

CORPORATE SOCIAL RESPONSIBILITY POLICY

1. Preamble

The Board of Directors (the “Board”) of Flowmore Limited (the “Company”), has adopted the following policy and procedures that positively impacts the society at large and more specifically underprivileged communities in India. The Board shall formulate / review / make changes from time to time, in its Corporate Social Responsibility Policy (“Policy”). This Policy shall apply to the Company and guide its obligations as a responsible member of society along with enhancing its relationships with all its stakeholders and communities including its employees based on the laws and regulations applicable to it.

2. Purpose

While this CSR Policy is the stated position of the Company in the area of CSR and finds its independent justification under the philosophy and its business objectives, it is also framed as per the requirements of Sections 135 of the Companies Act, 2013 (“Act”) read with applicable Rules under the Act.

The main objective of the CSR Policy is to lay down guidelines for the Company to make CSR a key business process for sustainable development of the society.

It aims at enhancing the welfare measures for the underprivileged communities and aims to contribute towards access to good quality education, healthcare, sports, environment, and facilities for senior citizens and orphans, enhancing vocational skills, eradicating hunger and sanitation initiatives. It also aims to empower communities to lead a self-reliant and healthier life at large.

3. Approach and direction given by Board of the Company

FLOWMORE LIMITED being a responsible corporate citizen strives to bring about overall positive impact in the society. It will take up an array of initiatives pertaining to environmental conservation along with awareness, access to education, healthcare, sports, facilities for senior citizens and orphans, enhancing vocational skills, eradicating hunger and sanitation for underprivileged /marginalized communities and intends to make a lasting and sustainable impact.

4. Definitions

“Act” means the Companies Act, 2013 including any amendments thereto;

“Board” means Board of Directors of Flowmore Limited;

“Company” means the Flowmore Limited;

“Corporate Social Responsibility (CSR)” means the activities undertaken by the Company in pursuance of its statutory obligation laid down in section 135 of the Act in accordance with the provisions contained in the CSR Rules, but shall not include the following, namely:-

- (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 under section 182 of the Act;
- (iv) activities benefitting employees of the Company as defined in clause (k) of section 2 of the Code on Wages, 2019 (29 of 2019);
- (v) activities supported by the Company on sponsorship basis for deriving marketing benefits for its products or services;
- (vi) activities carried out for fulfillment of any other statutory obligations under any law in force in India;

“CSR Rules” mean the Companies (Corporate Social Responsibility Policy) Rules, 2014 including any amendments thereto;

“Chairperson” means Chairperson of the company.

“CSR Activities” means the activities to be undertaken by Flowmore Limited in areas or subject specified in Schedule VII read with Section 135 of the Act and specified under this Policy;

“International Organisation” means an organisation notified by the Central Government as an international organisation under section 3 of the United Nations (Privileges and Immunities) Act, 1947 (46 of 1947), to which the provisions of the Schedule to the said Act apply;

“Employee” means an employee of Flowmore Limited whether employed in India or outside India;

“Ongoing Project” means a multi-year project undertaken by a Company in fulfillment 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.

“Policy / CSR Policy” means Corporate Social Responsibility Policy of Flowmore Limited;

Words and expressions used and not defined in this Policy but defined in the Act and CSR Rules shall have the same meanings respectively assigned to them in the Act and the CSR Rules.

5. CSR Policy

In view of the provisions of section 135 of the Act, the CSR Committee is required to formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the company in areas or subject, specified in Schedule VII to the Act. However, as per Companies (Amendment) Act, 2020,

notification dated 28th September, 2020 where the amount to be spent by the Company for CSR activities do not exceed Fifty Lakh Rupees, the requirement for constitution of the Corporate Social Responsibility Committee shall not be applicable and the functions of such Committee provided under section 135 shall, in such cases, be discharged by the Board of Directors of such Company. The Board/CSR Committee shall approve the CSR Policy for the Company and undertake to disclose the contents of such Policy in its report and also place it on the Company's website.

6. CSR Vision

To contribute positively to the society and bring about sustainable change in the lives of the underprivileged and marginalized communities, aiming towards holistic development through access and awareness in the areas of education, healthcare, eradicating hunger, sports, facilities for senior citizens and orphans, enhancing vocational skills, sanitation and environment.

CSR Activities to be undertaken by the Company as mentioned in the above areas or subject specified in Schedule VII of the Act:

i. Education

- a. Support to Primary education by infrastructure development;
- b. Construction and renovating School structures;
- c. Provide Books & stationary & other basic materials like uniforms, shoes, furniture, Computer etc.;
- d. Digital learning initiatives for technology in education; and
- e. Support initiatives in the field of primary and secondary education, formal and non-formal literacy programs, scholarships, digital literacy initiatives, teachers training & skills upgradation, vocational training and other holistic education initiatives for rural & urban youth.

ii. Healthcare:

- a. Access to basic health care to underprivileged, economically weaker section;
- b. Awareness about key health care; and
- c. Support affordable healthcare, including awareness & preventive programs for various communicable & non-communicable diseases, public & community health initiatives for the underprivileged sections of society, addressing malnutrition amongst women & children, provision of clean & safe drinking water to communities etc.

iii. Sports:

- a. Create facilities for sports skill and physical education development;
- b. Support training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports, construction, renovation, maintenance of stadiums, gymnasiums and sports centres including rehabilitation centres.

iv. Support to Old Age Homes, Orphanages etc.:

- a. Support in setting up homes and day care centres for Old Age Homes, Orphanages etc. and assist/co-partner in setting up of old age homes for senior citizens/ Orphanages etc.

v. Vocational Skill development of children of under privileged sections:

- b. Supporting women, unemployed / dropout youth and rural youth for sustainable livelihood initiatives, by assisting such persons with skill training (technical and non-technical), vocational and life skills training, to enable them to generate livelihoods and in turn contribute to the economy.

vi. Providing basic hygienic amenities to the weaker section of Society:

- a. To contribute towards promoting access to clean drinking water;
- b. To contribute towards promoting construction of toilets and other sanitation facilities involving behavioural change & awareness towards hygiene and sanitation habits.

vii. Environment and Conservation:

- a. Focus on reducing e-waste sent to landfill, reducing paper consumption and eliminating plastic waste. The waste generated is disposed off only through authorised recyclers;
- b. To initiate multiple projects implemented directly or through consultant partners to manage pollution emissions and to introduce environmental friendly practices;
- c. To encourage investment in energy efficient technology, developing socially and environmentally friendly products and services, improving access to water by creating/sponsoring irrigation and water storage structures, promoting public transport by creating appropriate infrastructure;
- d. Develop skills associated with environmental issues;
- e. Develop solutions to issues such as global climate change, decreasing non-renewable energy resources, land use, changes in water quantity and quality, and wildlife conservation; and
- f. 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 including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga.

viii. Eradicating Hunger

- a. To initiate projects implemented directly or through any agency for eradicating hunger, poverty and malnutrition;
- b. Focus on promoting health care including preventive health care and sanitation;
- c. To contribute towards Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.

All initiatives will be targeted to the needs of the economically marginalized/weaker sections of the society. The endeavor would be to build and leverage partnerships with likeminded individuals, corporates and institutions for achieving positive change. Efficiency, sustainability and relevance will be the driving principles of all programs and the essence would be to be Inclusive and collaborative in nature.

7. Guiding Principles for Selection of CSR Activities

- i. Sustainable and holistic community development in respect of underprivileged and marginalized communities;
- ii. Focus on community welfare in education, healthcare, sports, facilities for senior citizens and orphans, enhancing vocational skills, environment and sanitation based services by making facilities accessible to the needy and the weaker section of the society;
- iii. Special focus on women, youth and children;
- iv. Focus on Environmental conservation and awareness;
- v. The project will be developed defining the goals, objectives, project interventions, timelines and resources;
- vi. Preference to work with the most underprivileged section of the society; and
- vii. Compliance with applicable laws.

8. Guiding Principles for Implementation of CSR Activities

- i. The Board shall ensure that the CSR Activities are undertaken by the Company itself or through any of the following implementing agencies –
 - a. 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
 - b. 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
 - c. any entity established under an Act of Parliament or a State legislature; or
 - d. 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 three years in undertaking similar activities;

- ii. The implementation modalities may be modified from time to time, as per recommendations of the CSR Committee (if any constituted) or by the Board.
- iii. All projects will have Key Performance Indicators (KPIs) to measure progress toward those goals and objectives set at the time of project definition. Based on the nature of the project, the KPIs will be defined and measured across various stages such as Inputs, Outputs, Outcome and Impact.
- iv. The project may define the beneficiary group as per the goal and the needs assessment / baseline study.
- v. The Board/CSR Committee will perform a periodic assessment of the relevance, performance, efficiency and impact of the projects / programs;
- vi. The implementing agency will report on the project (s) and the expenditure on a regular basis in addition to a yearly report which will include projects undertaken along with the expenditure incurred on it, future plan of action for the subsequent financial year and balance carried forward, if any. In cases where there is co-funding in the project or multiple partners, the implementing agency will report to all;
- vii. The Company may also engage international organisations for designing, monitoring and evaluation of the CSR projects or programmes as per this CSR policy as well as for capacity building of its own personnel for CSR;
- viii. The Company may also collaborate with other companies for undertaking projects or programmes or CSR activities in such a manner that the Board/CSR committees of respective companies are in a position to report separately on such projects or programmes in accordance with the CSR Rules; and
- ix. The annual action plan of the Company would include the manner of execution of CSR projects or programmes to be undertaken by the Company and the modalities of utilisation of funds and implementation schedules for the projects or programmes.

9. Guiding Principles for Monitoring of CSR Activities

- i. The Board shall satisfy itself that the funds so disbursed 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;
- ii. In case of ongoing project, the Board shall monitor the implementation of the project with reference to the approved timelines and year-wise allocation and shall be competent to make modifications, if any, for smooth implementation of the project within the overall permissible time period; and

- iii. The annual action plan of the Company would include the manner of execution of CSR projects or programmes to be undertaken by the Company, the modalities of utilization of funds and implementation schedules for the projects or programmes, and monitoring and reporting mechanism for the projects or programmes and details of need & impact assessment, if any, for the projects undertaken by the Company.

10. Annual Action Plan

The CSR Committee shall formulate and recommend to the Board for its approval, or in absence of CSR Committee the Board shall formulate an Annual Action Plan in pursuance of this 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 as specified in sub-rule (1) of rule 4;
- 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 may alter such plan at any time during the financial year, as per the recommendation of the CSR Committee (if any), based on the reasonable justification to that effect.

11. Role of the Board with respect to undertaking the CSR Activities

The Board of the Company shall:

- i. On the provisions of sub-section (1) of section 135 of the Act becoming applicable, constitute a CSR Committee of the Board, subject to the provisions of sub-section (9) of section 135 of the Act;
- ii. disclose the composition of the CSR Committee in the Board's report;
- iii. after taking into account the recommendations made by the CSR Committee (if constituted), approve the CSR Policy for the company and disclose contents of such Policy in its report and also place it on the Company's website, if any;
- iv. ensure that the activities as are included in this CSR Policy are undertaken by the Company;

- v. ensure that the Company spends, in every financial year, at least two per cent of its average net profits made during the three immediately preceding financial years, in pursuance of this CSR Policy;
- vi. if the Company fails to spend such amount as specified above, then in its report made under clause (o) of sub-section (3) of section 134 of the Act, specify the reasons for not spending the amount and, unless the unspent amount relates to any ongoing project referred to in sub-section (6) of section 135 of the Act, transfer such unspent amount to a Fund specified in Schedule VII to the Act, within a period of six months of the expiry of the financial year;
- vii. if any amount remaining unspent under sub-section (5) of section 135 pursuant to any ongoing project, transfer 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 CSR 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, within a period of thirty days from the date of completion of the third financial year;
- viii. discharge the functions of the CSR Committee in case it is dissolved owing to the amount to be spent by the Company under sub-section (5) of section 135 not exceeding fifty lakh rupees;
- ix. satisfy itself that the CSR funds disbursed 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;
- x. In case of ongoing project, monitor the implementation of the project with reference to the approved timelines and year-wise allocation and shall be competent to make modifications, if any, for smooth implementation of the project within the overall permissible time period;
- xi. approve the Annual Action Plan as recommended by the Board/CSR Committee;
- xii. alter the Annual Action Plan at any time during the financial year, as per the recommendation of the Board/ CSR Committee, based on the reasonable justification to that effect;
- xiii. ensure that the administrative overheads shall not exceed five percent of total CSR expenditure of the Company for the financial year;
- xiv. pass a resolution for setting off the CSR amount spent in excess of requirement provided under sub-section (5) of section 135, against the

- requirement to spend under sub-section (5) of section 135 up to immediate succeeding three financial years;
- xv. make disclosures in the Board's report as required under rule 8 of the CSR Rules;
 - xvi. undertake impact assessment as required under rule 8 of the CSR Rules and take note of the impact assessment reports which are mandatorily required to be placed before it; and
 - xvii. Mandatorily disclose the composition of the CSR Committee (if constituted), and CSR Policy and Projects approved by the Board on website of the Company, if any, for public access.

12. Effective Date of the Policy

This Policy will come into effect from the date of approval of the same / amendment to the same by the Board.