



NEXT RADIO LTD

## **CORPORATE SOCIAL RESPONSIBILITY POLICY (CSR) POLICY**

With the Companies Act, 2013 coming into effect from 1<sup>st</sup> April 2015, constitution of a Corporate Social Responsibility Committee of the Board and formulation of a Corporate Social Responsibility Policy became a mandatory requirement. In view of the same, the Company seeks to formulate a robust CSR Policy which encompasses its philosophy and guides its sustained efforts for undertaking and supporting socially useful programs for the welfare & sustainable development of the society.

### **I. CSR VISION :**

To accomplish passionate commitment to the social obligation towards social, financial and educational upliftment of people belonging to economically weaker sections of the society.

### **II. CONSTITUTION OF CSR COMMITTEE :**

Pursuant to Section 135 (1) of the Companies Act, 2013 which came into force with effect from 1st April 2014, every company having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during any financial year shall constitute a Corporate Social Responsibility Committee of the Board consisting of three or more directors, out of which at least one director shall be an independent director.

In compliance with the aforementioned above provisions, the Corporate Social Responsibility (CSR) Committee was constituted on January 27, 2016.

The Corporate Social Responsibility Committee shall :

- (a) formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII;
- (b) recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and
- (c) monitor the Corporate Social Responsibility Policy of the company from time to time.

### **III. KEY AREAS OF CORPORATE SOCIAL RESPONSIBILITY :**

The Company is eligible to undertake any of the following suitable/rightful activity as specified in Schedule VII to the Act and also amended from time to time:

- (i) eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and 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, agro-forestry, conservation of natural resources and maintaining quality of soil, air and water;
- (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 art and handicrafts;
- (vi) measures for the benefit of armed forces veterans, war widows and their dependents; (vii) training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports;
- (vii) contribution to the 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;
- (viii) contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government
- (ix) rural development projects.
- (x) slum area development."

#### **IV. IDENTIFICATION OF CSR PROJECTS :**

- CSR Projects need to be identified and planned for approval of the CSR Committee, with estimated expenditure and phase wise implementation schedules.
- The Company shall ensure that in identifying its CSR Projects, preference shall be given to the local area and areas around which the Company (including its Units) operates. However, this shall not bar the Company from pursuing its CSR objects in other areas.
- As a cardinal principle, the CSR Projects shall be identified on the basis of a detailed assessment survey.
- The CSR Committee may engage external professionals/firms/agencies if required for the purpose of identification of CSR Projects.

**V. IMPLEMENTATION OF CSR PROJECTS :**

The Company shall implement the identified CSR Projects by the following means:

**A. Direct Method:-**

1. The Company may itself implement the identified CSR Projects presently within the scope and ambit as defined in the Policy;
2. The Company may also implement the identified Projects presently through its Foundation or Society which is involved in CSR activities, within the scope and ambit as defined in the Policy.
3. The CSR Committee may engage external professionals/firms/agencies if required, for the purpose of implementation of its CSR Projects.
4. The Company may collaborate with other companies, including its Group Companies if required, for fulfilling its CSR objects through the Direct Method, provided that the CSR Committees of respective companies are in a position to monitor separately such CSR Projects.

**B. Indirect Method:-**

1. The Company may implement the identified CSR Projects through Agencies, subject to the condition that:
  - (a) The activities pursued by the Agency are covered within the scope and ambit of Schedule VII to the Act provided
  - (b) The Agency has an established track record of at least three years in undertaking similar programs or projects, and
  - (c) The Company has specified the Project to be undertaken through the Agency which shall preferably be in Thrust Areas, the modalities of utilization of funds on such Projects and the monitoring and reporting mechanism which shall be at least once in three months.
2. The Company may collaborate with other companies, including its holding and subsidiary Companies and Group Companies if required, for fulfilling its CSR objects through the Indirect Method provided that the CSR Committees of respective companies are in a position to monitor separately such Projects.

**VI. MONITORING MECHANISM :**

The CSR Committee will review and monitor the progress of CSR Project periodically and report to the Board at regular interval.

## **VII. FUND ALLOCATION AND OTHER MATTERS :**

### **A. Fund allocation:-**

1. The Company, in every Financial Year, shall endeavour to spend such feasible amount as CSR Expenditure, which shall not be restricted by the statutory limit of a specified percentage of its average net profits of the immediately preceding three Financial Years. However, the aforementioned CSR Expenditure in any Financial Year shall be at least 2% of Company's average Net profits for the three immediately preceding Financial Years.
2. The CSR Committee shall prepare a CSR Annual Plan for the above which shall include: a. Identified CSR Projects b. CSR expenditure c. Implementation Schedules
3. Total expenditure in the CSR Annual Plan shall be approved by the Board upon recommendation by the CSR Committee
4. In case the Company fails to spend the statutory minimum limit of 2% of Company's average net profits of the immediately preceding three years, in any given financial year, the Board shall specify the reasons for the same in its report in terms of clause (o) of sub-section (3) of section 134 of the Act.

### **B. Other Matters:-**

1. The CSR Committee shall ensure that major portion of the CSR expenditure in the Annual Plan shall be for the Projects as per CSR objectives. However, there shall not be any preference given to any particular projects for budgetary allocation and it shall be made purely as per the identified CSR Projects on need basis.
2. The Chairman and the Managing Director of the Company are authorized severally to decide the Projects to be implemented as approved by the CSR Committee.
3. Any surplus arising out of the CSR Projects shall not form a part of the business profit of the Company.

## **VIII. DUTIES AND RESPONSIBILITIES:**

### **A. Board of Directors:-**

The Board of Directors of the Company shall:

- ✓ after taking into account the recommendation made by the CSR Committee, approve the CSR Policy for the Company and disclose the contents of such policy in Board Report and also place it on the Company's website.
- ✓ ensure that the activities as are included in CSR Policy of the Company are undertaken by the Company.
- ✓ ensure that the Company spends, in every financial year, at least 2% of the average net profits of the Company made during the three immediately preceding financial years in pursuance to CSR Policy. The Board shall include

in its Report the annual report on CSR Projects as per the format prescribed from time to time.

**B. CSR Committee:-**

- ✓ The CSR Committee shall monitor the implementation of the CSR Policy and CSR Plan. For this purpose, the CSR Committee shall meet at least once in a year.
- ✓ In discharge of CSR functions of the Company, the CSR Committee shall be directly responsible to the Board for any act that may be required to be done by the CSR Committee in furtherance of its statutory obligations, or as required by the Board.
- ✓ The CSR Committee shall place before the Board the draft annual report as per the format in annexure to the Rules in Board meeting in April/May of the following year for Board review and finalization.
- ✓ The CSR Committee shall place before the Board in April/May every year a responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company for inclusion in the Board's Report.
- ✓ The CSR Committee shall ensure that the CSR Policy and finalized Annual Plan is displayed on the Company's website.

**IX. REVIEW AND AMENDMENT :**

- i. CSR Plan may be revised/modified/amended by the CSR Committee at such intervals as it may deem fit.
- ii. The CSR Committee shall review the Policy every two years unless such revision is necessitated earlier.

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