

M/s. FAB-TECH WORKS & CONSTRUCTIONS PRIVATE LIMITED

CIN U29268MH2009PTC195032

CSR POLICY

<u>Version</u>		<u>2.0</u>
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Version History	<p>Version 1: Initial version dated 3rd December, 2019</p> <p>Version 2: Incorporated changes pertaining to the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 and Section 135 of the Companies Act, 2013, vide Notifications issued by the MCA on 22nd January 2021 effective from 22nd January 2021.</p>	

Corporate Social Responsibility (CSR) Philosophy

FAB-TECH WORKS & CONSTRUCTIONS PRIVATE LIMITED was incorporated on 19th August, 2009 as an Engineering Consultants Company for undertaking EPCC Projects /Turnkey Projects from Concept to Commissioning to Oil & Gas Industry, Refineries, Petro Chemical Plants, Fertilizer Industry, Power Sector, Chemical Industry, Storage Tank Terminals, and Hydrocarbon Sector like LPG/PROPANE/BUTANE etc. Over the past 10 years of its existence, company's business has grown manifold without compromising on the highest quality standards as well as safest working environment to the people associated with the Company. Furthermore, the Company has always believed in idea of 'giving back to the community' even when there were no legal and statutory requirements in this regard.

The Company expresses its willingness and support to the CSR concept, its legal framework and shall be abided to it.

Objectives of the Policy

This Policy shall be read in line with Section 135 of the Companies Act 2013, Companies (Corporate Social Responsibility Policy) Rules, 2014 and such other rules, regulations, circulars, and notifications (collectively referred hereinafter as 'Regulations') as may be applicable and as amended from time to time and will, inter-alia, provide for the following.

- ☐ Establishing a guideline for compliance with the applicable provisions to dedicate a percentage of Company's profits for social projects.
- ☐ Establishing a robust mechanism for implementation CSR initiatives in letter and spirit through appropriate procedures and reporting.
- ☐ Creating opportunities for employees to participate in socially responsible initiatives.

Scope and Applicability

This Policy shall be applicable to all CSR initiatives undertaken by the Company in pursuance of the requirements of Section 135 and Schedule VII of Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021

(including any statutory modifications, amendments, or re-enactments of any of them for the time being in force).

Definitions

In this Policy unless the context otherwise requires:

- ❑ **Company** means FAB-TECH WORKS & CONSTRUCTIONS PRIVATE LIMITED.
- ❑ **Act** means the Companies Act, 2013, as amended from time to time.
- ❑ **CSR Rules** means Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, as amended from time to time.
- ❑ **Board** means Board of Directors of the Company.
- ❑ **CSR Project/Program** means the interventions undertaken by the Company in pursuance of its statutory obligation laid down in Section 135 of the Act.
- ❑ **CSR Committee** means the Corporate Social Responsibility Committee constituted by the Board of Directors pursuant to Section 135 of the Companies Act, 2013.
- ❑ **Net Profit** means the net profit of the Company as per its financial statement prepared in accordance with the applicable provisions of the Companies Act, 2013, but shall not include the following, namely: -
 - Any profit arising from any overseas branch or branches of the Company whether operated as a separate company or otherwise; and
 - Any dividend received from other companies in India, which are covered under and complying with the provisions of Section 135 of the Companies Act, 2013.
- ❑ **Policy** means this Corporate Social Responsibility Policy, as may be amended from time to time.
- ❑ **Administrative overheads** mean the expenses incurred by the Company for 'general management and administration' of Corporate Social Responsibility functions in the Company but shall not include the expenses directly incurred for the designing, implementation, monitoring, and evaluation of a particular Corporate Social Responsibility project or programme;
- ❑ **Ongoing Project** means a multi-year project undertaken by the Company in fulfillment of its CSR obligation having timelines not exceeding three years excluding the financial year in which it was commenced and shall include such project that was initially not approved as a multi-year project but whose duration has been extended beyond one year by the Board of Directors based on reasonable justification.

Policy Guidelines

- ☐ All CSR Projects must be aligned as prescribed in Schedule VII of the Companies Act, 2013.
- ☐ CSR projects or programmes or interventions (except training of Indian Sports Personnel representing any State or Union territory at national level or India at international level) must be undertaken in India.
- ☐ The Company may take help of International Organizations in designing, monitoring, and evaluating its CSR Projects, and in assisting with capacity building of its personnel. However, it is clarified that such organizations cannot take the responsibility of actual implementation of the CSR initiatives.
- ☐ CSR projects or programmes must not include the initiatives undertaken in pursuance of normal course of business of the Company.
- ☐ Projects or programmes or Interventions that benefit only the employees of the Company shall not be considered as CSR.
- ☐ CSR interventions should be in project/programme mode. One-off events such as marathons/awards/charitable contribution/advertisement/sponsorship of TV programmes etc. and any other sponsorship activity deriving marketing benefits for the company's products or services will not qualify as part of CSR expenditure.
- ☐ Contribution of any amount directly or indirectly to any political party shall not be considered as CSR.
- ☐ Activities carried out for fulfilment of any other statutory obligations under any law in force in India will not qualify towards CSR requirements.

CSR Thrust areas

Education & Livelihood

Health & Sanitation

Environment & Animal Welfare

Any other falling within Schedule VII

Functions & Responsibilities of the Board

The Board of Directors shall be responsible for the following functions w.r.t CSR Compliance

- ☐ Constitution/ Changes in constitution of CSR Committee
- ☐ Provide recommendations and approval for the annual action plan formulated and presented by the CSR Committee for spending of the prescribed CSR budget.
- ☐ Alter the recommended annual action plan at any time during the financial year, if required, as per the recommendation of its CSR Committee, based on the reasonable justification to that effect
- ☐ Approve original CSR Policy and modifications thereto as may be necessary from time to time.
- ☐ Approve modalities of execution of CSR projects with budget allocated thereto.
- ☐ Ensure that the Company spends, in every financial year, at least 2% of the average net profits made during the three immediately preceding financial years, in pursuance, of its CSR Policy.
- ☐ Ensure that the Company, treats the CSR Spends i.e. CSR surplus, excess expenditure and unspent CSR funds as per the modalities prescribed in the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021.
- ☐ Provision of the resources for the establishment, implementation, maintenance and continual improvement of the system required for CSR
- ☐ Involvement of all concerned stakeholders in CSR implementation
- ☐ Disclose reasons for not spending the amount (if applicable)
- ☐ Disclose the composition of the CSR Committee, and CSR Policy and Projects approved by the Board on the Company's website, if any, for public access.

CSR Committee

Pursuant to the provisions of Section 135 of the Act, the Board have constituted the CSR Committee comprising of following members of the Board as members of CSR Committee.

1	Mr. Jayprakash Narsingdas Lakhani	Chairman
2	Mr. Aashish Jayprakash Lakhani	Member
3	Mrs. Deepti Aditya Rattan	Member

The CSR Committee will inter alia perform the following activities:

- ☐ Formulation and monitoring of CSR Policy and recommend the same to the Board for approval.
- ☐ Formulating and recommending to the Board an annual action plan consisting of list of approved projects or programs to be undertaken within the purview of Schedule VII of the Companies Act, 2013
- ☐ Recommendation on CSR Expenditure / Budget and modalities of execution.
- ☐ Monitor spending of allocated CSR Amount, approved by the Board, on CSR Activities in accordance with the Act and CSR Rules.
- ☐ Submit periodic report to the Board in respect of the CSR Activities of the Company.
- ☐ Ensure compliance of the Act, CSR Rules and related notifications.
- ☐ Appraise the Board regarding any non-compliance of the Act, CSR Rules and related notifications.
- ☐ Delegate power to any executive of the Company.
- ☐ Any other activity assigned by the Board

CSR Committee meetings:

The CSR Committee shall meet as and when required. Members of the CSR Committee can agree upon mutually regarding time and place for the said meetings. Quorum for the meeting shall be one-third of its total strength (any fraction contained in that one-third be rounded off as one) or two members, whichever is higher.

Minutes of the CSR Committee shall be placed before the Board for noting.

CSR Expenditure / Budget

As per the Regulations, the Company will set aside, for annual CSR activities, an amount equal to 2% of the average Net Profits of the Company made during the three immediately preceding financial years.

The Company may build CSR capabilities of their own personnel as well as of their Implementing Agencies and such expenditure shall not exceed 5% of the total CSR spend of the Company as stated in CSR Rules from time to time.

For an ongoing project, if any amount budgeted to be spent for the year remains unspent, then such an unspent amount will be allocated towards such ongoing project for spending in any of the three succeeding financial years and will be transferred to the Unspent Corporate Social Responsibility account opened with a scheduled bank by the Company within 30 days from the end of the financial year. For other projects, such amount will be transferred to a fund specified in Schedule VII within 6 months of the expiry of the financial year.

Any surplus arising out of the CSR Projects or Programs or activities shall not form part of the business profit of the Company and will be ploughed back into the project in the current Financial Year or be allocated for an ongoing project to be spent in any of the three succeeding financial years or will be transferred to a fund specified in Schedule VII. Any excess expenditure i.e., beyond the prescribed CSR budget will be disclosed in the Board's CSR Report and shall be made available for set off against the CSR requirement to spend in any 6 of the three succeeding financial years.

The Board of Directors will satisfy itself that the funds so disbursed have been utilized for the purposes and in the manner as approved by it and the person responsible for Finance function of the Company will certify the same to that effect.

Implementation Approach

The Company may implement the said CSR activities on its own or through implementing agencies (NGOs). The implementing agencies being considered for a partnership will need to comply with the following criteria:

- The NGO can be a company established by the Company either singly or along with any other company and can be a company established under Section 8 of the Companies Act, 2013 / Registered Public Trust / Registered Society with a registration under Section 12A and Section 80G of the Income Tax Act, 1961, or
- The NGO can be a company registered under Section 8 of the Companies Act, 2013 / Registered Public Trust / Registered Society with a registration under Section 12A and Section 80G of the Income Tax Act, 1961 and with an established track record of at least 3 years, or
- The NGO can be an entity established under the act of Parliament or State Legislature, or
- The NGO can be an entity established by the Central or State Government,
- The NGO / Agency will need to have a permanent office in India;

Monitoring Mechanism

All employees of the Company entrusted with the responsibility to monitor the CSR Activities and representatives of entities with which the Company decides to collaborate for fulfilling its CSR obligations, will be responsible to ensure effective implementation and monitoring of the projects approved by the CSR Committee and to submit periodic reports to the CSR Committee of the Company on the progress of the various projects approved by the Committee.

Publication

As per the CSR Rules, the contents of the CSR Policy shall be included in the Directors' Report and the same shall be displayed on the Company's website.
