

"NASH INDUSTRIES (I) PRIVATE LIMITED"
"CORPORATE SOCIAL RESPONSIBILITY POLICY"

INTRODUCTION:

"Corporate Social Responsibility" (CSR) is a way of conducting business, by which corporate entities visibly contribute to the social good.

At Nash Industries (I) Private Limited, giving back to the communities is a part of our corporate ethos. As a corporate citizen, we are committed to operating in an economically, socially and environmentally responsible manner while balancing the interests of our diverse stakeholders.

We believe in the values of Corporate and Social Responsibility and are committed to build a sustainable business with strong social relevance and a commitment to inclusive growth and contribute to the society by supporting causes on various concerns including road safety, healthcare, environmental sustainability, promoting education, promoting sports and other rural development activities.

This CSR Policy exhibits the Company and its employee's commitment to the community it works with and the environment from which it extracts resources.

SHORT TITLE & APPLICABILITY:

This Policy has been drafted keeping in mind the company's business ethics and the requirements of Companies Act, 2013 and the Companies (CSR Policy) Rules, 2014.

The provisions of Section 135(1) of the Companies Act, 2013 (The "**Act**") shall apply to every Company having;

- ✓ Net worth of Rupees Five Hundred Crore or more; or
- ✓ Turnover of Rupees One Thousand Crore or more; or
- ✓ Net profit of Rupees Five Crore or more.
the immediately preceding financial year.

This policy is called as the Nash CSR Policy ("**CSR Policy**") and the Company is governed by the provisions of this CSR Policy.

In the light of provisions of Section 135 of the Act and Rule framed thereunder, the Board of Directors of the Company, on recommendation of CSR Committee, has approved and adopted this CSR Policy and the same is effective from 1-Apr-2023.

DEFINITIONS:

- ✓ '**Act**' means the Companies Act, 2013.
- ✓ "**Board**" means Board of Directors of the Company.
- ✓ "**Corporate Social Responsibility (CSR)**" means the activities undertaken by a 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.
- ✓ "**CSR Activities**" shall mean the projects and / or programmes undertaken by the Company either directly or indirectly pursuant to Applicable Laws in accordance with this CSR Policy.
- ✓ "**CSR Committee**" means the Corporate Social Responsibility Committee of the Board referred to in section 135 of the Act.
- ✓ "**Net Profit**" means net profit as defined in Section 135 of the Companies Act 2013 and Companies Corporate Social Responsibility Policy) Rules 2014 as set out below:

Net Profit as per financial statements prepared in accordance with the applicable provisions of the Act, but shall not include the following, namely:

- Any profit arising from any overseas branch or branches of the Company, whether operated as a separate company or otherwise; and
 - Any dividend received from other companies in India, which are covered under and complying with the provisions of Section 135 of the Act.
- ✓ **"Rules"** means Companies (Corporate Social Responsibility Policy) Rules, 2014, or any other rules prescribed under section 135 of the Act and pertaining to corporate social responsibility, as may be amended and prescribed, from time to time.

Any Words and expressions used in this CSR Policy not defined herein shall have the same meaning as defined in the Act or the CSR Rules, as amended, modified or replaced from time to time.

OBJECTIVES:

The objective of this policy is:

- ✓ To lay down the guidelines for contributing towards the sustainable development of the society and to evolve the Company's relationship with society by giving something in return to the society.
- ✓ To comply with the statutory requirement prescribed under Companies Act, 2013.
- ✓ To prepare list of activities, programmes and projects to be undertaken, specifying their manner of execution.
- ✓ To ensure implementation of the CSR initiatives of the Company in letter and spirit through appropriate procedures, reporting and monitoring process.
- ✓ To create opportunities for employees to participate in socially responsible initiatives.

GUIDING PRINCIPLES:

The Company shall follow the following guiding principles for selection, implementation and monitoring of CSR Activities as well as formulation of the Annual Action Plan:

- ✓ The CSR committee shall be responsible for the selection, implementation and monitoring of CSR activities of the Company subject to the approval of the Board of Directors of the Company.
- ✓ Selection of activities for CSR purpose, shall be strictly as per the provisions of Section 135 of the Companies Act, 2013 read with Schedule VII thereof and rules made thereunder. The Company may, for its CSR purpose, undertake any activity as may be specifically allowed by the government through notification or otherwise.
- ✓ Preference shall be given to the local area and areas around the locations/plants/offices from where the Company operates or has its offices. However, in appropriate cases, other areas may be considered for undertaking CSR activities.
- ✓ CSR activities shall be undertaken by Nash through the following three modes:
 - Self-implementation.
 - Joint implementation with one or more companies.

- Implementations through eligible implementing agencies which satisfy the criterion specified by the Rules (if any) and have relevant experience, good credentials, no criminal track record.
 - The implementing agency shall be registered with the Ministry of Corporate Affairs and shall have a valid CSR Registration Number
- ✓ To ensure that all the CSR Activities are implemented as per the approved Annual Action Plan.

CSR COMMITTEE AND ITS ROLE:

The Corporate Social Responsibility Committee ("**CSR Committee**") shall undertake and monitor CSR activities of the Company and ensure compliance with this CSR Policy.

The Corporate Social Responsibility Committee currently consists of the following Members:

- 1) Mr. Sanjay S Wadhwa (Chairman)
- 2) Mr. Sandeep R Wadhwa (Member)

Meeting:

The CSR Committee shall hold meetings as and when required, in relation to the Company's CSR obligations and for implementation of this CSR Policy and may invite members of senior management, representatives of Company and other persons as it deems necessary, to the Committee meetings.

Roles:

Role of the CSR Committee as per Section 135 of the Companies Act, 2013 read with CSR Rules shall be as follows:

- ✓ Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company in areas or subject, specified in Schedule VII of the Companies Act, 2013.
- ✓ Recommend the amount of expenditure to be incurred on the activities referred to in this CSR Policy;
- ✓ Monitor the Corporate Social Responsibility Policy of the Company from time to time.
- ✓ CSR Committee should recommend and formulate to the Board, an annual action plan in pursuance of its CSR Policy.
- ✓ To recommend the Board to alter the Annual Action Plan at any time during the financial year based on the reasonable justification to that effect.
- ✓ To perform such other functions as may be necessary under any statutory or other regulatory requirements to be performed by the Committee and as delegated by the Board from time to time.

CSR FOCUS AREAS:

- i. 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.
- 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 recognised 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.

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.

- xii. Disaster management, including relief, rehabilitation and reconstruction activities.
- xiii. Covid-19 related expenses that qualify as CSR to combat COVID 19, Creation of health infrastructure for Covid care, establishment of medical oxygen generation and storage plants, Manufacturing and supply of oxygen concentrators, ventilators, cylinders, and other medical equipment for countering Covid-19, Setting up of a makeshift hospital or temporary Covid care facility, Funds spent on various activities related to COVID-19 vaccination awareness campaigns/programmes.

The CSR projects or programs or activities undertaken by the Company as per the Company's CSR Policy in India only shall amount to CSR Expenditure in accordance with the provisions of the Act. The Company will prefer to take up projects for spending the amount earmarked for CSR at local areas and areas where the Company operates. All expenses and contributions for CSR activities will be made after approval from the Chairman of the CSR committee, which would then be placed before the forthcoming CSR committee for noting and record. The Chairman will ensure that the expenses/contribution will be in full compliance of the CSR Policy.

ACTIVITIES NOT TO BE CONSIDERED AS CSR ACTIVITIES:

Statutory obligation laid down in Section 135 of the Act and in accordance with the provisions contained in the Rules related to CSR Activities, shall not include the following:

- ✓ Activities undertaken in the normal course of company business.
- ✓ Activities undertaken by a company outside India except for training of Indian sports personnel representing India at the international level or Union or State territory at the national level.
- ✓ Contribution of any amount indirectly or directly to any political party under section 182 of the Act.
- ✓ Activities benefiting employees of the company defined in Section 2(k) of the Code on Wages, 2019.
- ✓ Activities supported by a company on a sponsorship basis to derive marketing benefits for its services or products.
- ✓ Activities carried out to fulfill other statutory obligations under any law in force in India.

APPROVAL OF CSR ACTIVITIES:

CSR Activities to be undertaken by the Company under this Policy shall be approved by way of Annual Action Plan by the Board on the recommendation of the CSR Committee.

The Annual Action Plan shall, inter alia, contain the following information with respect to the CSR Activities proposed to be undertaken by the Company:

- ✓ List of the approved CSR programmes or projects to be undertaken in subjects or areas specified in Schedule VII of the Act.
- ✓ Manner of execution of the CSR programmes or projects specified in these Rules.
- ✓ Modalities of implementation schedules and utilisation of funds for the projects or programmes.
- ✓ Reporting and monitoring mechanism for the projects or programmes.
- ✓ Details of impact and any need assessment for the projects undertaken by the company.

CSR IMPLEMENTATION:

1. After requisite approvals, the CSR activities shall be carried out by the Company either by itself or through:
 - ✓ 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, established by the company, either singly or along with any other company; or
 - ✓ 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
 - ✓ any *entity established under an Act of Parliament or a State legislature; or

- ✓ 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.

**Explanation. - For the purpose of clause (c), 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 Act.*

2. In case of activities are undertaken through the above-mentioned entities, NASH INDUSTRIES shall specify the project or programs to be undertaken through these entities, the modalities of the utilization of the funds on such projects and programs and the monitoring & reporting mechanism.
3. NASH INDUSTRIES shall take into account the restrictions and compliances under Foreign Contribution and Regulation Act and rules framed under such Act, while undertaking CSR activities.
4. Implementation and execution of the CSR activities/projects shall be carried out through CSR team of NASH INDUSTRIES.
5. CSR Committee shall have full discretion to specify or modify the modalities of execution of CSR projects or programs and to determine implementation schedules.
6. NASH INDUSTRIES shall undertake the CSR activities directly and also through various implementing agencies such as, NGOs, non-profit organizations, etc. Such implementing agencies shall have an established track record as prescribed under the law.
7. NASH INDUSTRIES may also collaborate or pool resources with other companies to undertake CSR activities in such a manner that each company is in a position to report separately on such CSR projects.

CSR EXPENDITURE:

- ✓ The Company shall spend at least 2% of the average net profits of the Company made during the 3 immediately preceding financial years specifically on the CSR Activities as per approved Annual Action Plan.
- ✓ The Company shall not consider any administrative expenses, except the cost of Impact Assessment, in meeting its CSR obligation, provided that such costs shall not exceed 2% of total CSR expenditure of the Company for the financial year.
- ✓ Any surplus arising out of the CSR activities will not form part of the business profit of the company and shall be transferred to the Unspent CSR Account as per CSR policy and applicable law.
- ✓ Any amount remained unspent if any, except in case of an ongoing project the same shall be spent as per annual action plan, the CSR policy of the company or transferred to a Fund specified in Schedule VII within six months of the expiry of the financial year.
- ✓ In case the Company spends an amount in excess of the requirement provided under Section 135(5) of the Act, the company in such cases, can set off such excess amount up to the immediate succeeding three financial years in accordance with the provisions of Section 135 of the Act and CSR Rules framed thereunder.

- ✓ The company can spend the CSR amount for the acquisition or creation of a capital asset held by:
 - Companies that are established under section 8 of the Act, or a Registered Society or Registered Public Trust having charitable objects and CSR Registration Number.
 - Beneficiaries of the CSR project, in the form of collectives, self-help groups, entities.
 - Public authority.
 - The company shall ensure that the capital asset created or acquired out of CSR funds shall be held by eligible entities as specified under Rule 7(4) of the CSR Rules

MONITORING:

Primary Responsibility for laying transparent monitoring mechanism for various projects **shall be of the CSR Committee** and the Committee may assign one or more officials of the Company for day to day monitoring of various activities and expenses related to CSR projects.

The CSR Committee shall:

- ✓ Devise a robust monitoring mechanism to ensure that the CSR Activities are undertaken effectively in accordance with approved Annual Action Plans in compliance with the Applicable Laws and the provisions of this Policy.
- ✓ Review the progress of CSR activities as and when it may deem fit.
- ✓ Ensure that the CSR funds disbursed are appropriately spent to achieve the objective of the projects.
- ✓ Monitor the CSR Activities using appropriate monitoring tools effectively and objectively that may include one or more of the third-party audit(s) or certification(s), impact assessment(s), self- assessment report(s), field visit(s), periodical review(s) or any other appropriate mechanism.
- ✓ Review the progress on Annual Action Plan preferably on annual basis.

ROLE OF BOARD OF DIRECTORS:

The Board shall:

- ✓ Comply with the specific requirements of CSR provisions in terms of Section 135, read with Schedule VII of the Companies Act, 2013 and rules made thereunder, as may be in force from time to time.
- ✓ Approve the CSR Policy and the Annual Action Plan of the Company after considering recommendations of CSR Committee.
- ✓ **The Board's role shall, inter alia, include:**
 - Formulating, and revising from time to time as may be necessary, the CSR Policy of the Company.
 - Satisfying itself that the funds disbursed for CSR programs/projects have been utilised for the purposes and in the manner as approved by it.
 - In case of ongoing project, monitor the implementation of the project with reference to the approved timelines and year-wise allocation and to make modifications, if necessary, in such timelines and allocation, for smooth implementation of the project within the overall permissible time period.

- To ensure that the Company spends 2% of the average net profits of the Company made during the 3 immediately preceding financial years in pursuance of its CSR Policy.
 - To disclose the composition of the CSR Committee, CSR Policy and Projects approved on the website of the Company, for public access.
 - In case the Company spends an amount in excess of requirement, to set off against the requirement to spend up to immediate succeeding three financial years subject to the conditions that –
 - The excess amount available for set off shall not include the surplus arising out of the CSR activities, if any.
 - The Board of the Company shall pass a resolution to that effect.
 - To review the progress of CSR activities at least once in every three years.
- ✓ The Board may alter the CSR Annual Action Plan at any time during the financial year, as per the recommendation of its CSR Committee, based on reasonable justification to that effect.
 - ✓ The Board shall ensure that the CSR activities are undertaken by the Company itself or through a registered and eligible Implementation Agency.

CLARIFICATION:

In case of any doubt with regard to any provision of this CSR Policy and also in respect of matters not covered herein, a reference to be made to CSR Committee. The interpretation & decision of the CSR Committee shall be final in all such matters.

AMENDMENTS TO THE POLICY:

The CSR Committee shall have the right to make changes/modifications and/or amend any of provisions of this CSR Policy, subject to approval of the Board.

The Board of Directors may in their discretion and on recommendation of the CSR committee, make any changes/modifications and/or amendments to this Policy from time to time.

In the event of any conflict between the provisions of this Policy and of the Act or any other statutory enactments, rules, the provisions of such Act or statutory enactments, rules shall prevail over and automatically be applicable to this Policy and the relevant provisions of the Policy would be amended/modified in due course to make it consistent with the law.

DISCLOSURES:

- ✓ Details of composition of the CSR Committee, the CSR policy, the CSR Committee charter and details of CSR Activities approved by the Board shall be available on the Company website at <https://www.nashindia.com/>
- ✓ Annual report on CSR Activities for every financial year shall be included in the Board's Report forming part of Company's Annual Report.

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