

S B ORNAMENTS PRIVATE LIMITED

CORPORATE SOCIAL RESPONSIBILITY POLICY

F/Y 2020-21

Corporate Social Responsibility (CSR) Policy

1. Legal Framework

The Vehicle of Corporate Social Responsibility (CSR) has been driven in Companies Act, 2013 in order to fulfill various social obligations of corporates. The concept of CSR has been introduced under the Companies Act, 2013 effective from 1st of April, 2014.

We S B ORNAMENTS PRIVATE LIMITED have formulated our CSR policy in accordance with the Section 135, Schedule VII of Companies Act, 2013 and Rules made there under.

2. S B ORNAMENTS PRIVATE LIMITED's Philosophy

We are always socially and environmentally conscious since our existence in the society because everything we are, everything we have, everything we need is ALL in the Society and environment and only in society and environment. To give a push to our philosophy we are committed to nurture the society and its environment to achieve sustainable growth and development of the economy.

3. Objectives

Our company always strives **to create a positive impact** on society by increasingly contribute to sectors or activities that are beneficial to the society and public at large. To accelerate the objective, the company aligns the CSR activities undertaken by the company with the applicable rules, regulations and laws as may be applicable from time to time.

The Company is not only committed to being a good corporate citizen, but also to being a good neighbor in the communities we call home. We contribute as a company to various charitable causes and we seek to participate in ways that support people's lives in these communities. The Company aims to create educated, healthy, sustainable and culturally vibrant communities. We also support employees' commitment to our communities through various programs including our volunteerism initiatives.

4. Scope

Our company is committed to behave ethically and contribute towards socio-economic development of the local community and society at large. Our company is committed to operate and grow its business in a socially responsible way with a vision to be an environmental friendly corporate citizen. Our Company has long been actively involved in social and community development. We are committed towards social causes and their development.

5. Vision

“To be a Responsible Corporate Citizen deeply committed to socio-economic development in its areas of operation.”

6. Policy

CSR policy aims to accelerate growth in the economy; we as a corporate citizen abide by law as may be prescribed under Section 135 of Companies Act, 2013 and The Companies (Corporate Social Responsibility) Rules 2014. Our policy is to provide “Selfless Service” to the society and promote environment sustainability.

Our CSR Policy sets out our commitment to ensuring that our activities extend beyond business and include initiatives and endeavors for the benefit and development of the community and society at large. The CSR Policy lays down the guidelines for undertaking programmes geared towards social welfare activities or initiatives.

7. Areas to Emphasize

- (i) **Education & Skill Development:** Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects.
- (ii) **Environment:** 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;
- (iii) **Healthcare & Swachh Bharat Abhiyan:** Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water, providing medical relief to poor.
- (iv) **Other welfare activities company may undertake:**
 - 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.
 - 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 and measures for reducing inequalities faced by socially and economically backward groups;
 - Training to promote rural sports, nationally recognized sports, Paralympics sports and Olympic sports;
 - Measures for the benefit of armed forces veterans, war widows and their dependents, ;
 - 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 govt. for socio economic

development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;

- 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
- 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 Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).
- Ruler development projects,
- Slum Area development [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.]
- Our company may contribute to other thrust areas of interest as permitted under Schedule VII of the Companies Act, 2013.

8. CSR Committee

Our company has constituted CSR committee in accordance with section 135 of the Companies Act, 2013 which shall comprise **Three (3) members** as listed below and subject to the requirements of the Act, the Board may increase or decrease the size of the committee.

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|--------------------------|-------------------------------|
| 1. GAURAV AGRAWAL | Chairperson and Member |
| 2. VIVEK AGARWAL | Member |
| 3. RAJESH SINGHAL | Member. |

9. Responsibility of CSR Committee:

- a) To review and formulate CSR Policy.
- b) To recommend to the Board changes to CSR Policy as and when required.
- c) To recommend the amount of expenditure to be incurred on the activities to be undertaken by the company.
- d) To monitor the CSR Policy from time to time.

10. CSR Budget

The CSR Commitment of the Company for each financial year as approved by the board shall comprise of the following:

- 2% (two percent) of the average Net Profits of the Company for the last 3 (three) financial years;
- any income arising from the CSR Commitment; and
- Surplus arising out of CSR activities, if any.

11. CSR Expenditure

- Board of the company shall ensure that the administrative overheads shall not exceed five percent of total CSR expenditure of the company for the financial year.
- The CSR Commitment shall be used exclusively for undertaking specific CSR activities as listed in the Areas of emphasize above which are in compliance with the requirements of Section 135 of the Act and CSR Rules.
- Modalities of execution of such CSR Activities and implementation schedules for the same shall be updated from time to time.
- Surplus arising out of CSR activities shall not form part of the business profits of the Company.
- CSR Activities will be funded during the Financial Year with an aim to contribute for the CSR.
- Commitment in relation to such financial year by the end of the relevant financial year.
- Any amount spends in excess of the requirement shall be set off in accordance of the Act and CSR Rules as amended from time to time.

12. Implementation

- Our company shall undertake its CSR activities as approved by the CSR committee itself or through registered trust/ society or section 8 Company in accordance with The Companies (CSR) Rules, 2014 as amended from time to time.
- Company shall ensure that such trust/society/ section 8 Company shall have track record of 3 years.
- Company shall specify the project or programs to be undertaken through trust or society or section 8 Company as the case may be.
- Company shall also ensure that funds so disbursed to these entities should be utilized for the purposes and in a manner as specified by the committee.
- Also the modalities of utilization of funds on such projects and programs and the monitoring and reporting mechanism.
- Collaboration with other company/ (ies) for undertaking projects or programs or CSR activities is permitted.
- The CSR projects or programs or activities that benefit only the employees of the company and their families shall not be considered for CSR.
- After prioritizing the activity the Committee shall finalise the detailed implementation of project/programme, including planning for expenses against the total budget allocated for CSR activities.

13. Organizational Responsibility

At organizational level for implementation of agreed CSR activity, the committee may constitute an implementation team or authorised any of the Department of the Company to organize for the implementation of the CSR activity. The team or respective department shall monitor the implementation process from time to time, on behalf of the CSR committee and place a report to the Committee regarding the progress of the activity implementation, on a quarterly basis. The respective department or implementation team would be responsible for reporting of any irregularity to the Committee on immediate basis.

14. Monitoring by the Board

The Board of Directors shall constantly monitor the implementation of the CSR activities. The CSR committee shall place a progress report, including details of expenses, before the Board on quarterly basis. The Board shall review the same and suggest recommendation, if any, to the committee with regard to implementation process.

15. Reporting

The Board of Directors of the Company shall provide the following information in its report to its shareholders as well as on the website of the Company if any:

- Brief details of CSR Policy for the year;
- CSR Policy, CSR Committee & CSR Projects etc.
- Composition of CSR Committee (Members, Meetings & Attendances);
- Average net profits of the Company for last three financial years;
- Prescribed CSR expenditure;
- Total amount to be spent in a financial year and amount unspent, if any, along with the reasons;
- Manner in which the amount spent on CSR Activities during a financial year in the following format:
 - ✓ A description of the CSR Activities;
 - ✓ Sectors covered by the CSR Activities;
 - ✓ CSR Activities Undertaken – (1) Local Area or Other; and (2) Specify the State and district where CSR Activities were undertaken;
 - ✓ Amount outlay (budget) for each of the CSR Activity;
 - ✓ Amount spent on the CSR Activities – (1) Direct Expenditure; (2) Overheads.
 - ✓ Cumulative expenditure up to the reporting period;
 - ✓ Amount spent – (1) Direct; (2) through the implementing agency; and
 - ✓ Details of the implementing agency.
- Reasons for the Company failing to spend the amount required under the Act (if any), on the CSR Activities;
- Responsibility statement from CSR Committee that the implementation and monitoring of CSR Policy is in compliance with CSR objectives.
- The CSR Committee will recommend the Annual Action Plan for CSR to the Board for its approval.

16. Self-Governance

The Company, its Board of Directors, employees, officers, CSR Committee members, its invitees, shall not:

- directly or indirectly engage in lobbying of CSR activities;
- Accept any kind of favors and gifts, in any form, from any prospective or potential CSR Partners or beneficiaries as a result of consideration of the proposal to grant funds to such CSR Partners or beneficiaries under this Policy.

17. Policy Review and Future Amendment

The CSR Committee shall review the CSR Policy from time to time and make suitable changes as may be required and submit the same for the approval of the Board of Directors of the Company.

18. Contact Us:

For queries related to the CSR Policy, Please write to us at: care@sbornaments.com