

Corporate Social Responsibility (CSR) Policy

(Updated as on 24.05.2024)

The Companies Act, 2013 (**the “Act”**) requires that every Company having net worth of Rs. 500 Cr. or more, or turnover of Rs. 1000 Cr. or more or a net profit of Rs. 5 Crs. or more during any financial year, shall ensure that the Company spends, in every financial year, at least two per cent of the average net profits of the Company made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy.

The said Act also requires the formation of a CSR Committee who in turn will formulate and recommend to the Board, a Corporate Social Responsibility Policy.

Accordingly the **CSR policy** of the Company is laid down as below:

I. Activities to be undertaken by the Company as specified in Schedule VII:

In terms of the Act the Company can undertake activities as mentioned under Schedule VII of the Companies Act, 2013 in connection with the CSR activities.

The list of activities as mentioned under Schedule VII of the Companies Act, 2013 inter alia includes the following:

- a) **promoting education**, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects
- b) 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
- c) eradicating hunger, poverty and malnutrition, [promoting **health care including preventive health care**] and sanitation [including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation] and making available safe drinking water
- d) **training to promote rural sports**, nationally recognised sports, paralympic sports and olympic sports
- e) 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]

The Company aims at focusing its CSR activities by **extending financial support to institutions for Education, Healthcare, Women’s hostel facilities, Training as well as promoting Sports and ensuring Environmental Sustainability.**

II. Specification of modalities of execution of the policy:

The Company **aims at** carrying out various CSR activities either directly or through **Dhanuka Dhunseri Foundation (DDF) or through any other Implementing agency as the Board decides.**

III. CSR Expenditure

The provisions of the Companies Act, 2013 read with rules made thereunder, mandate companies meeting the qualification criteria to allocate certain portion of its annual net profits during the three immediately preceding financial years to be spent on CSR activities shall fall under the purview of Schedule VII of the Companies Act, 2013.

The CSR expenditure shall be recommended by the CSR Committee and subsequently to be approved by the Board of Directors. In case the Company fails to spend the projected amount on CSR activities, the reasons of such failure shall be reported by the Board of Directors of the Company in its report under Section 134 of Companies Act, 2013. In case the Company spends any amount over and above such 2% of average net profits, the same is to be considered as excess CSR expenditure which can be set-off in the immediate succeeding three financial years subject to the conditions as prescribed under the Act.

The CFO shall certify to the fact that CSR funds so disbursed have been utilized for the purposes and in the manner approved by the Board.

IV. Determination of the allocable amount:

The amount determined for allocation towards CSR activities in any one Financial Year (**say X**) to be placed at the meeting of the CSR Committee to be held in each Financial Year giving the computation details as per below format:

Particulars	Years		
Net profit as per CSR Rules, 2014 - Rule 2(1)(h) (I)	For P.Y. (X - 3)	For P.Y. (X - 2)	For P.Y. (X - 1)
Adjustments as per Sec. 198(2) of the Companies Act, 2013 (II)			
Adjusted Net profit (I – II)	A	B	C
Average Adjusted Net profit : (A+B+C)/3			
Allocable Amount: 2% * Average Adjusted Net profit			

A report comprising of the following information to be placed before the CSR Committee:

- a) the Total amount proposed to be spent towards CSR activities,
- b) the amount allocated for each of the activities,
- c) the time target for each of the activities, and
- d) the amount actually spent for each of the activities.

The details of spending to be placed before the CSR Committee whenever required in the following format:

Activity	Amount allocated	Spent till date	Balance	Remarks

V. CSR Annual Action Plan

The CSR Committee shall formulate and recommend to the Board for approval of a CSR annual action plan every year, delineating the CSR Programmes to be carried out during the financial year, including the budgets thereof, their manner of execution, implementation schedules, modalities of utilisation of funds, and monitoring & reporting mechanism for the CSR Programmes and any other matters as the CSR Committee may deem fit from time to time. The Board may modify the annual action plan as per the recommendations of the CSR Committee at any time during the financial year, based on reasonable justification.

VI. SELECTION

The Company will receive requests for funding of projects throughout the financial year and will then forward its recommendations to the CSR Committee. The CSR Committee will deliberate on the proposals and approve proposals for implementation at its discretion. The Company will collaborate with stakeholders to monitor the status of each project and will report its findings to the CSR Committee periodically to enable the Board and the Management of the Company to meet their reporting, monitoring and other legal obligations.

VII. IMPLEMENTATION AND MONITORING

The CSR activities can be undertaken either directly or through an implementing agency. The Implementing Agency should meet the statutory eligibility criteria laid down under the Companies Act, 2013. The Company shall specify the project or programs to be undertaken through Implementing Agency, modalities of utilization of funds on such projects and programmes.

The CSR activities, undertaken by the Company either directly or through Dhanuka Dhunseri Foundation or through any other implementing agency, shall be periodically monitored. While monitoring, the Company shall ensure the Implementing Agency or the vendor, follow ethical practices and endeavor to ensure all payments made to the Implementing Agency or the vendor to be milestone based.

The CSR Committee shall monitor the progress of the Annual Action Plan and the multi-year programs, if any, the manner of execution, modalities of utilization of funds and implementation schedules along with details of need and impact assessment for projects as required. The funds to be disbursed shall be utilized for the purposes and in the manner as approved by the Board. The Chief Financial Officer or the person responsible for financial management shall issue a certificate to the Board every year certifying that the funds disbursed are utilised for the purpose and in the manner as approved by the Board.

The CSR Committee will give their responsibility statement that the implementation and monitoring is in compliance with the objectives and policy.

VIII. Reporting

At the end of every financial year, the CSR Committee will consider an Annual Report on CSR activities and recommend the same for the approval of the Board. The said Report will be disclosed as part of the Report of the Board of Directors.

It is duty of the board to ensure that compliance as per the policy has been made otherwise an explanation for the same will have to be given in the Board's Report.

IX. Communication:

As per the CSR Rules, the web link to the CSR Policy, Composition of the CSR Committee and CSR Projects shall be displayed on the Company's website

X. General

All provisions of the CSR Policy would be subject to revision/amendment in accordance with the guidelines as may be issued from the Government from time to time. The policy may be amended subject to approval of the Board.