

DEMURIC HOLDINGS PRIVATE LIMITED

Regd. Off : Shed A 2/1, G. I. D.C., Vapi, Gujarat – 396 195
Admn. Off : C/o Kanta Niwas, C. D. Marg, Madhu Park, 11th Road, Khar (w), Mumbai - 52.
Tel No.0260-2414200/ 68568000 Fax Nos. 2604 1010/0303
Email-info@demuric.com Website- www.demuric.com
CIN: U46201GJ1986PTC027312

CORPORATE SOCIAL RESPONSIBILITY POLICY

This policy has been instituted based on the Corporate Social Responsibility (CSR) philosophy of **Demuric Holdings Private Limited** and provisions of Section 135 of the Companies Act, 2013, read with Schedule VII of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended from time to time and the notifications and circulars issued in this regard by the Ministry of Corporate Affairs or Central Government of India from time to time and approved by Board of Directors ('the Board') of Demuric Holdings Private Limited (the Company), at its meeting held on 19th January, 2024.

Unless the context otherwise requires, the definitions mentioned in the notification dated February 27, 2014 and Companies Act 2013, shall apply to this CSR Policy.

COMPANY PHILOSOPHY FOR CSR POLICY:

Companies Act, 2013 has formally introduced CSR as a mandatory provision by imposing statutory obligation on Companies to take up CSR projects towards social welfare activities. This has made India the only country which has regulated and mandated CSR for some select categories of companies registered under the Act. This CSR Initiative will push the nation towards achievement of sustainable development goals in transforming India. By introducing the separate section for CSR in Companies Act, 2013, the Government has given legal recognition to their community development approach. The management of the Company expresses its willingness and support to the CSR concept, its legal framework and shall be abided to it.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

Every company on which CSR is applicable is required to constitute a CSR committee of the Board. Pursuant to the provisions of sub-section (9) of Section 135 of the Companies Act, if the amount to be spent by a Company under sub-section (5) of Section 135 does not exceed fifty lakh rupees, the requirement under Sub-Section (1) for constitution of the Corporate Social Responsibility Committee shall not be applicable and the functions of such Committee provided under this section shall, in such cases, be discharged by the Board of Directors of such Company. The Board of the Company may re-constitute the Committee, as and when required to do so, by following the sections, sub-sections, rules, regulations, notifications issued or to be issued, from time to time, by the Ministry of Corporate Affairs or the Central Government of India.

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CRS ACTIVITIES:

Pursuant to section 135 of the Companies Act, 2013 Schedule VII and other applicable rules, regulations, notifications etc., issued by the Ministry of Corporate Affairs or the Central Government of India, the Board has approved the following activities as “CSR Activities” to be undertake under the CSR policy of the Company.

APPROVAL OF CSR ACTIVITIES:

1. Promoting preventive healthcare and sanitation to the public;
2. Promoting education, including primary, secondary and higher secondary education, as well as special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects;
3. Projects, Activities, Programmes relating to conservation of natural resources including renewable energy sources;
4. Projects, Activities, Programmes relating to water conservation and maintaining quality of soil, air, and water;
5. Promoting Gender equality and empowerment of women;
6. Community Health- Innovation projects to meet local needs. Reaching out with basic health care to all (bridging the gap);
7. Sustainable livelihood Projects – Holding hands of all marginalized group to improve livelihood opportunity, thus improving their quality of life;
8. Rural Infrastructure Development- Need based quality infrastructure to improve quality of life;
9. Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government or the State Governments for socio-economic development and relief and welfare of the societies;
10. Disaster management, including relief, rehabilitation and reconstruction activities;
11. Measures for the benefit of armed forces veterans, war widows and their dependents;
12. Training to promote rural sports, nationally recognized sports and Paralympics sports and Olympic sports;

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13. Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources, plantation of trees, maintain green belts across the road, maintaining quality of soil, air and water including contribution to lake cleaning initiative to begin with by collaborating with local government, private agencies, semi government bodies, installing air purifier in local and government hospitals.

BUDGET FOR CSR ACTIVITY & CSR EXPENSES:

The Company shall allocate the budget for CSR activities. The minimum budgeted amount for a financial year shall be 2% of the average net profit of three immediate preceding financial years. The Board shall calculate and approve the total fund to be utilized for CSR activity for respective financial year. If the prescribed CSR expenditure is not spent in the financial year, the reasons thereof shall be outlined in the Board Report.

CSR expenditure shall include all expenditure including contribution to corpus for projects or programs relating to CSR activities approved by the Board but does not include any expenditure on an item not in conformity or not in line with activities which fall within the approved CSR activities.

The company shall ensure that the administrative overheads shall not exceed 5% of total CSR Expenditure of the Company for each financial year. Further, if the Company is required to undertake impact assessment, then such expenditure can be booked towards Corporate Social Responsibility for a given financial year, which shall not exceed five percent of the total CSR expenditure for a given financial year or fifty lakh rupees, whichever is less.

TREATMENT OF UNSPENT/ EXCESS AMOUNTS IN RESPECT OF ACTIVITIES AND SURPLUS ARISING OUT OF CSR ACTIVITIES:

In case the unspent amount pertains to an ongoing project, such amount shall be transferred to the Unspent CSR Account of the Company within 30 days from the end of the financial year, further such amount remaining unspent for a period of 3 years, shall be transferred to the funds specific in Schedule VII within 30 days from the end of the third financial year, and

In case the unspent amount does not pertain to an ongoing project, such amount shall be transferred to the funds specified in Schedule VII within 6 months from the end of the Financial Year.

Any surplus generated from CSR activities shall not form a part of the business profit of the Company.

In case the Company spends an amount in excess of the prescribed CSR obligations in a financial year, such excess amount may be set off against the requirement of CSR spending upto immediate succeeding three financial years

IDENTIFICATION OF ACTIVITIES /PROJECTS:

Out of approved CSR activities, the Board shall decide which activity / project should be given priority for the respective financial year. While arriving at the decision of the activity to be undertaken for the respective year, the Board shall analyse the basic need of the community/ area in which the Organisation operates or at the place where its registered office is situated. The Board shall record its findings and prioritise the CSR activities. Implementation process: After prioritizing the activity the Board shall finalise the detail implementation project/programme, including planning for expenses

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against the total budget allocated for CSR activities.

ORGANIZATIONAL RESPONSIBILITY/ IMPLEMENTATION:

- 1). The Company shall undertake its CSR Activities directly itself or through Implementing Agencies and/in such manner as may be prescribed under the CSR Legal Framework. Such Implementing Agency shall be either:
 - (a). A company under Section 8 of the Act, or a registered public trust or registered society established by the Company either singly or along with other Company and has valid registration under section 12A and 80G of the Income Tax Act, 1961.
 - (b). A Company established under Section 8 of the Act, registered trust or registered society, established by the Central or State Government.
 - (c). Any entity established under an Act of Parliament or State Legislature.
 - (d). A Company under Section 8 of the Act registered public trust or registered society with a valid registration under section 12A and 80G of the Income Tax Act, 1961 with a track record of at least 3 years in undertaking similar activities.
- 2). The Company may also collaborate with other companies to undertake CSR Activities in such a manner that each company is in a position to report separately on such CSR projects.
- 3). The Board of a Company shall satisfy itself that the funds so disbursed have been utilized for the purposes and in the manner as approved by it and the person responsible for financial management shall certify to the effect.
- 4). The Company may engage international organizations for designing, monitoring and evaluation of the CSR projects or programmes as the CSR Committee and/or the Board may deem fit as well as for capacity building of the own personnel for CSR.

At organizational level for implementation of agreed CSR activity, the Board may constitute an implementation team or authorize any of the Department of the Company to organize for the implementation of the CSR activity. The team or respective department shall monitor the implementation process from time to time, on behalf of the Board and place a report to the Board regarding the progress of the activity implementation, on a yearly basis. The respective department or implementation team would be responsible for reporting of any irregularity to the Board on immediate basis.

MONITORING BY THE BOARD:

The Board shall constantly monitor the implementation of the CSR activities. The Board shall review a progress report / implementation process, including details of expenses, on yearly basis.

COMPLIANCE AND REPORTING TO BOARD:

The Board is responsible to undertake CSR activities as per the approved CSR Policy. Apart from yearly review of the progress report / implementation process, including details of expenses, a detail report containing the implementation schedule, total budget allocated, actual expenses incur, surplus arising, if any, result achieved, further work to do in the concern CSR activity, CSR activities to be

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undertaken for next year etc. should be placed before the Board for its consideration. Any surplus arising out of the fund allocated for CSR activity shall not be the part of the business profit of the Company.

MANAGEMENT COMMITMENT:

The Board, the Management of the Company and all employees subscribe to the philosophy of compassionate care. The Company believes and acts on an ethos of generosity and compassion, characterized by a willingness to build a society that works for everyone. This is the cornerstone of the CSR policy. The Corporate Social Responsibility policy of the Company conforms to the relevant section of the Corporate Social Responsibility, Rules made under Companies Act, 2013 and amendment(s) to be made thereto in future from time to time.

REPORTING:

- (i) The Board's report shall include an annual report on CSR (containing particulars as required under the CSR Regulations), projects, programs and activities undertaken by the Company in the relevant financial year.
- (ii) The Board shall provide a responsibility statement on the implementation and monitoring of the CSR Policy and that it is in compliance with CSR philosophy of the Company and such statement shall form part of the Board's Report.
- (iii) If the Company fails to spend the prescribed amount on CSR activities, the Board's Report shall specify reasons for not spending the amount.
- (iv) This policy shall be disclosed on the website on the Company.

EFFECTIVE DATE:

The Policy shall be effective from the date of approval of the Board of Directors of the Company, i.e., 19th January, 2024.

AMENDMENTS:

The Policy may be reviewed and amended from time to time by the Board.

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