

**CORPORATE SOCIAL RESPONSIBILITY
("CSR") POLICY
AZISTA COMPOSITES PRIVATE LIMITED**

Preamble:

Azista Composites Private Limited's (herein referred as "ACPL") Corporate Social Responsibility ("CSR") build dynamic relationship between ACPL on one hand and the society and environment on the other hand. CSR of ACPL is traditionally driven by a moral obligation and philanthropic spirit.

Short Title and Applicability:

This policy, which encompasses the company's philosophy for delivering its responsibility as a corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programmes for welfare & sustainable development of the community at large, is titled as the "**Azista Composites Private Limited CSR Policy**".

It has been prepared keeping in mind the Company's business ethics and to comply with the requirements of the Companies Act, 2013 (hereinafter called as "the Act") and the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, notified by the Ministry of Corporate Affairs vide Notification dated 22nd January 2021

This policy shall apply to all CSR initiatives and activities taken up at the various locations of the Company, for the benefit of different segments of the society, specifically the deprived, under-privileged and differently abled persons.

CSR Vision Statement & Objective:

Corporate Social Responsibility of ACPL is a form of corporate self-regulation integrated into a business model. Therefore, the policy will function as a built-in, self-regulating mechanism whereby the business will monitor and ensure its active compliance with the spirit of law, ethical standards and international norms.

The main objective of the Policy is to establish the basic principles and the general framework of action for the management to undertake and fulfil its corporate social responsibility.

Definitions:

1. "**Act**" means the Companies Act, 2013
2. "**Company**" means Azista Composites Private Limited.
3. "**Board**" means Board of Directors of the Company.
4. "**CSR Rules**" means the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time.
5. "**CSR Expenditure**" means the amount recommended by the Board to be incurred on the CSR Activities in India in terms of the Act and the CSR Rules as approved by the Board from time to time.
6. "**Net Profits**" means 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 (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.

7. **“Ongoing Project”** means a multi-year project undertaken by a 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.
8. **“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 program.

1. CSR Committee:

1.1. Composition of CSR Committee:

- (i) The CSR Committee shall comprise of two (2) or more directors.
- (ii) The Chairperson of the CSR Committee shall be either designated by the Board or the members may elect a chairperson from amongst themselves.

1.2. Constitution of CSR Committee:

The Constitution of the CSR Committee of the Board of the Company shall be in accordance with Section 135 and other applicable provisions of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014 including any modification(s) or amendment(s) thereof.

The Committee shall hold meetings as and when required, to discuss various issues on implementation of the CSR Policy of the Company. The quorum of CSR Committee meeting shall be one-third of its strength or two members whichever is more.”

1.3. Role of CSR Committee:

The CSR Committee will be responsible for:

- Formulating the CSR policy in compliance to Section 135 of the Companies Act, 2013
- Identifying activities to be undertaken as per Schedule VII of the Companies Act, 2013.
- Recommending to Board the expenditure to be incurred on CSR activities.
- Recommending to Board, modifications to the CSR Policy as and when required.
- Regularly monitoring the implementation of the CSR policy.
- Approving the budgetary allocation funds to various units/groups monitoring the CSR activities.

2. Role of Board of Directors:

- a. The Board of Directors shall approve the CSR policy and the Annual CSR Action Plan of the company.
- b. The Board of Directors shall endeavour that the Company spends in every financial year at least 2% of the average net profits of the Company made during the 3 immediately preceding financial years in pursuance of its CSR Policy.
- c. The Board may extend a non-ongoing project if any beyond one year based on reasonable justification.
- d. The Board shall ensure that the CSR activities are undertaken by the Company itself or through eligible entity(ies).
- e. 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.
- f. In case of ongoing project, the Board of the 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.
- g. The Board may alter the CSR Annual Action Plan at any time during the financial year, based on reasonable justification to that effect.
- h. The Board shall ensure that the administrative overheads shall not exceed five percent of total CSR expenditure of the Company for the financial year.
- i. Where the Company spends an amount in excess of requirement, such excess amount may be set off by the Board 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.

3. Funding and implementation:

For achieving its CSR objectives through implementation of meaningful & sustainable CSR programmes, the Company will allocate at least 2% of its average net profits made during the 3 immediately preceding financial years as its Annual CSR Budget. The Annual CSR Budget shall be spent on projects / activities as laid down in this Policy.

Any surplus arising out of the CSR activities shall not form part of the business profit of the 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.

Transfer of unspent CSR amount. - Until a separate fund is specified by the Government, the unspent CSR amount, if any, shall be transferred by the Company to a fund specified in Schedule VII of the Act.

4. Activities Planning & Implementation:

Areas for activities:

The Company shall identify projects / programmes which will fall in any one or more of the following areas /sectors for its CSR spending:

- (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 recognized sports, Paralympic sports and Olympic sports.
- (viii) Rural development projects.
- (ix) Slum area development.
- (x) Disaster management, including relief, rehabilitation and reconstruction activities.

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 the expenses and contributions for CSR activities will be made after approval from the Board of the Company. The Board will ensure that the expenses/ contributions will be in full compliance of the CSR Policy.

5. Exclusions:

Corporate Social Responsibility (“CSR”) 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 CSR Rules, but shall not include the following, namely: -

- (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.
- (iv) activities benefitting employees of the Company.
- (v) activities supported by the companies 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.

6. Reporting:

The Board will annually publish report on CSR activities and expenditure as a part of Director’s report. The report will disclose information in the format as prescribed by the Section 135 of the Companies Act, 2013 and rules made thereunder.

The Board shall in its report made under Section 134(3)(o) specify the reasons for not spending the CSR expenditure if any unless the unspent amount relates to any ongoing project referred to in Section 135(6) transfer such unspent amount to a fund specified in Schedule VII within a period of Six months of expiry of the financial year.

7. Amendments:

The Board of the Company may, subject to compliance with applicable law, at any time alter, amend or modify the CSR Policy as it deems fit to comply with the statutory obligation of the Company to undertake the CSR Activities.