

ATAM VALVES LIMITED

CSR POLICY

1. TITLE AND APPLICABILITY-

Atam Valves Limited has prepared the CSR Policy (“Policy”) in alignment with its objective, principles and values, delineating its responsibility as a socially and environmentally responsible corporate citizen. This Policy lays down the principles and mechanisms for undertaking various programs in accordance with the requirements provided under Section 135 of The Companies Act 2013, read with Schedule VII to the Companies Act 2013 and The Companies (Corporate Social Responsibility Policy) Rules, 2014 along with subsequent amendments and Gazette notifications (together referred as ‘Legal Provisions’). The Policy shall apply to all the CSR projects, programs and activities undertaken by the Company at various locations in India for the benefit of diverse sections of the society.

2. PURPOSE

The key purpose of this policy is to:

- Define what CSR means to us and the approach adopted to achieve the goals.
- Identify broad areas of intervention in which the company will undertake projects.
- Define the kind of projects that will come under the ambit of CSR.
- Serve as guiding document to help execute and monitor CSR projects.
- Elucidate criteria for implementation agencies.
- Explain the manner in which the surplus from CSR projects will be treated.

3. COMPANY’S OBJECTIVES AND PHILOSOPHY:

This Corporate Social Responsibility (CSR) Policy of the Company, as recommended and approved by the Board of Directors (Board), outlines a clear agenda through which we will continue to contribute to the community at large. The objective of this Policy is to set the direction for the CSR activities of the Company by defining the governance, implementation, and monitoring framework of the activities to ensure effectiveness.

Our multi-stakeholder model is being embedded into the business completely, so the business can continue to be a force for good. Our Compass strategy has a comprehensive and ambitious set of commitments and actions to:

- Improve the health of the planet;
- Improve people’s health, confidence and wellbeing;
- Provide education for better India; and
- Contribute to a fairer, more socially inclusive world.

4. CSR FOCUS AREAS

As a responsible corporate citizen, the Company is committed to sustainable development and inclusive growth and has been focusing on a wide range of issues.

This may include but not be limited to the following areas:

- Promoting education, including special education and employment enhancing vocational skills especially among children, youth, women, the elderly and differently-abled, and livelihood enhancement projects.
- Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water.
- Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional art and handicrafts.
- Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports
- Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Government of India such as PMCARES, or any fund set up by any government of a State or UT of the Union of India for socio economic development and for relief and welfare of its citizens
- Contributions provided for programs of or collaborations with educational institutions, and skilling bodies approved by the Government of India or any government of a State or UT of the Union of India and eligible as implementing partners as per CSR Rules.
- Promoting healthcare including preventive healthcare and sanitation, including making available safe drinking water and aid for differently-abled persons.
- Rural development projects.
- Disaster relief(s).

Subject to the legal provisions, the Board shall have the discretion to take a call on whether any activity falls within the entries above and in Schedule VII and its decision shall be final. Company shall give preference to the local areas and areas around it where it operates, for spending the amount earmarked for CSR activities for year.

Activities excluded from the purview of Atam Valves Limited's CSR expenditure:

- Activities which are exclusively for the benefit of employees of the Company or their family members
- Activities undertaken in pursuance of normal course of business of the Company
- Direct or indirect contribution to political parties, if any
- Expenditure on item/s not in conformity with Schedule VII of the Companies Act 2013, as amended
- One-off events
- Expenses incurred for the fulfilment of any obligations/compliance under any Act/Statute.

5. GOVERNANCE MECHANISM

We have constituted a robust and transparent governance structure to oversee the implementation of CSR Policy, in compliance with the requirements of Section 135 of the Companies Act, 2013 and subsequent amendments.

- 5.1 Board of Directors - The Board monitors and reviews the performance and impact of the CSR programmes, provides input and guidance and satisfies itself that the CSR funds so disbursed are aligned to the CSR

Policy of the Company and have been utilized for the purposes and in the manner as approved by it. Any member of the Board shall certify that the CSR funds so disbursed have been utilized for the purposes and in the manner approved by the Board.

- 5.2 Periodic Monitoring by Leadership Team – The Leadership team works with the Management and meets periodically to discuss the progress of our initiatives including implementation, funding etc of the CSR projects. The CSR Leadership team will be responsible for on ground implementation of the projects.

6. RESPONSIBILITIES

- Formulate and update CSR Policy
- Responsible for execution of the decisions taken
- Suggest areas of intervention
- Approving projects that are in line with CSR Policy
- Track the progress of each project
- Recommend the CSR expenditure
- Meet periodically to review and discuss the related matters
- Ensure on ground implementation
- Prepare periodic reports

7. CSR BUDGET

- Company has undertaken to spend at least two (02) per cent of the average net profit made during the three (03) immediately preceding financial years on specific CSR projects and programs in compliance to The Companies Act.
- In the event of the company failing to spend the allocated annual budget, reasons for not spending will be provided in the Company's Annual Report.
- The computation of average net profits will be carried out in accordance with the provisions of Section 198 of the Companies Act, 2013.
- The unutilized CSR budget from the two (02) per cent of the average net profit, if any, will be transferred to a separate bank account.
- The Board shall make disclosures in the Annual Report as per clause (o) of sub-section (3) of section 134 including particulars specified in annexures to the CSR Rules.
- Surplus arising out of CSR projects, programs or activities shall not form part of the business profits of the Company. Instead, the same will be further deployed for future CSR projects only.

8. PROJECT LIFE CYCLE

At ATAM, CSR Projects are strategically planned and managed. Following are the key stages of a project:

- Guiding principles
- Annual Operating Plan
- Project Approval
- Implementation
- Monitoring
- Reporting

9. LIMITATION AND AMENDMENT

The Board of the Company may in their discretion and on recommendation, make any changes/modifications and/or amendments to this Policy from time to time. In the event of any conflict between the provisions of this Policy and statutory requirements, law shall prevail over and automatically be applicable to this Policy. In the event of any amendment to the Act, this Policy shall be deemed to have been amended accordingly.

10. COMPLIANCE REQUIREMENTS

In compliance with the Legal Provisions, the Company will disclose the contents of this Policy in its Annual Report and also publish it on the Company's website.