

INDSIL HYDRO POWER AND MANGANESE LIMITED
CORPORATE SOCIAL RESPONSIBILITY POLICY (CSR POLICY)

Introduction:

This policy is framed in terms of Section 135 of the Companies Act, 2013 (the Act) indicating the policy of the company with respect to undertaking certain specified activities by the company towards fulfillment of Corporate Social Responsibility (CSR) of the company.

Broad Objectives:

The aim of this policy is to lay down the parameters within which the company can apply allocated funds as per budget towards CSR activities. The subsidiary aim of this policy is to ensure that while meeting those objectives, the company is able to comply with the statutory scheme of the Act so far as it pertains to the Corporate Social Responsibility. In this process, the company aims to carry out certain activities involving budgeted financial outlay for the purpose of promoting the broad social welfare and development of the environment and wellbeing of people. In accordance with the statutory scheme of the Act, it is necessary to ensure that no amount allocated for CSR Activities are directed to provide exclusive benefits to the employees of the Company. Further the CSR Activities shall be undertaken as far as may be possible for the benefit of people in the local areas. Local areas need not be confined to be areas in and around the factories and units of the Company. While undertaking CSR Activities the Company shall ensure that there is no discrimination on the basis of caste, creed, rank, race, religion or any other such narrow factors between the beneficiaries who are entitled to avail the benefits of the CSR Activities. The target segment for receiving benefits of any CSR Activity shall be the under privileged and economically weaker sections of the society. No part of the amount earmarked / allocated for undertaking CSR Activities shall, directly or indirectly, be of any benefit to any political parties or to their cadres exclusively. Activities undertaken by the company in pursuance of its 'normal course of business' such as providing for the general welfare of the employees and their families will not be counted as CSR Activity.

As part of its socio economic activities and integral development of social needs in and around its area of operation, INDSIL had already commenced its humble contribution and continue to make such contributions to Educational Institutions, Community Mental Health Programme, Eye Camps, Mobile Medical Utilities, Protection and Welfare and development abandoned children and uplifting the below poverty line children and such other social activities. INDSIL will continue its pursuit to fulfil its CSR activities in future as well taking into account the provisions of Section 135 of the Companies Act, 2013 and the Rules framed thereunder as a responsible Corporate Citizen.

APPLICABILITY:

The new Companies Act, 2013 has introduced a concept of CSR and mandates appointment of a Corporate Social Responsibility Committee to effectively monitor the CSR activities of the entities covered in the Act / Rules titled "The Companies (Corporate Social Responsibility) Rules 2014". The Company will follow the provisions as amended from time to time in implementing its CSR Programmes and Activities.

OBJECTIVES AND SCOPE:

In conformity with the concept on CSR as intended by the Act and the Rules laid down, INDSIL proposes to implement its CSR activities in various needy sectors stated hereunder:

- 1) Education
- 2) Medical Aid
- 3) Health care
- 4) Sanitation
- 5) Drinking water
- 6) Rural development
- 7) Employment opportunities
- 8) Old age homes
- 9) Protection of natural heritage
- 10) Public libraries
- 11) Human rights
- 12) Go green initiatives

OR

any other area prescribed under Schedule VII from time to time

This policy of the Company is to ensure that the proposed activities to be undertaken by the Company are in tandem with the provisions of the Act and Rules.

CSR COMMITTEE:

Pursuant to Section 135 of the Act, the Board of Directors shall constitute a CSR Committee and such members of the CSR Committee shall be appointed by the Board of Directors of the Company. The Committee should consist of 3 or more Directors, out of which atleast one Director shall be an Independent Director. Thus the CSR Committee constituted by INDSIL consists of :

- 1) Sri S.N. Varadarajan, Executive Vice Chairman
- 2) Sri Vinod Narsiman, Managing Director
- 3) Dr. A.K.Sreedharan, Independent Director

The Committee may be reconstituted as the Board may deem fit from time to time.

POWERS OF THE COMMITTEE :

The following are the powers of CSR Committee :

- (1) Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013.
- (2) Recommend the amount of expenditure to be incurred on the activities referred above
- (3) Monitor the Corporate Social Responsibility Policy of the Company from time to time.
- (4) After taking into account the recommendations made by the Corporate Social Responsibility Committee, approve the CSR Policy for the Company and disclose contents of such Policy in its Directors' Report and also place it on the website of the Company
- (5) Ensure that the activities included in the CSR Policy are undertaken by the Company.

FREQUENCY OF CSR COMMITTEE MEETINGS :

The Committee shall meet once in a quarter and the quorum for the meeting shall be 2 members. Minutes of such meetings should be placed before the Board.

Size of the CSR Budget:

The CSR budget shall be equal to 2% of the post tax profits of the company which shall be reckoned in the manner stipulated in the Act. The company is however at liberty to spend more money than the above outer limit if no meaningful completion of projects undertaken is possible or to meet project related cost overrun.

Modus Operandi:

The company may undertake CSR activities directly or by contributing to funds specified in Schedule VII or by making contributions to charitable institutions engaged in social activities that come within the ambit of the activities mentioned in Schedule VII to the Companies Act, 2013. Company may, on its own, too undertake CSR Activities and create assets for the benefit of the needy or create assets and gift the same for being maintained by local government or panchayats.

Accounts and Audit:

There shall be proper books of account, registers and records with respect every activity undertaken as per this CSR Policy. Every project / activity undertaken by the company until the setting up of the trust and by the trust thereafter, shall always be subject to a special audit by an expert with a view to assuring to the board of directors of the company that the activities are undertaken towards achieving the objectives of this policy.

The expert shall submit a CSR Audit Report which shall contain a specific statement with respect to the amount actually earmarked / allocated for each activity and the amount actually utilised in undertaking the said activity and any cost overrun / time overrun with respect to each project and in addition to that, if the same project or different project are undertaken at different places, place-wise allocation, utilization, cost overrun, time overrun shall be given.

Partnerships

Collaborative partnerships may be formed with the Government, the District Authorities, the village panchayats, NGOs and other like-minded corporate or non-corporate entities. Company aims to reach, leverage and integrate its CSR Activities with those of other Corporate entities so as confer greater benefits to the under privileged and economically weaker sections of the Society and utilise valuable inputs gained by every participant entity through their experience and expertise. However it must be ensured that the amount of the Company spent on such activities must be capable of being identified and accounted separately.

DISSEMINATION OF INFORMATION AND PUBLICATION OF CSR POLICY:

As per the provisions of the Companies Act, 2013, the contents of the policy shall be displayed in the Company's website. Website will also carry CSR Activities undertaken which may help entities and people in need to apply.

DISCLOSURE OF INFORMATION IN BOARD'S REPORT

Though it will be the endeavour of the Board of Directors to earmark sufficient funds and spend the same on CSR Activities so that the desired objective of the legislature as far as possible achieved, necessary disclosure will be made in the Board's Report with respect to short fall if any in any financial year in spending the statutorily prescribed minimum level of profits. It is the policy of the company to spend CSR funds after verifying all the credentials and therefore the company will focus on quality and result of such spending rather than quantum of money spent, year after year, as a matter mere compliance.

POWER TO AMEND THE POLICY :

The Company reserves the right to modify, cancel, add or amend any of the provisions of this policy in accordance to the prevailing statute.

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 CSR Committee. In all such matters, the interpretation & decision of the Board of Directors shall be final.

For INDSIL HYDRO POWER AND MANGANESE LIMITED



VINOD NARSIMAN

MANAGING DIRECTOR