



**CORPORATE SOCIAL RESPONSIBILITY POLICY
("CSR POLICY")**

**"SUNCITY SHEETS PRIVATE LIMITED"
(CIN: U27107GJ1981PTC103940)**

Corporate Social Responsibility (CSR) builds a dynamic relationship between a company on one hand and the society and environment on the other. CSR is traditionally driven by a moral obligation and philanthropic spirit. Over time, it has become an integral part of business. Suncity Sheets Private Limited has been engaged in charities and philanthropic activities, along with a number of others social activities. The key objective is to promote education, fight against hunger, provide medical relief help in combating chronic disease and addressing environmental issues. It is a step towards organizations to become socially responsible corporate citizens and creates positive impact on the environment, communities and societies.

1. PREAMBLE & APPLICABILITY

Suncity Sheets Private Limited (“Company or SSPL”) 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.

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. 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.

2. DEFINITIONS

2.1 ‘Act’ means the Companies Act, 2013;

2.2 ‘Board’ means the Board of Directors of Suncity Sheets Private Limited;

2.3 ‘Company’ means Suncity Sheets Private Limited;

2.4 ‘Corporate Social Responsibility (CSR)’ means and include but not limited to the activities or areas as specified in this policy pursuant to Schedule- VII of the Act, but contribution directly or indirectly to the political party, business done by the Company in its normal course, activities only for the benefit of employees and activities done outside India will not be considered as CSR activity;

2.5 ‘CSR Expenditure’ shall include all expenditure including contribution to corpus, or on projects or programs relating to CSR activities specified in this policy as approved by Board on recommendation of CSR Committee;

2.6 ‘CSR Committee’ means the committee constituted under the provisions of Section 135 of the Act;

2.7 'Directors' shall mean the directors of the Company;

2.8 'Net profit' means the net profit of a Company calculated in accordance with the provisions of section 198 of the Companies Act, 2013 and 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.

2.9 '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.

3. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility Committee (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 which are as follows: -

- Mr. Mukesh Agarwal – Chairman
- Mr. Harish Agarwal – Member

Board of Directors of the Company may re-constitute the Committee, as and when required to do so, by following the sections, sub-sections, rules, regulations, notifications issued or to be issued, from time to time, by the Ministry of Corporate Affairs or the Central Government of India. The Committee shall exercise powers and perform the functions assigned to it by the Board of Directors of the Company pursuant to section 135 of the Companies Act, 2013 and CSR Rules notified with regard thereto.

b) **Meetings:** The Committee shall hold meeting as and when required, to discuss various issues on implementation of the CSR Policy of the Company. The members would thrive to hold at least one meeting in a financial year.

c) **Quorum:** The quorum for a meeting of the Committee on CSR shall be one-third of its total strength (any fraction contained in that one-third being rounded off as one), or two members, whichever is higher.

d) **Powers and Functions of CSR Committee**

To formulate and recommend to the Board, a Corporate Social Responsibility Policy;

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

4. 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).

5. CSR ACTIVITIES

The Company will undertake its CSR projects or activities in one or more areas mentioned below:

- 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;
- vii. Training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports;
- viii. Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government or the State Governments for socio-economic development and relief and funds for the welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;
- ix. Contribution to incubators funded by Central Government or State Government or any agency or Public Sector Undertaking of Central Government or State Government, and contributions to public funded Universities, Indian Institute of Technology (IITs), National Laboratories and Autonomous Bodies (established under the auspices of Indian Council of Agricultural Research (ICAR), Indian Council of Medical Research (ICMR), Council of Scientific and Industrial Research (CSIR), Department of Atomic Energy (DAE), Defence Research and Development Organisation (DRDO), Department of Science and Technology (DST), Ministry of Electronics and Information Technology) 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;
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;
- xiii. Such other matters as may be prescribed from time to time.

The Company shall give preference to the local area and areas around it where it operates i.e., Registered office and/or corporate office of the Company, for spending the amount earmarked for above Corporate Social Responsibility activities. The CSR Committee shall recommend the activities to be carried to the Board every financial year.

6. 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 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 set off 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.

7. SURPLUS ARISING FROM CSR ACTIVITY

The surplus arising from CSR projects, programs or activities shall not form part of the business profit of the Company and shall be utilized for CSR activities only.

8. AGENCY FOR IMPLEMENTATION

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

1. The Company may itself implement the identified CSR Projects presently within the scope and ambit of the areas as defined in this Policy;
2. The Company may undertake the CSR activities through entity(ies) covered under sub-rule (1) of Rule 4 of Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended.
3. The Company, may collaborate with other companies, including its Group Companies if required, for fulfilling its CSR objectives provided that the CSR Committees of respective companies are in a position to monitor separately such CSR Projects.

9. EXCLUSIONS

- a) The CSR activities shall not include the activities undertaken in pursuance of its normal course of business.
- b) Any contribution, director indirect, to any political party, shall not be considered a CSR Expenditure.

- c) The CSR projects or programs or activities that benefit exclusively the employees of the Company, and their families, shall not be considered as CSR activities in accordance with this Policy.

10. 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 at least 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

11. DISCLOSURES

The Board's report, being a part of the Annual Report shall disclose the composition of the Corporate Social Responsibility Committee, the contents of such policy and the CSR initiatives undertaken. This CSR Policy shall also be placed on the website of the Company.

12. MISCELLANEOUS

In case of any doubt with regard to any provision of the Policy and also in respect of matters not covered herein, a reference shall be made to CSR Committee. In all such matters, the interpretation & decision of the Committee shall be final. Any or all provisions of the CSR Policy would be subject to revision / amendment in accordance with the guidelines on the subject as may be issued from Government, from time to time. The CSR Committee reserves the right to modify, add, or amend any of provisions of this Policy subject to approval of the Board.