

CORPORATE SOCIAL RESPONSIBILITY POLICY OF JHAJHARIA NIRMAN LIMITED

(Originally approved in the Board Meeting dated 25.09.2019 and last amended on 01.07.2024)

1. Preamble

Corporate Social Responsibility (CSR) is an initiative with the basic aim to include responsibility for the Company's actions and encourage a positive impact through its activities on the environment, consumers, employees, communities, stakeholders and society at large.

In the modern world, a good and responsible corporate citizen recognizes that apart from the financial responsibilities / obligations it has important responsibilities/obligations towards the society, community and the environment. Reaching out to the underserved & underprivileged section of communities is part of business responsibility. To help ensure a sustainable quality of life, we need to balance economic prosperity along with social progress and community development. Every major business has an impact on the communities and societies in which it operates. It is a well acknowledged and accepted fact that an organization cannot focus only on economic outcomes and performance, without paying attention to the society at large within which it operates. It is the responsibility of the Company to get involved in the social development and societal upliftment of the community surrounding it.

Corporate Social Responsibility is strongly linked to the principles of sustainable growth and development. A responsible organization should make decisions based not only on financial factors, but also on the social and environmental impact. Therefore, it is the primary responsibility of the Company to ensure its corporate values include a commitment to grow in a socially and environmentally responsible way, while contributing to the society.

2. Governing Provisions

The Corporate Social Responsibility Policy ("CSR Policy") of Jhajharia Nirman Limited ("the Company") has been prepared in accordance with the provisions of Section 135 of the Companies Act, 2013, ("Act") read along with the Companies (Corporate Social Responsibility) Rules, 2014 and Schedule VII of the Act (including any statutory modification(s) or reenactment thereof for the time being in force) thereunder or any other Act/ Regulations/ Rules/ Directions, as may be applicable, from time to time.

The CSR Policy assists the Company in its vision to contribute to the social and economic development of the communities at large. This Policy shall serve as the basic guiding document on directing our effort towards building a better, sustainable way of life for the betterment of the society.

3. Objective of the CSR Policy

The Company subscribes to the values of concern and care. The Company's CSR policy is intended to make a material, visible and lasting difference to the lives of the disadvantaged/underprivileged sections of society and a dedicated CSR budget would be set aside out of profits of the Company based on the specifications as per the required law for its various CSR initiatives. The Company believes and acts on a culture of generosity and thoughtfulness, characterized by a willingness to contribute in a way to help out build a society that helps everyone to grow and lead a better standard of living and assist the needy ones.

The Company shall constantly strive to ensure strong corporate culture which would emphasize on integrating CSR values with business objective.

4. Reference

Terms or reference to any words or expressions used herein shall have the same meanings respectively as defined/assigned under the Companies Act, 2013 or any Rules framed thereunder or to the applicable directions of RBI, as the case may be.

5. CSR Approach and Process

All projects/beneficiaries shall be identified, reviewed, approved and recommended by the CSR Committee of the Board and then approved by the Board of Directors. A robust implementation framework as well as monitoring process shall be followed.

All projects/programmes shall be placed before the CSR Committee of the Board and the Board of Directors, specifying modalities of execution of such projects/programmes, the implementation schedules and impact monitoring, if applicable.

6. Corporate Social Responsibility Committee

In compliance with the Section 135 of the Act, the Company shall constitute a Corporate Social Responsibility Committee ("CSR Committee of the Board"), which shall recommend the guidelines for CSR activities to the Board of Directors ("Board") for their approval.

7. Composition of CSR Committee

- i) The CSR Committee of the Board shall comprise of three (3) or more directors, out of which at least one director shall be an Independent Director.
- ii) The Chairperson of the CSR Committee of the Board shall be either designated by the Board or the members may elect a Chairperson from amongst themselves.
- iii) The CSR Committee of the Board shall meet atleast one (1) times in a financial year.

6. Role of CSR Committee

The CSR Committee of the Board shall:

- i) formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken as specified in Schedule VII of the Companies Act,2013.
- ii) recommend the amount of CSR expenditure to be incurred on the CSR activities referred to in above clause.
- iii) monitor the utilization and implementation of the CSR projects or programs or activities undertaken by the Company.
- iv) formulate and recommend to the Board, an annual action plan for a financial year, disclosing:-
 - a) The list of CSR projects or programmes that are approved to be undertaken;

- b) The manner of execution of CSR projects or programmes;
- c) The modalities of utilization 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 applicable, for the projects undertaken by the company.
- v) Review the CSR Policy of the Company on Annual basis.

7. CSR Activities

The CSR activities shall be undertaken in compliance with the provisions of Section 135 of the Companies Act, 2013, the activities broadly laid under Schedule VII of the Act and the Companies (Corporate Social Responsibility) Rules, 2014, as amended from time to time.

The list of activities specified under schedule VII of the Companies Act, 2013, as on the date of the policy, are as under:

- i) 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.
- ii) promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.
- iii) 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.
- iv) 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.
- v) 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;
- vi) 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;

- vii) training to promote rural sports, nationally recognized sports, paralympic sports and olympic sports;
- viii) 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;
- ix) 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).
- x) rural development projects;
- xi) slum area development;
- xii) disaster management, including relief, rehabilitation and reconstruction activities.

Further, in accordance with the law, below mentioned activities undertaken by a Company shall not constitute CSR activities of the Company:

- i) activities undertaken in pursuance of 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 Company 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.

8. Identification of CSR Entities/ Beneficiaries

Good work is carried out by numerous organizations in different ways and by different means. It is the duty of good and responsible corporate citizen to serve and payback to the society in which it operates. As a responsible corporate citizen, the Company also recognizes its duty to serve the needy and under privileged sections of society. However, in view of the manpower constraints within the Company, it cannot reach out to such sections of society on its own. Hence, it is prudent to identify entities doing such work in diverse fields for upliftment & development of different sections of society.

The Company shall enlist only such entities/beneficiaries for receipt of its CSR funds who have mandatorily registered with the Ministry of Corporate Affairs (“MCA”) and bear a unique CSR Registration Number as allocated by MCA.

The Company shall ensure that the CSR activities are undertaken through the entities/beneficiaries as under:

- a) 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 80G of the Income Tax Act, 1961 (43 of 1961), established 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, exempted under sub-clauses (iv), (v), (vi) or (via) of clause (23C) of Section 10 or 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.

Further, in case the CSR Activities are undertaken resulting in creation or acquisition of a capital asset, the said asset shall be held by –

- a) Company established under Section 8 of the Act, or a Registered Public Trust or Registered Society, having charitable objects bearing CSR Registration Number or
- b) beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities; or
- c) a public authority:

The Company will lay emphasis on the evaluation of the impact, scope and coverage in terms of the number of beneficiaries supported by the CSR activity and the period of support at the time of selection of proposals.

9. Determination of CSR Expenditure for the Financial Year

In every financial year, the CSR Committee of the Board and the Board of Directors shall ensure that the Company spends such minimum amount as 'CSR Expenditure' as required and as stipulated under the Section 135 of the Companies Act, 2013 and Rules thereunder.

10. Set-off of Excess amount of CSR Expenditure

If in any financial year, the Company spends an amount in excess of the above determined CSR Expenditure, such excess amount may be set off against the requirement to spend such amount of CSR Expenditure in the immediately succeeding three (3) financial years subject to the conditions that –

- a) the excess amount available for set off shall not include the surplus arising out of the CSR activities, if any, in accordance with the provisions of the Companies Act, 2013 and
- b) the Board shall pass a resolution to that effect.

11. Administrative Overheads

The Company shall ensure that the expenses incurred for general management and administration ("administrative overheads") towards the Corporate Social Responsibility functions in the Company do not exceed five (5) percent of total CSR Expenditure for that financial year.

12. Disbursement of CSR Expenditure

The amount to be allocated and utilized towards the CSR activities would be in line with the statutory requirements. The amount proposed to be disbursed shall be first decided by the Internal Committee (CSR) and placed to the CSR Committee of the Board for its review, approval and subsequent approval of the Board. The maximum allocation to each eligible entity/beneficiary bearing CSR Registration Number shall be approved by the CSR Committee and Board of the Company. The actual amount disbursed shall be within the maximum outlay as approved by the CSR Committee of the Board and the Board of Directors. The details of final disbursement of the CSR Expenditure to various entities/beneficiaries shall be reported to the CSR Committee of the Board and Board of Directors.

13. Transfer of unspent CSR Expenditure

If the Company fails to spend the determined CSR Expenditure (other than any ongoing project), the Board shall pass a resolution to transfer such unspent amount to a Fund specified in Schedule VII of the Act, within a period of six months of the expiry of the financial year.

Further, in case an amount remains unspent on any ongoing project undertaken by the Company, the same shall be transferred to a special account named 'Unspent Corporate Social Responsibility Account' opened within a period of thirty days from the end of the financial year, and such amount shall be spent by the Company in pursuance of its obligation towards the Corporate Social Responsibility Initiative's within a period of three (3) 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 (30) days from the date of completion of the third financial year.

14. Monitoring, Assessment & Reporting Mechanism

The Company has a robust monitoring and assessment mechanism for implementation of CSR projects/programs/activities undertaken by the Company. The verification/monitoring of activities/projects for which CSR contributions has been made, including whether the CSR contribution towards sponsoring medical treatment actually benefitted the intended economically weaker sections of recipients and a detailed report on the actual utilization of the disbursed funds shall be submitted to the Board for its review and noting. A time frame, if deemed fit by the CSR Committee of the Board and Board, shall be laid down for the concerned CSR projects/ activities for their timely completion.

15. Impact Assessment

The Company on having an average CSR Expenditure of Ten Crore rupees (Rs. 10 Crore) or more in pursuance to section 135 of the Act, in the three (3) immediately preceding financial years, shall undertake impact assessment, through an independent agency, of its CSR projects having outlays of One Crore rupees or more, and which have been completed not less than one year before undertaking the impact study.

If the Company undertakes impact assessment in any financial year, the expenses incurred thereunder shall not exceed two (2) percent of the total CSR Expenditure for that financial year or Fifty Lakh rupees (Rs. 50 Lakh), whichever is higher.

16. Employee Engagement

The Company shall encourage the participation/involvement of employees in the CSR activities of the Company. The employees shall volunteer along with the CSR entity/beneficiary to the CSR Projects undertaken by the Company with a view to foster community participation and development.

The Company, as part of its HR initiatives, will recognize & felicitate those employees who volunteered for participating in the CSR activities and also encourage them to share their experience within the organization.

17. Reporting of CSR Initiatives

CSR Committee of the Board shall periodically review the progress report on the various CSR initiatives taken up by the Company and the same shall be reported in the Company's Annual Report under Directors' Report, in the format as prescribed under the Companies Act, 2013.

The impact assessment reports, if applicable, shall be placed before the Board and shall be annexed to the Company's Annual Report. The Company shall disclose the composition of the CSR Committee of the Board and CSR Policy as approved by the Board for public access on the website of the Company.

18. Amendments/Review of the Policy

In the event of any regulatory modification(s)/amendment(s)/change(s) to any provisions contained in the Companies Act, 2013 or any Rules framed thereunder or to the applicable directions of RBI etc., the provisions contained in the Regulatory Acts (as amended) will prevail to ensure consistency with the prevalent regulatory requirements.

The Board on its own and/ or due to any regulatory requirement/amendment can amend this Policy, as and when deemed fit. The Board reserves the right to alter, modify, add, delete, or amend any of the provisions of the Policy.

This Corporate Social Responsibility Policy will be reviewed annually, or in the interim, should there be a change/amendment in regulations.