

# **CORPORATE SOCIAL RESPONSIBILITY POLICY**

OF

**FRICK INDIA LIMITED**

*(amended with effect from 20.03.2021)*



## 1. Preamble

At Frick India Limited, business success is not just about profits and shareholder returns. We believe in pursuing wider socio-economic and cultural objectives and have always endeavored to not just live up to it, but to try and exceed the expectations of the communities in which we operate.

The definition and scope of corporate responsibility is quite vast. Terms like corporate responsibility, corporate social responsibility, sustainable development, corporate philanthropy, corporate citizenship, corporate consciousness, responsible business etc. are used interchangeably. Now, the investors and shareholders are no longer the only stakeholders in the business. Business draws on resources both natural and social from the society and planet and provides products and services to the society. It forms an integral part of the society and is responsible and accountable to a wide range of stakeholders i.e. customers, employees, supply chain, nature, environment, regulatory bodies etc.

With the emergence of corporations and conglomerates, the pressure on business on corporate governance, ethics, values and disclosures have increased. Along with regulatory frameworks a number of voluntary frameworks and guidelines require businesses to disclose the manner in which the business is being conducted. In India, the Companies Act, 2013 mandates Corporate Social Responsibility (CSR) activities to be undertaken by companies meeting the criteria specified in the Act.

## 2. Regulatory Reference

- A) Section 135 of the Companies Act, 2013 ("the Act");
- B) Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 ("the Rules").

## 3. Policy

This Policy shall be known as Corporate Social Responsibility Policy of the Company which is referred in this Policy as "the Policy" or "CSR Policy".

## 4. Focus areas

Frick India Limited's Corporate Social Responsibility ('CSR') and welfare activities will center around the following areas:

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, employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects;
3. promoting gender equality, 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, agroforestry, 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 art 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 recognised sports, paralympic sports and olympic sports;
  8. contribution to the prime minister's national relief fund [or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund)] or any other fund set up by the central govt. for socio economic development and relief and welfare of the schedule caste, 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;
  12. Disaster management, including relief, rehabilitation and reconstruction activities;

However, the Company may, subject to the approval of the CSR Committee, undertake any CSR project specified in Schedule VII of the Companies Act, 2013 from time to time.

#### 5. CSR Committee

As per requirement of Section 135 of Companies Act, 2013 and rules related thereto, the Board of Directors of the company has constituted the "Corporate Social Responsibility Committee" comprising of following Directors as members:

- Mr. Ramesh Chandra Jain, Director [**CHAIRMAN**]
- Mr. Jasmohan Singh, Managing Director [**MEMBER**]
- Ms. Gurleen Kaur, Director [**MEMBER**]

The Board of Directors of the Company shall constitute/ re-constitute the CSR Committee from time to time in compliance with statutory requirements.



The CSR Committee may invite members of senior management, representatives of the Company and other persons as it deems necessary to the committee meetings.

The CSR Committee shall formulate and recommend to the Board, an **annual action plan** in pursuance of its CSR policy, which shall include the following, namely:

- the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
- the manner of execution of such projects or programmes as specified in sub-rule (1) of Rule 4;
- the modalities of utilization of funds and implementation schedules for the projects or programmes;
- monitoring and reporting mechanism for the projects or programmes; and
- details of need and impact assessment, if any, for the projects undertaken by the company

## **6. Undertaking CSR Activities**

Frick India Limited will undertake its CSR activities through other entity/organization in compliance with the provisions of applicable laws.

The main objective of the Policy is to lay down the general framework of action for Frick India Limited to fulfil its CSR and in particular to specify the activities and programmes to be undertaken and also specify the manner of execution, modalities of utilization of funds and implementation and monitoring process of such programmes.

This policy shall apply to all CSR initiatives and activities taken up across the Company including those at factories and various other work-centres of the Company, for the benefit of different segments of the society.

## **7. Selection and Implementation of CSR Activities and Projects**

The CSR Committee shall discuss and decide the CSR activities on its own as mentioned in clause 4 above or through any other third party in such mode and manner which are permitted under law and within the ambit of clause 4. In case of proposal from third party such proposals must inter-alia contain details of projects/programs to be undertaken, proposed amount, timelines and a confirmation that such projects/programs are eligible under the Companies Act, 2013 and rules made thereunder.

The CSR Committee will evaluate the projects/programs and may, at its sole discretion, approve certain projects/programs for implementation. While approving projects/programs, the committee shall ensure that those are covered under the ambit of activities listed in Clause 4 above.

If necessary, the Company may engage International organisations as approved by the Board for



designing, monitoring and evaluation of the CSR projects or programmes as well as for capacity building of their own personnel for CSR.

The CSR Committee may also decide to contribute towards the Corpus Fund, as permitted under the law.

#### **8. CSR Budget**

The Board shall approve overall limits for CSR Activities to be undertaken by the Company. Within the overall limit approved by Board, the CSR Committee shall approve individual projects/programs including contribution towards the Corpus Fund. Any amount unspent pursuant to any individual ongoing project/programs as mentioned under clause 4, fulfilling such conditions as may be prescribed under the Act and the rules made thereunder, shall be transferred and utilized by the Company as per the requirements of the Act and the rules made thereunder. Any surplus arising out of the CSR projects, programs or activities will not form part of business profit of Frick India Limited and shall be ploughed back into the same project or shall be transferred within the prescribed time in accordance with the rules

If in any case, the Company spends an amount in excess of the requirement provided in the Act, such excess amount may be set off in accordance with the Rules prescribed.

The Board shall obtain a certificate from Chief Financial Officer or the person responsible for financial management who will certify that the funds so disbursed have been utilized for the purpose of approved CSR project/activity/program only and the same is to taken note by the Board.

#### **9. Location**

All CSR projects/programs under this policy shall be undertaken in India. The CSR Committee shall decide on the location for implementation of CSR projects/programs.

#### **10. Monitoring and Disclosure**

The CSR Committee shall endeavor to:

- (1) Devise a robust monitoring mechanism to ensure that the CSR projects/ programs are undertaken effectively in accordance with the approval granted and fully in compliance with applicable laws, rules and regulations. Monitoring of CSR activities could be done through:
  - a. Periodic assessment of key projects
  - b. Impact assessment with key indicators in our area of operations(if any)
  - c. Regular review by CSR Committee
- (2) Ensure that appropriate disclosures are made to the shareholder in the Company's annual reports.

The contents of CSR policy shall be disclosed in the Board's report;



The composition of the CSR Committee, CSR Policy and Projects approved by the Board of Directors shall be displayed on website, [www.frickweb.com](http://www.frickweb.com), for public access.

**11. Validity of CSR Policy**

This policy is effective from 20.03.2021 and may be amended by the Board as required from time to time.

**12. Contact**

For any clarification/query related to CSR policy of Company, please contact:

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