

# **Nirmal Industries Private Limited**

Corporate Social Responsibility Policy



**NIRMAL INDUSTRIES PRIVATE LIMITED**

**CIN: U51109RJ1988PTC062740**

**CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY**

## **CORPORATE SOCIAL RESPONSIBILITY POLICY**

### **1. PREFACE**

Corporate Social Responsibility (CSR) is the way and mean through which corporate can repay the obligations made by the Society by contributing the resources in its various forms as required for the efficient operation of the Business. Corporate Social Responsibility is strongly connected with the principles of sustainability. Organization should make decisions based not only on financial or operational factors, but also on the social and environmental consequences. Therefore, it is the core corporate responsibility of Nirmal Industries Private Limited to practice its corporate values through its commitment to grow in a socially and environmentally responsible way, while meeting the interests of its stakeholders.

### **2. OBJECTIVE AND PURPOSE**

The key purpose of this Policy is to:

- Outline the development areas in which the Company shall get involved in.
- Define governance structure for CSR management within the Company.
- Serve as a guiding document aiding in identification, execution and monitoring the CSR projects.
- To protect the environment, make the business as an environment friendly and to ensure environment sustainability.

### **3. ALIGNMENT WITH NIRMAL INDUSTRIES PRIVATE LIMITED VALUES**

We believe to drive our CSR policy with the same values which directs Nirmal Industries Private Limited. Hence, this CSR Policy absorbs Nirmal Industries Private Limited core values and is aligned in the following manner to its CSR strategy:

- Being Accountable for what we do: Nirmal Industries Private Limited considers itself accountable for contributing back in a meaningful way to the society/ Nation.
- Embrace Diversity: Nirmal Industries Private Limited believes in embracing diverse views and opinions which lead to a better solution. Accordingly, for execution of its CSR objectives Nirmal Industries Private Limited plans to partner, where necessary, with NGOs/ other charitable organizations to meet the CSR objectives.
- Collaborate to Win: Collaborating with other NGOs/ charitable organizations, with footprint/ expertise in areas selected, is a key aspect of Nirmal Industries Private Limited strategy to make a positive impact in its CSR activities.

# **Nirmal Industries Private Limited**

## Corporate Social Responsibility Policy

### **4. APPLICABILITY/EFFECTIVE DATE**

CSR Policy is applicable to Nirmal Industries Private Limited which are mandated with the CSR expenditure obligations as per Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time. This CSR policy will be effective from October 14, 2021

### **5. SCOPE OF CSR POLICY**

This Policy applies to all CSR projects that will be undertaken by Nirmal Industries Private Limited and shall fulfill all the requirements of Section 135 of the Companies Act, 2013 but does not include following;

- (i) Activities undertaken in pursuance of normal course of business of the company; (except R & D activity pertain to COVID-19 vaccine for financial years 2020-21, 2021-22, 2022-23 subject to the conditions that-);
- (a) such research and development activities shall be carried out in collaboration with any of the institutes or organisations mentioned in item (ix) of Schedule VII to the Act;
- (b) details of such activity shall be disclosed separately in the Annual report on CSR included in the Board's Report;
- (ii) 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;;
- (iii) direct or indirect contribution to any political party under section 182 of the Act;
- (iv) activities benefitting employees of the company as defined in clause (k) of section 2 of the Code on Wages, 2019 (29 of 2019);
- (v) activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services;
- (vi) activities carried out for fulfilment of any other statutory obligations under any law in force in India.

### **6. AREAS TO EMPHASIZE**

Nirmal Industries Private Limited has broadly selected four areas of focus under its CSR activities, as under:

# **Nirmal Industries Private Limited**

## Corporate Social Responsibility Policy

### **Education:**

- Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects.

### **Environment Sustainability:**

- 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;
- 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.

### **Medical and other Welfare:**

- Providing medical relief and rehabilitation to communities who either don't have access to quality health care or cannot afford it;
- Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation (including contribution to the swachbharatkosh set-up by the central government for the promotion of sanitation) and making available safe drinking water;
- 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;
- 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 recognized sports, Paralympics 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

## **Nirmal Industries Private Limited**

### Corporate Social Responsibility Policy

FUND) or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;

- (i) 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 Central Government and State Government and

(ii) Contributions to public funded Universities, Indian Institute of technology(IIT); 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(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. 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.
- The company shall give preference to the local area and areas around it where it operates, for spending the amount earmarked for CSR activities.
- Any other activity which may be covered under activities of CSR rules

### **Emergencies and Natural Calamities**

- Nirmal Industries Private Limited shall provide relief, support, rehabilitation and Reconstructions etc. in case of natural calamities or emergencies.

## **7. UNDERTAKING CSR ACTIVITIES**

# **Nirmal Industries Private Limited**

## Corporate Social Responsibility Policy

Nirmal Industries Private Limited will undertake CSR activities itself or through the followings eligible entities: -

(a) 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 established by the company, either singly or along with any other company, or

(b) 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

(c) Any entity established under an Act of Parliament or a State legislature; or

(d) 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

**Here the Company has two options, either the Company may itself undertake the CSR activities or the same can be done through agencies as mentioned above which shall be registered with ROC by filing Form CSR-1 electronically.**

## **8. GOVERNANCE STRUCTURE:**

A governance structure at Nirmal Industries Private Limited is responsible for implementing and administering CSR Policy, in compliance with the requirements of Section 135 of the Companies Act, 2013. The Board of Directors of the Company who are ultimately accountable for the CSR projects undertaken by Nirmal Industries Private Limited.

Nirmal Industries Private Limited has constituted a CSR Committee at the Board level.

### **8.1 CSR Committee**

Nirmal Industries Private Limited has constituted Corporate Social Responsibility Committee (the "CSR Committee") in line with Section 135 of the Companies Act, 2013 (the "Act"). The CSR Committee consists of following members of the Board:

- Mr. Sandip Choudhary (Chairmen)
- Mr. Anupam Choudhary (Member)
- Mr. Bal Ram Choudhary (Member)

## **Nirmal Industries Private Limited**

### Corporate Social Responsibility Policy

The Board of Directors of the Company may re-constitute the Committee, as and when required to do so, by following the sections, sub-sections, rules, regulations, notifications issued or to be issued, from time to time, by the Ministry of Corporate Affairs or the Central Government of India.

The CSR Committee of the Board shall be responsible for:

- Review of CSR activities in the Company as stated under Schedule VII of the Act.
- Formulation and Updating of CSR Policy.
- Monitoring of implementation of CSR Policy from time to time.
- Formulate CSR Policy and recommend the same to the Board of Directors of the Company for approval including, modifications to CSR Policy as and when required.
- Recommend to the Board the amount of CSR expenditure done during the year.
- Create transparent monitoring mechanism for implementation of CSR initiatives in India.
- Monitor CSR Policy from time to time.
- Formulate annual action plan in pursuance of the CSR policy in accordance with the applicable law, and inclusive of the following items:
  - the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
  - the manner of execution of such projects or programmes;
  - the modalities of utilisation of funds and implementation schedules for the projects or programmes;
  - monitoring and reporting mechanism for the projects or programmes; and
  - details of need and impact assessment, if any, for the projects undertaken by the company.

#### **8.2 Board's Responsibility:** The Board of every company shall –

- After taking into account the recommendations made by the Corporate Social Responsibility Committee, approve the CSR Policy for the company and disclose contents of such Policy in its report and also place it on the company's website, if any.
- Ensure that the activities as are included in the CSR Policy of the company are undertaken by the company. The Board shall ensure that the CSR activities are undertaken by the company itself or through eligible entities

## **Nirmal Industries Private Limited**

### Corporate Social Responsibility Policy

- Board shall ensure that the administrative overheads shall not exceed 5 % of total CSR expenditure of the company for the financial year.
- Shall monitor the implementation of the project with reference to the approved timelines and year-wise allocation and shall be competent to make modifications, if any, for smooth implementation of the project within the overall permissible time period.

#### **9. CSR EXPENDITURE**

A specific budget is allocated for CSR activities for every financial year which shall be complying with the legal limits defined in Companies Act 2013 which presently is two percent of the average net profits of the company made during the three immediately preceding financial years.

Budget for expenditure to be incurred on the focused activities to be covered, to achieve the aforesaid goal, would be decided by the CSR Committee from time to time.

The Corpus of the CSR activities would include the following amounts:

- a) 2% of the average net profits
- b) Any income arising therefrom and
- c) Surplus arising out of CSR activities

**The surplus arising out of the CSR activities will not be a part of business profits 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, within a period of six months of the expiry of the financial year.**

#### **10. LIMIT OF ADMINISTRATIVE OVERHEADS**

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

#### **11. CSR AMOUNT FOR CREATION OR ACQUISITION OF A CAPITAL ASSET**

The CSR amount may be spent by a company for creation or acquisition of a capital asset, which shall be held by –

- (a) a company established under section 8 of the Act, or a Registered Public Trust or Registered Society, having charitable objects and CSR Registration Number under sub-rule (2) of rule 4; or



# **Nirmal Industries Private Limited**

## Corporate Social Responsibility Policy

(b) beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities; or

(c) a public authority:

## **12. COMPLIANCE, MONITORING AND REPORTING**

### **12.1. Compliance**

CSR Committee will plan, implement, monitor and manage all CSR projects & activities for Nirmal Industries Private Limited and will work closely with the Board of the Directors of the company.

After prioritizing the activity the Committee shall finalise the detail implementation project/programme specifying the following:

- Activities to be undertaken.
- Budgets proposed.
- Time frame for implementation.
- Responsibilities and authorities for implementation.
- Results expected to be achieved post implementation

### **12.2. Monitoring**

The CSR Committee will monitor the implementation and progress of the approved projects through appropriate mechanisms such as site visits, review meetings and progress reports etc. Mechanisms to track data and monitor projects will be established to ensure the transparency and efficiency of the implementation process. The projects will be evaluated against the milestones defined in the implementation plan of the project.

### **12.3. Reporting**

The CSR Committee will be responsible for the monitoring CSR activities and report to the Board from time to time.

The Board's Report of a company covered under these rules pertaining to any financial year shall include an annual report on CSR containing particulars specified.

Every company having average CSR obligation of Rs.10 Cr. or more in pursuance of subsection (5) of section 135 of the Act, in the three immediately preceding financial years, shall undertake impact assessment, through an independent agency, of their CSR projects having outlays of 1 crore rupees or more, and which have been completed not less than one year before undertaking the impact study.

The impact assessment reports shall be placed before the Board and shall be annexed to the annual report on CSR.

# **Nirmal Industries Private Limited**

## Corporate Social Responsibility Policy

A Company undertaking impact assessment may book the expenditure towards Corporate Social Responsibility for that financial year, which shall not exceed 5% of the total CSR expenditure for that financial year or fifty lakh rupees, whichever is less.

### **13. DISPLAY OF CSR ACTIVITIES ON WEBSITE**

The Board of Directors of the Company shall mandatorily disclose the composition of the CSR Committee, and CSR Policy and Projects approved by the Board on their website, if any, for public access.

### **CONCLUSION**

Any or all provisions of the CSR Policy would be subject to revision/amendment in accordance with the guidelines as may be issued by Government, from time to time.

The Board of Directors may revise/ amend this CSR Policy based on the recommendations of the CSR committee or to bring the same in line with the guidelines or amendments issued from time to time by Government on the subject.