

## **Corporate Social Responsibility Policy**

### **1. Preamble**

Nath Bio-Genes (India) Limited ('NBIL or 'the Company') has been an early adopter of Corporate Social Responsibility ('CSR') initiatives. Along with sustained economic performance, environmental and social stewardship is also a key factor for holistic business growth. The Company's focus has always been to contribute to the sustainable development of the society and environment, and to make our planet a better place for future generations.

### **2. Scope and Applicability.**

The Company Corporate Social Responsibility (CSR) Policy has been developed in accordance with section 135 of the Companies Act 2013 ("Act") on CSR and in accordance with the Companies (Corporate Social Responsibility Policy) Rules, 2014 ("Rules") (including any statutory modifications, amendments, or re-enactments of any of them for the time being in force). This Policy shall apply to all CSR projects/ programmes undertaken by Company as per Schedule VII of the Act.

### **3. Definition**

In this Policy, unless the context otherwise requires:

1. "Act" shall mean the Companies Act, 2013, including any modifications, amendments or re-enactment thereof.
2. "Agency" (or Agencies) means any Section 8 Company or a registered trust / society / NGO / institution, performing social services for the benefit of the society and excluding a registered trust/society/ NGO/institution/ Section 8 Company which is formed by the Company.
3. "Budget" shall mean the total budget as approved by the Board of the Company upon the recommendation of the CSR Committee, which is to be utilized for CSR Projects.
4. "Board" shall mean the Board of Directors of the Company.
5. "Company" shall mean Nath Bio-Genes (India) Limited., and wherever the context requires, shall signify the Company acting through its Board.
6. "CSR Annual Plan" shall mean the annual plan detailing the CSR projects and expenditure towards the respective projects during any financial year.
7. "CSR expenditure" means all CSR expenditure of the Company as approved by the Board upon recommendation of the CSR committee, including the following:
  - i. Contribution to CSR Projects which shall be implemented and/or executed by the Company;



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ii. Contribution to CSR Projects (including for corpus as required) which shall be implemented and/or executed by its Trust or Society; and  
iii. Contribution to CSR Projects (including for corpus as required) which shall be implemented and/or executed by an Agency. iv. Any other contributions covered under Schedule VII.

8. "CSR Projects" or "Projects" means Corporate Social Responsibility projects / activities programs / initiatives, instituted in India, either new or ongoing, and includes, but is not limited to those undertaken by the Board in pursuance of recommendations of the CSR Committee as per the declared CSR Policy of the Company.

9. Projects / activities / programs / initiatives undertaken in pursuance of normal course of business of the Company and projects which benefit only the employees of the Company and their families shall not be considered as CSR Projects.

10. "Financial Year" shall mean the period beginning from 1st April of every year to 31st March of the succeeding year.

11. "Ongoing Project" means a multi-year project undertaken by the Company in fulfillment of CSR obligations 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 the multi-year project but whose duration has been extended beyond one year by the Board based on reasonable justification.

12. "Rules" shall mean the Companies (Corporate Social Responsibility) Rules 2014, including any re-enactment, modifications or amendments thereof. Words and expressions used and not defined in the Policy shall have the same meanings respectively assigned to them in the Act and/or Rules.

#### **4. CSR Governance**

##### Role of CSR Function of the Company.

The CSR team of the Company shall comprise officials having appropriate/ adequate domain knowledge and experience. The role of CSR function will include undertaking, coordinating and review of all activities towards fulfilment of CSR obligations of the Company in terms of this Policy and shall include:

1. Identification of activities as per the laid down guidelines.
2. Preparation of action plan for every CSR project, as a whole and annual action plan.
3. Resource allocation.
4. Identify and propose engagement of implementing agencies, where necessary.
5. Monitor and review the CSR activities, as approved by the Board.
6. Recommend course correction in terms of activities or budget, as the need may arise based on periodic review of approved CSR projects.
7. Conduct and facilitate impact assessment of CSR projects, if required.
8. Ensure that all expenditure towards the programs are diligently documented.



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9. Ensure that any surplus generated out of the CSR activities shall not form part of the business profit of the Company and shall be dealt with as per the Act and Rules thereunder.

### **5. Board Responsibility for CSR**

The Board of Nath Bio-Genes (India) Limited will be responsible for:

The role of Board of Directors shall, inter alia, encompass the following:

1. Review and approve revision to the CSR Policy of the Company based on the recommendation of the CSR Committee.
2. Ensure fulfilment of CSR obligations of the Company as prescribed under Section 135 of the Act and Rules thereunder.
3. Ensure that minimum of 2% of average net profit (before tax) of the last three years is spent on CSR initiatives / activities undertaken by the Company.
4. Review and approve new CSR projects to be undertaken by the Company.
5. Review and approve budget, as may be proposed for CSR projects of the Company and review the CSR expenditure, every half year to ensure that the funds so disbursed have been utilised for the purposes and in the manner as approved by it.
6. Review and approve the annual action plan or any revision thereto, in pursuance of its CSR Policy, as may be recommended by the CSR Committee.
7. Ensure that the CSR activities are undertaken by the Company either itself or through any of the implementing agencies as defined under the Rules of the Act.
8. Monitoring the implementation of Ongoing Projects with reference to the approved timelines and year-wise allocation and make modifications, if any, for smooth implementation of the project within the overall permissible time period.
9. Review and approve the Annual Report on CSR. Objective of the Policy

### **6. Objective of the Policy**

Nath Bio-Genes (India) Limited CSR Policy intends to:

- Strive for economic development that positively impacts the society at large with minimal resource footprint.
- Embrace responsibility for the Company's actions and encourage a positive impact through its activities on hunger, poverty, malnutrition, environment, communities, stakeholders and the society.

### **7. Guiding Principles**



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With an endeavor to achieve our vision and fulfill our commitment to be a socially responsible corporate citizen, we shall keep in mind the following principles for CSR spending.

Strive to provide sanitation and drinking water thereby creating livelihoods for people, especially those from disadvantaged sections of society, in rural and urban areas;

- Be committed to promoting a healthy life for the communities at large and thereby reducing incidence of diseases;
- Strive towards promoting and encouraging quality education;
- Strive to promote nationally recognized sports and related activities;
- Strive to align its business interests with those of the society in general, thereby enhancing its corporate value;
- Strive towards developing self-reliance of beneficiaries, especially for women;
- Promote conservation of natural resources and use of renewable energy resources;
- Strive towards benefitting individuals in improving their employment prospects;
- Carry on its business in accordance with the principles of sustainability, balance and equity;
- Strive to enhance environmental and natural capital;
- To adopt appropriate solutions to make the CSR activities more effective, cost efficient and impactful.

### **8. CSR Projects**

The thrust of CSR shall be in the following areas, with special attention to the development of weaker/marginalized/under privileged/down trodden sections of the society including, women and children, old and aged, physically challenged persons including deaf and dumb etc.

a) To employ sustainable methods and assist social welfare groups so as to contribute to the eradication of extreme hunger and poverty.

b) Empowerment of Communities, inclusive of Socio-Economic growth

i) Women empowerment/ Livelihood generation center (Stitching & Embroidery training centers for women)

ii) Skill development/vocational training (For Men & Women)

c) Environment Protection

i) Afforestation/Social Forestry

ii) Rain water harvesting system and extending drinking water facility to identified villages/adopted villages.

- d) Upliftment of the Marginalized and Underprivileged Sections of the Society
- i) Education (Free literacy programmes at various centers in slum/backward areas)
  - ii) Aiding Institutions of Differently Abled/Disabled/ Handicapped persons
- e) Community Healthcare
- i) General / specialized Health camps
  - ii) Specialized Medical treatment for reducing child mortality and improving maternal health.
  - iii) Health Awareness camps (HIV/AIDS, Swine flu, General Health etc.)
- f) Such other activities as may be permitted under the laws.

The CSR activities shall be as per Schedule-VII (notified on 27.02.2014 by Ministry of Corporate Affairs) as part of the Companies Act, 2013. The CSR projects/activities shall be approved by CSR Committee of the Board and ratified by Board of Directors.

All the requests/applications from Villagers/Gram Sabha's / Panchayat / Ward Members/Associations/Trusts/Societies/Beneficiaries etc. shall be scrutinized and screened by CSR Committee and then their need assessment would be organized suitably.

The need of assessment/baseline survey shall be carried out through in house expertise and recourses. However, in case of specialized CSR projects/activities for which in-house capacity is not available, the baseline survey/need assessment shall be carried out by specialized agencies

#### *Other Activities*

- Promotion of Sports with special focus on training for rural sports, nationally recognized sports, Paralympic sports, Olympic sports.
- Welfare for differently disabled persons
- Setting up public libraries
- Reducing inequalities faced by the socially and economically backward groups
- Protection of national heritage, art, culture and handicraft; Restoration of Buildings & sites of historical importance & works of art.
- Welfare of armed forces personnel, war widows and their dependants.
- Disaster management, including relief, rehabilitation and reconstruction activities.

Such other activities as may be notified by the relevant Authority under Schedule VII of the Companies Act, 2013.

## **9. Location of CSR**



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The CSR committee will exercise the discretion to select location/s in any urban or rural geographical areas across India for its CSR initiatives through prioritisation based on: developmental needs, relevance of issues, feasibility of project/s, accessibility, ease of implementation, potential for acceptance and adoption of the initiative by local communities.

### **10. CSR Committee**

The CSR Committee of the Board of Directors comprises the following Members

Corporate Social Responsibility Committee

1. Mr. Vadla Nagabhushanam--Chairman
2. Mr. Madhukar Deshpande –Member
3. Mr. Satish Kagliwal-Member

The Board shall reconstitute the CSR Committee as and when required inter alia, to comply with the provisions of the Companies Act, 2013 and applicable statutory requirements.

### **11. Responsibilities of CSR Committee**

The responsibilities of the CSR Committee include:

- Formulate and update the CSR Policy to the Board of Directors for approval.
- Suggest areas of intervention to the Board of Escorts.
- Approve projects that are in line with the CSR Policy.
- Formulate, review and align monitoring mechanisms to track the progress of each project.
- Recommending the amount of expenditure for the CSR activities to the Board of Directors for approval.
- formulate and recommend to the Board, an annual action plan in pursuance of its CSR policy, which shall includes the modalities of utilisation of the CSR funds and implantation schedules for the projects or programmes, monitoring and reporting mechanism for the projects or programmes and details of need and impact assessment 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.

### **12. CSR Budget**

1. The Board of Company shall ensure that in each financial year, the Company spends at least 2% of the average net profit made during the immediate three preceding financial years.

2 The Company may collaborate or pool resources with other companies or organizations to undertake CSR activities.



3 The surplus arising out of the CSR projects or programs shall not form part of the business profit of the Company and shall be dealt with in accordance with the Companies (Corporate Social Responsibility) Rules, 2014 and as amended from time to time.

### **13. Implimentation Process**

The CSR Committee of the Company shall formulate and recommend to the Board, an “Annual Action Plan” with respect to the CSR projects or programmes that shall be undertaken by the Company during a financial year. The said Annual Action Plan shall include the following:.

- The list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Companies Act, 2013;
  - The manner of execution of such projects or programmes as specified in the Companies (Corporate Social Responsibility) Rules, 2014 and as amended from time to time;
  - The modalities of utilisation of funds and implementation schedules for the projects or programmes.
  - Monitoring and reporting mechanism for the projects or programmes; and details of need and impact assessment, if any, for the projects undertaken by the Company
1. The Company may enter into partnerships with the government, business partners and communities to create multiplier effect of its social projects.
  2. The mode of implementation of CSR programs will include a combination of direct implementation and implementation through partners such as NGOs, business partners, registered societies etc. registered under section 12A and 80 G of the Income Tax Act, 1961. The Company will select its partners after appropriate due diligence.

### **14. CSR Reporting and Monitoring**

#### Reporting

Impact assessment, if and when mandated, will be undertaken by an independent agency and such impact assessment report shall be placed before the Board and annexed to the annual report of CSR. The Company will communicate CSR related information including efforts, achievements etc. to stakeholders through The Annual Report on CSR Activities, which forms part of Company's Annual Report.

#### Monitoring

The planned outcomes will be regularly monitored by the in-house team, supported by experts, through a combination of on-site visits, local stakeholder discussions for feedback and suitable reporting documentation.

### **15. Amendments**

The Board of Directors, either on its own or as per the recommendations of CSR Committee, can amend this Policy, as and when required. The decision of the Board of



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Directors on all matters, relating to this Policy, shall be final and binding upon all concerned. This Policy is subject to continuous review and updates as required from time to time.

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