

VISHAL COLOUR ROOFS LIMITED

CORPORATE SOCIAL RESPONSIBILITY POLICY

Synopsis

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1.0	September 03, 2026	September 03, 2026	Approval of Policy

1. LEGAL FRAMEWORK

Section 135 of the Companies Act, 2013 ('the Act'), read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 ('CSR Rules') requires every company having:

- (i) Net worth of Rupees Five Hundred Crore or more; or
- (ii) Turnover of Rupees One Thousand Crore or more; or
- (iii) Net profit of Rupees Five Crore or more

during the immediately preceding Financial Year ('FY') to constitute a Corporate Social Responsibility Committee ('CSR Committee') of the Board consisting of three or more Directors, out of which at least one Director shall be an Independent Director. Further, the CSR Committee so constituted shall formulate a Corporate Social Responsibility Policy ('CSR Policy') and recommend the same to the Board of Directors of the Company ('Board') for its approval. However, where a Company is not required to appoint an Independent Director, it shall have in its Corporate Social Responsibility Committee, two or more Directors.

As per Sub-section 9 of Section 135 where the amount to be spent by a Company towards CSR expenditure does not exceed fifty lakh rupees, the requirement under sub-section (1) for constitution of the Corporate Social Responsibility Committee shall not be applicable and the functions of such Committee provided under this section shall, in such cases, be discharged by the Board of Directors of the Company.

In compliance with the requirements of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, Vishal Colour Roofs Limited is, inter alia, required to:

- (i) Formulate a Corporate Social Responsibility Policy ('CSR Policy').
- (ii) Determine the amount of CSR expenditure and monitor the CSR activities of the Company from time to time.
- (iii) Ensure that the Company spends, in every financial year, at least two percent of the average Net Profits before Tax (PBT) of the Company, made during the three immediately preceding financial years, in pursuance of its CSR Policy.

2. EFFECTIVE DATE

The Policy shall come into force with effect from the date of the approval by the Board of Directors of the Company.

3. OBJECTIVE

The objective of having this CSR policy, apart from statutory compliance, is to promote sustainable development by addressing social, economic, and environmental issues, ensuring ethical business practices, enhancing corporate reputation, engaging with local communities, and boosting employee engagement. It is our core belief that a Company's performance must be measured not only by its bottom line but also with respect to the social contributions made by the Company while achieving its financial goals.

4. DEFINITIONS

- a) **“Act”** means the Companies Act, 2013;
- b) **“Board”** means Board of Directors of the Company;
- c) **“Company”** means Vishal Colour Roofs Limited;
- d) **“Corporate Social Responsibility (CSR)”** means the activities undertaken by a Company in pursuance of its statutory obligation laid down in section 135 of the Act in accordance with the provisions contained in these rules
- e) **“CSR Policy”** relates to the activities to be undertaken by the company in areas or subjects as specified in Schedule VII to the Act and the expenditure thereon, excluding activities undertaken in pursuance of normal course of business of a Company.
- f) **“CSR Committee”** means the Corporate Social Responsibility Committee constituted or re-constituted by the Board from time to time as per the requirements of Section 135 of the Act and CSR Rules.
- g) **“CSR Expenditure”** shall include all expenditure including contribution to corpus for projects or programs relating to the CSR activities approved by the Board but shall not include any item not in conformity or not in line with activities which fall within the areas or subjects specified in Schedule VII to the Act.
- h) **“Net profit”** means the net profit of a Company as per its financial statement prepared in accordance with the applicable provisions of the Act.
- i) **“Administrative overheads”** means the expenses incurred by the Company for ‘general management and administration’ of Corporate Social Responsibility functions in the Company but shall not include the expenses directly incurred for the designing, implementation, monitoring, and evaluation of a particular Corporate Social Responsibility project or programme.

5. FOCUS AREAS OF ENGAGEMENT

This Policy will serve as guiding document to help select, implement and monitor CSR activities in compliance with the provisions of the applicable Act. The CSR focus areas for community to progress are:

- a) Eradicating poverty, hunger and malnutrition, promoting health care which includes sanitation and preventive health care, contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.
- b) Promoting education which includes special education and employment strengthening vocation skills among children, women, elderly and the differently-abled and livelihood enhancement projects.
- c) Promoting gender equality, setting up homes and hostels for women and orphans, empowering women, 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.

- d) 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 which also includes a contribution for rejuvenation of river Ganga.
- e) 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.
- f) 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.
- g) Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports.
- h) Contribution to the Prime Minister's National Relief Fund, Prime Minister's Central Assistance and Relief in Emergency Situations Fund (PM CARES Fund) or any other fund set up by the Central Government for socio-economic development providing relief and welfare of the Scheduled Castes, tribes, other backward classes, minorities and women.
- i) Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government, State Government, Public Sector Undertaking or any agency of the Central Government or State Government.
- j) 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 AYUSH, Ministry of Electronics and Information Technology and other bodies, namely Defense Research and Development Organisation (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).
- k) Rural development projects.
- l) Slum area development.
- m) Disaster management, including relief, rehabilitation and reconstruction activities.
- n) Subscription to zero coupon zero principal instruments on Social Stock Exchange.

6. CSR BUDGET

The Board shall ensure that Company spends, in every financial year, at least 2 per cent of the average net profits made during the three immediately preceding financial years on CSR activities mentioned in Schedule VII of the Act or such minimum budget as may be statutorily mandated. Computation of average net profits will be carried out in accordance with the provisions of Section 198 of the Act.

Any amount remaining unspent pursuant to any ongoing project, fulfilling such conditions as may be prescribed, undertaken by the Company shall be transferred by the Company within 30 days from the end of the financial year to the Unspent Corporate Social Responsibility Account, and such amount shall be spent by the Company in pursuance of its obligation towards the Corporate Social Responsibility Policy within a period of three financial years from the date of such transfer, failing which, the said amount shall be transferred to a Fund specified in Schedule VII of the Act, within a period of thirty days from the date

of completion of the third financial year.

Any surplus arising out of the CSR Projects or Programs or activities shall not form part of the business profit of the Company and will be ploughed back into the same or shall be transferred to the Unspent CSR Account and spent in pursuance of CSR policy and annual action plan of the Company or transfer such surplus amount to a Fund specified in Schedule VII of the Rules, within a period of six months of the expiry of the financial year.

Any excess expenditure, i.e., beyond the prescribed CSR budget will be disclosed in the Board's CSR Report and shall be made available for set off against the CSR requirement to spend in any of the immediate three succeeding financial years subject to compliance with the Act and the CSR Rules.

Furthermore, any capital assets acquired or created using CSR funds must be held by a company established under Section 8 of the Companies Act, a registered Public Trust or Registered Society with charitable objectives and a CSR Registration Number, or by beneficiaries of the project in the form of self-help groups, collectives, entities, or a Public Authority. It is imperative for the Company to effectively manage its CSR activities and ensure that any surplus funds are appropriately utilized for approved CSR projects.

7. GOVERNANCE STRUCTURE

A. Corporate Social Responsibility Committee

In accordance with the provisions of Section 135(9) of the Act, the Company is not presently required to constitute a CSR Committee as the amount to be spent by the Company in terms of Section 135(5) of the Act, does not exceed Rupees Fifty Lakhs. Hence, the functions of the CSR Committee shall be discharged by the Board of Directors of the Company.

The Board shall constitute the CSR Committee as and when required inter alia, to comply with the provisions of the Companies Act, 2013 and applicable statutory requirements.

B. Roles and Responsibilities of Board towards CSR

The roles and responsibilities of the Board of Directors towards CSR shall, inter alia, include:

- Constituting the CSR Committee, as and when required under the Act.
- Approving, and amending from time to time, the CSR Policy.
- Ensuring that the Company spends, in every financial year, at least 2% of the average net profits made during the three immediately preceding financial years, in pursuance of the CSR Policy.
- Ensure that the Company treats the CSR Spends i.e. CSR surplus, excess expenditure and unspent CSR funds as per the modalities prescribed in the CSR Rules.
- Specify in its Report the reasons for not spending the amount if the Company fails to spend such amount.
- Disclose the CSR Policy and Projects approved by the Board on the Company's website, for public access.

- Ensure that the administrative overheads are not more than 5% of the total CSR Expenditure.
- Ensure that the funds so disbursed have been utilized for the purposes and in the manner as approved by Board and the Chief Financial Officer, if any or the person responsible for financial management shall certify to the 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.

As per the Companies Act, the Board shall formulate an annual action plan in pursuance of its CSR policy, which shall include the following, namely: -

- To formulate a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013 (as amended from time to time).
- Ensure that the programmes /projects undertaken by the Company on its own or through the implementing partners are aligned with the approved CSR policy of the Company and are also aligned to Schedule VII and Section 135 of the Act.
- To recommend the amount of expenditure to be incurred on the activities in a financial year.
- To monitor, revise, and modify the Corporate Social Responsibility Policy of the company from time to time based on the evolving legislature.
- To formulate and recommend monitoring and reporting mechanism for the projects or programmes
- To formulate details of need and impact assessment, if any, for the projects undertaken by the company
- Respond to any query, observation or clarification sought by the Ministry of Corporate Affairs or any other regulatory authority with regard to the Company's CSR- supported initiatives.
- Develop and institutionalize a CSR reporting mechanism in light with Section 135, Rule 8 of the Act.
- Any other matter / thing as may be considered expedient by the Members of the Board in furtherance of and to comply with the CSR Policy of the Company.

8. MODE OF 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, exempted under sub-clauses (iv), (v), (vi) or (via) of clause (23C) of section 10 or 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

- iii) Any entity established under an Act of Parliament or a State legislature; or
- iv) A Company established under section 8 of the Act, or a registered public trust or a registered society, exempted under sub-clauses (iv), (v), (vi) or (via) of clause (23C) of section 10 or 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 collaborate with other Companies for CSR projects or programs. However, the CSR Committees or Board of Directors of the respective Companies must report separately on such initiatives according to the Companies (CSR) rules. All relevant requirements and provisions of the Companies Act 2013 in this regard shall apply.

The Company may directly implement the CSR activities as per the provision of the CSR rules wherein it will directly plan, place work/ purchase order, monitor and review the CSR projects being implemented directly.

9. REPORTING FRAMEWORK

The Company will ensure that proper documentation is maintained for CSR policy, annual CSR activities, executing partners, and expenditures, and the same will be made available in the public domain. The company's CSR initiatives will also be reported in the Annual Report of the Company.

The Company is committed to maintaining transparency and accountability in its CSR activities and will continue to engage with stakeholders through various channels to keep them informed and engaged.

10. COMMUNICATION

This Policy shall be hosted on the website of the Company.

11. RETENTION OF DOCUMENTS

All important documents generated in the implementation of the policy shall be retained by the Company for a period of 8 (eight) years or such other period as specified by any other applicable law in force, whichever is more.

12. ADMINISTRATION OF THE POLICY

The Board shall periodically review the implementation of the CSR Programs and issue necessary direction from time to time to ensure orderly and efficient execution of the CSR programs in accordance with this Policy.

The Company acknowledges the amendments made to the earlier CSR Rules of 2014 and notified the Companies (Corporate Social Responsibility Policy) Amendment Rules 2021, to make impact assessment mandatory for Companies undertaking CSR activities and CSR expenditure above a specified threshold. The mandate of Impact Assessment is, however, limited to only those companies that have a CSR budget of INR 10 crore or more in any fiscal year and all projects with outlays of INR 1 crore or more. The Company will adhere to the respective mandate if and when it falls under the obligatory criteria stated in the Act.

The expenditure for the impact assessment shall be booked towards CSR for that financial year, which shall not exceed two percent of total CSR expenditure for that financial year or fifty lakh rupees, whichever is higher.

13. REVIEW AND AMENDMENT

The policy shall be reviewed by the Board from time to time to assess its effectiveness and ensure alignment with applicable legal provisions, every three years or as per the need and requirements, including and amendments made to the Act.

The Board on its own and/or as per the recommendations of CSR Committee, if applicable, can amend this Policy, as and when required. Any or all provisions of the CSR Policy would be subject to revision/amendment in accordance with the provisions of the Act and Rules thereunder on the subject, from time to time.

The policy will maintain alignment with Section 135 of the Companies Act, 2013, and Schedule VII thereto. In case of any contradiction between the policy and the CSR provisions as mentioned under the Companies Act, 2013, the later shall prevail.

Date on which Policy is placed at Board Meeting: September 03, 2026