

CORPORATE SOCIAL RESPONSIBILITY POLICY
(Effective from 11th August, 2014)

I. BACKGROUND

Corporate Social Responsibility (CSR) embodies the various initiatives and programs of The Wadia Group in the communities and environment in which Group Companies operate. It represents the continuing commitment and actions of the Group to contribute towards economic and social development and growth.

II. OBJECTIVE

The CSR Policy of the Company has been formulated and adopted in terms of Section 135 of the Companies Act, 2013 and the Rules made thereunder. The Company will undertake CSR activities specified in Schedule VII to the Companies Act, 2013 (Annexure - A).

III. CONSTITUTION OF CSR COMMITTEE

The Board of Directors of the Company has constituted a CSR Committee of Directors comprising of three directors with atleast one being an Independent Director.

IV. ROLE OF CSR COMMITTEE

The CSR Committee will play the following role in fulfilling the Company's CSR objectives:

- Recommendation of the project/ programme to be undertaken within the long term vision and strategy of Wadia Group in respect of CSR activities, amount of expenditure to be incurred, type of activities, roles and responsibilities of various stakeholders etc.
- Formulation of a monitoring mechanism for ensuring implementation of the projects / programmes undertaken or the end use of the amount spent by it towards CSR activities.

The contribution will be made for any activities undertaken within India. The Committee will give preference to the local area and areas around it where it operates in spending the amount earmarked for CSR activities.

Surplus arising out of the CSR activities will be utilized for the benefit of the community.

V. ROLE OF BOARD OF DIRECTORS

The role of the Board with respect to CSR is as under:

- Review the recommendations in respect of annual budget for CSR;
- Disclose contents of the Policy in the Company's report/ website; and
- Ensure that the Company spends in every financial year, at least two percent of the average net profits made during the three immediately preceding financial years of the Company on CSR activities.

VI. DISBURSEMENT OF CSR AMOUNT

The Company may undertake CSR activities either by pooling the resources into Sir Ness Wadia Foundation or other not-for-profit organisations (NGOs) or a combination of both.

The CSR Committee will decide on the budget allocation of CSR Projects and Programms and the tranches of disbursement of amount.

VII. PARTNERING ORGANISATIONS

While undertaking any project or program along with other NGO (partnering organization), the Company will undertake due diligence to evaluate the NGO's reputation, track record, capacity and competency, including organization structure, requisite permits and licenses, presence in desired geography and compatibility with the Group CSR Policy.

VIII. PROCESS FOR UNDERTAKING CSR ACTIVITIES / PROJECTS THROUGH PARTNERING NGOs

The following procedure will be adhered to while undertaking/ funding CSR activities/ projects through NGOs:

- Presentation of Project / program details
- Execution of Memorandum of Understanding (MoU) with the Partnering NGOs, which will detail the key roles and responsibilities of each of the parties for a specified project or projects identified by the Wadia Group / Company.
- Scheduling of disbursements of funds relating to the program and monitoring system in accordance with pre-agreed milestones with partners.
- The Committee whilst making any contribution will specify the activities for which it is made and the amount for the same.

IX. MONITORING

CSR Committee will institute a transparent monitoring mechanism for implementation of CSR Projects or programmes undertaken by the Company or through NGOs.

X. VOLUNTEERING

The Company will encourage and enable employees and other stakeholders to participate in the projects supported by it through Employee Volunteering Programmes (EVP).

The Company will recognize the efforts put in by employees in CSR activities through annual appraisal system. The Head HR will play a specific role in building capacities, skills and talents under the concept of the Company's broader vision on CSR.

XI. SELF ASSESSMENT

The Company will introduce mechanism for self-assessment of CSR activities pursued by it and strive to improve existing policy and systems. It will also undertake impact assessment of the development projects on the target group.

XII. DISSEMINATION OF INFORMATION

The CSR Committee will report to the Board of the Company from time to time the status of the CSR projects/ activities undertaken by it along with the report on the impact created by such projects/ activities.

The Company would upload this Policy on its website www.naperol.com. Further, a detailed status report on the CSR activities carried out by the Company will be disclosed every year as part of the Directors' Report in the Annual Report. The said information will also be uploaded on the website of the Company.

The CSR activities of the Company would be visible through newsletters, websites, press releases and Directors' Annual Report (as an integral part of business) articulated on major occasions and employee / shareholder / dealer meetings.

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