CORPORATE SOCIAL RESPONSIBILITY POLICY

(CSR POLICY)

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POLICY ON CORPORATE SOCIAL RESPONSIBILITY(CSR)

1. PREAMBLE:

Naga Limited (Naga) has adopted policies on vision and values, which in principle, address the basic concept of CSR. The policy statements are:

VISION:

To excel as a trusted, socially responsible and customer driven organisation providing maximum value to all stake-holders.

MISSION:

To manufacture quality products at competitive cost through technology and team work.

VALUES:

Ethical practices, customer focus, commitment to society, safety and environment, professional and transparent management, empowerment and accountability, adaptability to 'Change', innovation and creativity and emphasis on human resources development, cost reduction, productivity enhancement and resources conservation.

2. APPLICABILITY:

Naga has developed its Corporate Social Responsibility Policy ("Policy") in accordance with Section 135 of the Companies Act, 2013 and the rules made thereunder. The policy shall apply to all CSR programmes of the Company.

3. OBJECTIVES:

1. To undertake social projects in villages around the factory for maximum positive impact.
2. To design and effectively implement projects in areas such as health care, education, protected drinking water, sanitation, rural infrastructure and vocational training.
3. To enhance employability of youth by partnering and supporting educational institutions involved in such activities.
4. To enhance the empowerment of women and reducing the inequalities faced by socially and economically backward groups.
5. To ensure environmental sustainability and ecological balance.
6. To protect the flora and fauna, animal welfare, agro-forestry and conservation of natural resources.
7. To protect national heritage and undertake all activities to aid the same.

4. VALIDITY:

The Board may amend the CSR Policy as may be required from time to time.

5. PROGRAMME AREAS:

The Company will focus primarily on the following programmes:

- Community Development
- Water and Sanitation
- Education
- Health
- Rural Infrastructure
- Vocational and Technical Training

6. CSR BUDGET:

The CSR Committee will decide the CSR Budget and will get it approved by the Board of Directors. The Board shall ensure that in each financial year, the Company spends at-least 2% of the average net profit made during the immediate preceding financial year.

7. IMPLEMENTATION:

The Company's CSR Projects will be implemented in a time-bound manner with clear objectives, plan, targets and monitoring and evaluation mechanisms. The Company's ongoing CSR Projects will be aligned to the policy.

8. ROLES AND RESPONSIBILITIES:

(i) The Board:

The Board of Directors of the company will be responsible for :

1. Approval of the CSR Policy of the Company.
2. Disclosing the contents of the policy in its report and place the policy on the Company's website in such a manner as prescribed under Section 135 of the Companies Act, 2013 read with CSR Rules.
3. Ensuring that the social projects included in the policy are undertaken by the Company.
4. Ensuring that the Company spends in every financial year, atleast 2% of the average net profits of the Company made during the three immediately preceding financial years in pursuance of the policy.
5. Ensuring that the Company gives preference to the local areas around its operations for spending the amount earmarked for CSR Projects.
6. Ensuring that it specifies the reasons in its report for not spending the earmarked amount in case the Company fails to spend such amount.

(ii) CSR Committee:

1. To 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.
2. To recommend the amount of expenditure to be incurred on the activities referred to in clause (a) above and
3. To monitor the Corporate Social Responsibility Policy of the Company from time to time.

9. COMPOSITION OF THE CSR COMMITTEE:

The composition of the CSR Committee of the Board is as under:

- Dr. K. Venkatachalam, Independent Director, Chairman.
- Smt. Mageswari Kannan, Joint Managing Director, Member.
- Sri. Sounder Kannan, Whole Time Director, Member.

The Board shall have the power to make any change(s) in the constitution of the Committee.