

## **CSR POLICY OF UNITED CARBON SOLUTION PRIVATE LIMITED**

### **1. Legal Background**

#### **a. Applicability & Basic Requirement**

India's newly introduced Companies Act 2013 makes it mandatory for certain Companies, private limited or public limited, listed or unlisted, to spend a certain minimum amount on Corporate Social Responsibility (CSR) activities.

The Act applies to Companies which have had a net profit of INR 5 crore or more or net worth of INR 500 crore or more or a turnover of INR 1000 crore or more in any financial year [Section 135(1)].

Such Companies must spend a minimum of 2 per cent of the average net profits made during the three immediately preceding financial years [Section 135(5)].

#### **b. Formation of CSR Committee**

Every Company that meets the net profit, net worth, or turnover criterion of the Act has to constitute a CSR Committee of its Board. The Committee must consist of 3 or more Directors of the Company's Board. [Section 135(1)]

If a Company ceases to be covered under the net profit or net worth or turnover criterion of the Act for three preceding financial years, then it is under no obligation to constitute a CSR committee of the Company's Board.

#### **c. Responsibilities of CSR Committee**

The CSR Committee thus constituted must formulate and recommend a CSR Policy of the Company to its Board of Directors.

The CSR Policy must indicate the activities to be undertaken by the Company as per Schedule VII, recommend the amount of expenditure to be incurred on the activities, institute a transparent monitoring mechanism for the implementation of the policy, and monitor the CSR policy from time to time.

#### **d. Responsibilities of the Board**

The Board should finalize and approve the CSR Policy, after taking into account the recommendation from the CSR Committee.

A report by the Board of Directors in the prescribed format must be attached to the annual statements laid before the general meeting of the Company disclosing matters related to CSR. This will include declaring composition of the CSR Committee and disclosure of the policy contents.

The Board must ensure that the activities included in the CSR policy are undertaken by the Company, that the expenditure by the Company meets the 2 per cent requirement as per the Act, and that the Company gives preference to local area and areas around it where it operates [Section 135(4b) & (5)].

The Board must also ensure that in every financial year, the funds committed by the Company for CSR activities are utilized effectively, and implementation must be regularly monitored.

## **2. CSR Committee of the Company**

The Board, vide the Board Resolution dated 31<sup>st</sup> August 2017 has formed a Corporate Social Responsibility Committee as required by law, comprising the following Directors of the Board:

- a. Mr.A.K.Jayanthan
- b. Mr.G.Balasubramanium

## **3. Focus Areas of CSR**

One or more of the following projects or programs shall be the Focus Areas of CSR, based on the recommendations of the CSR Committee:

- a. Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water;
- b. Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
- c. 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;
- d. 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 Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;
- e. Any other measures with the approval of Board of Directors on the recommendation of CSR Committee subject to the provisions of Section 135 of Companies Act, 2013 and rules made there-under.

## **4. Implementation Guidelines**

The CSR activities shall be undertaken by the Company as stated in this Policy, as projects or programs or activities, excluding activities undertaken in pursuance of its normal course of business.

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

The CSR efforts of the Company will be implemented by an in house team or through such other entity / organization as approved by the CSR committee.

The CSR activities undertaken in India only shall be considered as CSR activities in accordance with Section 135 of the Companies Act, 2013.

Any surplus arising out of the CSR projects or programs or activities shall not form part of the business profit of the Company.

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