

Tulsyan NEC Limited

POLICY FOR CORPORATE SOCIAL RESPONSIBILITY (CSR)

PREAMBLE

The concept of Corporate Social Responsibility has gained prominence from all avenues. Organizations have realized that Govt. alone will not be able to get success in its endeavor to uplift the downtrodden of Society. With the rapidly changing corporate environment, more functional autonomy, operational freedom etc. Tulsyan NEC Limited has adopted CSR as a strategic tool for sustainable growth.

For Tulsyan NEC Limited, CSR means not only investment of funds for social activity and relief to the under-privileged sections of the society but also integration of Business processes with social processes.

CSR AND SUSTAINABILITY

Sustainability (corporate sustainability) is derived from the concept of sustainable development which is defined by the Brundtland Commission as “development that meets the needs of the present without compromising the ability of future generations to meet their own needs”.

Corporate sustainability essentially refers to the role that companies can play in meeting the agenda of sustainable development and entails a balanced approach to economic progress, social progress and environmental stewardship.

AVENUES / AREAS FOR WHICH FUNDS CAN BE DEPLOYED FOR CSR ACTIVITIES

The Company's Registered and Corporate office is located at Chennai. It has its administrative office at Bangalore. The Company's Steel Division is situated in Gummudipoondi, Tiruvallur District, Tamil Nadu and Synthetics Division is situated in Karnataka, Goa and in Andhra Pradesh.

As the Registered and Corporate Office of the Company is situated in Chennai, the Company's policy on Corporate Social Responsibility is framed taking into account the following measures in accordance with the provisions of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014: -

- Preference to local area and areas around the Company i.e., within and around Chennai where it operates, for spending the amount earmarked for Corporate Social Responsibility activities.
- The Company shall contribute towards one or more of any of the following activities / projects as listed under Schedule VII to the Companies Act, 2013 towards Corporate Social Responsibility subject to recommendation of the CSR Committee and approval of the Board of Directors.

- ❖ promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
- ❖ 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;
- ❖ protection and promotion of art and culture;
- ❖ Rural development projects.

OBJECTIVE

The main objective of CSR policy is to lay down guidelines to make CSR a key business process for sustainable development for the Society. It aims at supplementing the role of the Govt. in enhancing welfare measures of the society based on the immediate and long term social and environmental consequences of their activities. Tulsyan NEC Limited will act as a good Corporate Citizen.

All activities under the CSR activities should be environment friendly and socially acceptable to the local people and Society.

AREAS TO BE COVERED

The poor and needy section of the Society – anywhere in India would be covered.

IMPLEMENTATION

The Company can implement its CSR activities through any of the following methods subject to recommendation of the CSR Committee and approval of the Board of Directors;

- Directly on its own by creating a separate administrative machinery and staff of its own to perform the CSR activities.
- Through its own non-profit foundation set- up so as to facilitate this initiative
- Through independently registered non-profit organisations that have a record of at least three years in similar such related activities.
- Hiring agencies / Non-governmental organisations which in turn carry out the activities / projects for the Company and the Company bears the cost.
- Collaborating or pooling their resources with other companies

MONITORING

The CSR Committee shall monitor the Corporate Social Responsibility Policy of the Company from time to time and it shall also review the progress of activities Undertaken/completed.

ALLOCATION OF EXPENDITURE

The Company shall spend in every financial year atleast 2% of the average net profits of the Company made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy.

The CSR Project upon implementation should be consistently reviewed, monitored and the performance / progress of the activities shall be assessed periodically by the CSR Committee once in every three months and the status of progress / developments thereon be reported to the Board of Directors at their meetings.

BASE LINE SURVEY & DOCUMENTATION

Prior to funding the projects for carrying out CSR activities, the Company shall be required to carry out the survey / due diligence in the respective area(s) by competent persons/ authority to assess the cost - benefit analysis in the said field.

The Company shall document the comprehensive policy or exclusive agreement or Non-Disclosure Agreement with any outsourced Agency / Non-Profit Organization or any other appropriate authority with all the relevant terms and conditions, rights and obligations of the parties. The Company shall engage or consult with appropriate legal counsels or Practicing Professionals with regard to drafting or finalizing the deeds and / or agreements.

UPKEEP AND MAINTENANCE OF ASSETS CREATED:

The Company shall take adequate measures for maintenance and upkeep of Assets created under CSR. Appropriate safeguard mechanisms and procedures shall be put in place to protect the interest of Company or stakeholders.

A separate team and administration shall be set up by the Company for accounting and monitoring the operations of the CSR projects. The Company shall set up a separate Audit Team to audit the accounting records in respect of CSR Activities / projects.

REFLECTION OF CSR ACTIVITIES

Annual audit of all CS activities undertaken by the Company would be done by Auditor. The CSR activities will be reflected in the Annual Report and Accounts of Tulsyan NEC Limited under the Boards' Report.

The Committee constituted in the area will inspect all sites and reflect the same to CSR Cell for their information, record and further action.

CONCLUSION

The above guidelines would form the framework around which the CSR activities would be undertaken.

Tulsyan NEC Limited shall review the Policy from time to time based on changing needs and aspirations of the target beneficiaries and make suitable modifications, as may be necessary.

The represents the Corporate Social Responsibility Policy (CSR Policy) of Tulsyan NEC Limited.
