



CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

INTERARCH BUILDING PRODUCTS LIMITED



1. OBJECTIVE

- This Policy has been formulated in compliance with Section 135 of the Companies Act, 2013 ('the Act') read along with Schedule VII and Companies (Corporate Social Responsibility) Rules 2014 ('CSR Rules') including any amendment from therein from time to time.

2. CSR VISION

- The Company strongly believes that Business cannot be a success when the Society around them fails. For the Company, CSR isn't a program it is what we do every day maximizing positive impact and minimizing negative impact on Society. At the Company, CSR has effectively evolved from being engaged in passive philanthropy to corporate community investments, which take the form of a social partnership initiative creating value for stakeholders.
- The Company's CSR activities build an important bridge between business operations and social commitment evolving into an integral part of business functions, goals, and strategy.

3. SCOPE

- This Policy shall apply to all CSR projects/programs/activities undertaken by the Company in India as per Schedule VII of the Act.

4. DEFINITIONS

- "Corporate Social Responsibility (CSR)" means and includes but is not limited to Projects or programs relating to activities specified in Schedule VII to the Companies Act, 2013 ('Act').
- "CSR Committee" means the Corporate Social Responsibility Committee of the Board referred to in Section 135 of the Act.
- "CSR Policy" relates to the activities to be undertaken by the Company as specified in Schedule VII to the Act and the expenditure thereon.
- "Net Profit" means the net profit of the Company as per its financial statement prepared in accordance with applicable provisions of the Act (Section 198).
- "Ongoing Project" means a multi-year project undertaken by the Company in fulfillment of its CSR obligation having timelines not exceeding three years excluding the financial year in which it was commenced, and shall include the such project that was initially not approved as a multi-year project but whose duration has been extended beyond one year by the board based on reasonable justification.

5. ROLE OF THE CSR COMMITTEE

- Formulate and recommend to the Board, a Corporate Social Responsibility Policy in compliance with Section 135 of the Act.
- Identify the activities to be undertaken as per Schedule VII of the Act. Institute a transparent monitoring mechanism for the implementation of the CSR projects or programs or activities undertaken by the Company.
- Recommend the amount of CSR expenditure to be incurred on the earmarked CSR activities.
- Monitor the implementation of the CSR Policy from time to time.



- Formulate the Annual Action Plan and recommend the same to the Board for approval.
- Such other functions as the Board may deem fit.

6. ROLE OF THE BOARD

- On the recommendations of the CSR Committee, approve the CSR Policy for the Company. Ensure that the CSR activities included in this Corporate Social Responsibility Policy are undertaken by the Company.
- The Board of the Company may decide to undertake its CSR activities approved by the CSR Committee, through a registered trust or a registered society or a Company established under section 8 of the Act by the company, either singly or along with its holding or subsidiary or associate company, or along with any other company or holding or subsidiary or associate company of such other company, or otherwise provided that – If such trust, society or company is not established by the company, either singly or along with its holding or subsidiary or associate company, or along with any other company or holding or subsidiary or associate company of such other company, it shall have an established track record of three years in undertaking similar programs or projects/activities.
- Ensure that in each financial year, the Company spends at least 2% of the average net profits of the company made during the three immediately preceding financial years, calculated in accordance with Section 198 of the Act, in pursuance of its CSR Policy.
- Approve Annual Action Plan.
- Ensure that while spending the amount earmarked for CSR activities, preference should be given to local areas and areas around the Company where it operates, as per Section 135 of the Act, specify the reasons for underspending the CSR amount in the Board's Report.
- Obtain a certificate from Chief Financial Officer that the amount spent on CSR has been utilized for the purpose and in the manner approved by Board.
- Ensure that the CSR activities are related to the activities, areas, or subjects included in Schedule VII of the Act.
- Ensure that CSR projects or programs or activities undertaken by the Company form part of the CSR Policy.
- Ensure that reasons for not spending earmarked amounts are disclosed in the Board's report in case the Company fails to spend such amount.

7. CSR ACTIVITIES FOR IMPLEMENTATION

- The CSR Activities would be chosen for implementation by the Company in compliance with the provisions of Section 135 read together with Schedule VII of the Act.

8. CSR MONITORING AND REPORTING FRAMEWORK

- The CSR Committee shall formulate and recommend to the Board, an annual action plan in pursuance of its CSR Policy. The Board of the Company shall satisfy itself that the funds so disbursed have been utilized for the purposes and in the manner as approved by it and the Chief Financial Officer shall certify to that effect.



- CSR Policy and initiatives of the Company will be reported in the Annual Report of the Company in the manner prescribed under CSR Rules.
- In case the Company has failed to spend the 2%, of the average net profit of the last three financial years, it shall provide reasons for not spending the amount in its Board's Report.

9. CSR EXPENDITURE

- The CSR activities are undertaken in India only shall amount to CSR Expenditure. CSR Expenditure shall include all expenditure on CSR activities approved by the Board on the recommendation of the CSR Committee but does not include any expenditure on an item not in conformity or not in line with activities that fall within the purview of Schedule VII of the Act.
- Unspent CSR amount, if any, at the end of a financial year, shall be segregated into those in relation to 'Ongoing Projects' and 'other projects' and will be dealt with in the manner prescribed under the Act, the CSR Rules, and this CSR Policy.
- A special bank account, called an unspent CSR account for each financial year shall be opened by the Company in a scheduled bank. The account shall be credited with the following:
 - i. Any amount remaining unspent pursuant to any ongoing project, undertaken by the Company in pursuance of this CSR Policy shall be transferred by the Company to the unspent CSR account within a period of 30 (thirty) days from the end of the financial year.

The amount transferred to the unspent CSR account shall be spent by the Company in pursuance of its obligation towards the CSR Policy within a period of 3 (three) financial years from the date of such transfer.

- ii. Any surplus amount from CSR Project which is discontinued or completed.

For ongoing projects, if the Company fails to spend the amount within a period of 3 (three) financial years, the amount shall be transferred to a fund specified in the Act and rules made there under, within a period of 30 (thirty) days from the date of completion of the third financial year.

- Unspent CSR amount in relation to other projects shall be transferred to a fund specified in the Act, within a period of six months of the expiry of the financial year.
- If in any financial year, the CSR Expenditure on CSR activities is in excess of the obligated 2% of average net profits, the Board may decide to set off the same in the immediately succeeding three financial years, subject to conditions prescribed under the Act and the CSR Rules.
- Income', or 'Surplus', if any, arising out of CSR activities, shall not form part of the company's business profits and shall be ploughed back into the same CSR project or transferred to "Unspent CSR Account" and spent in pursuance of CSR Policy and the Annual Action Plan on CSR activities.

10. ANNUAL ACTION PLAN

- The Company shall prepare an annual action plan of CSR activities consisting amount of expenditure to be incurred on CSR activities for each financial year and present the same to the CSR Committee.
- The CSR Committee shall review the annual action plan and shall recommend the same, with or without modifications/changes, to the Board of Directors for approval.



11. DISCLOSURE OF THE POLICY

- The CSR Policy recommended by the CSR Committee and approved by the Board shall be displayed on the Company's website and the link of the same shall be disclosed in the Board's report as well.
- CSR initiatives of the Company will also be reported in the Company's Annual Report as specified in the Companies (Corporate Social Responsibility Policy) Rules, 2014.

12. FREQUENCY OF MEETINGS

- The meetings of the Committee could be held at such periodic intervals as may be required.

13. MINUTES OF THE COMMITTEE MEETING

- Proceedings of all meetings must be minuted and signed by the Chairman of the Committee and tabled at the subsequent Board and Committee meeting.

14. MISCELLANEOUS

- This Policy shall be updated from time to time, by the Company in accordance with the amendments, if any, to the Act, rules made there under, or any other applicable enactment for the time being in force.

The Policy was approved by the Board on 2nd June'2014 and last amended on 15th January, 2024, which was subsequently taken note of and approved by the re-constituted Board of Directors at their meeting on 15th January, 2024.