

Suumaya Industries Limited
(Formerly known as Suumaya Lifestyle Limited)



CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

SUUMAYA INDUSTRIES LIMITED

(Formerly known as Suumaya Lifestyle Limited)

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Mumbai 400063.

CIN: L18100MH2011PLC220879

Website: www.suumaya.com

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February 12, 2021	April 1, 2021

INTRODUCTION

Suumaya Industries Limited (“Suumaya” or “the Company”) has been an early adopter of corporate social responsibility (“CSR”) initiatives. Along with sustained economic performance, environmental and social stewardship is also a key factor for holistic business growth. The Company established the Suumaya Foundation in the year 2021 as a not-for-profit nodal body aimed at providing a dedicated approach to community development and to fulfil our CSR commitments. Suumaya Foundation will work towards removing malnutrition, improving healthcare infrastructure, supporting primary education, rehabilitating destitute individuals and caring for animals, and preserving Indian art and culture. Suumaya Foundation partners with non-government organizations (NGOs) to make a difference among local communities. The Company’s focus has always been to contribute to the sustainable development of society and the environment, and to make our planet more liveable for future generations.

Consequent to amendments made by MCA to the 2013 Act, vide the Companies (Amendment) Act, 2020, (“CAA, 2020”), and CSR Rules vide the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 (“CAR 2021”), the Board adopted this Policy on February 12, 2021 on the recommendation of its CSR Committee.

WHAT IS CSR?

The term "Corporate Social Responsibility (CSR)" can be referred as corporate initiative to assess and take responsibility for the company's effects on the environment and impact on social welfare. The term generally applies to companies’ efforts that go beyond what may be required by regulators or environmental protection groups.

Corporate social responsibility may also be referred to as "corporate citizenship" and can involve incurring short-term costs that do not provide an immediate financial benefit to the company, but instead promote positive social and environmental change.

Moreover, while proposing the Corporate Social Responsibility Rules under Section 135 of the Companies Act, 2013, the Chairman of the CSR Committee mentioned the Guiding Principle as follows: *"CSR is the process by which an organization thinks about and evolves its relationships with stakeholders for the common good and demonstrates its commitment in this regard by adoption of appropriate business processes and strategies. Thus, CSR is not charity or mere donations. CSR is a way of conducting business, by which corporate entities visibly contribute to the social good. Socially responsible companies do not limit themselves to using resources to engage in activities that increase only their profits. They use CSR to integrate economic, environmental and social objectives with the company's operations and growth."*

REPORTING FOR CSR

Rule 8 of the CSR Rules provides that the companies, upon which the CSR Rules are applicable on or after April 1, 2014, shall be required to incorporate in its Board's report an annual report on CSR (copy annexed as an **Annexure I** to this policy) containing the following particulars:

- A brief outline of the company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs;
- The composition of the CSR Committee;
- Average net profit of the company for last three financial years;
- Prescribed CSR Expenditure (2% of the amount of the net profit for the last 3 financial years);
- Details of CSR Spent during the financial year;
- In case the company has failed to spend the 2% of the average net profit of the last three financial year, reasons thereof;

ROLE OF CSR COMMITTEE

The CSR Committee constituted in pursuance of Section 135 of the Companies Act, 2013 shall be required to carry out the following activities:

- a) Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII;
- b) Recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and
- c) Monitor the Corporate Social Responsibility Policy/activities of the company from time to time

THE OBJECTIVES OF THE POLICY

This Policy shall be read in line with Section 135 of the Companies Act 2013, Companies (Corporate Social Responsibility Policy) Rules, 2014 and such other applicable rules, regulations, circulars, and notifications (collectively referred hereinafter as Regulations') as may be applicable and as amended from time to time and will, inter-alia, provide for the following:

- Establishing a guideline for compliance with the provisions of Regulations to dedicate a percentage of Company's profits for social projects.
- Ensuring the implementation of CSR initiatives in letter and spirit through appropriate procedures and reporting
- Creating opportunities for employees to participate in socially responsible initiatives.

CSR ACTIVITIES

Driven by our Core purpose, our CSR vision has been to focus our efforts within the constituencies of education, health, environment, etc.

All CSR projects will be in line with the CSR vision, as well as areas listed in Schedule VII of the Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules 2014. CSR projects will be undertaken in India except for training of Indian sports personnel representing any State or Union territory at national level or India at international level. A list of items under Schedule VII is enclosed to as an **Annexure II** of this policy.

It will not include the activities undertaken in pursuance of normal course of business of the Company, projects benefitting the employees of the Company (as defined in clause (k) of section 2 of the Code on Wages, 2019 (29 of 2019) and as amended from time to time), or contributions of any amount directly or indirectly to any political party.

All CSR activities will be in project mode and will not include activities supported on sponsorship basis for deriving marketing benefits for its products or services or activities carried out for fulfilment of any other statutory obligations under any law in force in India.

SCOPE

A. Education: Promoting education, including special education and employment-enhancing vocational skills, especially among children, women, the elderly and the differently abled, and livelihood enhancement projects; monetary contributions to academic institutions for establishing endowment funds, chairs, laboratories, etc., with the objective of assisting students in their studies, this also includes skilling and re-skilling initiatives for those who are in need.

B. Hunger, Poverty, Malnutrition and Health: Eradicating extreme hunger, poverty and malnutrition, promoting preventive healthcare and sanitation and making available safe drinking water.

C. Rural Development Projects: Strengthening rural areas by improving accessibility, housing, drinking water, sanitation, power and livelihoods, thereby creating sustainable villages.

D. Gender Equality and Empowerment of Women: Promoting gender equality and empowering women; setting up homes, hostels and day care centers for women and orphans; setting up old age homes and other similar facilities for senior citizens; and adopting measures for reducing inequalities faced by socially and economically backward groups.

E. Environmental Sustainability: Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro-forestry, conservation of natural resources and maintaining the quality of soil, air and water.

F. National Heritage, Art and Culture: Protecting national heritage, art and culture, including the restoration of buildings, sites of historical importance, and works of art; setting up public libraries; reviving, promoting and developing traditional arts and handicrafts.

THE GEOGRAPHIC REACH

The Act provides that the Company shall give preference to the local area and areas around it where it operates, for spending the amount earmarked for Corporate Social Responsibility. The Company will

thus give preference to conducting CSR activities in the state of Maharashtra herein the Company has/will have its operations. However, the Committee may identify such areas other than stated above, as it may deem fit, and recommend it to the Board for undertaking CSR activities.

UNDERTAKING CSR ACTIVITIES

Suumaya will undertake its CSR activities (being projects / programs / other permitted activities), approved by the CSR Committee either directly or through the Suumaya Foundation and / or such other eligible entity / organization as approved by the CSR Committee.

The surplus arising out of the CSR activities shall not form part of the business profit of the Company. Such surplus shall be spent towards its CSR activities in accordance with this policy.

Identification and implementation of multi-year CSR projects / programs (“Ongoing Projects”) will be monitored by the CSR Committee and the Board of Directors of the Company (“the Board”), as required under Applicable Law.

CSR ANNUAL ACTION PLAN AND LOCATION OF CSR EFFORTS

The CSR Committee shall decide on the locations for CSR activities and formulate and recommend to the Board for approval a CSR annual action plan, which shall contain all matters which are required under Applicable Law and any other matters as the CSR Committee may deem fit from time to time.

The Board may modify the annual action plan as per the recommendations of the CSR Committee at any time during the financial year, based on reasonable justification.

CSR EXPENDITURE, TREATMENT OF SURPLUS AND SETTING OFF OF EXCESS SPENT

The Company every financial year, spends at least 2% of the average net profits of the Company made during the three immediately preceding financial years in pursuance of the CSR Policy. For this purpose, the net profit and average net profit shall be calculated in accordance with the provisions of section 198 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014.

The administrative overheads not to exceed 5% of total CSR expenditure of the Company for the financial year relating to the general management and administration of CSR functions in the company.

Where the Company spends an amount in excess of requirement provided under Section 135(5) of the Act, such excess amount may be set off against the requirement to spend under section 135(5) up to immediate succeeding three financial years subject to the certain conditions.

CSR COMMITTEE

The CSR Committee shall be comprised in accordance with the requirements of Applicable Law. This CSR Policy, details of the composition of the CSR Committee and projects approved by the Board shall be hosted on the Company's website at www.suumaya.com

ADMINISTRATION OF CSR PROJECTS

The Company can meet its CSR obligations by funneling its activities on its own or through a third party, such as a society, trust, foundation or Section 8 company (i.e., a company with charitable purposes) that has an established records in CSR-like activities. Companies may also collaborate and pool their resources, which could be especially useful for small and medium-sized enterprises. Managing Director will have the power to sanction any project for CSR up to a 5 crore limit of, above which Board's approval will be required to sanction the amount.

IMPLEMENTATION

The CSR Council will ensure that majority of the budget is invested in long term and high impact projects of girls' and women's empowerment, and that of supporting the environment. The Company will continue to support the local needs of the communities within which it operates by investing in projects which address these needs.

CSR initiatives will be implemented either directly by the Company or through implementing partners which include a company established under section 8 of the Act, or a registered public trust or a registered society having an established track record of at least 3 years in undertaking similar activities for which the grant is being given. These organizations would need to be registered under section 12A and 80 G of the Income Tax Act, 1961 (43 of 1961). The above entities shall register with the Central Government by filing the form CSR-1 electronically with the Registrar, with effect from April 1, 2021.

The Company may engage International Organisations (as defined in Clause 2(g) of the Companies (Corporate Social Responsibility Policy) Rules 2014) for designing, monitoring and evaluation of CSR Projects, as well as capacity building of their personnel.

The Company may also collaborate with other companies for undertaking CSR projects, programmes or activities in such a manner that the CSR committees of respective companies are in a position to report separately on such projects or programmes in accordance with the requirements of Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules 2014.

BUDGET

I. The Company Board of Directors shall ensure that in each financial year the Company spends at least 2% of the average Net Profit made during the three immediate preceding financial years.

"Net profit" means the net profit as per the financial statement of the company prepared in accordance with the applicable provisions of the Act, but shall not include the following:

- (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.

II. As per section 135 of the Companies Act, the Company will report reasons for under spending of the allocated CSR budget of the current financial year in the template provided by the Ministry of Corporate Affairs. This reporting will be done Annual Report and signed off by the Board of Directors.

III. In case of any surplus arising out of CSR projects the same shall not form part of business profits of the Company

IV. The Company may collaborate or pool resources with other companies to undertake CSR activities, through any non-profit organization, if required.

CAPITAL ASSETS

The CSR amount may be spent by the Company for creation or acquisition of a capital asset, which shall be held by –

- a. A company established under section 8 of the Act, or a Registered Public Trust or Registered Society, having charitable objects and CSR Registration Number
- b. Beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities; or
- c. A public authority

Provided that any capital asset created by the Company prior to the commencement of the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, shall within a period of one hundred and eighty days from such commencement comply with this requirement, which may be extended by a further period of not more than ninety days with the approval of the Board based on reasonable justification.

AMENDMENTS TO THE POLICY

The Board of Directors on its own and/or on the recommendation of CSR committee can amend its policy as and when required deemed fit. Any or all provisions of CSR Policy would be subjected to revision/amendment in accordance with the regulations on the subject as may be issued from relevant statutory authorities, from time to time.

In the event of any conflict between the provisions of this Policy and applicable statutes, the applicable statutes will prevail and be applicable.

Annexure II

SCHEDULE VII
(of the Companies Act, 2013)

Activities which may be included by companies in their Corporate Social Responsibility Policies
Activities relating to:—

(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, 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 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);

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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.