



# **TEMBO GLOBAL INDUSTRIES LIMITED**

## **CORPORATE SOCIAL RESPONSIBILITY POLICY**

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## CORPORATE SOCIAL RESPONSIBILITY POLICY

### 1. *INTRODUCTION:*

TEMBO GLOBAL INDUSTRIES LIMITED (“Company”) has always been committed towards its responsibility for the community and environment in which it operates. It believes that enterprises are organs of society and their decisions should be based not only on financial factors but also on the social and environmental consequences. Therefore, at Tembo Global Industries Limited, we are committed to operate in a socially responsible, ethical and environment friendly manner and consider it as pre-requisite for sustainability of the business.

With the advent of the Companies Act, 2013 (“CA 2013”) constitution of Corporate Social Responsibility Committee of Board and formulation of Corporate Social Responsibility Policy become a mandatory requirement. Accordingly, the Company has developed its Corporate Social Responsibility (“CSR”) Policy in line with Section 135 and Schedule VII of the CA 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time (“CSR Rules”).

This CSR Policy shall apply to all corporate social responsibility initiatives and activities undertaken by the Company for the benefit of different segments of the society and for enhancement of the fields like education, health care, environment, employment, promoting gender equality and women empowerment etc. more particularly described below.

### 2. *DEFINATION:*

**Unless the context otherwise requires, the words, terms, expressions and derivations used in this Policy shall have the same meaning given in the CA 2013:**

**“Applicable laws”** shall mean the Companies Act, 2013 and Rules made there under, as amended from time to time.

**“Administrative overheads”** means the expenses incurred by TEMBO 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(s) or programme(s).

**“Board of Directors” or “Board”** shall mean the Board of Directors of the Company, as constituted from time to time.

**“Company” or “Tembo”** shall mean Tembo Global Industries Limited.

**“CA 2013”** shall mean Companies Act, 2013 read with related rules framed thereunder.



**“Corporate Social Responsibility (CSR)”** means the activities undertaken by Tembo in pursuance of its statutory obligation laid down in Section 135 of the CA 2013.

**“CSR Committee”** means the Corporate Social Responsibility Committee of the Board referred to in Section 135 of the CA 2013.

**“CSR Policy” or “Policy”** means this Policy, containing the approach and direction given by the Board of the Company, taking into account the recommendations of the CSR Committee, and includes guiding principles for selection, implementation and monitoring of activities as well as formulation of the Annual Action Plan.

**“Director”** shall mean a director pursuant to sub-section (34) of Section 2 of CA 2013.

**“Employees”** means all employees other than the Directors, KMPs and the Senior Management Personnel.

**“Financial Year”** shall mean a Financial Year pursuant to sub-section (41) of Section 2 of CA 2013.

**“Independent Director”** shall mean an independent director referred to in sub-section (6) of Section 149 of the CA 2013.

**“Net profit”** means the net profit of the company as per its financial statement prepared in accordance with the applicable provisions of the CA 2013, 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 CA 2013:

Provided that in case of a foreign company covered under the CSR rules, net profit means the net profit of such company as per profit and loss account prepared in terms of clause (a) of sub-section (1) of Section 381 read with Section 198 of the CA 2013.

**“Ongoing Project(s)”** means a multi-year project(s) 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(s) that was initially not approved as a multi-year project(s) but whose duration has been extended beyond one year by the board based on reasonable justification.

### **3. OBJECTIVES:**

- a. To endeavor for a CSR model that ensures sustained human development of the communities, associated or impacted by the business through involving them or leveraging company's strength in need-based, result-oriented, and sustainable project(s).
- b. To evolve and develop appropriate processes and strategies to contribute towards overall development of the society and achieve a socially responsible image of the Company.

### **4. CONSTITUTION OF CSR COMMITTEE:**

- a. Pursuant to the provisions of Section 135 of the CA 2013, the CSR Committee shall consist of three or more directors of which at least one shall be an independent director.
- b. Considering the above, the composition of the CSR Committee as on last date of amendment of this policy, is given in **Appendix A**. Further current composition of the committee is available on the website of the company and can be accessed by [clicking here](#).
- c. The quorum for the CSR Committee meeting shall be two members or one-third of the members of the CSR Committee, whichever is greater, with at least one Independent Director who is member of the Committee.
- d. The CSR Committee shall meet at least once in every Financial Year.
- e. The Board shall have the power to make any change(s) in the constitution of the CSR Committee, as may be required from time to time.

### **5. ROLES AND RESPONSIBILITIES:**

**Board of Directors** - The Board of Directors of the Company will be responsible for:

1. Approval of the CSR Policy including amendments from time to time, of the Company.
2. Approval of the Annual Action Plan, as per the format prescribed in Appendix B, including amendments from time to time, in pursuance of the CSR policy of the Company.
3. Disclose the content of the Policy in its report and place the Policy along with other requisite information on the Company's website in such a manner as prescribed under Section 135 of the CA 2013.

4. Ensuring that the social project(s) included in the CSR Policy are undertaken by the Company.
5. Ensuring that the Company spends, in every Financial Year, at least 2 (two) percent of the average net profits of the Company as computed under Section 198 of the CA 2013, made during the 3 (three) immediately preceding Financial Years in pursuance of the Policy.
6. Ensuring that the Company gives preference to the CSR focus areas or specific needs of the communities around its operations or national emergencies for spending the amount earmarked for CSR project(s).
7. Ensuring that it specifies the reasons in its report for not spending the earmarked amount in case the Company fails to spend such amount.
8. Transferring the unspent amount to a Fund specified in Schedule VII of the CA 2013, unless the unspent amount relates to any ongoing project(s) referred to in sub-section (6) section 135 of the CA 2013, within a period of 6 (six) months of the expiry of the Financial Year.
9. Monitoring the implementation of the on-going project(s) with reference to the approved timelines and year-wise allocation and making modifications, if any, for smooth implementation of the project(s) within the overall permissible time period.
10. Satisfying itself that the funds so disbursed have been utilized for the purposes and in the manner as approved by it.
11. Looking into any other matter/ requirement as may be recommended by the CSR Committee.

**CSR COMMITTEE:** CSR committee will be responsible for:

1. Formulating and recommending to the Board, a CSR Policy including amendments from time to time, for approval. The Committee shall identify and indicate the potential project(s)/ activities to be undertaken by the Company as specified in Schedule VII of the CA 2013.
2. Formulating and recommending to the Board, an Annual Action Plan including amendments from time to time, in pursuance of the CSR policy of the Company.
3. Recommending the amount of expenditure to be incurred on the CSR project(s)/ activities.
4. Monitoring the CSR Policy of the Company from time to time and recommend changes to the Board.
5. Formulating a transparent and robust monitoring mechanism for ensuring proper implementation of approved CSR project(s) and modalities of utilization of CSR funds allocated to the project(s)/ program(s)/ activities.

6. Providing report to the Board annually, including the status of the CSR project(s) / activities and usage of the financial contribution made by the Company.
7. Addressing any other matter/ requirement as may be considered expedient by the Members of the Committee in furtherance of and to comply with the CSR Policy of the Company.

#### **6. CSR THEMATIC FOCUS AREA:**

The Company believes in empowering communities so that they may ensure their own development in self-sustainable manner. Towards this, we have identified 'Education & Skill Development' and 'Health & Hygiene' as two focus areas. Along with this, we are equally committed towards taking care of our 'Environment' as well. Hence we are committed to, though not limited to, these areas only.

##### **(a) EDUCATION AND SKILL DEVELOPMENT**

1. Establishing, running, taking over, managing and maintaining schools, colleges and/or any other educational institution with an objective to provide quality education towards holistic development of students.
2. Providing Scholarship support to meritorious & needy students to complete their education and to achieve academic excellence.
3. To ensure gender equality and empowerment of women through education/awareness.
4. To provide vocational skill to underprivileged youth with objective to empower them to break the vicious cycle of poverty.

##### **(b) HEALTH AND HYGIENE**

1. Establishing program and activities concerning and promoting general health care including preventive healthcare, safe motherhood & child survival support program, nutrition program, etc.
2. Ensuring Primary Healthcare Services to resource scarce communities.
3. Establishing sanitation system and toilets in schools and other locations that require such facilities.

##### **(c) ENVIRONMENT PROTECTION**

1. Taking measures to create public awareness on conservation of natural resources.

The Company, subject to the recommendation of the CSR Committee and approval of the Board of Directors of the Company, may undertake any CSR project(s) specified in Schedule VII of the CA 2013 from time to time.

## **7. CSR EXPENDITURE:**

- 1.** The Board of the Company shall ensure that in each Financial Year, the Company strives to contribute at least 2 (two) percent of average net profit of 3 (three) immediately preceding Financial Years as per section 198 of the CA 2013.
- 2.** The total budget for the CSR project(s) /activities to be undertaken by the Company will be decided by the CSR Committee and shall be recommended to the Board for its approval.
- 3.** The Board shall also ensure that administrative overheads shall not exceed 5 (five) percent of total CSR expenditure of the Company for the Financial Year.
- 4.** Any surplus arising out of CSR activities/ project(s), shall not form part of business profits of the Company and shall be ploughed back into the same project(s); or shall be transferred to the Unspent CSR Account and spent in pursuance of CSR policy of the Company and Annual Action Plan of the Company; or transfer such surplus amount to a Fund specified in Schedule VII of the CA 2013; within a period of 6 (six) months of the expiry of the Financial Year.
- 5.** Where the Company spends an amount in excess of CSR expenditure required under the CA 2013, subject to passing of a resolution by the Board of Directors of the Company, such excess amount, excluding surplus arising, can be set-off against the CSR spends up to immediate succeeding 3 (three) Financial Years.
- 6.** As per the second proviso to Section 135 (5) of the CA 2013, the Board will report reasons in its report, if it fails to spend the allocated CSR budget for each Financial Year and unless the unspent amount relates to any ongoing project(s) referred to in Section 135 (6) of the CA 2013, transfer the unspent amount to a Fund specified in Schedule VII of the CA 2013, within a period of 6 (six) months of the expiry of the Financial Year
- 7.** Any amount remaining unspent under Section 135 (5) of the CA 2013, pursuant to any ongoing project(s), undertaken by the Company, shall be transferred by the Company within a period of 30 (thirty) days from the end of the Financial Year, to a special account to be opened by the Company in that behalf for that Financial Year, in any scheduled bank to be called the "Unspent Corporate Social Responsibility Account", and such amount shall be spent by the Company in pursuance of its obligation towards the Corporate Social Responsibility Policy within a period of 3 (three) Financial Years from the date of such transfer, failing which, the Company shall transfer the same to a Fund specified in Schedule VII of the CA 2013, within a period of 30 (thirty) days from the date of completion of the third Financial Year.



## 8. CSR IMPLEMENTATION AND GOVERNANCE:

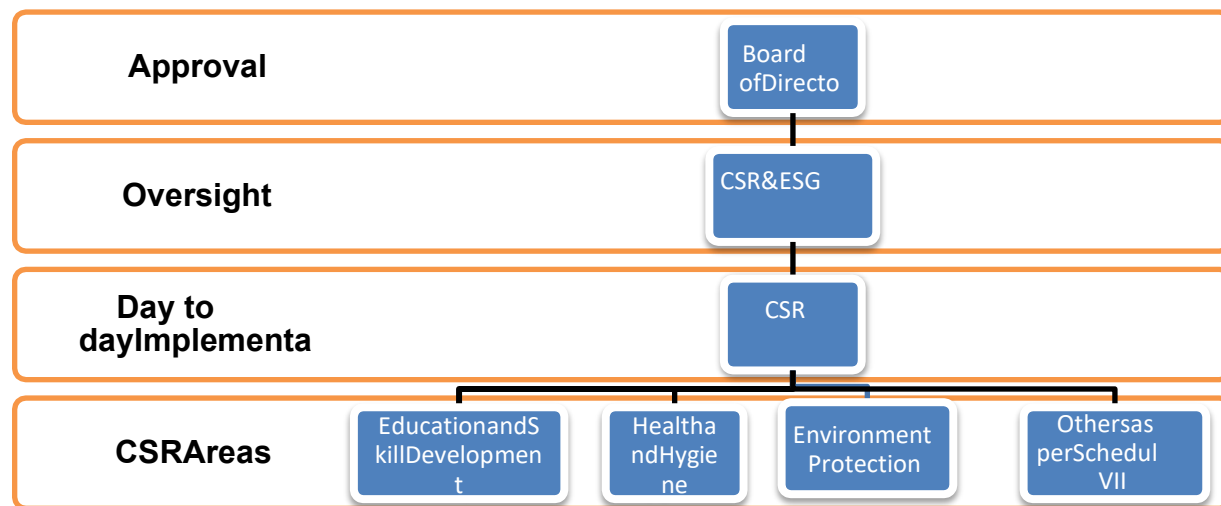
We at Tembo Global Industries Limited, believe that the process followed in execution of CSR programs is equally important to ensure success of the project. Therefore, all CSR project(s) shall follow the below mentioned implementation process:

1. The identification of the CSR project(s) will be done through bottom-up approach comprised of rigorous process of Community consultation or by undertaking need assessment process.
2. The CSR Committee will prepare and submit to the Board, each year, an Annual Action Plan comprising of the following:
  - a) the list of CSR project(s) or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the CA 2013 and CSR Policy;
  - b) the manner of execution of such project(s) or programmes;
  - c) the modalities of utilisation of funds and implementation schedules for the project(s) or programmes;
  - d) monitoring and reporting mechanism for the project(s) or programmes; and
  - e) details of need and impact assessment, if any, for the project(s) undertaken by the Company.
3. The Board could alter the Annual Activity Plan during the Financial Year, as per the recommendation of its CSR Committee, based on the reasonable justification to that effect.
4. The CSR project(s) will be implemented in a time-bound manner with clear objectives, activity plan and robust monitoring and evaluation mechanisms.
5. The Company may form a Charitable Society or Section 8 Company for undertaking the CSR activities on behalf of the Company.
6. The Company may enter into partnerships or collaborate with the government, not for profit organizations, Section 8 Companies, business partners, communities or other Corporates to create multiplier effect out of its social project(s).
7. Further, employee participation in CSR project(s) shall be encouraged and supported through various initiatives from time to time with objective to leverage employee's skills/resources for social cause and also to provide the employees with an opportunity to become a socially responsible individual.
8. The Company may also engage any Implementing Agency(ies) as specified under Rule 4 of the CSR Rules for implementing its CSR objectives as per the directions of the CSR Committee

and the Board of Directors of the Company. However, the following minimum criteria will be ensured while selecting such implementing agencies: -

- a) It is a Section 8 Company / qualified registered Society / Public Trust having a duly executed Memorandum of Association / Trust Deed which may be aligned with the Company’s objectives.
- b) It has permanent Office / Address in India.
- c) It should have registration Certificates under Section 12A and 80G of the Income Tax Act, 1961, registration under FCRA (wherever mandatory) and other applicable registrations and exemptions.
- d) It has a valid Income Tax Exemption Certificate, Permanent Account Number and CSR Registration Number as issued by Ministry of Corporate Affairs, Government of India.
- e) It has an established track record of at least 3 (three) years in carrying out activities in similar programs/ project(s).
- f) It should have last 3 (three) years audited statement of accounts, income tax return etc. However, CSR Committee, in exceptional circumstances, may forego the said criteria.

The CSR Governance structure is provided hereunder:



**9. MONITORING MECHANISM:**

- A. The Company will institute a well-defined monitoring and evaluation mechanism to ensure that each CSR project(s)/ activities has/is:
  1. Able to achieve the intended objectives toward addressing the developmental needs of the community.
  2. Clear targets, timelines and measurable parameters wherever possible.

3. A progress monitoring and reporting framework that is aligned with the requirements of CA 2013.
- B. CSR Committee may nominate a CSR Team comprising senior officials to assist CSR Committee in discharging its functions.
  - C. CSR Team, if nominated, shall subject to supervision and direction of CSR Committee be responsible for the implementation of CSR activities.
  - D. The Board of Directors shall ensure that the activities under this policy are undertaken under the overall supervision of the CSR Committee.
  - E. The Board of Directors, CSR Committee, CSR Team or employees of the Company can identify and propose CSR Project(s).
  - F. Any proposal for CSR activity / project(s) shall be first vetted by the CSR Team, to confirm whether it meets the criteria of this Policy, any guidelines prescribed by the CSR Committee and all the conditions prescribed under the CA 2013.
  - G. CSR Team, from time to time, shall monitor and review the progress of each CSR project(s) in terms of outcome assessment and financial monitoring, and report the same to CSR Committee on such periodical intervals as recommended by the CSR Committee.
  - H. CSR Team shall forward MIS Report on CSR activity's implementation and expenditure to all the members of CSR Committee on periodic basis. MIS Report on expenditure shall also comprise of the details of administrative overheads along with the ratio of the same in comparison to CSR project(s) implementation expenses.
  - I. CSR Team may also report to the CSR Committee any deviations regarding the CSR activities and also report on corrective actions taken.
  - J. In order to ensure transparency and communication with all stakeholders, CSR team shall provide information to the CSR committee for the purpose of disclosing it in the Report of the Board of the Directors and on the Company's website.
  - K. The Board of Directors of the Company, on the recommendation of its CSR Committee may engage international organisation(s) for designing, monitoring and evaluation of the CSR project(s) or programmes as well as for capacity building of its personnel for CSR.
  - L. The Company shall analyze the applicability of impact assessment and compliance in this regard with the following provisions:

1. If the Company has an average CSR expenditure of INR 10 (ten) crore or more in pursuance of section 135 (5) of the CA 2013, in the 3 (three) immediately preceding Financial Years, the Company shall undertake impact assessment, through an independent agency, of their CSR projects having outlays of INR 1 (one) crore or more, and which have been completed not less than 1 (one) year before undertaking the impact study.
2. The impact assessment reports shall be placed before the Board of the Company and shall be annexed to the annual report on CSR in the Board's Report to the members of the Company.
3. The Company, if it undertakes an impact assessment, may book the expenditure in its financial statements, incurred towards Corporate Social Responsibility for that Financial Year, which shall not exceed 2 (two) percent of the total CSR expenditure for that Financial Year or INR 50 (fifty) Lakh, whichever is higher.
4. The Board shall satisfy itself regarding the utilisation of funds disbursed for CSR project(s) annually and the Chief Financial Officer and/or the person CORPORATE SOCIAL RESPONSIBILITY POLICY 13 responsible for financial management of the Company shall, in each Financial Year, certify that the funds allocated for meeting the CSR expenditure of the Company has been administered in the areas or project(s) as required by the Board of Directors of the Company, in accordance with the Act, per the format as prescribed in **Appendix C**.

**10. WEBSITE DISCLOSURE:**

The Company shall disclose on its website the composition of its CSR Committee, its CSR policy and the details of projects approved in the Financial Year and projects executed during that particular Financial Year.

**11. REVIEW AND AMENDMENT:**

The CSR Policy may be amended by the CSR Committee, as and when required, only with the approval of the Board of Directors. Any subsequent notification, circular, guidelines or amendments under CA 2013 as may be issued from time to time shall be mutatis mutandis applicable without any further modification or amendment in this policy.

**12.       DISCLAIMER:**

In any circumstances, where the terms of this Policy differ from any existing or newly enacted law, rule, regulation or standard governing the Company, the newly enacted law, rule, regulation or standard will take precedence over this Policy until such time the Policy is changed to conform to the law, rule, regulation or standard.

**ANNEXURE - A**

**Composition of the CSR Committee as on 31<sup>st</sup> March, 2024**

<b><u>S.NO.</u></b>	<b><u>Name of Member</u></b>	<b><u>Designation In Committee</u></b>	<b><u>Designation in Board</u></b>
1.	Mr. Sanjay Jashbhai Patel	Chairman	Managing Director
2.	Mrs.Fatema Shabbir Kachwala	Member	Whole Time Director
3.	Mr. Prakash Sanjay Karpe	Member	Independent Director
4.	Mr. Karan Ishwar Shinde	Member	Independent Director
5.	Mr. Jasbir Singh Jaswant Singh Anand	Member	Independent Director

**APPENDIX B**

**ANNUAL ACTION PLAN FOR THE CSR EXPENDITURE OF THE COMPANY FOR THE FINANCIAL YEAR**

The action plan for the CSR initiatives of the Company for each Financial Year shall be in the following format, subject to the necessary edits, as required:

**1. Details of the CSR Expenditure**

<b>S. No.</b>	<b>Particulars</b>	<b>Amount (in INR)</b>
<b>i</b>	2 (two) percent of average net profit of the company as per section 135(5) of the Companies Act, 2013	
<b>ii</b>	Surplus arising out of the CSR project(s) or programmes or activities of the previous Financial Years	
<b>iii</b>	Amount required to be set off for the Financial Year	
<b>iv</b>	Total CSR expenditure for the Financial Year (I+II-III)	
<b>v</b>	Amount allocated for Administrative Overheads	
<b>vi</b>	Amount allocated for Impact Assessment, if applicable	
<b>vii</b>	Total estimated CSR expenditure to be spent for the Financial Year (iv-v-vi)	

**2. Details Pertaining to the CSR expenditure remaining unspent in previous years**

<b>S.NO.</b>	<b>Preceding Financial Year</b>	<b>Name and Nature of Projects</b>	<b>Amount Transferred to Unspent CSR Account (IN INR)</b>	<b>Amount estimated to be spent in the reporting Financial Year (IN INR)</b>	<b>Manner of spending</b>	<b>Amount remaining to be spent in succeeding Financial Years (In INR)</b>
<b>1.</b>						
<b>2.</b>						

**3. Details of the CSR Project (s) or programmes for the Financial Year**

S. No.	Details	1	2
1.	Name of the CSR project(s) or programmes		
2.	Location of CSR project(s) or programmes (State and District)		
3.	Duration of CSR project(s) or programmes		
4.	Target group of CSR project(s) or programmes		
5.	Activity as per Schedule VII of the Companies Act, 2013		
6.	Manner of Execution (Direct or through implementing agency)		
7.	Details of Implementing Agency (Name, Nature of entity and CSR Registration Number)		
8.	Steps for execution of the CSR project(s) or programmes		
9.	Implementation Schedule including details on funds utilization		
10.	Monitoring and Reporting Mechanism		
11.	Confirmation on the Utilisation		
12.	Details of Need and Impact Assessment		
13.	Creation of any capital or asset out of project(s). If yes, please specify the following: <ul style="list-style-type: none"> <li>• Name of registered owner</li> <li>• Address of the capital asset</li> <li>• Location of the capital asset</li> </ul>		
14.	Amount allocated for the CSR project(s) or programmes		
15.	Amount to be spent in the		



	current Financial Year		
16.	Amount available for set-off from preceding Financial Years		
17.	Amount required to be set-off for the Financial Year		
18.	Additional important details		

Note: The Board of Directors of the Company, may alter or revise the Annual Action Plan at any time during the Financial Year, as per the recommendation of its CSR Committee

APPENDIX C

**CERTIFICATION PURSUANT TO RULE 4(5) OF COMPANIES (CORPORATE SOCIAL RESPONSIBILITY POLICY) RULES, 2014**

I<>, CFO/ Finance Head of Tembo Global Industries Limited (the “Company”), to the best of my knowledge and belief, certify that:

1. I have reviewed the Corporate Social Responsibility (“CSR”) Policy of the Company and to the best of my knowledge and belief provides that the Company has allocated / disbursed the prescribed CSR Expenditure i.e. 2 (Two) percent of the average net profit of the Company of the last three Financial Years.
2. The disbursement, to the best of my knowledge and belief, is adequately appropriated for various projects, standalone or on-going, directly or through implementing agencies, as approved by the Board of the Directors of the Company and per the annual action plan of the Company.
3. I, to the best of my knowledge and belief and per utilisation report(s) received from the implementing agency(ies), affirm that the CSR funds so disbursed as mentioned above, have been utilised for the purpose and manner as approved by the Board of Directors of the Company, pursuant to Rule 4(5) of Companies (Corporate Social Responsibility Policy) Rules, 2014.

{Name of the CFO/ Finance Head}

CFO/Finance Head

Date: <>

Place: <>

