



Toyo Engineering India Private Limited

Corporate Social Responsibility (CSR) Policy

REV.	DATE	DESCRIPTION	PREPARED BY	REVIEWED BY	RECOMMENDED / APPROVED BY
2	16 July 2021	Changes in the Policy to reflect the amendments to the Companies Act, 2013 and CSR Rules	Secretarial Team	CSR Committee	Board of Directors
1	27 January 2015	Company name changed on the Policy on conversion of the Company from Public to Private	-	-	Board of Directors
0	27 August 2014	Corporate Social Responsibility (CSR) Policy	SDP	CSR Committee	Board of Directors
0	27 August 2014	Corporate Social Responsibility (CSR) Policy	SDP	RYK	CSR Committee

Company Secretarial Department / Corporate Admin. Division

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1. CONTEXT

While Toyo Engineering India Private Limited (Toyo India) continues to provide Engineering Consultancy and Project execution in the field of Petrochemicals, Refineries, Fertilisers etc., it has not lost sight of the commitment to play its role as an enlightened corporate citizen. At Toyo India, we understand that success in business is deeply rooted in the progress of the society and hence, Corporate Social Responsibility has always been on its agenda.

Further, pursuant to Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014, every Company having net worth of Rs.5,000 Million or more or turnover of Rs.10,000 Million or more or net profit of Rs.50 million or more during immediately preceding financial year shall constitute a Corporate Social Responsibility Committee (CSR Committee) and the CSR Committee shall formulate and recommend Corporate Social Responsibility Policy (CSR Policy) to the Board of Directors of the Company (the Board).

The CSR Committee so constituted, formulated CSR Policy and recommended the same to the Board for its approval. The Board vide its resolution dated 27 August 2014 approved and adopted the CSR policy with immediate effect.

1.1 Objective of the Policy

The objective of this Policy is to set guiding principles for carrying out CSR activities by the Company and also to set up process of execution, implementation, monitoring and reporting of the CSR activities to be undertaken by the Company.

1.2 Definitions

In this Policy, unless the context otherwise requires:

- (a) "Act" means the Companies Act, 2013.
- (b) "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;



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- (c) "Corporate Social Responsibility" means Corporate Social Responsibility (CSR) as defined in Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014.
- (d) "Ministry" means Ministry of Corporate Affairs.
- (e) "Net profit" means the net profit as defined in Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014 as set out below:

Net Profit as per its financial statements prepared in accordance with the applicable provisions of the Act, but shall not include the following, namely:-

- (i) any profit arising from any overseas branch or branches of the Company, whether operated as a separate company or otherwise; and
 - (ii) any dividend received from other companies in India, which are covered under and complying with the provisions of Section 135 of the Act:
- (f) "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.

Words and expressions used in this CSR policy and not defined in the Act shall have the same meaning respectively assigned to them in the Act.

2. CSR ACTIVITIES

The Company shall undertake any of the following activities / projects or such other activities / projects as may be notified by the Ministry from time to time as a part of the CSR Activities:

- i. Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation including contribution to the Swachh Bharat Kosh



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- set-up by the Central Government for the promotion of sanitation and making available safe drinking water;
- ii. Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
 - iii. Promoting gender equality, empowering women, setting up homes and hostels for women and orphans, setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
 - iv. Reducing Child mortality and improving maternal health by providing good hospital facilities and low cost medicines.
 - v. Providing with hospital and dispensary facilities with more focus on clean and good sanitation so as to combat human immunodeficiency virus, acquired immune deficiency syndrome, malaria and other diseases;
 - vi. 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 including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga
 - vii. Employment enhancing vocational skills
 - viii. 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:
 - ix. Measures for the benefit of armed forces veterans, war widows and their dependents Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows;
 - x. Training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports
 - xi. Contribution to the Prime Minister's National Relief Fund, or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES 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;
 - xii. Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government; Contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under



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- Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defense Research and Development Organisation (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs);
- xiii. Rural development projects.
 - xiv. Slum area development;
 - xv. Disaster management, including relief, rehabilitation and reconstruction activities

CSR activities shall be undertaken as projects, programs of activities (either new or ongoing) excluding activities undertaken in pursuance of the normal course of business of the Company.

CSR activities shall also not include:

- 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 Act;
- Activities benefitting employees of the company as defined in clause (k) of Section 2 of the Code on Wages, 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;

2.1 Area for CSR Activities

The CSR Activities shall be undertaken only in India for the benefit of the public and not for the employees of the Company and their family.

Provided that preference shall be given to the local areas and areas where the Company operates for undertaking the CSR Activities.



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However, the Committee may identify such areas other than stated above, as it may deem fit, and recommend it to the Board for undertaking CSR activities.

2.2 Annual spends / Allocation of Funds

- 2.2.1 The Company shall strive to spend in every financial year at least 2% (two percent) of the average net profits of the Company made during the three immediately preceding financial years.
- 2.2.2 Any surplus arising and/or additional revenue generated out of CSR Activities undertaken by the Company shall not form part of the business profit of the Company and same shall be spent for undertaking any CSR Activities only.
- 2.2.3 However, if the Company ceases to be covered under sub-section (1) of Section 135 of the Act for three financial years, then it shall not be required to, comply with the provisions laid down under sub-section (2) to (6) of the said section, till such time it meets the criteria specified in sub-section (1) of the Act.
- 2.2.4 All reasonable efforts will be made to ensure that the annual CSR allocation is fully utilised in respective year. However, if the Company fails to spend such amount, the Board of Directors shall, in its report under clause (o) of sub-section (3) of Section 134 of the Act, shall specify the reasons for not spending the amount and unless the unspent amount relates to any ongoing project, such amount shall be transferred to a Fund specified in Schedule VII of the Act, within a period of six months of the expiry of the financial year.
- 2.2.5 Any amount remaining unspent 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 of



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the Act, within a period of thirty days from the date of completion of the third financial year.

- 2.2.6 Any surplus arising out of the CSR activities shall not form part of the business profit of a company and 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 of the Act, within a period of six months of the expiry of the financial year.
- 2.2.7 Where the Company spends an amount in excess of requirement provided under sub-section (5) of Section 135, such excess amount may be set off against the requirement to spend under sub-section (5) of Section 135 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, in pursuance of sub-rule (2) of this rule.
 - (ii) the Board of the Company shall pass a resolution to that effect.
- 2.2.8 Expenditure incurred by Foreign Holding Company for CSR activities in India will qualify as CSR spend of the Indian subsidiary if the CSR expenditures are routed through Indian subsidiary and if the Indian subsidiary is required to do so as per Section 135 of the Act.
- 2.2.9 Expenditure on events such as marathons / awards / charitable contribution/ advertisement/ sponsorships of TV programmes etc. would not qualify as part of CSR expenditure.
- 2.2.10 Salaries paid to regular CSR staff as well as to volunteers of the Company (in proportion to time/hours spent specifically on CSR) can be factored into CSR project cost as part of the CSR expenditure.
- 2.2.11 The Board shall ensure that the administrative overheads shall not exceed five percent of total CSR expenditure of the Company for the financial year.



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2.2.12 The tax treatment of CSR spend will be in accordance with the Income Tax Act, 1961 as may be notified by Central Board of Direct Taxes (CBDT)

2.3 Planning & Implementation of CSR Activities

2.3.1 Every year, the CSR Committee will place for the approval of the Board of Directors of the Company an Annual CSR Action Plan which shall include:

- 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;
- 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 and impact assessment required, if any, for the projects undertaken by the Company

2.3.2 The Board may alter such plan at any time during the financial year, as per the recommendation of its CSR Committee, based on the reasonable justification to that effect.

2.3.3 The Company may undertake CSR Activities either by itself as per the stated CSR Policy or through a registered trust or society or any company, established by the Company, its holding or subsidiary company under Section 8 of the Act for such non-for-profit objectives.

Contribution to corpus of a Trust/ society/ Section 8 companies etc. will also qualify as CSR expenditure as long as (a) the Trust/ society/ Section 8 companies etc., is created exclusively for undertaking CSR activities or (b) where the corpus is created exclusively for a purpose directly relatable to a subject covered in Schedule VII of the Act.

2.3.4 Criterion for CSR Partner(s) / Implementing Agency(ies)

While identifying projects, CSR Committee will assess CSR Partner(s) / Implementing Agency(ies) who would execute the projects at the grass root level. At a minimum they need to meet the following criteria:



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- a. The CSR Partner has a permanent office/address in India;
- b. The CSR Partner is a Trust, Society or Section 8 Company having an established track record of three years in undertaking similar CSR programs or projects in pursuance with the relevant regulations and shall be registered with the Central Government and shall have a unique CSR Registration Number;
- c. Possesses a valid Income-tax Exemption Certificate
- d. The antecedents of the CSR Partner are verifiable
- e. Have requisite framework to report progress/status of the projects on a periodical basis

2.3.5 The Company may collaborate with other companies for undertaking the CSR Activities subject to fulfilment of separate reporting requirements as prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014 (the Rules).

3. CSR COMMITTEE

3.1 Guiding Principles for constitution of the CSR Committee

- 3.1.1 The CSR Committee will consist of three or more directors including an Independent Director, if required by law.
- 3.1.2 The Committee will meet at least twice in a year to discuss and review CSR activities and Policy. A quorum of two members is required to be present for the proceedings to take place. The Company Secretary shall act as Secretary to the Committee.

3.2 Procedures

- 3.2.1 The CSR Committee shall recommend to the Board suitable CSR activities to be undertaken during for the financial year along with the detailed plan, modalities of execution, implementation schedule, monitoring process and amount to be incurred on such activities;
- 3.2.2 The Board shall give its approval based on the recommendation of the CSR Committee and in compliance of this Policy;



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- 3.2.3 The CSR Committee, after approval, shall submit half-yearly / such periodical reports as deemed fit giving status of the CSR Activities undertaken, Expenditure Incurred and such other details as may be required by the Board.

3.3 Role of the CSR Committee

The CSR Committee shall carry out the following functions:

- 3.3.1 to formulate and recommend the CSR Policy to the Board;
- 3.3.2 to recommend the amount of expenditure to be incurred on the CSR activities
- 3.3.3 to formulate and recommend to the Board an Annual Action Plan in pursuance of its CSR Policy
- 3.3.4 to identify the projects/activities to be undertaken by the Company for CSR;
- 3.3.5 to recommend to the Board CSR Activities to be undertaken alongwith detailed plan;
- 3.3.6 to decide the modalities of execution, implementation schedule, monitoring process and amount to be incurred on such activities;
- 3.3.7 to ensure that the Company spends in every financial year at least 2% of average net profits of the Company made during the three immediately preceding financial years.
- 3.3.8 to monitor the CSR Policy of the Company from time to time;
- 3.3.9 to ensure compliance of CSR Policy and the Rules;
- 3.3.10 such other functions as may be delegated and/or assigned by the Board from time to time.

4. REVIEW AND REPORTING

- 4.1 The CSR Committee will review the CSR activities of the Company and will provide progress update to the Board of Directors at every six months / such other intervals as deemed fit.
- 4.2 The Company will report, in the prescribed format as set out herein as Annexure I, the details of CSR activities of the Company in the Directors' Report, as required under the Regulations. Such reporting will be done, pertaining to financial year(s) commencing on or after 1 April 2014.



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- 4.3 The Board of a company shall satisfy itself that the funds disbursed for the CSR activities have been utilised for the purposes and in the manner as approved by it and the Chief Financial Officer or the person responsible for financial management shall certify to that effect at the end of the financial year.

5. DISPLAY OF CSR ACTIVITIES ON THE WEBSITE

The Board of Directors of the Company shall mandatorily disclose the composition of the CSR Committee, the CSR Policy and Projects approved by the Board on their website, if any, for public access.

6. AMENDMENTS TO THE POLICY

The Board of Directors on its own and / or as per the recommendations of the CSR Committee can amend this Policy, as and when required as deemed fit. Any or all provisions of the CSR Policy would be subject to revision / amendment in accordance with the Regulations on the subject as may be issued from relevant statutory authorities, from time to time.



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Annexure I

FORMAT FOR THE BOARD OF DIRECTORS REPORT ON CSR TO BE INCLUDED IN THE BOARD'S REPORT

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1.	Brief outline on CSR Policy of the Company																					
2.	The Composition of the CSR Committee.																					
	<table border="1"> <thead> <tr> <th>Sl.No.</th> <th>Name of Director</th> <th>Designation / Nature of Directorship</th> <th>Number of meetings of CSR Committee held during the year</th> <th>Number of meetings of CSR Committee attended during the year</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>2.</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>3.</td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	Sl.No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year	1.					2.					3.					
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1.																						
2.																						
3.																						
3.	Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.																					
4.	Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report).																					
5.	Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility																					

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	Policy) Rules, 2014 and amount required for set off for the financial year, if any					
6.	Average net profit of the company as per section 135(5).					
7.	(a) Two percent of average net profit of the company as per section 135(5)					
	(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.					
	(c) Amount required to be set off for the financial year, if any					
	(d) Total CSR obligation for the financial year (7a+7b-7c)					
8.	(a) CSR amount spent or unspent for the financial year:					
	Amount Unspent (in Rs.)					
	Total Amount Spent for the Financial Year. (in Rs.)	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
		Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.

b) Details of CSR amount spent against ongoing projects for the financial year:

1	2	3	4	5	6	7	8	9	10	11
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local Area (Y/N)	Location of the Project State District	Project Duration	Amount Allocated for the Project (in Rs.)	Amount spent in the current F.Y. (In Rs.)	Amount transferred to Unspent CSR Account for the Project as per Section 135(6) (In Rs.)	Mode of Implementation – Direct (Y/N)	Mode of Implementation - Through Implementing Agency

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(c) Details of CSR amount spent against **other than ongoing projects** for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Amount spent for the project (in Rs.).	Mode of implementation - Direct (Yes/No).	Mode of implementation - Through implementing agency.	
				State.	District.			Name.	CSR registration number.

(d) Amount spent in Administrative Overheads :

(e) Amount spent on Impact Assessment, if applicable:

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) :

(g) Excess amount for set off, if any

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	
(ii)	Total amount spent for the Financial Year	
(iii)	Excess amount spent for the financial year [(ii)-(i)]	
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs).	Date of transfer.	
1.							
2.							
	Total						



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(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project (in Rs.).	Amount spent on the project in the reporting Financial Year (in Rs.).	Cumulative amount spent at the end of reporting Financial Year. (in Rs.)	Status of the project - Completed /Ongoing.
1								
2								
	Total							

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year.

(asset-wise details).

(a) Date of creation or acquisition of the capital asset(s).

(b) Amount of CSR spent for creation or acquisition of capital asset.

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).

Sd/
(Chief Executive Officer or
Managing Director or Director.)

Sd/
(Chairman CSR Committee).

Note:

This Policy will be overall governed by the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014 and any amendments / clarifications / notifications relating to the same issued by the Ministry of Corporate Affairs.
