

CORPORATE SOCIAL RESPONSIBILITY POLICY

of

Derewala Industries Limited

REGISTERED OFFICE

**PLOT NO. C-69, FLAT NO. 304, PARADISE REGENCY, SAROJINI MARG,
C-SCHEME, JAIPUR-302001 (RAJASTHAN)**

WORKS

**E-72/73, EPIP, SITAPURA INDUSTRIAL AREA, TONK ROAD,
JAIPUR-302001(RAJASTHAN)**

CIN: U36911RJ2007PLC024129

This policy has been instituted based on the Corporate Social Responsibility (CSR) philosophy of Derewala Industries Limited and provisions of Section 135 of the Companies Act, 2013 ("the Act"), read with Schedule VII of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2013. This policy will at all times be subject to the provisions of the aforesaid act and rules (as amended from time to time). This Policy will come into force with immediate effect.

1. INTRODUCTION

The fundamental belief of Derewala Industries Limited lies in the commitment to bring about an overall positive impact on the communities, cultures, societies and environments in which we operate.

Derewala with the combination of its skill sets such as expertise, strategic thinking, manpower and finances is all set to engage in initiating extensive social change with the objective to make a significant difference in the society and to improve the overall quality of life.

2. PHILOSOPHY & OBJECTIVE

Social Responsibility has strong roots in the legacy of Derewala Group. Derewala group has been participating in various CSR initiatives over the years even before CSR spending came to be mandatory under law and some of those initiatives include:

- Lithotripsy centre in SMS Hospital, Jaipur
- 9 Bedded ICU facility in JK Lone Hospital, Jaipur
- Contributed to the development of India's first 25 bedded Pediatric ICU in JK Lone Hospital, Jaipur, which is ISO 9001:2008 Certified.
- Derewala was one of the contributors along with other trade members (IIGJ)

Company believes that whatever you have earn from society, payback some portion of that to growth & development of society and maintain the balance between corporate and society by integrating the social and environmental concerns in the business operations and interactions.

To further the Company's CSR philosophy, a formal policy on CSR is being formulated to align its practices with requirements of Companies Act, 2013 and rules made thereunder.

3. DEFINITIONS

"Act" means the Companies Act, 2013 including any statutory modification or reenactment thereof.

"Board" means the Board of Directors of the Company.

"Board's Report" shall mean report of the Board of Directors prepared in accordance with section 134(3) of the Companies Act, 2013.

"Company" means Derewala Industries Limited, a Company registered under the Companies Act 1956 having CIN: U36911RJ2007PLC024129 and having its Registered Office at Plot No. C-69, Flat No. 304, Paradise Regency, Sarojini Marg, C-Scheme, Jaipur-302001, Rajasthan.

"CSR" means Corporate Social Responsibility.

"CSR activities" means the activities or projects or programs as recommended by the CSR Committee and approved by the Board, undertaken by the Company from time to time in any one or more of the areas falling under point 5.

“CSR Committee” means the Committee of the Board constituted for the purpose of administration of CSR activities, supervising the adherence of this CSR Policy and the matter incidental thereto.

“CSR Policy” means the Corporate Social Responsibility Policy as set out herein and as amended or modified from time to time.

“CSR Rules” means Companies (Corporate Social Responsibility) Rules, 2014 framed under the Act and as amended or modified from time to time.

“Independent Director” means a non-executive director of the Company within the meaning of section 2(47) of the Companies Act, 2013.

4. CSR COMMITTEE

The Board of Directors of the Company shall constitute a committee called the “Corporate Social Responsibility Committee” (“CSR Committee”) in accordance with the provisions of Companies Act, 2013 and rules made thereunder. The CSR Committee shall consist of three or more directors, out of which at least one director shall be an Independent Director. The Board of Directors may change the composition of the CSR Committee from time to time in such manner as it thinks fit.

Subject to provisions of Companies Act, 2013 and rules made thereunder, the CSR Committee may meet at such intervals, in a manner and may carry out matters in such manner and function generally as per such guidelines as it deems fit.

The CSR Committee shall have, inter alia, the following roles, powers and responsibility:

- (i) Formulate and recommend to the Board of Directors of the Company, a Corporate Social Responsibility Policy (“CSR Policy”) indicating the activities to be undertaken by the company as specified in Schedule VII of the Act and any amendments therein;
- (ii) To recommend the amount of expenditure to be incurred on activities referred to in clause (i);
- (iii) Develop and approve various CSR projects, programs and activities to be undertaken from time to time either directly by the Company or through other entities;
- (iii) Determine modalities of execution of such CSR projects, programs and activities;
- (iv) Undertake all necessary steps to implement the CSR activities;
- (v) Authorise and approve CSR expenditure from time to time subject to the limits approved by the Board of Directors;
- (vi) Monitor the CSR Policy and activities from time to time;
- (vii) Carry out all such acts, deeds, matters and things as may be required in connection with aforesaid matters and generally for any matter connected with the CSR policy of the Company;
- (viii) To perform such functions as may be entrusted by the Board of Directors from time to time.

5. CSR ACTIVITIES

The Company in alignment with Schedule VII of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof), shall identify and undertake all its CSR programs/projects/activities, which may include any one of the following activities:

- i. Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water;
- ii. promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
- iii. promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
- iv. 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;
- 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 arts and handicrafts;
- vi. Measures for the benefit of armed forces veterans, war widows and their dependents;
- vii. Training to promote rural sports, nationally recognized sport, paralympic sports and Olympic sports;
- viii. Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Schedule Castes, the Schedule Tribes, other backward classes, minorities and women;
- ix. Contribution or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
- x. Rural development projects.
- xi. Ganga Swach Abhiyan

The Company shall ensure that in identifying its CSR Projects, preference shall be given to the local area and areas around which the Company operates. However, this shall not bar the Company from pursuing its CSR objects in other areas.

6. ASSOCIATES/PARTNERS IN CSR ACTIVITIES

Company is always looking forward to work with such societies, trusts and NGOs etc., who are engage in such activities, which are harmonizing with CSR initiatives/activities of Company.

The Company may carry out the CSR activities either on its own, or through a registered trust or registered society or through a company registered under Section 8 of the Companies Act, 2013 or through one or more of the modes in such manner as it deems fit. The Company may also collaborate with other companies for undertaking projects, programs and activities in such manner as it deems fit.

7. CSR EXPENDITURE :

From April 1st, 2014 in line with the Companies Act, 2013 ("the Act"), Company has to contribute at least 2% of the average net profits of the Company made during the 3 immediately preceding financial years specifically towards CSR initiatives. For this purpose, the net profit and average net profit shall be calculated in accordance with the provisions of the section 198 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014.

The Company may, in every financial year, spend such amounts on its CSR activities as the CSR Committee may authorise from time to time subject to the limits as approved by the Board of Directors.

Any surplus arising out of CSR projects, programs and activities shall not form part of the business profits of the Company.

8. IMPLEMENTATION PROCESS

- i. The CSR Policy shall be implemented by the CSR Committee under the broad policy and/or frame work laid down by the Board in this regard from time to time. CSR Committee may nominate a senior official of the Company to help execute and monitor implementation of the CSR activities. Such senior official shall directly submit his/her report to the CSR Committee.
- ii. The CSR Committee shall identify the CSR activities along with the geographical area to be undertaken by the Company.
- iii. The CSR Committee shall also estimate the total amount of expenditure to be incurred and time required by the Company for undertaking such CSR activities.
- iv. On determination of the modalities, the CSR Committee shall present a proposal before the Board.
- v. The time period/duration over which a particular project will be spread, will depend on its nature, extent of coverage and the intended impact of the project.
- vi. The CSR Committee shall authorize any of its members to approve the release of funds against the verified work plans in accordance with the approved budget for undertaking the CSR activities as approved by the Board. The authorized member shall periodically update the members of the Committee about the allocation / utilization of funds towards the CSR activities.

9. MONITORING

- i. The CSR Committee shall discuss the progress of each project undertaken and make any decision with respect to the project which it thinks fit.
- ii. The CSR Committee shall monitor the CSR expenditure on periodical basis and shall provide periodical report to the Board on the implementation of CSR activities.
- iii. The CSR Committee shall also determine the manner of submission of information, reports, files, etc. by third parties as a part of the monitoring process. The CSR Committee shall ensure that a transparent monitoring mechanism is put in place.

10. REVIEW OR AMENDMENT

The committee shall review CSR Policy from time to time and make suitable changes as may be required and submit the same for the approval of the Board.

Without prejudice to the generality of the contents of this policy, the Company may undertake CSR projects, programs and activities as permitted under the framework of Companies Act, 2013 from time to time (including any amendments, clarifications, circulars, notifications or other official communications from time to time). The Company may also carry out the purposes of this CSR policy in accordance with any amended position of law from time to time notwithstanding that such amended position is not reflected in this policy.