



Corporate Social Responsibility Policy

1. Purpose

The Corporate Social Responsibility Policy ("CSR Policy") of Duroply Industries Limited ("the Company") has been formulated and approved by the Board of Directors at its meeting held on May 19, 2023.

This policy aims to contribute towards sustainable development of the society and environment to make planet a better place for future generations. The philosophy of CSR is imbibed in our business activities and social initiatives taken in the areas of education, sports, etc.

The CSR Policy is formulated in accordance with the provisions of section 135 of the Companies Act, 2013 and rules made thereunder and other applicable laws to the company.

2. Effective Date

This policy shall be effective from the beginning of financial year 2023-24.

3. Definitions

- (i) "Act" means the Companies Act, 2013.
- (ii) "Board of Directors" or "Board" means the collective body of the directors of the company.
- (iii) "CSR Committee" means Corporate Social Responsibility Committee constituted by the Board of Directors of the company.
- (iv) "CSR Policy" means CSR Policy of Duroply Industries Limited
- (v) "CSR Rules" means the Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended from time to time
- (vi) "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.



4. CSR Committee

CSR Committee was constituted by the Board of Directors on May 19, 2023 with following functions assigned:

- a) To recommend the amount of expenditure to be incurred on the activities as per Schedule VII;
- b) To formulate and recommend 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;
- c) To review the progress of CSR initiatives undertaken by the Company.
- d) To monitor the implementation of the CSR Policy of the Company from time to time.
- e) To approve the Annual Report on CSR activities to be included in Board's Report and certificate submitted by the Chief Financial Officer.
- f) To review and take note of the impact assessment report obtained by the Company, if applicable, from time to time.
- g) Recommend changes to the Board, if any, needed in the annual action plan with reasonable justification to that effect.
- h) Any other matter/thing as may be considered expedient by the members in furtherance of and to comply with the CSR Policy of the Company.

The CSR Committee should recommend the approach and direction of CSR activities to be undertaken by the company and also provide Guiding principles for:

- a) Selection of CSR projects / programmes / activities
- b) Implementation of CSR projects / programmes / activities
- c) Monitoring of CSR projects / programmes / activities
- d) Formulation of the annual action plan



5. 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.

The Company shall identify projects / activities from time to time for CSR activities to be carried out by the Company from the areas specified under Schedule VII of the Companies Act, 2023.

CSR activities / initiatives by the Company will essentially focus on the following core areas such as Education, Sustainable Development, Healthcare, Community Development and other philanthropic and humanitarian activities.

6. Exclusions

The following activities will not be considered as CSR activities, in accordance with the provisions of the Act and the Rules -

- i. Any CSR projects and programs that are implemented by the Company for benefit of the employees of the Company.
- ii. The CSR activities implemented outside India also fall outside the purview of CSR Rules, except for training of Indian sports personnel representing any State or Union territory at national level or India at international level.
- iii. Any amount contributed, directly or indirectly, to any political party or for any political purpose.
- iv. Activities that are undertaken by the Company in pursuance of its normal course of business.
- v. Activities supported by the Company 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.

7. Annual Action Plan

The CSR Committee shall formulate and recommend to the Board an annual action plan which shall include the following:

- a) the list of CSR projects or programmes that are approved and to be undertaken by the company



- b) the manner of execution of such projects or programmes
- 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;
- e) details of need and impact assessment, if any, for the projects undertaken by the company.

The Board of Directors are empowered to alter the annual action plan during the financial year, if so recommended by the CSR Committee, based on the reasonable justification for such change.

8. CSR Spending

The Company to ensure that minimum 2% of average net profit of the Company for immediately preceding three financial years ("CSR Expenditure") is spent on CSR activities approved by the Board. The net profit is to be calculated as per the provisions of section 198 of the Act.

Also, the net profit so calculated shall not include the following, namely;

- Any profit arising from any overseas branch(es) of the company, whether operated as separate company or otherwise; and
- Any dividend received from other companies in India, which are covered under and complying with the provisions of section 135 of the Act.

Any surplus arising and/or additional revenue generated out of CSR activities undertaken by the Company shall not form part of the business profit of the Company and same shall be spent for undertaking any CSR activities only.

Where the Company spends an amount in excess of requirement provided under sub-section (5) of section 135 , such excess amount may be set off against the requirement to spend under sub-section (5) of section 135 up to immediate succeeding three financial years subject to the conditions that –

- a. the excess amount available for set off shall not include the surplus arising out of the CSR activities, if any, in pursuance of sub-rule (2) of this rule.
- b. the Board of the company shall pass a resolution to that effect.

The CFO shall monitor the utilization of funds for the purposes set forth and certify to this effect.



9. Ongoing projects and unspent amounts

The amount remaining unspent as at the end of the financial year will be required to be transferred by the Company to the Fund specified under Schedule VII within six months from the end of the financial year and reasons for the amounts remaining unspent shall be required to be disclosed by the Company in the Board Report.

In case the unspent amounts relates to an ongoing project, the same should be transferred to a separate bank account opened by the Company in the name of Unspent CSR account within 30 days from end of the financial year

10. Mode of implementation

CSR programs, projects or activities of the company should be implemented through following methods:

- Directly by the company;
- Implementing Agencies;
- Any foundation or body incorporated by the company and eligible to undertake such CSR projects.
- In collaboration with other organizations/group companies

While the company can engage suitable Implementing Agencies to undertake approved CSR projects, it can also partner with local governance bodies, such as Gram Panchayats, Civic Bodies, Municipality to directly undertake approved CSR projects with the help and support of these bodies.

11. Need and Impact Assessment

The Company shall be required to conduct impact assessment of the CSR projects undertaken by it if –

- (i) The average target spending in each of the three financial years amounts to Rs. 10 crores or more.
- (ii) The minimum outlay of the project is Rs. 1 crore or more.

The impact assessment shall be done by an independent external agency appointed by the Board.



The report of impact assessment shall be reviewed and recommended by the CSR Committee, post which the same shall be approved and adopted by the Board of the Company.

The expenditure incurred in impact assessment may be booked towards the CSR Expenditure of the Company for that financial year upto the higher of 2% of the total CSR Expenditure for that financial year or Rs. 50 lacs.

A summary of impact assessment outcome shall be disclosed in the Board's Report.

12. Capital Assets

Capital asset acquired or created by CSR projects should be held by the beneficiaries of the said CSR project or a trust or a public authority for the benefits of all. The company should take appropriate measure to ensure that such assets are utilized for the purpose it was meant for and should not be transferred or disposed off without prior permission of the company.

13. Information dissemination

CSR Policy and activities undertaken shall be disseminated on website for public access and shall be published in the Annual Report of the company in the format prescribed under the Act and CSR Rules.

14. Review and Amendment

The CSR Committee shall be fully responsible for the monitoring and review of the implementation of this policy in accordance with applicable laws 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 Government, from time to time. The CSR Committee shall provide recommendations as and when it deems necessary to the Board so as to amend/ modify/ revise the CSR Policy.