

SATURN DESS PRIVATE LIMITED

SATURN DESS PRIVATE LIMITED

CORPORATE SOCIAL RESPONSIBILITY POLICY

("CSR POLICY")

For SATURN DESS PRIVATE LIMITED



Director

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For SATURN DESS PRIVATE LIMITED

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CORPORATE SOCIAL RESPONSIBILITY POLICY
OF
SATURN DESS PRIVATE LIMITED

I. Preamble

The concept of Corporate Social Responsibility (CSR) has gained prominence from all the avenues. Organizations have realized the fact that the regulator alone will not be able to get success in its endeavor to uplift the society. With the rapidly changing corporate environment and more operational freedom, Saturn Dess Private Limited (the "Company") has adopted CSR as a strategic tool for sustained growth of the organization. CSR means not only investments of funds for Social Activity but also integration of Business Processes with the Social Processes.

II. Definitions

In this Policy unless the context otherwise requires:

- a) 'Act' means Companies Act, 2013;
- b) '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;
- c) 'Corporate Social Responsibility' means the activities undertaken by the Company in pursuance of its statutory obligation laid down in section 135 of the Act in accordance with the provisions contained in rules made thereunder, but shall not include the following, namely:-
 - i. 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;
 - ii. contribution of any amount directly or indirectly to any political party under section 182 of the Act;
 - iii. activities benefitting only employees of the company as defined in clause (k) of section 2 of the Code on Wages, 2019 (29 of 2019);
 - iv. activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services;
 - v. activities carried out for fulfillment of any other statutory obligations under any law in force in India;
- d) 'CSR Rules' shall mean the Companies (Corporate Social Responsibility) Rules 2014 and Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 including any re-enactment, modifications or amendments thereof;
- e) 'CSR Policy' means a statement containing the approach and direction given by the board of a company, and includes guiding principles for selection, implementation and monitoring of activities as well as formulation of the annual action plan;
- f) 'Ministry' means the Ministry of Corporate Affairs
- g) 'Net Profit' means net profit as defined in Section 135 of the Act and Companies (Corporate Social Responsibility) Rules, 2014 which defines Net Profit as set out below:

Net Profit as per financial statements 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

- h) '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;
- i) 'Public Authority' means 'Public Authority' as defined in clause (h) of section 2 of the Right to Information Act, 2005 (22 of 2005);
- j) Words and expressions used in this CSR policy and not defined herein but defined in the Act shall have the meaning respectively assigned to them in the Act.

III. Objective

The main objective of the CSR policy is to lay down the guidelines for all the businesses engaged in the similar product line to make CSR a key business process for sustainable development for the Society. It aims at supplementing the role of the Government in enhancing the welfare measures of the society based on immediate and long term social and environmental consequences of their activities. The Company will act as good corporate citizen, by way of acting always for the good of the society. The Company's CSR Policy shall contain the approach and direction given by the Board, and includes guiding principles for selection, implementation and monitoring of activities as well as formulation of the Annual Action Plan.

IV. Scope

The Company will spend the amount so allocated as CSR expenditure on projects or programs or activities (either new or ongoing) carrying out any one or more of the following activities:

- 1) Promotion of education
- 2) Ensuring water supply and making available safe drinking water
- 3) Promotion of health care by providing Indoor medical facilities and medicines including preventive healthcare and sanitation
- 4) Ensuring environmental sustainability, ecological balance and protection of flora and fauna
- 5) Ensuring Animal Welfare, agro forestry and maintaining quality of soil, air and water
- 6) Conservation of natural resources
- 7) Social Empowerment
- 8) Employment enhancing vocational skills and special education specially among children, women, elderly and the differently abled.
- 9) Social Business projects
- 10) Promotion of Gender equality
- 11) Reduction of child mortality and improving maternal health
- 12) Combating HIV, AIDS, Malaria, and other diseases
- 13) Eradication of hunger, poverty, and malnutrition
- 14) Setting up public libraries
- 15) Contribution to Prime Ministers Relief Fund or any other fund set up by the Central or the State government for socio-economic developments.
- 16) Funds set up by the Central or the State government for the welfare of the Scheduled castes, the scheduled tribes and other backward classes, minorities and women.
- 17) Slum Area Development
- 18) Setting up homes and hostels for women
- 19) Setting up old age homes, day care centers and other facilities for senior citizens
- 20) Measures for the benefit of armed veterans, war widows and their dependents
- 21) Training to promote rural sports, national level sports, Paralympics and Olympic sports.
- 22) Rural development projects
- 23) Livelihood Enhancement Projects
- 24) Promotion and development of traditional arts and handicrafts
- 25) Contribution or funds provided to technology incubators located within academic institutions approved by the central government.

- 26) Protection of national heritage, art and culture.
- 27) Programs for restoration of building and sites of historical importance and work of art.
- 28) activities related to COVID-19 specified under Schedule VII relating to promotion of health care, including prevention of health care and sanitization and disaster management.
- 29) Any other area as may be prescribed by Schedule VII amended from time to time.

The above CSR activities are illustrative and are not exhaustive. Further programs and / or activities can be identified through review, evaluation and assessment by the Board of Director from time to time.

These CSR activities would specifically exclude activities undertaken in pursuance of its normal course of business.

V. Monitoring and Surveillance

The Board of Directors of the Company shall be responsible for the monitoring of activities of the company for review of CSR policy and the implementation of the same in the due course of time.

1. The CSR expenditure and action shall be bound for review at regular intervals.
2. Cost benefit and justification includes the amount of financial involvement, detailed project report carried out by the third parties or external agencies.
3. The Board of company shall satisfy itself that the funds so disbursed have been utilised for the purposes and in the manner as approved by it and the Chief Financial Officer or the person responsible for financial management shall certify to the effect.
4. Identify and approve any CSR project as "Ongoing Project" if it is a multi-year project undertaken by a Company in fulfilment of its CSR obligation having timelines not exceeding 3 years excluding the financial year in which it was commenced. If the project is initially not approved as a multi-year project, it can still be considered as Ongoing Project if duration of the Project has been extended beyond one year by the Board based on reasonable justification.
5. In case of ongoing project, 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.
6. The CSR expenditure made by the company shall be annexed to the Director's report by way of a separate report and the details of such shall be fully contained or otherwise, explained therein.
7. Impact assessment, if and when mandated, will be undertaken by an independent agency and such impact assessment report shall be placed before the Board and annexed to the annual report of CSR.

VI. CSR Budget/CSR Spend

The Act mandates companies meeting the qualification criteria to allocate certain portion of its annual net profits (before tax) during the three immediately preceding financial years to be spent on CSR Activities that fall under purview of Schedule VII of the Act.

1. CSR Expenditure:

Net profit means profit more fully described under Rule 2(h) of the CSR Rules. The CSR expenditure shall include all expenditure including contribution to corpus or on projects or programs relating to CSR activities approved by the Board of Directors but does not include any expenditure on an item not in conformity or not in line with activities stated under Schedule VII of the Act.

The company would spend not less than 2% of the average Net Profits of the Company made during the three immediately preceding financial years. The surplus arising out of the CSR activity will not be a part of the 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 CSR policy and annual action plan of the company or transfer such surplus amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the Financial Year.

Where the company spends an amount in excess of requirement provided under sub-section (5) of section 135, such excess amount may be set off against the requirement to spend under sub-section (5) of section 135 up to immediate succeeding three financial years subject to the conditions that:

- i) the excess amount available for set off shall not include the surplus arising out of the CSR activities, if any, in pursuance of sub-rule (2) of this rule.
- ii) the Board of the company shall pass a resolution to that effect.

2. Expenditure on CSR administration:

The administrative overheads incurred for general management and administration of CSR functions in the company shall not exceed five percent of total CSR expenditure of the company for the Financial Year.

3. Failure to spend the CSR Money

In case the Company fails to spend the above targeted amount in that particular financial year, the reasons for such an unspent amount shall be reported by the Board of Directors in their Boards' Report for that particular Financial Year.

Further, any amount remaining unspent under the obligation as aforementioned pursuant to any ongoing project, shall 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, and such amount shall be spent by the company in pursuance of its obligation towards the Corporate Social Responsibility 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;

Further, any amount remaining unspent under the obligation as aforementioned pursuant to other than any ongoing project referred in point above, the Company shall transfer such unspent amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.

VII. Implementation of CSR Activity

The company can implement its CSR activity itself or through:

- a. 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 (43 of 1961), established by the company, either singly or along with any other company, or
- b. a company established under section 8 of the Act or a registered trust or a registered society, established by the Central Government or State Government; or
- c. any entity established under an Act of Parliament or a State legislature; or
- d. 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.

VIII. Governance Structure

1. We have constituted a robust and transparent governance structure to oversee the implementation of our CSR Policy, in compliance with the requirements of Section 135 of the Act. At Saturn Dess Private Limited, our CSR governance structure will be headed by the Board of Director that will be ultimately responsible for CSR projects undertaken.

1.1. **Responsibilities**

- Formulate and update our CSR policy.
 - Formulate annual action plan pursuant to the CSR Policy.
 - Approve the projects as specified in V of the CSR policy.
 - Put the monitoring mechanisms in place to track the progress of each project.
 - Approve the CSR expenditure.
2. In line with Schedule VII of the Act and the CSR Rules, the Company shall undertake CSR activities included in its Annual CSR Action Plan, at the beginning of each Financial Year (beginning with the Financial Year 2023-24). The Board of Directors is authorized to approve any modification to the existing Annual CSR Action Plan or to propose any new program during the Financial Year under review.

2.1. **Annual Action Plan**

The Annual Action Plan is a plan of CSR activities for the Financial Year that would be placed before the Board of Directors of the Company which outlines the following aspects of CSR initiatives of the Company:

- List of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
- Manner of execution of such projects or programmes;
- Modalities of utilisation of funds and implementation schedules for the projects or programmes;
- Monitoring and reporting mechanism for the projects or programmes; and
- Details of need and impact assessment, if any, for the projects undertaken by the Company
- Any other information as may be required.

Provided that the Board may alter such Plan at any time during the financial year based on the reasonable justification to that effect.

IX. **General Policy Guidelines**

1. The CSR programs and/or activities so selected/identified may be carried out by the Company through its officials, employees, representatives, any relevant forum/platform/organization etc. as may be decided by the Board of Directors.
2. The Company may collaborate or pool resources with other companies to undertake CSR activities and any expenditure incurred on these collaborative efforts would qualify for computing statutory CSR spending.
3. The company can also conduct its CSR activity through Trusts, Societies or Companies formed for charitable purposes, operating in India and having established track record of at least three years in carrying on activities in related areas.
4. Any of the Stakeholders can interact; communicate with/to the Board of Directors forwarding their recommendations / suggestions, for consideration by them.
5. The CSR Rules prohibit the CSR projects and programs that are implemented by the Company for the benefit of the employees of the Company and their families.
6. The CSR activities implemented outside India also fall outside the purview of the Rules and hence CSR expenditure on such activities will not be considered for inclusion in the CSR Report.

SATURN DESS PRIVATE LIMITED

7. Any Contribution directly or indirectly to any political party under section 182 of the Act, shall not be considered as CSR activity.
8. Activities that are undertaken by the Company in pursuance of its normal course of business will not be considered as CSR activities.

For SATURN DESS PRIVATE LIMITED


Director

