



**SHANTI
GOLD**

International Ltd.

CIN: U74999MH2013PLC249748

CORPORATE SOCIAL RESPONSIBILITY ('CSR') POLICY

SHANTI GOLD INTERNATIONAL LIMITED

Registered Office: Plot No A-51, 2nd Floor to 7th Floor, MIDC,
Marol Industrial Area, Road No.-1, Near Tunga International Hotel,
Andheri (E), Chakala MIDC, Mumbai - 400093

Tel: 02261276657

Email ID: shantigold1@gmail.com; **Web:** www.shantigold.in

CIN: U74999MH2013PLC249748

CORPORATE SOCIAL RESPONSIBILITY ('CSR') POLICY

A. PREFACE

Corporate Social Responsibility (“**CSR**”) is strongly connected with the principles of sustainability. Organizations should make decisions based not only on financial or operational factors, but also on the social and environmental consequences. Therefore, it is the core corporate responsibility of Shanti Gold International Limited (“**Company**”) to practice its corporate values through its commitment to grow in a socially and environmentally responsible way, while meeting the interests of its stakeholders. Therefore, the Company’s CSR Policy is a statement containing the approach and direction given by its Board of Directors (“**Board**”), taking into account the recommendations of its CSR Committee and includes guiding principles for selection, implementation, monitoring activities as well as formulation of the annual action plan.

This Policy is framed pursuant to the provisions of section 135, Schedule VII of the Companies Act, 2013 (“**Act**”) and the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 (“**CSR Amendment Rules**”), as amended from time to time.

The CSR Policy of Shanti Gold International Limited (“**the Company**”) has been adopted by the Board of Directors (“**the Board**”) at its meeting held on November 18, 2024.

B. DEFINITIONS

‘**Act**’ means Companies Act, 2013 and rules thereunder.

‘**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;

‘**Board of Directors**’ or ‘**Board**’ in relation to the Company, means the collective body of the directors of the Company.

‘**Corporate Social Responsibility (CSR)**’ means the activities undertaken by the Company in pursuance of its statutory obligation laid down in Section 135 of the Act in accordance with the provisions contained in the Companies (Corporate Social Responsibility Policy) Rules, 2014 (including any amendment thereto or re-enactment thereof) [hereinafter referred to as ‘**the Rules**’];

‘**CSR Committee**’ means the Corporate Social Responsibility Committee as constituted or reconstituted by the Board from time to time.

‘**CSR Policy**’ means this Policy, containing the approach and direction given by the Board, taking into account the recommendations of its CSR Committee, and includes guiding principles for selection, implementation and monitoring of activities as well as formulation of the annual action plan;

‘Directors’ means Directors of the Company.

‘Ministry’ means the Ministry of Corporate Affairs of the Government of India.

‘Net Profit’ means the net profit of the Company as per its financial statement prepared in accordance with the applicable provisions of the Act read with the Rules;

‘Implementing agency’ would mean and include any of the following agencies or organisations - through which the Company undertakes its CSR projects and activities and which satisfies the applicable stipulations laid down in the Act and/or the Rules:

- a company established under section 8 of the Act, or a registered public trust or a registered society, 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 through civic society partnering with any company registered with specific purpose to meet the objectives of social developments.
- 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
- any entity established under an Act of Parliament or a State legislature; or
- a company established under section 8 of the Act, or a registered public trust or a registered society, 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

‘Ongoing Project(s)’ means a multi-year project, undertaken by the Company in fulfilment of its CSR obligation having timelines not exceeding three years excluding the financial year in which it was commenced, and shall include 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.

C. TITLE AND APPLICABILITY

The Company wishes to formalize and institutionalize its efforts made in the domain of corporate social responsibility in this Policy document.

This Policy shall serve as a guiding document to help identify, execute and monitor CSR projects in keeping with the spirit of the Policy. This Policy shall apply to all CSR initiatives and activities taken up by the Company for the benefit of different sections of the society.

Further to the Company’s philosophy and guiding principles, in compliance with the spirit underlying the provisions of Section 135 and related clauses of the Act:

1. The Company recognizes the importance of good corporate governance and corporate social responsibility. It seeks to promote and strengthen the trust

of shareholders, other stakeholders and the public; and believes that operating in accordance with good corporate governance and corporate social responsibility practices is inherent in its philosophy.

2. The CSR Policy shall be governed and guided by the Company's corporate vision to achieve inclusive growth, and its aspiration for serving multiple market segments, its customers, shareholders, employees and community at large.
3. To this endeavor, the Company shall strive to demonstrate the highest standards of ethics and act in accordance with the applicable law for the best interests of its shareholders, stakeholders and the society.
4. The Company's CSR Policy has been framed and formulated in accordance with Section 135 of the Act and the rules made thereunder.
5. The Company's CSR Policy is aligned with Schedule VII of the Act.
6. The Policy shall apply to all CSR programmes/projects of the Company.

D. GUIDING PRINCIPLES

- The Company shall give preference to the local area and areas around it where it operates, for undertaking Corporate Social Responsibility activities.
- Contribution of any amount directly or indirectly to any political party shall not be considered as CSR.
- CSR activities (except for training of Indian sports personnel representing any state or Union territory at national level or India at international level) must be undertaken in India.
- Activities that benefit only the employees of the Company shall not be considered as CSR.
- Activities undertaken in pursuance of normal course of business of the Company shall not be considered as CSR.
- Sponsorship basis activities deriving marketing benefits for the Company's products or services will not qualify as part of CSR activities.
- Activities carried out for fulfilment of any other statutory obligations under any law in force in India will not qualify towards CSR requirement.

E. SCOPE

This policy will apply to all projects / programmes undertaken as part of the Company's Corporate Social Responsibility and will be developed, reviewed and

updated periodically with reference to relevant changes in corporate governance, international standards and sustainable and innovative practices. The policy will maintain compliance and alignment with Section 135 of the Act and Schedule VII thereto.

F. CORPORATE SOCIAL RESPONSIBILITY PURPOSE STATEMENT

The Company is committed to identifying and supporting programmes aimed at:

- Contribute towards sustainable developments of the Society and Environment as a whole.
- To undertake projects or programs or activities which will directly/indirectly enhance the quality of life and economic well-being of communities in the society at large.

G. GOVERNANCE

The approval of the CSR policy and oversight is the responsibility of the Company's Board of Directors. The responsibility of the CSR committee is to promote the strategy and to administer the policy through implementing partner(s) or via self-implementation or through a Trust to be formed by the Company. The CSR Committee shall provide guidelines for projects/partner selection. The CSR Committee is to ensure that projects/ programmes are compliant with the regulations and are monitored and reported effectively.

H. ROLES AND RESPONSIBILITIES: BOARD OF DIRECTORS

The Board of the Company will be responsible for:

- constituting a CSR Committee.
- approving the Company's CSR Policy, CSR action plan and budget placed by the CSR Committee;
- placing the Policy on the Company's website in such a manner as prescribed under Section 135 of the Act;
- ensuring that the Company spends, in every financial year, at least two percent of the Company's average net profit, made during the three preceding financial years;
- specifying the reasons in its report if, in an unlikely circumstance, the Company fails to spend the stipulated CSR money during a financial year;
- making any change(s) in the constitution of the CSR Committee from time to time;
- ensuring that CSR activities of the Company are undertaken by an Implementing Agency which is qualified for undertaking the CSR activities;
- Satisfying itself that funds allocated for CSR activities have been utilised for the purposes and in the manner as approved by it;
- Monitoring the implementation of the on-going projects with reference to the approved timelines and year-wise allocation and to make modifications, if any, for smooth implementation of the project within the overall permissible time period;
- Ensuring that administrative overheads shall not exceed five percent of total CSR

- expenditure of the Company for the financial year; and
- Taking such other steps and measure as may be required in terms of the Act and/or the Rules and as it deems necessary.

I. CONSTITUTION OF CSR COMMITTEE

The Company has constituted a CSR Committee of the Board as per the provisions of the Act, read together with the Companies (Corporate Social Responsibility Policy) Rules, 2014, to ensure that the purpose of this Policy is being effectively served.

J. ROLES & RESPONSIBILITIES OF THE CSR COMMITTEE

The CSR Committee shall be responsible for:

1. Prepare, revise and modify the CSR Policy for the Company and place the same with the Board of Directors for its approval.
2. 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.
3. Will provide guidelines for selection of projects / programmes or implementing partners.
4. Review and approve annual budgets with respect to CSR programmes.
5. In case the Company is not able to spend the stipulated two percent of the average net profits of the preceding three financial years or any part thereof, the CSR Committee shall provide the reasons for not spending the amount to the Board and such reasons shall also be included in the Board's report.
6. Receiving reports from Implementing Partners to assess the performance and effectiveness of projects supported by the Company.
7. Reviewing the findings and recommendations regarding the CSR initiatives from any investigation or audit conducted by regulatory agencies or external auditors or consultants.
8. 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.
9. Ensure that the Company's website displays the approved CSR policy.
10. Develop and institutionalize a CSR reporting mechanism in light of Section 135 and the Rules made thereunder; develop, recommend and oversee CSR

Action Plan;

11. Holding meetings to discuss and deliberate upon the progress of the CSR activities and any change that needs to be informed to the Board for its approval;
12. Periodically update the Board on the status of the approved CSR activities;
13. Constitute, if considered necessary, an executive level functional and monitoring Committee to review the CSR functions approved by the Committee
14. Any other responsibility, as may be suggested by the Board or, as may be required by the Act and/or the Rules.

K. CSR BUDGET AND FUNDING

A specific budget is to be allocated for CSR activities in each financial year so that the Company spends every year a minimum amount as may be specified in the Act and/or the Rules (which currently is 2% (two per cent) of the average net profits made during the 3 (three) immediately preceding financial years) or such higher amount as may be recommended by the CSR Committee and approved by the Board. This budget shall be project/programme driven.

Any surplus arising out of the CSR activities shall not form part of the business profit of the Company and shall be ploughed back into the same project. If the unspent CSR expenditure pertaining to an annual CSR project shall be transferred to any fund in Schedule VII of the Act, within 6 (six) months from the end of concerned financial year. If the unspent CSR expenditure pertains to an Ongoing Project, the amount has to be transferred to a separate bank account to be called "Unspent CSR Account" for that financial year to be opened with a scheduled bank within 30 (thirty) days of the end of the concerned financial year and is to be spent on that Ongoing CSR Project in pursuance of its obligations towards the CSR Policy, within a period of 3 (three) financial years. In case the Company is unable to spend the CSR expenditure on the Ongoing CSR project in pursuance of its obligation towards the CSR Policy within the prescribed period of 3 financial years, it would be required to transfer the amount so unspent to any fund specified in Schedule VII of the Act, within 30 (thirty) days from the date of completion of the third financial year.

Excess CSR expenditure could be set off in succeeding three financial years, subject to the conditions mentioned in the Act. The CSR amount may be spent by the Company for creation or acquisition of a capital asset, in the manner that may be prescribed in the Act.

If the Company spends any amount over 2% of such average net profits then the same is to be considered as excess CSR expenditure which can be set-off in the immediate succeeding three financial years subject to the conditions as prescribed under the Act.

L. SELECTION

LIST OF ACTIVITIES/PROJECTS UNDER THE LAW AND THEIR SELECTION PROCESS:

The Company can 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”):

- ✓ Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care 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;
- ✓ Promoting education, including special education and employment, enhancing vocation skills, especially among children, women, elderly and the differently abled and livelihood enhancement projects;
- ✓ 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;
- ✓ 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, including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga;
- ✓ 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 art and handicrafts;
- ✓ 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;
- ✓ Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports;
- ✓ Contribution to the prime minister's national relief fund or Prime Minister’s Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) or any other fund set up by the central government for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;
- ✓ (a) Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government; **and**;
- ✓ (b) 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 Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (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 the Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).

- ✓ Rural development projects
- ✓ Slum area development.
[Explanation- For the purposes of this item, the term 'slum area' shall mean any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force;
- ✓ Disaster management, including relief, rehabilitation and reconstruction activities.

Any other activities in relation of the above and all other activities which forms part of CSR as per Schedule VII of the Act, 2013 (the "Act") as amended from time to time. (Collectively referred to as "CSR Activities")

The Company shall be undertaking CSR Activities only in India. Provided that the preference shall be given to the local areas and areas where the Company operates for undertaking the CSR Activities.

CONDITIONS AND RESTRICTIONS

The CSR Committee and the Board of Directors shall be governed by the following conditions and restrictions while undertaking any CSR projects/programmes/activities:

- a) The CSR projects/programmes/activities undertaken by the Company, as per this policy shall exclude activities undertaken in pursuance of its normal business.
- b) The CSR projects/programmes/activities shall be undertaken in India only except for training of Indian sports personnel outside India who is representing any State or Union Territory at national level or India at international level.
- c) The CSR projects/programmes/activities that benefit only the employees of the Company and their families, shall not be considered and not qualify as CSR expenditure.
- d) Contribution of any amount directly or indirectly to any political party under Section 182, shall not be considered and not qualify as CSR expenditure.
- e) The surplus, if any, arising out of the CSR projects/programmes/activities shall not form part of the business

- profit of the Company.
- f) Activities supported by the Company on sponsorship basis for deriving marketing benefits for its products or services shall not form part of CSR expenditure.
 - g) Activities carried out for fulfilment of any other statutory obligations under any law in force in India shall not form part of CSR expenditure.

M. IMPLEMENTATION

The Company shall participate in CSR projects / programmes either independently or through a CSR Trust in conformity with the requirements of the Act, Schedule VII thereto and the Rules framed thereunder.

The Company may enter into partnerships or alliances with NGOs, other Trusts, or other Corporate Foundations etc. to create a multiplier effect of its CSR programmes / projects.

The Company can also implement programmes in collaboration with other companies such that the CSR Committees of respective companies are in a position to report separately on such programme and projects.

The CSR Committee will oversee the implementation and monitoring of all CSR projects/programmes and periodic reports shall be provided for review to the CSR Committee.

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.

The CSR Committee will oversee the implementation and monitoring of all CSR projects/programmes and periodic reports shall be provided for review to the CSR Committee.

The Committee and the Board shall ensure the calculation of net profits is as per the Section 198 of the Companies Act, 2013 and Rule 2(h) – Definition of Net Profit as per the Companies (Corporate Social Responsibility Policy) Rules, 2014.

Once the CSR is applicable to the Company in any Financial Year, the Committee and Board shall ensure that the CSR is carried out for next immediate three financial years irrespective of the applicability of CSR for the next Financial Year. – Rule 3 of the Companies (Corporate Social Responsibility Policy) Rules, 2014.

The time period / duration over which a particular project or program or activity spreads, will depend on its nature, extent of coverage and the intended impact of such Projects, Programs or Activities.

N. MONITORING

The Company will institute a monitoring and review mechanism to ensure that each CSR project /programme has:

1. Clear objectives developed out of the societal needs that may be determined through need assessment studies and research (secondary or primary).
2. Clear targets, time lines and measurable indicators wherever possible.
3. A progress monitoring and reporting framework that is aligned with the requirements of Section 135 of the Act and the CSR Rules.

The CSR Committee shall assign roles and responsibilities to the relevant team towards monitoring of the CSR activities and would have the responsibility of monitoring approved projects and funds disbursements for such projects. Monitoring mechanisms may include visits, meetings, and progress reports.

Monitoring will be done with the help of identified key qualitative and quantitative performance indicators, with a continuous feedback mechanism, and recourse for mid-course correction in implementation, if needed, to ensure efficacy. With regard to the budget, the Company will establish an accounting system that will allocate and account for CSR spend across projects and programmes.

O. REPORTING

The Company will monitor progress of CSR projects and expenditure and will report impact to the Board and the CSR Committee from time to time. The Company is required to report its CSR performance in its annual Director's Report as per the structure and format prescribed in the notified CSR Rules of Section 135 of the Act.

P. AMENDMENT IN CSR POLICY

Any modification / amendment in the CSR Policy shall be carried out by the "CSR Committee" with the prior approval of the Board of Directors of the Company. The Board's Report shall include an annual report on CSR containing particulars specified under the Companies Act, 2013 and rules made thereunder, amended from time to time. The Company shall also disclose the CSR projects /programmes /activities on the official website as required under the Act and the rules. The CSR Policy issued pursuant to the Act has been recommended by the CSR Committee of the Board of Directors and approved by the Board of Directors and shall be placed on the Company's website www.shantigold.in

Q. AREAS FOR CSR INTERVENTION

The Company has adopted a focused and structured approach towards implementing its CSR initiatives. It has identified thematic and programme areas to guide the design, intent and approach of its CSR initiatives. It will strengthen and enhance its footprint in the areas the Company is currently working in, and wish to explore opportunities and further expand to new focus areas aiming at community development around its areas of operation.

The CSR Committee will select projects and programmes that align to the thematic and programme areas specified within this policy. This will also include the modalities of execution that will be used to deliver and implement the projects /

programmes, the timeframe, and disbursement and allocation of spend. The guidelines for selection of projects are as below and stipulate that:

- ✓ The Company will ensure that its CSR projects are non-discriminatory in nature and do not have any restrictive political or religious affiliations.
- ✓ The programmes / projects will be within the areas recommended and/or listed by the CSR Committee and mentioned in the Policy.
- ✓ Programmes / projects will not be in pursuance with the Company's normal course of Business.
- ✓ The programmes / projects will be implemented within the country and preferably in areas where the Company has its presence.
- ✓ The Company will consider programmes / projects closely linked with the principles of sustainable development.
- ✓ The Company can actively consider programmes / projects that have been identified by employees and also those where employees are directly involved through volunteering efforts Programmes / projects should not be exclusively for the benefit of the Company's employees or their family members.
- ✓ Any surplus generated out of the Company's CSR activities will be re-invested back to the CSR initiatives of the Company.
- ✓ The Statutory eligibility of implementing agency through which the CSR activities are selected, i.e. to ensure whether those implementing agencies have registered under section 12A and 80G of the Income Tax Act, 1961, have an established track record of at least three years in the undertaking similar activities and have also filed form CSR-1 with the Registrar of Companies.
- ✓ Implementing agency has a track record of 3 years in undertaking similar programs or projects.
- ✓ Implementing agency shall have goodwill in performing its activities diligently.
- ✓ Implementing agency shall have a good stand in terms of the Law of Land.

R. ANNUAL ACTION PLAN

The CSR Committee shall also formulate and recommend to the Board, an Annual Action Plan as per format specified in Annexure A, which shall include the following, namely:

- the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
- the execution of the projects or programmes in the specified manner;
- the modalities of utilisation of funds and implementation schedules for the projects or programmes;
- monitoring and reporting mechanism for the projects or programmes; and
- details of need and impact assessment, if any, for the projects undertaken by the company.

The Board may alter such plan at any time during the financial year, as per the recommendation of its CSR Committee, based on the reasonable justification to that 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.

Impact benefit

It is expected that the above projects will benefit the society at large and a study of their impact will be undertaken in due course.

S. EFFECTIVE DATE

This Policy shall be effective from the date of approval by the Board, unless specified otherwise.

T. LIMITATION AND AMENDMENT

The Board of Directors may in their discretion and on recommendation of the CSR committee, make any changes/modifications and/or amendments to this Policy from time to time.

Annexure A

ANNUAL ACTION PLAN FOR THE CSR EXPENDITURE OF THE COMPANY FOR THE FINANCIAL YEAR

- a) List of CSR projects or programs undertaken/proposed to be undertaken
- b) Manner of execution of such projects or programs
- c) Modalities of utilization of funds
- d) Implementation Schedule
- e) Monitoring and Reporting Mechanism of programs /projects
- f) Details of need and impact assessment
- g) Impact benefit