

ALFA PEB LIMITED



CORPORATE SOCIAL RESPONSIBILITY POLICY

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INTRODUCTION

1. PREAMBLE

- The document describes the Corporate Social Responsibility Policy (“CSR policy”) of Alfa PEB Limited. (“APL” or “the company”). It includes APL’s vision, mission and other relevant attributes of Corporate Social Responsibility.
- This policy aims to contribute towards sustainable development of the society and environment to make planet a better place for future generations.
- The CSR policy shall be guided by APL’s corporate philosophy of respect for the individual and the society at large.
- The CSR policy has been formulated in accordance with Section 135 of the Companies Act 2013 and the CSR Rules 2014 and the relevant amendments / notifications / circulars and approved by the Board of Directors at its meeting held on 08th September 2023.
- The CSR policy shall apply to all CSR activities of APL.
- The CSR activities are carried out by the company either individually or in association with eligible Implementing Agencies registered with the Ministry of Corporate Affairs.

2. DEFINITION CLAUSE

“Company” means Alfa PEB Limited.

“Act” means The Companies Act, 2013 and includes Companies (Corporate Social Responsibility Policy) Rules, 2014 and all other applicable rules and any statutory modifications, re-enactment thereof.

“Board” means the Board of Directors of the Company”

“CSR Policy” means CSR Policy of Alfa PEB Limited.

“CSR Rules” means the Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended from time to time.

“Implementing Agency” means any entity registered with Ministry of Corporate Affairs for undertaking CSR projects, which is engaged by the company to implement various projects in pursuance of CSR Policy. Any term used in this policy but not defined herein shall have the same meaning assigned to them under the Act and CSR Rules as applicable to the company.

“Net Profit/Profit” refers to the average net profits of the Company, calculated in the manner as provided under the Companies Act, 2013.

Any term used in this policy but not defined herein shall have the same meaning assigned to them under the Act and CSR Rules as applicable to the company.

3. APPLICABILITY

As per Section 135(1), of the Act, contribution towards CSR is mandated if the Company fulfills any of the below criteria in a financial year, then the Company need to comply with Section 135 and the Rules made there under.

- Companies having net worth of Rs. 500 crores or more or
- Companies having turnover of Rs. 1000 crores or more or
- Companies having a Net profit of Rs. 5 crores or more

4. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Pursuant to Sub-Section 9 of Section 135 of the Act, the Constitution of the Corporate Social Responsibility Committee (CSR Committee) is not mandatory as the amount to be spent towards CSR is below the threshold limit of Rs. 50,00,000/-. Therefore, the Board shall discharge all functions of the CSR Committee.

5. CSR VISION STATEMENT

The Company intends to enhance value creation in the society and in the community in which it operates, through its products, conduct & initiatives, so as to promote sustained growth in the society and community around it along with environmental concern. The objective of this policy is to operate its business in an economically, socially & environmentally sustainable manner, while recognizing the interests of all its stakeholders and other objects of the Company.

Further, take up those programs directly or indirectly, that benefit the communities and society at large, over a period of time, in enhancing the quality of life & economic well-being of the local populace.

6. FUNDING AND ALLOCATION

For achieving its CSR objectives through implementation of meaningful & sustainable CSR programs, the Company shall allocate 2% of average Annual Profit for the preceding three financial years, as its annual CSR Budget.

The surplus arising out of the CSR activities if any, shall be reinvested into CSR initiative only, and shall not form the part of business profit. And such surplus shall

be in addition to the 2% (as specified above) as allocated by the Company every year for the annual CSR budget.

Unspent CSR amount, if any, shall be transferred to separate account in accordance with the applicable CSR Rules from time to time.

7. CSR ACTIVITIES

Company shall undertake CSR activities for development of the society and the environment, particularly in the vicinity of the areas where the facilities of the company are located.

A. The company shall undertake such activities which are broadly related to any of the following:

- (i) eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and 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, agroforestry, conservation of natural resources and maintaining quality of soil, air and water;
- (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 arts and handicrafts;
- (vi) measures for the benefit of armed forces veterans, war widows and their dependents;
- (vii) training to promote rural sports, nationally recognized sports, paralympic sports and Olympic sports;
- (viii) Contribution to the Prime Minister's National Relief 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) contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
- (x) Rural development projects.

B. The company may also contribute to the following funds as part of CSR activities:

- (i) Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.
- (ii) Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga;
- (iii) 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 schedule caste, tribes, other backward classes, minorities and women;
- (iv) 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;
- (v) 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).

The above areas as enshrined in Schedule VII to the Act and included in this policy aims to provide macro areas in which CSR projects should be undertaken by the company. The Board should consider details of CSR projects as elaborated in the annual action plan for each financial year.

Any CSR activity proposed to be undertaken as a CSR initiative, but not specifically covered in the aforesaid, may be undertaken only with the prior approval of the Board.

8. ROLE OF THE BOARD OF DIRECTORS WITH RESPECT TO CSR

- a) To formulate and approve the CSR policy indicating the activities to be undertaken by the company in areas or subject specified in Schedule VII to the Act.
- b) To recommend the amount of expenditure to be incurred on the activities referred to in clause (a).
- c) To formulate and approve an annual action plan in pursuance of CSR Policy covering the following aspects:
 - (i) the list of approved CSR projects or programs to be undertaken in areas or subjects specified in Schedule VII to the Act;
 - (ii) the manner of execution of such projects or programs as specified in rule 4(1) of CSR Rules;
 - (iii) the modalities of utilisation of funds and implementation schedules for the projects or programs
 - (iv) monitoring and reporting mechanism for the projects or programs; and
 - (v) details of need and impact assessment, if any, for the projects undertaken by the company
- d) Review the CSR report to be included in the Board's report.
- e) Review any amendments to be made in the CSR policy of the Company from time to time.
- f) To carry such other functions as may be required relating to CSR activities of the company

9. BOARD'S RESPONSIBILITY

The Board of Directors is required to approve the CSR Policy.

The Board shall make sure that:

- (i) The Activities included in CSR Policy are related to activities included in Schedule VII of the Act;
- (ii) The Activities as included in CSR Policy are undertaken by the Company;
- (iii) In case the unspent amount does not relate to any ongoing project, unspent amounts to be transferred to a Fund specified under Schedule VII within a period of six months of the expiry of the financial year;
- (iv) In case the unspent amount relates to any ongoing project subject to fulfilling of prescribed conditions, unspent amounts to be transferred by the company 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;
- (v) Such amount kept in the special bank account 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, within a period of thirty days from the date of completion of the third financial year.
- (vi) If CSR spending exceeds 2% of average net profits of company made during preceding three financial years, the excess amount shall be carried forward and set off against CSR spent, required in subsequent three financial years.

10.DISCLOSURES IN BOARD'S REPORT

The Board's Report shall disclose;

- (i) The CSR Policy as approved by the Board.
- (ii) That if a Company fails to spend 2% of average net profits, it shall state the reason for the same and make such disclosure as prescribed under the Companies Act, 2013.
- (iii) The annual report on CSR activities to be annexed to Board Report

11.IMPLEMENTATION

General points:

The Company can implement its CSR activities through:

- Programs undertaken by the Company at various work centers to the best possible extent.
- Its own non-profit foundations/company (incorporated under Section 8 of the Act) so as to facilitate this initiative.
- a registered trust or a society/agency;

Provided that such specialized trust or society/agency; shall have a track record of three years in undertaking similar programs or projects;

- the process of collaborating or pooling with other companies for undertaking projects or programs or CSR activities in such manner that the CSR Committees or the Board of Directors of the respective companies are in a position to report separately on such projects or programs in accordance with these rules.
- The CSR programs or activities undertaken in India only shall amount to CSR Expenditure

Provided that, the Company has specified the project or programs to be undertaken through these entities, the modalities of utilization of funds on such projects and programs and the monitoring and reporting mechanism.

12.MONITORING AND FEEDBACK

Effective steps to be implemented:

- ✓ To ensure effective implementation of the CSR programs undertaken at each work center, a monitoring mechanism will be put in place by the Board. The progress of CSR programs under implementation would be reported to the corporate office on a monthly basis.
- ✓ Appropriate documentation of the Companies CSR Policy, annual CSR activities, executing partners, and expenditure entailed will be undertaken on a regular basis.
- ✓ The CSR policy and their progress will also be reported in the yearly Annual Report and Board's report of the Company.

- ✓ The Board shall give a responsibility statement that implementation and monitoring of the CSR Policy is in compliance with CSR objectives and policy of the Company.

13.AMENDMENT OF CSR POLICY

The CSR policy of the company may be amended at any time by the board of the company.