

POLICY
ON
CORPORATE SOCIAL RESPONSIBILITY
OF
CATERPILLAR INDIA PRIVATE LIMITED (“THE COMPANY”)

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1. Preamble

The mandated corporate social responsibility (CSR) funding under the provision of the Companies Act of 2013 has been formally introduced in April, 2014 in India. This legislation makes India the first country to codify “the social obligation of the private sector”. This is a unique developmental model that could become a template for the other emerging economies. The practice of CSR is not new to companies in India – but this Act brings more companies into the fold. This unique legislation could make us all critical agents of social change in the country.

Our vision is a world in which all people’s basic needs – such as shelter, clean water, sanitation, food, and reliable power – are fulfilled in an environmentally sustainable way and a company that improves the quality of the environment and the communities where we live and work.

Our strategy is to provide work environments, products, services and solutions that make productive and efficient use of resources as we strive to achieve our vision.

We apply innovation and technology to improve the sustainability performance of Caterpillar’s products, services, solutions, and operations. We believe sustainable progress is made possible by developing better systems that maximize life cycle benefits, while also minimizing the economic, social and environmental costs of ownership, as reflected in our sustainability principles.

We will execute our strategy by working to meet our aspirational sustainable development goals.

2. CSR Mission

Our mission is to enable inclusive and sustainable economic growth and to provide solutions that support local communities and protect the planet through infrastructure and energy development.

3. Objectives

- a. Ensuring development of the community through various initiatives in the best interest of the poor and deprived sections of the society so as to build a better tomorrow for them.
- b. Ensuring environmental sustainability.
- c. To pursue CSR Programmes primarily in areas that falls within the economic vicinity of the Company’s operations to ensure maximum development impact where we live and work. If need be, Programme could reach other locations based on the needs of the communities

4. Focus Areas

I. Eradicate hunger and poverty

- a) Increased access to basic resources including nutritious food, safe drinking water and other amenities.
- b) Improved access to necessary services and infrastructure for the poor, women, children, and other deprived sections of the society.
- c) Support to vulnerable communities during disasters and crises situation.

- II. Essential health care and community wellbeing**
- a) Increased access to quality Health care services
 - b) Strengthen medical infrastructure for access to quality and affordable essential medicines and vaccines.
 - c) Preventive Health care through health check-ups and awareness programmes.
 - d) Special and differential support to the deprived and the most vulnerable part of the society, including women, orphans, senior citizens, differently abled and war widows.
- III. Environmental sustainability and community resilience**
- a) Protect, restore, and promote sustainable use of terrestrial ecosystems including water bodies.
 - b) Increase afforestation, restore degraded forest and halt deforestation.
 - c) Integrate ecosystem and biodiversity in development projects by engaging local communities.
 - d) Optimize use of renewable and alternate energy resources.
 - e) Promote effective waste management – Reduce, Recycle and Reuse
- IV. Inclusive, equitable and quality Education and Skill development**
- a) Build and upgrade infrastructure to improve access to quality primary and secondary education for girls and boys in vulnerable communities.
 - b) Improve access to technical and vocational skill development for employment and entrepreneurship of youth and adults.
 - c) Expanding access to STEM (Science, Technology, Engineering & Math) Education in under-served communities.
 - d) Reduce disparities and increase access to education and skill development for the vulnerable, women, disabled, and indigenous people for decent jobs and entrepreneurship.
 - e) Focus skill development on high- value added and labour- intensive – sectors to reduce skill gap.
 - f) Training to promote rural sports, nationally recognised sports, Paralympic and Olympic sports.
- V. Disaster management, including relief, rehabilitation and reconstruction activities.**
- a) Support to reduce adverse economic impact on people affected by disasters.
 - b) Provide access to basic services, food, potable water and medical facilities during and after disasters.
 - c) Disaster risk reduction through building resilient infrastructure, reducing exposure of the poor and increasing awareness.
 - d) Support to government efforts on Disaster preparedness, management and rehabilitation efforts in line with CSR priorities.
- VI. Support to National Domestic Resource Mobilization for Sustainable Development:**
- a) Contribution to funds set up by the Central Government for socio-economic development and relief and welfare of the most vulnerable community such as Prime Minister's National Relief Fund, Prime Minister's Central Assistance and Relief in Emergency Situations Fund (PM CARES Fund) etc.

5. Approach to Implementation

The CSR Committee, will identify projects/activities in line with the focus areas of the Company amongst areas/activities covered under Schedule VII of the Act.

We will strive to implement the aforesaid CSR activities through eligible implementing agencies This would include:

- a. Collaborating with various Implementing Agencies, that specialise in the aforesaid activities satisfying the conditions prescribed under the Act, as amended from time to time, which inter alia currently includes that our Implementing Agencies should be registered under sections 12A and 80G of the Income Tax Act, 1961 (subject to any amendments to these sections from time to time) and with the Ministry of Corporate Affairs, by filing eForm CSR 1, as required and have a 3 (three) year track record in undertaking similar activities. The qualifying conditions also need to be satisfied by any step-down Implementing Agencies that are engaged by the Company's primary Implementing Agency.
- b. Contribution to various funds which are aligned with our Vision and Mission e.g.
 - Prime Minister's National Relief Fund
 - Any other fund set up by the Central Government for:
 - Socio-economic development and relief for e.g. Swachh Bharat Kosh, Clean Ganga Fund etc.
 - For the welfare of Scheduled Castes, the Scheduled Tribes, other Backward classes, minorities and women.
- c. In all cases where Implementing Agencies are engaged, the Company will execute formal engagements with such agencies and ensure coverage of key terms that will enable the Company to remain in compliance with its obligations under the Act;

6. CSR Funds

The corpus for the purpose of carrying on the aforesaid activities would include the followings:

- a. 2% of the average Net Profit made by the Company during immediately preceding three Financial Years.
- b. Any income arising there from.
- c. Surplus arising out of CSR activities carried out by the company and such surplus will not be part of business profit of the company.

7. Guiding Principles for Constitution of CSR Committee

The CSR Committee of the Board shall be composed of at least three (3) Directors.. Members of the CSR Committee may be replaced by any other members of the Board. The CSR Committee will formulate and recommend a CSR Policy to the Board.

The Committee will meet at least twice in a year to discuss and review CSR activities and Policy, oversee and manage the CSR Programs and activities of the Company. A quorum of two members is required to be present for the proceedings to take place (either physically or through other electronic mode). Such other meetings of the Committee can be convened as and when deemed appropriate. The Committee members may attend the meeting either physically or through other electronic modes as permitted under the Regulations. The Committee shall have the authority to call such employee(s), senior official(s) and or externals, as it deems fit with approval of the Chairman of the meeting.

8. Monitoring

- 8.1 The CSR committee will provide regular progress report to the Board. This report would indicate:
- a. Achievement since last progress report in terms of coverage compared to the target and reasons for variance.
 - b. Achievement of the year-to-date in terms of coverage compared to the target, plans to overcome shortfalls if any and support required from the Board to overcome the shortfalls.
 - c. Actual year-to-date spends compared to the budget and reasons for variance.
 - d. In respect of activities undertaken through Implementing agencies , there will be mechanism of reporting of progress on each such activities and the amount incurred thereon.
- 8.3. The Chief Financial Officer (CFO) / person responsible for the financial management of the Company shall certify that the funds allocated for meeting the CSR obligation of the Company have been administered in the areas or projects as approved and utilized, thereon, in accordance with the Act. Such certification will be based on the utilisation report received from the Implementing Agencies and/or a certificate issued by the Implementing Agencies’.

9. Rules Governing CSR Policy

In view of the provisions of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time, the Company is obliged to observe the below-mentioned provisions with respect to CSR Policy:

- a. As per the CSR Policy, the Company shall undertake such CSR activities as projects or programmes (either new or ongoing) not comprising the activities undertaken in pursuance of its normal course of business.
- b. The CSR projects or programs or activities undertaken in India only shall amount to CSR expenditure or as announced by Gol from time to time as qualifying programs/activities.
- c. The Board of the Company may undertake its CSR activities through Implementing agencies (as defined under Rule 4 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 read with Section 5 (a) above). Provided that on-boarding of such implementing agencies would be subject to the Enterprise Policy no. 6.33 and a valid and subsisting CRN.
- d. The Company shall ensure that necessary details of its CSR initiatives are mentioned in the Board’s Report of the relevant financial year and on the Company’s website in the prescribed format. **(As per Annexure A)**.
- e. The Company shall not consider the CSR activities as CSR projects or programmes or activities that benefit only the employees of the Company and their families. This may also encourage its employees to actively and voluntarily participate in the CSR initiatives undertaken by the Company.
- f. The corpus of the CSR activities would include the following:
 - i. 2% of the average net profits for the three preceding financial years:
 - ii. surplus arising out of CSR activities:
- g. In case of Ongoing projects, the year-wise allocation and spend shall be included in the annual action plan.
- h. In no case, the surplus arising out of the CSR activities shall form a part of “business profits” of the Company.
- i. CSR related disbursements by the Company will be treated as spent during the financial year, only if the same have, in turn, been spent by the Company’s

- Implementing Agency under an appropriate utilization certification from such implementing agency.
- j. Where the Company spends an amount in excess of its CSR obligation under the Act, such excess amount, excluding surplus arising, can be set-off against the CSR spends up to immediate succeeding 3 (three) financial years and the Board of the company shall pass a resolution to that effect.
 - k. Contribution made by the Company of any amount directly or indirectly to any political party shall not be considered as “CSR activity”.
 - l. The Company may build CSR capacities of its own personnel however, such administrative overheads shall not exceed five percent of total CSR expenditure of the Company in one financial year.
 - m. **CSR Reporting:** The Board’s Report pertaining to the relevant financial year shall include an annual report on CSR containing particulars specified in **Annexure A.**

10. **Roles and Responsibilities**

1. **Board of Directors**

The Board shall perform the following duties so far as the CSR Policy of the Company and the activities relating thereto are concerned. It shall:

- a. constitute a CSR Committee as per the Act;
- b. approve the “Corporate Social Responsibility Policy” for the Company after considering the recommendations made by the CSR Committee;
- c. approve the annual action plan, CSR projects and CSR partners;
- d. approve Ongoing projects and re-classification of on-going projects, if necessary;
- e. disclose the contents of the Company’s CSR Policy in the Board’s Report and shall display the same on the Company’s website as per the particulars specified in **Annexure A**;
- f. ensure that the activities included in the CSR Policy of the Company are undertaken by the Company;
- g. ensure that the Company spends at least two per cent (2%) of the average net profits of the Company made during the three immediately preceding financial years in every financial year;
- h. ensure that preference is given to the local area and areas around it where it operates, for spending the amount allocated for CSR activities;
- i. ensure that activities covered by the Company in its CSR Policy as CSR projects or programmes are within the scope of Schedule VII of the Companies Act, 2013. **(Annexure C).**

2. **CSR Committee:**

- a. Formulate and recommend to the Board of Directors, the CSR Policy and framework to be undertaken and recommend amendments required from time to time;
- b. Identify CSR projects/activities in line with the focus areas and Schedule VII of Act;
- c. Recommend the amount of expenditure for the CSR activities;
- d. that the funds disbursed for the CSR projects as part of the Company’s obligation for each financial year have been utilised for the purpose and in the manner allocated and approved by it;
- e. Review the outcome of the CSR projects/activities and make recommendations to the Board of Directors;
- f. Monitor the CSR activities of the Company;

- g. Formulate/finalise and recommend to the Board the following matters with respect to the CSR projects/activities:
- i. Annual action plan;
 - ii. Annual budget;
 - iii. Time required for project implementation, with clear identification of Ongoing Projects; and
 - iv. Prospective outcome of the project/activity

3. CSR Delegated Authority

The CSR Committee, in its ad-hoc meeting held on December 17, 2017 and with the consent and concurrence of all the Members of the Board of Directors (who were invited and present in the same meeting) have, on 6th June 2018 delegated the CSR Committee's Authority to various Officers of the Company as enumerated in Schedule E.

The same has been amended w.e.f April 1, 2022 as per the details in the Schedule E

11. FORMULATION OF ANNUAL ACTION PLAN

The CSR Committee shall formulate the annual action plan, for each financial year and recommend the same to the Board. The CSR Committee and the Board shall adhere to the following guidelines while formulating/ approving the annual action plan for each financial year:

- a. *Evaluation of CSR activities of the preceding financial year.* The achievements and drawbacks of the CSR projects/ activities undertaken in the previous financial year shall be considered and the annual action plan shall be prepared accordingly.
- b. *Identifying projects/activities for the current financial year.* The CSR Committee will be responsible for identifying suitable CSR initiatives which are in line with the overall objectives of the organisation.
- c. The CSR Committee shall endeavour to formulate and approve the annual action plan based on projected financials and finalise the same and recommend it for the Board's approval before the end of the first quarter in every financial year. Any delay in preparation and approval of the action plan can be ratified by the Board.
- d. The CSR Committee shall include a description of the identified activities and the sequence in which they will be undertaken by taking into consideration organizational readiness, strategies, financial and procurement management, etc., disbursement and utilization plans for the unspent amounts from previous years during the current financial year and disbursement and utilization plan for funds for the relevant (concerned) financial year.
- e. Any amendment to the annual action plan shall be recommended by the CSR Committee and approved by the Board of Directors.

12. TREATMENT OF UNSPENT CSR AMOUNT

- i. The unspent CSR amount pertaining to an annual CSR project shall be transferred to any fund included in Schedule VII of the Act - Prime Minister's National Relief Fund, Swachh Bharat Kosh or any other fund specified by Central Government in this regard under the Act, within 6 (six) months from the end of the concerned financial year.
- ii. If the unspent CSR amount pertains to an Ongoing CSR Project, the amount has to be transferred to a separate bank account to be called as "Unspent CSR Account" within 30 (thirty) days of the end of the concerned financial year and is to be spent on CSR obligations as per this CSR Policy within a period of 3 (three) financial years.
- iii. In case the Company is unable to spend the CSR obligation on the Ongoing CSR project within the prescribed period of 3 (three) financial years, it would be required to transfer the amount so unspent to any fund included in Schedule VII of the Act within 30 (thirty) days of the end of the concerned 3rd financial year.
- iv. Wherever funds disbursed by the Company remain unspent at the end of the financial year and are lying with the Implementing Agency, the Company may either request the Implementing Agency to return the same directly to its Unspent CSR Account / other bank account OR treat the same as an advance to be utilized by the Implementing Agency, to meet the spend for the next financial year. In the latter case, the Company will separately meet its obligation to transfer the unspent funds either into an Unspent CSR Account or to a prescribed Fund.

13. 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.

In case of any clarification on any matter, including interpretation of this Policy, the Company Secretary of the Company shall be contacted. The decision of the Board of Directors on all matters, relating to this Policy, shall be final and binding upon all concerned. This Policy is subject to continuous review and updates as may be required from time to time.

14. In case of any contradiction, Section 135 of the Companies Act 2013, the Companies (Corporate Social Responsibility Policy) Rules, 2014 and subject to further modification and amendment by the Government will prevail over the CSR Policy of the Company and shall be given effect to.
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15.

ANNEXURE A

FORMAT FOR THE ANNUAL REPORT ON CSR INITIATIVES TO BE INCLUDED IN THE BOARD'S REPORT:

[Pursuant to clause (o) of sub-section (3) of section 134 of the Act and Rule 8 of the Companies (Corporate Social Responsibility) Rules, 2014]

1. A brief outline of the Company's CSR policy

The Company has its CSR Policy within the broad scope laid down in Schedule VII to the Act as Projects/programmes/activities, excluding activities in its normal course of business.

2. The Composition of the CSR Committee

The CSR Committee was constituted as per the provisions of Section 135 of the Companies Act, 2013 read with the Rules made thereunder and comprised the following members during the year:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year

3. The web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:

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4. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014:

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5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sl. No	Financial Year	Amount available for set-off from preceding financial years (in INR)	Amount required to be set-off for the financial year, if any (in INR)
<<>>			

6. Average net profit of the Company as per section 135(5)

INR <<>>

7.

a) Two percent of the average net profit of the Company as per Section 135(5)

INR <<>>

b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.

INR <<>> / Not Applicable

c) Amount required to be set off for the financial year, if any

INR <<>> / Not Applicable

d) Total CSR obligation for the financial year (7a+7b-7c).

INR <<>>

8. Details of CSR spent during the financial year:

(a) CSR amount spent or unspent for the financial year

Total Amount Spent for the Financial Year. (in INR)	Amount unspent (in INR)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
<<to be mentioned>>	<<to be mentioned>>	<<to be mentioned>>	<<to be mentioned>>	<<to be mentioned>>	<<to be mentioned>>

(b) Details of CSR amount spent against ongoing projects for the financial year

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No).	Location of the project.	Project duration	Amount allocated for the project (in INR)	Amount spent in the current financial Year (in INR)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in INR)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	Name	CSR Registration number
				State	District							

		CSR Account under section 135 (6) (in INR)	reporting Financial Year (in INR)	Name of the Fund	Amount (in INR)	Date of transfer	in succeeding financial years. (in INR)
1	2017-18	NA	NA	NA	NA	NA	NA
2	2018-19	NA	NA	NA	NA	NA	NA
3	2019-20	NA	NA	NA	NA	NA	NA

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in INR)	Amount spent on the project in the reporting Financial Year (in INR)	Cumulative amount spent at the end of reporting Financial Year. (in INR)	Status of the project - Completed /Ongoing
<<>>								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year

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11. Reasons if the company has failed to spend two per cent of the average net profit as per section 135(5)

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**By Order and behalf of the Board of Directors
For <<Name of the company>>**

Name: <<>>
Designation: <<>>
DIN: <<>>

Name: <<>>
Designation: <<>>
DIN: <<>>

Date: <<>>
Place: <<>>

Date: <<>>
Place: <<>>

ANNEXURE B**CORPORATE SOCIAL RESPONSIBILITY****Section 135 [Companies Act, 2013]**

1. Every company having “net worth” of rupees five hundred crore or more, or “turnover” of rupees one thousand crore or more or a “net profit” of rupees five crore or more during the immediately preceding financial year shall constitute a Corporate Social Responsibility Committee of the Board consisting of three or more directors, out of which at least one director shall be an independent director.

Provided that where a company is not required to appoint an independent director under sub-section (4) of section 149, it shall have in its Corporate Social Responsibility Committee two or more directors.

2. The Board's report under sub-section (3) of section 134 shall disclose the composition of the Corporate Social Responsibility Committee.
3. The Corporate Social Responsibility 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;
 - 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.
4. The Board of every company referred to in sub-section (1) 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 disclose contents of such Policy in its report and also place it on the company's website, if any, in such manner as may be prescribed; and
 - b. ensure that the activities as are included in Corporate Social Responsibility Policy of the company are undertaken by the company
5. The Board of every company referred to in sub-section (1), shall ensure that the company spends, in every financial year, at least two per cent. of the average net profits of the company made during the three immediately preceding financial year, or where the company has not completed the period of three financial years since its incorporation, during such immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy:

Provided that the company shall give preference to the local area and areas around it where it operates, for spending the amount earmarked for Corporate Social Responsibility activities:

Provided further that if the company fails to spend such amount, the Board shall, in its report made under clause (o) of sub-section (3) of section 134, specify the reasons for not spending the amount and, unless the unspent amount relates to any ongoing project referred to in sub-section (6), transfer such unspent amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.

Provided also that if the company spends an amount in excess of the requirements provided under this sub-section, such company may set off such excess amount against the requirement to spend under this sub-section for such number of succeeding financial years and in such manner, as may be prescribed.

Explanation —For the purposes of this section “net profit” shall not include such sums as may be prescribed and shall be calculated in accordance with the provisions of section 198.

6. Any amount remaining unspent under sub-section (5), pursuant to any ongoing project, fulfilling such conditions as may be prescribed, undertaken by a company in pursuance of its Corporate Social Responsibility Policy, 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 spent by the company in pursuance of its obligation towards the Corporate Social Responsibility Policy 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.
7. If a company is in default in complying with the provisions of sub-section (5) or sub section (6), the company shall be liable to a penalty of twice the amount required to be transferred by the company to the Fund specified in Schedule VII or the Unspent Corporate Social Responsibility Account, as the case may be, or one crore rupees, whichever is less, and every officer of the company who is in default shall be liable to a penalty of one-tenth of the amount required to be transferred by the company to such Fund specified in Schedule VII, or the Unspent Corporate Social Responsibility Account, as the case may be, or two lakh rupees, whichever is less.”
8. The Central Government may give such general or special directions to a company or class of companies as it considers necessary to ensure compliance of provisions of this section and such company or class of companies shall comply with such directions.
9. Where the amount to be spent by a company under sub-section (5) does not exceed fifty lakh rupees, the requirement under sub-section (1) for constitution of the Corporate Social Responsibility Committee shall not be applicable and the functions of such Committee provided under this section shall, in such cases, be discharged by the Board of Directors of such company.

ANNEXURE C
Schedule VII
(Companies Act, 2013)

Following are the activities that may be included by companies in their corporate social responsibility policies:

They are activities relating to:

1. Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation including contribution to the Swachh Bharat Kosh set –up by the Central Government for the promotion of sanitation and making available safe drinking water;
2. Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
3. Promoting gender equality and empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
4. 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 including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga.
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 benefit of armed forces veterans, war widows and their dependents, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows;
7. Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports;
8. Contribution to the Prime Minister's National Relief Fund or Prime Minister's Central 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;
9. (a) Contribution 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; and
(b) Contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defense Research and Development Organisation (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).
10. Rural development projects;

11. Slum area development, the term 'slum area' shall mean any area declared as such by the Central Government or any state government or any other competent authority under any law for the time being in force.
 12. disaster management, including relief, rehabilitation and reconstruction activities.
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ANNEXURE D DEFINITIONS

- (1) **“Act”** means the Companies Act, 2013 as amended from time to time.
- (2) **“Administrative overheads”** means the expenses incurred by the Company for ‘general management and administration’ of the CSR functions in the Company but shall not include the expenses directly incurred for the designing, implementation, monitoring, and evaluation of a particular CSR project or programme.
- (3) **“Corporate Social Responsibility (CSR)”** means the activities undertaken by the Company in pursuance of its statutory obligation laid down in section 135 of the Act in accordance with the provisions contained in the Companies (Corporate Social Responsibility Policy) Rules, 2014, but shall not include the following, namely:-
- i. activities undertaken in pursuance of normal course of business of the Company;
 - ii. 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.
 - iii. contribution of any amount directly or indirectly to any political party under section 182 of the Act.
 - iv. activities benefitting employees of the Company as defined in clause (k) of section 2 of the Code on Wages, 2019 (29 of 2019).
 - v. activities supported by the Company on sponsorship basis for deriving marketing benefits for its products or services.
 - vi. activities carried out for fulfilment of any other statutory obligations under any law in force in India.
- (4) **“CSR Committee”** means the Corporate Social Responsibility Committee of the Board referred to in Section 135 of the Companies Act, 2013.
- (5) **“CSR Policy”** means a statement containing the approach and direction given by the board of a company, taking into account the recommendations of its CSR Committee, and includes guiding principles for selection, implementation and monitoring of activities as well as formulation of the annual action plan.
- (6) **“Implementing Agency”** refers to any of the following entities having such qualifications as may be prescribed in this regard and assisting the Company, in undertaking its CSR activities:
- i. a company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12AA/ 12AB and 80 G of the Income Tax Act, 1961 (43 of 1961), established by the company, either singly or along with any other company, or
 - ii. 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
 - iii. any entity established under an Act of Parliament or a State legislature; or

- iv. a company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12AA/ 12AB and 80G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities.
- (7) **“Member”** means the member of Corporate Social Responsibility Committee of the Board referred to in Section 135 of the Companies Act, 2013.
- (8) **“Net Profit”** means the net profit of a company as per its financial statement prepared in accordance with the applicable provisions of the Act, but shall not include the following, namely:-
 - (a) Any profit arising from any overseas branch or branches of the Company, whether operated as a separate company or otherwise; and
 - (b) Any dividend received from other companies in India, which are covered under and complying with the provisions of Section 135 of the Act:

Provided further that in case of a foreign company covered under these rules, net profit means the net profit of such company as per profit and loss account prepared in terms of clause (a) of sub-section (1) of Section 381 read with Section 198 of the Act.

- (9) **“Ongoing Project”** means a multi-year project undertaken by the 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.
 - (10) **“Schedule VII”** refers to Schedule VII of the Companies Act, 2013.
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ANNEXURE E

CSR Delegated Authority December 17, 2017

Business Units/Miscellaneous	Percentage allocation of CIPL CSR Fund	Delegated Authority
IPSD/DTO	20	General Manager, IPSD
MH&U/ ITDD	25	Facility Manager 5, MH&U
Disaster Relief Fund	10	All Committee Members
Strategic – Presently 2 projects education (Skill Development programs/ basic needs/clean India)	40	Business Resource Manager/ Company Secretary/ Government and Corporate Affairs Manager
Administration	05	All Committee members

This delegated authority stands amended w.e.f April 1, 2022 as follows:

Facility	Percentage allocation of CIPL CSR Fund	Approvers
Schedule VI Funds viz., PM Cares Fund, Clean Ganga Fund, Swach Bharat Kosh Funds *\$	75	Ramarathnam Varadadesijan, Surya Kodukulla
IPSD/ACM	7	Ramesh Muthuraman
MH&U/ ITDD	7	Vivekanand Vanmeeganathan
Corporate Office (Bangalore Region)	3	Ramathnam Varadadesikan
Disaster Relief Fund	3	Ramarathnam Varadadesikan and Surya Kodukulla
Administration	05	Ramarathnam Varadadesikan and Surya Kodukulla

* The contributions to these 3 Schedule VI Funds have been approved under EP 6.33. before making the funding, an email confirmation from the respective marketing team leader should be obtained, to the effect that there are no activities in India which the respective Non US Government Official (NUSGOs) overseeing the respective Fund would be involved in the decision making associated with a purchase from the Company.

§20% of the entire CSR Fund Allocation per financial year only will be considered for the above allocation, out of the remaining amount of 80%, 5% earmarked for administration of the CSR Activities and resources and 75% to be donated to the Schedule VII Funds – 1.

Clean Ganga Project; 2. PM Cares Fund or 3. Swach Bharat Kosh Fund subject to the above email confirmation condition.

The duration of all CSR Projects to be recommended or approved w.e.f April 2022 shall be up to or below 12 months period only. Except for the existing on-going Projects, the Company shall not commence any such multi-year Projects w.e.f 01.04.2022.