

**DYNEMIC PRODUCTS LIMITED**

**CORPORATE RESPONSIBILITY RESPONSIBILITY (CSR) POLICY**

**(Approved by the Board of Directors on November 8, 2014)**

**Amended in the Board Meeting dated June 5, 2021**

At the outset, CSR activities at Dynamic Products Limited is already in existence for the benefit of the employees and their immediate family members in the areas of extending loan to employees, providing canteen facility at free of cost to employees etc.

It is recognized that integrating social, environmental and ethical responsibilities into the governance of businesses ensures the long term success, competitiveness and sustainability.

Further, CSR makes a business sense as companies with effective CSR, have image of socially responsible companies, achieve sustainable growth in their operations in the long run and their products and services are preferred by the customers.

### **Objective**

The Corporate Social Responsibility (CSR) Policy has been developed in accordance with section 135 of the Companies Act 2013 on CSR and in accordance with the CSR rules and amendments duly notified by the Ministry of Corporate Affairs, GOI. This Policy shall apply to all CSR projects/programmes undertaken by the Company as per Schedule VII of the Act.

The objectives of this policy are to:

- Serve as the principal guiding document for the Company's CSR initiatives
- Describe core programmatic themes and related impact areas as per Schedule VII
- Outline projects and geographies for undertaking CSR initiatives
- Provide the framework for selection, implementation, governance, management and monitoring of CSR initiatives and formulation of the Annual Action Plan.

### **Measures**

In the aforesaid backdrop, policy on CSR of Dynamic Products Limited is broadly framed taking into account the following measures:

The CSR activities shall be undertaken by Dynamic Products Limited, as stated in this Policy, excluding activities undertaken in pursuance of its normal course of business.

The CSR activities which are exclusively for the benefit of Dynamic Products Limited employees or their family members shall not be considered as CSR activity.

Dynamic Products Limited shall give preference to the local area or areas around it where it operates, for spending the amount earmarked for CSR activities.

The Board of Dynamic Products Limited may decide to undertake its CSR activities as recommended by the CSR Committee, pursuant to Section 135 of the Companies Act, 2013 and rules made there-under.

The following is the list of CSR projects or programs which Dynamic Products Limited plans to undertake pursuant to Schedule VII of the Companies Act, 2013 :

1. eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water;

2. promoting education, including special education and employment enhancing vocation 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 centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
4. ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water;
5. 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:
6. measures for the benefit of armed forces veterans, war widows and their dependents;
7. training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports;
8. contribution to the Prime Minister's 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;
9. contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government
10. rural development projects;
11. Any other measures with the approval of Board of Directors on the recommendation of CSR Committee subject to the provisions of Section 135 of Companies Act, 2013 and rules made there-under.

### **Budget & Funding**

- The budget for CSR shall be 2 per cent of its average net profits of the three preceding financial years towards CSR activities. The net profit will be estimated in accordance with the provisions of section 198 of the Act read with the Companies (Corporate Social Responsibility Rules), 2014. The budget will be based on recommendation by the CSR Committee.
- Any surplus generated from CSR projects shall not be added to the normal business profits of the Company and shall be treated as follows:
  - 1) Ploughed back into the same project; or
  - 2) Transferred to an Unspent CSR Account and spent in pursuance of CSR policy and Annual Action Plan of the Company; or

3) Transferred to a Fund specified in Schedule VII, within the prescribed timeline as specified in the CSR Rules.

- The Company may spend up to 5 percent of its total CSR expenditure towards administrative overheads for the financial year for the purpose of CSR functions in the Company.
- All reasonable efforts will be made to ensure that the CSR amount so disbursed is fully utilized in the respective year in the manner as approved by the Board. However, if the Company fails to spend such amount, the Board of Directors shall, in its report under clause (o) of sub-section (3) of section 134 of the Act, shall specify the reasons for not spending the amount and such unspent amount shall be dealt with in accordance with the provisions of Section 135 (5) & (6) of the Act and Rule 10 of the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021.
- The tax treatment of CSR expenditures will be in accordance with the provisions of the Income Tax Act as notified by Central Board of Direct Taxes (CBDT).
- In case the Company spends an amount in excess of the requirements of its CSR obligations in a financial year, such excess amount may be set-off against the requirement of the CSR Spending under sub-section (5) of Section 135 upto the immediate succeeding 3 financial years subject to the fulfillment of conditions as specified under the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021.
- 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 are in a position to report separately on such projects or programmes in accordance with these CSR rules.
- The Company may spend its CSR amount for creation or acquisition of the capital asset subject to the fulfillment of conditions as specified under the provisions of the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, as may be amended from time to time.
- In case any of the CSR Activities to be undertaken are anticipated to be long term i.e. an ongoing project being of a term of 3 (three) years excluding the financial year in which it was commenced, then a detailed estimate on implementation schedule or milestones should be submitted by the CSR Committee to the Board.

## **Role and Responsibility**

### **Board**

#### **Role : Approval and Oversight**

Responsibilities:

The Board shall approve the CSR policy and oversee that identified work is duly undertaken and in each financial year at least 2% of average net profit of preceding three financial years is spent effectively.

The Board shall satisfy itself that the funds so 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.

The Board will also ensure disclosure of the names of CSR Committee members, the content of the CSR policy and reporting of its CSR activities on the Company website, and in the Annual Reports in the prescribed format.

### **CSR Committee**

#### **Role: Guiding, Approval and Monitoring**

Responsibilities: The CSR Committee is responsible for formulation and final recommendation of the CSR Policy and Annual Action Plan to the Board of the Company. The Committee will approve the project, recommend the amount to be spent, set project selection guidelines and monitor implementation to ensure spending is undertaken as per policy guidelines. The committee will meet as and when require to review progress. This can be a physical meeting or through a combination of video conferencing. The minutes of the meetings shall be signed by the Chairperson and regularly shared with the Board of Directors.

#### **IMPACT ASSESSMENT OF CSR PROJECTS, IF REQUIRE**

The Company shall undertake impact assessment of its CSR projects as per the provisions of the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, as may be amended from time to time.

The impact assessment reports shall be placed before the Board and shall be annexed to the Annual Report on CSR.

The Company undertaking impact assessment may book the expenditure towards Corporate Social Responsibility for that financial year, which shall be as per the provisions of the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, as may be amended from time to time.

The Board of Directors, either on its own or as per the recommendations of CSR Committee, can amend this Policy, as and when required. The decision of the Board of Directors on all matters, relating to this Policy, shall be final and binding upon all concerned. This Policy is subject to continuous review and updates as required from time to time.

## ANNEXURE A

### FORMAT FOR THE ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARD'S REPORT

1. Brief outline on CSR Policy of the Company.

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of Rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach thereport).

5. Details of the amount available for set off in pursuance of sub-rule (3) of Rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be setoff for the financial year, if any (in Rs)
1			
2			
3			
	TOTAL		

6. Average net profit of the company as per Section 135(5).

7. (a) Two per cent of average net profit of the company as per Section 135(5)

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.

(c) Amount required to be set off for the financial year, if any

(d) Total CSR obligation for the financial year (7a+7b-7c).

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in Rs)	Amount Unspent (in Rs)	
	Total Amount transferred to Unspent CSR Account as per Section 135(6)	Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)

	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Project duration	Amount allocated for the project (in Rs)	Amount spent in the current financial Year (in Rs)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs)	Mode of Implementation Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
1.												
2.												
3.												
	Total											

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project (in Rs)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State	District			Name	CSR registration number
1.									
2.									
3.									
	Total								

(d) Amount spent in Administrative Overheads

(e) Amount spent on Impact Assessment, if applicable

(f) Total amount spent for the Financial Year (8b+8c+8d+8e)

(g) Excess amount for set off, if any

Sl. No.	Particular	Amount (in Rs)
(i)	Two per cent of average net profit of the company as per Section 135(5)	
(ii)	Total amount spent for the Financial Year	

(iii)	Excess amount spent for the financial year [(ii)-(i)]	
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under Section 135 (6) (in Rs)	Amount spent in the reporting Financial Year (in Rs)	Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any			Amount remaining to be spent in succeeding financial years. (in Rs)
				Name of the Fund	Amount (in Rs)	Date of transfer	
1.							
2.							
	Total						

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in Rs)	Amount spent on the project in the reporting Financial Year (in Rs)	Cumulative amount spent at the end of reporting Financial Year. (in Rs)	Status of the project - Completed /Ongoing
1.								
2.								
	Total							

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details).

(a) Date of creation or acquisition of the capital asset(s).

(b) Amount of CSR spent for creation or acquisition of capital asset.

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address, etc.

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per Section 135(5).

Sd/- (Chief Executive Officer or Managing Director or Director)	Sd/- (Chairman CSR Committee)	Sd/- [Person specified under clause (d) of sub-section (1) of Section 380 of the Act] (Wherever applicable).]
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