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## CORPORATE SOCIAL RESPONSIBILITY POLICY

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**THE SANDESH LIMITED**

(CIN: L22121GJ1943PLC000183)

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## Corporate Social Responsibility (CSR) Policy:

### **CORPORATE SOCIAL RESPONSIBILITY:** **(Applicability, objective and important terms)**

The Corporate Social Responsibility (CSR) Policy is approved and adopted by the Board of Directors in their meeting held on 9<sup>th</sup> February, 2021, taking into recommendations of CSR Committee and in accordance with the provisions of Section 135 of the Companies Act, 2013 ('the Act') read with the Companies (Corporate Social Responsibility) Rules, 2014 ('the rules') and as amended from time to time.

The Company has adopted CSR Policy for the purpose of contributing towards the social-economic development of the society and to create and overall positive effect on society. The CSR Policy encompasses the Company's philosophy of giving back to the society as a responsible corporate citizen and lays down the guidelines and mechanism for undertaking CSR activities for the benefit of society.

In terms of the extant provisions of the Act and the Rules made thereunder, following are important aspects of this Policy:

1. To select and ensure that the CSR projects or programs, the Company plans to undertake, falls within the purview of the Schedule VII of the Act,
2. To decide the mode of implementation of such projects or program,
3. To decide modalities of utilization of funds, and
4. To monitor the process and progress of such projects or program.

## Corporate Social Responsibility (CSR) Policy:

### **Scope of illustrative activities under the Policy:**

The Company may undertake one or more activities, related to any of the following areas as specified in the Schedule VII of the Act, or such other area which may be notified from time to time:

1. 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;
2. promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
3. 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;
4. 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 setup by the Central Government for rejuvenation of river Ganga;
5. 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 arts and handicrafts;
6. 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;
7. training to promote rural sports, nationally recognised sports, paralympic sports and olympic sports;
8. contribution to the Prime Minister's National Relief Fund or Prime Minister's Central Assistance and Relief in Emergency Situations Fund (PM Cares 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;

## **Corporate Social Responsibility (CSR) Policy:**

9. contributions to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central / State Government or Public Sector Undertaking or any agency of the Central / State Government;
10. contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); 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);
11. Rural development projects;
12. 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.
13. Disaster management, including relief, rehabilitation and reconstruction activities.

## **Amount to be spent on CSR activities:**

1. The Board of Directors of the Company shall ensure that the Company spends, in every financial year, at least 2% (two percent) of the average net profits of the Company made during the 3 (three) immediately preceding Financial Years, in pursuance to this Policy.
2. The Board of Directors shall ensure that the administrative overheads shall not exceed 5% (five percent) of the total expenditure of the Company for the Financial Year.

## Corporate Social Responsibility (CSR) Policy:

3. Any surplus arising out of the CSR activities shall not form part of the business profit of a company and shall be ploughed back into the same project or shall be transferred to the Unspent CSR Account and spent in pursuance of CSR policy and annual action plan of the company or transfer such surplus amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.
4. If the amount spend is in excess of requirement provided, such excess amount may be set-off against the requirement to spend under Section 135 of the Act, up to immediate succeeding 3 (three) Financial Years subject to the condition that –
  - (i) the excess amount available for setoff shall not include the surplus arising out of the CSR activities, if any,
  - (ii) the Board of Directors of the Company shall pass a resolution to that effect.
5. If the Company fails to spend the CSR amount, unless such amount relates to any ongoing project, transfer such unspent amount to a Fund specified in Schedule VII of the Act, within a period of 6 (six) months of the expiry of the Financial Year.
6. Any amount remaining unspent, pursuant to any ongoing project, fulfilling such conditions as may be prescribed, undertaken by a company in pursuance of its Corporate Social Responsibility Policy, shall 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, and such amount shall be spent by the company in pursuance of its obligation towards the Corporate Social Responsibility 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.

## Corporate Social Responsibility (CSR) Policy:

### **CSR Implementation:**

1. The Board of Directors shall ensure that the CSR activities are undertaken by the Company itself or 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 80 G of the Income Tax Act, 1961 (43 of 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 three years in undertaking similar activities.
2. The Company may also collaborate with other Companies for undertaking projects or programs or CSR 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 rules.

### **CSR Committee and Role of Committee:**

CSR Committee shall be formed consisting 3 or more directors, and out of which at least 1 director shall be an independent director.

### **Role of the Committee:**

1. To formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company in areas or subject, specified in Schedule VII;

## **Corporate Social Responsibility (CSR) Policy:**

2. To recommend the amount of expenditure to be incurred on the activities specified above; and
3. To monitor CSR Policy of the Company from time to time.
4. To formulate and recommend to the Board, an annual action plan, which 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 Rule 4(1) of the rules
  - c. the modalities of utilization of funds and implementation schedules for the projects and programmes
  - d. monitoring and reporting mechanism for the projects and programmes
  - e. details of need and impact assessment, if any, for the projects undertaken by the Company.
5. Such other functions / roles as may be delegated or assigned to the Committee from time to time.

## **Review:**

The CSR Committee shall as and when required, assess the adequacy of the Policy and make any modification, revision, replacement, variation, deletion, alteration, addition or amendment in the Policy, subject to the approval by the Board of Directors of the Company, to ensure it remains consistent with the applicable provisions.

The Board of Directors shall ensure that the activities included in the CSR Policy, are undertaken.

In case of any conflict between the provisions of the Policy and the provisions of the Act and rules made thereunder, the provisions of the Act and rules made thereunder shall prevail over the Policy.