



# Brintons

## **CORPORATE SOCIAL RESPONSIBILITY POLICY**

### **BRINTONS CARPETS ASIA PVT. LTD.**

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## 1. **DEFINITIONS:**

In this Policy, unless the context otherwise requires:

- a. "Company" shall mean Brintons Carpets Asia Pvt Ltd, a Company incorporated under the provisions of the Companies Act, 1956 with its registered office at Gat No 414-416, Village Urawade, Taluka Mulshi, Pune 412108 and wherever the context requires, shall signify the Company acting through its Board.
- b. "Act" shall mean the Companies Act 2013, including any rules and regulations made under the Act, statutory amendments or re-enactment thereof.
- c. "Rules" shall mean the Companies (Corporate Social Responsibility) Rules 2014, including any re-enactment, modifications or amendments thereof.
- d. "Board" shall mean the Board of Directors of the Company.
- e. "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 including a registered trust / society / NGO / institution / Section 8 Company which is formed by the Company or its holding or subsidiary company/companies.
- f. "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.
- g. "CSR" shall mean the Corporate Social Responsibility as defined in Section 135 of the Companies Act 2013 and rules made there under.
- h. "CSR Committee" shall mean the Corporate Social Responsibility Committee constituted by the Board of the Company in accordance with the Act, consisting of three or more directors.
- i. "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.
- j. "CSR Policy" shall mean the present Corporate Social Responsibility Policy of the Company, which covers the activities to be undertaken by the Company as specified in Schedule VII to the Act and the CSR Expenditure thereon.
- k. "CSR Projects" or "Projects" means Corporate Social Responsibility projects/activities/ programs/ initiatives, instituted in India, either new or ongoing, and include, but are 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. 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.

- l. “CSR Annual Plan” shall mean the annual plan detailing the CSR expenditure for the year.
- m. “CSR expenditure” means all CSR expenditure of the Company as approved by the Board upon recommendation of the CSR committee, including the following:
  - n. contribution to CSR Projects which shall be implemented and/or executed by the Company;
  - o. contribution to CSR Projects (including for corpus as required) which shall be implemented and/or executed by its Trust or Society; and
  - p. contribution to CSR Projects (including for corpus as required) which shall be implemented and/or executed by an Agency.
  - q. 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.
- r. “Financial Year” shall mean the period beginning from 1st April of every year to 31st March of the succeeding year.
- s. “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.

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.

## **2. CONTEXT**

Brintons Carpets Asia Pvt. Ltd. has been an early adopter of CSR initiatives. Along with a sustained economic performance, environment is also a key factor for holistic business growth. As Environmental Protection Initiatives, the Company has planted 2200 trees on our manufacturing site and for manufacturing process company uses biomass to produce heat with less effect on the Environment than fossil fuels. The Company took another social initiative towards society through the Partnership with non-government organizations (NGO'S) to make a difference among local communities. With the advent of the Companies Act, 2013 constitution of a Corporate Social Responsibility Committee of the Board and formulation of a Corporate Social Responsibility Policy became a mandatory requirement.

Therefore, the Company seeks to formulate a robust CSR Policy which encompasses its philosophy and guides its sustained efforts for undertaking and supporting socially useful programs for the welfare & sustainable development of the society and to make our planet a better place for future generations.

### **3. OBJECTIVES**

The Company firmly believes that CSR is primarily, the responsibility in relation to the impact of its decisions and activities on the society and also the environment, through a transparent and ethical behavior which is:

- a. consistent with sustainable development and welfare of society,
- b. in compliance with applicable law, and
- c. uniformly integrated and practiced throughout the Company.

Further to the CSR objectives, following are covered under this Policy:

- a. CSR activities implemented by the Company on its own; and
- b. CSR activities of the Company through an external trust/society.

### **4. FOCUS AREAS:**

With advent of Companies Act, 2013 particularly Section 135 of the Act, the Company shall undertake following activities under its CSR Programme:

- a. 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;
- b. Promoting education, including special education and employment enhancing vocational skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects.
- c. Promoting gender equality and 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.
- d. 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 including contribution to clean Ganga Fund set up by the Central Government for rejuvenation of river Ganga.

- e. Protection of national heritage, art and culture including restoration of building and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts.
- f. Measures for the benefit of armed forces veterans, war widows and their dependents.
- g. Training to promote rural sports, nationally recognized sports, Paralympics sports and Olympic sports.
- h. 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.
- i. Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government.
- j. Conservation of natural resources by undertaking projects such as rain water harvesting, plantation drives, protection of fauna and flora, agro-forestry, etc.
- k. Promoting Rural Developments Projects
- l. Other humanitarian activities

#### **5. IDENTIFICATION OF CSR PROJECTS:**

- a. CSR Projects need to be identified and planned for approval of the CSR Committee, in particular in Focus Areas, with estimated expenditure and phase wise implementation schedules
- b. 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.
- c. As a cardinal principle, the CSR Projects in Focus Areas, shall be identified on the basis of a detailed assessment survey.

#### **6. IMPLEMENTATION OF CSR PROJECTS**

The Company shall implement the identified CSR Projects by the following means:

**a. DIRECT METHOD**

The Company may itself implement the identified CSR Projects presently within the scope and ambit of the Focus Areas as defined in the Policy;

**b. INDIRECT METHOD**

- i. The Company may implement the identified CSR Projects through Agencies, subject to the condition that:
- ii. The activities pursued by the Agency are covered within the scope and ambit of Schedule VII of the Act provided
- iii. The Agency has an established track record of at least three years in undertaking similar programs or projects, and
- iv. The Company has specified the Project to be undertaken through the Agency which shall preferably be in Focus Areas, the modalities of utilization of funds on such Projects and the monitoring and reporting mechanism which shall be at least once in three months.

**7. MONITORING**

Monitoring process for CSR Projects shall include the following:

- a. Evaluation of Planned progress V/s Actual Progress
- b. Actual expenditure V/s expenditure as per Approved Budget

**8. FUND ALLOCATION AND OTHERS**

**a. FUND ALLOCATION**

**CSR Budget**

- i. CSR Committee will recommend the annual budgeted expenditure project wise to the Board for its consideration and approval.
- ii. The Company, in every Financial Year, shall endeavor 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.

- iii. The CSR Committee shall prepare a CSR Annual Plan for the above which shall include:
  - (a) Identified CSR Projects
  - (b) CSR expenditure
  - (c) Implementation Schedules
- iv. Total expenditure in the CSR Annual Plan shall be approved by the Board upon recommendation by the CSR Committee
- v. In case the Company fails to spend the statutory minimum limit of 2% of Company's average net profits of the immediately preceding three years, in any given financial year, the Board shall specify the reasons for the same in its report in terms of clause (o) of sub-section (3) of section 134.

**b. OTHERS**

- i. The CSR Committee shall ensure that major portion of the CSR expenditure in the Annual Plan shall be for the Projects in the Focus Areas. However, there shall not be any preference given to any particular Focus Area for budgetary allocation and it shall be made purely as per the identified CSR Projects on need basis.
- ii. Any surplus arising out of the CSR Projects shall not form a part of the business profit of the Company.

**9. DUTIES AND RESPONSIBILITIES**

**a. BOARD OF DIRECTORS**

The Board shall include in its Report the annual report on CSR Projects as per the format provided in the Annexure to the Rules.

**b. CSR COMMITTEE**

The CSR committee will be responsible for:

- i. formulating the CSR policy in compliance to Section 135 of the Companies Act 2013
- ii. identifying activities to be undertaken as per Schedule VII of the Companies Act 2013.
- iii. recommending the CSR expenditure to be incurred to the Board.
- iv. recommending to Board, modifications to the CSR policy as and when required



- v. regularly monitoring the implementation of the CSR policy
- vi. the CSR Committee shall ensure that the CSR Policy is displayed on the Company's website.
- vii. the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company for inclusion in the Board's Report.
- viii. the CSR Committee shall place before the Board the draft annual report as per the format in annexure to the Rules in Board meeting for Board review and finalization.
- ix. the CSR Committee shall monitor the implementation of the CSR Policy and CSR Plan. For this purpose, the CSR Committee shall meet at least twice a year.

**c. CSR OFFICER**

- i. The CSR Officer shall be responsible for the proper implementation and execution of CSR Projects of the Company.
- ii. The CSR Officer shall be responsible for monitoring the Projects vis-à-vis the Annual Plan.
- iii. The CSR Officer shall send periodical CSR report for the CSR Committee before every meeting and CSR Annual Plan and the draft annual report as per the format in Rules for the CSR Committee meeting.
- iv. The CSR Officer shall communicate the relevant feedbacks received by him/her to the CSR Committee.
- v. The CSR Officer shall be directly responsible to the CSR Committee for any act that may be required to be done by the CSR Committee in accordance with the Policy.

**10. DOCUMENTATION AND REPORTING:**

The CSR Committee will prepare the annual CSR report to be filed by the Company on approval of the Board. This report will ensure:

- a. CSR projects and programmes are being properly documented.
- b. Accountability is fixed at each level of CSR process and implementation.

**11. EFFECTIVE DATE:**

This policy is effective from August 8, 2014

**12. REVIEW PERIODICITY AND AMENDMENT:**

- i. CSR Plan may be revised/modified/amended by the CSR Committee at such intervals as it may deem fit.
- ii. The CSR Committee shall review the Policy every five years and make necessary changes if required. The Committee can continue with the existing policy if no changes are required in it.