



SUNFLAME ENTERPRISES PRIVATE LIMITED

CORPORATE SOCIAL RESPONSIBILITY POLICY

1.0. Objective

The CSR Objective of Sunflame Enterprises (P) Ltd. (hereinafter described as "the Company") is to enhance the quality of life and economic well-being of the communities around the Company's operations. In order to carry out the charitable activities in a structured manner and to streamline and provide more focus and direction to the activities undertaken by the Company in its sphere, it is decided to formulate a policy on Corporate Social Responsibility (hereinafter described as "the Policy"). This policy has been prepared in line with the requirements of the Companies Act, 2013 (hereinafter described as "the Act").

2.0. Applicability

This policy shall apply to the Company as a whole.

3.0. Compliance to Section 135 of the Companies Act, 2013

Section 135 of the Act (hereinafter described as "Section 135") and the Companies (Corporate Social Responsibility Policy) Rules, 2014 (hereinafter described as "the Rules") lays down the guidelines to be followed by Companies incorporated under the Act while developing their CSR programme, and CSR activities carried out by the Company need to comply to the provisions of the Section 135 and the rules made thereunder.

4.0. CSR Committee

Pursuant to the provisions of Section 135 of the Act, the CSR Committee shall consist of two or more Directors. Considering the above, the Company has constituted a CSR Committee and the list of members of the CSR Committee is annexed to this Policy as Annexure – I.

Upon any change in the constitution of CSR Committee including change in the designation of member(s), the Chairman of the Committee is authorized to update Annexure – I of this Policy from time to time.

The minimum number of members required to constitute Quorum for the meetings of CSR Committee shall be at least two members.

The Committee is responsible for the following.

- a. Formulation and recommendation to the Board, a Corporate Social Responsibility Policy (CSR Policy) which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Act.
- b. Formulation and recommendation to the Board, CSR annual action plan for each financial year.
- c. To monitor the Corporate Social Responsibility Policy of the Company from time to time.
- d. To recommend to the Board, amount of CSR budget for carrying out the activities referred to in sub-clause (a) above.

- e. Institute a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the Company.

The Board of Directors is responsible for the following:

- a. Approval of the CSR Policy including amendments from time to time, of the Company.
- b. Approval of the Annual Action Plan including amendments from time to time, in pursuance to CSR Policy
- c. Disclosure of CSR Policy on Company's website in such a manner as prescribed under Section 135 of the Act.
- d. Ensuring that the Company spends, in every Financial Year, at least 2 (two) percent of the average net profits of the Company as computed under Section 198 of the Act, made during the 3 (three) immediately preceding Financial Years in pursuance of the Policy.
- e. To approve CSR projects, CSR budget and expenditure on the projects.
- f. Transferring the unspent amount to a Fund specified in Schedule VII of the Companies Act, 2013, unless the unspent amount relates to any ongoing project(s) referred to in sub-section (6) of the Act, within a period of 6 (six) months of the expiry of the Financial Year.
- g. Satisfying itself that the funds so disbursed have been utilised for the purposes and in the manner as approved by it.
- h. Looking into any other matter/ requirement as may be recommended by the CSR Committee.

5.0. The CSR Policy

This Corporate Social Responsibility Policy has been formulated and recommended by the CSR Committee of the Company pursuant to the provisions of Section 135 (3) (a) and Schedule VII of the Act and the Rules.

6.0. The CSR Budget

The amount of expenditure to be spent for CSR and the projects, programmes or activities undertaken in each financial year will be recommended by the CSR Committee of the Company and the same will be approved by the Board of Directors with or without modification in its first meeting held in each financial year.

If in any financial year, the Company spends an amount exceeding the approved budget, such excess amount could be set off against the amount of immediate succeeding financial year subject to the approval of the Board by way of a resolution to the effect and any surplus generated out of CSR activities shall not be considered as excess amount for the purpose of setting off.

7.0. Geographical reach

The Company shall give preference to the local area and areas around the branches, warehouses, marketing and administration offices and factories of the Company for spending the amount earmarked for CSR activities. The activities will be restricted to the geographical boundaries of India.

8.0. Ongoing Project

Ongoing Project means a multi-year project that will be undertaken by the Company under any of the programme heads with a timeline for execution not exceeding three financial years excluding the financial year in which it was commenced and shall include such

project which is initially not approved as a multi-year project but the duration of which has been extended beyond one year by the Board based on reasonable justification.

9.0. Annual Action Plan

The Annual Action plan shall include the following.

- a. the list of CSR projects or programmes 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 programmes as specified in sub-rule (1) of Rule 4;
- c. the modalities of utilisation of funds and implementation schedules for the projects or programmes;
- d. monitoring and reporting mechanism for the projects or programmes; and
- e. details of need and impact assessment, if any, for the projects undertaken by the Company.

Board of Directors of the Company shall alter such plan at any time during the financial year as per the recommendation of the CSR committee, based on the reasonable justification to that effect.

10.0. Activities to be executed

The Company believes in empowering communities so that they may ensure their own development in self-sustainable manner. Towards this, Company has identified 'Education & Skill Development' and 'Health & Hygiene' as two focus areas. The Company, subject to the recommendation of the CSR Committee and approval of the Board of Directors of the Company, may undertake any CSR project(s) specified in Schedule VII of the Companies Act, 2013 from time to time.

11.0. Activities not to be considered as CSR by the Company

- a. Amount spent on projects or programs or activities that benefit only the employees of the Company and their families.
- b. Contribution of any amount to a political party.
- c. Activities undertaken in pursuance of normal course of business of the Company.
- d. 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.
- e. Activities supported by the Company on sponsorship basis for deriving marketing benefits for its products or services.
- f. Activities carried out for fulfilment of any other statutory obligations under any law in force in India.

12.0. Treatment of Surplus

Any surplus generated from CSR projects undertaken by the Company shall be added back to the same project or to the total CSR budget of the relevant financial year in which the surplus was generated and shall be spend in accordance with the Annual action plan of the Company. These funds will be further used in development of the CSR projects and will not be added to the normal business profits.

13.0. Audit of CSR Expenditure

The CSR expenditure will be audited on quarterly basis by the Internal Audit department of the Company to confirm that the amount spent are for the CSR projects/ programs or

activities approved by the Board of Directors of the Company and are in conformity with the Act and the Rules thereof.

14.0. CSR Monitoring and Reporting mechanism

The CSR Committee shall monitor the amount of expenditure as approved by the Board of Directors of the Company on a half yearly basis. Apart from the above, the Directors' Report of the Company shall include an annual report on CSR containing the particulars in the prescribed format. In case of ongoing projects, the Board shall monitor the implementation of the project with reference to the approved timelines and year-wise allocation and is authorized to make modifications, if any, for smooth implementation of the project within the overall permissible time period.

15.0. Displaying the CSR Policy on the website of the Company

This policy approved by the Board of Directors of the Company has been placed on the website of the Company.

16.0. Amendments

The Board of Directors of the Company shall have the power to amend or substitute any of the provisions of this Policy or replace this Policy in its entirety with a new Policy upon the recommendation of the CSR Committee.

17.0. Disclaimer

In any circumstances, where the terms of this Policy differ from any existing or newly enacted law, rule, regulation or standard governing the Company, the newly enacted law, rule, regulation or standard will take precedence over this Policy until such time the Policy is changed to conform to the law, rule, regulation or standard. Unless the context otherwise requires, the words, terms, expressions and derivations used in this Policy shall have the same meaning given in the Companies Act, 2013.

Annexure – I

Composition of CSR Committee

Sl. No.	Name	Designation
01.	Mr. Mithun Chittilappilly	Chairman
02.	Mr. Ramachandran	Member
03.	Ms. Anjana Narwal	Member
04.	Mr. George Muthoot Jacob	Member