

NIHON

**NIHON IMPEX PRIVATE
LIMITED**

**CORPORATE SOCIAL
RESPONSIBILITY POLICY**

INTRODUCTION

Nihon Impex Private Limited (hereinafter referred to as the 'Company'), is a non-deposit taking Non-Banking Financial Company providing diversified financial services and products. Company is committed to upholding the highest standards in terms of management practices and business conduct. In line with this, Company will also play its role in making a direct contribution to the society as a part of its Corporate Social Responsibility (CSR) agenda.

The Board of Directors of the Company had initially adopted this CSR Policy in terms of section 135(3)(a) of the Companies Act, 2013 (hereinafter referred to as the 'Act') read with the Companies (Corporate Social Responsibility) Rules, 2014 ('Rules') and Schedule VII made thereunder.

The objective of this Policy is to provide an overall CSR framework, which shall at all relevant times be closely aligned with the requirements of relevant provisions of the Act.

OBJECTIVES OF THE POLICY

The objective of this Policy is to set guiding principles for carrying out CSR activities by the Company and also to set up process of execution, implementation and monitoring of the CSR activities to be undertaken by the Company. The Policy will, inter-alia provide the following:

- Establishing a guideline for compliance with the provisions of Regulations to dedicate a percentage of Company's profits for social projects.
- Ensuring the implementation of CSR initiatives in letter and spirit through appropriate procedures and reporting.
- Creating opportunities for employees to participate in socially responsible initiatives.

FORMATION OF CSR COMMITTEE

The CSR Committee will consist of at least 3 members including 1 Independent Director. Further, composition of CSR Committee shall be in accordance with the provisions of Articles of Association of the Company as amended from time to time.

The CSR Committee shall meet at least once in a year to carry out activities in accordance with the role of the Committee. The quorum shall be two members or one third of the members of the CSR and as per applicable provisions of the Articles of Association of the Company as amended from

time to time. In case of urgent matters, the Committee may resolve to pass the same through circulation.

LIST OF CSR PROJECTS/PROGRAMMES

The activities involve the following:

- Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water;
- Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
- 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;
- 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;
- 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;
- Measures for the benefit of armed forces veterans, war widows and their dependents;
- Training to promote rural sports, nationally recognized sports, paralympic sports and Olympic sports;
- Contribution to the Prime Ministers' National Relief Fund or 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;
- Contributions or funds provided to technology incubators located within academic institution which are approved by the Central Government;
- Rural development projects.
- Any other activities in relation of the above and all other activities which forms part of CSR as per Schedule VII of the Act as amended from time to time.

FUNDING & ALLOCATION

As per Section 135 of the Companies Act 2013, the Company shall spend in every financial year, minimum of 2% of the average net profits made during the 3 immediately preceding financial years as per CSR policy.

Allocation of the Annual Budget for CSR activities in any given year shall be as per the provisions of the Companies Act, 2013 and rules made thereof as amended from time to time.

Any unspent/unutilized CSR allocation of a particular year for ongoing projects will be transferred to “unspent CSR account” within 30 days of the end of the financial year and utilized for the ongoing projects within a period of 3 years.

It is clarified that, the surplus arising out of CSR projects or activities shall not form part of the business profit of the Company and be ploughed back to the CSR project.

PLANNING AND IMPLEMENTATION

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

- 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
- 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
- any entity established under an Act of Parliament or a State legislature; or
- a Company established under section 8 of the Act, or a registered public trust or a registered society, not referred to above, 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.

Every entity as covered above, who intends to undertake any CSR activity, shall register itself with the Central Government by filing the form CSR-1 electronically with the Registrar, for projects or programmes approved, effective from 1st April, 2021.

MONITORING

- a. To ensure effective implementation of the CSR programmes undertaken by the Company, a monitoring mechanism will be put in place.
- b. The progress of CSR programmes undertaken will be reported to the CSR Committee on a quarterly basis and the CSR Committee shall review the progress of activities.
- c. CSR initiatives of the Company will also be reported in the Annual Report of the Company.

IMPACT ASSESSMENT

Impact assessment, when applicable as per the statutory regulations, will be carried out by any independent agency selected by the CSR committee.

AMENDMENTS

The Board of Directors on its own and/or on the recommendation of CSR Committee can amend this policy as and when required.

Any amendments in the applicable laws, including any clarifications/circulars of relevant regulator, if mandatory, shall be read with this Policy such that the Policy shall automatically reflect the contemporaneous applicable law at the time of its implementation.

CSR Policy and any amendments thereto shall be available on the website of the Company.
