

Annexure - IIB

DLECTA FOODS PRIVATE LIMITED

CORPORATE SOCIAL RESPONSIBILITY POLICY

In conformity with requirements laid down under The Companies (Corporate Social Responsibility Policy) Rules, 2014 (hereinafter referred to as "the CSR Rules") issued by the Ministry of Corporate Affairs ("MCA"), under Section 135 of the Companies Act, 2013 ("the 2013 Act") a CSR Policy, was adopted by the Board of Directors on 07th December, 2021.

The composition of the said Committee comprises of three directors viz. Mr. Deepak Jain, Mr. Vijay Rathi and Mr. Devendrakumar Ramratan Garg.

1. OBJECTIVE

The Objectives of the CSR Policy will be as follows:

- i) To carry out CSR activities in an economically, socially and environmentally sustainable manner that is transparent and ethical.
- ii) To ensure the implementation of CSR initiatives in letter and spirit through appropriate procedures and reporting.
- iii) To create opportunities for employees to participate in socially responsible initiatives.

2. OUR VISION

Our vision is - "to contribute to the social and economic development of the weaker sections of society and involve ourselves in activities which will build better and sustainable way of life, giving scope for human development."

3. SCOPE

This Policy shall apply to all CSR projects/programmes/activities in accordance with the provisions of Section 135 of the Companies Act, 2013, Schedule VII of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014 ("the Rules"), as amended from time to time

To pursue CSR programmes primarily in areas that falls within the economic vicinity of Company's operations to enable close supervision and ensure maximum development impact. Community around the Company expects employment, development of infrastructure, care for the environment, educational institutions and other developmental activities from the Company operating around them. Beneficiaries of CSR activities develop a positive attitude towards the Company and help in promoting the brand value or goodwill of the Company.

Volunteering for projects that address the felt need of those areas in which Company operates while adhering to the core CSR objectives and plans. Any other Project / activity not falling within the ambit of the Act under Schedule VII, will not be considered as a CSR Project /activity and the amount spent therein will not be accounted for CSR Expenditure of the Company.

4. DEFINITIONS

4.1. "CSR" means and includes but is not limited to: -

- (i) Projects or programs relating to activities specified in Schedule VII to the Act; or
- (ii) Projects or programs relating to activities undertaken by the board of Directors of the company (Board) subject to the condition that such Projects will cover subjects enumerated in Schedule VII of the Act.

4.2. "CSR Committee" means the CSR Committee of the Board referred to in Section 135 of the Act.

4.3. "CSR Policy" relates to the activities to be undertaken by the Company as specified in Schedule VII to the Act and the expenditure thereon, excluding activities undertaken in pursuance of normal course of business of a Company and as may be amended from time to time.

4.4. "Net Profit" means the net profit of the Company as per its financial statement prepared in accordance with applicable provisions of the Act (Section 198), but shall not include the following namely :-

- (i) Any profit arising from any overseas branch or branches of the Company, whether operated as a separate Company or otherwise and

- (ii) Any dividend received from other companies in India, which are covered under and complying with the provisions of Section 135 of the Act

Provided that net profit in respect of a financial year for which the relevant financial statements were prepared in accordance with the provisions of the Companies Act, 2013 shall not be required to be re-calculated in accordance with the provisions of the Act.

4.5. Administrative overheads mean 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;

4.6. Ongoing Project means a multi-year project undertaken by the 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 of Directors based on reasonable justification.

5. BUDGET & APPROVAL

The budgetary allocation for CSR Projects/activities for the year will be based on the profitability of the Company. The budget allocation for the CSR Projects will be minimum 2% of the Average Net Profits of the Company made during the three immediately preceding financial years.

The Board is the Competent Authority for approving the policy on Corporate Social Responsibility of the Company.

6. CSR ACTIVITIES & GUIDING PRINCIPLES

The Policy recognizes that CSR is not merely compliance; it is a commitment to support initiatives that measurably improve the lives of underprivileged by one or more of the following focus areas as notified under Section 135 of the Act and Companies (Corporate Social Responsibility Policy) Rules 2014:

- i. Eradicating hunger, poverty and malnutrition, promoting 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;

- 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 centres 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 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 arts and handicrafts;
- vi. Measures for the benefit of Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows.
- vii. Training to promote rural sports, nationally recognized sports, sports and Olympic 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) 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 (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 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 ("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. Contribution made to State Disaster Management Authorities to combat COVID-19 or other Pandemics of similar nature.

The above list is illustrative not exhaustive. All activities under the CSR activities should be environment friendly and socially acceptable to the local people and Society.

7. UNDERTAKING CSR ACTIVITIES

The Company will undertake its CSR activities (being projects / programs / other permitted activities), either directly or through such other eligible entity / organization as approved by the Board of Directors.

The surplus arising out of the CSR activities shall not form part of the business profit of the Company. Such surplus shall be spent towards its CSR activities in accordance with this policy.

Identification and implementation of multi-year CSR projects / programs ("**Ongoing Projects**") will be monitored by the Board of Directors of the Company ("**the Board**"), as required under Applicable Law.

8. IMPLEMENTATION PROCESS

Education, Environment, Health care and Sustainable Livelihood are most basic requirements and needs of the all sections of the society. To ensure that these requirements reach each and every section of the society is a responsibility of society as a whole. In most of the places, the weaker section of the society always gets deprived of at least one of the above basic necessities. Accordingly, the Company is willing to contribute and perform its CSR in a way which will enhance the possibilities of meeting these requirements of each member of the weaker section of the society.

In order to adhere to its CSR, the Company is exploring various **eligible organizations** that are working towards upliftment of the weaker sections of the Society. The Company proposes to fulfill its CSR in following manner:

In Education, our endeavour is to contribute to:

- Academic education by way of financial assistance to Primary, Middle and Higher Secondary Schools
- Organizations providing education to weaker sections
- School specifically meant for girl child
- Schools for Blind people
- Schools for Handicaps
- Orphanage Houses

In Environment our endeavour is to contribute to:

- Pollution Control
- A forestation, Social Forestry, Check Dams, Park.

In Health Care our endeavour is to contribute to:

- Primary health care centres
- Mother and Child care projects
- Blood donation camps
- Camps for visually impaired and physically challenged people
- Social evils like alcohol, smoking, drug abuse etc.

In Sustainable Livelihood our endeavour is to contribute to:

- Organizations providing better livelihood to weaker sections.

- Organizations promoting women empowerment
- Projects undertaking agriculture development

9. CSR MONITORING AND REPORTING FRAMEWORK

The Board of Directors shall monitor the implementation of the CSR Policy through periodic reviews of the CSR activities.

The respective CSR personnel will present their annual budgets along with the list of approved CSR activities conducted by the Company to the Board of Directors together with the progress made from time to time as a part of the evaluation process under the monitoring mechanism.

10. CSR ANNUAL ACTION PLAN AND LOCATION OF CSR EFFORTS:

The Board of Directors shall decide on the locations for CSR activities and formulate approve CSR annual action plan, which shall contain all matters which are required under Applicable Law and any other matters as the Board of Directors may deem fit from time to time.

The Board may modify the annual action plan at any time during the financial year, based on reasonable justification.

11. CSR EXPENDITURE

The CSR activities undertaken in India only shall amount to CSR Expenditure.

CSR Expenditure shall include all expenditure including contribution to corpus for 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 purview of Schedule VII of the Act.

12. CSR FUNDING AND ALLOCATION

➤ Annual CSR Spends

The company is committed to spend 2% of its average net profits made during the immediately preceding three financial years on CSR activities every financial year. If during any financial year the company spends an amount in excess of 2% of its average net profits, the same will be considered as excess CSR spends for the financial year and will be set-off in

the immediately succeeding three financial years subject to fulfillment of conditions prescribed under the 2013 Act and the CSR Rules, if the Board decides to do so.

➤ **Limits on CSR spends**

Administrative overheads on CSR activities will not exceed 5% of total CSR spends in any financial year. Total spends incurred on conducting mandatory Impact Assessment Studies of CSR projects will not exceed 5% of total CSR spends of the company for a financial year or Rs. 50 Lacs, whichever is less. The company shall not acquire any capital asset out of its CSR spends. In case it does, the said capital asset will be held by Implementing Agency/ Beneficiaries of the Project/ Public Authority, in the manner specified in the 2013 Act and the CSR Rules.

➤ **Unspent CSR amount:**

For an ongoing project, if any amount budgeted to be spent for the year remains unspent, then such an unspent amount will be allocated towards such ongoing project for spending in any of the three succeeding financial years and will be transferred to the Unspent Corporate Social Responsibility account opened with a scheduled bank by the Company within 30 days from the end of the financial year. For other projects, such amount will be transferred to a fund specified in Schedule VII within 6 months of the expiry of the financial year.

➤ **Excess CSR spends:**

If in any financial year the company spends on CSR activities in excess of the obligated 2% of average net profits, the Board may decide to set-off the same in the immediately succeeding three financial years, subject to conditions prescribed under the 2013 Act and the CSR Rules.

➤ **'Income' or 'Surplus' arising out of CSR activities:**

'Income', or 'Surplus', if any, arising out of CSR activities, shall not form part of company's business profits and shall be ploughed back in the same CSR project or transferred to "Unspent CSR Account" and spent in pursuance of CSR Policy and the Annual Action Plan on CSR activities.

13. CSR REPORTING

The Board Report of a Company shall include an Annual Report on CSR containing particulars specified in Annexure to the CSR Rules as per the prescribed format.

14. AMENDMENTS TO THE POLICY

The Board of Directors on its own can amend its policy as and when required deemed fit. Any or all provisions of CSR Policy would be subjected to revision/amendment in accordance with the regulations on the subject as may be issued from relevant statutory authorities, from time to time.
