

**CORPORATE SOCIAL RESPONSIBILITY POLICY**  
**OF**  
**GREENLAM INDUSTRIES LIMITED**

**FRAMED UNDER SECTION 135(3) (a) OF THE COMPANIES ACT, 2013**

**I. INTERPRETATION**

For the purposes of this Policy references to the following shall be construed as:

1. “Authorised Person” shall mean the officer of the Company heading the CSR function of the Company by whatever name called or any other person as may be authorised by the CSR Committee (defined hereinbelow) who shall be responsible for carrying out execution of CSR Projects of the Company.
2. “Corporate Social Responsibility” or “CSR” shall mean the activities intended to be taken up as mentioned herein.
3. “Corporate Social Responsibility Committee” or “CSR Committee” shall mean a Committee constituted by the Board of Directors as per the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014.
4. “CSR Policy” shall mean the contents herein including any amendments made by the board of directors of the Company.
5. “Net Profits” shall mean the net profit before tax of the Company as per its financial statement prepared in accordance with the applicable provisions of the Companies Act, 2013, but shall not include the following, namely :-
  - a. any profit arising from any overseas branch or branches of the Company, whether operated as a separate company or otherwise; and
  - b. any dividend received from other companies in India, which are covered under and complying with the provisions of section 135 of the Companies Act, 2013.

6. “Priority Projects” shall mean such CSR projects which are selected by the CSR Committee to be pursued by the Company within the territory of India.
7. “Total CSR Spend” shall mean [2% or higher percentage as may be decided] of the average Net Profits of the last three financial years in relation to the financial year in question.

## **II. GUIDING PRINCIPLES**

Greenlam Industries Limited (hereinafter called “the Company”) and its people are committed to society, ecology and environment. The Company also realises that caring for the society, country and the planet is not philanthropy or generosity– it is the very way of doing sustainable business. The Company realises that the Company is not being generous by following the CSR Policy - it is only being relevant and meaningful to the society of which we are a corporate citizen.

**Vision:** The CSR Committee’s Vision is “improving lives in pursuit of collective development and environmental sustainability”. This vision should encompass all CSR activities of the Company.

**Mission:** The CSR Committee’s Mission is primarily to pursue initiatives directed towards enhancing welfare measures of the society based on long term social and environmental consequences of the CSR activities. Within the above mission, the CSR Committee will choose Priority Projects from time to time.

The objective of this Policy is not only to guide the Company and its people to indulge in social activities but also to integrate the business processes with social processes. The Company believes that CSR Policy is the Company’s faith in socially inclusive and sustainable business as the way of doing business.

## **III. GENERAL POLICIES**

The Company recognises that good CSR embraces all aspects of sustainable development and the way the Company affects people through its business operations. The Company recognises that CSR is not all about spending – it is orientation of the Company and its people to larger social causes. The Company encourages its people to contribute to its CSR efforts in every possible way.

The policies to be pursued by the CSR Committee are as follows:

**General business policies:**

1. The Company realises that one of most important parameters for a socially responsible corporate citizen is to carry business in accordance with principles of sustainability, balance and equity. The Company will always strive to align its business interests with those of the society in general, ecology and environment. The Company further encourages any stakeholder or any member of the public to make thoughtful suggestions, addressed to Chairperson of the CSR Committee, for sustainable business practices.
2. The Company shall strive to enhance corporate value while achieving a stable and long-term growth for the benefit of stakeholders.
3. The Company respects and honours the human rights of people involved in its business and, in particular, does not use or tolerate any form of forced or child labour.

**CSR Projects:**

1. The Company will encourage voluntary efforts of its directors and employees to CSR Projects. The Company also encourages its directors and employees to recommend to the CSR Committee meaningful projects in accordance with the Guiding Principles that may be taken up by the Company, under the supervision of the CSR Committee.
2. In addition to Projects that may be taken up by the Company directly, the Company may also collaborate with other companies or entities, including its group companies, to carry out any CSR Projects, in accordance with this Policy.
3. The investment in CSR projects shall be project-based with specific timeframes.
4. As far as possible, the Company shall strive to create self-sustainability in its CSR efforts, that is to say, over a long run, a CSR Project should be able to generate sufficient resources, whether by way of profits or by way of a regular flow of contributions, so that it does not have to depend on the Company's contribution on a regular basis.
5. The progress of all CSR Projects, including the spending thereon, shall be periodically reviewed by the CSR Committee.

### **Manner of selection and execution of CSR Projects:**

1. A CSR Project may be selected by the CSR Committee, either based on its own discretion (with or without expert view), or based on recommendations by any stakeholder as mentioned above. The CSR Committee will accord priority to projects in the areas covered by Priority Projects.
2. The CSR Committee, after identifying and approving a CSR Project, may fix a target spending, and direct the Authorised Person to carry out the execution thereof.
3. The CSR Committee shall periodically monitor and evaluate the performance of the Projects and the achievement of targets.

### **Priority Projects**

The Company has currently identified the following Priority Projects to be undertaken by the CSR Committee–

1. Promoting education including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects
2. Promoting health care including preventive health care and sanitation and making available safe drinking water
3. Promoting gender equality, empowering women, setting-up homes and hostels for women and orphans

Notwithstanding the listing of the Priority Projects, the CSR Committee may, at its discretion, accept CSR Projects falling within the activities listed out in Schedule VII to the Companies Act, 2013 and any amendment thereto.

### **Carrying out of CSR Projects through external agencies**

In case the CSR Committee decides to execute a CSR Project through an external agency, such as a registered trust, society or NGO (“Agency”), it would adhere to the following guiding principles:

1. The Agency must be eligible for carrying the CSR Project, and must have track record in carrying similar project for a period to the satisfaction of the Committee, but not less

than 3 years. Subject to the above, any director of the Company may be associated/affiliated as a trustee, governing body member or in any other manner with the Agency, provided that no personal benefit, directly or indirectly, should flow from such Agency to any such director.

2. The Committee shall provide specific Project agenda, targets, target spending, accomplishments, manner of execution etc. to the Agency, subject to discussions with the Agency.
3. The disbursement of funds to the Agency must be done on a progressive basis so as to align with the funding needs of the Project, and to permit the evaluation of the activity carried so far.
4. The Agency must provide periodically reports, to the satisfaction of the Committee, about execution of the Project.

### **CSR Expenditure**

1. CSR spending shall include spending in kind, that is, application of any of the assets or properties of the Company to a CSR project/program, to the extent permitted under applicable law. Where any such property or asset is so utilized by the Company, the lower of its fair value or WDV shall be treated as the monetary amount of the spending.
2. The Company shall, in each financial year, spend a minimum amount of 2% of the average net profits made during three immediately preceding financial years or such higher amount as may be recommended by the CSR Committee and approved by the Board of Directors of the Company.
3. Any direct and/or indirect expenses incurred by the Company in accordance to this Policy for projects or programs relating to CSR activities shall construe as CSR Expenditure.
4. In any financial year, if the Company is unable to spend 2% of its average net profits, the Company may carry forward the unspent amount to next financial year, which shall be over and above the minimum allocation for CSR expenditure for that financial year.
5. Any amount spent exceeding the minimum allocation of a financial year shall not be carried forward to the subsequent years to adjust against CSR expenditure of that financial year, unless permitted under applicable law.
6. The CSR Committee would be authorized for sanctioning the amount for any specific activity/initiative within the overall approved ceiling limit and/or to delegate authority

from time to time to the Authorised Person to allocate amount for any such specific activity within the approved ceiling limit.

### **CSR Implementation**

1. The Company, along with pursuing CSR projects at its own, will also authorise a person being a whole time employees of the Company, who, in addition to his regular duties, will come forward to contribute to the Company in its CSR initiatives.
2. The Authorised Person would be actively involved in implementation of projects in accordance with the Guiding Principles and General Policies as consented by the CSR Committee.
3. The Authorised Person may work singly or in partnership with any eligible trust(s), NGO(s) or other organisation(s) as approved by the CSR Committee.

### **IV. MONITORING AND EVALUATION**

1. The Committee shall periodically seek financial statements and reports from the Authorised Person.
2. The Committee shall discuss the progress of each project undertaken and make any decision with respect to the project which it thinks fit.
3. Where, after the adoption of this Policy by the Board of the Company, the Committee requires further funds for undertaking any new CSR project, the Committee shall request the Board of the Company to approve such higher amount.
4. Where there is any surplus lying in the "Expenditure for CSR Account" (which need not be a separate fund, but merely an accounting reserve), the same shall not be considered a part of the business profits of the Company. Such surplus may be carried forward to the next financial year.
5. In case of any failure to spend the allocated amount or failure to meet the timeline for execution of its projects, the CSR Committee shall furnish to the Board the reasons for the same from time to time after obtaining relevant details from the Authorised Person.
6. The Board will review the Policy from time to time based on changing requirements of the target beneficiaries and make such modification(s), as may be necessary.
7. The Policy shall be uploaded on the website of the Company.

Place: New Delhi

Date: 15.03.2016

**For Greenlam Industries Limited**

**Sd/- Saurabh Mittal**

**Chairman, CSR Committee**