



SATYAM

TMT SARIA

SHREE BALA JI PIGMENTS LIMITED

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CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

❖ BACKGROUND

Shree Bala Ji Pigments Limited (“the Company”) is committed to conducting its business in an economically, socially, and environmentally sustainable manner. This Corporate Social Responsibility (CSR) Policy has been framed in compliance with Section 135 of the Companies Act, 2013, the Companies (Corporate Social Responsibility Policy) Rules, 2014, and subsequent amendments thereto.

As per Section 135 of the Companies Act, 2013, every company having a net worth of ₹500 crore or more, turnover of ₹1,000 crore or more, or a net profit of ₹5 crore or more during the immediately preceding financial year shall constitute a CSR Committee and spend at least 2% of its average net profits of the last three financial years on CSR activities. This policy is adopted in accordance with these statutory provisions and aims to fulfil the Company's commitment towards social welfare and sustainable development.

❖ EFFECTIVE DATE

The Policy shall come into force with effect from the date of approval by the Board of Directors of the Company.

❖ APPLICABILITY

This Policy applies to all CSR activities undertaken by the Company in India in compliance with applicable laws. While priority will be given to local areas where the Company operates, the CSR initiatives may extend to other regions as deemed necessary.

❖ OBJECTIVE

- **Social Responsibility Integration:** To integrate social and environmental concerns into business operations and align them with the Company's core values.
- **Community Development:** To undertake community development initiatives with a focus on education, healthcare, and environmental sustainability, ensuring equitable access to resources and opportunities.
- **Inclusive Growth:** To promote inclusive growth by improving the quality of life, especially for underprivileged and marginalized sections of society.
- **Skill Development & Livelihood Generation:** To enhance employment opportunities by supporting vocational training and entrepreneurship programs.
- **Health & Well-being:** To improve public health infrastructure and awareness by facilitating medical camps, sanitation drives, and nutritional programs.

- Sustainable Environment: To promote ecological balance through conservation efforts, waste reduction, and promotion of renewable energy.
- Ethical Corporate Conduct: To maintain ethical corporate governance by ensuring transparency, accountability, and responsible business practices in CSR initiatives.

❖ DEFINITIONS

“Act” means the Companies Act, 2013, rules framed there under and any amendments thereto.

“Board of Directors” or **“Board”** means Collective Body of Directors of the Company.

“Company”, **“This Company”**, **“The Company”** wherever occurs in the policy shall mean ***Shree Bala Ji Pigments Limited***.

“CSR” means Corporate Social Responsibility as defined under Section 135 of the Companies Act, 2013, and related rules.

“CSR Committee” shall mean the Corporate Social Responsibility Committee constituted by the Board of the Company in accordance with the Act,

“CSR Expenditure” means the funds allocated and spent on CSR initiatives as per statutory requirements.

“Net Profit” shall mean the net profit as per the Act and Rules based on which the specific percentage for CSR Expenditure has to be calculated.

“Stakeholders” means employees, shareholders, customers, local communities, and other groups affected by the Company's operations.

“Schedule VII” means Schedule VII of the Companies Act, 2013, which outlines the areas for CSR activities.

Words and expressions used and not defined in the Policy shall have the same meanings respectively assigned to them in the Act and/or Rules.

❖ CSR COMMITTEE

Keeping in line with section 135 of the Companies Act, 2013 and the rules thereunder (hereinafter referred to as ‘the Act’), the Board of Directors of the Company is required to form a Corporate Social Responsibility Committee (hereinafter referred to as the ‘CSR Committee’) of the Board consisting of three or more directors, out of which at least one director shall be an independent director and such committee shall inter alia, carry out the following functions:

- To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company in areas or subject, specified in Schedule VII of the Companies Act, 2013 and rules made thereunder;
- To recommend the amount of expenditure to be incurred on the CSR activities;
- To monitor the Corporate Social Responsibility Policy of the Company from time to time and implementation of framework of CSR Policy;
- To carry out any other function as mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification as may be applicable or as may be necessary or appropriate for performance of its duties;

However, pursuant to sub-section (9) of Section 135 of the Act, where the amount to be spent by a Company towards CSR Expenditure does not exceed fifty lakh rupees, the requirement for constitution of the Corporate Social Responsibility Committee shall not be applicable and the functions of such Committee mentioned above shall be discharged by the Board of Directors of such Company. In such case where CSR Committee is not formed, the Board may designate a group of responsible personnel to oversee CSR activities, ensuring effective implementation and the designated CSR team shall carry out the functions as mentioned above.

❖ CSR EXPENDITURE

The Company shall spend at least 2% of its average net profit of the three immediately preceding financial years on CSR activities, in accordance with Section 135 of the Companies Act, 2013.

The CSR expenditure shall include:

- Contribution to CSR Projects which shall be implemented and/or executed by the Company in accordance with Schedule VII of the Companies Act, 2013.
- Contributions to CSR projects (including corpus contributions) implemented and/or executed by registered trusts, societies, or Section 8 companies having an established track record of at least three years in undertaking CSR activities.
- Participation in projects aligned with national priorities such as Swachh Bharat Abhiyan, Skill India, National Health Mission, or other similar initiatives.
- Funding initiatives related to rural development, infrastructure enhancement, sanitation, and healthcare.
- Funding for studies, research, and innovation projects that aim to provide scalable solutions for social issues.

As per the Companies (CSR Policy) Rules, 2014, the following shall not be considered as CSR expenditure:

- Activities undertaken in the normal course of business of the company.
- Any contribution to political parties, as per Section 182 of the Companies Act, 2013.
- Activities undertaken outside India, except for the training of Indian personnel or representing India in international forums.
- Expenditure benefiting only employees of the company and their families.

- Sponsorship activities aimed at marketing the company's products/services.
- Fulfillment of statutory obligations or activities undertaken to comply with existing laws and regulations.

If the CSR amount remains unspent for an ongoing project, it shall be transferred to a separate Unspent CSR Account within 30 days of the financial year-end, and must be spent within the next three financial years, failing which it shall be transferred to the Fund specified in Schedule VII, as per Section 135(6) of the Companies Act, 2013.

If the CSR amount remains unspent and is not related to an ongoing project, it shall be transferred to the Fund specified in Schedule VII within six months of the financial year-end.

As per the Companies (CSR Policy) Rules, 2014, if the Company spends more than the required CSR amount in any financial year, such excess amount may be set off against the CSR obligation of the immediately succeeding three financial years, provided that:

- The excess amount does not include surplus from CSR projects.
- The Board passes a resolution approving the carry forward.
- The excess CSR spending is not claimed as a tax deduction under Section 37 of the Income Tax Act, 1961.

The administrative expenses for CSR shall not exceed 5% of the total CSR expenditure for a financial year.

❖ FOCUS AREAS

The Company shall undertake CSR activities in line with Schedule VII of the Companies Act, 2013, with a focus on:

- **Environmental Sustainability:** Promoting afforestation, waste management, renewable energy solutions, and water conservation while reducing environmental pollution through air and water pollution control measures and sustainable practices. Initiatives include tree plantation drives, industrial waste reduction through recycling, energy-efficient technologies, pollution prevention awareness, and support for research in sustainable solutions.
- **Education:** Supporting school infrastructure, distributing education kits, providing vocational training, and enabling digital learning initiatives.
- **Healthcare:** Ensuring preventive healthcare, sanitation, clean drinking water, and health awareness programs.
- **Rural Development:** Developing community infrastructure, roads, and access to clean water and sanitation.
- **Women Empowerment:** Promoting self-employment opportunities, vocational training, and financial literacy programs.
- **Contributions to Government Funds as per Schedule VII:** PM National Relief Fund or any other fund set up by the Central Government for socio-economic development, relief,

and welfare; Funds for the welfare of Scheduled Castes (SC), Scheduled Tribes (ST), Other Backward Classes (OBC), minorities, and women; Swachh Bharat Kosh; Clean Ganga Fund; Disaster Management Funds; Contributions for relief and rehabilitation of disaster-affected areas.

- **Support for Armed Forces and Veterans:** Contributions to Armed Forces Welfare Funds or similar initiatives for the well-being of ex-servicemen and their dependents.
- **Technology and Innovation for Social Impact:** Funding research, technology-driven solutions, and innovation projects that provide scalable solutions for social problems.

❖ IMPLEMENTATION

The Company shall implement the identified CSR Projects by the following means:

➤ Direct Method:

- The Company may itself implement the identified CSR Projects presently within the scope and ambit of the Policy;
- The Company may also implement the identified Projects through any other NGO or Society which is involved in CSR activities, within the scope and ambit of the Policy;
- The CSR Officer may engage external professionals/firms/agencies if required, for the purpose of implementation of its CSR Projects.
- The Company may collaborate with other companies, including its Group Companies if required, for fulfilling its CSR objects through the Direct Method, provided that the CSR Committees of respective companies are in a position to monitor separately such CSR Projects.

➤ Indirect Method:

The Company may implement the identified CSR Projects through Agencies, subject to the condition that:

- The activities pursued by the Agency are covered within the scope and ambit of Schedule VII to the Act provided;
- The Agency has an established track record of at least three years in undertaking similar programs or projects.

The Company may collaborate with other companies, including its holding and subsidiary Companies and Group Companies if required, for fulfilling its CSR objects through the Indirect Method provided that the CSR Committees of respective companies are in a position to monitor separately such Projects.

❖ MONITORING & REPORTING

- The designated CSR committee or the CSR team authorised by the Board shall monitor project implementation, assess impact, and ensure alignment with CSR objectives.
- Periodic progress reports shall be reviewed by the Board.

- The Company shall file necessary reports, including Form CSR-2, as mandated by the Ministry of Corporate Affairs.
- Transparency in fund allocation and impact assessment shall be maintained through proper documentation and disclosures.

❖ **AMENDMENTS TO THE POLICY**

The CSR Committee or the Board of Directors may amend this Policy in line with statutory requirements and business needs.

❖ **DISCLOSURES**

The Policy, along with details of CSR activities, shall be disclosed on the website of the Company. Further, the Company shall also disclose the CSR Policy in its Annual Report as per the provisions of the Companies Act, 2013

This Policy is approved by the Board of Directors at their meeting held on 22, April 2024 and shall be effective from the date of listing of the equity shares of the Company or the applicability of the relevant provisions, whichever is earlier.
