

**CSR POLICY**

**OF**

**ARORA MATTHEY LIMITED**  
**(CIN: U51909WB1964PLC026033)**

**[as per the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014]**

## 1. BACKGROUND

In compliance with the requirements of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended, the Company is, inter alia, required to:

- i) Constitute a Board Committee to formulate and recommend to the Board a Corporate Social Responsibility (CSR) Policy, recommend the amount of CSR expenditure and monitor the CSR activities of the Company from time to time.
- ii) Ensure that the Company spends, in every financial year, at least two per cent of the average Net Profits before Tax (PBT) of the Company, made during the three immediately preceding financial years, in pursuance of its CSR Policy.

## 2. OBJECTIVE

- i) To ensure that the Company is committed to operate its business in an economically, socially and environmentally sustainable manner, while recognizing the interests of all its stakeholders.
- ii) To take up programmes that benefit the communities in and around its work centres and over a period of time, results in enhancing the quality of life of the people in the area of its business operations.

## 3. ACTIVITIES FALLING UNDER CSR AS PER SCHEDULE VII TO THE COMPANIES ACT, 2013

Activities relating to :

- (i) eradicating hunger, poverty and malnutrition promoting health care including preventative 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;
- (ii) promoting education, special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
- (iii) promoting gender equality, empowering women, setting up homes and hostels for women and orphans, setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
- (iv) providing 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 Clean Ganga Fund set up by the Central Government for rejuvenation of river Ganga;
- (v) protection of national heritage, art and culture, including restoration of buildings and sites of historical importance and works of arts, setting up public libraries, promotion and development of traditional arts and handicrafts;
- (vi) 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;
- (vii) training to promote rural sports, nationally recognized sports, paralympic sports and Olympic sports;
- (viii) contribution to the Prime Minister's National Relief Fund or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund ( PM CARES Fund) or any other fund ]] 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 classes, minorities and women;

- (ix) (a) Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central or State Government; and
- (b) Contributions to public funded Universities, Indian Institute of Technology(IITs), National Laboratories and autonomous bodies established under Department of Atomic Energy ( DAE); Department of Bio-Technology(DBT); Department of Science and Technology (DST),; Department of Pharmaceuticals; Ministry of Ayurveda, Naturopathy Unani, Siddha and Homoeopathy ( AYUSH), Ministry of Electronics and Information Technology and toehr bodies namely Defence Research and Development Organisation ( DRDO); Indian Council of Agricultural Research ( ICAR); Indian Council of Medical Research ( ICMR) and Council of Scientific and Industiral Research ( CSIR), engaged in conducting research in science technology, engineering and medicine aimed at promoting Sustainable Development Goals ( SDGs)]
- (x) rural development projects;
- (xi) slum area development.

Explanation - For the purposes of this item, the term `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.

- (xii) disaster management, including relief, rehabilitation and reconstruction activities.

#### **4. VISION**

- (i) The Company endorses reliability. It is committed to conduct business in a true, fair and ethical manner and takes up the responsibility to create a good impact in the society it belongs.
- (ii) The Company is committed towards improvement of quality of the lives of people in the communities in which it operates as society is an essential stakeholder and the very purpose of its existence. The Company believes giving back to society by supporting CSR activities in the different fields is its moral duty.
- (iii) The Company aims to diligently comply to provisions of the Companies Act, 2013 read with the rules framed there under .

#### **5. APPLICABILITY OF THE POLICY**

1. This Policy has been developed as per the provisions of Section 135 of the Companies Act, 2013 read with The Companies (Corporate Social Responsibility Policy) Rules, 2014 noticed by MCA.
2. This Policy shall apply to all CSR initiatives and activities taken up at the various locations in India, however, vicinity factor to the location of the activities of the company is given due emphasis.

## **6. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

### **COMPOSITION:**

The Corporate Social Responsibility Committee ('CSR Committee') shall consist of three or more Directors amongst whom at least one shall be an Independent Director. The Committee may formulate a CSR Sub-Committee with other Directors / Executives of the Company from time to time as it may deem necessary and expedient.

### **7. MEETINGS:**

The Committee shall hold meeting(s) as and when required to discuss various issues on implementation of the CSR Policy. The members would thrive to hold at least two meetings in a financial year.

The Committee shall periodically review the implementation of the CSR Programmes and issue necessary direction(s) from time to time to ensure orderly and efficient execution of the CSR programmes as per this Policy. The CSR Committee will periodically keep the Board informed of the implementation of CSR activities.

### **8. ROLE OF CSR COMMITTEE:**

To formulate and recommend to the Board, a CSR Policy which will include activities to be undertaken by the Company as specified in Schedule VII to the Companies Act, 2013 (as amended from time to time).

To recommend the amount to be incurred on the activities in a financial year.

To monitor the Corporate Social Responsibility Policy from time to time.

Any other matter/thing as may be considered expedient by the Members of the Committee in furtherance and compliance of the CSR Policy.

## **9. RESPONSIBILITIES OF THE BOARD**

The Board shall:

- Form a CSR Committee and disclose the composition of the CSR Committee.
- Approve the CSR Policy after taking into account the recommendations made by the CSR Committee.
- Place the CSR Policy on the Company's website.
- Ensure implementation of the activities under CSR.
- Ensure spending requisite amount on CSR every year as per law.
- Disclose reasons for not spending the amount (if applicable) in the Annual Report to the Shareholders of the Company.
- Ensure that the administrative overheads are not more than 5% of the total CSR Expenditure.
- Ensure that the funds so disbursed have been utilized for the purposes and in the manner as approved by Board / CSR Committee and the Chief Financial Officer shall certify to the effect.
- Approve transfer of unspent CSR Amount in accordance with the law. A statement will be prepared on the amount spent and unspent on CSR and the amount unspent will be transferred to the account required to be opened /or deposited in such account mentioned in the Act and rules.

## **10. CSR PROGRAMMES/PROJECTS**

The Company would focus the CSR activities around following thrust areas:

- A. Education
- B. Empowerment of under privileged specially the youth and women.
- C. Health
- D. Rural Development
- E. Environmental sustainability
- F. Protection of heritage, art and culture
- G. Training to promote rural sports
- H. Any other program, which the committee shall deem fit.

## **11. IMPLEMENTATION IDENTIFICATION AND SELECTION OF PROGRAMMES**

The programmes would be identified as per the requirement in the community/schools, etc. Professional agencies may be engaged in conducting needbased assessment in some programmes, wherever required.

## **12. PARTNERSHIPS TO IMPLEMENT THE PROGRAMMES**

Collaborative Partnerships may be formed with Government Agencies, village Panchayats, NGOs and other stakeholders pursuing similar objectives.

## **13. CRITERIA FOR IDENTIFYING EXECUTING PARTNERS**

In case of programme execution by NGOs/Voluntary organizations the following minimum criteria should be required to be ensured:

1. The NGO / Agency must have a permanent office / address in India.
2. The NGO should be a registered public Trust or a Society having a duly executed Trust Deed / Memorandum of Association.
3. It should have registration Certificates under Section 12A, Section 80G, etc. of the Income Tax Act, 1961, registration under FCRA (wherever mandatory) and other applicable registrations.
4. It should have a Permanent Account Number (PAN).
5. Last 3 years audited statement of accounts.
6. Last 3 years income tax return.
7. Last 3 years FC return (applicable to organizations with FCRA registration).
8. The antecedents of the NGO / Agency are verifiable / subject to confirmation.
9. Should have a team of professional expertise and system to maintain Books of Accounts and to generate necessary Reports on the supported programmes.
10. No tie-up with the Competition of the Company.

The Company may tie up with organizations to promote rural development.

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