

FABTECH TECHNOLOGIES LIMITED
(FORMERLY KNOWN AS FABTECH TECHNOLOGIES PRIVATE LIMITED)

CORPORATE SOCIAL RESPONSIBILITY POLICY

Introduction:

Whilst we run our business in line with the expectations of the stakeholders, we also see corporate responsibility as a discipline that helps us to stand up to the expectations of the society and contribute to its welfare.

Organizations have realized that the Government alone will not be able to get success in its endeavor to uplift the downtrodden of society. With the rapidly altering corporate environment, more functional autonomy, operational freedom etc. the concept of Corporate Social Responsibility (CSR) has gained prominence from all the avenues.

Fabtech Technologies Limited (formerly known as Fabtech Technologies Private Limited) (“Company”) is committed to supporting the Government’s vision, understanding, monitoring and managing our social, environmental and economic impact to allow us to contribute to society’s wider aim of sustainable development. The Company has adopted CSR as a strategic tool for sustainable growth. For the Company in the present context, CSR means not merely investment of funds for social activities but also a combination of Business Processes with Social Processes. This Policy is based on the following areas that reflect existing and evolving standards of Corporate Social Responsibility

Objectives of this Policy:

This is the Corporate Social Responsibility Policy (“CSR Policy”) for the Company as required under the Companies Act, 2013 (hereafter referred to as “the Act”), read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and other directions and clarifications issued by the Ministry of Corporate Affairs from time to time (collectively referred to as the “CSR Regulations”). This policy lays down broad approach and direction for selection, implementation and monitoring of CSR activities as well as formulation of the annual action plan pursuant to CSR Regulations in the sphere of corporate social responsibility undertaken by the Company

Vision:

This Policy is built on the following areas that echo existing and emerging standards of Corporate Social Responsibility.

- Promoting business activity that brings simultaneous economic, social and environmental benefits.
- Encouraging inventive approaches and continuing development and application of best practices
- Ensuring best minimum levels of performance in areas such as health & safety, the environment and equal opportunities
- Creating a framework that simplifies business practices which balances profit

and success with achievement of social and sustainability goals

- Taking an active part in supporting the local community and social causes

Definitions

In this Policy unless the context otherwise requires:

- (a) "Act" means the Companies Act, 2013;
- (b) "Company" means Fabtech Technologies Limited.
- (c) "Annexure" means the Annexure appended to these rules;
- (d) "Administrative overheads" means 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;
- (e) "Average Net Profit" shall be calculated in accordance with the provisions of Section 198 of the Act.
- (f) "Corporate Social Responsibility (CSR)" means and includes but is not limited to
 - (i) Projects or programs relating to activities specified in Schedule VII to the Act or
 - (ii) Projects or programs relating to activities undertaken by the board of directors of a company (Board) in pursuance of recommendations of the CSR Committee of the Board as Per declared CSR Policy of the company subject to the condition that such policy will cover subjects enumerated in Schedule VII of the Act.
- (g) "CSR Committee" means the Corporate Social Responsibility Committee of the Board referred to in section 135 of the Act.
- (h) "CSR Expenditure" shall include all expenditure including for projects or programs relating to CSR activities approved by the Board on the recommendation of its CSR Committee but does not include any expenditure on an item not in conformity or not in line with activities which fall within the purview of Schedule VII of the Act
- (i) "CSR Policy" relates to the activities to be undertaken by the company as specified in Schedule VII to the Act and the expenditure thereon, excluding activities undertaken in pursuance of normal course of business of a company.

- (j) "Net profit" means the net profit of the company as per its financial statement prepared in accordance with the applicable provisions of the Act, but shall not include the following, namely: -
- a) any profit arising from any overseas branch or branches of the company, whether operated as a separate company or otherwise; and
 - b) any dividend received from other companies in India, which are covered under and complying with the provisions of section 135 of the Act
- (k) "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 based on reasonable justification;
- (l) "International Organization" means an organisation notified by the Central Government as an international organization under section 3 of the United Nations (Privileges and Immunities) Act, 1947 (46 of 1947), to which the provisions of the Schedule to the said Act apply.

CSR BUDGET

The CSR budget for every financial year, shall be as prescribed under the Companies Act, 2013, the Rules thereunder, as amended. Treatment of unspent CSR amount and surplus generated from CSR activities shall also be according to the Companies Act, 2013, the Rules thereunder, as amended.

GOVERNANCE

The CSR activities shall be administered under a three-tiered governance structure.

- I. Board of Directors:
The Board of Directors of the Company form the apex body to review and approve the CSR Policy, Annual Action Plan and have oversight over the CSR activities of the Company. They shall have the overall responsibility to ensure that the funds disbursed towards CSR activities have been utilized for such purposes and in the manner as approved by the Board/CSR Committee.
- II. CSR Committee:
The Board of Directors shall constitute a CSR Committee of the Board. The CSR Committee of the Board will oversee the implementation and compliance of the CSR activities of the company. The CSR Committee will recommend the Annual Action Plan to the Board for its approval.
- III. Chief Financial Officer:
The Chief Financial Officer of the Company shall, on an annual basis, certify to the Board of Directors with respect to the utilization of funds earmarked

towards CSR Activities.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Constitution and Meetings

- The CSR Committee of the Company shall consists of the 3 or more Directors out of which at least one is an Independent Director.
- The CSR Committee shall meet at least twice in a year to discuss and review the CSR activities and policy. The quorum shall be two members or 1/3rd members of CSR Committee, whichever is higher, are required to be present for the proceeding to take place.

The functions of the Committee will be to:

- Formulate & recommend the set Corporate Social Responsibility Policy to the Board & indicate the activities to be undertaken by the company
- Recommend the amount of expenditure to be incurred according to the set Budget and Annual Action Plan of the Company
- Identification of projects as single year or ongoing projects and budgeting of the project outlay across the tenure of the project, in case of ongoing projects.
- Monitor the Corporate Social Responsibility Policy of the Company from time to time.
- Prepare a transparent monitoring mechanism for ensuring implementation of the activities proposed to be undertaken.
- Every year, the CSR Committee will place for the Board's approval, a CSR Plan delineating the CSR Programmes to be carried out during the financial year and the specified budgets thereof. The Board will consider and approve the CSR Plan with any modification that may be deemed necessary.
- The CSR Committee shall review the implementation of the CSR Programmes once a quarter and issue necessary directions from time to time to ensure orderly and efficient execution of the CSR Programmes in accordance with this Policy.

At the end of every financial year, the CSR Committee will submit its Annual report to the Board

ANNUAL ACTION PLAN

The CSR Committee shall formulate and recommend to the Board, an annual action plan which shall include the following:

- the list of CSR programs that are approved and to be undertaken by the Company
- the manner of execution of such programs
- the modalities of utilisation of funds and implementation schedules for the programs
- monitoring and reporting mechanism for the programs; and
- details of need and impact assessment, if any, for the projects undertaken by the Company

IMPLEMENTATION:

The board of the Company shall ensure that the CSR Activities as included in this CSR policy are undertaken by the Company itself or through:

- i. a company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80G of the Income Tax Act, 1961 (43 of 1961), established by the company, either singly or along with any other company, or
- ii. 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
- iii. any entity established under an Act of Parliament or a State legislature; or
- iv. a company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities.

MONITORING AND REPORTING

The CSR projects shall be periodically monitored by the CSR Committee through the CSR team and shall ensure that the CSR Policy is implemented as per the Companies Act, 2013 and the Rules ensuring that all projects as budgeted are duly carried out. Project monitoring shall include field visits, reports, interaction with beneficiaries etc. as applicable for the projects.

The Chief Financial Officer of the Company shall, on an annual basis, certify to the Board of Directors with respect to the utilization of funds earmarked towards CSR Activities.

INFORMATION DISSEMINATION – ANNUAL REPORT & COMPANY WEBSITE

The following details shall be disclosed on the website of the Company www.fabtechnologies.com :

- (a) Copy of CSR Policy
- (b) Composition of CSR Committee
- (c) Brief details, including photographs, impact assessment reports and other information in respect of the CSR Projects and Programmes of the Company.

The Company shall publish its annual report on CSR Activities in its Directors Report in the manner prescribed under the Companies Act 2013 and the CSR Rules.