

Tarmat Ltd.

Corporate Social Responsibility Policy

Introduction:-

In accordance with section 135 of the Companies Act, 2013 (“Act”), Companies (Corporate Social Responsibility Policy) Rules, 2014 (“Rules”) read with Schedule VII to the Act, the Company had formulated its Corporate Social Responsibility Policy (“CSR Policy”) for undertaking its charitable activities/programs directly on its own as per recommendation of CSR committee and approval of Board.

In pursuance thereof the Company has undertaken its CSR activities/programs directly on its own. The Company’s CSR activities are independent of its normal course of business. Recently the Ministry of Corporate Affairs has notified amendments to the Rules pursuant to the Companies (CSR Policy) Amendment Rules, 2021 vide Notification G.S.R. 40(E) dated 22nd January, 2021. The amendment to Rules is effective from 22nd January, 2021.

Accordingly, the CSR Policy of the Company is align with the said amendment.

1	<p>Definitions. –</p> <p>In these rules, unless the context otherwise requires,-</p> <p>(a) "Act" means the Companies Act, 2013 (18 of 2013);</p> <p>(b) “Administrative overheads” means the expenses incurred by the company for ‘general management and administration’ of Corporate Social Responsibility functions in the company but shall not include the expenses directly incurred for the designing, implementation, monitoring, and evaluation of a particular Corporate Social Responsibility project or programme;</p> <p>(c) "Annexure" means the Annexure appended to the Rules;</p>
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(d) "Corporate Social Responsibility (CSR)" means the activities undertaken by a Company in pursuance of its statutory obligation laid down in section 135 of the Act and the CSR Rules, but shall not include the following, namely:-

- (i) activities undertaken in pursuance of normal course of business of the company: Provided that any company engaged in research and development activity of new vaccine, drugs and medical devices in their normal course of business may undertake research and development activity of new vaccine, drugs and medical devices related to COVID-19 for financial years 2020- 21, 2021-22, 2022-23 subject to the conditions that-
- (ii) such research and development activities shall be carried out in collaboration with any of the institutes or organizations mentioned in item (ix) of Schedule VII to the Act;
- (iii) details of such activity shall be disclosed separately in the Annual report on CSR included in the Board's Report;
- (iv) any activity undertaken by the company outside India except for training of Indian sports personnel representing any State or Union territory at national level or India at international level;
- (v) contribution of any amount directly or indirectly to any political party under section 182 of the Act;
- (vi) activities benefitting employees of the company as defined in clause (k) of section 2 of the Code on Wages, 2019;
- (vii) activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services;
- (viii) activities carried out for fulfillment of any other statutory obligations under any law in force in India;

(e) "CSR Committee" means the Corporate Social Responsibility Committee of the Board referred to in section 135 of the Act;

(f) "CSR Policy" means this Policy;

(g) "International Organisation" means an organisation notified by the Central Government as an international organisation under section 3 of the United Nations (Privileges and Immunities) Act, 1947 (46 of 1947), to which the provisions of the Schedule to the said Act apply;

	<p>(h) "Net profit" means the net profit of a company as per its financial statement prepared in accordance with the applicable provisions of the Act, but shall not include the following, namely: -</p> <p>(i) any profit arising from any overseas branch or branches of the company, whether operated as a separate company or otherwise; and</p> <p>(ii) any dividend received from other companies in India, which are covered under and complying with the provisions of section 135 of the Act: Provided that in case of a foreign company covered under these rules, net profit means the net profit of such company as per profit and loss account prepared in terms of clause (a) of sub- section (1) of section 381, read with section 198 of the Act;</p> <p>(i) "Ongoing Project" means a multi-year project undertaken by a Company in fulfilment of its CSR obligation having timelines not exceeding three years excluding the financial year in which it was commenced, and shall include such project that was initially not approved as a multi-year project but whose duration has been extended beyond one year by the board based on reasonable justification;</p> <p>(j) "Public Authority" means 'Public Authority' as defined in clause (h) of section 2 of the Right to Information Act, 2005 (22 of 2005);</p> <p>Words and expressions used and not defined in these rules but defined in the Act shall have the same meanings respectively assigned to them in the Act.</p>
2	<p>CSR Implementation. –</p> <p>(a) The Company's CSR Programmes will be implemented through (i) Company personnel, or (ii) external implementing agencies, or (iii) Charitable Trusts, or (iv) such other Trusts, Societies, Foundations and Section 8 companies that may be established by the Company from time to time and (v) any other agency / organisation as may be permitted under the Act and Rules, from time to time.</p>

	<p>(b) In case CSR Programmes are implemented through external agencies or Charitable Trust, the programmes to be undertaken by those agencies or Trust will be specified, and it will be ensured that such programmes are covered in the Objects laid down in the respective Trust Deeds / Memoranda and Articles of Association of the external agencies / Charitabe Trust.</p> <p>(c) The Company may engage international organisations for designing, monitoring and evaluation of the CSR projects or programmes as per its CSR policy as well as for capacity building of their own personnel forCSR.</p> <p>(d) The Company may also collaborate with other companies for undertaking projects or programmes or CSR activities in such a manner that the CSR committees of respective companies are in a position to report separately on such projects or programmes in accordance with these rules.</p> <p>(e) The Board of Directors of the Company shall satisfy itself that the funds so disbursed have been utilised for the purposes and in the manner as approved by it and the Chief Financial Officer or the person responsible for financial management shall certify to the effect.</p> <p>(f) In case of ongoing project, the Board of Directors of the Company shall monitor the implementation of the project with reference to the approved timelines and year-wise allocation and shall be competent to make modifications, if any, for smooth implementation of the project within the overall permissible time period.</p>
3	<p>CSR Committee.-</p> <p>(a) The composition of Committee consisting of three or more directors, out of which at least one director shall be an independent director.</p> <p>(b) The CSR Committee shall formulate and recommend to the Board, an annual action plan in pursuance of its CSR policy, which shall include the following, namely:-</p> <p>(i) the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;</p>

	<ul style="list-style-type: none"> (ii) the manner of execution of such projects or programmes as specified in 3 above; (iii) the modalities of utilisation of funds and implementation schedules for the projects or programmes; (iv) monitoring and reporting mechanism for the projects or programmes; and (v) details of need and impact assessment, if any, for the projects undertaken by the company: Provided that Board may alter such plan at any time during the financial year, as per the recommendation of its CSR Committee, based on the reasonable justification to that effect.
4	<p>CSR Expenditure</p> <p>(a) For achieving its CSR objectives through implementation of meaningful & sustainable CSR programmes, the Company will spend in any Financial Year, at least 2% of its average Net Profits of immediately preceding 3 Financial Years (“CSR obligation”). However, nothing shall restrict the Company from spending any feasible amount over and above the CSR obligation.</p> <p>(b) Any amount remaining unspent at the end of the financial year, 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.</p> <p>(c) 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 be specified in Schedule VII for this purpose, within a period of thirty days from the date of completion of the third financial year.</p>

	<p>(d) 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.</p> <p>(e) In the event, the Company spends an amount in excess of requirement provided under sub-section (5) of section 135, such excess amount may be set off against the requirement to spend under sub-section (5) of section 135 up to immediately 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, if any, and (ii) the Board of the Company has passed a resolution to that effect.</p> <p>(f) The CSR obligation may be spent by the Company for creation or acquisition of a capital asset, which shall be held by –</p> <ul style="list-style-type: none"> (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; or (ii) beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities; or (iii) a public authority.
5	<p>CSR Reporting</p> <p>(a) The Board's Report shall include an annual report on CSR containing particulars specified in Annexure I or Annexure II, as applicable.</p> <p>(b) The Board of Directors of the Company shall disclose the composition of the CSR Committee, and CSR Policy and Projects approved by the Board on the website of the Company.</p>
6	<p>Impact Assessment</p> <p>(a) In the event, the Company has an average CSR obligation of ten crore rupees or more in pursuance of subsection (5) of section 135 of the Act, in the three immediately preceding financial years, it shall undertake impact assessment, through an independent agency, of their CSR projects having outlays of one crore rupees or more, and which have been completed not less than one year before undertaking the</p>

	<p>impact study.</p> <p>(b) The impact assessment reports shall be placed before the Board and shall be annexed to the annual report on CSR.</p> <p>(c) The Company undertaking impact assessment may book the expenditure towards Corporate Social Responsibility for that financial year, which shall not exceed five percent of the total CSR expenditure for that financial year or fifty lakh rupees, whichever is less.</p>
7	<p>CSR Areas of Spending</p> <p>(a) List of CSR activities/projects specified under Schedule VII of the Act, to be carried out in this regard by the Company through the Charitable Trust and / or any other Trust / Section 8 company and / or on its own are enumerated as under :</p> <p>(i) eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swachh Bharat Kosh set-up by Central Government for the promotion of sanitation and making available safe drinking water;</p> <p>(ii) promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects;</p> <p>(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;</p> <p>(iv) ensuring 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 the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga;</p> <p>(v) 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 art and handicrafts;</p>

(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 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 set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, Scheduled Tribes, other backward classes, minorities and women;

(ix) 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 Government or State Government; and

(x) Contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defense Research and Development Organisation (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).

(xi) rural development projects; 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.

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Amendment

Any changes to the Company's CSR Policy resulting from amendment(s) to the Act, Rules and Schedule VII shall be deemed to have been incorporated in the CSR Policy of the Company from their respective dates of coming into force.