

AMRIT CEMENT LIMITED **CORPORATE SOCIAL RESPONSIBILITY** **(CSR) POLICY**

In accordance with the provisions of Section 135 of the Companies Act, 2013, the Corporate Social Responsibility (CSR) Committee of **AMRIT CEMENT LIMITED** (“the Company”) was constituted by the Board of Directors of the Company at their meeting held on September 27, 2022.

Preamble:

We, at Amrit Cement Limited believe that our business is built around strong social relevance of inclusive growth by supporting the common man in meeting their financial needs. We equally believe that creation of large societal capital is as important as wealth creation for our stakeholders. As a responsible organization, we are committed on developing a sustainable business model to ensure and activate our future growth drivers. In line with the regulatory expectations, we are putting in place a formal Corporate Social Responsibility Policy as a guide towards our social commitment going forward.

Key words & meanings:

1. “Act” shall mean the Companies Act 2013, including any modifications, amendments or re-enactment thereof.
2. “Approved Budget” shall mean the total budget as approved by the Board of the Company upon the recommendation of the CSR Committee, which is to be utilized for CSR Projects.
3. “Board” shall mean the Board of Directors of the Company.
4. “Company” shall mean Amrit Cement Limited.
5. “CSR Annual Plan” shall mean the annual plan detailing the CSR expenditure for the year.
6. “CSR Committee” shall mean the Corporate Social Responsibility Committee constituted by the Board of the Company in accordance with the Act.
7. “CSR Policy” shall mean this Policy, which covers the activities to be undertaken by the Company as specified in Schedule VII to the Act and the CSR Expenditure thereon.
8. “CSR Projects” or “Projects” means Corporate Social Responsibility projects/activities/ programs/ initiatives, instituted in India, either new or ongoing, and include, but is not limited to those undertaken by the Board in pursuance of recommendations of the CSR Committee as per the declared CSR.
9. “Financial Year” shall mean the period beginning from 1st April of every year to 31st March of the succeeding year.
10. “Net profit” shall mean the net profit calculated as per Section 198 read with Section 135 of the Act and Rules based on which the specific percentage for CSR expenditure has to be calculated.
11. “Rules” shall mean the Companies (Corporate Social Responsibility) Rules, 2014, including any re-enactment, modifications or amendments thereof.

Policy Objectives:

The objective of the CSR Policy (“Policy”) is to lay down the guiding principles in undertaking various programs and projects by or on behalf of the Company relating to Corporate Social Responsibility (“CSR”) within the meaning of Section 135 of the Companies Act, 2013 read with Schedule VII of the Act and the Companies (Corporate Social Responsibility) Rules, 2014. (“Rules”)

CSR Vision:

The guiding principle of ACL's Corporate Social Responsibility program is transforming the quality of people’s lives as much as we are committed towards the quality of our cement. We strive to ensure that the communities engaged through our CSR.

The core areas for ACL's CSR programs are:

1. Health Care – Health check-up camps, medicine distribution, safe motherhood of community women, awareness programme for adolescent girls.
2. Rural Development Programme – Education, health, livelihood.
3. Sports upliftment – Encourage sports
4. Disaster Relief (Covid – 19) – Distribution of face masks and shields amongst workers / employees, Contribution to Meghalaya Chief Minister’s Relief Fund
5. Education – Distribution of books and stationery, school uniforms, shoes, scholarships arrangement.
6. Development of Elakas and villages nearby to the plant – Development activities in nearby Elakas and villages.
7. Tree plantation – Overall tree plantation and development of Green Belt.
8. Empowerment – Skill development trainings, youth empowerment initiatives.
9. Community building – Festival celebration in orphanage, old age home.
10. Building primary healthcare centre – For upliftment of social amenities for the general public in Meghalaya.

CSR Activities:

The Company shall participate in the following activities/projects which are in concurrence with Schedule VII of the Act as may be notified by the Ministry of Corporate Affairs from time to time as a part of the Corporate Social Responsibility (“CSR”):

- 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, 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;
- protection of national heritage, an 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;
- 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;
- training to promote rural sports, nationally recognized sports, Paralympics sports and Olympic sports;
- 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;
- (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 Organization (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.

CSR Governance:

Committee Constitution:

The Committee comprises of the following members of the Board:

Mr. Pradeep Bagla	-	Managing Director as Chairman
Mr. Sunil Kumar Khemka	-	Non-Executive Director as Member
Mr. Bharat Kumar Seta	-	Independent Director as Member

Role of the CSR Committee:

- i) Formulate and recommend the CSR policy to the Board for approval which shall indicate the activities to be undertaken by the company in accordance with Schedule VII of the Act.
- ii) Recommend the amount of expenditure to be incurred on the activities.
- iii) Monitor the Corporate Social Responsibility Policy of the Company from time to time.
- iv) Review the progress of CSR projects already undertaken by the company and the utilization of budgets for each such projects.
- v) Review and recommend the CSR report to be included in the board's report.
- vi) Review and recommend any amendments to be made in the CSR policy of the Company.
- vii) To recommend to the Board on the guiding principles for the selection, implementation, and monitoring of CSR activities.
- viii) To formulate and recommend to the Board, an Annual CSR Action Plan in pursuance of its CSR policy.
- ix) Monitor unspent Corporate Social Responsibility Account while complying with the relevant provisions of Section 135 of the Companies Act, 2013.
- x) To carry such other functions as may be delegated to it by the board relating to CSR activities of the Company.

CSR Committee Meetings:

- The CSR Committee shall meet as and when deemed necessary, to discuss various issues on the implementation of the CSR Policy of the Company. The members would thrive to hold at least one meeting in a financial year.
- A quorum for meetings shall be two (2) directors present in person or by other telecommunication devices that permits all persons participating in the meeting to speak and hear one another.
- The sitting fees for attending the meetings shall be determined from time to time by the Board of Directors.

Amount to be spent on CSR activities:

- a. For achieving its CSR objectives through the implementation of meaningful & sustainable CSR programs, the Company will allocate 2% of its average net profits made during the three immediately preceding financial years as its Annual CSR Budget.
- b. The Annual CSR Budget shall be spent on activities laid down in this Policy.
- c. "Administrative Overheads" expenses incurred by the Company will be used for 'General Management & Administration' of the 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.
- d. If the company spends an amount in excess of the requirements, such excess amount may be set off against the CSR obligation of the Company in the immediately

succeeding three financial years subject to passing of the resolution by the Board to that effect.

- e. Any amount remaining unspent, pursuant to any ongoing project, fulfilling such conditions as may be prescribed, undertaken by a company in pursuance of its Corporate Social Responsibility Policy, shall be transferred by the Company/Implementing Agency 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 of the Act, within a period of thirty days from the date of completion of the third financial year.
- f. Any surplus arising out of the CSR activities shall not form part of the business profit of the company and shall be plowed 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.
- g. If the company fails to spend the CSR amount, the Board shall, in its report made under clause (o) of sub-section (3) of section 134, specify the reasons for not spending the amount and, unless the unspent amount relates to any ongoing project, transfer such unspent amount to a Fund specified in Schedule VII until a separate fund is specified by the Government, within a period of six months of the expiry of the financial year.

Implementation of CSR Activities:

- i. The Company shall undertake CSR Activities by itself or through:
 - 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 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
 - 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 approved under 80G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities.

All the entities covered under (a) to (d) above must also be registered with the Central Government by filing Form CSR-1, electronically with the Registrar of Companies.

ii. The scope of this Policy will extend to activities as stated under Schedule VII of the Act. The scope of the Policy will also include all additional and allied matters, as will be notified by the Ministry of Corporate Affairs or such other body, as appointed/notified by the Central or State Government, from time to time for this purpose.

iii. CSR programme will be undertaken by various work centers i.e. plant, corporate offices and other business places of the Company in India to the best possible extent within the defined ambit of the identified project/ program.

iv. The time period/duration over which a particular programme will be spread, will depend on its nature, extent of coverage, and the intended impact of the programme.

Capital Asset:

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

i. A Company established under section 8 of the Act, or a Registered Public Trust or Registered Society, having charitable objects and CSR Registration Number.

ii. Beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities; or

iii. A public authority.

Provided that any capital asset created by the Company prior to the commencement of the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, shall within a period of one hundred and eighty days from such commencement comply with this requirement, which may be extended by a further period of not more than ninety days with the approval of the Board based on reasonable justification.

Formation of Public Charitable Trust:

The Company has formed a Public Charitable Trust namely “Amrit Foundation” (The “Trust”) on 13.04.2023 for the purpose of effective implementation of CSR activities in accordance with the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 and Schedule VII. The Trust has already been registered with MCA for undertaking CSR Activities. Most of the CSR Activities of the Company will now be executed by the Trust.

Confidentiality:

All deliberations of the Committee, and all records, material and information shall be considered confidential. Committee members shall maintain the confidentiality of such deliberations, and shall safeguard such records, material and information from improper access.

Amendment of Policy:

The CSR Policy of the Company may be amended at any time by the Board of the Company on the recommendation of the CSR committee.

Compliance Requirements:

In compliance with the legal provisions, the Company will disclose the contents of this Policy in its Annual Report and also publish it on the Company’s website.