



DONEAR INDUSTRIES LIMITED

CORPORATE SOCIAL RESPONSIBILITY POLICY

1. PREAMBLE:

In pursuant to section 135 of the Companies Act, 2013 (“**the Act**”) and the Companies (Corporate Social Responsibility Policy) Rules, 2014 (“**the Rules**”) framed thereunder (including any statutory modification(s), re-enactment thereof, for the time being in force), Circulars, FAQs and Guidelines framed thereunder on this behalf, “Corporate Social Responsibility (CSR)” is a company’s commitment to contribute and operate in an economically, socially and environmentally sustainable manner.

The Policy outlines the Company’s responsibility as a corporate citizen and lays down the guidelines and mechanism for undertaking activities for welfare and sustainable development of the community at large.

The core element of CSR is the continuing commitment by business to ethical principles, protection of human rights, care for the environment while improving the quality of life of all the stakeholders including the local community and society at large.

It is Company’s conscious strategy to design and implement Social Investments / CSR programs, by enriching value chains that encompass the disadvantaged sections of society, especially those residing in rural India, through economic empowerment base on grassroot capacity building.

2. SCOPE AND LIST OF CSR ACTIVITIES:

The Company would carry out its CSR activities with the objective of overall National and Community Development. At the same time, the Company gives preference to the local areas around Maharashtra and Gujarat locations where it operates.

The Company will undertake CSR activities to do overall good to the community, with special emphasis on activities for the benefit of the poor and needy sections of the society.

a) The Company’s commitment to CSR projects will be by investigating resources into any of the activities broadly mentioned in Schedule-I to this policy

b) Without prejudice to the scope of activities mentioned in Schedule-I, following activities may also be carried out by the Company, if it deems fit:

- Curative health care, surgery, eye donation camps, skin donation camps, blood donation activities, therapy camps, dental camps, acupressure camps, cataract camps etc.
- To participate in building a healthy community through continuing initiatives in several areas of healthcare, with a focus on mother and child care and HIV/AIDS awareness.
- Literacy/ Awareness programmes and activities in various social and well-being areas.
- Furtherance and promotion of practice of alternative Indian traditional medical practice such as homeopathy, ayurvedic, siddha, naturopathy and yoga therapies, for the benefit of community at large.
- Disaster management activities and Relief to victims of natural calamities.



- Activities relating to irrigation, wells, dams etc. for improving livelihood of farmers and agriculturists.
- Promotion of nationally recognized sports (not only training).
- Infrastructure activities, essentially for helping the poor and the needy.

C) Following activities will not be included in in list of CSR Activities unless specifically permitted by Regulatory Authority:

- Activities undertaken in pursuance of normal course of business of the Company.
- 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
- Contribution of any amount directly or indirectly to any political party under section 182 of the Act
- Activities benefitting employees of the company as defined in section 2(k) of the Code on Wages, 2019
- Activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services
- Activities carried out for fulfilment of any other statutory obligations under any law in force in India
- Any other activity specifically restricted by relevant Regulatory / Government authorities from time to time.

3. MODALITIES OF EXECUTION OF PROJECTS / PROGRAMMES:

(a) CSR Committee:

The Company has constituted a CSR Committee of the Board consisting of Mrs. Medha Pattanayak, Chairperson and Non-executive Independent Director, Mr. Rajendra Agarwal, Promoter & Executive Director and Mr. Ajay Agarwal, Promoter & Executive Director.

(b) CSR Implementation:

The Company's CSR projects and programmes will be undertaken by the Company by itself or through –

- A Company established under section 8 of Companies Act, 2013
- A Registered public trust registered under section 12A and 80 G of the Income Tax Act, 1961
- A Registered society registered under section 12A and 80 G of the Income Tax Act, 1961
- 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
- Any entity established under an Act of Parliament or a State legislature
- 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



- Either singly or joint and collaborative efforts of other Donear associate Companies and CSR committees of such company shall report separately on such projects or programmes in accordance with the prescribed CSR Rules.

A company may engage international organisations for designing, monitoring and evaluation of the CSR projects or programmes as well as for capacity building of their own personnel for CSR.

If any donation/ contribution is to be given to any other entity for CSR activity, preference will be given to such entities/ Trust having track record in undertaking similar programs or projects.

Further, in such a case, the Company will specify the project or programme to be undertaken through these entities, the modalities of utilization of funds on such projects or programs and the monitoring and reporting mechanism.

The Company shall registered with Ministry of Corporate Affairs, Government of India w.e.f April 01, 2021 for undertaking CSR activities, unless specifically exempted or extended. This will not affect the CSR projects or programmes approved prior to 1st April 2021.

(c) Annual Action Plan

The CSR Committee shall formulate and recommend to the Board, an annual action plan in pursuance of this policy, which shall include the following, namely

- ✓ List of CSR Projects approved to be undertaken
- ✓ Manner of execution of such projects or programmes
- ✓ Modalities of utilisation of funds and implementation schedules
- ✓ Monitoring and reporting mechanism for the projects or programmes
- ✓ Details of need and impact assessment, if any, for the projects undertaken by the company

The Board can alter the annual action plan at any time during the financial year as per recommendation of the CSR committee, based on the reasonable justification to that effect.

4. MONITORING ANS ASSESSMENT

(a) Release of funds for CSR Project / Programme

The amount sanctioned for a CSR project or programme will be released in stages or installments as per progress, as may be determined by the CSR Committee. CSR Committee any design the procedure/ guidelines applicable from time to time and release of funds to any project in a year shall be as per the Annual Action Plan.

Every financial year, with the approval of Board of Directors, Company will make a budgetary allocation for CSR activities / projects for that financial year. The budgetary allocation will be based on the net profit of the company, which shall not be less than 2% of the average net profits of last three Financial Years before tax of the company (CSR Budget).



Any surplus arising out of the CSR Activities shall not form part of business profit and shall be ploughed back into the Project.

Surplus funds shall be utilized for the same for the same project or shall be transferred to the Unspent CSR Account and spent in pursuance to CSR policy/ annual action plan or transfer to fund specified in Schedule VII within 6 months from end of FY.

Administrative expense shall not exceed 5% of the total CSR expenditure of the company for the financial year.

(b) Unspent CSR Amount

The Company Shall transfer the Unspent CSR Amount which does not relate to any ongoing project to a Fund notified under Schedule VII within 6 months from the end of Financial Year and also disclose the reasons for not fully utilizing the budget allocated for CSR activities planned each financial year and shall comply with the other provisions of Companies Act, 2013 as may be applicable with regards to the unspent amount of CSR budget.

Unspent CSR Amount relating to any ongoing project shall be transferred to a special account “Unspent CSR Account” opened with any Scheduled Bank within 30 days from end of Financial Year. Such amount shall be spent within three Financial Year from the date of such transfer. If not, the company shall transfer it to a Fund specified in Schedule VII within 30 days from date of completion of the 3rd FY.

Central Government shall establish a ‘National Unspent CSR Fund’ for purpose of transferring the unspent amount of companies, which shall be then used for activities outlined in Schedule VII.

Until such fund is created the unspent CSR amount in terms of provisions of sub-section (5) and (6) of section 135 of the Act shall be transferred by the company to any fund as specified in schedule VII of the Act.

(c) Certification

The Board shall satisfy itself that funds so disbursed have been utilised for the purposes and in the manner approved by the Board.

In case of an ongoing project, monitor the implementation of the project with reference to the approved timelines and year-wise allocation.

To make modifications, if any, for smooth implementation of the project within the overall permissible time period.

The Chief Financial Officer or the person responsible for financial management shall certify that funds so disbursed have been utilised for the purposes and in the manner approved by the Board.



(d) Capital Assets

CSR Amount may be spent by the company for creation or acquisition of capital assets.

The CSR asset to be held by a Section 8 Company, or Registered Public Trust, or registered society with charitable objects, having CSR registration number or beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities or a public authority

(e) CSR Reporting

Boards Report of a company shall include an annual report on CSR in the prescribed format given in the notification.

In case if company is having the obligation of spending average CSR amount of Rs 10 Crore or more in the three immediately preceding financial years in pursuance of Section 135(5) of the Act, shall undertake impact assessment.

Impact assessment to be done by an independent agency.

Impact assessment to be done in respect of 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.

The impact assessment reports shall be placed before the Board and shall be annexed to the annual report on CSR.

Impact assessment expenditure for a financial year shall not exceed five percent of the total CSR expenditure for that financial year or fifty lakh rupees, whichever is less.

(f) Website Disclosure

The Company shall disclose the information related to Composition of the CSR Committee, CSR policy and Projects approved by the Board on their website

(g) Audit

The amount spent on CSR by the Company will be subject to audit.

5. GENERAL

The CSR Policy referred to above is to be read in conjunction with Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended from time to time.

Any or all provisions of the CSR Policy would be subject to revision / amendment in accordance with the guidelines on the subject as may be issued from the Government from time to time or as decided by the Board of Directors of the Company.

The above Policy Guidelines are subject to review / revision at suitable intervals.



In the event of any conflict between the provisions of this policy and the applicable laws, the later shall prevail.

Schedule I to CSR Policy

- 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 centres 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, 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;
- 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, Paralympic sports and Olympic sports
- 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 Defence Research and Development Organisation (DRDO);



- ✓ Indian Council of Agricultural Research (ICAR);
 - ✓ Indian Council of Medical Research (ICMR)
 - ✓ Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).
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- Rural development projects
 - Disaster management, including relief, rehabilitation and reconstruction activities.
 - 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;
 - Slum area development, 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
 - Contribution made to State Disaster Management Authority to combat COVID-19
 - 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;
 - Any other activity which relatable to and captures the essence of the subject enumerated in the Schedule VII of the Companies Act, 2013
 - Any other Activity which is specifically included / allowed under Schedule VII of the Companies Act, 2013 or any other applicable statutory provisions by way of amendment / statutory modification(s) / re-enactment from time to time.