EMMBI INDUSTRIES LIMITED

Building responsibly. Operating sustainably.

Corporate Social Responsibility Policy

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CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

(Pursuant to Section 135 of the Companies Act, 2013, the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended, and the Companies (CSR Policy) Amendment Rules, 2021 and subsequent amendments)

1. CONCEPT

Emmbi Industries Limited (the "Company") is committed to operating and growing its business in a socially responsible way. The Company recognizes that its business activities have an impact on the society in which it operates, and therefore an effective practice is required giving due consideration to the interests of its stakeholders including shareholders, customers, employees, suppliers, business partners, local communities, and other organisations. The Company is committed to aligning with nature and has adopted eco-friendly practices.

2. OBJECTIVES

"Corporate Social Responsibility" (CSR) means and includes but is not limited to:

- Projects or programmes relating to activities specified in Schedule VII to the Companies Act, 2013, as amended from time to time; or
- Projects or programmes relating to activities undertaken by the Board of Directors of the Company in pursuance of recommendations of the CSR Committee of the Board as per the declared CSR Policy of the Company, subject to the condition that such policy will cover subjects enumerated in Schedule VII of the Act.

3. CSR ACTIVITIES

Emmbi Industries Limited shall undertake any one or more of the following activities under its CSR programme, directly or through the Emmbi Foundation (Registered Trust) or such other implementing agency as permitted under the Act and CSR Rules:

- Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swachh Bharat Kosh set up by the Central Government for the promotion of sanitation and making available safe drinking water;
- Promoting education, including special education and employment-enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
- Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
- 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 including contribution to the Clean Ganga Fund set up by the Central Government for rejuvenation of river Ganga;
- 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;
- 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;
- Training to promote rural sports, nationally recognised sports, Paralympic sports and Olympic sports;

- 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;
- (a) 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 (b) 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 Defence 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);
- Rural development projects;
- 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;
- Disaster management, including relief, rehabilitation and reconstruction activities;
- Any other activities as may be included in Schedule VII to the Companies Act, 2013 by any amendment made from time to time by the Central Government.

4. IMPLEMENTATION OF CSR ACTIVITIES

The Company may undertake its CSR activities, approved by the CSR Committee, through the following modes as permitted under the Companies (CSR Policy) Rules, 2014, as amended:

- Directly by the Company itself;
- Through Emmbi Foundation (a registered trust established by the Company);
- Through a company established under Section 8 of the Companies Act, 2013, 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;
- Through public authorities;
- In collaboration with other companies for undertaking CSR activities, provided such activities are approved by the respective Boards of Directors.

The surplus arising out of CSR activities, projects, or programmes shall not form part of the business profit of the Company and shall be ploughed back into the same project, transferred to the Unspent CSR Account, or transferred to a Fund specified in Schedule VII within the prescribed timelines.

5. QUANTUM OF CSR INVESTMENT

Pursuant to Section 135(5) of the Act, the Company shall spend, in every financial year, at least two percent (2%) of the average net profits of the Company made during the three immediately preceding financial years, or where the Company has not completed the period of three financial years since its incorporation, during such immediately preceding financial years, in pursuance of its CSR Policy.

Any amount remaining unspent at the end of a financial year:

- Amount NOT relating to ongoing projects: The Board shall specify the reasons for not spending in the Board's Report and transfer such unspent amount to a Fund specified in Schedule VII within a period of six months from the expiry of the financial year.
- Amount relating to ongoing projects: To be transferred by the Company within thirty (30) days from the end of the financial year to the 'Unspent Corporate Social Responsibility Account' opened for that financial year in a scheduled bank. Such amount shall be spent by the Company within three financial years from the date of such transfer, failing which it shall be transferred to a Fund specified in Schedule VII within thirty days from completion of the third financial year.

Administrative overheads of up to five percent (5%) of the total CSR expenditure of the Company for the financial year are permitted.

Any surplus arising out of CSR activities shall be prohibited from forming part of business profits of the Company.

If the Company spends an amount in excess of the requirement, such excess amount may be set off against the CSR spending obligation up to the immediately 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 CSR activities; and (b) the Board of Directors shall pass a resolution to that effect.

The Company shall also ensure that the CSR activities are not undertaken in the normal course of business and the activities do not benefit only the employees of the Company and their families.

6. CSR REGISTRATION

The Company shall, if required, obtain CSR Registration from the Central Government in Form CSR-1 as prescribed under the Companies (CSR Policy) Rules, 2014, as amended. The Company shall also ensure that any implementing agency through which it undertakes CSR activities is registered or has a valid CSR registration number, where mandatory under the applicable rules.

7. LOCATION OF CSR ACTIVITIES

The CSR Committee will decide on the locations for CSR activities. CSR activities may be carried out in India. Contribution of any amount, directly or indirectly, to any political party under Section 182 of the Act shall not be considered as CSR activity.

8. CSR COMMITTEE

The CSR Committee shall be constituted with the following members of the Board of Directors of the Company:

Name	Designation
Mr. Lalit Shah	Chairman
Mr. Nitin Alshi	Member
Mrs. Rinku Appalwar	Member
Mr. Nimesh Mehta	Member

The Board of Directors of the Company may re-constitute the Committee as and when required 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.

9. RESPONSIBILITIES OF THE COMMITTEE

The responsibilities of the CSR Committee include:

- Formulating and recommending to the Board the CSR Policy and indicating the activities to be undertaken;
- Recommending the amount of expenditure to be incurred on the CSR activities specified in Schedule VII of the Act;

- Monitoring the CSR activities of the Company from time to time;
- Preparing a transparent monitoring mechanism for ensuring implementation of the projects, programmes, and activities to be undertaken by the Company;
- To amend the CSR Policy of the Company from time to time as may be required;
- To carry out any other function as mandated by the Board from time to time.

10. MONITORING AND REPORTING

Periodic monitoring and reporting will be done by the Emmbi representatives and/or Emmbi Foundation, to the best extent possible, and they shall report findings to the CSR Committee periodically.

The Board of Directors shall ensure that the Annual Report of the Company contains a disclosure on CSR as specified in Annexure II to the Companies (CSR Policy) Rules, 2014, as amended, covering details of the amount spent, activities undertaken, manner of undertaking activities, and reasons for not spending (if any).

In case the Company has undertaken impact assessment for CSR projects of Rs. 1 crore or more (or such threshold as may be prescribed), the same shall be conducted through an independent agency and disclosed as per applicable rules.

11. AMENDMENT AND REVIEW OF POLICY

This Policy shall be reviewed by the CSR Committee and the Board of Directors at least once every three years or as and when required to align it with amendments to the Companies Act, 2013, the Companies (CSR Policy) Rules, 2014, or any other applicable law, notification, or circular issued by the Ministry of Corporate Affairs from time to time. Any amendments to this Policy shall be approved by the Board of Directors.