

NIRMA LIMITED

CORPORATE SOCIAL RESPONSIBILITY POLICY (CSR POLICY)

Approved by:

- (i) Board Meeting dated – 5th March, 2015
- (ii) Board Meeting dated – 25th June, 2021 (revised CSR policy)



A. Introduction and Background

Nirma's vision is to undertake CSR activities to improve social value. We at Nirma believe in principles of sustainable development to minimize impact on environment and host of activities in the educational and social development areas in which we operate and also protection of health & safety of communities.

B. Objectives of the Policy

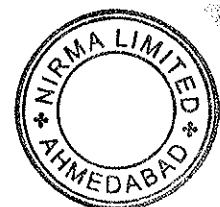
"CSR Policy" shall contain the approach and direction given by the board of a company, taking into account the recommendations of its CSR Committee, and includes guiding principles for selection, implementation and monitoring of activities as well as formulation of the annual action plan.

"CSR Policy" covers the activities to be undertaken by the Company as specified in Schedule VII to the Companies Act, 2013 ("the Act") including any amendments thereof and the CSR Expenditure thereon. The objective of the Policy shall be:

- (a) consistent with sustainable development and welfare of society,
- (b) to directly or indirectly take up the programme that can beneficiary impact the community.
- (c) to directly or indirectly take up the programme that can beneficiary impact the society through promotion of education.
- (d) to directly or indirectly undertake activities for rural development and other related activities.
- (e) to ensure compliance of applicable law.

C. Scope

In furtherance to the CSR Objects, the Company may undertake CSR activities by itself or through (i) a company established under section 8 of the Act, or a registered public trust, registered society, established by the Company or (ii) a company established under section 8 of the Act, established by the Central /State Government; or (iii) any entity established under an Act of Parliament or a State legislature; or (iv) 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.



D. Thrust Areas:

Nirma has undertaken a host of activities in the areas or subjects as specified in Schedule VII of the Act including in the educational, healthcare and social development areas. The Company at present proposes to undertake initiatives in the following thrust areas –

i) Promotion for Education, knowledge enhancement and research including, but not limited to:

- (a) Establishment and management of educational and knowledge enhancement infrastructure
- (b) Providing financial support and/or other assistance to the existing campuses of
 - Nirma University including the state-of-the art academic institution such as Institute of Technology, Institute of Law, Institute of management, Institute of Pharmaceutical Sciences and Institute of Diploma Engineering, Nirma Vidyavihar and the new schools/campuses, ladies hostel that the Company or the Trust may choose to set up in due course of time.
- (c) Funding academic and sports scholarships to deserving students including those from economically disadvantaged backgrounds.
- (d) Providing financial support/scholarships to the deserving students from other educational institutions of excellence as may be decided by the Company from time to time.
- (e) Providing financial support to the students in the form of providing clothing, fees, study materials etc.
- (f) Providing financial assistance/support to any institution involved in education, research and knowledge enhancement.
- (g) Contribution or fund provided to technology incubators located within academic institutions which are approved by Central Government.



- ii) **Healthcare, sanitation and hygiene, including, but not limited to:**
- (a) Providing financial support and/or other assistance to the institutions, organisations involved in preventive Healthcare, public health, nursing etc.
 - (b) Providing financial assistance to economically weaker section of the society and/or deserving people for medical treatment in any medical institution.
 - (c) Activities concerning or promoting:
 - i. General health care including preventive health care
 - ii. Healthcare camp including diagnostic and vaccination camp
 - iii. Child survival support programs
 - iv. Better hygiene and sanitation
 - v. Drinking water availability
- iii) **Safety and environment including but not limited to;**
- (a) Conservation of natural resources and ensuring environmental sustainability through maintenance of soil, air and water.
 - (b) Empowering Women, setting up of Old age homes, orphanage and other facilities for better livelihood
 - (c) Protection and upgradation of environment including ensuring ecological balance and related activities.
 - (d) Repairing and earthwork of roads of the villages and other rural developments activities
 - (e) Animal welfare activities.

E. Identification of CSR Projects

The Company shall ensure that in identifying its CSR Projects, in particular in Thrust Areas, preference shall be given to the local areas and areas around which the company operates including its plants. However, this shall not bar the Company to undertake CSR activities in other areas, as prescribed under Schedule VII of the Act as may be amended.



F. Implementation of CSR Projects:

The Company shall implement the identified CSR activities in accordance with the scope provided herein under.

1. The Company may itself implement the identified CSR Projects presently within the scope and ambit of the Thrust Areas as defined in the Policy;
2. The Company may also implement the identified Projects presently through the Nirma Education and Research foundation and a trust registered under Societies Registration Act, 1860, within the scope and ambit of the Thrust Areas as defined in the Policy.
3. Company may undertake CSR activities by funding the registered trust, Section 8 Company or society formed and registered under Societies Registration Act, 1860 / NGO / Government authorities, institution, performing social services for the benefit of the society or any entity established under the act of Parliament or State legislature, for their onward undertaking CSR activities.

G. Duties and responsibilities:

Board of Directors

- The Board shall include in its Report the annual report on CSR Projects as per the format prescribed in the CSR Rules, as amended from time to time.
- Ensure that the Company spends, in every financial year, at least 2% of the average net profits made during the three immediately preceding financial years, in pursuance, of its CSR Policy.

CSR Committee

The CSR Committee shall

- formulate and recommend to the Board CSR Policy
- recommend the amount of expenditure to be incurred on the CSR activities
- formulate and recommend to the Board an annual action plan which shall include the following, namely:-
 - a. the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
 - b. the manner of execution of such projects or programmes as specified in sub-rule (1) of rule 4;



- c. the modalities of utilisation 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 any, for the projects undertaken by the company.
- place before the Board the draft annual report for Board review and finalization.
 - monitor the implementation of the CSR Policy and CSR Plan. For this purpose, the CSR Committee shall meet at least twice a year.

H. Monitoring

Monitoring process for CSR Projects shall include the following:

- Evaluation of Planned progress v/s Actual Progress
- Actual Action Plan v/s Actual expenditure incurred.

I. Others

1. Any surplus arising out of the CSR Projects shall not form a 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.
2. An amount spent in excess of requirement provided under the Act, such excess amount may be set off against the requirement to be 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. Where the Company have average CSR obligation of Rs. 10 Crore or more in pursuance to the Act, in the three immediately preceding financial years, shall undertake impact assessment, through an independent agency, of CSR projects having outlays of Rs. 1 crore 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.



4. **Display of CSR activities on its website:** The composition of the CSR Committee, and CSR Policy and Projects approved by the Board will be disclosed on website of the Company.
5. The unspent amount if any, relating to ongoing project shall be transferred 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 in that financial year in any scheduled bank to be called 'Unspent Corporate Social Responsibility Account' and such amount will be spent by the Company in pursuance of its obligation towards the CSR Policy within a period of three financial years from the date of such transfer, failing which the Company will transfer the same to a fund specified in Schedule VII within a period of thirty days from the date of completion of third financial year. For other projects, any unspent amount will be transferred to a fund specified in Schedule VII within 6 months of the expiry of the financial year.

'Ongoing projects' means a multi-year projects for fulfillment of CSR obligation having time line not exceeding 3 years excluding the financial year in which it was commenced and shall include such projects that was not initially not approved as multi-year projects but whose duration has been extended beyond 1 year by the Board based on the reasonable justification.

J. Review Periodicity and amendment:

CSR Policy may be revised/modified/amended by the CSR Committee at such intervals as it may deem fit.

