

DAI-ICHI KARKARIA LIMITED
CORPORATE SOCIAL RESPONSIBILITY POLICY

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Details of adoption and modifications of the Policy as approved by the Board of Directors

Sr. no.	Version	Effective Date
1.	Original Version	01.10.2014
2.	Modified Version 1	07.08.2025

CORPORATE SOCIAL RESPONSIBILITY POLICY

1. Philosophy and vision:

Corporate Social Responsibility (“CSR”) is a way of conducting business, by which corporate entities visibly contribute to the social good. The essence of CSR is to integrate economic, environmental and social objectives with the company’s operations and growth. CSR is the process by which an organization evaluates and develops its relationships with society for the common good and demonstrates commitment by giving back to society for the resources it used to flourish by adoption of appropriate business processes and strategies.

2. Regulatory Framework

The Companies Act 2013 together with the Rules notified thereunder as amended from time to time (“Act”) and Schedule VII to the Act outlines the regulatory framework for Company’s Corporate Social Responsibility (CSR) activities. It encourages a broad interpretation of the scope defined in Schedule VII of the Act. Additionally, the Act provides guidelines for identifying eligible implementing agencies through which companies can channel their CSR expenditures. In certain situations, the Act also requires an impact assessment of the company's CSR projects.

3. Definitions:

(A) Act: The Act means Companies Act, 2013.

(B) Administrative overheads: means the expenses incurred by the company for ‘general management and administration’ of Corporate Social Responsibility functions in the company but shall not include the expenses directly incurred for the designing, implementation, monitoring, and evaluation of a particular Corporate Social Responsibility project or programme.

(C) Corporate Social Responsibility: It means the activities undertaken by the Company in pursuance of its statutory obligation laid down in section 135 of the Act in accordance with the provisions contained in The Companies (Corporate Social Responsibility Policy), Rules, 2014, and Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021. (“rules”), but shall not include the following, namely: -

- (i) activities undertaken in pursuance of the normal course of business of the company;
- (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) contribution of any amount directly or indirectly 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 a sponsorship basis for deriving marketing benefits for their products or services;
- (vi) activities carried out for fulfilment of any other statutory obligations under any law in force in India;

(D) CSR Activity: It means and includes:

Projects or programmes relating to activities specified in Schedule VII to the Act. The CSR activities shall be primarily conducted in and around the areas where the Company operates. It will however not include the activities which are not allowed under the Companies (Corporate Social Responsibility Policy), Rules, 2014, and Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021. (Collectively referred to as the “Rules.”)

It is pertinent to mention that any activity which is undertaken exclusively for the benefit of employees of the company, or their family members, shall not be considered as CSR activity.

(E) CSR Committee: It means the CSR Committee of the Board of Directors formed in accordance with provisions of Section 135 of the Act.

(F) Net profit: It shall mean the net profit of the company as per its financial statement prepared in accordance with the applicable provisions of the Act, but shall not include the following, namely:

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- (i) any profit arising from any overseas branch or branches of the company, whether operated as a separate company or otherwise; and
- (ii) any dividend received from other companies in India, which are covered under and complying with the provisions of section 135 of the Act.

(G) Average Net profit: It shall be calculated in accordance with the provisions of Section 198 of the Companies Act, 2013.

(H) Ongoing Project: means a multi-year project undertaken by the Company in fulfilment of its CSR obligation having timelines not exceeding three years excluding the financial year in which it was commenced and shall include such project that was initially not approved as a multi-year project but whose duration has been extended beyond one year by the Board based on reasonable justification.

4. Constitution, Composition of Corporate Social Responsibility Committee:

- The CSR initiatives / activities of the Company will be identified and initiated by the CSR Committee comprising of 3(three) or more members out of which at least one Director shall be an Independent Director.
- The members of the CSR Committee shall elect one of them as the Chairman of the Committee. The CSR Committee shall recommend to the Board the amount of expenditure to be incurred by the Company on CSR activities and the Board will ensure that the activities as are included in the CSR Policy are undertaken by the Company subject to and in accordance with the provisions of Section 135 of the Companies Act, 2013.
- The composition of the CSR Committee shall be disclosed in the Board's report.

5. Terms of reference of the Corporate Social Responsibility Committee:

- i) To formulate and recommend to the Board a CSR policy for undertaking activities mentioned in Schedule VII of the Act.
 - ii) Recommend to the Board, the expenditure to be incurred on the CSR activities.
 - iii) Monitoring the policy from time to time.
 - iv) Monitoring CSR initiatives undertaken by the Company directly or through implementing agencies.
 - v) Establishing a transparent mechanism for implementation of the projects, programs to be undertaken by the Company.
 - vi) Preparing an Annual Action Plan for CSR Activities to be undertaken, which shall include the following, namely: -
 - (a) the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act.
 - (b) the manner of execution of such projects or programmes.
 - (c) the modalities of utilisation of funds and implementation schedules for the projects or programmes.
 - (d) monitoring and reporting mechanism for the projects or programmes; and
 - (e) details of need and impact assessment, if any, for the projects undertaken by the company:
- Provided that the Board may alter such plan at any time during the financial year, as per the recommendation of CSR Committee, based on the reasonable justification to that effect.

6. CSR activities:

The Company may undertake any of the following activities as its CSR activities:

1. Eradicating hunger, poverty and malnutrition, promoting health care including preventive healthcare 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. promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the different abled and livelihood enhancement projects;
3. promoting gender equality, empowering women, setting up homes and hotels 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;
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;
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 arts and handicrafts;
6. 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;
7. training to promote rural sports, nationally recognized sports, paralympic sports and Olympic sports;
8. Contribution to the Prime Ministers 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 Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;
9. (a) 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
(b) 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).

10. Rural development projects.

11. Slum area development.

12. Disaster management, including relief, rehabilitation and reconstruction activities.

Subject to the CSR Activities as spelt out under Schedule VII by the Ministry of Corporate Affairs from time to time and the provisions of the Act as applicable, Company may carry out its CSR activities.

7. Amount of expenditure to be incurred on the CSR activities:

The Board of Directors shall ensure that the Company spends in every financial year at least two percentage of the average net profits of the company made during the three immediately preceding financial years.

In line with the requirements of the Act, administrative overheads shall not exceed five percent of the total CSR expenditure of the company for the financial year.

The surplus arising out of the CSR activities will not be part of business profits of the company and shall be utilized within 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.

Unspent CSR amount, if any during the financial year, shall be transferred by the company to any fund specified in Schedule VII of the Act, within a period of six months of the expiry of the financial year and the Board shall in its report made under Section 134(3)(o) of the Act, shall specify the reasons for not spending the requisite amount.

Any amount remaining unspent pursuant to any ongoing project approved by the Board, shall be transferred by the company within a period of thirty days from the end of the financial year to a special account to be opened by the company in that behalf for that financial year in any scheduled bank to be called the Unspent Corporate Social Responsibility Account, and such amount shall be spent by the company in pursuance of its obligation towards the Corporate Social Responsibility Policy within a period of three financial years from the date of such transfer, failing which, the company shall transfer the same to a Fund specified in Schedule VII, within a period of thirty days from the date of completion of the third financial year.

Excess CSR Amount spent, if any during the financial year, may be set off against the requirement to spend up to immediate succeeding three financial years subject to the conditions that -

(i) the excess amount available for set off shall not include the surplus arising out of the CSR activities, if any.

(ii) the Board of the company shall pass a resolution to that effect.

8. CSR Implementation:

CSR activities may be undertaken/ implemented:

- i) By the Company; or
 - ii) Through the following who have registered themselves with the Central Government by filing the form CSR-1 electronically with the Registrar of the Companies:
 - 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 (43 of 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.
- The CSR Committee or Board shall have full discretion to specify or modify the modalities of execution of CSR projects or programs and to determine implementation schedules.
 - The Company's CSR activities will give preference to the local area and areas around, where it operates, for spending the amount earmarked for CSR activities.
 - The CSR activities shall be undertaken within India.
 - The CSR projects or programs or activities that benefit only the employees of the Company and their families or activities undertaken in pursuance of normal course of business of the Company shall not be considered as CSR activities in accordance with this policy or under Section 135 of the Companies Act, 2013.

9. CSR Reporting & Monitoring of the CSR policy:

The compliance with this policy will be continuously monitored by the CSR Committee or Board of Directors at its meeting(s), subject to annual review by the Board of Directors.

The contents of this policy shall be disclosed in the Board report and placed on the Company's website. Compliance will be reported to stakeholders through the Company's Annual Report.

The Board shall ensure spending of allocated amount on CSR activities and report the status in its annual report, also specify the reasons for not spending of the allocated amount, if any.

The members of the CSR committee shall be appointed or removed by the Board of Directors by way of Resolution. The members of the committee shall appoint the Chairman of the Committee and in his absence any other member of the CSR Committee shall preside over the meeting(s) of the CSR Committee. The Company Secretary shall be the Secretary of the CSR Committee. The minutes of CSR committee meetings shall be placed before the Board meeting.

The Board of the Company shall satisfy itself that the funds so disbursed have been utilized for the purposes and in the manner as approved by it and the Chief Financial Officer or the person responsible for financial management shall certify to that effect.

The Board shall ensure spending of allocated amount on CSR activities and report the status in its annual report, also specify the reasons for not spending of the allocated amount, if any.

In case of ongoing project, the Board of a Company 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.

10. Disclosures to be made:

The Board's Report shall include details of CSR, such as members of the committee, CSR policy, projects on which CSR shall be spent, average profits for last three years, in case company fails to spend the prescribed amount - reasons for such failure etc. The details will also be required to be displayed on the website of the Company.

11. General

The Company reserves its right to alter, modify, add, delete or amend any of the provisions of this Policy. Any subsequent amendment(s)/ modification(s)/ circular(s)/ clarification(s)/ notification(s) in/under the Act or any other governing Act/Rules/Regulations or re-enactment thereof, impacting the provisions of this Policy, shall automatically apply to this Policy and the relevant provision(s) of this Policy shall be deemed to be modified and/or amended to that extent, even if not incorporated in this Policy.