

# SAATVIK GREEN ENERGY LIMITED

## CORPORATE SOCIAL RESPONSIBILITY POLICY

### 1. PREAMBLE

The Corporate Social Responsibility Policy (“the Policy”) has been formulated in accordance with the provisions of section 135 of the Companies Act, 2013 (hereinafter referred to as “Act”) and rules framed thereunder, as amended from time to time. Section 135 of the Act requires that the Board of every company to which this Section is applicable shall ensure that the company spends, in every financial year, at least two per cent of its average net profits (calculated as per Section 198 of the Act) in the three immediately preceding financial years, in pursuance of its CSR Policy. Schedule VII to the Act lists the activities that may be included by companies in their CSR policy. The Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time, (“the Rules”), govern the procedural aspects such as execution, monitoring reporting, assessment, display, etc. of annual action plans of CSR activities/projects. Extracts of the relevant provisions are appended to this policy. This Policy has been drawn up keeping these regulatory requirements in view.

### 2. INTRODUCTION

Saatvik Green Energy Limited (SGEL) believes that since a business derives various benefits from the society, it must, in return, create value for all stakeholders and create a positive impact for a sustainable future. SGEL focusses on social, economic and environmental progress through effective management and utilization of human and natural capital.

### 3. CSR OBJECTIVES

Our approach towards CSR is based on our Company’s core values, which include fostering inclusive growth by sharing some of the wealth we create with the society at large. CSR has always been and shall always be an integral and strategic part of our business process. It is a vital constituent of our Company’s commitment to sustainability. True to the spirit of our vision, we strive to utilize the potential of human and natural capital around us in a manner that facilitates social, economic and environmental progress. The main objective of this Policy is to lay down guidelines for the Company to make CSR a key business process for sustainable development of the society. The Company aims to be a good corporate citizen by subscribing to the principles of integrating its economic, environmental and social objectives, and effectively utilizing its own resources towards improving the quality of life and building capacities of its stakeholders, local communities, and society at large.

The company's Corporate Social Responsibility (CSR) initiatives will prioritize activities in the areas surrounding SGEL and its subsidiary plants to support local communities. However, there will be flexibility to extend these CSR activities to other regions if deemed suitable. This approach ensures that the company's CSR efforts are responsive to local needs while allowing for broader social impact as appropriate.

#### 4. CSR COMMITTEE AND ITS ROLE

The CSR committee shall comprise of such number of members as prescribed under the provisions of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 (CSR Rules) (including any statutory modification(s) and/or re – enactment(s) for the time being in force). The CSR committee formed as such shall work in co-ordination and in accordance with directions given by the Board of Directors.

**Role of CSR Committee shall include inter-alia the following:**

- Formulate, review and recommend the CSR Policy to the Board for its approval;
- Provide strategy and direction to enrich the CSR policy;
- Monitor implementation and adherence to the CSR Policy;
- Approve the budgets for the CSR Expenditure and recommend to the Board for its approval;
- Formulate and review the annual action plan for each financial year and recommend the same to the Board for its approval;
- Review and recommend to the Board, certain CSR projects/programmes as ongoing projects in accordance with the CSR Rules;
- Review the impact assessment reports of CSR projects undertaken;
- Review and recommend to the Board, the Annual Report on CSR formulated as per the requirements of the Act and disclosed as part of the Report of the Board of Directors; and
- Any other activity as may be decided by the Board from time to time.

The Constitution and the role of the CSR Committee shall be in accordance with Section 135 and other applicable provisions of the Act and the CSR Rules, including any modifications or amendments thereto. All the CSR activities recommended by the CSR Committee and approved by the Board shall be in compliance with Schedule VII of the Companies Act, 2013.

#### 5. IMPLEMENTATION

The implementation of the CSR Activities may be done by one or more of the following means:

- i. the Company may undertake the CSR Activities on its own;
- ii. the Company may also collaborate with other companies including its holding, subsidiary and associate companies for undertaking CSR Activities in such a manner that the CSR Committee of the Company as well as the committees of such other companies are in a position to report separately on CSR Activities;
- iii. the Company may decide to undertake CSR Activities 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, 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 3 (three years) in undertaking similar activities.

The Company shall ensure that every entity through which the Company proposes to carry out CSR activities is registered with the Ministry of Corporate Affairs and has a valid CSR registration number as stated in the Rules.

The Company may also engage International Organisations for designing, monitoring and evaluation of the CSR projects or programmes as per its CSR policy as well as for capacity building of their own personnel for CSR. Such engagement shall have approval from CSR Committee of the Company.

If required, suitable documents/agreements shall be entered into by the Company with other entities, societies, agencies or companies for the purposes of implementation of the CSR Activities. The conditions of grant of amounts to such entities, societies, agencies or companies, the break-up of allocations and monitoring methodology shall be set out in such documents/ agreements and evaluated from time to time.

## **6. IMPACT ASSESSMENT**

If Company's average CSR obligation is of Rs. 10 (Ten Crore) or more, in the 3 (three) immediately preceding Financial Years, the Company shall undertake impact assessment, through an independent agency, of the CSR projects having outlays of Rs. 1 (One) Crore or more, and which have been completed not less than one year before undertaking the impact study.

The impact assessment reports shall be placed before the Board and shall be annexed to the annual report on CSR.

## **7. MONITORING AND DISCLOSURE**

SGEL will ensure that CSR activities are undertaken in keeping with the letter and spirit of the Companies Act, 2013 and the Rules made thereunder. The Board shall also ensure that the administrative overheads shall not exceed five percent of total CSR expenditure of the company for the financial year.

A certificate shall be presented by the Chief Financial Officer/Finance Controller whenever the Board of Directors reviews the utilization of funds, certifying that the funds disbursed in accordance with the Board's approval have been duly spent on the CSR activities/projects.

## **8. Adjustment of excess spent/unused amount compared to CSR obligation**

Any surplus arising out of the CSR activities, projects or programmes will not be taken into business profits and such surplus shall be dealt with as per provisions of the Act/Rules. The Board of Directors of SGEL may set-off any excess amount spent during any financial year against the amount to be spent during the next three succeeding financial years. However, such amount shall not include surplus arising out of CSR activities and Board shall pass a resolution to set-off such amount.

On the contrary if the amount spent on CSR activities / projects during any financial year is lesser than the amount required to be spent as mandatory CSR obligation, such unspent amount shall be dealt with in accordance with the provisions of the Act/Rules.

## **9. Amendment / Policy Review**

- i) This Policy is framed based on the provisions of the Act and rules thereunder.
- ii) In case of any change in the provisions of the Act or rules thereunder, which renders any of the provisions of this Policy inconsistent with the Act, this Policy will be suitably amended.
- iii) This Policy may be reviewed and amended from time to time by the Board of Directors of SGEL. Any change or modification in the Policy shall be placed before the Board of Directors for approval.