "Greaves CSR Policy".

Greaves CSR Policy encompasses Greaves Cotton Limited's philosophy towards the Corporate Social Responsibility ("CSR").

Greaves believes that CSR is:

- The corporate's responsibility of conducting business by integrating its economic, environmental and social objectives in such a way that it will contribute for the social good together with its operational growth.
- a process by which an organisation thinks about its relationship with its stakeholders for the common good and demonstrates its commitment for the same;

Greaves CSR Policy will apply to all CSR initiatives and activities taken up by Greaves at the various locations. Greaves CSR Policy is applicable to the Company with effect from 1<sup>st</sup> August, 2014.

#### 2. OBJECTIVE:

The objective of the Greaves CSR Policy is to ensure:

- i. a considered and common approach to CSR across the Company resulting in the selection of constituencies and causes that deliver maximum social benefit.
- ii. that Greaves undertakes the activities as specified in Schedule VII of the Companies Act, 2013, as amended from time to time and expenditure to be incurred thereon.

#### 3. DEFINITIONS:

- i. "**CSR Activities**" shall mean the projects and / or programmes undertaken by the Company either directly or indirectly pursuant to Applicable Laws in accordance with this CSR Policy.



- ii. **“Implementation Agencies”** any other trust, society or company or any entity established under an Act of parliament or a state legislature or any other agency which is eligible to undertake CSR Activities, on behalf of the Company in compliance with the Applicable Laws.
- iii. **“Rules”** means Companies (Corporate Social Responsibility Policy) Rules, 2014, or any other rules prescribed under section 135 of the Act and pertaining to corporate social responsibility, as may be amended and prescribed, from time to time.
- iv. **“Ongoing Project”** means ongoing projects as defined under Rule 2 of Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended from time to time.

#### **4. CSR ACTIVITIES AND FOCUS AREAS:**

Greaves will undertake CSR projects related to the list of activities as prescribed under Schedule VII of the Companies, Act, 2013 (as amended) and as per the Annual Action Plan as approved by the Board of Directors of the Company from time to time.

The CSR activities shall not include any activity undertaken by the Company in pursuance of the normal course of business of the Company.

#### **5. CSR EXPENDITURE**

- i. Every year the Company shall spend at least 2% of its average Net profit as defined under the Rules (“CSR obligation”) during the three immediately preceding financial years, on the CSR Activities as per approved Annual Action Plan.
- ii. The Company shall consider any administrative costs, in meeting its CSR obligation, provided that, such costs shall not exceed the cap as prescribed under Applicable Laws.
- iii. Any amount remaining unspent at the end of the financial year, if any, except in case of an ongoing project, shall be transferred to a Fund to be specified in Schedule VII for this purpose, within a period of six months of the expiry of the relevant financial year.
- iv. In case the Company undertakes any ongoing project, any amount remaining unspent and earmarked for the ongoing project, shall be transferred within a period of thirty days from the end of the financial year to a special account to be opened for that financial year in any scheduled bank to be called the ‘Unspent Corporate Social Responsibility Account’, and such amount shall be spent within a period of three financial years from the date of such transfer, failing which, the unspent amount shall be transferred to the Fund to specified in Schedule VII for this purpose, within a period of thirty days from the date of completion of the third financial year.



- v. Any surplus arising out of CSR projects, programmes or activities shall not form part of the business profits of the Company and shall be utilized towards the eligible CSR Activities / addressed in accordance with Applicable Laws.

## **6. IMPLEMENTATION AND APPROVAL OF CSR ACTIVITIES:**

The Board of Directors of Greaves will ensure that:

- the CSR Activities as are included in Greaves CSR Policy are undertaken by the Company or through any other implementation agency;
- Greaves spends in every financial year, at least 2% of the average net profits of the Company made during the three immediately preceding financial years or such other amount as may be specified by the Government.

The CSR Committee (“Committee”) as constituted by the Company shall be responsible for the following:

- a. Identify CSR Activities / Programme to be taken up in a financial year giving preference to the local areas around factories / offices;
- b. Formation of an Implementation Committee to comprise of MD & Group CEO and such other employees of the Company as the Committee may deem fit and proper;
- c. The Committee shall formulate the annual action plan and place the same before the Board of Directors for a financial year. The Annual action plan shall, inter-alia, contain the following information with respect to the CSR Activity proposed to be undertaken by the Company:
  - i) list of CSR Activities to be undertaken, in the relevant financial year;
  - ii) local area where the CSR Activities are to be undertaken;
  - iii) manner of execution;
  - iv) modalities of utilisation of funds;
  - v) implementation schedule;
  - vi) monitoring and reporting mechanism and
  - vii) details of need and impact assessment, if any.
- d. Board of Directors of Greaves, after taking in to account the recommendation made by the Committee, will approve the annual action plan for CSR programme for a financial year;
- e. The Board on the recommendation of the CSR Committee shall be the absolute authority to update, alter, modify, amend, withdraw and replace the annual action plan for justified reasons.

- f. The proposal may be implemented directly (through the help of employees or direct contribution) or through implementation agencies. In case the Company undertakes any CSR Activity through any Implementation Agency, such Implementation Agency shall satisfy the requirements prescribed under the Applicable Laws and shall be approved by the Board.
- g. The proposal may be implemented in collaboration with other companies provided the CSR Committee of the respective companies are in a position to report separately on such activities / programmes.
- h. The Company shall not discriminate against the beneficiaries of the CSR Activities, on any grounds whatsoever and shall endeavour utmost transparency in selection, implementation, monitoring and reporting of CSR Activities.

## **7. MONITORING AND REPORTING:**

- i. Under the overall supervision of the Board, i) the CSR Committee or ii) the Implementation Agency (in case, the CSR Activities are undertaken by any other Implementation Agency), shall be responsible to monitor the CSR Activities. The Implementation Agency shall devise a robust monitoring mechanism to ensure that the CSR Activities are undertaken effectively in accordance with approved Annual Action Plans in compliance with the Applicable Laws and the provisions of this Policy.
- ii. The CSR Activities will be effectively and objectively monitored using appropriate monitoring tools that may include through one or more of the third-party audit(s) or certification(s), impact assessment(s), self-assessment report(s), field visit(s), periodical review(s) or any other appropriate mechanism.
- iii. The CSR Committee shall review the progress on Annual Action Plan preferably on quarterly basis but not less than twice in a year.
- iv. The Board shall review the status of implementation and fund utilization of the various projects and programmes as per approved Annual Action Plan at least once in a year.
- v. For the Board to satisfy itself that disbursed CSR funds has been utilized for its intended use, it can rely on the certificate issued by the Chief Financial Officer.
- vi. In case of unsatisfactory finding on any of the CSR Activity, the CSR Committee shall take appropriate action against the errant party in accordance with law.
- vii. The Committee may, independently, obtain feedback from the beneficiaries about the CSR programmes.



## **8. DISCLOSURES:**

- a. Annual Report on CSR activities shall be included in the Board's Report forming part of Company's Annual Report.
- b. 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.

## **9. GENERAL:**

- i. In case of any ambiguity or clarification with regard to any provision of Greaves CSR Policy and in respect of any matters not covered herein, a reference may be made to the Committee. In all such matters, the interpretation and decision of the Committee shall be final.
- ii. Any or all provisions of the Greaves CSR Policy will be subject to revision / amendment in accordance with the amendments in the Act or the rules from time to time.
- iii. The Board may, in accordance with Applicable Laws, alter, amend, review, substitute this Policy as and when required without any prior intimation to any stakeholder for justified reasons.