

FLOWMORE LIMITED

CORPORATE SOCIAL RESPONSIBILITY POLICY

1. PREFACE:

FLOWMORE believes to improve the lives of the society in which it operates. Being a part of the society since 1967 the Company believes in “**looking beyond business**”. The company strives to create a positive impact on the communities it serves and on the environment. The Company understands that there is a need to strike a balance between the overall objectives of achieving corporate excellence vis-à-vis the company’s responsibilities towards the community.

2. OBJECTIVE:

This Policy has been formulated in compliance with Section 135 of the Companies Act, 2013 read along with the applicable rules thereto.

3. DEFINITIONS:

The terms defined in this CSR Policy shall have the meanings herein specified and terms not defined shall have the meanings as defined in the Companies Act, 2013 and Companies (Corporate Social Responsibility) Rules, 2014 including any statutory modifications or re-enactments thereof.

3.1 “Act” means the Companies Act, 2013 including any statutory modification or re-enactment thereof.

3.2 “Average Net Profit” means profit calculated as per Section 198 of the Companies Act, 2013.

3.3 “Board” means the Board of Directors of the Company.

3.4 “Board’s Report” shall mean the report of the Board of Directors prepared in accordance with section 134(3) of the Companies Act, 2013.

3.5 “Company” means FLOWMORE LIMITED.

3.6 “CSR” means Corporate Social Responsibility.

3.7 “CSR activities” means the activities or projects or programmes as recommended by the CSR Committee and approved by the Board, undertaken by the Company from time to time in any one or more of the areas falling under the Schedule VI to the Companies Act, 2013.

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3.8 "CSR Committee" means the Committee of the Board constituted under section 135 of the Act for the purpose of administration of CSR activities, supervising the adherence of this CSR Policy and the matter incidental thereto.

3.9 "CSR Policy" means the Corporate Social Responsibility Policy as set out herein and as amended or modified from time to time.

3.10 "CSR Rules" means Companies (Corporate Social Responsibility) Rules, 2014.

3.11 "Independent Director" means a non-executive director of the Company within the meaning of section 2(47) of the Companies Act, 2013 and clause 49(1)(a)(iii) of the Listing Agreement entered with the Stock Exchange(s).

3.12 "Net profit" means the net profit of the Company as per its financial statement prepared in accordance with the applicable provisions of the Act.

4 CSR ACTIVITIES:

The CSR Activities would be chosen for implementation by the Company in compliance with the provisions of Section 135 read together with Schedule VII of the Companies Act, 2013.

5 CSR EXPENDITURE:

5.1 As per the provisions of Companies Act, 2013, the Board shall 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.

5.2. CSR Committee shall recommend the amount of expenditure project wise to be incurred annually by the Board for its consideration and approval.

5.3 CSR expenditure shall include all expenditure including contribution to corpus, for projects or programs relating to CSR activities approved by the Board on the recommendation of its CSR Committee, but does not include any expenditure on an item not in conformity or not in line with activities which fall within the purview of Schedule VII of the Act.

6 CSR MONITORING AND REPORTING FRAMEWORK:

In compliance with the Act and to ensure funds spent on CSR Activities are creating the desired impact on the ground, the Committee shall monitor periodically the

implementation of the projects/programs/activities undertaken by the Company and report to the Board on a regular basis the progress of CSR activities.

7 ROLE OF THE CSR COMMITTEE:

- 7.1** Formulate and recommend to the Board, a Corporate Social Responsibility Policy in compliance with Section 135 of the Companies Act, 2013.
- 7.2** Identify the activities to be undertaken as per Schedule VII of the Companies Act, 2013.
- 7.3** Institute a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the Company.
- 7.4** Recommend the amount of CSR expenditure to be incurred on the earmarked CSR activities.
- 7.5** Monitor the implementation of the CSR Policy from time to time.
- 7.6** Such other functions as the Board may deem fit.

8 ROLE OF THE BOARD:

- 8.1** After taking into account the recommendations made by the CSR Committee, approve the CSR Policy for the Company.
- 8.2** Ensure that the CSR activities included in this Corporate Social Responsibility Policy are undertaken by the Company.
- 8.3** The Board of the Company may decide to undertake its CSR activities approved by the CSR Committee, through a registered trust or a registered society or a Company established under section 8 of the Act by the company.
- 8.4** Ensure that in each financial year the Company spends at least 2% of the average net profits of the company made during the three immediate preceding financial years, calculated in accordance with Section 198 of the Act, in pursuance of its CSR policy. Further, while spending the amount earmarked for CSR activities, preference should be given to local areas and areas around the Company where it operates.
- 8.5** As per Section 135 of the Act, specify the reasons for under spending the CSR amount in the Board's Report.

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9 DISCLOSURE OF THE POLICY:

The CSR policy recommended by the CSR Committee and approved by the Board shall be displayed on the Company's website and shall be disclosed in the Board's report as well.

10 CSR REPORTING:

The Board Report of a Company shall include an Annual Report on CSR containing particulars specified in Annexure to the CSR Rules as per the prescribed format.

11 FREQUENCY OF MEETINGS:

The meetings of the Committee could be held at such periodic intervals as may be required.

12 QUORUM:

Minimum two (2) members shall constitute a quorum for the Committee meeting.

13 MINUTES OF THE COMMITTEE MEETING:

Proceedings of all meetings must be minuted and signed by the Chairman of the Committee and tabled at the subsequent Board and Committee meeting.

14 CONCLUSION:

CSR Policy is subject to revision/amendment in accordance with the guidelines as may be issued by the Government, from time to time.

The Board may review the policy from time to time based on changing needs and aspirations of the target beneficiaries and make suitable modifications, as may be necessary.

