

Orient Abrasives Limited

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

Last Amended on 11th May, 2022

Corporate Social Responsibility

Corporate Philosophy of Orient Abrasives Limited (OAL) has always been to practice environmental, ethical and be socially responsible. There is a strong commitment to a wider all-round social progress, as well as to a sustainable development that balances the needs of the present with those of the future. To save and maintain the resources for our next generation, are goals of the OAL.

This Corporate Social Responsibility Policy ('Policy') of the Company has been formulated in accordance with Section 135 of the Companies Act, 2013 ('Act') read with the Companies (Corporate Social Responsibility Policy), Rules, 2014 ('Rules') to lay down the guidelines for undertaking Corporate Social Responsibility (CSR) activities at OAL. This Policy lays down the guideline principles for social welfare programs/projects initiated by the OAL through Ashapura Group Trusts/Foundation for the benefit of different segments of the society, specifically the deprived, underprivileged and differently abled persons.

OAL is committed to:

- To uphold the principle of inclusive social growth and ensure development of sustainable livelihoods.
- To align CSR initiatives based on the needs identified in the societies, communities and carry out assessments to further understand the impact of the initiatives.
- To regularly engage with communities, seek feedback on the initiatives carried out and understand areas of concerns and challenges faced by communities.
- To build collaborations with organizations, governments, local authorities, NGO's, institutions and other bodies that share the objective of social development.
- To develop ecofriendly products that leads development of society and ensures a lesser environmental contamination.
- To encourage employees voluntary participation in community welfare.
- To create opportunities through business operations that fosters the economic development of the communities, especially the needed / poor sections of society.
- To communicate to stakeholders on the CSR initiatives carried out.

OAL's social vision has been enshrined in four E's which have become the Guiding Principles of our CSR initiatives - Education, Empowerment, Employ, and Environment & health.

We engage with local stakeholders, and in a process that is both consultative and collaborative, we undertake a range of innovative & sustainable programmes.

I. Objectives:

The Objectives of the Policy are to:

- Define the Company's framework for CSR
- Ensuring the implementation of CSR initiatives in letter and spirit through appropriate procedures and reporting requirements as prescribed in the Act and Rules framed thereunder
- Ensure an increased commitment at all levels in the organization to carry out its business operations in an economically, socially and environmentally sustainable manner, while recognizing the interests of all its stakeholders.
- Creating opportunities for employees to participate in socially responsible initiatives.

II. Scope and Applicability:

This Policy is applicable to all the CSR projects/programmes undertaken by the Company directly or through Ashapura Group's Trusts/Foundation which inter-alia include Kutch Navnirman Trust, Ashapura Foundation, Hiralaxmi Memorial Foundation subject to provisions of the Act, Schedule VII and Rules made thereunder.

III. CSR Activities of the Company:

The Company will carry out its CSR activities as per Schedule VII to the Act through the programs/projects either directly or through Ashapura Trusts/Foundation in the field of areas which *inter-alia* include:

- a. Promotion of Education
- b. Promotion of health care & Eradicating Hunger
- c. Women Education and Empowerment
- d. Women and Child Care
- e. Relief & Rehabilitation
- f. Agricultural Development, Water harvesting and Animal care
- g. Promotion & Preservation of Art & Culture, Protection of National Heritage
- h. Social Awareness Programmes, Rural Development Projects etc.

The Corporate Social Responsibility policy conforms to the applicable provisions of the

Companies Act 2013 and Companies (Corporate Social Responsibility Policy) Rules 2014. All activities shall be as per Schedule VII to the Act.

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

The above CSR activities do not include the activities undertaken in pursuance of normal course of business of the Company. Further, the surplus, if any, arising out of the CSR projects or programs or activities will not form part of the business profit of the Company.

IV. CSR Budget/Fund Allocation:

The Company shall spend in every financial year not less than 2% of the average Net Profits of the Company made during the three immediately preceding financial years. The surplus arising out of the CSR activity/projects/programs shall not form part of the business profits of the Company.

The amount remaining unspent pursuant to any ongoing project, fulfilling such conditions as may be prescribed, undertaken by a company in pursuance of this 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. The said unspent 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.

In case the Company fails to spend all or any part of the budgeted amount in a financial year, the Board of Directors of the Company shall specify the reasons for the same in its Report to the Shareholders of the Company unless the unspent amount relates to any ongoing project referred in above paragraph and transfers such unspent amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.

CSR Committee will recommend the annual budgeted expenditure project wise to the Board for its consideration.

The budget would be in compliance to the statutory requirements as defined from time to time.

V. Governance Mechanism:

In order to ensure effective implementation of CSR Policy, the Board of Directors of Company at its meeting held on 27th May, 2014 has constituted a Committee called "Corporate Social Responsibility Committee" ('CSR Committee') consisting of 3 Directors out of which 1 is an Independent Director in accordance with the provisions of Section 135 of the Companies Act, 2013.

❖ Composition of CSR Committee:

The governance for the CSR projects/programs will be headed by the CSR Committee of the Board which consists three or more directors of which, one will be an independent director.

The CSR Committee, along with the CSR team, is responsible for the decision making with respect to the CSR policy of the Company.

The CSR Committee will meet once a year to discuss and review the CSR projects/programs/activities and the Policy. The quorum of 2 Members is required for conducting proceedings of the meeting. The Committee shall have authority to call such employee/s, senior official/s, as it may deem fit. The Company Secretary shall act as a secretary to the Committee.

Role & Responsibilities:

- (i) To formulate and recommend a CSR Policy to the Board which shall provide an indicative list of broad activities to be undertaken by the Company in line with the CSR Policy of the Company;
- (ii) To recommend the project wise budget/expenditure to be incurred during the year;
- (iii) To monitor the CSR policy of the Company from time to time and recommend modifications to the CSR Policy, as and when required.

❖ CSR Team:

CSR Team means and inter-alia includes employees of the Company and/or its associated registered trust, society or companies established by the Company or its holding or subsidiary or associate company under Section 8 of the Companies Act, 2013 or Section 25 of the erstwhile Companies Act, 1956.

The CSR Team will be responsible for the execution of the decisions taken by the CSR Committee and will ensure its effective implementation.

Role and Responsibilities:

- (i) To be the central point of co-ordination for handling the Company's CSR programs/projects/activities under the guidance of CSR Committee;
- (ii) To interface with the various organizational units internally and externally to ensure effective implementation of projects undertaken;
- (iii) To interface with the CSR Committee to obtain necessary approvals and resolutions as may be required;
- (iv) To report to the Management on the progress made in respect of the CSR activities throughout the year;
- (v) To assist the CSR Committee in identifying the projects/programs and planning the annual budgets for CSR activities to be undertaken by the Company.

❖ Board of Directors:

Role and Responsibilities:

- (i) To consider and review recommendations made by the CSR Committee;
- (ii) To approve the CSR Policy of the Company and ensure that every financial year the funds committed by the Company for CSR activities are utilized effectively by regularly monitoring the implementation;
- (iii) To disclose the content of the policy in Company's report & website as per the prescribed format and also disclose the reasons for underspending/not spending of the allocated CSR budget in its report;
- (iv) To ensure annual reporting of CSR in its Report as per the prescribed format.

VI. Project Identification and Monitoring:

- (i) Every year, the CSR Committee will place a CSR Plan defining the CSR Programmes/Projects/Activities to be carried out during the financial year and the specified budgets thereof to the Board for its approval.
- (ii) The Board will consider and approve the CSR Plan with any modification that may be deemed necessary.
- (iii) The CSR Committee and/or Management Team will assign the task of implementation of the CSR Plan within specified budgets and timeframes to CSR Team and/or such other persons or bodies as it may deem fit.
- (iv) CSR Team and/or such other persons/bodies to which the implementation is assigned will carry out such CSR Programmes as directed and will report back to the CSR Committee/Management on the progress thereon at such frequency as the CSR Committee/Management may direct.
- (v) CSR Team will provide a status update to the CSR Committee on the progress of implementation of the approved CSR Programmes atleast once in every six months.
- (vi) The CSR Committee shall be responsible to review such reports and keep the Board apprised of the status of implementation of the same.
- (vii) The CSR Committee will submit its report to the Board at the end of every financial year.

VII. CSR Reporting:

The Board of Directors of the Company shall, as a part of its Report, provide an annual report on CSR in the format prescribed under the Rules framed under the Act, as amended from time to time.

The CSR Policy and programs will also be displayed on the website of the Company as per the format prescribed under the Rules.

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