



Greaves Cotton Limited

## CSR Policy

### 1. CONCEPT:

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

Greaves CSR Policy encompasses Greaves Cotton Limited's (Greaves) 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 will be effective 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.

**Greaves Cotton Limited**

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### 3. CSR ACTIVITIES:

Greaves will undertake CSR projects related to the list of activities prescribed under Schedule VII of the Companies, Act, 2013 as amended from time to time:

- i. Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation and making available safe drinking water;
- ii. Promoting education, including 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. 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;
- 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 arts and handicrafts;
- vi. Measures for the benefit of armed forces veterans, war widows and their dependents;
- vii. Training to promote rural sports, nationally recognised sports, Paralympic sports and Olympic sports;
- viii. Contribution to the Prime Minister's National Relief Fund or any other funds set up by the Central Government for socio-economic development and relief and welfare of the Schedule Castes, the Scheduled Tribes, other backward classes, minorities and women;
- ix. Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
- x. Rural development projects;
- xi. Any other CSR programmes as may be included by the Central Government in Schedule VII of the Companies, Act, 2013 from time to time;

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- xii. Such other projects which, in view of the Board of Directors, are within the scope of CSR activities prescribed by the Central Government from time to time.

#### 4. TOTAL OUTLAY

CSR expenditure shall include all expenditure, including contribution to corpus, on the CSR proposals approved by the Board of Directors. As mandated by the Companies Act, 2013, Greaves will spend at least 2% of the average Net Profits made during the three immediately preceding financial years calculated in accordance with the manner prescribed by the Companies Act, 2013 read with the relevant Rules, as amended from time to time. The expenditure on building CSR capabilities will be limited to 5% of the total CSR expenditure in one financial year.

Surplus arising out of the CSR activities shall not be considered as a part of the business profits.

#### 5. IMPLEMENTATION:

The Board of Directors of Greaves will ensure that:

- the activities as are included in Greaves CSR Policy are undertaken by the Company;
- 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 Apex Business Committee comprising the MD, CFO, CEO Product & AM Business, COO - Operations will implement the CSR programmes as under:

- a. Identify CSR Projects / Programme to be taken up in a financial year giving preference to the local areas around factories / offices;
- b. The proposal for CSR activities, as identified by the Apex Business Committee, will be evaluated by the Corporate Responsibility and Strategy Committee (Committee);
- c. The Committee will recommend the proposal to the Board of Directors together with the quantum of the CSR expenditure to be incurred for a financial year;
- d. Board of Directors of Greaves, after taking in to account the recommendation made by the Committee, will approve the proposal and the expenditure for CSR programme for a financial year;

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- e. The proposal may be implemented directly (through the help of employees or direct contribution) or through implementing partners, executing agencies which include registered trusts, societies, NGOs having an established track record of at least 3 years in carrying out the specific proposal. Greaves shall specify the activities / programmes to be undertaken and the modalities of utilisation of the allocated funds;
- f. The proposal may be implemented in collaboration with other companies provided the CSR Committees of the respective companies are in a position to report separately on such activities / programmes.

## 6. MONITORING:

To ensure effective implementation of the CSR programmes undertaken, a centralised monitoring mechanism will be set up under the guidance of the Apex Business Committee.

The progress of CSR activities under implementation will be reported to the Committee, through the Company Secretary of Greaves, on a monthly / quarterly / periodic basis.

The Committee will have periodical inspection / investigations carried out through independent professionals, especially for high value programmes.

The Committee may, independently, obtain feedback from the beneficiaries about the CSR programmes.

## 7. GENERAL:

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.

Any or all provisions of the Greaves CSR Policy will be subject to revision / amendment in accordance with the amendments in the Companies Act, 2013 or Companies (Corporate Social Responsibility Policy) Rules, 2014 from time to time.

Greaves reserves the right to amend, modify, cancel, add, or alter any provisions of this Policy subject to approval of the Board.

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