

# CLEAN COATS PRIVATE LIMITED

CIN: U28920MH1999PTC123428

Regd. Office: K/30/1, ADDL Ambernath Ind Area, M.I.D.C, Anand Nagar, Ambernath (East), Thane, MH-421506, India  
| Email: [accounts@cleancoats.com](mailto:accounts@cleancoats.com) | Contact: 02226505576 | Website: [www.cleancoats.com](http://www.cleancoats.com) |

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## **POLICY ON CORPORATE SOCIAL RESPONSIBILITY (CSR)** **(As adopted by the Board of Directors in its meeting held on 17<sup>th</sup> February, 2021)**

### **❖ Policy Objective:**

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 for the CSR activities to be undertaken by the Company.

### **❖ Constitution of CSR Committee and its functions:**

In terms of section 135 of the Companies Act, 2013 and the Rules made thereunder as amended, as the Company's obligation to spend towards CSR activities does not exceed an amount of Rs. 50 Lac, it is not necessary for the Company to constitute CSR Committee. Accordingly, the CSR Committee constituted earlier has been dissolved and the functions of the CSR Committee shall be discharged by the Board of Directors.

The Board of Directors shall carry out of the following functions in respect of CSR activity:

- (a) Adopt CSR Policy and make changes, modifications to the policy as may be required from time to time;
- (b) identify the projects/activities to be undertaken by the Company for CSR
- (c) Approve CSR Activities to be undertaken alongwith detailed plan, modalities of execution, implementation schedule, monitoring process and amount to be incurred on such activities;
- (d) monitor the CSR Policy of the Company from time to time;
- (e) ensure compliance of CSR Policy;
- (f) such other functions as may be required to be performed in accordance with the provisions of Section 135 of the Act and Rules framed thereunder from time to time.

### **❖ Annual Plan:**

The Board of Directors shall formulate an Annual CSR Plan which shall include the following:

- a. List of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII to the Act.
- b. The manner of execution of such project or programmes.'
- c. The modalities of utilisation of funds and implementation schedule of projects or programmes
- d. Monitoring and reporting mechanism for the projects or programmes and
- e. The details of need and impact assessment, if any, for the projects undertaken by the Company.

The annual plan may be altered by the Board at any time during the financial year based on reasonable justification to that effect.

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## ❖ List of Activities/Projects

The Company shall undertake any of the following Activities/Projects or such other activities / projects as may be notified by the Ministry of Corporate Affairs from time to time as a part of the Corporate Social Responsibility (“CSR”):

- (i) Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water;
- (ii) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects;
- (iii) Promoting gender equality, empowering women, setting up homes and hostels for women and orphans, setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
- (iv) 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;
- (v) Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries;
- (vi) Promotion and development of traditional arts and handicrafts;
- (vii) Measures for the benefit of armed forces veterans, war widows and their dependents;
- (viii) Donation to Trusts/ Companies/ Institutions/ Organisation working towards Burns/ Acid Victims, Cancer, HIV/AIDS, Heart & Tuberculosis patients, Old age homes, Children homes/ Special Children homes
- (ix) Donation to Individual patients suffering from Burns/ acid attacks, Cancer, HIV/AIDS, Heart ailment and Tuberculosis.
- (x) Training to promote rural sports, nationally recognized sports, Paralympic and Olympic sports;
- (xi) 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;
- (xii) Rural development projects;
- (xiii) Any other activities in relation of the above and all other activities which forms part of CSR as per Schedule VII of the Companies Act, 2013 (the “Act”) as amended from time to time. (Collectively referred to as “**CSR Activities**”)
- (xiv) The Company shall undertake CSR Activities only in India. However, expenses incurred in overseas training of Indian sports personnel representing any State or Union Territory at national level or India at international level will be covered under permissible CSR activity. Provided that the preference shall be given to the local areas and areas where the Company operates for undertaking the CSR Activities. However, this shall not bar the Company from pursuing its CSR Activities in any other areas.

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## ❖ Manner of Execution

The Company shall allocate the budget for CSR activities. The minimum budgeted amount for a financial year shall be 2% of the average net profit of three immediately preceding financial years. The Company may allocate more funds/amount than the amount prescribed under section 135 of the Companies Act, 2013, for the CSR activities for any financial year. The Board shall calculate and approve the total fund for the CSR activities. The Board shall approve the total fund to be utilized for CSR activity for respective financial year.

CSR expenditure shall include all expenditure including contribution to corpus for projects or programs relating to CSR activities approved by the Board, but does not include any expenditure on an item not in conformity or not in line with activities which fall within the approved CSR activities.

## ❖ Modalities of utilisation of Funds

- i. The Company may undertake CSR Activities through a registered trust or society or any company, established by the Company, its holding or subsidiary company under Section 8 of the Act for such not-for-profit objectives.
- ii. The Company may collaborate with any other companies for undertaking the CSR Activities
- iii. The Company may build CSR capabilities of its personnel as well as those of implementing agencies through institutions with established track records of at least three financial years
- iv. The Company may undertake CSR Activities by way of helping needy individual and/ or Group of Individuals.
- v. Salaries paid by the Company to regular CSR staff as well as to volunteers of the Company (in proportion to Company's time/ hours spent specifically on CSR) shall be factored into CSR project cost as part of the CSR expenditure.
- vi. The Company shall not make any payment directly or indirectly to Political Party(ies) for CSR Activities.
- vii. The CSR amount may be spent by the Company for creation or acquisition of capital asset which shall be held by:
  - a. Section 8 Company, Registered Public Trust, or Registered Society having charitable objects and CSR Registration No.

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- b. Beneficiaries of the said CSR project are in the form of Self Help Group, Collectives, Entities or
  - c. A Public Authority.
- viii. If a company spends amount in excess of 2% of its average profit before tax of three preceding years, then such excess amount spent shall be available for Set Off against requirement of CSR spending for subsequent THREE Financial Years. PROVIDED that the Board of Directors of the Company shall pass a resolution to that effect.

## ❖ Monitoring & Reporting Mechanism

- i. The Board shall approve the CSR Activities to be undertaken for the financial year along with the detailed plan, modalities of execution, implementation schedule, monitoring process and amount to be incurred on such activities in compliance with this policy;
- ii. A regular report giving status of the CSR Activities undertaken, Expenditure Incurred and such other details as may be required shall be placed before the Board. The Board shall review the same and make changes, if any, with regard to implementation process.
- iii. The Board shall ensure that the CSR Policy, as amended from time to time, is displayed on the company's website.
- iv. Periodic reporting on the CSR activities, execution modalities, implementation schedules etc., shall be in the following format which may be amended by the Board from time to time.

Sr.	CSR Activity	Implementation Schedule	Total Budget Allocated	Actual Expenses incurred	Surplus arising, if any	Remark

- v. The Board of Directors of the Company shall satisfy itself that the funds disbursed for CSR activities have been utilized for the purposes and in the manner as approved by it and the CFO or any other person responsible for financial management shall certify to that effect.
- vi. The Board of Directors shall monitor the implementation of the project with reference to approved time lines and shall be competent to make modifications, if any, for smooth implementation of the project within overall permissible time period.
- vii. The Board's Annual Report pertaining to any financial year shall include an annual report on CSR activities containing particulars as prescribed.

## ❖ Ploughing back of profits (surplus) on CSR Activities

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The Board shall ensure that overall administrative overheads shall not exceed 5% of total CSR expenditure of the Company for any financial year.

Any surplus arising out of the CSR activities shall not form part of the business profit of a company and shall be ploughed back into the same project 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, **within a period of six months of the expiry of the financial year.**

## ❖ SPECIAL UNSPENT CSR ACCOUNT

A special bank account, called an Unspent CSR Account will be opened by the company in any scheduled bank.

Any amount remaining **unspent pursuant to any ongoing project**, undertaken by a company in pursuance of its CSR Policy shall be transferred by the company in the unspent CSR Account **within a period of 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 three financial years from the date of such transfer.**

In case, the company **fails to spend** the amount within a period of three financial years, it **shall transfer the same to a Fund specified in Schedule VII, within a period of thirty days** from the date of completion of the third financial year

### **Transfer Of Unspent CSR Amount.**

The unspent CSR amount (other than in respect of an Ongoing Project), if any, shall be transferred by the company **to any fund** included in Schedule VII of the Act **until a fund is specified** in Schedule VII for the purpose of transferring unspent CSR amount, with in a period of 6 months from the end of the respective Financial year.

## ❖ Impact assessment

The Company shall undertake an impact assessment as per provisions of the Act read with relevant rules therein.

The effectiveness and impact of CSR activity will be evaluated on both qualitative as well as quantitative terms. In quantitative terms amount of funds spent, number of facilities covered and number of direct beneficiary shall be evaluated while in qualitative terms, the sustainability of the project activity, extent of employee involvement, empowerment of weaker sections, community engagement will be evaluated.

The findings and recommendation summarise the study and will provides direction to the Company to further improve and rationalize its CSR expenditure in the coming years.

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In case the Company will have annual CSR obligation of Rs. 10 Crore or more in immediately Three preceding financial years, the impact assessment shall be undertaken by an independent agency of the projects having an outlay of Rs. 1 Crore or more and which have been completed not less than one year before undertaking the impact study.

The impact assessment report shall be placed before the Board and shall be annexed to annual report on CSR.

❖ **Display of CSR Policy and CSR Activities on Company's Web Site**

The Company shall display and disclose the CSR Policy and Projects approved by the Board for CSR spending on the web site of the Company, if any.

Words and expressions used and not defined in this Policy shall have the same meanings respectively assigned to them in the Act and the Rules.

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## “ANNEXURE -II

### FORMAT FOR THE ANNUAL REPORT ON CSR ACTIVITIES

TO BE INCLUDED IN THE BOARD’S REPORT FOR FINANCIAL YEAR COMMENCING  
ON OR AFTER 1ST DAY OF APRIL, 2020

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 the report).

Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate

5. 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 set-off for the financial year, if any (in Rs)
1			
2			
3			
	<b>TOTAL</b>		

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

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7. (a) Two percent 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.





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(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.
	TOTAL								

(d) Amount spent in Administrative Overheads

(e) Amount spent on Impact Assessment, if applicable





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