

CORPORATE SOCIAL RESPONSIBILITY POLICY

A. INTRODUCTION

Finar Limited is committed to Social Development and empowerment. Finar Limited views Corporate Social Responsibility as a way of conducting its business in a socially responsible, ethical and environmental friendly manner and to continuously work towards improving quality of life of the communities in its operational areas.

In conformity with the requirements laid down under The Companies (Corporate Social Responsibility Policy) Rules, 2014 (hereinafter referred to as the “CSR Rules”) issued by the Ministry of Corporate Affairs (“MCA”), Government of India under Section 135 of the Companies Act, 2013 (“the Act”) constitution of a Corporate Social Responsibility Committee of the Board and formulation of a Corporate Social Responsibility Policy became a mandatory. Therefore, the Company seeks to formulate a CSR Policy which encompasses its philosophy and guides its sustained efforts for undertaking and supporting socially useful programs for the welfare & sustainable development of the society.

B. CSR VISION

Through sustainable measures, actively contribute to the Social, Economic and Environmental Development of the community in which we operate ensuring participation from the community and thereby create value for the nation.

C. CSR OBJECTIVES

To directly or indirectly take up CSR activities that can beneficially impact the communities in and around the Company’s manufacturing facilities, work centers, and also includes other geographies based on the needs of the communities, thus enhancing the quality of life and creating healthier communities.

D. SCOPE

In furtherance of its CSR objects, the following are covered under this Policy:

- i. CSR Activities implemented by the Company on its own,
- ii. CSR activities implemented by the Company through own trust/society or group company trust/society,
- iii. CSR activities of the Company through an external trust/society

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E. FOCUS AREAS

While the company is eligible to undertake any suitable/ rightful activity as specified in Schedule VII of the Act, however, at present, Company purpose to undertake initiative in following focus area :

- **EDUCATION:** Promotion of education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects, Setting up chemistry laboratories in Schools, monetary contributions to academic institutions for establishing endowment funds, chairs, laboratories etc, with objective of assisting students in their studies.
- **HEALTH: Eradicating hunger, poverty and malnutrition, Preventive Health care and sanitation and making available safe drinking water,** Welfare for differently disabled persons, conduct effective drug abuse prevention program.
- **ENVIRONMENT:** Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water.
- **RURAL DEVELOPMENT PROJECTS:** Strengthening rural areas by improving accessibility, housing, drinking water, sanitation, power and livelihoods, thereby creating sustainable village.
- **GENDER EQUALITY AND EMPOWERMENT OF WOMEN: Promoting gender equality and empowering women,** setting up homes, hostels, and day care centers for women and orphans, setting up old age homes and such other facilities for senior citizen, and adopting measures for reducing inequalities faced by socially and backward groups.
- Any such other activities as the CSR committee may consider being appropriate.

These CSR programmes shall be implemented through Non-Governmental organizations (NGO's), Government bodies, institutions, municipalities, schools and agencies as may be approved by the CSR Committee.

F. IDENTIFICATION OF CSR PROJECTS

1. The Company shall ensure that in identifying its CSR Projects, preference shall be given to the local area and areas around which the Company (including its Units) operates. However, this shall not bar the Company from pursuing its CSR objectives in other areas, as prescribed under Section VII of the Companies Act of 2013.
2. As a cardinal principle, the CSR Projects in focus Areas shall be identified on the basis of a detailed assessment survey.

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3. The CSR Officer may engage external professionals /firms /agencies if required, for the purpose of identification of CSR Projects.

G. IMPLEMENTATION OF CSR PROJECTS

We will strive to implement the aforesaid CSR activities on our own to the extent possible. However, the principle implementer of our CSR activities would continue to be our FINAR Foundation, we recognize need to work in partnership with other NGO's,

This would include:

1. Collaborating with various organization, which are registered as a Trust or a section 8 company under the Companies Act, 2013 or Society or NGOs or any other form of entity incorporated in India that specialize in the aforesaid activities.
2. Contribution to various funds which are aligned with our Vision e.g.
 - ❖ Prime Minister's National Relief Fund
 - ❖ Any other fund set up by the Central Government for
 - ❖ Such other activities as the Board may consider being appropriate.
 - ❖ Socio-economic development and relief
 - ❖ For the welfare of Scheduled Castes, the Scheduled Tribes, other Backward classes, minorities and women
3. Collaborating or pooling resources with other companies to undertake aforesaid CSR activities.

H. MONITORING & REPORTING FRAMEWORK

CSR Committee shall monitor the implementation of the CSR Policy through periodic reviews of the activities of the external agencies / NGOs in compliance with the Act and ensure that funds spent on CSR programs are creating the desired impact.

I. FUNDS ALLOCATION

- i. The Company, in every Financial Year, shall endeavor to spend such feasible amount as CSR Expenditure, which shall not be restricted by the statutory limit of a specified percentage of its average net profits of the three immediately preceding Financial Years. However, the aforementioned expenditure in any Financial Year shall be at least 2% of Company's average Net profits for the three immediately preceding Financial Years.

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- ii. The CSR Committee shall prepare a CSR Annual Plan for the above which shall include:
 - a) Identified CSR Projects
 - b) CSR expenditure
 - c) Implementation Schedules
- iii. Total expenditure in the CSR Annual Plan shall be approved by the Board upon recommendation by the CSR Committee.
- iv. Any Surplus arising out of CSR activities carried out by the company and such surplus will not be part of business profit of the company.

J. DUTIES AND RESONSIBILITIES

- **Board of Directors**

The Board shall include in its Report the annual report on CSR Projects as per the format provided in the Annexure to the Rules.

- **CSR committee**

- i. The Board of Directors of the Company shall constitute a Corporate Social Responsibility Committee (CSR Committee) of the Board consisting of three or more directors, out of which at least one shall be an Independent Director.

The Composition of CSR Committee of the board is as follows:

1. Ms. Darshan Patel- Independent Director-Chairperson
2. Mr. Amit Maheshwari-Managing Director -Member
3. Mr. Girish Maheshwari-Whole Time Director-Member

- ii. The Committee, referred above, shall
 - a) Formulate and recommend to the Board the CSR Policy and any amendments thereof;
 - b) Recommend the amount of expenditure to be incurred on the activities, as per CSR Policy;
 - c) Be responsible for implementation and monitoring the Corporate Social Responsibility Policy of the company from time to time.
- iii. The CSR Committee shall meet as and when deemed necessary.
- iv. Quorum of meeting of CSR Committee shall be one third of the total strength or two directors, whichever is higher.

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- v. The CSR Committee may invite Executives, Advisors, representatives of Social Organizations, Auditors of the Company and such other person (s) as it may consider necessary to attend the meeting.

K. AMENDMENTS TO THE POLICY

The Board of Directors on its own and/or as per the recommendations of CSR Committee

can amend this policy, as and when required as deemed fit. Any or all provisions of the CSR policy would be subject to revision/amendment in accordance with the Regulations on the subject as may be issued from relevant statutory authorities, from time to time.
