

SAIPRO INDUSTRIES PRIVATE LIMITED

CIN: U15549PN2020PTC194257

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

1. PREAMBLE

- 1.1. This Corporate Social Responsibility (CSR) Policy ("Policy") has been formulated in accordance with Section 135 of the Companies Act, 2013 ("Act") read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time ("CSR Rules"). The Policy sets out the guiding principles, governance, and approach of the Company for undertaking eligible CSR activities in India.

2. APPLICABILITY AND CSR GOVERNANCE

- 2.1. This Policy applies to the Company for the financial years in which the provisions of Section 135 of the Act become applicable to it. This Policy is adopted in the Financial Year 2025-26. As on the date of adoption, the Company does not have any ongoing CSR project.
- 2.2. Where the amount required to be spent by the Company on CSR in a financial year does not exceed INR 50,00,000, the Company is not required to constitute a CSR Committee and the Board of Directors of the Company ("Board") shall discharge the functions otherwise required to be performed by the CSR Committee ("Board acting as CSR Committee").
- 2.3. Accordingly, for the relevant financial year(s) where the CSR obligation is below INR 50,00,000, the Board shall:
 - 2.3.1. approve the CSR Policy and any modifications thereto;
 - 2.3.2. approve the Annual Action Plan / CSR plan for the year, including project-wise budgets, implementation schedules and monitoring mechanisms;
 - 2.3.3. ensure that CSR activities are undertaken in accordance with the Act, CSR Rules and this Policy;
 - 2.3.4. monitor the implementation of CSR projects/programmes and ensure proper utilisation of CSR funds; and
 - 2.3.5. ensure statutory reporting and disclosures as required under the Act and CSR Rules.

3. DEFINITIONS

In this Policy, unless the context otherwise requires, the following terms shall have the meanings assigned below:

- 3.1. "Act" means the Companies Act, 2013 and rules made thereunder, as amended from time to time.
- 3.2. "Administrative Overheads" shall have the meaning assigned under the CSR Rules and shall be subject to the prescribed limits.
- 3.3. "CSR" or "Corporate Social Responsibility" means the activities undertaken by the Company in accordance with Section 135 of the Act and the CSR Rules, in areas or subjects specified in Schedule VII to the Act as amended from time to time, excluding activities undertaken in pursuance of the normal course of business and other exclusions prescribed under the CSR Rules.

- 3.4. "CSR Committee" means the Corporate Social Responsibility Committee of the Board referred to in section 135 of the Act;
- 3.5. "CSR Expenditure" means expenditure incurred by the Company on CSR projects/programmes in accordance with the Act and CSR Rules.
- 3.6. "Ongoing Project" means a multi-year CSR project, as defined under the CSR Rules.
- 3.7. "Unspent CSR Amount" means the amount unspent out of the CSR obligation for a financial year, and shall be dealt with in accordance with Section 135 of the Act and the CSR Rules.

4. CSR OBJECTIVES

- 4.1. The Company's CSR initiatives shall be guided by the following broad objectives:
 - 4.1.1. to contribute towards sustainable and inclusive development of communities;
 - 4.1.2. to support initiatives aligned with eligible activities under Schedule VII of the Act;
 - 4.1.3. to design CSR programs with measurable social outcomes, wherever feasible; and
 - 4.1.4. recommend the amount of expenditure to be incurred on the CSR activities to the Board
 - 4.1.5. monitor the Corporate Social Responsibility Policy of the Company from time to time
 - 4.1.6. to ensure transparency, accountability and compliance in CSR implementation.

5. CSR FOCUS AREAS

- 5.1. The Company has adopted all activities/subjects listed in Schedule VII to the Act as eligible CSR focus areas. Accordingly, the Company may undertake CSR activities in any one or more of the areas/subjects specified in Schedule VII to the Act (as amended from time to time). The indicative list of Schedule VII activities is provided in Annexure A to this Policy.

6. GUIDING PRINCIPLES AND CSR IMPLEMENTATION

- 6.1. The Company shall ensure the following principles while undertaking CSR activities:
 - 6.1.1. CSR activities shall be undertaken in India only and shall be aligned with Schedule VII of the Act.
 - 6.1.2. CSR activities shall not be undertaken in the normal course of business of the Company, except to the extent permitted under the CSR Rules.
 - 6.1.3. CSR projects/programmes shall not be designed to exclusively benefit employees of the Company and their families.
 - 6.1.4. CSR activities shall be carried out with appropriate due diligence, documentation and monitoring.
 - 6.1.5. CSR activities shall be undertaken directly by the Company.

7. PROJECT IDENTIFICATION, APPROVAL AND ANNUAL ACTION PLAN

- 7.1. The CSR projects/programmes for each financial year shall be identified and approved by the Board based on the Company's CSR priorities and available budgets.
- 7.2. An Annual Action Plan / CSR plan shall be prepared for each financial year and shall include, to the extent applicable:
 - 7.2.1. list of CSR projects/programmes approved for the year;

- 7.2.2. project-wise budgets and timelines;
- 7.2.3. monitoring and reporting mechanism;
- 7.2.4. need and impact assessment, where applicable; and
- 7.2.5. details of ongoing projects and any changes/alterations with reasons.

8. CSR BUDGET, EXPENDITURE AND ACCOUNTING TREATMENT

- 8.1. **CSR Budget and Computation:** The CSR budget for each financial year shall be based on the CSR obligation computed in accordance with Section 135 of the Act and the CSR Rules. The Board shall approve the CSR budget for the year.
- 8.2. **Administrative Overheads:** The Board shall ensure that the Administrative Overheads shall not exceed five percent of total CSR expenditure of the Company for the financial year or the limits prescribed under the CSR Rules.
- 8.3. **Surplus arising out of CSR:** Any surplus arising out of CSR projects or programmes or activities shall not form part of the business profit of the Company. Such surplus shall be ploughed back into the same CSR project or transferred to the Unspent CSR Account and spent in pursuance of the CSR Policy and Annual Action Plan of the Company or transferred to a fund specified in Schedule VII, within a period of six months from the end of the financial year.
- 8.4. **Set-off of Excess CSR Spend:** If the Company spends an amount in excess of its CSR obligation in any financial year, such excess amount **may be set-off against the CSR obligation of the immediately succeeding three financial years**, subject to the following conditions:
 - 8.4.1. The excess amount does not include any surplus arising out of CSR activities; and
 - 8.4.2. The details of such excess CSR expenditure are disclosed in the Board's Report.
- 8.5. **Capital Assets:** Any capital assets created or acquired through CSR expenditure shall be held and owned only by a company established under Section 8 of the Companies Act, 2013, or a registered public trust or registered society, having charitable objects and CSR registration, or the beneficiaries of the CSR project, in the form of self-help groups, collectives or similar entities, or a public authority,

9. MONITORING, UTILISATION AND INTERNAL CONTROLS

- 9.1. The Board shall institute and maintain a transparent monitoring mechanism for CSR projects/programmes, commensurate with the size and nature of CSR activities.
- 9.2. The Board shall satisfy itself that the CSR funds disbursed have been utilised for the purposes and in the manner as approved by it. The Board shall designate a Director responsible for financial management, who shall certify such utilisation, as may be applicable under the CSR Rules.

10. TREATMENT OF UNSPENT CSR AMOUNT

- 10.1. If the Company fails to spend the CSR obligation for a financial year, the Company shall deal with the unspent amount in the following manner:
 - 10.1.1. In case of ongoing projects, the unspent CSR amount shall be transferred to a special account titled "Unspent Corporate Social Responsibility Account" within a period of thirty days from the end of the relevant financial year and shall be spent by the Company within a period of three financial years from the date of such transfer, failing which the amount shall be transferred to a fund specified in

Schedule VII within thirty days from the date of completion of the third financial year.

- 10.1.2. In case of amounts not relating to ongoing projects, the unspent CSR amount shall be transferred by the Company to a fund specified in Schedule VII within a period of six months from the end of the relevant financial year

11. IMPACT ASSESSMENT

- 11.1. Impact assessment shall be carried out, whenever and wherever applicable, in accordance with the CSR Rules. The Company may also undertake impact assessment voluntarily for selected CSR projects/programmes based on their scale and nature.

12. DISCLOSURES AND REPORTING

- 12.1. The Company shall make the following disclosures and filings in relation to Corporate Social Responsibility:
 - 12.1.1. The Company shall include an annual report on Corporate Social Responsibility as an annexure to the Board's Report in the format prescribed under Rule 8(1) of the Companies (Corporate Social Responsibility Policy) Rules, 2014.
 - 12.1.2. The Company shall place the Corporate Social Responsibility Policy, as approved by the Board of Directors, on the Company's website and shall also disclose the composition of the CSR Committee.

13. POLICY REVIEW AND AMENDMENT

- 13.1. This Policy shall be reviewed periodically and may be amended by the Board from time to time to ensure continued compliance with applicable laws and regulations and to reflect the Company's CSR priorities.

ANNEXURE A: SCHEDULE VII ACTIVITIES (INDICATIVE LIST)

- (i) Eradicating hunger, poverty and malnutrition, 2[“promoting health care including preventive health care”] and sanitation 4[including contribution to the Swachh 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 4[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, 9[Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows];
- (vii) training to promote rural sports, nationally recognised sports, paralympic sports and olympic sports
- (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;
- (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.

Explanation.- 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.]

(xii) disaster management, including relief, rehabilitation and reconstruction activities.