



## CAPITAL INDIA CORP PRIVATE LIMITED

### CORPORATE SOCIAL RESPONSIBILITY POLICY (“CSR POLICY”)

Version	1.0
Approved By	<b>Board of Directors</b>
Effective date	<b>October 26, 2023</b>

## 1. Introduction

In accordance with the provisions of Section 135 read with Schedule VII of the Companies Act, 2013 ("**Act**") and the Companies (Corporate Social Responsibility Policy) Rules, 2014 ("**Rules**"), every company having:

- (a) net worth of INR 500,00,00,00,000 (Indian Rupees Five Hundred Crores only) or more; or
- (b) turnover of INR 1000,00,00,00,000 (Indian Rupees One Thousand Crores only) or more; or
- (c) net profit of INR 5,00,00,000 (Indian Rupees Five Crores only) or more,

during the immediately preceding financial year, is required to constitute a corporate social responsibility committee, formulate a policy on corporate social responsibility ("**CSR**") and spend at least 2% (Two percent) of their average net profits made during the 3 (Three) preceding financial years towards corporate social responsibility activities in accordance with the policy framed by such company.

In compliance with the above provisions of the Act and the Rules, the Board of Directors ("**Board**") of Capital India Corp Private Limited ("**Company**"), have vide resolution passed at their meeting held on August 24, 2023, constituted a Corporate Social Responsibility Committee of the Company ("**CSR Committee**") which formulated the Corporate Social Responsibility Policy ("**CSR Policy**"). The Board has on the basis of recommendation of the CSR Committee, approved and adopted this Policy to lay down the principles and mechanism for undertaking CSR Activities in accordance with the provisions of the Act read with the Rules framed thereunder in this regard.

This policy encompasses the Company's philosophy for giving back to society as a corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programmes for the welfare and sustainable development of the community at large.

## 2. Scope / List of CSR Activities

The Company will consistently explore and undertake the CSR activities in any one or more of the following areas or subjects, as specified in Schedule VII of the Act:

- 2.1. 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;
- 2.2. promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects;
- 2.3. 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;
- 2.4. 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;
- 2.5. 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;
- 2.6. measures for the benefit of armed forces veterans, war widows and their dependents;
- 2.7. training to promote rural sports, nationally recognized sports, paralympic sports and olympic sports;
- 2.8. contribution to the prime minister's national relief fund or any other fund set up by the central government for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;

2.9. contribution to incubators funded by Central Government or State Government or any agency or Public Sector Undertaking of Central Government or State Government, and contributions to public funded universities, Indian Institute of Technology (IITs), National Laboratories and Autonomous Bodies (established under the auspices of Indian Council of Agricultural Research (ICAR), Indian Council of Medical Research (ICMR), Council of Scientific and Industrial Research (CSIR), Department of Atomic Energy (DAE), Defence Research and Development Organisation (DRDO), Department of Biotechnology (DBT), Department of Science and Technology (DST), Ministry of Electronics and Information Technology) engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs);

2.10. rural development projects;

2.11. 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.

2.12. disaster management, including relief, rehabilitation and reconstruction activities.

### **3. What is not a CSR activity**

The following will not be considered as CSR activities:

- 3.1. activities undertaken in pursuance of normal course of business of the Company;
- 3.2. activities that benefit only the employees of the Company and their families;
- 3.3. any direct or indirect contribution to any political party;
- 3.4. activities undertaken outside the territory of India.

### **4. Modalities of Execution**

#### **4.1. Governance**

- 4.1.1. The Board has established the CSR Committee which is responsible for monitoring, reviewing and approving CSR initiatives and expenditures, and making recommendations to the Board on the Policy and related matters for its approval.
- 4.1.2. The CSR Committee shall consist of such number of members as per the provisions of the Act.
- 4.1.3. The Board shall ensure that the administrative overheads shall not exceed the five percent of the total CSR expenditure of the Company for the financial year.
- 4.1.4. The Board of the Company shall satisfy itself that the funds disbursed to the entities for, have been utilized for the purposes and in the manner as approved by it and the person responsible for financial management shall certify to the effect.
- 4.1.5. The CSR Committee shall formulate an action plan 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), recommend the amount of expenditure to be incurred on such activities, and monitor the CSR Policy of the Company from time to time.
- 4.1.6. 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.

#### 4.2. CSR Vehicle

- 4.2.1. CSR activities will be undertaken directly or through Atulya Foundation, a Trust that has been established by the Company or through such other registered entity authorised for undertaking CSR Activity as recommended by the CSR Committee and approved by the Board.
- 4.2.2. If any donation/contribution is given to any other entity, the Board shall ensure that it is done through a company established under section 8 of the Act, or a registered public trust or a registered society, or 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. And/or any entity established under an Act of Parliament or a State legislature to undertake activities covered in Schedule VII of the Act. Further, in such cases, the Company would specify the projects or programs to be undertaken through these entities, the modalities of utilization of funds on such projects and programs and the monitoring and reporting mechanism. The above entities shall register with the Central Government by filing the form CSR-1 electronically with the Registrar.
- 4.2.3. The Company may also collaborate with other companies for undertaking projects or programs in such manner that the CSR committees of respective companies are in a position to report separately on such projects or programs in accordance with the prescribed Rules.
- 4.2.4. The Company may engage international organizations for designing, monitoring, and evaluation of the CSR projects or programs as per its CSR Policy as well as for the capacity building of their personnel for CSR.
- 4.2.5. The Company may build CSR capacities of its own personnel as well as those of the implementing agencies through institutions with established track records of at least 3 (Three) financial years, subject to the Rules.
- 4.2.6. It is hereby clarified that any contribution to the corpus of a trust / society / company established under section 8 of the Act would qualify as CSR expenditure as long as: (a) such trust / society / company established under section 8 of the Act is created exclusively for undertaking CSR activities; or (b) where the corpus is created exclusively for a purpose directly relatable to a subject covered in Schedule VII of the Act.

#### 4.3. CSR Team

- 4.3.1. The conduct of CSR activities shall be implemented by the CSR team to be nominated by the CSR Committee.
- 4.3.2. Implementation will be done as per the requirement of the specific project or programme which is envisaged to be undertaken.
- 4.3.3. The CSR team may also work with other non-profit organizations or institutions to design and implement any project or programme.
- 4.3.4. The time period / duration over which a particular project / programme may spread will depend on the nature, requirement, extent of coverage and intended impact of such project /programme.
- 4.3.5. The process of implementation of CSR activities will involve identification of the area of CSR activities, project/ programme, approach to be followed, estimated time period, estimated cost of the project, etc. It is hereby clarified that the preference for spending the amount earmarked for CSR Activities will be given to the local area and areas around where the Company operates.

- 4.3.6. All proposals under CSR activity would be referred to CSR Committee. After evaluation, the CSR Committee may recommend such proposals along with the amount of expenditure to be incurred on the same to the Board for its consideration and approval.
- 4.4. Treatment of Surplus
  - 4.4.1. 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, within a period of six months of the expiry of the financial year. A special bank account, called an Unspent CSR Account to be opened by the Company in any scheduled bank.

## 5. Release of Funds

The amounts sanctioned for a CSR project / programme will be released in one-shot or in tranches / instalments depending on the progress of such project / programme, as may be determined by the CSR Committee on submission of proposal by the CSR team.

### 5.1. Review by Board

The Board will periodically but in any event at least once in a financial year, review the implementation of the CSR activity.

### 5.2. External Agency Assessment

The Company may engage the services of external expert agencies, consultancy firms etc. for carrying out any survey, assessment or report with regards to any CSR activity undertaken by the Company.

### 5.3. Reporting in the Board Report

The contents of this Policy and the composition of the CSR Committee will be reported in the Board's report prepared under Section 134(3) of the Act. Further, in case the Company fails to spend the prescribed amount towards CSR, the same will be reported in the Board's report, specifying the reasons for not spending the said amount.

## 6. Acquisition of Capital Asset

The CSR amount may be spent by a Company for the creation or acquisition of a capital asset, which shall be held by:

- 6.1. A Company established under section 8 of the Act, or a Registered Public Trust or Registered Society, having charitable objects and CSR Registration Number.
- 6.2. Beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities; or
- 6.3. A public authority.

## 7. Penalty for Non-Compliance

- 7.1. The Company shall be liable to a penalty of twice the amount required to be transferred by the Company to the Fund specified in Schedule VII or the Unspent Corporate Social Responsibility Account, as the case may be, or one crore rupees, whichever is less.
- 7.2. Every officer of the Company who is in default shall be liable to a penalty of one-tenth of the amount required to be transferred by the Company to such Fund specified in Schedule VII, or the Unspent Corporate Social Responsibility Account or two lakh rupees, whichever is less.

## **8. General**

- 8.1. Words and expressions used but not defined in the Policy shall have the same meaning assigned to them in the Act and the Rules, as the case may be.
- 8.2. This Policy is subject to review and revisions by the CSR Committee and the Board as and when deemed necessary.
- 8.3. Notwithstanding anything contained in this Policy, the Company shall ensure compliance with any additional requirements as may be prescribed under any laws/regulations either existing or arising out of any amendment to such laws/regulations or otherwise and applicable to the Company from time to time. This Policy shall stand amended in the event of any conflict / repugnancy between the provisions of the Policy and applicable laws and such applicable law shall prevail over the Policy, to the extent of conflict / repugnancy.

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