

Tristar Intermediates Private Limited

Registered Office: C1/B 3201 & C1/B 3202,

G.I.D.C. Sarigam, Gujarat - 396 155

Tel: +91-0260 2780617; website: www.tristarintermediates.org

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

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1. Introduction

In accordance with the provisions of Companies Act, 2013 (“**Companies Act**”), Tristar Intermediates Private Limited (“the **Company**”), constituted a CSR Committee which in exercise of its authority and discharge of its responsibility, formulated a Corporate Social Responsibility Policy (“**CSR Policy**”) as elaborated hereunder. Capitalized terms used in this CSR Policy and not defined herein shall have the meaning as ascribed to them under the Companies Act.

2. Objectives

The CSR Policy shall be read in line with Section 135 of the Companies Act, the Companies (Corporate Social Responsibility Policy) Rules, 2014 and such other regulations, circulars, and notifications (collectively referred hereinafter as “**CSR Regulations**”) as may be applicable and as amended from time to time and will, *inter alia*, provide the following:

- a) establishing a guideline for compliance with the provisions of CSR Regulations to dedicate a percentage of Company’s profits for social projects;
- b) ensuring the implementation of CSR initiatives in letter and spirit through appropriate procedures and reporting; and
- c) creating opportunities for employees to participate in socially responsible initiatives.

3. Definitions

- a) “**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;
- b) “**Board of Directors**” or “**Board**” means the Board of Directors of Tristar Intermediates Private Limited , as constituted from time to time.
- c) “**Company**” means a company incorporated under the Companies Act, 2013 or under any previous company law.
- d) “**CSR Committee**” means Corporate Social Responsibility Committee constituted by the Board of Directors of the Company, from time to time, under provisions of the Companies Act, 2013.
- e) “**Independent Director**” means a director of the Company, not being a whole-time director and who is neither a promoter nor belongs to the promoter group of the Company and who satisfies other criteria for independent director under the Companies Act, 2013.
- f) “**Policy**” means a statement containing the approach and direction given by the board of a company, taking into account the recommendations of its CSR Committee, and includes guiding principles for selection, implementation and monitoring of activities as well as formulation of the annual action plan;

g) “**Corporate Social Responsibility (CSR)**” means the activities undertaken by a Company in pursuance of its statutory obligation laid down in section 135 of the Companies Act in accordance with the provisions contained in CSR Regulations, but shall not include the following, namely:

- activities undertaken in pursuance of normal course of business of the company;
- any activity undertaken by the company outside India except for training of Indian sports personnel representing any State or Union territory at national level or India at international level;
- contribution of any amount directly or indirectly to any political party under section 182 of the Companies Act;
- activities benefitting employees of the company as defined in clause (k) of section 2 of the Code on Wages, 2019 (29 of 2019);
- activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services;
- activities carried out for fulfilment of any other statutory obligations under any law in force in India;

h) “**Ongoing Project**” means a multi-year project undertaken by a Company in fulfilment 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;

4. CSR Strategy and Activities

The CSR initiatives shall include the activities within the overall ambit of Schedule VII of the Companies Act, 2013, as amended from time to time, which may be enlarged from time to time as recommended by the CSR Committee and approved by the Board.

The Company shall give preference to the local area/s around it where it operates. The CSR Committee will decide on the locations for CSR activities to be carried out from time to time.

5. CSR Funds

5.1 The corpus for the purpose of carrying on the aforesaid activities shall include the following:

- a) At least 2% of the average net profits made by the Company for the 3 (three) immediately preceding financial years.
- b) Any income or surplus arising from the CSR projects or programs shall be used by the Company for its CSR activities and such surplus shall not form parts of the business profits of the Company. The same shall be ploughed back into the same project or shall be transferred to the Unspent CSR Account and spent in pursuance of CSR policy and Annual Action Plan of the Company or transfer such surplus amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.
- c) Any income from the surplus funds from the CSR activities.

- 5.2 If the Company fails to spend such amount, then Board shall in its report specify the reasons for not spending the same amount and unless the unspent amount relates to any ongoing project, transfer such amount to a Fund specified in Schedule VII of the Companies Act, 2013, within a period of six months of the expiry of the financial year.
- 5.3 Any amount remaining unspent under Section 135(5) of Companies Act, 2013, pursuant to any ongoing project, fulfilling such conditions as may be prescribed, undertaken by a Company in pursuance of its Corporate Social Responsibility Policy, shall be transferred by the company within a period of 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 three financial years from the date of such transfer, failing which, the Company shall transfer the same to a Fund specified in Schedule VII, within a period of thirty days from the date of completion of the third financial year.
- 5.4 If the Company spends an amount in excess of 2% of average net profit of the immediate last three financial years, such excess amount may set off against the requirement to spend up to immediate succeeding three financial years subject to the conditions that:
- (i) the excess amount available for set off shall not include the surplus arising out of the CSR activities, if any.
 - (ii) the Board of the company shall pass a resolution to that effect.

6. Implementation Process

- 6.1. The operations of the CSR activities of the Company and the CSR Policy shall be overseen by the CSR Committee. The CSR Committee shall also formulate and recommend to the Board, an Annual Action Plan and the same shall include the following:
- a) the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
 - b) the manner of execution of such projects or programmes as specified in sub-rule (1) of rule 4 of CSR Rules;
 - c) the modalities of utilisation of funds and implementation schedules for the projects or programmes;
 - d) monitoring and reporting mechanism for the projects or programmes; and
 - e) details of need for an independent impact assessment, if any, for the projects undertaken by the company as and when the CSR Contribution of the Company exceeds Rs. 10 Crore;

Provided that Board may alter such Annual Action Plan at any time during the financial year.

The CSR Committee may be resourced with suitably qualified individuals for the purpose of running its operations. Such individuals may be deputed from the Company itself or outsourced.

The time period/duration over which a particular program will be spread, will depend on its nature, extent of coverage and the intended impact of the program.

6.2. While the CSR activities shall be undertaken internally by the CSR Committee, some projects may need to be undertaken in collaboration and partnerships with other suitable specialist agencies. These works should be done through:

- a) a company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80 G of the Income Tax Act, 1961 (43 of 1961), established by the company, either singly or along with any other company, or
- b) 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
- c) any entity established under an Act of Parliament or a State legislature; or
- d) 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.

6.3. The entities covered in 6.2 who intends to undertake any CSR activity, shall register itself with Central Government by filing form CSR-1 electronically with the Registrar.

7. Overall Improvement in functioning and discharge of CSR

The CSR Committee shall from time to time explore the ways and means whereby improvements that need to be brought about towards the discharge of CSR by the Company are identified and steps taken to ensure that measures necessary to effectuate the areas of improvement so identified are taken in the right earnest.

8. Disclosure

The composition of the CSR Committee, CSR Policy and Projects approved by the Board shall be disclosed on the website of the Company.

9. Amendments to the Policy

The Company is committed to continuously reviewing and updating the CSR Policy. The Board may, subject to the applicable laws, amend any provision(s) or substitute any of the provision(s) with the new provision(s) or replace this policy entirely with a new policy. However, no such amendment or modification shall be inconsistent with the applicable provisions of any law for the time being in force. Any subsequent amendment/ modification in the provisions of applicable law shall automatically apply to this CSR Policy.
