

## DUROVALVES INDIA PRIVATE LIMITED

### Corporate Social Responsibility (CSR) policy

#### 1. Objective

- To define the overall framework for CSR this will be applied by the Company.
- To lay down the guiding principles, standards, codes and mechanisms to carry out the CSR Projects of the Company.
- To ensure that all the CSR Projects are reported as per the format prescribed by Section 135 of the Act.
- To identify the areas of interventions and CSR Projects which the Company will undertake as its core CSR initiatives.

#### 2. Vision & Mission

**Vision:** To actively contribute to the social and economic development of the communities in which we operate.

**Mission:** To contribute to sustainable development and inclusive growth by investing responsibly, thereby reducing socio- economic inequalities among the underprivileged sections of the society.

#### 3. Governance structure

With the purpose of driving CSR in accordance with the new Companies Act 2013 and to fulfil our commitments, we at Varroc are committed to put in place highly effective, powerful and transparent governance as well as implementation structures, which may include all or a part of the following:

- Board of directors
- CSR committee
- Corporate CSR Team
- Varroc Foundation
- Plant CSR Team (Internal CSR function at Plants/Offices)
- Social Organisations (SOs)



#### 3.1 Board of directors

The company's directors shall remain committed to drive and provide overall direction to CSR. They shall assume responsibility for remaining adhered to the Act and rules concerning CSR.

Therefore, directors of the company shall discharge the following duties and functions:

- Constitute a CSR committee.
- Approve the CSR policy and bring amendments in the policy as and when required.
- Approve thrust areas under CSR that the company will propose to support, annual action plan and modalities of operations.
- Ensure that activities included by the company in its CSR policy are in accordance with those listed in Schedule VII of the Act.
- Ascertain that the activities included in the CSR policy of the company are undertaken.
- Ensure that the company spends, in every financial year, at least 2% of its average net profits made during the three preceding financial years, in pursuance of this policy.
- The board's report issued under clause (o) of sub-section (3) of section 134 shall include an annual report on CSR containing particulars specified in 'Annexure' to the CSR Rules.
- If the company fails to spend such amount, then it will disclose the reasons for not spending the amount in its annual report mentioned above.

### **3.2 CSR committee**

In accordance with the provisions of section 135 of the Companies Act, the board of directors has constituted a CSR committee comprising following directors:

1. Mr. Tarang Jain - Chairman
2. Mr. Albertina Scarpa - Member
3. Mr. L S Miniyar - Member

Powers of the committee:

- Formulate a CSR policy and recommend it to the board of directors for approval.
- Formulate and approve a CSR action plan for the year.
- Recommend the budget to the board of directors for approval.
- Be accountable for the spent of the allocated CSR budget.
- Accord approval for undertaking CSR activities in partnership or collaboration with other companies, institutions, NGOs, etc.
- Create transparent monitoring mechanisms for the implementation of CSR initiatives.
- Submit reports to the board in respect of CSR initiatives undertaken by the company.
- Monitor the CSR policy and recommend amendments, when required.
- Monitor the charter of the MoUs of the partnerships and the implementation of activities under partnerships.
- Nominate executives of the company to attend the internal committee meetings and CSR workshops, seminars, events being held externally.
- Constitution of Corporate CSR Team for effective implementation of the CSR activities

### **3.3 Corporate CSR Team**

The company may decide to set up an internal CSR team at the corporate level which will be accountable to the CSR committee and be responsible for rolling out CSR plans as per the policy.

Roles and responsibilities of the Corporate CSR team:

- Be the first point of contact for the company's CSR.
- Support the CSR committee to ensure full compliance of the regulation.
- Take guidance and direction from the CSR committee and perform the function accordingly.
- Provide knowledge inputs to the CSR committee and the management and share with them internal as well as external information on CSR.
- Facilitate the committee to take right decisions on CSR and develop the CSR action plan.
- Provide guidelines and frameworks for the effective operationalisation of CSR initiatives.
- Understand all the programs in detail and recommend certain programs, modality of operations and monitoring mechanisms to the committee.
- Ensure the utilisation of resources.
- Mobilise and manage partnerships.
- Develop an MIS and share progress report cards with the CSR committee and other stakeholders.
- Be responsible for CSR communication and publish the CSR report
- Constitution of Plant CSR Team, if required, for effective implementation of the CSR activities

### **3.4 Varroc Foundation**

The Company may decide to undertake its CSR activities through Varroc Foundation, a registered trust established by the Company which has established records of more than three years in undertaking similar programs or projects. While undertaking such CSR activities, independent of its commitment to meet primary objectives, Varroc Foundation will undertake the following roles and responsibilities:

- Act as enabler and assist the company in meeting its CSR commitments and obligations, in pursuance of the new Act and Rules.
- Function as catalyst of change that facilitates the company perform professionally in the social space.
- Conceptualize and design the CSR programmes.
- Assist in the execution of CSR programmes through its employees or in collaboration with other partners such as NGOs, government and community based organizations, sector experts and any other partner(s) as deemed necessary.
- Provide capacity building support to the programme team and implementation partner(s).
- Provide periodic reports to the CSR team and Committee.
- The thrust area for addresses those strategic issues or causes which are of local and/or national importance and relevance.

### **3.5 Plant CSR Team**

The Company may decide to set up an internal CSR team at the respective plant level which will be accountable to the Corporate CSR Team and be responsible for rolling out CSR plans as per the policy.

Roles and responsibilities of the Plant CSR Team:

- Be the first point of contact for the plant's CSR.
- Support the CSR Committee to ensure full compliance of the regulation.
- Take guidance and direction from the CSR Committee or Corporate CSR Team and perform the function accordingly.
- Provide knowledge inputs to the Corporate CSR Team and the management and share with them internal as well as external information on CSR.
- Facilitate the Corporate CSR Team to take right decisions on CSR and develop the CSR action plan.
- Provide guidelines and frameworks for the effective operationalisation of CSR initiatives.
- Understand all the programmes in detail and recommend certain programmes, modality of operations and monitoring mechanisms to the committee.
- Ensure the utilisation of resources.
- Be responsible for CSR communication and submit the CSR report to Corporate CSR Team

### **3.6 External Agencies/Social Organisations (SOs)**

The Company may identify external agencies for the implementation of programmes. In case of program implementation planned to be performed by external agencies, the following minimum criteria for eligibility shall be ensured:

- The NGO or agency has a permanent office or address in India.
- The NGO is a registered society, a trust or a section 8 company with a proven track record of three years in undertaking similar developmental projects.
- The NGO possesses a valid income-tax exemption certificate.
- The NGO is not affiliated to a political and/or religious institution.
- The NGO maintains a required level of auditable records.

## **4. CSR action plan**

The action plan is an annual plan of CSR projects, programs, activities that shall be placed before the board of directors of the company based on recommendations made by its CSR committee. The company will finalize the list of specific CSR projects and programs it plans to undertake for the year to be appended as Annexure to this policy.

The company focusses its CSR primarily in the geographic regions of India where it has business presence.

However, it does not limit the boundary of its CSR commitments to its plant locations and offices, but remains open and flexible to contribute to social causes in other parts of the country too.

The activities undertaken in pursuance of normal business of a Company will not be considered as CSR activities.

The CSR activities that benefit only the employees of the Company and their families will not be considered as CSR activities.

Contribution of any political party under section 182 of the Companies Act, 2013 will not be considered as CSR activity.

The Company will give preference to local area and areas around it where it operates.

## **5. Implementation process**

The CSR Committee shall be responsible to implement this CSR Policy of the company.

The Company prioritizes to undertake following activities falling within the preview of schedule VII of the Companies Act, 2013 ("**primary CSR activities**"), within each financial year:

- promotion of Education
- promotion of gender equality and empowering women
- promotion of employment enhancing vocational skills
- promotion of health and nutrition security
- ensuring environmental sustainability
- training to promote nationally recognized sports
- protection of national heritage, art and culture including restoration of building and sites of historical importance and works of art.

In addition to the above, the Company may undertake one or more of the following activities falling within the preview of schedule VII of the Companies Act, 2013 ("**secondary CSR activities**"):

- promotion/Support of social business projects
- eradicating extreme hunger and poverty
- reducing child mortality and improving maternal health
- combating human immunodeficiency virus, acquired immune deficiency syndrome, malaria and other diseases;
- contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government or the State Governments for socio-economic development and relief and funds for the welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women; and such other matters as may be prescribed
- Any other activities as may be prescribed from time to time

The Company will follow a project based approach in order to attain long-term sustainability of projects and programs. The implementation process will entail the following steps:

- Needs assessment - the thrust area for addresses those strategic issues or causes which are of local and/or national importance and relevance
- Operating model of the selected project
- Implementation schedule of the program in the selected location
- Roles and responsibilities of the implementing partner(s) in every location
- CSR activities undertaken in India only will amount to CSR expenditure.

CSR expenditure will cover all expenditure as also contribution to corpus for project or programs approved by the Board of Directors. However, it will not include any expenditure on an item not in conformity or not in line with CSR activities.

The Company will display the contents of CSR policy after being duly approved by it on company's website.

The Board report shall include an annual report on CSR containing required particulars specified in the prescribed format for the annual report.

## **6. Monitoring Process:**

The Corporate CSR Team/Varroc Foundation will actively engage with implementing agencies to ensure that programs are on track and submit periodical reports to the CSR committee. The report will cover the following:

- Progress of each program vis-à-vis the timeline and budget
- Beneficiaries covered
- Performance of the external partners, if engaged
- Problems encountered and solutions, if implemented
- Estimated amount that will be spent till the end of the year

The CSR Committee will review the progress periodically and shall furnish the details of activities undertaken by CSR committee to the Board of Directors. The Board of Directors will monitor the initiatives taken by the CSR committee to perform its obligation. The committee also needs to review the CSR policy to make it current and relevant.

## 7. Management Commitment

Our Board of Directors, our CSR Committee, our Management and all of our employees subscribe to the philosophy of compassionate care. We believe and act on an ethos of generosity and compassion, characterized by a willingness to build a better society which provides a better, sustainable way of life for the weaker sections of humanity.

Our Corporate Social Responsibility policy conforms to the Companies Act, 2013 and rules made thereunder.

## ANNEXURE

### CSR projects and programs to be undertaken for the year

S.No.	CSR project or Activity Identified	Sector in which the project is covered (linkage with Schedule VII to the Companies Act, 2013)	Project/ Program - Area or Other State and district where projects or programs has to be undertaken	Implementation Schedule	Modality of execution
1	Skill Development	Cl. (ii) promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;	Local Area: Aurangabad, Pune extended to Maharashtra as host state and further extended to pan India	Annual ongoing activity	Direct/ Partnership
2	Promoting Young Sports Talent enabling them to compete at national and international level	Cl. (vii) training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports;	Local Area: Aurangabad, Pune extended to Maharashtra as host state and further extended to pan India	Annual ongoing activity	Direct/ Partnership
3	Kham River Restoration Project	Cl. (iv) 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;	Local Area – Aurangabad	Annual ongoing activity	Direct/ Partnership
4	Promoting Art and Culture	Cl. (v) 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 and handicrafts:	Local Area – Aurangabad, Ajanta, Ellora	Annual ongoing activity	Direct/ Partnership
4	Environmental Awareness, Sanitization and promotion	Cl. (iv) 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;	Local Area – Aurangabad, Pune and all plant/office locations	Annual ongoing activity	Varroc/ Partnership