

CORPORATE SOCIAL RESPONSIBILITY (“CSR”) POLICY

PREAMBLE

As a responsible corporate citizen, IARC is committed to creating a positive impact to the environment in which it operates. Our approach is to integrate the activities in community development, social responsibility and environmental responsibility and encourage each investee companies/business unit to include these considerations into its operations.

This policy is in line with Section 135 of the Companies Act, 2013 (“Act”) and The Companies (Corporate Social Responsibility Policy) Rules, 2014 (“CSR Rules”) and will apply to all projects/programs undertaken as part of the IARC’s CSR activities and will be developed, reviewed, and updated by reference to relevant codes of corporate governance, best practices and international standards. This “Corporate Social Responsibility Policy” shall be effective immediately upon approval by the Board and will supersede and replace the existing policy. As per the provisions of the Act, the company shall give preference to the local area and areas around it where it operates, for spending the amount earmarked for Corporate Social Responsibility activities.

STATUTORY PROVISIONS

The provisions of Section 135 of the Act read with the Companies CSR Rules as, amended, require every company:

- a) having net worth of rupees five hundred crore or more, or
- b) turnover of rupees one thousand crore or more or
- c) a net profit of rupees five crore or more

during the immediately preceding financial year to undertake Corporate Social Responsibility (CSR) activities as specified under schedule VII of the Act.

As per the provisions of Section 135(5) the company shall spend, in every financial year, **at least two percent of the average net profits of the company** made during the three immediately preceding financial years in pursuance of its Corporate Social Responsibility Policy.

GOVERNANCE FRAMEWORK

IARC’s Board will constitute the Corporate Social Responsibility Committee (CSR Committee) in accordance with the Act and CSR Rules. The functions of the CSR committee shall be:

- formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the company in areas or subjects specified in Schedule VII of the Act;

- recommend the amount of expenditure to be incurred on the activities referred to in the clause above; and
- monitor the Corporate Social Responsibility Policy of the company from time to time.

CSR BUDGET

The overall amount to be committed to CSR will be approved by the Board on recommendation of CSR Committee. In the financial year in which Section 135 of the Act is applicable, IARC shall spend an amount not less than two percent of its average net profit for the preceding three years, on CSR activities to be undertaken by the company as specified in Schedule VII of the Act as approved by the Board. For this purpose, the average net profit will be calculated in accordance with the provisions of Section 198 of the Act or otherwise as stipulated under the Act and/or the related/amended rules from time to time.

AREAS OF CSR INTERVENTION

The IARC plans to undertake in all the activities pursuant to the schedule VII, mainly in the areas mentioned below:-

- Empowering the less fortunate through Sustainable Livelihood Initiatives
- Financial Literacy and Inclusion, Skill Training and Livelihood Enhancement
- Promoting Education & Healthcare
- Environmental Sustainability
- Rural Development

As per Rule 4 of (The Companies Corporate Social Responsibility Policy Rules, 2014) of Section 135 of the Act and the CSR Rules, below mentioned projects/programs/activities shall not be considered as CSR activities undertaken under Schedule VII of the Act:

- Projects, programs, or activities that benefit only the employees of IARC or their families
- Activities undertaken in pursuance of normal course of business of IARC
- Projects, programs, or activities undertaken outside India
- Contribution of any amount directly or indirectly to any political party

MONITORING OF FULFILMENT OF CSR

The Company Secretary shall be the Compliance Officer for ensuring compliance with requirements of Section 135 of the Act. He/she shall submit an annual report as at the end of March to the CSR Committee/Board, incorporating the following:

- CSR expenditure approved for the relevant financial year
- CSR expenditure actually incurred during the relevant financial year
- Status report, project-wise for the expenditure approved vs incurred

- Plan for the remaining part of the financial year
- Issues, if any

The report shall also include recommendation for the amount to be committed to CSR for the ensuing year (if eligible) and the manner of incurring the expenditure.

REPORTING & DISCLOSURE

Significant CSR activities and achievements will be reported as part of the Director's Report in the IARC's Annual Report and also as per any other statutory and regulatory reporting requirements.

The CSR Policy of IARC shall be placed on the website of the Company as per Section 135 (4) (a) of the Act.

The CSR Policy shall be placed on IARC's website, and it shall be subject to review by the Board as needed, but within an interval of a maximum of two years.
