



# Indo Count Industries Limited

CORPORATE SOCIAL RESPONSIBILITY POLICY (CSR POLICY)

## **1. PREFACE:**

1.1 Pursuant to the requirements spelt out in Section 135 of the Companies Act, 2013 (“the Act”) and the Companies (Corporate Social Responsibility Policy) Rules, 2014 (“CSR Rules”) issued by the Ministry of Corporate Affairs (“MCA”), Indo Count Industries Limited (“the Company”) has formulated this Corporate Social Responsibility (CSR) Policy.

1.2 The CSR policy of the Company encompasses its philosophy as a corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programs for welfare & sustainable development of the community at large.

1.3 This policy shall apply to all CSR activities taken up by the Company for the benefit of different segments of the society.

The Company intends to be a significant contributor for improvement of society and in the space of CSR by devising and implementing social improvement projects for the benefit of underprivileged communities, Cities and Villages. Keeping in view the larger SDGs the company intends to make special efforts in the areas of Environment and Sustainability as we believe that healthier the society and environment, better it is for business to grow.

While we grow, we shall continue to nurture a vibrant culture of volunteering in our aspiration to leverage our managerial & technological competencies for CSR. In this Endeavour we shall strive to bring innovation in our CSR initiatives and optimize their effectiveness while seeking to create a measurable impact of our CSR activities on the Society and Environment.

## **2. VISION & MISSION:**

The key philosophy that drives our Corporate Social Responsibility (CSR) initiatives is guided by our belief that “**Every Smile Counts.**”. This legacy will continue to thrive our CSR and we intend to exist by contributing meaningfully towards developing a caring society.

### **Our Vision:**

Improve the quality of Life of Communities and create a positive impact on Environment through interventions in the areas of Socio Economic development, Education, Health and Sustainability.

### **Our Mission:**

We aim to work with communities with an inclusive and integrated approach in which everyone can realize their full potential of development and growth, as an Individual/Group/Community/Society. Our mission therefore is to help create a healthy and caring society capable of contributing towards greater good for everyone.

### 3. CSR STRATEGY

The Company's guiding principles for the selection, implementation and monitoring of the activities as well as the formulation of the annual action plan are enumerated below.

The Company would endeavor to adopt an integrated approach to address mainly the local community concerns by taking up range of CSR activities under the following heads synergetic to the broader areas as specified in Schedule VII of Companies Act, 2013 as amended from time to time.

- a. **Education**
- b. **Healthcare**
- c. **Rural Development**
- d. **Agricultural and livelihood improvement Initiatives**
- e. **Women's Empowerment**
- f. **Water and Sanitation**
- g. **Environmental Initiatives**
- h. **Disaster Relief Activities**

The Company will follow multipronged strategy for CSR Implementation suiting to various emerging needs/requirements. In order to leverage the demographic dividend of our country, Company's CSR efforts shall focus on interventions for relevant target groups, ensuring diversity and giving preference to needy and deserving communities. However, the Company will focus on the following strategies to enhance the standards of its CSR operations.

1. To concentrate on CSR Programs mainly around local communities where our factories or our Office Establishments are located
2. To focus primarily on Education, Healthcare, Cotton sustainability and farmers livelihood and Environment as key areas for Impact but this should not limit the scope of interventions in other areas specified in Schedule-VII of the Companies Act, 2013 and as amended from time to time.
3. To implement the CSR programs primarily through Indo Count Foundation and other need based partnership with like-minded organizations.
4. Priority of short term partnership will be 3 years (Ongoing Projects as per provisions of Companies (CSR Rules), 2015).
5. CSR essentially should be able to create good goodwill and brand for the Company as it is an opportunity for giving back to society. With strategic investment of resources and a combination of Short duration high impact program along with long term strategic program will be balanced according to emerging needs of situation and various other priorities.
6. Employee volunteering will be promoted in CSR and this will add value in program implementation on one side, on the other Employees can feel motivated by contributing towards social causes.
7. The Company shall adopt a monitoring mechanism that can primarily strengthen the effective implementation of the established initiatives and also redesign implementation strategies, if required, to best achieve the targeted goal.

8. Depending upon CSR expenditure, the multi-year /ongoing project will be identified for a period not exceeding 3 years.

#### **4. CSR ACTIVITIES**

The Company shall undertake CSR activities primarily through its own trust "Indo Count Foundation" and also in collaboration with other associations/ trusts/NGO.

#### **5. PROHIBITED ACTIVITIES UNDER CSR & EXCLUSIONS**

The Company will abstain from carrying out the following activities under CSR that may create dissatisfaction in any section of the Society:

- I. Activities concerned with religion like construction of temple/mosque etc.
- II. Activities disturbing social harmony in any manner.
- III. Activities exclusively for the benefit of employees of the company or their family members.
- IV. Such other activities as may be prohibited by Central Government / Ministry of Corporate Affairs from time to time.

The CSR activities of the Companies will not include the activities undertaken in pursuance of normal course of business of the Company. Any contribution directly or indirectly to any political party or any religious groups will not be considered as CSR activity.

#### **6. IMPLEMENTATION PROCESS**

Identification of CSR activities will be undertaken through need based assessment (both internal and external) by Indo Count Foundation (ICF). The preferable process of CSR project implementation will be as under:

1. Need Assessment exercise/ Survey and creation of Baseline
2. Project Formulation, design, Strategy and Action Planning
3. Project Execution with approved time frame and cost frame
4. Monitoring at specific intervals and reviews
5. Reporting
6. Evaluation and Impact Assessment

The duration over which a particular CSR project will be spreading would depend on its nature, extent of coverage and the intended impact of the project.

#### **7. GOVERNANCE STRUCTURE**

7.1 Pursuant to the provisions of Section 135 of the Act, the Company shall have a CSR committee comprising of some Independent & Whole-time directors constituted by the Board of Directors

of the Company. The composition of CSR Committee shall be as per provisions of Section 135 of the Act and rules made thereunder.

7.2 The CSR Committee shall –

(a) formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company in areas or subject, specified in Schedule VII in the Act;

(b) recommend the amount of expenditure to be incurred on the activities referred to in clause (a) and

(c) monitor the Corporate Social Responsibility Policy of the company from time to time.

7.3 The Board of Directors of the Company shall –

(a) after taking into account the recommendations made by the Corporate Social Responsibility Committee, approve the Corporate Social Responsibility Policy for the company; and

(b) ensure that the activities as are included in Corporate Social Responsibility Policy of the company are undertaken by the company.

7.4 Company will prepare an annual plan for CSR activities as per this policy & CSR expenditure for each year and will place the same before the CSR Committee for recommendation and approval by the Board of Directors of the Company.

7.5 Budget allocation for CSR Activities:

Every year, upon the recommendation of the CSR Committee, the Board will make a budgetary allocation for CSR activities/projects for the year. The budgetary allocation will be based on the CSR obligation of the Company for that financial year arrived in the manner provided under the Act.

The Company shall strive to spend the budgeted amount allocated for CSR activities/projects planned for each financial year, within that year. If for any reason, any of the provisioned annual budget remains unutilized, the same will not lapse and will be treated in the following manner:

a. In case of an Ongoing Project, the unspent amount shall be transferred to an account i.e., 'Unspent CSR Account' within 30 days of the end of the financial year, or within such other period as may be specified in the Act or CSR Rules from time to time, and such sum shall be spent during the next three financial years from the date of transfer, in the manner prescribed under the Act read with CSR Rules, failing which, the Company shall treat the unspent amount in the manner prescribed under the Act read with CSR Rules.

b. In case of activities/projects other than Ongoing Project, the same shall be transferred to funds specified in Schedule VII of the Act, or any such other fund(s) as may be specified under the Act or CSR Rules, within 6 months of the close of the financial year or within such other time as may be specified from time to time.

Any surplus arising out of the CSR activities, projects, or programs shall not form part of the business profits of the Company and shall be treated in the following manner:

(i) ploughed back into the same project; or

- (ii) shall be transferred to the Unspent CSR Account (if any) opened by the Company, from which the said amount shall be spent in pursuance of CSR policy and annual action plan of the Company; or
- (iii) such surplus will be transferred to a Fund specified in Schedule VII of the Act, within six months of the expiry of the financial year.

The Board may during any financial year, approve to undertake CSR expenditure beyond the CSR obligation for that particular financial year. Such excess CSR spend shall be carried forward for set off against the CSR obligation of the Company for the next three consecutive financial years in the manner decided by the Board in compliance with the provisions of the Act and the Rules.

7.6 The Board shall ensure that the Administrative Overheads shall not exceed such a percentage of the total CSR expenditure of the Company as prescribed and notified in the Act read with CSR Rules.

## **8. MONITORING AND EVALUATION**

Indo Count Foundation shall monitor the CSR projects on regular basis including the field visits and monitoring of progress as per the Annual Action Plan. The updates on CSR activities will be provided to CSR committee and Board at regular intervals. The impact of the CSR activities may be quantified to the extent possible and measurable indices with respect to program impact would be defined and accordingly will be monitored for progress. Field level activities and output would be monitored and reviewed on a monthly basis against the planned targets at Field Level. At Corporate level, there will be a quarterly review of all CSR activities and based on feedback mid-course correction can be done in program Implementation.

There will be an Annual Review of Entire CSR Activities at Corporate level against the Annual CSR Action Plan in which all the relevant partners and implementation team will participate and present their achievements, learning keeping in mind the Impact or results/outcome created against the baseline.

As per provisions of the CSR act guidelines and related amendments, the company may engage the third party expert organization for external evaluation of Impact, if required.

## **9. CSR CORPUS**

CSR Corpus every year shall be as per provisions of the Act and rules framed thereunder.

## **10. GENERAL**

10.1. The surplus, if any arising out of the CSR projects or programs or activities shall not form part of the business profits of the Company;

10.2 In case of any doubt with regard to any provision of the policy and also in respect of matters not covered herein, a reference to be made to the CSR Committee. In all such matters, the decision

of the CSR Committee shall be final.

10.3 CSR policy may be modified, from time to time, by the Board of Directors of the Company on the recommendation of the CSR Committee.

## **11. COMMUNICATION AND REPORTING**

CSR program details would be communicated in the public domain or on website of the Company as per the requirements of provisions of Section 135 of the Companies Act, 2013 read with rules thereunder.