

CORPORATE SOCIAL RESPONSIBILITY POLICY

**DIAMOND RESEARCH AND MERCANTILE CITY
LIMITED**

CORPORATE SOCIAL RESPONSIBILITY POLICY

Diamond Research & Mercantile City Limited

CIN:U75143GJ2015SGC083828

1. Introduction

The Corporate Social Responsibility (CSR) Policy of Diamond Research and Mercantile City Limited (“the Company”) is designed to guide the actions of the Company in its commitment to contribute towards sustainable social and environmental development. This policy applies to all directors, officers, and employees of the Company. The CSR activities will align with the Company’s long-term goals of creating positive impact in the communities where it operates.

This policy will be periodically reviewed and amended as necessary to ensure its relevance and effectiveness.

2. Background

The Corporate Social Responsibility Policy is formulated in compliance with the applicable provisions of the Companies Act 2013 and the rules made thereunder. Section 135 of the Companies Act 2013 and rules made thereunder, enumerate the constitution of the Corporate Social Responsibility (CSR) Committee and implementation of the CSR policy.

3. Objective of the Policy

The primary objective of the CSR policy is to make CSR a key business process for sustainable development of the society. The Company aims to be a responsible corporate citizen, and aims at supplementing the role of Government in enhancing the welfare measures of the society within the framework of its policy.

4. Composition of the CSR Committee

The CSR Committee shall be composed of the following members:

Sr. No.	Designation	Designation in DCL	Designation in Committee
1	Municipal Commissioner, SMC	Managing Director	Chairman
2	Collector, Surat	Director	Member
3	Chief Executive Authority, SUDA	Director	Member

The CSR Committee will play a pivotal role in formulating and implementing the CSR initiatives of the Company.

5. Responsibilities of the CSR Committee

The CSR Committee will be responsible for:

- I. **Formulation and recommendation:** Formulating and recommending to the Board the CSR policy, indicating the activities to be undertaken in line with the Companies Act, 2013.
- II. **Approving CSR expenditures:** Deciding the amount of funds to be allocated for CSR initiatives and approving the expenditure for the same.

- III. **Monitoring and reviewing:** Monitoring and reviewing the progress and impact of CSR projects and ensuring compliance with legal and regulatory requirements.
- IV. **Access to information:** Having full access to all relevant records and reports and seeking advice from internal or external experts as necessary.
- V. **Additional responsibilities:** Any other matter as the CSR Committee may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors from time to time.

6. Corporate Social Responsibility Activities to be undertaken:

In the aforesaid context, policy on CSR of the Company is broadly framed for taking into account the following measures:

- The CSR activities shall be undertaken by Company, as stated in this Policy, as projects or programs or activities (either new or ongoing), excluding activities undertaken in pursuance of its normal course of business.
- Company shall give preference to the local area or areas around it where it operates, for spending the amount earmarked for CSR activities. The CSR projects or programs or activities undertaken in India only shall amount to CSR expenditure.
- Scope of Company's CSR activities shall be governed by the provision of Schedule VII of Companies Act 2013 and rules made there under, in reference to Section 135 of Companies Act 2013 and shall include following broad heads:
 1. Eradicating hunger, poverty and malnutrition, promoting preventive healthcare and sanitation including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of 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, agro forestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga.
 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 dependants.
 7. Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports.

8. Contribution to the Prime Minister's National Relief Fund or any other fund setup by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, 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. Slum Area Development
12. Disaster management, including relief, rehabilitation and reconstruction activities.
13. Any other projects, programs and activities falling within the permissible activities prescribed under Companies Act, 2013, rules made there under, any circular/notification/guidelines issued there under.

7. Budget and Allocation:

- A specific budget shall be allocated for CSR activities and spending on CSR activities shall not be less than 2% of the average net profits of the Company made during the three immediately preceding financial years, in pursuance of this policy.
- In case the Company is unable to spend the allocated amount, the Board of Directors will provide justifications.
- Approving authority for the CSR amount to be spent would be Managing Director and any one Director of the Company after due recommendation of CSR Committee and approval of the Board of Directors of the Company.

8. Exclusions from CSR Expenditure:

CSR funds will **not** be allocated to the following:

- Activities exclusively for the benefit of the Company's employees or their families
- Activities undertaken in the normal course of the Company's business
- Contributions to political parties
- Expenditure on activities that do not align with Schedule VII of the Companies Act, 2013
- Surpluses generated from CSR projects will not be treated as business profits of the company instead the same will be reinvested into CSR activities.

9. Monitoring and Reporting

- The activities undertaken will be reported to the CSR Committee during the committee meetings.
- The financial and programmatic progress of CSR projects will be periodically report to the CSR committee.
- The Company will publicly report CSR activities in its annual report and on its website

10. Policy Amendments

Any changes to this CSR policy will be communicated via the Company's website and will supersede previous versions. The updated policy will be effective as of the publication date on the Company's website.

For and on behalf of the Board of Directors
Diamond Research and Mercantile City Limited

Director
Place: Surat