

Corporate Social Responsibility Policy

APEX ECOTECH LIMITED

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INTRODUCTION

Corporate Social Responsibility (CSR) is closely tied to sustainability, requiring organizations to consider social and environmental factors alongside financial goals. Businesses must acknowledge their impact on communities and adopt a holistic approach to ensure their operations promote societal well-being, environmental responsibility, and long-term economic success along with improving the quality of individuals, their families and local community at large.

Apex Ecotech Limited (hereinafter to be referred as "the Company") through its CSR activities intends to participate in the overall development of the society and encourage alignment with Social Development Goals (SDGs) related to different segments of society.

The Company's CSR policy has been framed in accordance with Section 135 of the Companies Act, 2013 and the rules framed thereunder. This Policy is effective from August 26, 2024, as amended from time to time.

This Policy shall apply to all the CSR projects undertaken by the Company, whether such project is executed in collaboration with any other Company or on its own or through any implementing agency.

DEFINITIONS

(i) Act

Act means Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) for the time being in force).

(ii) Corporate Social Responsibility (CSR)

CSR means and include but not limited to the activities as specified in this policy pursuant to Schedule VII of the Act, but shall not include the following:

- i. activities undertaken in pursuance of normal course of business of the Company
- ii. any activity undertaken by the Company outside India except for training of Indian sports personnel representing any State or Union territory at national level or India at international level
- iii. contribution of any amount directly or indirectly to any political party
- iv. activities benefitting employees of the Company
- 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

(iii) CSR Committee

CSR Committee means the CSR committee of the Board as per the provisions of Section 135 of the Act, if any.

(iv) CSR Expenditure

CSR Expenditure shall include all expenditure including contribution to corpus, or on projects or programs relating to CSR activities specified in this policy as approved by Board or the CSR Committee.

(v) CSR Rules

CSR means the Companies (Corporate Social Responsibility Policy) Rules, 2014 read with Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021.

(vi) Net profit

Net profit means the net profit of the Company as per its financial statement prepared in accordance with the applicable provisions of the Act, 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.

SCOPE OF CSR ACTIVITIES

The Company will undertake CSR activities in the following areas as prescribed under Schedule VII of the Companies, Act, 2013 as amended from time to time:

- i. Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach 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 specially among children, women, elderly, and 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 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 balance, protection of flora and fauna, animal welfare, agro-forestry, 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 building 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, paralympic 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) or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Schedule Castes, the scheduled 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 Organization (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific 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, 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;

- xiii. Any other funds or activities as may be notified by the Central Government, from time to time, as contribution towards CSR expenditure.

ANNUAL ACTION PLAN

The Board of the Company or its CSR Committee shall formulate an Annual Action Plan in pursuance of this CSR policy, which shall include the following, namely:

- (i) the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
- (ii) the manner of execution of such projects or programmes;
- (iii) the modalities of utilisation of funds and implementation schedules for the projects or programmes;
- (iv) monitoring and reporting mechanism for the projects or programmes; and
- (v) details of need and impact assessment, if any, for the projects undertaken by the company

The Board may alter the annual action plan at any time during the financial year, based on the reasonable justification to that effect.

PROJECT SELECTION

Projects shall be selected based on need identification studies, internal need assessment or receipt of proposals. Projects shall be evaluated against goals and milestones defined for the project together with the implementing agency (if any).

EXECUTION PROCESS

The Board shall ensure that the CSR Activities are undertaken by the Company itself or through any of the following implementing agencies-

- (i) a company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80 G of the Income Tax Act, 1961 (43 of 1961), established by the Company, either singly or along with any other company; or
- (ii) a company established under section 8 of the Act or a registered trust or a registered society, established by the Central Government or State Government; or
- (iii) any entity established under an Act of Parliament or a State legislature; or
- (iv) company established under section 8 of the Act, 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.

The Company may also collaborate with other companies for undertaking projects or programmes or CSR activities in such a manner that the CSR Committees of respective companies (wherever Committees are been constituted as per the provisions of the Act read with CSR Rules) are able to report separately on such projects or programmes in accordance with the CSR Rules.

UTILIZATION OF FUND

The Company shall utilize at least 2 percent of the average net profit made during the last three (3) immediately preceding financial years in the CSR activities as enumerated above in this policy. In any case, if in any year the Company fails to spend such amount on CSR, the Board will, in its report made under section 134 (3) (o) of Companies Act, 2013, specify the reasons for not spending the amount and, unless the unspent amount relates to any ongoing project, as described in Section 135 (6) of the Companies Act, 2013, transfer such unspent amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.

Further, if the Company spends an amount in excess of the requirements as provided in Section 135 of the Act, Company may set off such excess amount against the requirement to spend under Section 135 of the Act, under the heading 'Utilization of fund', for up to immediate succeeding three financial years or for such time in such manner, as may be prescribed under the Act.

SURPLUS ARISING FROM CSR ACTIVITY

Any surplus arising from CSR projects, programs or activities shall not form part of the business profit of the Company and shall be utilised in the following manner:

- a) ploughed back into the same project; or
- b) shall be transferred to the Unspent CSR Account, from which the said amount shall be spent in pursuance of CSR policy and Annual Action Plan of the Company; or
- c) such surplus will be transferred to a Fund specified in Schedule VII to the Act, within a period of six months of the expiry of the financial year.

MONITORING MECHANISM

To ensure effective implementation of the CSR programmes undertaken a monitoring mechanism will be put in place by the Company. The CFO would place a monitoring report of the CSR projects under implementation to the Board or the CSR Committee. The progress of CSR programmes under implementation will be reported to Board of Directors on a regular basis. The CSR Committee will conduct impact studies, wherever applicable, on a periodic basis, about effectiveness of CSR activities on the society.

REPORTING MECHANISM

The Board or the CSR Committee as the case may be, will obtain feedback from beneficiaries about the programmes. Appropriate documentation of the Company's CSR Policy, annual CSR activities, executing partners, and expenditure entailed will be undertaken on a regular basis and the same will be available on the website of the Company. CSR initiatives of the Company will also be reported in the Annual Report of the Company.

RESPONSIBILITY OF THE CSR COMMITTEE

- (i) Formulate or recommend modification, in the CSR Policy, to the Board for approval whenever necessary
- (ii) monitor the Policy from time to time and recommend changes to the Board
- (iii) recommend the amount of expenditure to be incurred on CSR projects
- (iv) constitute a transparent monitoring mechanism for ensuring effective and efficient implementation of the CSR projects.

RESPONSIBILITY OF THE BOARD

The Board of the Company shall:

- i. constitute a CSR Committee of the Board, if applicable and required under the Act.
- ii. disclose the composition of the CSR Committee in the Board's report, if any.
- iii. approve the CSR Policy for the company and disclose contents of such Policy in its report and also place it on the company's website, if any.
- iv. ensure that the activities as are included in CSR Policy of the company are undertaken by the Company.
- v. ensure that the Company spends, in every financial year, at least two per cent. of the average net profits of the Company made during the three immediately preceding financial years, in pursuance of this CSR Policy.
- vi. if the Company fails to spend such amount as specified above, then in its report made under clause (o) of sub-section (3) of section 134 of the Act, specify the reasons for not spending the amount and, unless the unspent amount relates to any ongoing project referred to in sub-section (6) of section 135 of the Act, transfer such unspent amount to a Fund specified in Schedule VII to the Act, within a period of six months of the expiry of the financial year.
- vii. if any amount remaining unspent under sub-section (5) of section 135 pursuant to any ongoing project, transfer within a period of thirty days from the end of the financial year to a special account to be opened by the company in that behalf for that financial year in any scheduled bank to be called the Unspent Corporate Social Responsibility Account, and such amount shall be spent by the Company in

pursuance of its obligation towards the CSR Policy within a period of three financial years from the date of such transfer, failing which, the company shall transfer the same to a Fund specified in Schedule VII, within a period of thirty days from the date of completion of the third financial year.

- viii. discharge the functions of the CSR Committee in case it is not required to be constituted or dissolved owing to the amount to be spent by the Company under sub-section (5) of section 135 not exceeding fifty lakh rupees.
- ix. satisfy itself that the CSR funds disbursed have been utilised for the purposes and in the manner as approved by it and the Chief Financial Officer or the person responsible for financial management shall certify to the effect.
- x. In case of ongoing project, monitor the implementation of the project with reference to the approved timelines and year-wise allocation and shall be competent to make modifications, if any, for smooth implementation of the project within the overall permissible time period.
- xi. approve the Annual Action Plan, as recommended by the CSR Committee, if any.
- xii. alter the Annual Action Plan at any time during the financial year, as per the recommendation of its CSR Committee, if any, based on the reasonable justification to that effect.
- xiii. ensure that the administrative overheads shall not exceed five percent of total CSR expenditure of the Company for the financial year.
- xiv. make disclosures in the Board's Report as required under Rule 8 of the CSR Rules.
- xv. undertake impact assessment, if any required under Rule 8 of the CSR Rules and take note of the impact assessment reports which are mandatorily required to be placed before it; and
- xvi. mandatorily disclose the composition of the CSR Committee, if any, and CSR Policy and Projects approved by the Board on website of the Company for public access.

AMENDMENTS TO THE POLICY

The Board of Directors on its own or as per the recommendations of CSR Committee, if any can replace or amend this policy or the Annual Action Plan, as and when required as deemed fit. Any or all the provisions of the CSR Policy would be subject to revision/amendment in accordance with the Regulations on the subject as may be issued from relevant statutory authorities, from time to time.

Note: *The Companies (Amendment) Act, 2020, has inserted the provision under Section 135(9) of the Companies Act, 2013 that where the CSR expenditure does not exceed ₹ 50 Lakh, the*

requirement for constitution of the Corporate Social Responsibility Committee shall not be applicable and the functions of such Committee shall be discharged by the Board of Directors of such company.