

SATISH SUGARS LIMITED

CORPORATE SOCIAL RESPONSIBILITY POLICY

(CSR POLICY)

Version History:

Sr. No.	Version No.	Date	Version Details	Person
1	1.0	10 June, 2014	Initial Draft	Team
2	2.0	28 May, 2024	Revised Draft due to amendments in The Companies (Amendment) Act, 2020 and The Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 and FAQs published by Ministry of Corporate Affairs.	Team

TABLE OF CONTENTS

1. WHY CSR:.....	2
2. PREAMBLE	2
3. PURPOSE	2
4. DEFINITIONS	2
5. CSR COMMITTEE	4
6. IDENTIFICATION OF CSR ACTIVITIES	5
7. IMPLEMENTATION OF CSR ACTIVITIES.....	6
8. MONITORING AND REPORTING ON CSR ACTIVITIES.....	6
9. CSR EXPENDITURE	7
10. QUANTUM OF CSR INVESTMENT.....	7
11. EXCLUSION FROM CSR ACTIVITIES.....	8
12. IMPACT ASSESSMENT.....	9
13. AMENDMENTS TO THE CSR POLICY	9

1. WHY CSR:

Corporate Social Responsibility (CSR) is a Company's sense of responsibility towards the ecological, physical and social environment in which it operates. CSR is a self-regulation business model through which corporate entities achieve balance on economic, environmental and social imperatives with their operations and development. It is a step towards organizations to become socially responsible corporate citizens and creates positive impact on the environment, communities and societies.

2. PREAMBLE:

Satish Sugars Limited is a responsible corporate organisation. It strives for the overall betterment of the society at large. It has always been committed to social service. It has repeatedly organised a part of its resources and activities in such a way that it positively affects the society socially, morally, ethically and environmentally.

To this end, the Company seeks to undertake Corporate Social Responsibility ("CSR") activities, which extend beyond the scope of the business and focuses on human, environmental and social assets, with a special focus on addressing hunger, malnutrition, education and health.

3. PURPOSE:

In conformity with requirements laid down under Section 135 of the Companies Act, 2013 ("Act") and the Companies (Corporate Social Responsibility Policy) Rules, 2014 ("CSR Rules") and circulars issued by the Ministry of Corporate Affairs ("MCA"), a "CSR Policy" of the Company was adopted by the Board of Directors at their meeting held on **June 10, 2014**. Subsequently, to conform to the notifications issued by MCA over a period of time, the Board adopted revised CSR Policies, as recommended by its CSR Committee.

Consequent to amendments made by MCA to the Act, vide the Companies (Amendment) Act, 2020 and CSR Rules vide the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2022, the Board adopted this Policy on **28 May, 2024** on the recommendation of its CSR Committee. The Policy can be downloaded from the website of Company at _____.

4. DEFINITIONS:

- a. **"Act"** means the Companies Act 2013 and the rules made thereunder, including any modifications, amendments or re-enactment thereof.
- b. **"Administrative Overheads"** means the expenses incurred by the Company for 'general management and administration' of CSR functions in the Company but shall not include the expenses directly incurred for the designing, implementation, monitoring, and evaluation of a particular CSR project or programme.
- c. **"Approved Budget"** shall mean the total budget as approved by the Board of the Company

upon the recommendation of the CSR Committee, which is to be utilized for CSR Projects.

- d. **“Board”** means the Board of Directors of the Company.
- e. **“Company”** shall mean Satish Sugars Limited and wherever the context requires, shall signify the Company acting through its Board.
- f. **“CSR Annual Plan”** shall mean the annual plan detailing the CSR expenditure for the year.
- g. **“CSR Committee”** shall mean the Corporate Social Responsibility Committee constituted by the Board of the Company in accordance with the Act.
- h. **“CSR Expenditure”** means all CSR expenditure of the Company as approved by the Board upon recommendation of the CSR committee, including the following:
 - (i) Contribution to CSR Projects which shall be implemented and/or executed by the Company;
 - (ii) Contribution to CSR Projects (including for corpus as required) which shall be implemented and/or executed by Trust/foundation;
 - (iii) Any other contributions covered under Schedule VII of the Act.
- i. **“CSR Activities”** means projects/programs/initiatives, instituted in India, either new or on-going, to be undertaken by Company in India, pursuant to Section 135 of the Companies Act 2013 along with CSR Rules or such other provisions as may be applicable from time to time as may be amended.
- j. **“CSR Policy”** means the policy of the Company which relates to the activities to be undertaken by the Company as specified in Schedule VII of the Act and the expenditure thereon.
- k. **“Financial Year”** shall mean the period beginning from 1st April of every year to 31st March of the succeeding year.
- l. **“Net Profit”** means Net profit as per its financial statement with the applicable provisions of the Act, but doesn't include :
 - Any profit arising from any overseas branch or branches of the Company, whether operated as a separate Company or otherwise; and
 - Any dividend received from other companies in India, which are covered under and complying with the provisions of Section 135 of the Act.
- m. **“Ongoing Project”** means a multi-year project that a Company undertakes to fulfill its CSR obligation within three years, excluding the financial year it was commenced, and shall include projects that were initially not approved as multi-year projects but whose duration is extended beyond one year by the Board based on reasonable justification.
- n. **“Rules”** shall mean the Companies (Corporate Social Responsibility) Rules 2014, including any re-enactment, modifications or amendments thereof.
- o. **“Thrust Areas”** shall have the meaning as ascribed to them as per provision **“Point 6”** of the Policy.
- p. **“Trust”** means a Trust created and registered under the India Trusts Act, 1882 by the Company and includes a Trust jointly created and registered by the Company with all or any of its Group Companies.

5. CSR COMMITTEE

The Corporate Social Responsibility (CSR) Committee of the Company shall be constituted in accordance with the applicable laws. The CSR Committee shall be responsible for initiating, monitoring, recommending and reviewing CSR activities of the Company undertaken by it from time to time.

a. CONSTITUTION OF CSR COMMITTEE

The Board of Directors shall constitute the Corporate Social Responsibility (CSR) Committee. The Members of CSR shall be appointed by the Board of Directors of the Company which must consist of at least two or more Directors. The re-constituted CSR Committee of the Company shall be comprised of the following Directors:

Sr. No.	Name of Members	Nature of Directorship	Designation of Members in CSR Committee
(i)	Mr. Pradeepkumar M Indi	Chairman & CFO	Chairman
(ii)	Ms. Priyanka S Jarkiholi	Managing Director	Member
(iii)	Mrs. Premalata V Dodamani	Independent Director	Member

b. POWERS AND FUNCTIONS OF CSR COMMITTEE

The CSR Committee of the Company is vested with the following functions and powers:

- To formulate a CSR Policy and recommend to the Board for approval;
- To recommend CSR Activities to be undertaken by the Company as specified in Schedule VII of the Act and rules made thereunder;
- To recommend the amount of expenditure to be incurred on the CSR activities;
- To monitor and amend the Corporate Social Responsibility Policy of the Company from time to time as may be required;
- To carry out any other function as mandated by the Board from time to time.

c. MEETINGS OF CSR COMMITTEE

For smooth functioning of the Committee, the members shall meet as below to discuss such matters and to take such decisions as may be necessary:

- The CSR Committee shall hold a minimum number of two meetings in a financial year;
- The quorum for the CSR Committee Meeting shall be one-third of its total strength of directors or two members, whichever is higher;
- The membership of the CSR Committee shall be disclosed in the Board Report;

- If CSR activities are outsourced to any external organization, a representative from such organization may be invited to attend a meeting of the CSR Committee;
- The Members of the Committee may participate in the meeting either in person or through video conferencing or other audio visual means as may be convenient;
- The proceedings of the Meetings of the CSR Committee must be minuted and signed by the Chairperson of the Committee at the subsequent Meeting.

6. IDENTIFICATION OF CSR ACTIVITIES

The following activities as specified under schedule VII to the Companies Act, 2013 will be considered as CSR Activity:-

- i. Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water;
- ii. promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects;
- iii. 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;
- iv. 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;
- v. 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;
- vi. 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;
- vii. training to promote rural sports, nationally recognized sports, paralympic sports and Olympic sports;
- viii. 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, the Schedule Tribes, other backward classes, minorities and women;
- ix. (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 Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).
 - x. rural development projects.
 - xi. slum area development.
 - xii. disaster management, including relief, rehabilitation, and reconstruction activities.

7. IMPLEMENTATION OF CSR ACTIVITIES

The Company shall implement the identified CSR activities by the following means:

- The Company may itself implement the identified CSR activities presently within the scope of the Thrust Areas as defined in the Policy;
- The Committee may undertake the CSR activities through following implementing agencies:
 - (i) A Company established under Section 8 of the Act;
 - (ii) A Registered Public Trust;
 - (iii) A Registered Society

established by the Central Government or State Government either singly or along with any other Company established under an Act of Parliament or a State Legislature.

- The Company may collaborate with other companies including its Group Companies if required for undertaking the projects or programs or activities of CSR subject to the conditions.

8. MONITORING AND REPORTING ON CSR ACTIVITIES

- The CSR Committee of the Board has instituted “transparent monitoring mechanism” for various CSR Projects / Programs / Activities undertaken by the Company;
- The CSR Committee shall review the implementation of the approved CSR Program;

- The performance of the Company's CSR activities shall be reviewed and monitored regularly;
- The Member of the CSR Committee shall be responsible for monitoring the expenditure on CSR activities with respect to the plan and submission of the same to the CSR Committee;
- The CSR Committee will submit a report to the Board at the end of the year as per the format prescribed under Companies Act, 2013 and applicable law. The Board will report CSR performance in its report of Board of Directors.

9. CSR EXPENDITURE

The annual CSR budget would be approved by the Board on the recommendations of the CSR Committee, subject to the provisions of the Act and Rules made thereunder as amended from time to time.

Based on the total approved budget, funds would be allocated for different projects on the basis of identified CSR plan on yearly basis.

The average net profit for the purpose of determining the spending on CSR activities is to be computed in accordance with the provisions of section 198 of the Act and will also be exclusive of the items given under rule 2(1)(h) of the Companies (CSR Policy) Rules, 2014.

Section 198 of the Act specifies certain additions / deletions (adjustments) to be made while calculating the net profit of a Company (mainly it excludes capital payments / receipts, income tax, set-off of past losses).

10. QUANTUM OF CSR INVESTMENT

In pursuant to the provisions of Section 135(5) of the Act, the CSR Committee of the Company shall ensure that the Company spends in every financial year, at least two per cent of the average net profits of the Company made during the three immediately preceding financial years on the CSR activities of the Company specified under Schedule VII of the Act.

If the Company has not completed the period of three financial years since its incorporation, but it satisfies any of the criteria mentioned in section 135(1), the CSR provisions including spending of at least two per cent of the average net profits made during immediately preceding financial year(s) are applicable. Satish Sugars Limited is incorporated during FY 2000-01, and as per eligibility criteria the Company is covered under Section 135(1) for FY 2014-15.

If the Company fails to spend such amount **which is not related to any ongoing projects**, the Board shall in its report made under clause (o) of sub-section (3) of section 134, specify the reasons for not

spending the amount and transfer such unspent amount to a Fund specified under Schedule VII within a period of six months of the expiry of the financial year.

In case the unspent amount **relates to any ongoing projects**, subject to fulfilling of prescribed conditions, unspent amounts to be transferred by the Company within a period of thirty days from the end of the financial year to a special account to be opened by the Company in that behalf for that financial year in any scheduled bank to be called the **“Unspent Corporate Social Responsibility Account”**. Such amount shall be spent by the Company in pursuance of its obligation towards the Policy within a period of three financial years from the date of such transfer, failing which, the Company shall transfer the same to a Fund specified in Schedule VII, within a period of thirty days from the date of completion of the third financial year.

The administrative overhead upto five percent of total CSR expenditure of the Company for the financial year is permitted.

Any surplus arising out of CSR activities shall be prohibited to form part of business profits of the Company and shall be ploughed back into the same project or shall be transferred to the Unspent CSR Account and spent in pursuance of the CSR policy or transfer such surplus amount to a Fund specified in Schedule VII of the Act within a period of six months of the expiry of the financial year.

If the Company spends an amount in excess of requirement, such excess amount may be setoff against the CSR spending requirement 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.

11. EXCLUSION FROM CSR ACTIVITIES

The following activities are specifically excluded from being considered as eligible CSR activity and shall not form part of the CSR activities of the Company:

- Any CSR activities undertaken in pursuance of normal course of business of a Company;
- Any CSR activities which benefit only the employees of the Company and their families as defined in section 2(k) of the Code on Wages, 2019;
- Any CSR projects/programs undertaken outside India except for training of Indian sports personnel representing any State or Union Territory at national level or India at international level
- A contribution of any amount directly or indirectly to any political party under section 182 of the Act or any funds directed towards political parties or political causes;
- Any sponsorship activities for deriving marketing benefits for products / services;
- Any activities for fulfilling statutory obligations under any law in force in India.

12. IMPACT ASSESSMENT

If the Company having average CSR obligation of Rs. 10 Crores (Rupees Ten crores) or more in pursuance of subsection (5) of section 135 of the Act, in the three immediately preceding financial years, the Company will undertake impact assessment (through an independent agency) for CSR projects that have outlays of Rs. 1 crore or more and have been completed atleast one year before undertaking the impact study and the impact assessment reports will be placed before the Board and disclosed as per the Act and CSR Rules.

13. AMENDMENTS TO THE CSR POLICY

The Board of Directors of the Company shall have the powers to revise / modify / amend this Policy from time to time, as the Board may think fit, based on the recommendations to be made by the CSR Committee.

Any subsequent amendment / modification in the CSR Rules made by the MCA, under the Act and / or any other laws in this regard shall automatically apply to this Policy.
