

DURA-LINE INDIA PRIVATE LIMITED

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

1. INTRODUCTION

India's new Companies Act 2013 ("the Companies Act") has introduced several new provisions which change the face of Indian corporate business. One of such new provisions is Corporate Social Responsibility ("CSR"). The concept of CSR rests on the ideology of give and take. Companies take resources in the form of raw materials, human resources, etc. from the society. By performing the task of CSR activities, the companies are giving something back to the society. The Section 135 of Companies Act, 2013 encourages Companies to spend in every financial year, minimum of 2% of the average net profits made during the 3 immediately preceding financial years.

Dura-Line (India) Private Limited ("the Company") has been an early adopter of Corporate Social Responsibility ('CSR') initiatives. Along with a sustained economic performance, environmental and social stewardship are also key factors for holistic business growth. The Company has established a trust i.e. **DURA-LINE INDIA FOUNDATION** as a not for profit but a nodal body aimed at providing a dedicated approach to community development and to fulfill our CSR commitments in letter and spirit.

The Company intends to be a significant contributor to CSR initiatives in India by devising and implementing social improvement projects for the benefit of underprivileged communities, towns and villages.

2. OBJECTIVES

The Company, firmly believes that CSR is primarily, the responsibility of the Company in relation to the impact of its decisions and activities on the society and also the environment, through a transparent and ethical behaviour. Dura-Line CSR policy intends to:



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- I. Strive for economic development that positively impacts the society at large with a minimal resource footprint.
- II. Embrace responsibility for the Company's actions and encourage a positive impact through its activities on hunger, poverty, malnutrition, environment, communities, stakeholders and the society.

3. DEFINITIONS

In this Policy, unless the context otherwise requires:

1. "Act" shall mean the Companies Act 2013, read with the various rules including any modifications, amendments or re-enactment thereof.
2. "Agency" (or Agencies) means any Section 8 Company or a registered trust / society / NGO / institution, performing social services for the benefit of the society and excluding a registered trust / society / NGO / institution / Section 8 Company which is formed by the Company and entity registered with the Ministry of Corporate Affairs for Undertaking CSR Projects which is engaged or established by the Company.
3. "Approved Budget" shall mean the total budget as approved by the Board of the Company upon the recommendation of the CSR Committee, which is to be utilized for CSR Projects.
4. "Board" shall mean the Board of Directors of the Company.
5. "Company" shall mean Dura-Line India Private Limited and wherever the context requires, shall signify the Company acting through its Board.
6. "CSR Annual Plan" shall mean the annual plan detailing the CSR expenditure for the year.
7. "CSR Committee" shall mean the Corporate Social Responsibility Committee constituted by the Board of the Company in accordance with the Act from time to time in compliance with the need of the Act.
8. "CSR expenditure" means all CSR expenditure of the Company as approved by the Board upon recommendation of the CSR committee, including the following:



- i. contribution to CSR Projects which shall be implemented and/or executed by the Company;
- ii. contribution to CSR Projects (including for corpus as required) which shall be implemented and/or executed by its Trust or Society; and
- iii. contribution to CSR Projects (including for corpus as required) which shall be implemented and/or executed by an Agency.
- iv. Any other contributions covered under Schedule VII.

Contribution of any amount directly or indirectly to any political party under section 182 of the Act, shall not be considered as CSR expenditure.

- 9. "CSR Officer" shall mean the whole time person engaged by the Company for activities envisaged in the CSR Policy; having due comprehension, understanding, drive and passion for such activities and designated as such.
- 10. "CSR Policy" shall mean the present Corporate Social Responsibility Policy of the Company, which covers the approach and direction given by the board of a Company, taking into account the recommendations of its CSR Committee and the activities to be undertaken by the Company as specified in Schedule VII to the Act and the CSR Expenditure thereon and any modification therein from time to time.
- 11. "Corporate Social Responsibility (CSR)" or "CSR Projects" or "Projects" means Corporate Social Responsibility projects/activities/ programs/ initiatives, instituted in India, either new or ongoing, and includes, but is not limited to those undertaken by the Board in pursuance of recommendations of the CSR Committee as per the declared CSR Policy of the Company and activities specified in Schedule VII to the Act.
- 12. "Administration Overhead" means the expense incurred for general management and administration of Corporate Social Responsibility functions but shall not include the expenses directly incurred for the designing, implementation, monitoring and evaluation of a particular of CSR project or programme.

Projects/activities/ programs/ initiatives undertaken in pursuance of normal course of business of the Company and projects which benefit only



the employees of the Company and their families shall not be considered as CSR Projects.

13. "Financial Year" shall mean the period beginning from 1st April of every year to 31st March of the succeeding year.
14. "Net profit" shall mean the net profit as per the Act and Rules based on which the specific percentage for CSR expenditure has to be calculated.
15. "Rules" shall mean the Companies (Corporate Social Responsibility) Rules 2014, including any re-enactment, modifications or amendments thereof.
16. "Society" means a Society formed and registered under the Societies Registration act, 1860 by the Company and includes a society jointly formed and registered by the Company with all or any of its Group Companies.
17. "Trust" means a Trust created and registered under the India Trusts Act, 1882 by the Company and includes a Trust jointly created and registered by the Company with all or any of its Group Companies.

Words and expressions used and not defined in the Policy shall have the same meanings respectively assigned to them in the Act and/or Rules.

4. ROLE OF THE BOARD OF DIRECTORS

The Board shall perform the following duties so far as the CSR Policy of the company and the activities relating thereto are concerned. It shall:

- (a) approve, alter the "Corporate Social Responsibility Policy" for the company after considering the recommendations made by the CSR Committee.
- (b) disclose the contents of the company's CSR Policy in the Board Report and shall display the same on the company's website, if any;
- (c) ensure that the activities included in the CSR Policy of the company are undertaken by the company;



(d) ensure that the company spends at least two per cent (2%) of the average net profits of the company made during the three immediately preceding financial years in every financial year and if fails to spend such amount specify the reasons for not spending the amount and unless the unspent amount relates to any ongoing project, transfer such fund specified in schedule VII of the Act within a period of six months of the expiry of the financial year;

(e) ensure that preference is given to the local area and areas around it where it operates, for spending the amount allocated for CSR activities.

(f) ensure that the administrative overheads shall not exceed five percent of total CSR expenditure of the Company.

(g) Satisfy itself that the fund so disbursed have been utilised for the purpose and in manner as approved by it.

5. CSR COMMITTEE:

The company has re-constituted the “Corporate Social Responsibility Committee” (the “CSR Committee”) in accordance with Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time by passing resolution in its board meeting held on 9 December 2022.

The composition of the re-constituted CSR committee of the Board is as under:

Sr.No	Name of Member	Designation
1.	Vijayasarathy Raghavan	Chairman
2.	Aldous Kuriachan	Member

Invitees to the CSR Committee: The CSR Committee may, at its discretion, invite or appoint employees of the Company from time to time to participate in the meetings of the CSR Committee and assist the CSR Committee in the implementation of the CSR Policy. Invitees to the CSR Committee meetings shall be entitled to participate in the deliberations of the CSR Committee but will not be entitled to vote at the meetings of the CSR Committee.

6. ROLE AND RESPONSIBILITIES OF THE COMMITTEE:

- a) Formulate CSR policy and recommend the same to the Board for its approval in line with the requirements of the Act from time to time;
- b) Recommend the amount of expenditure to be incurred on the activities;
- c) To formulate and recommend to the Board, an Annual Action Plan in pursuance to the CSR Policy;
- d) Be responsible for identification, selection, approval, planning, execution, supervision, co- ordination and monitoring of various programs/projects and activities under CSR;
- e) To recommend the CSR activities/projects and the amount to be expended on such activities/projects, to the Board that the company plans to undertake during the relevant financial year;
- f) Monitor the implementation of the CSR activities/projects from time to time;
- g) Institute a transparent monitoring mechanism for implementation of the projects/programs/activities undertaken or proposed to be undertaken by the company;
- h) Review performance of the company in the area of “Corporate Social Responsibility” and decide the priority of the activities to be undertaken;
- i) Monitor the Corporate Social Responsibility Policy of the company from time to time
- j) Ensure that surplus arising out of the CSR projects or programs or activities shall not be part of business profits of a company and shall be ploughed back into the same project or shall be transferred to the Unspent CSR Account and spent in pursuance of CSR policy and annual action plan of the Company or transfer such surplus amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.



7. SCOPE OF ACTIVITIES UNDER CSR INITIATIVE

The CSR activities will be undertaken by the company is aligned to the provisions of Schedule VII of the Companies Act, 2013 (the “Act”). The CSR Committee is empowered to undertake activities provided within the ambit of Schedule VII read with Companies (Corporate Social Responsibility Policy) Rules, 2014.

The following are the activities which can be undertaken by the Company as specified in Schedule VII:

(i) Eradicating hunger, poverty and malnutrition, “promoting health care including preventive health care” and sanitation 4[including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.

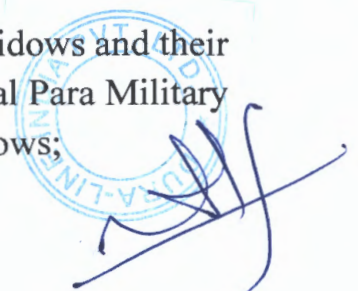
(ii) promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.

(iii) promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres 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, 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.

(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 art and handicrafts;

(vi) 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;



(vii) training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports

(viii) 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;

(ix) (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).

(x) rural development projects]

(xi) slum area development.

(xii) disaster management, including relief, rehabilitation and reconstruction activities.

8. IDENTIFICATION OF CSR PROJECTS:

1. CSR Projects need to be identified and planned for approval of the CSR Committee with estimated expenditure and phase wise implementation schedules.



2. The Company shall ensure that in identifying its CSR Projects, preference shall be given to the local area and areas around which the Company (including its Units) operates. However, this shall not bar the Company from pursuing its CSR objects in other areas.
3. As a cardinal principle, the CSR Projects shall be identified on the basis of a detailed assessment survey.
4. The CSR Committee may engage external professionals/firms/agencies if required, for the purpose of identification of CSR Projects.

9. IMPLEMENTATION APPROACH

The Board of the Company will undertake its CSR activities by the Company itself or through:

- (a) a company established under section 8 of the Act, or a registered public trust or a registered society, exempted under sub-clauses (iv), (v), (vi) or (via) of clause (23C) of section 10 or registered under section 12A and approved under 80 G of the Income Tax Act, 1961 (43 of 1961), established by the company, either singly or along with any other company; or
- (b) a company established under section 8 of the Act or a registered trust or a registered society, established by the Central Government or State Government; or
- (c) any entity established under an Act of Parliament or a State legislature; or
- (d) a company established under section 8 of the Act, or a registered public trust or a registered society, exempted under sub-clauses (iv), (v), (vi) or (via) of clause (23C) of section 10 or registered under section 12A and approved under 80 G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities.

Explanation.- For the purpose of clause (c), the term “entity” shall mean a statutory body constituted under an Act of Parliament or State legislature to undertake activities covered in Schedule VII of the Act.



The Board of the Company will ensure that before undertaking CSR activities from the above registered entity, has registered itself with the Central Government by filing Form CSR-1 electronically with the Registrar of Companies.

Provided also that, the company has specified the projects or programs to be undertaken through these entities, the moralities of utilization of funds on such projects and programs and the monitoring and reporting mechanism.

The Company may engage international organisation for designing, monitoring and evaluation of the CSR projects or programmes as per its CSR policy as well as for capacity building of their own personnel for CSR.

The company may also collaborate with other companies for undertaking projects or programs or CSR Activities in such a manner that the CSR committees of respective companies are in a position to report separately on such projects or programs in accordance with Companies rules, 2014.

However, the CSR Committee of such group Companies or Associate Companies shall provide separate reports on such projects or programs in accordance with the applicable laws.

10. MONITORING AND REPORTING:

The Board of Directors of the company shall include an Annual report in the Board's Report a detailed description as per the prescribed format, of the CSR activities undertaken and status update thereof. The CSR Committee is responsible for undertaking the CSR activities and ensuring that the CSR Budget is utilized as per the statutory requirement.

The committee shall review and discuss the scope of the activities or programs or projects those were undertaken during the financial year as a part of the company's CSR activities/projects. The Board of Directors of the Company shall from time to time review CSR activities of the Company.

Further, the company shall mandatorily disclosed the composition of the CSR Committee and CSR Policy and Projects approved by the Board on their website, if any, for public access.



11.FUND ALLOCATION AND OTHERS

A. FUND ALLOCATION

1. The Company, in every Financial Year, shall endeavour to spend the feasible amount, which shall not be restricted by the statutory limit of a specified percentage of its average net profits of the immediately preceding three Financial Years. However, the aforementioned expenditure in any Financial Year shall be at least 2% of Company's average Net profits for the three immediately preceding Financial Years.
2. The CSR Committee shall prepare a CSR Annual Action Plan for the above which shall include:
 - (a) the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
 - (b) the manner of execution of such projects or programmes as specified in sub-rule (1) of rule 4;
 - (c) the modalities of utilisation of funds and implementation schedules for the projects or programmes;
 - (d) monitoring and reporting mechanism for the projects or programmes; and
 - (e) details of need and impact assessment, if any, for the projects undertaken by the company:

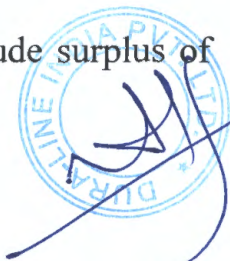
Provided that Board may alter such plan at any time during the financial year, as per the recommendation of its CSR Committee, based on the reasonable justification to that effect.

3. Total expenditure in the CSR Annual Plan shall be approved by the Board upon recommendation by the CSR Committee



B. OTHERS

1. The CSR Committee shall ensure that major portion of the CSR expenditure in the Annual Plan shall be for the Projects in the Thrust Areas. However, there shall not be any preference given to any particular Thrust Area for budgetary allocation and it shall be made purely as per the identified CSR Projects on need basis.
2. The Managing Director / Joint Managing Director / wholetime Director of the Company are authorized severally to decide on Projects to be implemented through the Indirect Method within the allocation as per the Annual Plan.
3. Any surplus arising out of the CSR Projects shall not form a part of the business profit of the Company.
4. Tax treatment of the CSR spend of the company during every financial year, shall be in accordance with the provisions of the Income Tax Act, 1963 and rules framed thereunder, as notified by the Central Board of Direct Taxes (CBDT) and as amended from time to time.
5. Any surplus arising out of the CSR activities shall not form part of the business profit of a company and shall be ploughed back into the same project or shall be transferred to the Unspent CSR Account and spent in pursuance of CSR policy and annual action plan of the company or transfer such surplus amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.
6. Any excess amount spent by the Company on CSR may be set off against the CSR requirement of immediately succeeding three financial years subject to below conditions:
 - A) excess amount available for set off shall not include surplus of CSR activity; and
 - B) the Board to pass a resolution to that effect



7. A special bank account, called an Unspent CSR Account to be opened by the company in any scheduled bank.
8. CSR amount may be spent for creation or acquisition of Capital assets which shall only be held by company established under Section 8 of the Act or registered public trust or registered society having charitable objects and CSR Registration Number or beneficiaries of said project in form of self-help groups, collectives, entities or a public authority.
9. Any amount remaining unspent pursuant to any ongoing project, undertaken by a company in pursuance of its CSR Policy shall be transferred by the company in the unspent CSR Account within a period of thirty days from the end of the financial year.
10. The amount transferred to the unspent CSR account shall be spent by the company in pursuance of its obligation towards the CSR Policy within a period of three financial years from the date of such transfer.
11. In case, the company fails to spend the amount within a period of three financial years, it 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.

12. RULES GOVERNING CSR POLICY:

1. As per the CSR Policy, the company shall undertake such CSR activities as projects or programs (either new or ongoing) not comprising the activities undertaken in pursuance of its normal course of business.
2. The company shall not consider the CSR activities as CSR projects or programs or activities that benefit only the employees of the company and their families. This may also encourage its employees to actively and voluntarily participate in the CSR initiatives undertaken by the company. The CSR expenditure shall be in case and not in kind.



3. In no case, the surplus arising out of the CSR activities shall form a part of “business profits” of the company.
4. Contribution made by the company of any amount directly or indirectly to any political party shall not be considered as “CSR activity”.
5. The company may build CSR capacities of its own personnel as well as those of their Implementing agencies through Institutions with established records of at least three financial years, however, such expenditure (including administrative overheads) shall not exceed five percent of total CSR expenditure of the company in one financial year.

13. AMENDMENT IN CSR POLICY:

Any or all provisions of the CSR Policy would be subject to revision / amendments by the Board of Directors of the company based on the recommendations of the CSR committee in accordance with the Companies Act, 2013 and rules made there under.

The company reserves the right to modify, cancel, add, or amend any of the provisions of CSR policy stated herein above.

