

## **CORPORATE SOCIAL RESPONSIBILITY POLICY**

### **1. BACKGROUND**

This Corporate Social Responsibility Policy (hereinafter referred to as 'CSR Policy'), encompasses Continental Carbon India Private Limited (CC IPL) for delineating its responsibility as a corporate citizen and lays down the guidelines and mechanism for carrying out socially useful activities/projects and programs for welfare & sustainability and development of community at large, preferably at local area and in its areas of operation and lays down the guidelines and mechanism for undertaking activities towards such responsibilities.

### **2. VISION STATEMENT AND OBJECTIVE**

- a) The CSR Policy sets out CC IPL commitment towards ensuring that all the activities extend beyond business and include initiatives and endeavours for the benefit and development of the community and society. The CSR Policy lays down guidelines for undertaking activity geared towards social welfare activities or initiatives to be adopted by the CC IPL.
- b) In alignment with the above vision, CC IPL, through the CSR Activities, will endeavor to enhance value creation in the society and in the community, through its services, conduct and initiatives, so as to promote sustained growth for the society and community, in fulfilment of its role as a socially responsible corporate.
- c) This CSR Policy has been framed in accordance with the applicable provisions of the Companies Act, 2013(Act) and The Companies (Corporate Social Responsibility Policy) Rules, 2014 (CSR Rules) as amended from time to time, issued thereunder.
- d) The objective of this CSR Policy is to:
  - (i) Outline projects, programs and activities to be undertaken by CC IPL;
  - (ii) Specify the modalities of execution of such projects, programs and activities;
  - (iii) Monitor the process to be followed for such projects, programs and activities;
  - (iv) Directly or indirectly take up programs that benefit the communities in and around its work centers and results, over a period of time, in enhancing the quality of life and economic well-being of the local populace; and
  - (v) Generate community goodwill for CC IPL and help reinforce a positive and socially responsible image, through CSR Activities.

### **3. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR COMMITTEE)\*/BOARD OF DIRECTORS OF THE CCIPL (BOARD)**

\*Pursuant to Section 135(9) of the Companies Act, 2013, where the amount to be spent by the Company does not exceed fifty lakh rupees, the requirement to constitute the CSR Committee shall not be required and the functions of such Committee shall be discharged by the Board of Directors of the Company.

Unless, the amount to be spent by the CCIPL does not exceed the specified limit as mentioned above, all the responsibilities/functions/duties of CSR Committee shall be carried out the Board of Directors of the CCIPL.

The Board shall decide/recommend the CSR Activities that may be undertaken by the CCIPL in accordance with the CSR Policy, Act and CSR Rules and as it may deems fit from time to time.

As per above quoted exemptions under the Section 135(9) of the Act, the Board shall play the role of CSR Committee as specified under various provisions of the Act. The Board may invite other experts/ invitees as per its requirements.

#### **Accordingly, the Board shall be responsible for:**

- a) Formulating the CSR Policy, including the CSR Activities as specified in Schedule VII of the Act and their budgets as well as recommendation of any subsequent change/ modification to the CSR Policy;
- b) Institute an implementation and monitoring mechanism for CSR Activities;
- c) Periodically Review the progress on the CSR Activities;
- d) Providing a responsibility statement in the Board's report.

### **4. PROJECTS, PROGRAMS AND ACTIVITIES**

- a) CSR projects either new or ongoing projects, programs and activities to be undertaken by the CCIPL shall align with the provisions of the Act and the rules issued thereunder as amended from time to time.

CC IPL proposes to implement its CSR activities in various sectors stated hereunder:

- i. Eradicating hunger, poverty and malnutrition, promoting 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 centers 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, agro forestry, 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 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, Paralympics sports and Olympic sports; Construction of any kind of facility for the promotion of 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 Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;
- ix.
  - 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
  - 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.
  - 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. Any other project as may be specified under Schedule VII of the Companies Act, 2013, from time to time.

**b) Ongoing Projects**

“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.

The Board may identify “Ongoing Project/s” and may designate some of the existing CSR projects as an Ongoing Project and such Ongoing Projects shall be selected, implemented, monitored and reported in accordance with the applicable CSR Provisions.

**c) Following activities shall not be considered under the CSR activities.**

- 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 under section 182 of the Act;
- iv. activities benefitting employees of the company as defined in clause (k) of section 2 of the Code on Wages, 2019 (29 of 2019);
- 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;

## 5. **CSR EXPENDITURE**

- a) CCIPL shall spend at least 2% (two percent) of average Net Profits (as calculated under section 198 of the Act) made during the three immediately preceding financial years in accordance with the Act and the Rules and the CSR Policy. The CSR expenditure shall include all expenditure including contribution to corpus of implementing agency or on projects or programs relating to CSR activities approved by the Board of Directors but does not include any expenditure on any item not in conformity or not in line with activities stated under the Act.
- b) In case the company spends an amount in excess of the 2%, then the company may set off such excess amount up to immediate succeeding 3 (Three) financial year subject to following conditions: (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.
- c) In case CCIPL having average CSR obligation of Ten Crore Rupees or more in the three immediately preceding financial years, shall undertake impact assessment, through an independent agency, of their 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. In such case, the CCIPL may book the expenditure towards CSR for that financial year which shall not exceed five percent of the total CSR expenditure for that financial year or Rs. 50 Lacs, whichever is less.
- d) Any surplus arising out of the CSR Activities shall not form part of the business profit of the CCIPL and may only be re-allocated to the CSR Activities being undertaken in terms of this CSR Policy and the annual action plan for the financial year in which such surplus has arisen.

## 6. **IMPLEMENTATION OF THE CSR POLICY**

- a) The Board shall ensure that the CSR activities are undertaken by the CCIPL itself or through –
  - i. a company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80 G of the Income Tax Act, 1961 (43 of 1961), established by the company, either singly or along with any other company, or

- ii. 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
  - 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.
- b) Every entity covered under (i) to (iv) as mentioned above, which intends to undertake CSR activity shall register itself with the Central Government by filing the prescribed form within the stipulated time as mentioned under the Act.
- c) The Company shall conduct due diligence prior to selection of an entity as its implementation agency, to inter alia verify the credentials and ensure that the proposed implementation agency is eligible and capable to be appointed as such.
- d) CCIPL may also collaborate with other companies for undertaking projects or programs or CSR activities in such a manner that the CSR Committee/Board of the respective companies is in a position to report separately on such projects or programs.
- e) The CSR projects or programs or activities undertaken in India only shall amount to CSR Expenditure except as provided under the Act from time to time.
- f) The Board of Directors of the CCIPL shall institute a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken.
- g) In case of ongoing project, the Board of CCIPL 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.

## **7. MONITORING AND REPORTING FRAMEWORK**

### **a) Project Monitoring:**

- i. CCIPL will institute a well-defined monitoring and evaluation mechanism to ensure that each CSR project or programme has:

- Clear objectives developed out of the societal needs that are determined through baselines studies and research.
  - Clear targets, time lines and measurable parameters, wherever possible.
  - A progress monitoring and reporting framework that is aligned with the requirements of the Section 135 of the Act.
- ii. The CSR projects or programmes monitoring mechanism will ensure:
- The CSR policy is implemented as per the Act,
  - The CSR policy is implemented ensuring that all projects/programs, as budgeted, are duly carried out.
- b) Reporting:**
- i. CCIPL shall ensure the CSR Reporting as required under the Act.
- ii. In case of any subsequent changes in the provisions of the Act or any other regulations which makes any of the provisions in the policy inconsistent with the Act or regulations, then the provisions of the Act or regulations would prevail over the CSR policy and the provisions in the CSR policy would be modified in due course to make it consistent with law.

## **8. TREATMENT OF UNSPENT AMOUNT**

If the Company fails to spend the required amount in a particular financial year, the treatment of unspent CSR amount shall be as under:

### **a) In case unspent amount not relating to ongoing Project:**

- The Board of Directors in their Annual Report pertaining to that particular Financial Year shall specify the reasons for not spending the amount; and
- The Company shall transfer such unspent amount to a Fund specified in Schedule VII, within a period of 6 (Six) months of the expiry of the said financial year.

### **b) In case unspent amount relating to any ongoing Project:**

- The Company shall open a special account in any scheduled bank to be called “Unspent Corporate Social Responsibility Account” and transfer such unspent amount, within a period of 30 (Thirty) days, from the end of that financial year to above mentioned 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 3 (Three) financial years from the date of such transfer.



- If the after completion of third year also the amount remains unspent, the company shall transfer the same to a Fund specified in Schedule VII, within a period of thirty days from the date of completion of the third financial year.

## **9. ADMINISTRATIVE OVERHEADS**

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 programme.

The board shall ensure that the administrative overheads shall not exceed five percent of total CSR expenditure of the company for the financial year.

## **10. UTILISATION CERTIFICATE**

The Board of CCIPL shall satisfy itself that the funds so disbursed have been utilised for the purposes and in the manner as approved by it and the Chief Financial Officer or the person responsible for financial management shall certify to the effect.

## **11. AMENDMENT**

This Policy shall be subject to review by the Board as may be deemed necessary and in accordance with any statutory/regulatory amendments. The Board of Directors can amend this Policy, as and when deemed fit.

*Note: CSR Policy of the Company has been revised by the Board in their meeting held on 26<sup>th</sup> November, 2021.*