




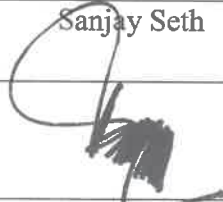
**Proterial (India) Private Limited**

Name of the Policy: <b>Corporate Social Responsibility (CSR)</b>			
Revision: 1		Date: 05 <sup>th</sup> January, 2023	
Policy No.	PRI/ HR_CSR/01/05-01-2023	Page: 1 of 8	

**Policy to be effective from 5<sup>th</sup> January 2023**

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**Revision Record**

Rev. Ltr	Date	Item No.	Description	Checked	Approved
Revision 1		1	Company Name Changed		
		2	Policy No. Changed		

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**CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY****I. INTRODUCTION****a) Concept of CSR:**

For Proterial (India) Private Limited [*Formerly known as Hitachi Metals (India) Private Limited*], Corporate Social responsibility (CSR) is an idea that a business should not only pursue profits but also address the requests from various stakeholders such as customers, shareholders, employees, and society so as to make continuous contributions to the development of both its corporate activities and society.

CSR activities mainly refer to:

- 1) Proactive activities with the aim of promoting the healthy development of society and themselves.
- 2) Fulfilling responsibility towards internal and external stakeholders in order to make positive contributions to society.

**b) Applicability:**

The CSR Policy has been drafted in line with Section 135 of the Companies Act 2013 ("**Act**"). The CSR Policy shall apply to all projects/ programs undertaken by the Company as allowed by Schedule VII of the Act.

**c) Purpose/Objectives:**

It is about organization going beyond the minimum legal requirements and obligations stemming from statutory acts in order to address social needs.

The objective of this CSR Policy is to:

- 1) To contribute on continuing basis to become more responsible towards the society for the social, environmental and economic impacts.
- 2) Outline projects, programs and activities to be undertaken by Lok;
- 3) Specify the modalities of execution of such projects, programs and activities;
- 4) Monitor the process to be followed for such projects, programs and activities;
- 5) Directly or indirectly take up programs that benefit the communities in and around its work centers and results, over a period of time, in enhancing the quality of life and economic well-being of the local populace; and
- 6) Generate community goodwill Lok and help reinforce a positive and socially responsible image, through our CSR Activities.

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**d) CSR Committee and responsibility:**

The CSR Committee has been constituted in accordance with the provisions of the Act. The Board of Directors shall be empowered to take decision for making or effecting changes in the constitution of the CSR Committee.

The CSR Committee may invite other experts/ invitees as per its requirements.

The CSR Committee shall be responsible for:

- 1) Formulating the CSR Policy, including the CSR Activities and their budgets as well as recommendation of any subsequent change/ modification to the CSR Committee;
- 2) Recommending the amount of expenditure for the CSR activities;
- 3) Institute an implementation and monitoring mechanism for CSR Activities;
- 4) Periodically updating the Board on the progress being made in the planned CSR Activities;
- 5) Providing a responsibility statement in the Board's report;
- 6) Formulate and recommend to the Board, an Annual Action Plan in pursuance of the CSR policy, containing such matters as prescribed in the Act or the CSR Rules;
- 7) Appoint an external third party to monitor / review / audit the progress (financial and programmatic) of the CSR projects, as and when required.

The Committee shall calculate the total fund for the CSR activities and recommend to the Board for approval. The Board shall approve the total fund to be utilized for CSR activity for the respective financial year. The CSR Committee shall ensure that the administrative overheads shall not exceed 5% of total CSR expenditure of the Company for the financial year.

**II. CORPORATE PHILOSOPHY****a) Policy:**

The CSR policy encompasses the company's philosophy for delineating its responsibility as a corporate citizen and lays down the guidelines and mechanism for undertaking a wide range of socially useful programs covering a broad spectrum of complex issues for welfare & sustainable development of the community at large. The CSR policy has been formulated in accordance with Section 135 of the Companies Act, 2013, rules made thereunder and the relevant amendments/ notifications/ circulars as and when issued. The CSR policy shall apply to all CSR programs/activities undertaken by the Company either directly or through any implementing agency.



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**b) Areas of CSR activities:**

The areas which company shall focus have been formulated as per the Guidelines on Corporate Social Responsibility (CSR) which is governed by Section 135 of the Companies Act, 2013. The CSR policy shall apply to all CSR programs/activities undertaken by the Company either directly or through any implementing agency.

The following are the Guiding Principles for Selection of CSR Activities:

- 1) Projects should be designed according to intended impact on the society along with clear objectives and planned outcomes
- 2) Projects should be need-based, keeping local issues into consideration
- 3) The activities should preferably be focused in geographical areas near work centers.

**Projects/Programs:** Related to activities specified in Schedule VII of the Act:

- (1) Eradicating hunger, poverty, malnutrition, promoting preventive healthcare and sanitation and making available safe drinking water.
- (2) Promoting education, including special education and employment enhancing vocational skills especially among children, women, elderly and differently abled and livelihood enhancement projects
- (3) Promoting gender equality, empowering women, setting-up hostels for women and orphans, old age home, day care centers and such other facilities for senior citizen and measures for reducing inequalities faced by socially and economically backward groups.
- (4) Ensuring environmental sustainability, ecological balance, protection of flora & fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air & water.
- (5) 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.
- (6) Measures for the benefits of armed forces veterans, war widows and their dependents.
- (7) Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic.
- (8) Contribution to the Prime Minister National Relief Fund and any other fund set up by the central government for socioeconomic development and relief and welfare of the scheduled caste and scheduled tribes and other backward classes, minorities and women.
- (9) Contribution or funds provided to technology incubators located within academic institutions which are approved by the central government.
- (10) Rural development projects.

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**c) Powers for approval:**

- 1) CSR programs as identified will be considered by the CSR Committee in each financial year. Requisite Annual Action plan for the implementation of such identified CSR program will be developed by CSR committee.
- 2) For meeting the requirements arising out of immediate and urgent situations, the Managing Director or such other Director as authorised by the Board shall be authorized to approve proposals in terms of the empowerment accorded to him by the CSR Committee.

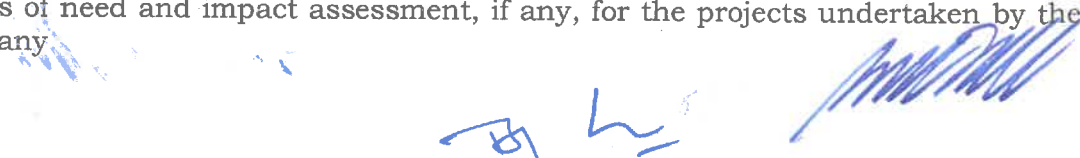
**III. EXCLUSIONS**

Following activities shall be excluded from the CSR expenditure of the Company:

- 1) Activities which are exclusively for the benefit of employees of the Company as defined in clause (k) of section 2 of the Code on Wages, 2019;
- 2) Activities undertaken in pursuance of normal course of business of the Company;
- 3) Direct or indirect contribution to Political Parties under Section 182 of the Companies Act, 2013;
- 4) Expenditure on item/s not in conformity with Schedule VII of the Companies Act 2013;
- 5) Surplus arising out of CSR projects shall not form part of the business profits of Company instead the same will be further used for CSR purposes only.
- 6) 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;
- 7) activities supported by the Company on sponsorship basis for deriving marketing benefits for its products or services;
- 8) activities carried out for fulfillment of any other statutory obligations under any law in force in India;

**IV. ANNUAL ACTION PLAN**

The Company shall prepare an Annual Action plan to identify the activities and the CSR expenditure to be spent during the year which shall include the details as mentioned below:

- 1) List of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
  - 2) Manner of execution of such projects or programmes;
  - 3) Modalities of utilisation of funds and implementation schedules for the projects or programmes;
  - 4) Monitoring and reporting mechanism for the projects or programmes; and
  - 5) Details of need and impact assessment, if any, for the projects undertaken by the Company
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The CSR Committee shall formulate and recommend to the Board, an annual action plan (beginning with the Financial Year 2021-22) for each financial year in pursuance of its CSR policy.

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.

The Guiding Principles required to formulate the Annual Action Plan are as follows:

- 1) CSR programs shall not include activities as restricted under the amended Companies (CSR Policy) Rules.
- 2) The preference for CSR programs is to be given by the Company to local areas and areas around its operations.
- 3) The CSR activities will be carried out directly or through implementation agency.
- 4) Annual Action Plan shall be simple, action oriented, measurable, relevant and time bound.

**V. IMPLEMENTATION****a) General Points for implementation:**

- 1) The Board shall be responsible for implementing the mandate of the CSR Policy and shall ensure that the CSR Activities are carried out in accordance with the CSR Policy read with the Act and CSR Rules (including amendment thereof) and the Annual Action Plan approved by the Board of Directors of the Company.
- 2) CSR programs will be undertaken to the best possible extent within the defined ambit of the identified Thrust Area.
- 3) The time period/duration over which a particular program will be over, will depend on its nature, extent of coverage and the intended impact of the program.
- 4) CSR spent will be in accordance with the Income-tax Act, 1961 as may be notified by Central Board of Direct Taxes (CBDT).

**b) Executing Partners/Agencies:**

The Company can either directly or through an implementation agency as allowed under the Act will undertake the CSR activities. While making the expenditure through implementation agency, the Company will check their credibility, knowledge and domain expertise in the CSR activities.

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Further, the Company along with the eligibility criteria for the implementation agencies prescribed in the act will consider charitable organizations that meet the following eligibility criteria (as amended and adopted by the Company from time to time) for its CSR activities:

- 1) Charitable contributions must benefit vulnerable/disadvantaged communities in the Company's operational areas (present or prospective);
- 2) Potential grantees should be charitable organizations with existing programs that benefit communities;
- 3) Grantees/donees can also be government schools with children from less privileged communities, contribution to the Prime Minister's National Relief Fund or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women and
- 4) Contributions to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government.

The Company while collaborating with any implementation agency for undertaking projects or programs or CSR activities will ensure that is in a position to report separately on each CSR projects or programs.

**VI. MONITORING & REPORTING**

1. Unless dissolved, the CSR committee members shall periodically review the financial and programmatic progress of CSR projects.
2. The CSR committee members shall be empowered to appoint an external third party to monitor / review / audit the progress (financial and programmatic) of the CSR projects.
3. In the event any of the CSR Activities are undertaken through an Implementing Agency, the Implementation Group should obtain relevant information from the Implementing Agency and ensure that the progress on such CSR activity is submitted to the Board as well the CSR Committee, in such manner as the CSR Committee may direct.
4. For the purposes of monitoring, the Implementation Group may visit the Implementation Agency site to review CSR project and carry out inspections as recommended by the CSR Committee from time to time.
5. Upon receipt of such progress report by the Implementation Group, the CSR Committee may review and deliberate upon such reports and provide such inputs or recommendations, as it may deem necessary, to the Board.

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6. The Board of Directors of the Company shall mandatorily disclose the composition of the CSR Committee and CSR Policy and Projects approved by the Board on their website, if any, for public access.
7. The Board of the 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.
8. The Board shall ensure that the Administrative Overheads shall not exceed 5% of total CSR expenditure of the Company for the financial year.
9. In case of ongoing project, the Board shall monitor the implementation of the project with reference to the approved timelines and year-wise allocation and shall be competent to make modifications, if any, for smooth implementation of the project within the overall permissible time period.

**VII. AMENDMENTS**

CSR Policy may be updated to align it with the changing requirement or changes in the legal and regulatory framework. Any revision in the Policy shall be approved by the Board of Directors.

In the event of any conflict between the provisions of this Policy and of the Act, the provisions of such Act shall prevail over and automatically be applicable to this Policy and the relevant provisions of the Policy would be amended/modified in due course to make it consistent with the law.

**VIII. EFFECTIVE DATE**

The CSR Policy shall be effective from the date of its approval by the Board of Directors.



**Chairman of CSR Committee**

