



(CIN :U34300PN2001PLC016589)

CORPORATE SOCIAL RESPONSIBILITY POLICY

1. OBJECTIVE

This policy has been formulated by Schloss Bangalore Limited (the “Company”), in compliance with Section 135 read along with Schedule VII of the Companies Act, 2013 (‘the Act’) and Companies (Corporate Social Responsibility) Rules, 2014 (‘CSR Rules’) including any amendment from therein from time to time.

2. CSR VISION

The Company strongly believes that business cannot be a success when the society around them fails. For the Company, CSR (as defined below) is not a program, it is what we do every day maximizing positive impact and minimizing negative impact on society. At the Company, CSR has effectively evolved from being engaged in passive philanthropy to corporate community investments, which take the form of a social partnership initiative creating value for stakeholders.

The Company’s CSR activities build an important bridge between business operations and social commitment evolving into an integral part of business functions, goals, and strategy.

3. SCOPE

This Policy shall apply to all CSR projects/programs/activities undertaken by the Company in India as per Schedule VII of the Act.

4. DEFINITIONS

“**Board**” means board of directors of the Company.

“**Corporate Social Responsibility**” or “**CSR**” means and includes but is not limited to projects or programs relating to activities specified in Schedule VII to the Act.

“**CSR Committee**” means the Corporate Social Responsibility Committee of the Board referred to in Section 135 of the Act.

“**CSR Policy**” relates to the activities to be undertaken by the Company as specified in Schedule VII to the Act and the expenditure thereon.

5. GOVERNANCE

Overall governance of CSR and approving of this CSR Policy will be the responsibility of the Board on the recommendations of the CSR Committee:

The CSR Committee shall formulate and recommend to the Board, an annual action plan in pursuance of its CSR policy. Provided that the Board may alter such plan at any time during the financial year, as per the recommendation of the CSR Committee, based on the reasonable justification to that effect.

The Board shall ensure proper implementation of the CSR Policy along with monitoring and reviewing CSR activities undertaken by the Company and provide inputs as and when required.

The Board shall satisfy itself that the CSR funds so disbursed are aligned to the CSR Policy of the Company and have been utilized for the purposes and in the manner approved by it. The Chief Financial Officer of the Company shall certify the same to the effect.

The Board shall also ensure appropriate disclosures pursuant to the Act in the Annual Reports in prescribed formats.

The CSR Committee will be responsible for administering and executing this CSR Policy. As Company's CSR activities evolve further, this CSR Policy may be updated with the approval of the Board as per the recommendations of the CSR Committee to the Board.

6. ROLE OF THE CSR COMMITTEE

Formulate and recommend to the Board, a **"Corporate Social Responsibility Strategy"** which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Act, monitor the implementation of the same from time to time, and make any revisions therein as and when decided by the Board.

Review and recommend the amount of expenditure to be incurred on the activities referred to above.

Instituting a transparent monitoring mechanism for implementation of the corporate social responsibility projects or programs or activities undertaken by the Company.

Identifying corporate social responsibility partners and corporate social responsibility programmes.

Monitor the corporate social responsibility activities of the Company and its implementation from time to time; and

Any other matter as the CSR Committee may deem appropriate after approval of the Board or as may be directed by the Board from time to time and/or as may be required under applicable law, as and when amended from time to time.

7. CSR ACTIVITIES FOR IMPLEMENTATION

The CSR activities would be chosen for implementation by the Company in compliance with the provisions of Section 135 read together with Schedule VII of the Act.

8. CSR MONITORING AND REPORTING FRAMEWORK

The CSR Committee shall formulate and recommend to the Board, an Annual Action Plan in pursuance of its CSR Activities. The Board of the Company shall satisfy itself that the funds so disbursed have been utilized for the purposes and in the manner as approved by it and the Chief Financial Officer shall certify to that effect.

CSR initiatives of the Company will be reported in the Annual Report of the Company in the manner prescribed under CSR Rules.

In case the Company has failed to spend the 2% of the average net profit of the last three financial years, it shall provide reasons for not spending the amount in its Board's Report.

9. CSR EXPENDITURE

The Board shall ensure that in every financial year, at least 2.00% of average net profits from the immediately 3 preceding financial years is spent on CSR initiatives undertaken by the Company. The overall amount to be committed to CSR will be approved by the Board as recommended by the CSR committee through its Annual Action Plan carrying list of CSR projects or programs approved to be taken. The following guiding principles to be adhered to in terms of CSR expenditure:

- a) The administrative overheads shall not exceed five percent (5%) of the total CSR expenditure of Company for the financial year.
- b) Any surplus generated from CSR activities shall not form part of the business profit of Company and shall be treated as follows:
 - Plough back into the same project; or
 - Transfer to a designated Unspent CSR Account and spent in pursuance of CSR Annual Action Plan of Company; or
 - Transfer to a Fund specified in Schedule VII, within the prescribed timeline as specified in the CSR Rules

Any unspent amount shall be reported by the Board in its report specifying the reasons for not spending the amount and shall be dealt with in accordance to the Section 135 of the Act and rules made thereunder.

In case, Company spends an amount in excess of requirement of its CSR obligations in a financial year, such excess amount may be set off against the requirement of CSR spending up to immediate succeeding three financial years subject to fulfilment of conditions specified under the Companies (CSR Policy) Amendment Rules, 2021 and any amendment thereunder from time to time.

The Company may spend its CSR expenditure for creation or acquisition of a capital asset subject to fulfilment of conditions specified under the Companies (CSR Policy) Amendment Rules, 2021 and any amendment to the same.

10. ANNUAL ACTION PLAN

The CSR Committee shall formulate an Annual Action Plan in pursuance of this CSR Policy, which shall include the following and recommend it to the Board for approval:

- 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
- c) the modalities of utilization of funds and implementation schedules for the projects or programmes
- d) monitoring and reporting mechanism for the projects or programmes
- e) details of need and impact assessment, if applicable, for the projects undertaken by the Company.

The Annual Action Plan compliant with the Act and the amendments thereof, to follow the below mentioned guiding principles:

A. *Guiding Principles on formulation of the Annual Action Plan*

- The CSR programs/ projects are non-discriminatory in nature and do not have any restrictive political or religious affiliations.
- The CSR programs/ projects will be within the areas listed in the Schedule VII of the Act and mentioned in this CSR Policy.
- The CSR programs/ projects will be beyond business as usual.

- The CSR programs/ projects will be implemented within the country and preferably in areas where Company has its presence.
- The CSR programs/ projects should not be exclusively for the benefit of employees of the company or their family members or those that are conducted /undertaken exclusively in pursuance of the normal course of business.
- The CSR programs/ projects should exclude activities that are to be supported on sponsorship basis for deriving marketing benefits for its products or services.

During any financial year, the Annual Action Plan of Company may be modified with approval of the Board.

B. Guiding Principle on Selection, Implementation and Monitoring of CSR projects

- The Board shall ensure that the CSR activities are undertaken by Company itself (direct projects) with the involvement of its employees/units or indirectly through one or more organizations as mentioned in this CSR Policy, which are eligible under the Act and any amendments thereof.
- The CSR Committee will ensure a transparent monitoring mechanism for ensuring effective implementation of the projects/ programs/ activities proposed to be undertaken by Company.

11. DISCLOSURE OF THE POLICY

This CSR Policy as recommended by the CSR Committee and approved by the Board shall be displayed on the Company's website and the link of the same shall be disclosed in the Board's report as well.

CSR initiatives of the Company will also be reported in the Company's Annual Report as specified in the CSR Rules.

12. FREQUENCY OF MEETINGS

The meetings of the Committee could be held at such periodic intervals as may be required and as prescribed by the Act.

13. MINUTES OF THE COMMITTEE MEETING

Proceedings of all meetings must be recorded and signed by the Chairman of the Committee and tabled at the subsequent Board and Committee meeting.

14. AMENDMENT

The Company reserves its right to amend or modify this CSR Policy in whole or in part, at any time without assigning any reason whatsoever. Unless otherwise specified such amendments shall be effective from the date of the meeting of the Board at which such amendments are approved.