

CORPORATE SOCIAL RESPONSIBILITY POLICY

Introduction:

The following policy has been formulated by the Corporate Social Responsibility Committee (CSR Committee) and adopted by the Board of Directors.

The Company is engaged in various social initiatives through its interventions in the area of Education, Infrastructure, Health care, Women Empowerment, etc. These activities are carried out by the Company individually, or as part of the Adventz Group or through “Adventz Foundation” a society registered under the Societies Registration Act, 1940 or in partnership with NGO’s and/ or Government agencies.. In order to provide impetus to social interventions and make the entire process and activities more efficient, it is imperative to outline the Corporate Social Initiatives of the Company into a formal document.

This policy shall be read in line with the provisions of section 135 of the Companies Act, 2013, Companies (Corporate Social Responsibility Policy) Rules, 2014 and such other rules, regulations, circulars, and notifications as may be applicable and as amended from time to time.

Effective Date:

This policy shall be effective from the financial year beginning 1st April, 2014.

Definitions:

- “Act” means the Companies Act, 2013
- Board means Board of Directors of the Company.
- Directors mean Directors of the Company.
- Committee means Corporate Social Responsibility Committee of the Company as constituted or reconstituted by the Board.
- Company means ZUARI INDUSTRIES LIMITED.
- “ Foundation” means Adventz Foundation

Constitution of the Corporate Social Responsibility Committee (CSR Committee):

The Corporate Social Responsibility Committee has been constituted at the Meeting of the Board of Directors held on May 8, 2014 in accordance with the provisions of section 135 of the Companies Act, 2013.

The duties, functions and scope of the Committee:

- a) formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company in areas or subject, specified in Schedule VII;
- b) recommend the amount of expenditure to be incurred on the activities referred to in clause and
- c) monitor the Corporate Social Responsibility Policy of the company from time to time.

Purpose of the Policy:

The following are the broad purposes of this policy;

- To define the kind of projects/ activities that will come under the ambit of CSR;
- To identify broad areas of activities in which the company will undertake projects;
- To give directions for implementation of various projects and monitor the CSR activities/projects undertaken by the Foundation
- To execute and monitor CSR projects and to identify partners, if required for implementation of the CSR activities.

Objectives:

Activities for social and inclusive development

The Company shall undertake activities for economic and social development of communities and geographical areas, particularly in the vicinity of the areas where the facilities of the Company are located. Such activities may include:

- 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, Setting up makeshift hospitals and temporary COVID care facilities;
- Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the 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 centres 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 buildings 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, 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 govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;
- 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; and
- 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);
- Rural development projects;
- slum area development;

Explanation- For the purposes of this item, the term 'slum area' shall mean any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force.

- disaster management, including relief, rehabilitation and reconstruction activities;

- Such other matter as may be prescribed from time to time as CSR activity.

The following activities and the amount, if any spent, shall not be considered as CSR activities and shall not be included in computing the CSR expenditure

- i. One-off events such as marathons/ awards/ charitable contribution/ advertisement/sponsorships of TV programmes etc. would not be qualified as part of CSR expenditure.
- ii. Expenses incurred for the fulfillment of any Act/ Statute of regulations (such as Labour Laws, Land Acquisition Act etc.) applicable to the Company would not count as CSR expenditure under the Companies Act.
- iii. All activities undertaken in pursuance of normal course of business.
- iv. All activities or programmes undertaken to benefit only the employees of the company and their families
- v. Contribution of any amount directly or indirectly to any political party under section 182 of the Act
- vi. any activity undertaken by the company outside India except for training of Indian sports personnel representing any State or Union territory at national level or India at international level;
- vii. activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services;
- viii. activities carried out for fulfilment of any other statutory obligations under any law in force in India.

The CSR Committee shall be authorized to consider CSR activities within the CSR rules framed by the Ministry of Corporate Affairs not falling in the above list. All activities under the CSR activities should be environment friendly and should be in the interest of the society and the local population where the company's plants are situated. Any activity proposed to be undertaken as a CSR initiative, but not outlined in this Policy, may be undertaken only with the specific pre-approval from the CSR Committee.

Collaboration:

The Company can form Collaborative partnerships with the Government, the District Authorities, the Village Panchayats, NGOs and other like-minded stakeholders after taking prior approval of the CSR Committee.

Information dissemination:

The Company's CSR activities, Composition of CSR Committee, CSR Policy shall be placed on website of the Company.

Corporate Social Responsibility Committee:

The Committee shall be fully responsible for the monitoring and review of the implementation of this policy as per guidelines laid down from time to time. The Corporate Social Responsibility Committee shall provide recommendations as and when it deems necessary to the Board so as to amend/ modify/ revise the CSR policy to be consistent with the needs of the Company and applicable statutory requirement.

Source of Fund

For achieving its CSR objectives through implementation of meaningful and sustainable CSR programmes, the Company shall endeavor to allocate the following as its annual CSR Corpus

- i. 2% of average net profits made during the three immediately preceeding financial years, as prescribed under the Companies Act 2013, and the Rules
- ii. Any income arising therefrom and
- iii. Surplus arising out of CSR activities

It is clarified that surplus arising out of CSR projects/ programs shall not form part of business profits of the Company and shall be ploughed back into the same project or transfer to unspent CSR account and be spent within a period of 6 months of the expiry of year.

Mode of implementation:

CSR programs, projects or activities, will be implemented through one or more of the following methods:

- i. Directly by the Company;
- ii. Adventz Foundation
- iii. in collaboration with other organizations, if such organisation falls under the Rule 4 of the Companies (CSR Policy) Amendment Rules, 2021
- iv. 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
- v. 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;
- vi. any entity established under an Act of Parliament or a State legislature
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.

Spending limits:

All the expenditure relating to CSR shall be pre-approved by the CSR Committee. The Whole-time Director and / CFO /Chief General Manager & CS shall jointly monitor the utilization of funds for the purposes set forth.

The board shall ensure that the administrative overheads shall not exceed five percent of total CSR expenditure of the company for the financial year.

If the Company fails to spend amount as per Section 135(5) of the Companies Act, 2013, the Board shall, specify the reasons for not spending the amount in the Directors Report.

If the company spends an amount in excess of the requirements provided under section 135(5) of the Companies Act, 2013 the Company may set off such excess amount against the requirement to spend up to immediate succeeding 3 financial years and in such manner, as may be prescribed.

Review of Expenditure

The Internal Auditors of the Company shall carry out the audit with regard to the Utilization of the CSR expenditure and report to the CSR Committee every 6 months. The expenditure on CSR activities shall be reviewed by the committee every 6 months.

CSR Committee shall have the powers to ask the Organization/ Institution to whom CSR fund is allocated to submit an Utilization Certificate with statement of expenditure duly certified by an auditor appointed/nominated by the Committee

CSR Reporting

If Company's average CSR obligation is 10 crore rupees or more in the 3 immediately preceding FYs, shall undertake impact assessment, through an independent agency, of the CSR projects having outlays of 1 crore rupees or more, completed a year ago.

Impact assessment reports be placed before Board and annexed to the annual report on CSR.

Transfer of unspent CSR amount

The Company shall transfer the Unspent CSR amount to fund as specified in Schedule VII.

Upkeep and Maintenance of Assets Created

Maintenance of Assets created under CSR would be the Responsibility of the Company. Before any Capital investment is made, an undertaking would be taken from the representatives of local community that they would be responsible for maintenance of the Assets and the disposal of such assets shall not be made without the prior approval of the CSR Committee.

Documentation of CSR Activities

It shall be the duty of the Company to keep all documents pertaining to the activities undertaken under CSR policy and submit the annual report to the CSR Committee. The CSR activities will be reflected in the Annual Report and Accounts of the Company under (CSR). Revised format for the Annual Report on CSR Activities to be included in Board's Report for FY 2020-21 onwards.

Amendments:

The Board of Directors, on its own and / or as per the recommendations of the CSR Committee may amend this Policy as and when deemed fit. Any or all provisions of this Policy would be subject to revision / amendment in accordance with the Rules, Regulations, Notifications etc. on the subject as may be issued by relevant statutory authorities, from time to time.

In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, which make the provisions laid down under this Policy inconsistent with such amendment(s), clarification(s), circular(s) etc. then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

Date of last amendment : 04th June 2021