



SANDHAR TECHNOLOGIES LIMITED

CORPORATE SOCIAL RESPONSIBILITY POLICY

Note: Revised by the Board of Directors at its meeting held on 21st May, 2021

COMPANY'S PHILOSOPHY:

Company has espoused for itself the philosophy of "Growth, Motivation and a Better Life". This philosophy is the guiding principle for all its activities, whether be it in business or for society in large. Company believes that it not only has a legal obligation to give back to the society what it gets, but there is a societal element too while it moves forward in its path of sustainable growth. Therefore, even before the legal obligation appeared on the anvil and found a place in corporatesphere, it was already ingrained into the Company's value systems whereby SANDHAR FOUNDATION was incorporated as a Trust for undertaking various activities as part of Corporate Social Responsibility since 2010 onwards.

Taking these practices forward, the Company's Co-Chairman and Managing Director, Shri Jayant Davar institutionalized the concept of triple bottom line accountability represented by Economic Success, Environmental Responsibility and Social Commitment.

OBJECTIVE: -

The focus of the Company's CSR initiatives is on the all-round development of the communities located mostly in rural and remote areas in and around the Company's Manufacturing units.

OPERATING MECHANISM: -

The Company shall carry out the CSR activities in accordance with the provisions set out under Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, which require that at least 2% of the average net profits of the company made during the 3 immediate preceding Financial Years shall be spent in pursuance of the Company's CSR Policy. The operating mechanism to carry out the CSR activities shall be as follows:

1. Taking up the activities as detailed in its focus area directly; or
2. 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.

COVENANTS: -

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) Salaries / Remuneration paid to CSR staff as well as volunteers can be factored into CSR expenditure made by the Company.
- e) Salaries / Remuneration paid to CSR staff as well as volunteers can be factored into CSR expenditure made by the Company.
- f) Contribution of any amount directly or indirectly to any political party under Section 182, shall not be considered and not qualify as CSR expenditure.

- g) The surplus, if any, arising out of the CSR projects/programmes/activities shall not form part of the business profit of the Company.
- h) Activities supported by the Company on sponsorship basis for deriving marketing benefits for its products or services shall not form part of CSR expenditure.
- i) Activities carried out for fulfilment of any other statutory obligations under any law in force in India shall not form part of CSR expenditure.

GUIDING PRINCIPLES ON FUNDING, SELECTION, IMPLEMENTATION, MONITORING & PROJECT IDENTIFICATION MECHANISM

1. Sandhar Technologies Limited established Sandhar Foundation in 2010 as a not-for-profit organisation aimed at providing a dedicated approach to community development and also to fulfil CSR commitments of Sandhar Group. Sandhar Foundation works towards various social causes including improving healthcare and supporting education, women empowerment, environment, skill development. The Company, Sandhar Foundation or such other entity will receive requests for funding of projects. The Company's representatives and/or Sandhar Foundation will evaluate proposals received and then forward its recommendations to the CSR Committee. The CSR Committee will deliberate on the proposals and approve proposals for implementation at its discretion. The Company's representatives and/or Sandhar Foundation or such other entity will collaborate with NGOs or others to monitor the status of each project and will report its findings to the CSR Committee periodically.
2. Sandhar Foundation will work closely with and support the Board and the CSR Committee in implementing CSR activities of the Company. Sandhar Foundation may assist the CSR Committee in identifying the areas of CSR activities, programs and execution of initiatives as per defined guidelines and in reporting the progress of deployed initiatives and in making appropriate disclosures (internal/external) on a periodic basis.
3. All projects shall be planned in a participatory manner, in consultation with stake-holders. Monitoring shall entail physical verification of the progress and the actual output of the project.

COMPANY'S FOCUS AREAS/ACTIVITIES: -

(a) Education and skill development:

- i. To undertake, organize and affiliate at different places for undertaking community development services such as adult literacy, computer literacy programmer's vocational training and creation of livelihood opportunities, watershed and sanitation.
- ii. To establish, maintain and run school and render other kinds of financial or other assistance in kind by way of distribution of books, notebooks, cloths, uniforms, meals stipend, medals and other incentives for the poor and indigent students either in India or abroad without any distinction as to caste colour, race, creed or sex or for providing funds for pursuing studies by any deserving student.
- iii. To provide support to recognized School(s)/ Educational Institutions which may include inter-alia modernization of labs, improving infrastructure, replacement of furniture & fixture, renovation of classrooms & toilets etc. and providing clean & safe drinking water by installing RO Systems or other forms of education and skill development assistance in this regards.

- iv. To establish, run, support and grant aid or other financial assistance to schools, colleges, libraries, reading rooms, universities, laboratories, research and other institutions of the like nature in India for use of the students and the staff and also for the development and advancement of education and diffusion of knowledge amongst the women, elderly and the differently abled.
- v. To create centers of excellences for research and development in the field of technical, vocational and higher education for helping the cause of techno- economic and socio-economic planning and management and/or provide contribution or funds to technology incubators located within academic institutions which have been approved by the Central Government.

(b) Healthcare: -

- i. To establish dispensary, hospital for providing for quality healthcare services including emergency healthcare services.
- ii. To purchase ambulance/s and other health equipments for expanding health care activities and open healthcare centers for the public at large at different places for the welfare of the society as a whole.
- iii. To support various medical initiatives aimed at reducing mortality rate of children.
- iv. To conduct regular health checkups for children in schools of neighboring regions.
- v. To undertake other initiatives for eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinkingwater.

(c) Environment: -

- i. Support a precautionary approach to environmental challenges and work under framework/policies such as IT E-Waste Policy.
- ii. Undertake initiative to promote greater environmental responsibility.
- iii. Tree plantation at and all across the plant and in front of the factory area in approved public land to create forest / green belt.
- iv. To create awareness of cleaner, greener environment and global warming issues at schools and also at villages from the surrounding region.
- v. Other initiatives for 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.

(d) Community Service: -

- i. 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 citizen and measures for reducing inequalities faced by socially and economically backward groups.
- ii. Measures for the benefit of armed forces veterans, war widows, their dependents and for overall community development.

(e) Promotion of sports: -

To promote rural sports, nationally recognized sports, paralympic sports and Olympic sports.

(f) Other initiatives: -

- i. 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.
- ii. 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.

iii. Rural development projects.

iv. Any other activity(ies) / requirement arising from time to time & covered under the Schedule VII of the Companies Act, 2013 or as may be provided by the rules in this regard.

IMPACT ASSESSMENT

If at any time the Company have average CSR obligation of ten crore rupees or more in pursuance of the applicable sections & sub sections of the Companies Act, 2013, in the three immediately preceding financial years, shall undertake impact assessment, through an Independent Agency, of their CSR projects having outlays of one crore rupees or more, and which have been completed not less than one year before undertaking the impact study.

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

Company undertaking impact assessment may book the expenditure towards Corporate Social Responsibility for that financial year, which shall not exceed five percent of the total CSR expenditure for that financial year or fifty lakh rupees, whichever is less.”

CSR BUDGET

- a) The CSR Committee and the Board of the Directors shall endeavour that the Company spends at least 2% of the average net profits made during the immediate three preceding financial years. 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.
- b) Any surplus arising out of CSR activities will be utilized only for CSR purposes.

GOVERNANCE

The CSR Governance structure at the Company comprises the CSR Committee and the Board of Directors of the Company. The Company through a registered trust or a registered society can undertake CSR activities as per the provisions of the Companies Act, 2013. Accordingly, Sandhar Foundation or such other entity will work closely with and support the Board and the CSR Committee in implementing CSR activities of the Company. Sandhar Foundation or such other entity will assist the CSR Committee in identifying the areas of CSR activities, programs and execution of initiatives as per defined guidelines. Sandhar Foundation or such other entity will also assist the Board and the CSR Committee in reporting the progress of deployed initiatives and in making appropriate disclosures (internal/external) on a periodic basis.

MONITORING OF CSR ACTIVITIES

CSR committee will be responsible for the monitoring of various CSR Projects, Programs or Activities undertaken by the Company directly or indirectly. The Committee shall ensure that CSR Projects, Programs or Activities:

- a) Are undertaken as provided in the CSR policy.
- b) Are implemented as approved by the Board.

- c) The budget allocated is utilized as per the approved plans.
- d) The objectives are achieved in consonance with this policy.

REVIEW MECHANISM: -

I. CSR Committee

- i. Formulate and recommend the CSR Policy for approval of the Board.
- ii. Monitor the Policy, from time to time, and recommend changes, if any, for Board's approval.
- iii. Recommend CSR projects, which are in line with the Projects, Programs or Activities specified in Schedule VII of Section 135 of the Companies Act, 2013, to be undertaken by the Company for approval of the Board.
- iv. Recommend the amount of expenditure to be incurred on CSR projects for approval of the Board.
- v. Formulation and recommendation to the Board an Annual Action plan as per the provisions of the Act
- vi. To review the quarterly report on CSR activities and the expenditure thereon.
- vii. Place the Review Report on utilization of funds before the Board of Directors.
- viii. Recommendation of any alteration in the Annual Action Plan at any time during the year and update, if any, required to the CSR policy
- ix. Identify projects of the Company as "Ongoing Projects" as per the provisions of the Act and recommend the same to the Board
- x. Appoint a third party to undertake Impact assessment, if required, for CSR Projects
- xi. Insure receipt of certificate from CFO regarding utilization of funds disbursed for the purpose and in manner approved by the Board
- xii. Implementation and Monitoring of the CSR activities as per the annual action plan;
- xiii. Recommend the annual CSR expenditure budget to the Board for approval;
- xiv. Carry out any other function required under, Companies Act and Listing agreement / Listing Regulations, as amended from time to time or under any statutory obligation or delegated by the Board from time to time

II. Board of Directors

- i. Ensure proper compliance of the Policy.
- ii. To review the CSR initiatives and utilization of funds towards the same.
- iii. Report annually the composition of the CSR Committee and the contents of this policy along with other information(s) as may be prescribed under the CSR Rules (as amended from time to time).

GUIDING PRINCIPLES FOR FORMULATING THE ANNUAL ACTION PLAN

The Company shall prepare an Annual Action plan of the Company to identify the activities and the CSR expenditure to be spent during the year which shall include the details as mentioned in the rules.

Further, the guiding principles required to formulate the Annual Action Plan are as follows:

- (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 may be carried out directly or through implementing agencies including but not limited to Sandhar Foundation;
- (c) modalities of utilization 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:

During any financial year, the Annual Action Plan of the Company may be modified to include any unbudgeted expenditure, either on account of new project(s) or due to increase in the outlay for approved project(s). 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. Subject to the provisions of the Act, the Company may also utilize its CSR spend towards creation or acquisition of a capital asset.

DISCLOSURES

Regular reporting and disclosure of all CSR activities will be a mandatory component as per the Act. Established reporting mechanisms will be put in place.

The Company will also disclose the CSR projects /programmes /activities on the official website as required under the Act and the rules.

A brief summary of CSR projects/programmes/activities will also be included in the Annual Report in the prescribed format as per the CSR rules of the Act.

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.sandhargroup.com

CONTACT PERSONNEL

For queries related to CSR projects/programmes/activities, please write to us at: info@sandhar.in

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.