

CORPORATE SOCIAL RESPONSIBILITY
POLICY

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Prepared by:	CSR Committee
Approved by:	the Board of Directors
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WILO Mather and Platt Pumps Private Limited

CSR Policy

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▪ Vision and Mission:

At the outset, WILO Mather and Platt Pumps Private Limited (WMPPL) is always committed to undertaking social responsibilities being a good Corporate Citizen.

This Policy is primarily designed to discharge responsibilities towards the society at large by undertaking various social welfare activities through Corporate Social Responsibility Measures (CSR) and to act in line with the WILO's vision of promoting sustainable development in all spheres of life, to make liveable society in the long run.

WMPPL believes in making a difference at local level from where it is operating by fulfilling its commitments towards Corporate Social Responsibility.

It is a statement containing the approach and direction given by the Board of Directors ("the Board") of the 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.

▪ Definitions:

- "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;
- "Net profit" means the net profit of a company as per its financial statement 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:

Provided that in case of a foreign company covered under these 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 Act;

- "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.

It shall also 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

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All other expressions unless defined herein shall have the same meaning as have been assigned to them under the Companies Act, 2013 and rules thereunder.

▪ **Objective of the Policy:**

The main objective of CSR policy is to make CSR a key business process for sustainable development of the society. WMPPL will act as a good corporate citizen and aim at supplementing the role of Government in enhancing the welfare measures for the society within the framework of it's policy.

▪ **Areas of Operation:**

CSR activities means the activities undertaken by a Company as stated below, but shall not include the following:

- (i) activities undertaken in pursuance of normal course of business of the company
- (ii) 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,
- (iii) contribution of any amount directly or indirectly to any political party;
- (iv) activities benefitting employees of the company in terms of the Code on Wages, 2019
- (v) activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services;
- (vi) activities carried out for fulfilment of any other statutory obligations under any law in force in India;

▪ **CSR activities identified by the CSR Committee to be undertaken subject to approval of the Board:**

- (i) eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swachh Bharat Kosh 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) ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality

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- of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga;
- (v) 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;
 - (vi) 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;
 - (vii) Training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports;
 - (viii) 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;
 - (ix) 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; and;
 - (x) Contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under 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 Defence 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)]
 - (xi) rural development projects;
 - (xii) disaster management, including relief, rehabilitation and reconstruction activities; (includes spending of CSR funds for COVID-19)
 - (xiii) Development of areas which are declared as 'Slum Areas' by the Central Government or any State Government or any other competent authority under any law for the time being;
 - (xiv) Any other measures with the approval of Board of Directors on the recommendation of CSR Committee subject to the provisions of Section 135 of Companies Act, 2013 and rules made there-under.

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▪ **Composition of Corporate Social Responsibility Committee**

The Board of Directors of the Company shall constitute a Corporate Social Responsibility Committee of the Board ("CSR Committee") consisting of two directors as per the following:

1. Managing Director: Chairman of the CSR Committee and
2. Director: Member of the CSR Committee

▪ **Roles and Responsibilities of CSR Committee:**

The CSR Committee shall formulate and recommend to the Board, an annual action plan in pursuance of its CSR policy, which shall include the following, namely: -

- (i) the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
- (ii) the manner of execution of such projects or programmes
- (iii) the modalities of utilisation of funds and implementation schedules for the projects or programmes;
- (iv) monitoring and reporting mechanism for the projects or programmes; and
- (v) details of need and impact assessment, if any, for the projects undertaken by the company:

The Board of Directors ("the Board") of WMPPL 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.

▪ **CSR Funding:**

The CSR corpus would include the following:

1. 2% of the average Net Profit made by the Company during immediately preceding three Financial Years.
2. any income arising there from.
3. surplus arising out of CSR activities carried out by the company.

▪ **CSR Implementation and Monitoring:**

- (1) The Board shall ensure that the CSR activities are undertaken:
 - (a) by the Company itself or

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- (b) 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
 - (c) 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
 - (d) any entity established under an Act of Parliament or a State legislature; or
 - (e) 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 3 years in undertaking similar activities.
 - (f) by collaborating with other companies for undertaking projects or programmes or CSR activities in such a manner that the CSR committees of respective companies are in a position to report separately on such projects or programmes in accordance with these rules.
- (2) The Company may engage international organisations for designing, monitoring and evaluation of the CSR projects or programmes as per its CSR policy as well as for capacity building of their own personnel for CSR.

▪ Responsibility of the Board:

The Board shall:

- (1) ensure that the funds disbursed on 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 the effect.
- (2) in case of ongoing project:
 - (a) monitor the implementation of the project with reference to the approved timelines and year-wise allocation
 - (b) be competent to make modifications, if any, for smooth implementation of the project within the overall permissible time period.
- (3) ensure that the administrative overheads does not exceed five percent of total CSR expenditure of the Company for the financial year.

▪ CSR Expenditure:

- (1) Any surplus arising out of the CSR activities shall not form part of the business profit of a company.

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It 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

Such surplus may be transferred to a Fund as specified under CSR activities mentioned above, within a period of six months of the expiry of the financial year.

- (2) Where the Company spends an amount in excess of requirement, such excess amount may be set off against the requirement to spend, up to immediate succeeding three financial years, subject to approval of the Board by way of resolution

It is to be noted that the excess amount available for set off shall not include the surplus arising out of the CSR activities.

- (3) The CSR amount may be spent by a company for creation or acquisition of a capital asset, which shall be held by –
- (a) a company established under section 8 of the Act, or a Registered Public Trust or Registered Society; or
 - (b) beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities; or
 - (c) a public authority

▪ Transfer of Unspent CSR Amount

- (1) If the Company fails to spend the amount as specified above, then the Company shall specify the reasons for not spending the amount in the Board's report and transfer such unspent amount to a Fund specified in Schedule VII, within a period of 6 (six) months of the expiry of the financial year.
- (2) If the Company fails to spend the amount as specified above and the amount is relating to any ongoing project of the Company undertaken by a Company in pursuance of its CSR Policy, then the Company shall specify the reasons for not spending the amount in the Board's report and such amount 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 CSR 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, within a period of 30 (thirty) days from the date of completion of the 3rd financial year.

Until a fund is specified in Schedule VII of section 135 of the Act, the unspent CSR amount, if any, shall be transferred by the Company to any fund included in schedule VII of the Act

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▪ **Disclosures:**

(i) CSR Reporting:

The Annual Report on CSR activities and action plan shall be disclosed in the Board's Report within the Annual Financial Statement of the Company and will be placed before the CSR Committee and the Board for approval at the end of every financial year. The report will adhere to the requirements of Section 135 of the Companies Act, 2013 and the rules thereunder.

(ii) Display on website:

The Board shall mandatorily disclose the following:

- (a) the composition of the CSR Committee, and
- (b) CSR Policy, and
- (c) Projects approved by the Board on their website, if any, for public access.

The Board of the Company shall, after taking into account the recommendations made by the CSR Committee, approve the policy for the Company.

Sd/-

Hemant Watve
Chairman of the Board and CSR Committee
