



CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

PREAMBLE

Pursuant to Section 135 of the Companies Act, 2013 (the Act) read with rules thereunder, the Board of Directors of Cheviot Company Limited ('Board') have formulated this statement containing the approach and direction to fulfill the CSR obligations, 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.

CHEVIOT COMPANY LIMITED'S CSR APPROACH

At Cheviot, we believe in a responsible shared value approach to augment industrial growth together with actions directed to create prosperity among all our stakeholders, employees and the community at large. Our Company has all along voluntarily contributed to the community in various forms including monetary donations and aid given to non-profit organizations and registered charitable Trusts. The Company is into the business of manufacturing of Jute Goods which act in itself is to promote a bio degradable and environmental friendly product.

AREAS EMPHASIZED FOR CSR PROGRAM

In line with CCL's above approach, our CSR Policy is to direct CSR Programme towards initiating one or more of the following activities:-

1. To establish, promote, support, maintain, help, run and grant aid to schools and other educational institutions for promotion of education;
2. To establish, promote, support, maintain, help, run and grant aid to dispensaries, hospitals, nursing homes, child welfare centre for promoting preventive health care and sanitation;
3. To establish, maintain and/or grant aid to old age homes, orphanages or other establishments for relief of and to give help to the poor and destitute people, orphans and widows;
4. To provide food, clothing and/or shelter for the poor and/or needy persons and to give help to them;
5. To enhance skill development especially among children, women, elderly and the differently abled;
6. To construct toilets to encourage hygienic sanitation;
7. To undertake or carry out any other CSR activities as specified in Schedule VII to the Companies Act, 2013 as may be decided.

Provided that the activities expressly prohibited under the definition of Corporate Social Responsibility shall not be undertaken by the Company in fulfilment of its CSR obligations.

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ANNUAL ACTION PLAN

The CSR Committee shall formulate and recommend to the Board, an annual action plan in pursuance of its CSR policy, which shall include the following, namely:-

- (a) the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
- (b) the manner of execution of such projects or programmes as specified in sub-rule (1) of rule 4 of the Companies (Corporate Social Responsibility Policy) Rules, 2014;
- (c) the modalities of utilisation of funds and implementation schedules for the projects or programmes;
- (d) monitoring and reporting mechanism for the projects or programmes; and
- (e) details of need and impact assessment, if any, for the projects undertaken by the company.

Provided that 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.

IMPLEMENTATION OF CSR PROGRAMMES

The CSR activities shall be undertaken by the company itself or through -

- (a) 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 approved under 80 G of the Income Tax Act, 1961 (43 of 1961), established by the company, either singly or along with any other company; or
- (b) 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
- (c) any entity, established under an Act of Parliament or a State legislature, being a statutory body constituted under an Act of Parliament or State legislature to undertake activities covered in Schedule VII of the Act; or
- (d) 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 approved under 80 G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities.

Provided that every entity mentioned in clauses (a) to (d) above shall be required to register itself with the Central Government and obtain unique CSR Registration Number to be eligible to undertake CSR activities.

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The company may also collaborate with other companies for undertaking projects or programmes or CSR activities in such a manner that the Board or the CSR committees of respective companies are in a position to report separately on such projects or programmes in accordance with the CSR rules. In such cases, the committee will decide the CSR Programmes which may be undertaken under CSR Program.

CSR EXPENDITURE

CSR expenditure will include all expenditures incurred directly or through eligible implementing agencies on CSR Programmes undertaken in accordance with approved CSR plan. The Board shall ensure that the administrative overheads, if any, shall not exceed five per cent of total CSR expenditure of the company for that year. In this connection, it is declared that in the event any CSR Programme is directly implemented by the Company, then any surplus arising out of the CSR activities shall not form part of the business profits of the Company and shall be ploughed back into the same project or shall be transferred to the Unspent Corporate Social Responsibility 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.

ONGOING PROJECT

The company may undertake multi-year project to fulfil its CSR obligation within three years excluding the financial year in which it is commenced. Such project shall also include activities that were initially not approved as a multi-year project but whose duration has been extended beyond one year by the board based on reasonable justification by the CSR Committee. Any amount remaining unspent for an ongoing project undertaken by the Company shall be transferred to Unspent Corporate Social Responsibility Account within thirty days from the end of the financial year and utilised within a period of three financial years from the date of such transfer, failing which, transfer such unspent amount to a Fund specified in Schedule VII, within a period of thirty days from the date of completion of third financial year. In case of ongoing project, the Board 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.

MONITORING MECHANISM OF CSR PROGRAMMES

- (I) CSR Committee will propose CSR Programmes to be carried out during each financial year and the estimated amount thereof for approval of the Board. The Board will consider and approve such programmes. 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 CFO or person responsible for financial management shall certify to the effect.
- (II) CSR Committee will submit its report to the Board at the end of each financial year based on which Board shall include an annual report on CSR containing necessary particulars in a format provided under Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014.

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CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY (Contd...)

UNSPENT CSR IN ANY FINANCIAL YEAR

If the company fails to spend the CSR amount in any financial year, the Board shall, specify the reason for not spending the amount in the Board Report and, unless the unspent amount relates to any ongoing project, transfer such unspent amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.

EXCESS CSR EXPENDITURE IN ANY FINANCIAL YEAR

Where in any year, the company spends an amount in excess of requirement provided under section 135(5) of the Act, such excess amount shall be set off against the requirement to spend under section 135(5) of the Act up to immediate succeeding three financial years subject to the conditions that the excess amount available for set off shall not include the surplus arising out of the CSR activities, if any, and the Board shall pass a resolution to that effect.

COMPOSITION OF CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Name of the directors	Designation	Category
Mrs. Malati Kanoria	Chairperson	Non-executive Director
Mr. Padam Kumar Khaitan	Member	Independent Director
Mrs. Rashmi Prashad	Member	Independent Director

DISPLAY ON THE WEBSITE

The composition of the CSR Committee, CSR Policy and CSR Projects approved by the Board / CSR Committee from time to time shall be disclosed on the website of the Company for public access.

REVIEWED AND ADOPTED BY THE BOARD OF DIRECTORS AT THEIR MEETING HELD ON 10TH AUGUST, 2023.

THIS INFORMATION IS DISPLAYED ON THE WEBSITE OF THE COMPANY IN COMPLIANCE WITH RULE 9 OF THE COMPANIES (CORPORATE SOCIAL RESPONSIBILITY POLICY) RULES, 2014.