

AMRAPALI INDUSTRIES LIMITED

CORPORATE SOCIAL RESPONSIBILITY

[Pursuant to Section 135 (4) of the Companies Act, 2013 ("Act") read along with Companies (Corporate Social Responsibility Policy) Rules, 2014 ("CSR Rules")]

❖ **Preface:**

The Company understands its responsibility towards the society in which it operates and is initiating small but significant steps in bringing positive changes in the environment for sustainable development taking into consideration the interests of various stakeholders. With the rapidly changing corporate environment, more functional autonomy, operational freedom etc., the Company has adopted CSR policy ("Policy") as a strategic tool for sustainable growth. For the Company in the present context, CSR policy adopted by the Company is not just a tool of investment of funds for Social Activity but is also an effort to integrate Business processes with Social processes.

With the advent of Companies Act, 2013 formulation of Corporate Social Responsibility Policy became a mandatory requirement. Therefore, the Company has formulated a robust CSR Policy which encompasses its philosophy and guides its sustained efforts for undertaking and supporting socially useful programs for the welfare & Sustainable development of the society.

❖ **CSR Vision:**

Improve Quality of life for all our communities through integrated and Sustainable Development.

❖ **Corporate Social Responsibility Committee:**

1. Composition:

Board of directors has constituted Corporate Social Responsibility Committee („CSR Committee“) consisting of three or more Directors including at least one Independent Director in accordance with the applicable Section 135 of the Companies Act, 2013 and rules thereof.

2. Role of CSR Committee:

- i. 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 of the Act and rules thereof.
- ii. To recommend the amount of expenditure to be incurred on the CSR activities.
- iii. The CSR Committee shall monitor the implementation of the CSR Policy and CSR plan. For this purpose, the CSR Committees shall meet as and where required for the said purpose.
- iv. To formulate and recommend to the Board, an annual action plan which includes:
 - The list of CSR projects or programmed that are approved to be undertaken in areas or subject specified in Schedule VII of the Act;
 - The manner of execution of such projects or programmes as specified in sub-rule (1) of Rule 4 of the CSR Rules;
 - The modalities of utilization of funds and implementation schedules for the projects or programmes;
 - Monitoring and reporting mechanism form the projects or programmes; and
 - Details of need and impact assessment, if any, for the projects undertaken by the Company.

- v. To carry out any other function as may be delegated or assigned by the Board from time to time and/or enforced by any statutory notification, amendment or modification as may be applicable or as may be necessary or appropriate for performance of its duties.
- vi. In discharge of CSR functions of the Company, the Board/CSR Committee shall be directly responsible for any act that may be required to be done by the Board/CSR Committee in furtherance of its statutory obligations, or as required by the Board.
- vii. The CSR Committee shall place before the board every year a responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and policy of the Company for inclusion in the Board's Report.
- viii. The Board/CSR Committee shall ensure that the CSR policy is displayed on the Company's Website.

❖ **Scope of activities:**

1. Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water which may include following:
 - Distribution of fruits, food pack, etc. amongst the poor and needy people;
 - Distribution of useful cloths to the poor people;
 - Health awareness campaign on serious/chronic diseases;
 - Organizing periodic health camps;
 - Offering specialized support services to the physically handicapped and mentally challenged people;
 - Provide safe drinking water by sinking bore wells, tube wells, establishment of water treatment plants, etc;
 - Promotion of sanitation through proper drainage system and construction of toilets;
 - Assistance for establishment of hospitals/medical colleges etc;
 - Installation/repair of and pumps;
 - Digging/renovation of wells;
 - Gainful utilization of waste water from underground for cultivation or any other purpose.
 - Development/construction of water tank/ponds;
 - Rain water harvesting;
 - Formation of a task force of volunteers to educate people regarding proper drinking water;
 - Empowerment to the villagers for maintenance of the above facilities for availability of water;
2. Promoting any kind of education including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects which may include following:
 - Support special education especially organ donations relating increasing awareness about organ donation and broadening mindsets of people and any such other special education;
 - Construction/repair of school building & facilities including boundary walls, separate toilets for boys & girls, parking and provision of drinking water;
 - Provision of uniform, books, stationery, computer, laboratory equipments, etc. to schools;
 - Promoter computer literacy and technology assisted learning;
 - To promote technical/professional/medical education by giving financial assistance/ opening institutions through organizations/infrastructural support;
 - Support to technical/vocational institutions for their self-development;
 - Academic education by way of financial assistance to Primary, Middle and Higher Secondary Schools;
 - Adult literacy especially amongst those belonging to Below Poverty Line;
 - Awareness programmes on girl education;
 - Special attention on education, training and rehabilitation of mentally & physically challenged children/persons;
 - Promotion of professional education by setting up educational institutions offering courses in Engineering, Nursing, Management, Medicine and in Technical subjects, etc;

- Provide fees for a period of one year or more to the poor and meritorious, preferably girl students of the school in the operational area of the Company to enable them to get uninterrupted education;
 - Providing such education to the children of laborers who worked at the project site;
3. 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 which may include following:
 - Savings provided the entry point for poor women to come together through a Self-Help mechanism;
 - Economic and Social Empowerment of Women activities including but not limited to develop skills through appropriate training; education and vocational training, health & nutrition; encourage capacity building to enhance income opportunities; to improve reproductive health through awareness-building;
 - Gender Rights, Gender Based Violence and Law Enforcement;
 - Empowerment of Vulnerable and Marginalized Groups and Women in Difficult Circumstances and to provide financial or other support to women of particular section of society;
 4. Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, 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 which may include following:
 - Plantation and maintenance of saplings producing fruits or flowers;
 - organizing sensitizing programmes on environment management and pollution control;
 - Spreading awareness on noise pollution, air pollution, green evolution and other environmental concerns;
 - Afforestation, social forestry, check dams, park;
 5. Training to promote rural sports, nationally recognized sports, paralympic sports and Olympic sports which may include following:
 - Promotion of sports and cultural activities for participation in state and national level;
 - Promotion/development of sports activities by conducting tournaments like cricket, football, kabaddi and khokho etc.;
 - providing sports materials to the schools and institution which could not afford the same;
 - Providing sponsorship for encouraging sports;
 6. Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional art and handicrafts including sponsorship or other assistance measure for the benefit of armed forces veterans, war widows and their dependents;
 7. 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 govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;
 8. Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government;
 9. Contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and

Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defense Research and Development Organisation (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).]

10. Rural development projects.

The above list is illustrative and not exhaustive. The Corporate Social Responsibility Committee shall be authorized to consider CSR activities not falling in this list above or any activities which is required for furtherance or supporting of any of the above including providing of infrastructure facilities, etc. The activities will be specific depending on the need assessed for the people. All activities under CSR activities should be environment friendly and socially acceptable to the local people and society.

❖ **CSR Allocation and Expenditure:**

For achieving its CSR objectives through implementation of meaningful & sustainable CSR programmes, the Company will allocate at least 2% of its average net profits made during the 3 (Three) immediately preceding financial years as its Annual CSR Budget. The Annual CSR Budget shall be spent on projects / activities as laid down in this Policy.

1. Administrative Overheads:

“Administrative Overheads” means expenses incurred by the Company will be used for „General Management & Administration” of the Corporate Social Responsibility functions in the Company but shall not include the expenses directly incurred for the designing, implementation, monitoring, and evaluation of a particular Corporate Social Responsibility project or programme.

Further, the administrative overheads shall not exceed five percent of total CSR expenditure of the Company for the financial year.

2. Surplus of CSR Activities:

Any surplus arising out of the CSR activities shall not form part of the business profit of the Company and shall be ploughed back into the same project or shall be transferred to the Unspent CSR Account and spent in pursuance of CSR Policy and Annual Action Plan of the Company or transfer such surplus amount to a Fund specified in Schedule VII of Act, within a period of six months of the expiry of the financial year.

3. Excess CSR Spent/Set off:

Where the Company spends an amount in excess of requirement, such excess amount may be set off by the Board against the requirement to spend up to immediate succeeding three financial years subject to the conditions that –

- The excess amount available for set off shall not include the surplus arising out of the CSR activities, if any.
- The Board of the Company shall pass a resolution to that effect.

4. Creation or Acquisition of Capital Assets:

CSR amount may be spent by the Company for creation or acquisition of a Capital Asset which shall however, be held by either:

- i. Company established under section 8 of the Act, or a Registered Public Trust or Registered Society, having charitable objects and CSR Registration Number under the CSR Rules;
- ii. Beneficiaries of the CSR Project, in the form of self-help groups, collectives, entities;
- iii. A Public authority.

❖ **Guidelines for Consideration of Proposals and Allotment of Funds for CSR Projects & Activities:**

1. Individual proposals have to be within the framework of the CSR Policy.
2. Every CSR proposal has to be projectized. This involves defining activities, time frame, financial requirement, organizational responsibilities, outcome / expected results and sustainable aspects. The CSR department will evaluate the proposals and give its recommendations.
3. Appropriate financial powers shall be delegated to the board and afterwards to the committee for sanctioning the project and timely execution.
4. The releasing of funds in phased manner shall be clearly defined in the proposal to ensure proper utilization and submission of periodical progress reports.
5. Project proposals can be prepared by the Company on its own or through a consultant as may be necessary. The CSR Projects prepared by State/District Authorities or Local Bodies or reputed NGOs within the purview of CSR Policy may also be considered for implementation with the approval of Board/Committee. However, such projects submitted by NGOs shall be approved only after verification of their credentials, capability and preparedness to work in the specified locations.

❖ **Transfer of Unspent CSR Amount:**

Until a separate fund is specified by the Government, the unspent CSR amount, if any, shall be transferred by the Company to a fund specified in Schedule VII of the Act, within a period of six months of the expiry of the financial year.

Amount remaining unspent pursuant to an ongoing project shall be transferred within a period of thirty days from the end of the financial year to the Unspent Corporate Social Responsibility Account in accordance with the Act 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 of the Act, within a period of thirty days from the date of completion of the third financial year.

❖ **CSR Implementation:**

For implementing the CSR project or programmes, the Board shall ensure that the CSR activities are undertaken by the Company itself or through –

- i. 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
- ii. 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
- iii. any entity established under an Act of Parliament or a State legislature; or
- iv. 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.

The Company may engage international organisation(s) for designing, monitoring and evaluation of the CSR projects or programmes as well as for capacity building of its personnel for CSR.

The Company may also collaborate with other companies for undertaking projects or programmes or CSR activities in such a manner that the CSR Committee is in a position to report separately on such projects or programmes in accordance with these rules.

❖ **Disbursement:**

The disbursement of funds for CSR activity / programme / project will be in one or more tranche depending upon the nature and requirement of project.

❖ **Monitoring and Feedback:**

In respect of the contributions made to various societies/trusts for the CSR activities, MGEL will obtain commitment from the trusts/societies that it shall utilize its funds solely for the projects/activities identified and may obtain requisite details from such societies/trusts for utilization of fund spent on their projects.

The CSR activities of the Company will be included in the Directors' report as prescribed in Section 135 of the Companies Act, 2013 and the Rules made there under. A copy of the CSR Policy and CSR Projects approved by the Board will also be placed on the Company's website.

❖ **Impact Assessment:**

1. If the Company has an average CSR obligation of ten crore rupees or more, in the three immediately preceding financial years, it shall undertake impact assessment, through an independent agency, of their CSR projects having outlays of one crore rupees or more, and which have been completed not less than one year before undertaking the impact study.
2. The impact assessment reports, if applicable, shall be placed before the Board and shall be annexed to the annual report on CSR.
3. Impact assessment, if applicable, may be booked as the expenditure towards Corporate Social Responsibility for that financial year, which shall not exceed five percent of the total CSR expenditure for that financial year or fifty lakh rupees, whichever is less.
4. Details of need and impact assessment, if applicable for the projects undertaken by the Company will be included in the CSR Annual Action Plan.

❖ **General:**

Words and expressions used but not defined in this Policy shall have the same meaning assigned to them in the Companies Act, 2013, the CSR Rules made thereunder or in any amendment thereto. This CSR Policy shall also be subject to such clarifications and FAQs as may be issued by Ministry of Corporate Affairs from time to time.

In case of any doubt with regard to any provision in the Policy and also in respect of matters not covered herein, a reference will be made to CSR Committee and the interpretation & decision of the CSR Committee shall be final.

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

The Company reserves the right to modify, add, or amend any of the provisions of this policy, subject to approval of the Board.

In case of any subsequent changes in the provisions of the Act which makes any of the provisions in this Policy inconsistent with the Act, then the provisions of the Act would prevail over the Policy and the provisions in the Policy would be modified in due course to make it consistent with the Act.