

NATURAL SUGAR AND ALLIED INDUSTRIES LIMITED
SAINAGAR, RANJANI, TAH. KALLAM, DIST. OSMANABAD – 413528
CIN: U72214MH1998PLC121048

Corporate Social Responsibility(CSR)
(as Amended and adopted on 00/03/2021)

Introduction:

Details of the Company

Name: Natural Sugar and Allied Industries Limited

Address: Sainagar, Ranjani, Tah. Kallam, District: Osmanabad, Maharashtra, India

PIN: 413528

CIN: U72214MH1998PLC121048

The NSAI is located at Sainagar, Ranjani Village, Th. Kallam, Dist. Osmanabad – 413528, Maharashtra, India.

The Natural Sugar and Allied Industries Limited (NSAI) believes that, the return to the society equally important as it (NASAI) receiving from the society. Also it believes in the social growth, with human prosperity and pursuing people, especially farmers centered development. The NSAI is incorporated with a view and vision for the social upliftment of farmers living in the company-covered area and beyond the area.

CSR Applicability:

The provisions of Section 135 of the Companies Act, 2013 and CSR Rules framed thereunder shall be applicable to the company in following cases:

1. Where the Net Worth is greater than or equal to INR 500 crores; OR
2. Where the Turnover has been greater than or equal to INR 1,000 crores; OR
3. Where the Net Profit has been greater than or equal to INR 5 crore in any financial year.

Objectives:

The main objective of the CSR Policy is, to lay down the guidelines for the Company to make CSR as one of the key focus areas to make a positive contribution to society through high impact, sustainable programs and for socio economic Development.

a. Areas where the NSAI shall do the CSR activities

The NSAIL shall undertake such social activities specified in The Companies (Corporate Social Responsibility Policy) Rules, 2014 and schedule VII of the Companies Act, 2013 and those social activities which are not mentioned therein but management is of the view that, by undertaking the same will help the society and people in general for their development and upliftment. To be more specific the Company shall carry out the CSR activities in the following areas:

1. Eradicating hunger, poverty and malnutrition, [Promoting health care including preventive healthcare] and sanitation [including contribution to the Swachh Bharat Kosh set up by the Central Government for the promotion of the sanitation] and making available for safe drinking water and Creating health infrastructure for COVID care,' establishment of medical oxygen generation

- and storage plants, manufacturing and supply of Oxygen concentrators, ventilators, cylinders and other medical equipment for countering COVID-19” or similar such activities relating to promotion of healthcare, including preventive health care and disaster management.
2. Promoting education, including special education and employment enhancing vocational skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.
 3. 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:
 4. Ensuring environment sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, water and air[including contribution to the Clean ganga fund set up by the Central Government for rejuvenation of river ganga.]
 5. Protection of natural 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.
 6. Measures for the benefit of armed forces veterans, war widows and their dependents
 7. Training to promote rural sports, nationally recognized sports, para Olympic sports and Olympic sports.
 8. Contribution to the Prime Minister’s National relief fund [or Prime ministers 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 cast , the scheduled tribes, other backward classes, minorities and women.
 9. 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 undertakings or any agency of Central Government or state government, or public sector undertakings or any agency of the Central Government or state government.
 10. Rural development projects
 11. Slum area development
 12. Disaster management, including relief, rehabilitation and reconstruction activities.

Activities not allowed as CSR

Following expenses made by the Company are not treated as expenses incurred for CSR Activities.

1. The amounts which are not allowed under the act for CSR will not be considered as CSR activities.
2. Any projects and programs that are implemented by the Company for benefit of the employees of the Company and their families.
3. The CSR activities implemented outside India
4. Any amount directly or indirectly contributed towards any political party under Section 182 of the Act.
5. Activities that are undertaken by the Company in pursuance of its normal course of business.

6. Activities which are used for the marketing the products of the company or the business in which the company deals.

b. Formation of Committee:

The Board shall constitute or reconstitute the Committee of Directors known as 'Corporate Social Responsibility Committee' for the administration and management of the Corporate Social Responsibility Activities and expenses to be made over CSR Activities. The Committee shall consist at list one Independent Director along with other directors of the company as a member of the Company. The Committee will decide and recommend the Board of Directors of the Company for allocation of fund for each financial year. The Committee shall consist of three directors of the Company one of them shall be an Independent Director. The Chairman of the Committee shall be an Independent Director appointed on the Board for the time being. The Board of Directors of the Company has powers to remove and appoint the members on the CSR Committee as it deem fit from time to time.

c. Powers of the CSR Committee:

The CSR Committee will have all the powers that are enshrined in the Act or the rules there under. The Board of Directors will have the rights to alter /amend the powers of the Committee. The CSR committee will have the following powers.

- i. To formulate CSR Policy and recommend the same to the Board of Directors of the Company for approval.
- ii. To Recommend CSR activities as stated under Schedule VII of the Act and to allocate funds to the different sectors for the implantation of CSR activities.
- iii. To Approve to undertake CSR activities in collaboration with Group companies/ other Companies/firms/NGOs etc. and to separately report the same in accordance with the CSR Rules.
- iv. To Recommend the CSR Budget.
- v. To Spend the allocated CSR amount on the CSR activities once it is approved by the Board of Directors of the Company in accordance with the Act and the CSR Rules either directly or through a trust or as allowed by the Law for the time being in force.
- vi. To Create transparent monitoring mechanism for implementation of CSR Initiatives in India.
- vii. To Submit the Reports to the Board in respect of the CSR activities undertaken by the Company.
- viii. To Monitor CSR Policy from time to time.
- ix. To monitor activities/charter of Joint Working Group (JWG) who are authorized to ensure that the CSR activities of the Company are implemented effectively.
- x. To Authorize executives of the Company to attend the CSR Committee Meetings

Meetings of the CSR Committee

The CSR Committee may meet at least once in a quarter. Members of the CSR Committee can agree upon mutually regarding time and place for the said meetings. Quorum for the meeting should be minimum two. The Members of the Committee may participate in the meeting either in person or through video conferencing or other audio-visual means in accordance with the provisions of the Companies Act, 2013 and rules made thereunder from time to time. Other

Members of the Senior Management may attend the CSR Committee Meetings as may be appropriate, subject to the approval of the CSR Committee. Minutes of the CSR Committee shall be placed before the Board for noting.

Expenditure on CSR capabilities: The Company shall spend 2% of average three years profit, calculated as per the provisions of Section 198 of the Companies Act, 2013 on the CSR Activities as approved and recommended by the CSR Committee, by itself or through registered Implementing Agency having the track record for minimum three years over the undertaking CSR Activities.

Failure to spend the CSR Money: In case the Company fails to spend the targeted CSR amount in a particular financial year, the Committee shall submit a report in writing to the Board of Directors specifying the reasons for not spending the amount which in turn shall be reported by the Board of Directors in their Directors' Report for that particular Financial Year.

a) The unspent CSR amount if related to a ongoing project than the said unspent amount has to be kept in a Separate Bank account with a nationalized bank under the Head "Unspent CSR account for the year _____" within 30 days of the close of the financial year. The said amount to be utilized within 3 years or else, the said unspent amount will be transferred to Government of India.

b) Any unspent CSR amount for any financial year if not pertaining to any ongoing project than the said amount will have to transferred to the Accounts as nominated by Government of India within six months of the close of the financial year.

Surplus arising out of the CSR initiatives shall not form part of the business profits of the Company. Extra Amounts as spend on CSR activities in any financial year cannot be set off with the liability of CSR for the next financial year unless allowed by the Government of India.

CSR Budgets and Spends

The Company shall allocate certain amount from its annual net profit (before Tax) during the three immediately preceding financial years for the purpose of sending out CSR Activities that are fall under schedule VII of the Act, and mentioned in this policy. The Net profit means profit more fully described under Rule 2(f) of the CSR Rules.

The CSR expenditure shall include all expenditure including contribution to corpus or on projects or programs relating to CSR activities approved by the Board of Directors on the recommendation of its CSR Committee but does not include any expenditure on an item not in conformity or not in line with activities stated under Schedule VII of the Act.

In case, the amount is to transfer to third party/implementing agency, such third party or implementing agency shall be duly registered with MCA.

Implementation of CSR Activities

The Board as well as the CSR Committee Shall take all steps to implement the CSR Activities approved by CSR Committee for its completion within the period allowed

and the all funds allotted for the said activities are spent towards the said activities. Following steps will be taken for the implementation and completion of CSR Activities

The Board shall ensure that the CSR activities are undertaken by the company itself or through

- a. 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
- b. 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
- c. Any entity established under an Act of Parliament or a State legislature; or
- d. A 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.

Provided that such implementing agencies are registered with Ministry of Corporate Affairs as CSR Implementing Agency and have valid certificate to that effect.

In case of ongoing project, the Board of a Company shall 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.

Monitoring Mechanism of CSR for the Company implemented through other entities:

In case the CSR activities for the company are conducted through other entities than a Joint Working Group (JWG) comprising of employees of the Company and representatives of entities with which the Company if decides to collaborate for fulfilling its CSR obligations, will be created to ensure effective implementation and monitoring of the projects approved by the CSR Committee.

The JWG will submit periodic reports to the CSR Committee of the Company on the progress of the various projects approved by the Committee and entrusted to the JWG for implementation and monitoring.

CSR Initiatives

In line with Schedule VII of the Act and the CSR Rules, the Company shall undertake CSR activities included in its Annual CSR Plan, as recommended by the CSR Committee at the beginning of each year. The Committee is authorized to approve / make any modification to the existing Annual CSR Plan or to propose any new program during the financial year under review.

Collaboration

The Company may collaborate its CSR activities with other Affiliates or its subsidiaries or any other Company as may be eligible and approved by the CSR Committee vis-à-vis the Board of Directors and towards this effort, the Company

may jointly along with other Affiliates or its subsidiaries or any other Company form Trusts to administer the CSR activities. Company may also collaborate with other companies for undertaking projects or program or CSR activities in such a manner that the CSR committees of respective companies are in a position to report separately on such projects or program in accordance with these rules. The committee will ensure and verify CSR activities are done only through such outside Agency/ Trust/ Section 8 Company, which are registered with the Ministry of Corporate Affairs and have obtained the Certificate of Registration for the implementation of CSR activities.

Annual CSR Plan

The Annual CSR Plan is a yearly plan of CSR activities that would be placed before the Board of Directors of the Company based on recommendation of its CSR Committee which outlines the following aspects of CSR initiatives of the Company

- Partnering agencies/companies/firms
- Process Owners
- Project Proposals
- Targeted Beneficiaries & their key needs
- Alignment with Schedule VII
- Project Goals and milestones
- Activities and Timelines including expected closure dates
- CSR Budget with projections
- Monitoring mechanism
- Progress reporting and frequency of reports
- Risks and mitigation strategies
- Any other information as may be required by the CSR Committee

CSR Reports:

The Company may constitute Working Group (WG) who shall assist the CSR Committee to prepare CSR reports that are required to be placed before the Board. The format of the Report shall be the format prescribed under the CSR Rules stated hereunder:

- S. No
- CSR Project or Activity Identified
- Sector which the project is covered
- Project or Programs
 - 1) Local Areas,
 - 2) Specify the state and district where projects or programs was undertaken
- Budget (Project or Program)
- Amount spent on Project or Program a) Direct Expenditure b) Overheads
- Amount unspent on the project at the end of the financial year.
- Cumulative Expenditure Amount Spent Directly or through the Registered Agency
- Target Date for completion of the CSR activity
- Status of the CSR activity and implementation at the end of the financial year.

The CSR report shall be submitted to the CSR committee who after considering the same will place the report before the Board of Directors of the Company. In case there is no CSR committee in the company that the CSR report will be directly placed before the Board of Directors.

PUBLICATION OF CSR POLICY & PROGRAMS

As per the provision of the CSR Rules, the contents of the CSR Policy shall be included in the Directors' Report and the same shall be displayed on the Company's website.

POLICY REVIEW & FUTURE AMENDMENT

The Committee shall annually review its CSR Policy from time to time and make suitable changes as may be required and submit the same, for the approval of the Board.