



## **CORPORATE SOCIAL RESPONSIBILITY POLICY**

### **1. Effective Date**

This CSR Policy (this “**Policy**”) shall come into force with effect from the date of approval by the Board of Directors (“**Board**”) in its meeting held on 02<sup>nd</sup> March, 2024. This Policy of the Company is framed in accordance with Section 135 of the Companies Act, 2013 (“**CA 2013**”) read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 (“**CSR Policy Rules**”) as amended.

### **2. Objective and Approach**

The Company believes to integrate social and environmental concerns in its business operations and interactions with its stakeholders. The Company has always worked toward building trust with all its stakeholders based on the principles of good corporate governance, integrity, equity, transparency, fairness, disclosure, accountability, and commitment to values. The Company will work towards leveraging its expertise for various social causes and encourage its employees for volunteering for CSR program of the Company.

### **3. CSR Activities**

The Company shall undertake various CSR activities, projects or programs in India falling within the purview of Schedule VII to the CA 2013, which shall be interpreted liberally as per applicable law.

The followings are the broad categories of the activities under which the Company may work to undertake CSR activities as specified under Schedule VII of the CA 2013:

- Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water company can undertake programs for educating the peoples;
- Promoting education, including special education and employment enhancing vocation skills specially among children, women, elderly, and differently abled and livelihood enhancement projects;
- Promoting gender equality, empowering women, setting up homes and hostels for women and orphans, setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;

- 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;
- Protection of national heritage, art and culture including restoration of building and sites of historical importance and works of art: setting up public libraries; promotion and development of traditional arts and handicrafts:
  - Measures for the benefit of armed forces veterans, war widows and their dependents, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows;
  - Training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports;
  - Contribution to the Prime Minister's National Relief Fund or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Schedule Castes, the scheduled tribes, other backward classes, minorities and women;
  - Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
  - Rural development projects;
  - Slum area development;
  - disaster management, including relief, rehabilitation and reconstruction activities and
  - Any other activities as listed in Schedule VII of the Act.

#### **4. Constitution of CSR Committee:**

Pursuant to the provisions of Section 135 and other applicable provisions, if any, of the CA 2013 Companies Act, 2013 including the rules framed thereunder, the Corporate and Social Responsibility Committee ("**Committee**") of the Company will be constituted as hereunder:

- a) The Board shall determine the membership of the Committee.
- b) The Committee shall consist of three or more director, out of which at least one shall be an independent Directors.

#### **5. Responsibility of CSR Committee**

- a. Formulate and recommend to the Board, a "Corporate Social Responsibility Policy" which shall indicate amongst others, the guiding principles for selection, implementation and monitoring the activities as well as formulation of the annual action plan which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the CA 2013, as amended and the rules made thereunder and make any revisions therein as and when decided by the Board;
- b. Review and recommend the amount of expenditure to be incurred on the activities referred to in clause (a) and amount to be incurred for such expenditure shall be as per the applicable law;
- c. Monitor the corporate social responsibility policy of the Company and its implementation from time to time and issuing necessary directions as required for proper implementation and timely completion of the corporate social responsibility programme; and

d. Any other matter as the Corporate Social Responsibility Committee may deem appropriate after approval of the Board or as may be directed by the Board from time to time and/or as may be required under applicable law, as and when amended from time to time.

## **6. Annual Action Plan**

An Annual Action Plan (AAP) will be formulated and recommended to the Board by CSR Committee. Annual Action Plan to be in accordance with Rule 5 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended from time to time.

However, the Board may alter such Annual Action Plan at any time during the financial year based on the reasonable justification.

## **7. Role of the Board**

- a. The Board to satisfy itself that the funds disbursed for any CSR programme or project have been utilized for the purposes and in the manner as approved by it ; and
- b. The Chief Financial Officer (CFO) or the person responsible for financial management in the Company shall certify the details of CSR spent is as per Board approval.

## **8. Utilization of Funds**

The Company shall utilize at least 2 percent of the average net profit of the Company made during the last three immediately preceding financial years in the CSR activities as enumerated above in this Policy.

The Company shall give preference to the local area and areas around it where it operates, for spending the amount earmarked for CSR activities.

In any case, if in any year financial year, the Company fails to spend such amount on CSR, the Board will, in its report made under section 134(3)(o) of CA 2013, specify the reasons for not spending the amount and, unless the unspent amount relate to any ongoing project referred to in Section 134(6) of the Act, transfer such unspent amount to a fund specified in Schedule VII of the Act, within a period of six months of the expiry of the financial year.

Any amount remaining unspent, pursuant to any ongoing project, fulfilling such conditions as may be prescribed, undertaken by the Company in pursuance of the Policy, shall be transferred by the Company 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 Corporate Social Responsibility 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.

## **9. Principle for Selection, Implementation, Monitoring and Evaluation**

### Selection

- a. The selection of CSR Project will be based on approach of the Company that integrates all components by carefully balancing its vision and mission
- b. Encourage employees to participate
- c. Identify Implementing agencies basis various parameters set by the Board

### Implementation and Monitoring

- a. Real-time reporting and assigning clear responsibility
- b. Review the plan with actual and take corrective measures, if required

### Evaluation

- a. Evaluate cost-benefit and impact of the program when possible
- b. Report to the Board on analysis

## **10. CSR Governance and compliance**

The Board of Directors will nominate a CSR Committee comprising of at least three Directors, including at least one Independent Director. The Chairman of the CSR Committee will be nominated by the Board of Directors. It shall meet at such intervals as may be decided by the Chairman of the Committee but at least two meetings shall be held in a year.

## **11. Monitoring Mechanism**

To ensure effective implementation of the CSR programmes undertaken a monitoring mechanism will be put in place by the Company. The progress of CSR programmes under implementation will be reported to Board of Directors on a quarterly basis. The CSR committee will conduct impact studies on a periodic basis, about effectiveness of CSR activity on the society.

## **12. Reporting Mechanism**

CSR Committee will obtain feedback from beneficiaries about the programmes and report to the Board of Directors, the feedback received from the beneficiaries of CSR activity. Appropriate documentation of Company's CSR Policy, annual CSR activities, executing partners, and expenditure entailed will be undertaken on a regular basis and the same will be available on the website of the Company. CSR initiatives of the Company will also be reported in the Annual Report of the Company containing particulars as specified in the Companies (Corporate Social Responsibility Policy) Rules, 2014.

## **13. Amendments to the Policy**

The Board on its own and/ or as per the recommendations of CSR Committee can amend this Policy, as and when required. Any or all provisions of the CSR Policy would be subject to revision/amendment in accordance with the provisions of the CA 2013 thereunder on the subject, from time to time.

**14. Contact**

The Compliance Officer can be contacted for any queries regarding the Policy. Email address is [secretarial@ceigall.com](mailto:secretarial@ceigall.com).

In the event of any inconsistency between this Policy and the applicable laws, the applicable laws will prevail.

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