

CONSOLIDATED PRIVATE LIMITED

Reg. Office: No.186, Bashyakarlu Road, R.S.Puram West, Coimbatore – 641002

CIN: U74999TZ2021PTC035476

Corporate Social Responsibility (CSR) Policy

CSR policy adopted vide Board Meeting dated 22/11/2022

Introduction

Corporate Social Responsibility (CSR) is a form of corporate self-regulation integrated into a business model to focus on Social Impact beyond Profits, making business work for collective good of the society. CSR policy functions focus on self-regulating mechanism whereby a business monitors and ensures its active compliance with the spirit of the law, ethical standards and international norms. CSR is a process that aims to increase responsibility for the company's actions and encourage a positive impact through its activities, on the environment, education, healthcare, drinking water, infrastructure development promoting sports, interest of consumers, employees, communities, stakeholders and all others members of the public sphere who may also be considered as stakeholders.

With due respect to the society at large, every business decision of **Consolidated Private Limited** is taken not only considering the interest of its stakeholders but also the society at large. This corporate social responsibility is reflected across all the actions of the company and its group as an employer and customer.

The Government of India has vide section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility) Rules, 2014 has brought out guidelines for Corporate Social Responsibility for due compliance by certain class of companies.

Accordingly, the company is also covered under the section 135 which states that the company has to form a CSR Committee, frame CSR Policy for spending 2% per annum on the average net profit of three immediate preceding financial years on the CSR Activities, geographical areas wherein the activities is proposed to be centered, allocation of funds for various activities, procedures for obtaining the sanction for such expenditures from the Board.

Definitions:

1. **CSR Committee:** means a Corporate Social Responsibility Committee of the Board referred to in Section 135 of the companies Act, 2013.
2. **Net Profit:** means the profit calculated as per section 198 of the companies Act, 2013 and shown in the audited annual financial statements of the company but does not include profit earned through overseas operations, either by a separate company or otherwise, and dividend received from other companies in India
3. **CSR Expenditure:** means any amount spent by the company with in the territory of India, in any financial year for the activities listed under Schedule VII of the Act.

Objectives:

The following shall be the objectives of the CSR Policy:

- To Empower underprivileged sections of the society, creating infrastructure such as study centers, library, providing necessary tools such as books, stationery etc and other means such as repair, re-construction of dilapidated school or college buildings, to improve the quality of education, make education accessible to all
- To provide vocational and skill based training to improve the livelihood of communities.
- To undertake projects that promotes Rural development & improves Rural infrastructure
- to get positioned as a responsible corporate citizen

Scope:

The scope of the CSR policy is to lay down the guiding principles to enable the CSR Committee and the Board of Directors to determine the amount of money to be allocated for the CSR expenditure in any financial year, the activities for which the amount has to be spent, allocation of funds among various CSR expenditures, the geographical areas for implementation, implementation timelines, periodicity of reporting.

Corporate Social Responsibility Committee:

The Company has constituted Corporate Social Responsibility Committee (“the Committee”) comprising of following Directors:

1. Mr. Raakesh - Chairman
2. Mrs. Dakshayini Raakesh Shetty - Member

The Board of Directors 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. The Committee shall exercise powers and perform the functions assigned to it by the Board of Directors of the Company pursuant to section 135 of the Companies Act, 2013 and CSR Rules notified with regard thereto.

CSR Activities to be covered:

The Schedule VII of the Companies Act 2013 specified a list of CSR activity to be undertaken by the companies. The CSR committee may recommend to the company the nature of the CSR activity to be undertaken for each year. The Committee is at liberty to identify the activities based on the need of the society. The Administration Department/Unit heads of the Company, may submit to the Chairman of the CSR Committee, the nature of CSR activities to be pursued from time to time based on the requirements of the area in which the establishment of the Company are situated.

Permitted CSR Activities:

- i. Eradicating hunger, poverty and malnutrition promoting healthcare including preventive healthcare and sanitation and making available safe drinking water.
- ii. Promoting education including special and employment enhancing vocation skills specifically among children, women, elderly and the differently abled and livelihood enhancement projections.
- 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 balances, protection of flora and fauna, animal welfare, agro forestry, 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, 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, para-olympic sports and Olympic sports.
- viii. Contribution to the Prime Minister's National Relief Fund or Prime Minister's Central 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 Schedule Tribes, other backward classes, minorities and women.
- ix. (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.
- xii. Disaster management, including relief, rehabilitation and reconstruction activities.

Geographical Area:

The Company shall undertake CSR activities in the states of Tamilnadu, Karnataka and Kerala, where the Company has operations currently. The geographies may be extended by the Board as the scope of operations of the company expands to other geographies or as and when necessary.

Amount to be spent:

During every financial year, the CSR Committee shall arrange to spend for the specified CSR activities, an amount which is not less than 2% of the average net profits of the immediately preceding three financial years. However, if in any financial year, for any reasons, the company is unable to spend, the reasons thereof shall be informed to the Board of Directors and the Board shall include the same in the Directors Report of the Company.

CSR Expenditure Budget:

The management shall draw CSR expenditure budget for every financial year and submit to the CSR committee for recommendation. The budget shall provide details as to activity wise expenditure and the time of expenditure spread over the financial year. The CSR Committee after deliberations may recommend, with or without modification, to the Board of Directors for approval at its first meeting to be held in each financial year. Then the company shall allocate funds as per the Board's approval.

Method of CSR Expenditure:

The Company may undertake the CSR activities directly by itself or by contributing to external agencies like established Society, Association or Charitable Trust of long standing reputation or partly by itself and partly through such Society, Association or Trusts as may be recommended by the CSR Committee approved by the Board.

Where contributions are made to an external Society, Association or Trust, the company shall obtain a Fund Utilization Certificate duly certified by an auditor and submitted to the CSR Committee.

Monitoring CSR Activities:

The Board of Directors shall constantly monitor the implementation of the CSR activities. The CSR committee shall place a progress report, including details of expenses, before the Board. The Board shall review the same and suggest recommendation, if any, to the committee with regard to the implementation process.

Compliance and Reporting to Board:

The Committee is responsible to undertake CSR activities as per the approved CSR Policy. Apart from periodical reporting to the Board about the implementation of CSR activity, a detailed report containing the implementation schedule, total budget allocated, actual expenses incurred, surplus arising, if any, results achieved, further work to be done in the concerned CSR activity, recommendation for the CSR activities for next year etc. should be placed before the Board for its consideration.

Any surplus arising out of the CSR activities shall not form part of the business profit of the company and shall be ploughed back into the same project or shall be transferred to the Unspent CSR Account and spent in pursuance of CSR policy and annual action plan of the company or transfer such surplus amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.

CSR Reporting:

The Company shall submit to the CSR Committee, the details of activities undertaken periodically at reasonable intervals. The CSR committee shall forward the report on CSR activities of the Company to the Board of Directors once in a year. The Board shall provide a report in the prescribed format on CSR activities of the Company in its Report to shareholders every year.

The company shall also post on the Company's website the contents of the CSR policy and the report of the Board of Directors of the Company on the CSR activities in the prescribed format.

Conclusion:

The policy when approved by the Board is final and will come into operation. However, the Board may on the recommendation of the CSR Committee may review and modify / change in accordance with the requirements of the Company.