

## **ROCKMAN ADVANCED COMPOSITES PRIVATE LIMITED** **CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY**

### **INTRODUCTION**

Rockman Advanced Composites Private Limited (“the Company”) fosters a culture of caring, trust and continuous learning while meeting the expectations of all stakeholders and society at large.

As a responsible Corporate Citizen, the Company contributes towards inclusive growth by empowering communities and accelerating development. The Company’s CSR Policy framework details the mechanisms for undertaking various programs in accordance with section 135 of the Companies Act 2013 for the benefit of the community.

Further, the Companies which have effective CSR mechanism leads to have a good public image which helps to achieve sustainable growth in their operations in the long run and their products and services are preferred by the customers.

### **VISION**

Our commitments towards Corporate Social Responsibility include but not limited to, promotion of education and healthcare, energy and climate change, and betterment of the society through respect for universal human rights and the environment, acting with integrity and accountability and operating responsibly and sustainably. The content of this policy shall act as an approach and direction to be followed by the Company for selection, implementation and monitoring of its CSR activities as approved by the Board on recommendation of the CSR Committee, if any, from time to time.

### **BOARD-LEVEL CSR COMMITTEE**

Where the amount to be spent by a Company on CSR does not exceed fifty lakh rupees, the requirement for constitution of the Corporate Social Responsibility Committee shall not be applicable and the functions of such Committee shall, in such cases, be discharged by the Board of Directors of such company.

Currently the Company is not required to constitute CSR Committee. Therefore, till the time there is no requirement of CSR Committee, the CSR Committee wherever mentioned in this policy shall be read as Board and the functions/ responsibilities to be performed by CSR Committee shall be discharged by the Board of Directors.

### **SCOPE/GUIDING PRINCIPLES OF SELECTION OF CSR ACTIVITIES**

The CSR activities shall be undertaken by the Company, as stated in this Policy, as per the projects or programs or activities (either new or ongoing) as provided under Section 135,

schedule VII of the Companies Act, 2013 (“the Act”) read with rules made thereunder as amended from time to time, excluding the following activities -

- 1) Activities undertaken in pursuance of its normal course of business of the Company.
- 2) Any activity undertaken by the company outside India excluding training of Indian sports personnel representing any State or Union territory at national level or India at international level
- 3) Activities benefitting employees of the Company as defined in clause (k) of Section 2 of the Code on Wages, 2019.
- 4) Contribution of any amount directly or indirectly to any political party under Section 182 of the Companies Act, 2013 (“the Act”).
- 5) Sponsorship activities supported by the companies for deriving marketing benefits for its products or services.
- 6) Activities carried out for fulfilment of any other statutory obligations under any law in force in India.

The Board shall give preference to the local area or areas around where it operates, for spending the amount earmarked for CSR activities.

### **GUIDING PRINCIPLES FOR IMPLEMENTATION OF CSR ACTIVITIES**

1. The Board of Directors of the Company may decide to undertake its CSR activities as recommended by the CSR Committee, if any, through one or more of the following modes:
  - (a) directly by the Company; or
  - (b) Through a Company established under Section 8 of the Act or a registered public trust or a registered society under Section 12A and 80G of the Income Tax Act, 1961, established by the Company, either singly or along with any other company or
  - (c) Through a Company established under Section 8 of the Act or a registered trust or a registered society, established by the Central Government or State Government or
  - (d) Any entity established under an Act of Parliament or a State legislature and/or
  - (e) A company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities.
2. The Board / CSR Committee should ensure that, the above entities must be registered with the Central Government and must have a valid unique CSR Registration number.
3. The Company may engage international organizations for designing, monitoring and

evaluation of the CSR projects or programs as well as for capacity building of their own personnel for CSR.

4. Company may collaborate with other companies for undertaking projects and programs or CSR activities in such a manner that the CSR committees of respective companies are in a position to report separately on such projects or programs.
5. Localities: By and large, at least 80% of the CSR programs are executed in and around the areas close to the units. The priority focus would be in the upliftment of areas around the plant locations and provide programs suited to the needs of the local people there.
6. Community Engagement: The local cells will work very closely with the local community and involve them at all stages starting from the study for identification of the project, to implementation, to feedback- ensuring a 360-degree involvement and engagement.
7. **Contribution during Natural Calamities:** In times of national crisis such as during natural calamities etc., it is imperative for us to respond to emergency situations & disasters by providing timely help to affected victims and their families.
8. **Methodology and program identification:** People of the local community will be involved in decision making regarding program to be undertaken. A detailed fact finding / survey of the area or community would be done to identify the critical needs and their prioritization. The survey would encompass various parameters such as health indicators, literacy levels, sustainable livelihood processes, population data, level of sanitation, state of infrastructure, among others. Subsequently, based on the results of the survey and in discussion with the village panchayats/ local authorities, projects will be shortlisted by the Company. Projects once shortlisted are presented for approval to the CSR Committee along with the budget and execution plan. From the projects selected, a 1- year plan and a 3-year rolling plan is developed for the holistic and integrated development of the CSR initiative. These plans are presented annually at the meeting of CSR committee/ Board.
9. Partnerships and collaboration with NGOs and various government agencies and bodies would be explored to ensure useful learnings and involvement when required from their experience. Public Private Partnership will be another means of engagement.

## **FOCUS AREAS IN WHICH COMPANY INTENDS TO UNDERTAKE CSR ACTIVITIES**

The Focus of the CSR activities of the Company will cover the following areas but not limited to the same and may extend to other specific projects/programs as permitted under the law from time to time:

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 including contribution to the Swatch Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water
3. ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water
4. rural development projects
5. Any other measures with the approval of Board of Directors on the recommendation of CSR Committee, if any, subject to the provisions of Section 135 and Schedule VII of the Companies Act, 2013 and rules made thereunder

## **ANNUAL ACTION PLAN**

The Annual Action plan of CSR Activities to be carried out during a financial year shall be formulated by the CSR Committee, if any, and shall be recommended to the Board for the approval specifying:

- (i) identified projects/programs/activities to be undertaken in areas or subjects specified in Schedule VII of the Act;
- (ii) manner of execution of the same along with budgets allocated for such projects/programs as per the CSR program;
- (iii) modalities of utilisation of funds and implementation schedules for the projects/programmes;
- (iv) Monitoring and Reporting mechanism,
- (v) Need and impact assessment (if any) for the projects/programmes.

The Board of Directors on recommendation of the CSR Committee, if any, may alter the plan at any time during the financial year.

## **ONGOING PROJECT**

“Ongoing Project” means a multi-year project undertaken by a Company in fulfilment of its CSR obligation having timelines not exceeding three years excluding the financial year in which it was commenced, and shall include such project that was initially not approved as a multi-year project but whose duration has been extended beyond one year by the board based on reasonable justification.

The company shall treat the unspent amount of CSR Activities as follows-

- a) Where unspent amount relates to projects other than on-going projects, Company shall transfer such unspent amount to a Fund specified in Schedule VII of the Companies Act, 2013, within a period of six months of the expiry of the financial year.

- b) Where unspent amount relates to on-going projects, shall be transferred by the company within a period of thirty days from the end of the financial year to a special account to be opened by the company in that behalf for that financial year in any scheduled bank to be called the Unspent Corporate Social Responsibility Account and such amount shall be spend/utilize by the Company in pursuance to the activity within a period of three financial years from the date of such transfer, failing which, the company shall transfer the same to a Fund specified in Schedule VII, within a period of thirty days from the date of completion of the third financial year.

## **SURPLUS ARISING OUT OF CSR ACTIVITIES**

- a) If the company is having any surplus arising out of the CSR activities shall not form part of the business profit of a company.
- b) Surplus is required to be ploughed back into the same project or transferred to the Unspent CSR Account and spent in pursuance of CSR policy and annual action plan of the company or transfer such surplus amount to a Fund specified in Schedule VII, within a period of 6 months of the expiry of the financial year.

## **EMPLOYEE ENGAGEMENT**

Employee participation is an important aspect for the development of responsible citizenship. The Company encourages and motivates employees to spend time volunteering on CSR programs initiated by it.

## **BUDGET**

For achieving its CSR objectives, the Company shall allocate a specific budget which shall not be less than 2% of its previous 3 years' Average Net Profit as its Annual CSR Budget.

## **RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND CSR COMMITTEE**

### **The Committee shall:**

- a) The CSR Committee shall formulate and periodically review/monitor the CSR Policy which shall indicate the projects/ programmes/activities to be undertaken by the Company as specified in Schedule VII of the Act and associated frameworks, processes and practices of the Company and make appropriate recommendations to the Board.
- b) The CSR Committee shall ensure to take appropriate measures to undertake and implement CSR projects/programmes/activities successfully and shall monitor the CSR Policy from time to time.
- c) The CSR Committee shall identify the areas as well as monitor and review the performance of CSR projects/programmes/activities periodically.
- d) The CSR Committee shall recommend the amount of expenditure/CSR budget to be incurred on CSR projects/programmes/activities as well as regularly report and make recommendations to the Board.

- e) To recommend Annual Report on CSR activities.
- f) To review and submit impact assessment reports, if required, to the Board.
- g) The CSR Committee of the Board shall meet as and when required.
- h) The CSR Committee shall formulate Annual Action plan and recommend the same to the Board.
- i) Such other functions as mandated by the Board of Directors or as mandated under the Act and the rules made thereunder.

**The Board of Directors shall:**

- a. Board shall ensure that the CSR activities are undertaken by the Company in adherence to this policy.
- b. The Board shall satisfy itself that the funds so disbursed have been utilized 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.
- c. In case of on-going 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 modification if any, for smooth implementation of the project within the overall permissible time period.
- d. The Board may approve Annual Action plan and thereafter may alter the same at any time during the financial year.
- e. The Board shall ensure that the administrative overheads shall not exceed five percent of total CSR expenditure of the company for the financial year.
- f. If the company spends an amount in excess of mandated amount under the Act, such excess amount may be set off against up to immediate succeeding three financial years.
- g. such other functions as may be required under the Act.

The Board may constitute/reconstitute CSR Committee as and when deemed necessary and such committee shall have at-least two directors as member.

**AMENDMENTS**

The CSR Committee of the Company will review the policy from time to time based on the changing needs and aspirations of the target beneficiaries and make suitable modifications as may be necessary.

In case any provision(s) of this CSR Policy is contrary to or inconsistent with the provisions of the Act and the Rules framed thereunder (“Statutory Provisions”), the Statutory Provisions shall prevail. Further, amendments in the Statutory Provisions shall be binding even if not incorporated in this Policy.