

SUDITI INDUSTRIES LTD.



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Regd.Office: A-2, Shah & Nahar Indl.Estate, Unit No.23/26, Lower Parel, Mumbai-400013.

CORPORATE SOCIAL RESPONSIBILITY POLICY

1. PREAMBLE

Corporate Social Responsibility (CSR) covers the process by which an organization approaches, defines and develops its relationships with stakeholders for the common good, and demonstrates its commitment in this regard by adoption of appropriate strategies, processes and activities. CSR constitutes an integral part of the core value 'Sustainability' including Environment, Social and governance considerations. The CSR policy applied largely to the Company's programs and the Projects contributing to social and environmental good.

2. OBJECTIVE

The company is committed to identifying and supporting programs aimed at:

1) Developing and advancing the community and the society particularly, those at the bottom of the pyramid who are unequally endowed/enabled, and also

2) Reducing the negative impact of its operations on the environment

This policy will serve as a guiding document containing approach and direction given by the board, taking into account the recommendations of the CSR Committee, defining guiding principles for selection, implementation and monitoring of activities as well as formulation of the annual action plan.

The CSR policy would function as a self-regulating mechanism for the Company's CSR activities and enable adherence to laws, ethical standards, and international practices in this regard.

3. POLICY STATEMENT

Our Corporate Social Responsibility (CSR) company policy refers to our responsibility toward our environment. Our company's existence is not lonely. It's part of a bigger system of people, values, other organizations and nature. The social responsibility of a business is to give back to the world just as it gives to us. The company likes to retain its positioning as a responsible corporate entity spearheading socio-economic transformation in the area where it operates with the available resources at its disposal.

4. POLICY FRAMEWORK

Being a new experience and as a first step we want to be a responsible business that meets the highest standards of ethics and professionalism. Our company's social responsibility falls under two categories: compliance and pro-activeness. Compliance refers to our commitment to legality and willingness to observe community values where as pro-activeness is every initiative to promote human rights, help communities and protect our natural environment.

Compliance:

Legality- Our Company will a) Respect the law b) Honor its internal policies c) Ensure that all its business operations are legitimate d) Keep every partnership and collaboration open and transparent

Business ethics - The Company always conduct business with integrity and respect to human rights. The company will promote: a) Safety and fair dealing b) Respect toward the consumer c) Anti-bribery and anti-corruption practices

5. SCOPE

This policy will apply to all projects/programs undertaken as part of the Company's Corporate Social Responsibility activities and will be developed, reviewed and updated by reference to relevant codes of corporate governance and international standards or best practices. This policy is also in line with Section 135 of Companies Act, 2013 and Companies (Corporate Social Responsibility) Rules, 2014, as amended from time to time ("the Act") and the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 (including any statutory modifications, amendments, or re-enactments of any of them for the time being in force). This Policy shall apply to all CSR projects/ programmes /activities undertaken by the Company in India as per Schedule VII of the Act.

6. Governance

Overall governance of CSR and approving of the CSR Policy will be the responsibility of the Board through the CSR Committee

- a) The CSR Committee shall formulate and recommend to the Board, an annual action plan in pursuance of its CSR policy,
- b) The Board shall ensure proper implementation of the CSR Policy along with monitoring and reviewing CSR Activities undertaken by the company and provide inputs as and when required
- c) The Board shall satisfy itself that the CSR funds so disbursed are alignment to the CSR Policy of the Company and have been utilized for the purposes and in the manner approved by it. The CFO or appropriate authority shall certify the same to the effect.
- d) The Board shall also ensure appropriate disclosures pursuant to the Act and Amendments thereof in the Annual Reports and Company Website in prescribed formats.
- e) In case of ongoing project, as defined under the Companies (CSR Policy) Amendment Rules 2021, the Board of a Company 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

The CSR Committee of the Company will be responsible for administering and executing the policy. As the Company's CSR activities evolve further, the policy may be revised with the approval of the Board as per the recommendations CSR Committee of the Board

7. DEFINITIONS:

1. "Act" means the Companies Act, 2013 including any statutory modification or reenactment thereof.
2. "Board" means the Board of Directors of the Company.

3. **"Board's Report"** shall mean report of the Board of Directors prepared in accordance with section 134(3) of the Companies Act, 2013.
4. **"Company"** means M/s Suditi Industries Limited, a Company registered under the Companies Act 1956 having its Registered Office at A-2, Shah Nahar Estate, Unit no 23/26, Lower Parel, Mumbai -400013, and Maharashtra.
5. **"CSR"** means the activities undertaken by a Company in pursuance of its statutory obligation laid down in section 135 of the Act in accordance with the provisions contained in these rules, but shall not include the following, namely:-
 - (i) activities undertaken in pursuance of normal course of business of the company: Provided that any company engaged in research and development activity of new vaccine, drugs and medical devices in their normal course of business may undertake research and development activity of new vaccine, drugs and medical devices related to COVID-19 for financial years 2020-21, 2021-22, 2022-23 subject to the conditions that-
 - (a) such research and development activities shall be carried out in collaboration with any of the institutes or organisations mentioned in item (ix) of Schedule VII to the Act;
 - (b) details of such activity shall be disclosed separately in the Annual report on CSR included in the Board's Report;
 - (ii) any activity undertaken by the company outside India except for training of Indian sports personnel representing any State or Union territory at national level or India at international level;
 - (iii) contribution of any amount directly or indirectly to any political party under section 182 of the Act;
 - (iv) activities benefitting employees of the company as defined in clause (k) of section 2 of the Code on Wages, 2019 (29 of 2019);
 - (v) activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services;
 - (vi) activities carried out for fulfillment of any other statutory obligations under any law in force in India;
6. **"CSR Committee"** means the Corporate Social Responsibility Committee of the Board referred to in Section 135 of the Act.
7. **"CSR Policy"** means the Corporate Social Responsibility Policy as set out herein and as amended or modified from time to time.
8. **"Net profit"** means the net profit of a company as per its financial statement prepared in accordance with the applicable provisions of the Act, but shall not include the following, namely: -
 - (i) any profit arising from any overseas branch or branches of the company, whether

operated as a separate company or otherwise; and

- (ii) any dividend received from other companies in India, which are covered under and complying with the provisions of section 135 of the Act:

Provided that in case of a foreign company covered under these rules, net profit means the net profit of such company as per profit and loss account prepared in terms of clause (a) of sub-section (1) of section 381, read with section 198 of the Act;.

9. “**NGO**” means non-governmental organisation.

10. “**Administrative overheads**” means the expenses incurred by the company for ‘general management and administration’ of Corporate Social Responsibility functions in the company but shall not include the expenses directly incurred for the designing, implementation, monitoring, and evaluation of a particular Corporate Social Responsibility project or programme;

11. “**Ongoing Project**” means a multi-year project undertaken by a Company in fulfilment of its CSR obligation having timelines not exceeding three years excluding the financial year in which it was commenced, and shall include such project that was initially not approved as a multi-year project but whose duration has been extended beyond one year by the board based on reasonable justification;

8. CSR COMMITTEE

The Board of Directors of the Company shall constitute a committee called the "Corporate Social Responsibility Committee" ("CSR Committee") in accordance with the provisions of Companies Act, 2013 and rules made there under. The CSR Committee will consist of 3 or more directors or such other number of directors as the Board of Directors of the Company may determine from time to time. The Board of Directors may change the composition of the CSR Committee from time to time including at least one independent Director.

Subject to provisions of Companies Act, 2013 and rules made there under, the CSR Committee may meet at such intervals, in such manner and may carry out matters in such manner and function generally as per such guidelines as it deems fit.

The CSR Committee shall have, inter alia, the following roles, powers and responsibility:

1. To formulate the Company’s CSR and ESG strategy, policy and goals and revision thereof, as may be required and recommend to the Board, an Annual Action Plan pursuant to the Act.
2. To identify the areas of CSR activities as prescribed in Schedule VII of the Companies Act, 2013 and amendments thereof to the Act and recommend the amount of expenditure to be incurred on such CSR activities / projects within the Board approved budget plan.
3. To monitor the Company’s CSR policy and performance from time to time to ensure the company meets the mandatory CSR compliance requirements.
4. To review the CSR projects/initiatives from time to time and recommending any alteration in annual action plan, if any, to the Board
5. To ensure legal and regulatory compliance from a CSR viewpoint

6. To ensure reporting, communication and appropriate disclosures to stakeholders on the Company's CSR projects/initiatives
7. To ensure that the surplus arising out of the CSR projects or programs or activities do not form part of the business profit of the Company
8. To oversee and monitor the Environmental Social Governance (ESG) framework, the Environmental policy, actionable and initiatives strategized and executed by the management level ESG Committee
9. To oversee and monitor the Company's ESG disclosures including the Sustainability Report if applicable highlighting the Company's ESG performance and prioritization of material topics
10. To carry out any other roles and responsibilities as is mandated by the Board from time to time and / or enforced by any statutory authority including any modification or amendment as may be applicable.
11. To review and reassess the adequacy of the Charter annually and recommend any proposed changes to Board for approval
12. Issue certificate to the Board ensuring CSR implementation
13. Issue certificate to the Board ensuring funds disbursed are used for the purpose and in the manner as approved by it.
14. Monitor Administrative overheads

Consistent with the above, the CSR Committee of the Board currently has the following members:

Mr. Pawan Agarwal (Chairman)

Mrs. Sanjula Sanghai (Independent Director)

Mr. Rajagopal Raja Chinraj (Executive Director)

9. CSR Budget

The Board shall ensure that the 2% of average net profits from the immediately 3 preceding years is spent on CSR initiatives undertaken by the Company. The overall amount to be committed to CSR will be approved by the Board as recommended by the CSR committee through its Annual Action Plan carrying list of CSR projects or programs approved to be taken.

The following guiding principles to be adhered to in terms of CSR Budget Outlay and Expenditure -

- a) The administrative overheads shall not exceed five percent (5%) of the total CSR expenditure of the Company for the financial year
- b) Any surplus generated from CSR activities shall not form part of the business profit of the Company and shall be treated as follows:
 1. Ploughed back into the same project
 2. Transferred to a designated Unspent CSR Account (UCSRA) and spent in pursuance of CSR policy and Annual Action Plan of the Company
 3. Transferred to a Fund specified in Schedule VII, within the prescribed timeline as specified in the CSR Rules.

c) Any unspent amount shall be reported by the Board in its report specifying the reasons for not spending the amount and shall be dealt with in accordance to Section 135 of the Act and rules under Amendments thereof.

d) In case, the Company spends an amount in excess of requirement of its CSR obligations in a financial year, such excess amount may be set off against the requirement of CSR spending up to immediate succeeding three financial years subject to fulfilment of conditions specified under the Companies (CSR Policy) Amendment Rules, 2021 as maybe amended from time to time

e) The Company may spend its CSR budget for creation or acquisition of a capital asset subject to fulfilment of conditions specified under the Companies (CSR Policy) Amendment Rules, 2021 and any amended to the same.

f) The tax treatment of CSR expenditures will be in accordance with the provisions of the Income Tax Act as notified by Central Board of Direct Taxes (CBDT).

g) The Company may spend its CSR amount for creation or acquisition of the capital asset subject to the fulfilment of conditions as specified under the provisions of the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, as may be amended from time to time.

10. Supervision

The Company's CSR activities will be driven by a dedicated CSR team under the guidance and support of senior functionaries. The CSR Committee and CSR section under the direction of the Board would play a significant role in ensuring that the CSR policy is embedded across the Company's operations and the CSR initiatives are in line with the policy.

11. Disbursement

The disbursement of funds will be either in tranche drawdown form or one-time payment depending on the nature and requirement of the project and the Annual Action Plan as recommended by the CSR Committee and approved by the Board. The terms, conditions and timing of disbursement will be discussed and agreed to with the CSR Department and project teams, and will typically form part of the Memorandum of Understanding or agreement with the entity implementing the project.

12. Reporting

Appropriate disclosures and reporting on all CSR activities and assessments done by the Company will be done as part of the Director's Report in the Company's Annual Report and Company's official website in the prescribed formats as per statutory and regulatory reporting requirements of the Act

A) Guiding Principles for initiating CSR Programs/Projects.

To provide a focused and structured approach to the program, the Company will focus its support and CSR spends on specific pre-determined causes and areas of intervention as outlined in the Annexure to the policy.

The CSR Committee through the CSR shall formulate an annual action plan in pursuance of this CSR policy, which shall include the following and recommend it to the Board for Approval: -

- a) The list of CSR projects or programs 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 programs
- c) The modalities of utilization of funds and implementation schedules for the projects or programs;
- d). Monitoring and reporting mechanism for the projects or programs; and
- e). details of need and impact assessment, if any, for the projects undertaken by the company:

The Annual Action Plan compliant with the Act and the Amendments thereof, to follow the below mentioned guiding principles.

A) Guiding Principles on formulation of the Annual Action Plan to initiate CSR project:

- a) The Company will ensure that its CSR projects are non-discriminatory in nature and do not have any restrictive political or religious affiliations.
- b) The programs/ projects will be within the areas recommended / listed in the Schedule VII of the Act and mentioned in the Policy.
- c) The programs/ projects will be beyond business as usual.
- d) The programs/projects will be implemented within the country (with an exception if any as permitted by the CSR rules) and; preferably in areas where the Company has its presence.
- e) Programs/Projects should not be exclusively for the benefit of employees of the company or their family members or those that are conducted /undertaken exclusively in pursuance of the normal course of business.
- f) The programs/ projects should exclude activities that are to be supported on sponsorship basis for deriving marketing benefits for its products or services.
- g) The programs/ projects should exclude activities carried out for fulfilment of any statutory obligations under any law in force in India.
- h) In review of existing 'ongoing' projects as defined under the CSR Amendments and its progress against the approved timelines for those projects.
- i) In review of excessive amount approved by the Board for setting off against the budget of any financial year as eligible under the Act and its amendments.
- j) In review of any unspent amount from preceding FYs as aggregated in 'Unspent Corporate Social Responsibility Account (UCSRA)
- k) Any surplus, generated out of the CSR activities of the Company, will be ploughed back to the CSR Initiatives of the Company and Unspent amount (if any) from CSR program/project will be incurred/transferred in accordance to CSR rules of the Act and amendments thereof.

During any financial year, the Annual Action Plan of the Company may be modified with approval of the board to include any unbudgeted expenditure, either on account of new project(s) or due to increase in the outlay for approved projects.

B) Guiding Principle on Selection, Implementation and Monitoring of CSR Projects.

The Board shall ensure that the CSR activities are undertaken by the Company itself (Direct Projects) with the involvement of various Company employees/units or indirectly through implementing agencies like NGOs, Trusts, Societies, Section 8/ Section 25 companies, DST certified incubation centers or through collaborative projects with other corporates as eligible under the act and amendments thereof. The CSR Department, under the guidance of CSR Committee would assist in implementation and monitoring of the CSR projects/initiatives.

The CSR Committee will ensure a transparent monitoring mechanism for ensuring effective implementation of the projects / programs/ activities proposed to be undertaken by the Company. The Company shall undertake impact assessment of its projects through an independent agency, of the 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 impact assessment reports shall be placed before the Board and shall be annexed to the annual report on CSR.

13. CRITERIA FOR IDENTIFYING NON-GOVERNMENTAL ORGANIZATIONS (NGOS)

CSR initiatives will be implemented either directly by the Company or through implementing agencies (NGOs). The implementing agencies being considered for a partnership will need to comply with the following criteria:

- The NGO can be a company established by the Company either singly or along with any other company and can be a company established under Section 8 of the Companies Act, 2013 / Registered Public Trust / Registered Society with a registration under Section 12A and Section 80G of the Income Tax Act, 1961, or
- The NGO can be a company registered under Section 8 of the Companies Act, 2013 / Registered Public Trust / Registered Society with a registration under Section 12A and Section 80G of the Income Tax Act, 1961 and with an established track record of at least 3 years, or
- The NGO can be an entity established under the act of Parliament or State Legislature, or
- The NGO can be an entity established by the Central or State Government,
- The NGO / Agency will need to have a permanent office in India;

All implementing partners sufficing any of the above-mentioned conditions will need to register themselves with the Central Government by filing e-form CSR-1 electronically and obtain a unique CSR Registration Number from the MCA.

The Company may also collaborate with other companies to undertake CSR Projects or Programs, provided the CSR Committees of the respective companies are in a position to report separately on such projects or programs.

14. NOTIFICATION

The CSR policy shall be displayed on the website of the Company, on approval of the board. The CSR committee should notify the employees about the policy from time to time. The policy will

be displayed permanently on the Companies internet enabling every employee to assess, be aware and contribute to the policy and drive actions going forward. The new employees shall be informed from about the policy by the HR department at the time of on boarding.

15. MISCELLEANOUS

This policy shall be updated from time to time, by the Company in accordance with the amendments, if any, to the Companies Act, 2013, rules made there under or any other applicable enactment for the time being in force The decision of the Board of Directors on all matters, relating to this Policy, shall be final and binding upon all concerned. This Policy is subject to continuous review and updates as required from time to time.

Place: Mumbai
Date: 31.05.2021

Sd/-
CHAIRMAN

AREAS OF CSR INTERVENTION (Annex. 1)

Enumerated below are the areas under which the Company will implement its CSR Projects. This will be reviewed from time to time by the CSR Committee and the Board and specific initiatives under these will be undertaken in line with the CSR Policy to meet the overall objectives of these interventions.

1. Empowering through Sustainable Livelihood Initiatives (SLI)

Category: Companies Act- 2013, Schedule VII (i) Eradicating Hunger, Schedule VII (ii) Livelihood Enhancing Projects, Schedule VII (ii) Empowering Women and Schedule VII (x) Rural Development

The Company's Sustainable Livelihood Initiatives are designed to empower thousands of people, particularly women in rural parts of India. Through this initiative, the Company reaches out to the underprivileged segments of society and in doing so, it seeks to help as many people as possible at the bottom of the pyramid by providing them with livelihood finance.

Under this project the Company will continue to support people (primarily woman) who are financially excluded through a holistic approach that will also offer training for enhancing occupation skills, credit counseling, and financial literacy and market linkages.

2. Financial Literacy and Inclusion

Category: Companies Act -2013, Schedule VII (i) Promoting Education, Schedule VII (ii) Livelihood Enhancing Projects

The Company believes that absence of financial knowledge can lead to poor financial decisions that can have an adverse effect on the financial health of an individual. The Company will endeavor to provide familiarity with and understanding of financial products, especially of rewards and risks, in order to better equip the financially excluded to make informed choices. These projects will endeavor to promote financial literacy amongst various segments such as students, senior citizens and others in the communities, directly or through implementing partners.

The Company will organize financial literacy awareness programs and through multiple media to create financial awareness and promote inclusion in the marginalized communities.

3. Promoting Education

Category: Companies Act -2013, Schedule VII (i) Promoting Education and Schedule VII (vi) measures for the benefit of armed forces veterans, war widows and their dependents

Education is one of the building blocks of any nation. With the aim of having 'every child in school and learning' the Company's interventions will aim at mainstreaming children and improving the quality of education they receive. A multitude of interventions such as educational sponsorships to students belonging to economically/socially/physically challenged categories and from the families of war veterans and the personnel in public services of defense and security training programs for teachers, supporting the infrastructure or running cost of reading programs, libraries, supportive classes, computers, science laboratories, physical education etc. will be undertaken to create a conducive learning environment and to promote learning

4. Skill Training and Livelihood Enhancement

Category: Companies Act -2013, Schedule VII (ii) Employment Enhancing Vocational Skills and Livelihood Enhancing projects and Schedule VII (ii) Empowering Women

A growing economy like India requires a large and skilled workforce. The Company's skill training initiatives will aim at training and capacity development of youth and women from

economically weaker sections of society, and to empower them to gain access to opportunities for sustainable livelihood and growth.

The Company will support technical training courses, Skill Development Centers, non-formal vocational programs aimed at creating livelihood opportunities, soft skill training aimed to facilitate integration into mainstream and soft loans for self- financing of training. Under the scope of this initiative, the Company will also support upgrading skills and capacity building of farmers by introducing innovative methods of cultivation and creating market linkages.

5. Promoting Healthcare and Sanitation

Category: Companies Act -2013, Schedule VII (i) Promoting Preventive Healthcare; Schedule VII (xii) disaster management, including relief, rehabilitation and reconstruction activities and Schedule VII (vi) measures for the benefit of armed forces veterans, war widows and their dependents

The Company will address the healthcare, hygiene and sanitation needs of the community through innovative products and services. One of the Company's largest interest currently is how to address the shortage of blood and storage of the same.

The Company is emphasizing on promoting wellness among its communities through preventive, curative and palliative interventions under its programs. Such activities to also include contributions made to specific funds set up by Central Govt. and provisions made towards promotion of healthcare and wellness as eligible under Schedule VII updated from time to time.

The Company recognizes the difficult conditions under which our defense/police force operate in and will extend support though special products to provide them with a security cover.

6. Environmental Sustainability

Category: Companies Act -2013, Schedule VII (iv) Ensuring Environmental Sustainability, Conservation of Natural Resources and Maintaining the quality of soil.

Sustainability is one of the core values of the Company and climate change mitigation and environmental improvements are essential elements of its strategy for sustainability. The Company will initiate multiple projects implemented directly or through consultant partners to manage its emissions and to introduce environmental friendly practices. Social Communication will be used as an effective tool in influencing behavior and creating a sustainable environment for the community.

The Company will encourage investment in energy efficient technology, developing socially and environmentally friendly products and services, improving access to water by creating/sponsoring irrigation and water storage structures, promoting public transport by creating appropriate infrastructure, benchmarking and reporting on Sustainability projects.

7. Eradicating Poverty

Category: Companies Act -2013, Schedule VII (i) Eradicating Poverty, Hunger and Malnutrition.

The Company recognizes the need to reach out to those at the bottom of the pyramid by providing them with need based assistance. The Company will also encourage employees to continue to contribute to society by undertaking projects in their respective areas.

The Company's Payroll Giving Program will encourage employees to donate a part of his/her salary. This amount may be matched by the Company and the combined amount donated by the employee to a cause of his/her choice. These causes may include providing rations/nutrition, medical care, supporting education, etc.

8. Rural Development

Category: Companies Act -2013, Schedule VII (x) Rural Development

With the objective of contributing to the improvement of the economic and social well-being of people in rural areas, the Company will initiate programs that empower the rural population. The Company will support projects providing electrification through solar or alternate methods, improving access to water, healthcare and sanitation, and construction and running cost of schools and health centers, amongst others.

9. Innovation

Category: Companies Act – 2013, Schedule VII (ix) contribution to incubators or research and development projects in the field of science, technology, engineering and medicine funded by Central or State Govt. or allied sectors aimed at promoting SDGs

The company promotes innovation in the field of sustainable development. The Company shall partner with eligible institutions defined under Schedule VII to promote innovative ideas, start-ups, research, training and development work aimed at promoting Sustainable Development Goals (SDGs).

10. Contribution to specified funds

Category: Companies Act – 2013, Schedule VII (viii) contribution to the prime minister's national relief fund 8[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

The Company shall promote socio economic development and relief activities by supporting specific funds set up by the Govt. as made eligible under the Act and amendments thereof. The Company has supported such funds for Covid-19 pandemic relief activities as well.

11. Promotion of Sports

Category: Companies Act – 2013, Schedule VII (vii) training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports

The Company shall support interventions promoting sports among youths, children and athletes as per need and impact through the support towards coaching and training, equipment, medical / rehab, promoting participation, sports kits etc. The Company has been supporting such athletes and envisages developing junior athletes identified for sports at the scale of Olympics and Paralympics.
