

# **NIRMAL INDUSTRIES PRIVATE LIMITED**

**CIN: U51109RJ1988PTC062740**



## **Corporate Social Responsibility (CSR) Policy**

**[As envisaged under Section 135 of the Companies  
Act, 2013]**

# **Nirmal Industries Private Limited**

## **Corporate Social Responsibility Policy**

### **INTRODUCTION**

According to Section 135 of the Companies Act, 2013 ("the Act") read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 every company having net worth of Rupees Five Hundred Crore or more or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during the immediately preceding financial year shall constitute a Corporate Social Responsibility Committee of the Board.

In compliance of the above requirements Nirmal Industries Private Limited, has constituted Corporate Social Responsibility (CSR) Committee and formulated a Policy.

Further, CSR is not viewed as a responsibility but is rather a duty as a responsible corporate citizen. Since inception, the Company has been actively engaged in the area of social and community development.

The objective of this Policy is to provide an overall framework, principles and guidelines to the Company for conducting CSR activities in line with Section 135 of the Act and the Rules and other applicable laws and regulations, as amended from time to time.

### **CSR COMMITTEE**

The Board of Directors of the Company has constituted a committee called the "Corporate Social Responsibility Committee" ("CSR Committee") in accordance with the provisions of Companies Act, 2013 and rules made thereunder consisting of such number of directors as is required to be member of such Committee under the extant provisions of Companies Act 2013. The Board of Directors may change the composition of the CSR Committee from time to time in such manner as it thinks fit.

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.

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Subject to provisions of Companies Act, 2013 and rules made thereunder, the CSR Committee may meet at such intervals, in such manner and may carry out matters in such manner and function generally as it deems fit.

The terms of reference of the CSR committee shall be as per the applicable provisions of the Companies Act, 2013, as may be amended from time to time, including such functions as may be entrusted by the Board of Directors from time to time.

### **CSR ACTIVITIES**

Following areas listed in Schedule VII of the Companies Act, 2013 have been identified for carrying out CSR activities (Hereinafter referred to as 'Identified Areas'):

- 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.
- 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 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 buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional art 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].

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- Training to promote rural sports, nationally recognized sports, paralympic sports and Olympic sports.
- Contribution to the prime minister's national relief fund 8[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 areas as may be included in Schedule VII of the Companies Act, 2013 from time to time.

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The Projects / Programs in the aforementioned Identified Areas would be of a continual nature requiring long-term commitment from the Company for which fixed implementation schedules cannot be specified.

The Projects / Programs may be undertaken by the Implementation Agency or the Company directly provided that such projects / programs are in line with the activities enumerated in Schedule VII of the Companies Act, 2013.

#### **PRINCIPAL FOR SELECTION OF CSR ACTIVITIES**

The CSR Committee, while formulating the Annual Action Plan and recommending to the Board, will accord priority to projects in the specific areas of the Company as mentioned above. The CSR activities specified under this Policy would be undertaken only in India and the preference shall be given to the local area and/or areas in the vicinity, where the Company operates, for spending the amount earmarked for CSR activities.

#### **UNDERTAKING CSR ACTIVITIES**

The CSR activities of the Company may be undertaken directly by the Company or through the followings eligible entities:

1. A company established under section 8 of the Act, or a registered public trust or a registered society, exempted under sub-clauses (iv), (v), (vi) or (via) of clause (23C) of section 10 or registered under section 12A and approved under 80 G of the Income Tax Act, 1961 (43 of 1961), established by the company, either singly or along with any other company; or
2. 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
3. Any entity established under an Act of Parliament or a State legislature; or  
*Explanation- the term "entity" shall mean a statutory body constituted under an Act of Parliament or State legislature to undertake activities covered in Schedule VII of the Companies Act, 2013.*

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4. a company established under section 8 of the Act, or a registered public trust or a registered society, exempted under sub-clauses (iv), (v), (vi) or (via) of clause (23C) of section 10 or registered under section 12A and approved under 80 G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities.

#### **CSR BUDGET**

For undertaking the CSR activities, the Company will strive to spend in each financial year a minimum of 2% of the average net profits of the previous three financial years. For this purpose, the net profit and average net profit shall be calculated in accordance with the provisions of the section 198 of the Companies Act, 2013 read-with the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time.

Any surplus arising out of the CSR activities shall not form part of the business profit of a 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 the Companies Act, 2013, within a period of six months of the expiry of the financial year.

Likewise, any excess amount spent on CSR activities may be set off against CSR expenditure up to immediate succeeding three financial years in accordance with the provisions of Section 135 of the Act and CSR Rules framed thereunder.

Unspent amount, if any, on the CSR Activities shall be dealt with in accordance with the provisions of Section 135 of the Act and CSR Rules framed thereunder.

#### **FORMULATION OF ANNUAL ACTION PLAN**

The CSR Committee shall formulate and recommend to the Board, an annual action plan in pursuance of CSR policy, which shall include the following, namely:

- the list of CSR activities that are approved to be undertaken in the areas or subjects specified in Schedule VII of the Act;
- the manner of execution of such projects or programmes as specified in Rule 4(1) of the Rules;

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- the modalities of utilization of funds and implementation schedules for the projects or programs;
- monitoring and reporting mechanism for the projects or programs; and
- Details of need and impact assessment, if any, for the projects undertaken by the company.

Board may alter such plan at any time during the financial year, as per the recommendation of its CSR Committee, based on the reasonable justification to that effect.

#### **MONITORING MECHANISM**

The monitoring of CSR activities of the Company will be undertaken by the CSR Committee of the Company.

The CSR Committee shall discuss the progress of each project undertaken and make any decision with respect to the project which it thinks fit.

The Committee may require the Company / Implementation Agency to furnish such additional information or reports as it may require.

The members of the Committee may either on their own and through their delegated representatives make periodic visits to the CSR sites to ascertain the progress of the CSR Projects /Programs.

The members of the Committee shall also have the right to inspect and audit the books of accounts, records and other documents of the Company / Implementation Agency pertaining to the CSR activities of the Company, either by themselves or through the aid of external agencies.

An annual report on the CSR activities to be Included in the Board's Report shall be prepared by the CSR committee.

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### **IMPACT ASSESSMENT**

If the Company is having average CSR obligation of Rs. 10 crores or more in pursuance of subsection (5) of section 135 of the Act, in the 3 immediately preceding financial years, shall undertake impact assessment, through an independent agency, of their CSR projects having outlays of Rs 1 crores or more, and which have been completed not less than 1 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.

If Company undertakes impact assessment, it may book the expenditure towards Corporate Social Responsibility for that financial year, which shall not exceed two per cent of the total CSR expenditure for that financial year or fifty lakh rupees, whichever is higher.

### **DISCLOSURE / REPORTING**

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.

### **MANAGEMENT COMMITMENT**

Company will review its policy from time to time based on changing needs and aspiration of the target beneficiaries and make suitable modification as may be necessary.

We believe and act on ethos of generosity and compassion, by a willingness to build a society that works for everyone.



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### **REVIEW OF POLICY**

The CSR policy shall be subject to review/amendment by the Board at the instance of the CSR Committee. Any amendments in the Act or Rules or any applicable law including any clarifications/ circulars of relevant regulator, if mandatory, shall be read in conjunction with this Policy such that the Policy shall automatically reflect the contemporaneous applicable law at the time of its implementation.

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