

ANNEXURE – B TO THE DIRECTORS’ REPORT

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. Brief outline on CSR Policy of the Company:

The CSR Policy encompasses the Company’s philosophy for giving back to society as a Corporate Citizen and lays down the guidelines and mechanism for undertaking socially useful programmes for the welfare & sustainable development of the community at large. This policy is rooted in the Company’s core values of quality, reliability and trust guided by the best practices and is driven by our aspiration for excellence in the overall performance of our business. It is framed to guide its strategic planning and provide a roadmap for its CSR initiatives, which is an integral part of overall business policy and aligned with its business goals. The Objective of the Company’s CSR policy is driven by the intent to make a material, visible and lasting difference to the lives of disadvantaged sections of society and a sustained positive contribution to the welfare of society at large. In the conduct of its CSR intervention, the Company aims to act as a good corporate citizen and a socially responsible entity, identify the gaps and extend need-based contribution for the betterment of the society, contribute for the sustainable and holistic development of the underserved communities through various programmes having multi-dimensional impact and generate community goodwill by making proactive interventions. The Policy would also ensure compliance with Section 135 of the Companies Act, 2013 and would include the activities as covered under Schedule VII to the Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014 and as amended from time to time.

2. The Composition of the CSR Committee: - Changes in Composition:

Section 135(9) of the Companies Act, 2013 which was inserted by the Companies (Amendment) Act, 2020 with effect from 22.02.2021, excluded the Companies which spend less than Rs. 50 lakhs as CSR contribution in a year, from constitution of CSR Committee and the functions of such Committee shall be discharged by the Board of Directors of the Company. In this background, the Board at its meeting held on 26.05.2023, dissolved the Corporate Social Responsibility Committee with effect from 26.05.2023. From then, the functions of the Committee is being discharged by the Board of Directors of the Company.

3. Web-link of the CSR Committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the Company:

- The CSR Committee details is not available in the website of the Company as the same was dissolved with effect from 26.05.2023 and the details of the same is explained in the earlier paragraphs.
- The CSR Policy and CSR Projects approved by the Board of Directors are disclosed on the website of the Company at <https://www.nagamills.com/semi%20pdf/6.%20Policies/6.%20CORPORATE%20SOCIAL%20RESPONSIBILITY%20POLICY.pdf> and <https://www.nagamills.com/Investors.html>

4. 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: Not Applicable

5. (a) Average net profit of the company as per sub-section (5) of section 135. : **Rs. 14.13 Cr**
- (b) Two percent of average net profit of the company as per sub-section (5) of section 135. : **Rs. 0.28 Cr**
- (c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years. : **Nil**
- (d) Amount required to be set-off for the financial year, if any. : **Rs. 0.67 Cr**

| Particulars | Amount (Rs. in cr) |
|--|-----------------------|
| Excess Amount Spent over the obligation for the FY 2021-22, carried forward to FY 2022-23 (1st year of carry forward) | 0.67 |
| Less: Set-off from the excess of FY 2021-22 was not required in FY 2022-23 (1st year of setting off), as the obligation was fully met using the excess carried forward from FY 2020-21 | 0.00 |
| Balance excess from FY 2021-22, carried forward to FY 2023-24 (2nd year of carry forward) | 0.67 |
| Less: Set-off from the excess of FY 2021-22 was not required in FY 2023-24 (2nd year of setting off), as the obligation was again fully met using the excess from FY 2020-21 | 0.00 |
| Balance excess from FY 2021-22 carried forward to FY 2024-25 (3rd and final year of carry forward) | 0.67 |
| Less: Obligation for the FY 2024-25 was set off from the excess of FY 2021-22 (3rd and final year of setting off permitted under rule 7(3)) | 0.28 |
| Excess amount lapsed (not eligible for set-off beyond 3 years) | 0.39 |

- (e) Total CSR obligation for the financial year [(b)+(c)-(d)]. : **Nil**

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project). : **Rs. 0.06 Cr**
- (b) Amount spent in Administrative Overheads. : **Nil**
- (c) Amount spent on Impact Assessment, if applicable. : **Not Applicable**
- (d) Total amount spent for the Financial Year [(a)+(b)+(c)]. : **Rs. 0.06 Cr**
- (e) CSR Amount Spent or Unspent for the financial year:

| Total Amount Spent for the financial year 2024-25 (Rs. in cr) | Amount Unspent (Rs. in cr) | | | | |
|--|---|------------------|---|--------|------------------|
| | Total Amount transferred to Unspent CSR Account as per Sec 135(6) | | Amount transferred to any fund specified under Schedule VII as per second proviso to Sec 135(5) | | |
| | Amount | Date of Transfer | Name of Fund | Amount | Date of Transfer |
| 0.06 | | Nil | | Nil | |

(f) Excess Amount for set off, if any: Nil

| Sl.No | Particulars | Amount (Rs. in cr) |
|-------|--|-----------------------|
| (i) | Two percentage of average net profit of the company as per section 135(5) | 0.28 |
| (ii) | Total amount spent for the Financial Year (Rs.0.06 Cr) and set off from the excess of FY 2021-22 (3rd and final year of setting off permitted under rule 7(3) (Rs.0.28 Cr) | 0.32 |
| (iii) | Excess amount spent for the Financial Year (ii-i) | 0.06 |
| (iv) | Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any | - |
| (v) | Amount available for set off in succeeding Financial Years (iii-iv) | 0.06 |

7. Details of Unspent CSR Amount for the preceeding three financial years: **Nil**

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: **No Capital assets have been created or acquired through CSR amount spent in the Financial year.**

9. Specify the reason(s), if the Company has failed to spend two per cent of the average Net Profit as per Section 135(5) of the Act: **Not Applicable**

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Place: Dindigul
Date : 28.05.2025

K.S. KAMALAKANNAN
Chairman and Managing Director
DIN: 01601589