Corporate Social Responsibility Policy

I. Preamble:

Sona Biscuits Ltd. ("the Company") believes that Corporate Social Responsibility ("CSR") is an integral part of its business philosophy and values. The Company is committed to conducting its business in a socially responsible, ethical, and sustainable manner while contributing meaningfully towards inclusive growth and community development.

The Company recognises its responsibility towards society and seeks to create long-term and sustainable value for stakeholders through focused social development initiatives. The Company shall endeavour to undertake CSR activities that create measurable and lasting impact in the areas of education, hygiene and sanitation, environmental sustainability, animal welfare, and community welfare.

This Corporate Social Responsibility Policy ("CSR Policy" or "Policy") provides the framework for undertaking, implementing, monitoring, and reviewing CSR activities of the Company in accordance with the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, Schedule VII of the Companies Act, 2013, and applicable amendments, notifications, and circulars issued from time to time.

II. Applicability and Regulatory Framework:

This Policy shall apply to all CSR projects, programmes, and activities undertaken by the Company within India, either directly or through eligible implementing agencies in accordance with applicable law.

The provisions of this Policy shall be interpreted in accordance with the provisions of Section 135 of the Companies Act, 2013, the Companies (Corporate Social Responsibility Policy) Rules, 2014, Schedule VII of the Act, and all applicable statutory modifications, amendments, clarifications, notifications, and circulars issued by the Ministry of Corporate Affairs from time to time.

In the event of any inconsistency between this Policy and the applicable provisions of law, the provisions of law shall prevail.

III. CSR Philosophy and Objectives:

The Company aims to undertake CSR initiatives in a structured, transparent, and sustainable manner for the benefit of society and the environment.

The key objectives of the Policy are to:

1. undertake socially impactful initiatives aligned with the needs of communities;
2. contribute towards sustainable and inclusive development;
3. improve quality of life through focused interventions in identified areas;
4. encourage environmental responsibility and ecological sustainability;
5. promote education, hygiene, sanitation, and animal welfare initiatives;
6. establish an effective governance and monitoring framework for CSR activities; and
7. ensure compliance with the applicable provisions of the Companies Act, 2013 and CSR Rules.

The Company shall endeavour to undertake CSR programmes capable of delivering long-term social benefits and measurable outcomes.

IV. CSR Committee:

The Board of Directors shall constitute a Corporate Social Responsibility Committee ("CSR Committee") in accordance with the provisions of the Companies Act, 2013 and applicable rules.

The CSR Committee shall comprise such number of Directors as may be prescribed under applicable law, including at least one Independent Director, wherever applicable.

The Company Secretary of the Company shall act as the Secretary to the CSR Committee.

The CSR Committee may invite senior executives, officers, advisors, consultants, or representatives of implementing agencies to attend its meetings, as may be considered necessary.

Meetings of the CSR Committee may be held physically or through electronic mode in accordance with applicable law and Secretarial Standards.

V. Role of CSR Committee:

The CSR Committee shall formulate and recommend the CSR Policy and Annual Action Plan to the Board and shall periodically review and monitor the implementation of CSR projects and utilisation of CSR funds in accordance with the provisions of the Companies Act, 2013 and applicable rules. The Committee may also recommend modifications to the CSR projects, programmes, or Annual Action Plan, wherever considered necessary.

VI. Role of the Board of Directors:

The Board of Directors shall approve the CSR Policy and Annual Action Plan based on the recommendations of the CSR Committee and ensure that the CSR activities of the Company are undertaken in compliance with applicable law. The Board shall also review the implementation and effectiveness of CSR initiatives and ensure necessary disclosures and compliances under the Companies Act, 2013.

VII. Annual Action Plan:

The CSR Committee shall formulate and recommend to the Board an Annual Action Plan in pursuance of the CSR Policy.

The Annual Action Plan may include the following:

1. list of approved CSR projects or programmes;
2. manner of execution of such projects or programmes;
3. modalities of utilisation of funds;
4. implementation schedules;
5. monitoring and reporting mechanisms;
6. details of need and impact assessment, wherever applicable;
7. details of ongoing projects, if any; and
8. such other details as may be required under applicable law.

The Board may alter the Annual Action Plan during the financial year based on the recommendation of the CSR Committee and in accordance with applicable law.

VIII. CSR Governance and Monitoring Framework:

The Company shall establish an appropriate governance and monitoring mechanism for effective implementation of CSR activities.

The CSR Committee shall periodically review the progress of CSR projects and programmes and may seek necessary reports, documents, utilisation statements, or clarifications from the implementing agencies or internal teams responsible for execution.

The Company may undertake periodic field visits, reviews, assessments, or evaluations for monitoring the implementation and effectiveness of CSR activities.

Appropriate documentation relating to CSR projects, approvals, expenditure, implementation progress, utilisation of funds, and impact assessment reports shall be maintained by the Company.

The Board shall periodically review the implementation status of CSR activities and provide necessary guidance for effective execution of the CSR initiatives.

IX. CSR Expenditure:

The Company shall endeavour to spend in every financial year at least 2% of the average net profits made during the three immediately preceding financial years in pursuance of this CSR Policy or such amount as may be prescribed under applicable law.

The CSR expenditure shall include all expenditure incurred by the Company towards approved CSR activities in accordance with the Companies Act, 2013 and CSR Rules.

Administrative overheads shall not exceed the limits prescribed under applicable law.

Any surplus arising out of CSR activities shall not form part of the business profits of the Company and shall be utilised or transferred in accordance with applicable law.

Any unspent CSR amount shall be dealt with in accordance with the provisions of the Companies Act, 2013 and CSR Rules.

Any excess amount spent by the Company towards CSR activities may be set off against the CSR obligation of succeeding financial years in accordance with applicable law and subject to such conditions as may be prescribed.

Any capital asset created or acquired out of CSR expenditure shall be held in accordance with the provisions of the Companies Act, 2013 and CSR Rules.

The Company may incur expenditure towards impact assessment within the limits prescribed under applicable law.

X. CSR Focus Areas and Activities:

The Company shall undertake CSR activities in areas specified under Schedule VII of the Companies Act, 2013. The key focus areas of the Company shall include the following:

Education and Skill Development:

Promoting education, including special education, vocational training, livelihood enhancement, digital literacy, educational infrastructure development, and initiatives aimed at improving access to quality education for children, women, elderly persons, and differently abled individuals.

Hygiene, Sanitation and Healthcare:

Promoting preventive healthcare, hygiene awareness, sanitation initiatives, access to safe drinking water, cleanliness drives, community health initiatives, and other activities aimed at improving public health and sanitation.

Environmental Sustainability:

Undertaking initiatives relating to environmental sustainability, ecological balance, conservation of natural resources, waste management, pollution control, afforestation, protection of flora and fauna, maintenance of air, water and soil quality, climate awareness, and other environmentally sustainable initiatives.

Animal Welfare:

Supporting initiatives relating to animal welfare, protection and care of animals, establishment or support of animal shelters, animal rescue and rehabilitation, veterinary care, feeding initiatives, and other activities aimed at promoting animal well-being.

Community Welfare and Rural Development:

Undertaking rural development projects, community welfare programmes, women empowerment initiatives, support for underprivileged and economically weaker sections of society, and other socially beneficial activities.

Disaster Relief and Rehabilitation:

Providing support for disaster management, relief, rehabilitation, reconstruction activities, and contributions to eligible relief funds in accordance with applicable law.

The above focus areas shall be interpreted liberally in order to capture the essence of the activities specified under Schedule VII of the Companies Act, 2013 and applicable clarifications issued by the Ministry of Corporate Affairs from time to time.

The Company may undertake any other CSR activities permitted under applicable law and approved by the Board upon recommendation of the CSR Committee.

Preference shall be given to local areas and areas around which the Company operates for undertaking CSR activities.

XI. CSR Implementation:

The Company may undertake CSR activities either directly or through eligible implementing agencies registered in accordance with applicable law, including registered trusts, registered societies, Section 8 companies, or any other entity permitted under the Companies Act, 2013 and CSR Rules.

The Company may also collaborate with other companies, institutions, trusts, societies, or organisations for undertaking CSR projects, programmes, or activities in accordance with applicable law.

The implementing agencies engaged by the Company shall possess the necessary registration, experience, expertise, and track record as may be required under applicable law.

The Company may enter into agreements, memoranda of understanding, or arrangements with implementing agencies for effective implementation and monitoring of CSR projects.

The CSR Committee shall review implementation progress periodically and may seek utilisation reports and supporting documents from implementing agencies.

XII. Impact Assessment:

The Company may undertake impact assessment of CSR projects and programmes through independent agencies or experts, wherever considered necessary or as required under applicable law.

The impact assessment reports, wherever applicable, may be placed before the CSR Committee and the Board for review and consideration.

XIII. General:

Any or all provisions of this Policy shall be subject to revision, amendment, modification, or substitution in accordance with the provisions of the Companies Act, 2013, the CSR Rules, Schedule VII, and any amendments, notifications, circulars, or clarifications issued by the Ministry of Corporate Affairs or other statutory authorities from time to time.

The Board of Directors shall have the power to amend, modify, interpret, or revise this Policy upon recommendation of the CSR Committee.

In respect of matters not specifically covered under this Policy, the provisions of the Companies Act, 2013 and the CSR Rules shall prevail.

Any question regarding interpretation of this Policy shall be determined by the CSR Committee and the decision of the Board shall be final.