

POLICY ON CORPORATE SOCIAL RESPONSIBILITY

Preamble

Craftsman Automation Limited (CAL) as a corporate citizen and enterprise believes that businesses are built around strong social background and inclusive growth and it is bounden duty of the business to support the society, though voluntarily, in helping to improve the quality of living. CAL aims to do its business in a responsible manner and develop a sustainable business model. As a matter of minimum requirement, CAL would do its business in accordance with the laws that apply from time to time and adhere to applicable rules, regulations, policies and procedures.

CAL believes that creation of large societal capital is as important as wealth creation for its stakeholders. In order to achieve the same, every business entity must carry on its business in a responsible manner. There are certain guiding principles formulated in India originally as 'National Voluntary Guidelines on **Social, Environmental and Economic** Responsibilities of Business (NVGs)' notified by the Ministry of Corporate Affairs which could be followed. CAL believes that these principles actually constitute the fundamentals of Corporate Social Responsibility [CSR] of every enterprise engaged in business.

The major principles that guide an enterprise to doing its business in a responsible manner are as follows:

- Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
- Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
- Businesses should promote the well being of all employees.
- Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
- Businesses should respect and promote human rights.
- Businesses should respect, protect, and make efforts to restore the environment.
- Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
- Businesses should support inclusive growth and equitable development.
- Businesses should engage with and provide value to their customers and consumers in a responsible manner.

Applicable Law

Section 135 of the Companies Act, 2013 read with Schedule VII of the Act and the CSR Policy Rules 2014 ("Rules") and other applicable provisions of the Companies Act, 2013.

Authority and Objectives

This CSR Policy has been formulated and approved by the Board of Directors at its meeting held on 24th May, 2018. It lays down the guiding principles for CAL to undertake certain activities in accordance with Applicable Law towards its Corporate Social Responsibility [CSR], which activities shall be known as CSR Activities.

Applicability

The CSR Policy applies to the specific CSR activities CAL would undertake as part of its initiatives in compliance of Applicable law.

CSR Committee

CSR Committee means a committee of the Board of Directors of CAL consisting of not less than 3 members of the Board of which one member shall be an Independent Director.

Role of the CSR Committee includes:

- i) To formulate and recommend to the Board of Directors the CSR Policy.
- ii) To monitor and review the CSR Policy and recommend modifications from time to time.
- iii) To specify the thrust areas in which CSR Activities of CAL may be directed within the various CSR Activities stipulated in the Applicable Law.
- iv) To recommend to the Board of Directors the local and other areas in which CAL may undertake its CSR Activities.
- v) To recommend to the Board the manner in which CAL may undertake its CSR Activities.
- vi) To formulate and recommend to the Board of Directors a CSR Budget.
- vii) To identify suitable executives of CAL who can coordinate with external agencies that can implement the projects and programmes of CAL for undertaking its CSR Activities.
- viii) To suggest ways and means for developing in house resources for directly undertaking CSR Activities.
- ix) To study possibilities of undertaking CSR Activities on a consortium model in association with other corporate houses for bringing long term benefits to the society while undertaking CSR Activities.
- x) To install a monitoring mechanism to ensure that the funds allocated by CAL for undertaking CSR Activities are applied in a manner that achieves desired results for the larger benefits of the society.

CSR Activities

CAL may undertake CSR activities of the following nature and may any other CSR activities as may be approved by the CSR Committee from time to time as are falling under schedule VII of the Companies Act, 2013.

i. Promotion of Health care

CAL may undertake projects or programs or activities aimed at improving the health and hygiene of the socially or economically weaker sections , families Below Poverty Line (BPL) by providing free or subsidized medicine, clinical laboratory facilities, free or concessional treatments at hospitals, providing medical equipments, setting up of medical and diagnostic camps, free medical insurance for a group of people or families in the BPL category, projects or programs aimed at eradicating poverty or malnutrition of women and children, pain and palliative care etc.

ii. Old Age homes /Day Care facilities for senior Citizens

CAL may undertake projects or programs or activities for the protection of elderly citizens by establishing, funding or otherwise supporting old age homes and day care facilities including medical aid, food and accommodation.

iii. Promotion of Education

CAL may undertake projects or programs or activities aimed at the promotion of elementary to professional education and to support the students belonging to weaker sections of the society including SC/ST/OBCs by way of setting up schools, colleges, coaching centers, providing libraries, text books and other study materials, vocational training centers and centers for physically challenged students, providing endowments or other forms of recognitions to successful candidates pursuing recognized examinations, scholarships or other forms of merit cum means assistance etc.

iv. Sanitation

CAL may undertake construction of public toilets, toilets in government run schools and other places and promote sanitation in public places, rural areas including garbage clearing and disposal.

Apart from the above thrust areas, CAL may undertake the following CSR Activities too depending upon needs:

- i. Improving the livelihood, employability and income generation of the communities around our units of CAL
- ii. Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water;
- iii. 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 arts and handicrafts;
- iv. Measures for the benefit of armed forces veterans, war widows and their dependents;
- v. Training to promote rural sports, nationally recognized sports, Paralympics sports and Olympic sport;
- vi. Contribution to Prime Minister's National Relief Fund or any other fund set up by the Central Government for Socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women.
- vii. Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government.
- viii. Rural development projects.

Effects of interpretations/clarifications and amendments on projects/ programs /activities

The objective of the policy is to act as a guideline for CAL in its endeavor to undertake socially relevant activities that will result in the overall objective of the company to create societal capital/assets for the common good and the list of activities shall be interpreted in a manner that will advance the objective. The policy shall be deemed to have amended or modified to the extent of any modification/ amendments or clarifications issued by the Central Government from time to time in relation to the CSR obligations of companies and shall be interpreted accordingly.

Execution of projects/programs

CAL may undertake one or more projects or programs or activities provided in the policy either as its own or through any implementation agency. It shall be the endeavor of CAL to build necessary capabilities to implement the CSR projects on its own in the long run. It can also acquire the services of experts in respective fields by appointing them as consultants in a particular program or project.

CSR Activities in Partnership

CAL may undertake programs in collaboration with other companies only in cases where such programs are separately reportable in the CSR report of participating companies.

Monitoring of CSR Activities

CSR committee will be responsible for the monitoring of various CSR projects or programs undertaken by the company directly or indirectly. The Committee shall ensure that:

- i. CAL undertakes the CSR activities as provided in the CSR policy
- ii. The projects/ programs are implemented as per the program approved by the Committee
- iii. The budget allocated for each of the project is utilized for the projects as per the approved plans.
- iv. The objective of the project/program is achieved as per the plans
- v. Proper monitoring and reporting is maintained towards end use of CSR funds and achievement of CSR goals.
- vi. Wherever projects/programs are undertaken in partnership with one or more organizations, the part of the project or program undertaken by CAL shall be distinguishable and necessary supporting documents in respect of the same shall be obtained from the other partners/implementing agency on an annual basis.

CAL shall provide necessary resources and human capital for implementation and the effective monitoring of the CSR projects and programs as may be directed by the CSR committee. The services of any external agencies or persons who have experience in the same or similar projects or programs undertaken or proposed to be undertaken by the company may also be made available for successful implementation and monitoring of the project.

Surplus arising out of CSR

Surplus arising out of any CSR project or program or activities shall not form part of the business profit of the company.

Amendment of policy

The CSR policy of the company may be amended at any time by the Board of the company on the recommendation of the CSR committee.

Disclosure and Reporting

On approval of the CSR policy or any amendments thereof, the contents of the policy shall be included in the Boards' report and the same shall be displayed on the web site of the company.

At the end of each financial year, the CSR committee shall prepare a report of the CSR program in the prescribed form relating to the financial year and submit to the board for its inclusion in the Board's report.

As approved by the Board of Directors vide resolution passed on 17th December, 2014 and further amended and approved on 24th May, 2018.

Place: Coimbatore
Date: 24th May, 2018

S Ravi
Chairman & Managing Director
