

Chintels India Private Limited (formerly known as Chintels India Limited)
Corporate Social Responsibility (CSR) Policy (amended as per the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021)
(Policy (revised) adopted by the Board in its meeting held on 09.02.2021)

Philosophy

All CSR activities shall be motivated by the primary endeavor to empower economically feeble and socially backward sections of society and to enhance their quality of life through education, skilling and employability, Chintels India Private Limited (“CIL”) shall ensure that all developmental activities/ initiatives that are undertaken shall be available to the most marginalized section of the society. These would include children, women, elderly and persons with disabilities. Our principal effort would be in the field of education, special education, health-sanitation, medicine-aid an-relief-work and skill development.

Regulatory Framework

The Companies Act, 2013 together with Rules notified thereunder (“the Act”) as amended from time to time read with Schedule VII of the Act provides a framework for the Companies to define the key thrust areas in the CSR space. The law also guides companies to apply the scope as defined under Schedule VII liberally. Further, the Act also provides instructions on agencies eligible for implementation through which companies can spend its CSR Expenditure.

As per rule 2(d) of the Companies (Corporate Social Responsibility Policy) Rules, 2021:

(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 in accordance with the provisions contained in these 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 –

- (a) such research and development activities shall be carried out in collaboration with any of the institutes or organisations mentioned in item (ix) of Schedule VII to the Act;
 - (b) details of such activity shall be disclosed separately in the Annual report on CSR included in the Board’s Report;
- (ii) 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;
- (iii) contribution of any amount directly or indirectly to any political party under section 182 of the Act;
- (iv) activities benefitting employees of the company as defined in clause (k) of section 2 of the Code on Wages, 2019 (29 of 2019);
- (v) activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services;
- (vi) activities carried out for fulfillment of any other statutory obligations under any law in force in India;

As per rule 2 (f) "**CSR Policy**" means a statement containing the approach and direction given by the board of a company, taking into account the recommendations of its CSR Committee, and includes guiding principles for selection, implementation and monitoring of activities as well as formulation of the annual action plan.

Criteria for applicability of provisions of CSR

As per the provisions of the Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, provisions of CSR is applicable to every companies, which fulfills any of the following criteria:

- having net worth of Rs. 500 Crores or more, **or**
- having turnover of Rs. 1000 Crores or more, **or**
- having a net profit of Rs. 5 Crores or more, during the immediately preceding financial year.

For the purposes of this section "average net profit" shall be calculated in accordance with the provisions of section 198, i.e.

- (a) credit shall be given for the sums specified in sub-section (2), and credit shall not be given for those specified in sub-section (3); and
- (b) the sums specified in sub-section (4) shall be deducted, and those specified in sub-section (5) shall not be deducted.

CSR Policy approval

Taking into the amendments notified by the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, the Board of Directors of the company has approved the this revised CSR Policy for the company and the details of contents of this CSR Policy will be disclosed in Board's report, in such manner as prescribed in CSR Rules and ensure that the activities as are included in CSR Policy of the company are undertaken by the company.

The Board of Directors of the company shall monitor the CSR Policy wherever required for amendments/ modifications/ changes, if any in the policy in accordance with the guidelines on the subject as may be issued from Government, from time to time and applicable on the company.

Objective

Corporate Social Responsibility essentially diktats taking collective responsibility and establishing social accountability. These values form the basic framework of CIL corporate ethics and facilitate in its endeavor to fulfill its obligations towards community. These corporate responsibility objectives shall be realized through various contributions and commitments to the society, while meeting the interests of the stakeholders in a responsible manner. The company endeavors to make CSR a key business process for sustainable development and create a sustained positive impact on society.

CSR activities implementation

As per amended Rule 4, the Board shall ensure that the CSR activities are undertaken by the company itself or through:

- i. Section 8 company/registered public trust/ registered society having registration u/s 12A and 80G of the Income Tax Act, 1961, established by the company either singly or along with other company **or**
- ii. Section 8 company/registered public trust/ registered society established by the Central or State Government **or**

- iii. Section 8 company/registered public trust/ registered society registered u/s 12A and 80G of the Income Tax Act, 1961 and having an established track record of at least three years in undertaking similar activities.

And which has registered itself with the Central Government by filing the **form CSR-1** electronically with the Registrar.

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 for CSR or 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 CSR rules.

The Board of 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.**

Key Thrust Areas

With the advent of the Companies Act 2013 particularly Section 135 of the Act, CIL shall undertake any of the following activities under its CSR programme:

1. Establish, develop, support and grant aid to institutions involved in providing Education/ Vocation/Skilling the marginalized youth, with the sole aim to groom them as future value creators.
2. Establish, develop, maintain and grant aid in cash or kind to hospitals, medical schools/ colleges, nursing institutions, dispensaries, maternity homes, child welfare centers and/or such other similar charitable institutions catering to the underprivileged section of our society.
3. Establish and support institutions for the disabled/ mentally challenged persons that provide education, food, clothing and life care to persons with disabilities in the community.
4. Grant medical aid and rehabilitate victims of natural calamities. Fund institutions engaged in relief work and provide financial assistance to organizations preparing communities in disaster management.
5. Print, publish, produce and distribute books, magazines, periodicals etc. or any other electronically generated media for the fulfillment of any of the purposes mentioned above.
6. Special focus on educating the girl child and the underprivileged by providing appropriate infrastructure, and groom them as future value creators.
7. Promoting gender equality, conduct studies/ research with a special focus on women from vulnerable sections, economically backward & those with disabilities, self help groups etc.
8. Protection and Restoration of national heritage and art and culture & making them accessible to all.
9. Contribution to the prime minister's national relief fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of minorities and women.
10. Sponsoring and supporting rural development project.
11. Encouraging employee participation to spend time volunteering on issues of social interest as an important step towards developing responsible citizenship.

The company shall give preference to the local area where it operates, but it can also extend its CSR activities throughout India, for spending the amount earmarked for Corporate Social Responsibility activities. The activities that benefit only the employees of the company and their families shall not be considered as CSR activities.

The Board of Directors are required to disclose the reasons if the amount allocated for CSR activities as per section 135 of the Act and rules framed thereunder is not spent during a financial year in the Board's Report.

As per Rule 7 of the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 any surplus arising out of the CSR activities shall not form part of business profits of the Company and shall be ploughed back into the same project or shall be transferred to the unspent CSR Account and spent in pursuance of CSR policy and annual action plan of the company as stated in Rule 7 of the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021.

Activity not permitted under Corporate Social Responsibility

(i) activities undertaken in pursuance of normal course of business of the company:

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- (a) such research and development activities shall be carried out in collaboration with any of the institutes or organisations mentioned in item (ix) of Schedule VII to the Act;
 - (b) details of such activity shall be disclosed separately in the Annual report on CSR included in the Board's Report;
- (ii) 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;
- (iii) contribution of any amount directly or indirectly to any political party under section 182 of the Act;
- (iv) activities benefitting employees of the company as defined in clause (k) of section 2 of the Code on Wages, 2019 (29 of 2019);
- (v) activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services;
- (vi) activities carried out for fulfilment of any other statutory obligations under any law in force in India;

Evaluation of implemented policy

A progress report on all the projects shall be evaluated by the Board.

CSR Expenditure

As per section 135(5), the Board of the company shall ensure that the company spend at least 2% (two per cent) of its average net profits made during the three immediately preceding financial years in pursuance of CSR Policy, whenever its apply as per above said section.

if the company fails to spend such amount, the Board shall, in its report specify the reasons for not spending the amount and, if the unspent amount relates to any ongoing project, transfer such unspent amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.

Provided also that if the company spends an amount in excess of the requirements, such company may set off such excess amount against the requirement to spend for such number of succeeding financial years and in such manner, as may be prescribed.

a) CSR expenditure will include all amounts incurred /contributed by the Company towards its CSR Programs.

- b) The overall amount to be committed towards CSR will be approved by the Board of Directors.
- c) Allocation towards specific CSR initiatives/projects will be approved/ratified by the CSR committee
- d) Surplus arising out of CSR Projects, if any, shall be used for CSR Programs alone.

Disclosure of CSR Policy and CSR Activities in Board Report

As per section 135 of the Act read with rules made there under, the Board's Report of the company shall disclose an annual report on CSR containing particulars as prescribed in the Companies (Corporate Social Responsibility) Rules as amended from time to time.

As per section 135(4), the Board shall disclose the contents of CSR policy in Board's Report and the same shall be displayed on the **company's website, if any.**

Display of CSR Activities on company's website

As per rule 9, the Board of Directors of the Company shall **mandatorily disclose the composition of the CSR Committee, (if applicable) and CSR Policy and Projects approved** by the Board on Company's website for public access.

Transfer of unspent CSR amount

Until a fund is specified in Schedule VII for the purposes of subsection (5) and(6) of section 135 of the Act, the unspent CSR amount, if any, shall be transferred by the company to any fund included in schedule VII of the Act.

Removal of difficulty

In case of any doubt with regard to any provision of the policy a reference to be made to the Board of Directors of the Company. In all such matters, the interpretation and decision of the Board of Directors shall be final.

