

## SUMIT WOODS LIMITED

### POLICY ON CORPORATE SOCIAL RESPONSIBILITY

The Board of Directors (the “**Board**”) of Sumit Woods Limited (the “**Company**”) has adopted the following policy and procedures with regard to the Company’s Social Responsibility (“**CSR**”):

- **Corporate Social Responsibility Philosophy:**

The Company strives to be a socially responsible company and strongly believes in development which is beneficial for the society at large. As a Corporate Citizen receiving various benefits out of society, it is our co-extensive responsibility to pay back in return to the society in terms of helping needy people by providing foods, clothes, etc., keeping the environment clean and safe for the society by adhering to the best practices and technologies, and so on. It is the Company's intent to make a positive difference to society in which the Company lives and operates.

- **Policy Objective:**

The objective of this Policy is to set guiding principles for carrying out CSR activities by the Company and also to set up process of execution, implementation and monitoring for the CSR activities to be undertaken by the Company.

- **List of Activities/Projects**

The Company shall undertake any of the following Activities/Projects or such other activities / projects as may be notified by the Ministry of Corporate Affairs from time to time as a part of the Corporate Social Responsibility:

- i. Eradicating hunger, poverty and malnutrition, promoting preventive health care and 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 centers 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, agro forestry, conservation of natural resources and maintaining quality of soil, air and water;
- 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;
- vi. Promotion and development of traditional arts and handicrafts;
- vii. Measures for the benefit of armed forces veterans, war widows and their dependents;
- viii. Training to promote rural sports, nationally recognised sports, Paralympic and Olympic sports;

## SUMIT WOODS LIMITED

- ix. Contribution to the Prime Minister's National Relief Fund or any other fund set up by the central government for socio-economic development and relief and welfare of the scheduled castes, the scheduled tribes, other backward classes, minorities and women;
- x. Rural development projects; and
- xi. Any other activities in relation of the above and all other activities which forms part of CSR as per Schedule VII of the Companies Act, 2013 (the "Act") as amended from time to time. (Collectively referred to as "CSR Activities").

The Company shall undertake CSR Activities only in India. Provided that the preference shall be given to the local areas and areas where the Company operates for undertaking the CSR Activities.

- **Quantum of Amount to be spent on CSR Activities**

- i. The Company shall strive to spend in every financial year at least 2% (two percent) of the average net profits of the Company made during the three immediately preceding financial years.
- ii. Any surplus arising out of CSR Activities shall not form part of the business profit of the Company and same shall be spent for undertaking any above mentioned CSR activities only.

- **Implementation of CSR Activities**

- i. The Company may undertake CSR Activities through a registered trust or society or any company, established by the Company, its holding or subsidiary company under Section 8 of the Act for such non - profit objectives prescribed thereunder.
- ii. The Company may collaborate with any other companies for undertaking the CSR Activities.
- iii. The Company may build CSR capabilities of its personnel as well as those of implementing agencies through institutions with established track records of at least three financial years.
- iv. The Company may undertake CSR Activities by way of helping needy individual and/ or Group of Individuals.
- v. Salaries paid by the Company to regular CSR staff as well as to volunteers of the Company (in proportion to Company's time/hours spent specifically on CSR) shall be factored into CSR project cost as part of the CSR expenditure.
- vi. The Company shall not make any payment directly or indirectly to Political Party(ies) for CSR Activities.

## SUMIT WOODS LIMITED

- **Procedure for CSR Activities**

- i. The Committee shall recommend the Board the CSR Activities to be undertaken for the financial year alongwith the detailed plan, modalities of execution, implementation schedule, monitoring process and amount to be incurred on such activities;
- ii. The Board shall give its approval based on the recommendation of the Committee and in compliance of this Policy; and
- iii. The Committee, after approval, shall submit the half-yearly report giving status of the CSR Activities undertaken, Expenditure Incurred and such other details as may be required by the Board.

- **Role of the Committee**

The Committee shall carry out of the following functions:

- (a) recommend the CSR Policy to the Board;
- (b) identify the projects/activities to be undertaken by the Company for CSR;
- (c) recommend to the Board CSR Activities to be undertaken alongwith detailed plan,
- (d) modalities of execution, implementation schedule, monitoring process and amount to be incurred on such activities;
- (e) monitor the CSR Policy of the Company from time to time;
- (f) ensure compliance of CSR Policy; and
- (g) such other functions as may be delegated by the Board from time to time.

Words and expressions used and not defined in this Policy shall have the same meanings respectively assigned to them in the Act and the Rules framed thereunder as amended from time to time.