

Policy on Corporate Social Responsibility

Short title and applicability

This policy, which encompasses the Company's philosophy for outlining its responsibility as a corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programs for welfare & sustainable development of the community at large, is titled as the **'Sentini CSR Policy'**

This policy shall apply to all CSR initiatives and activities taken up at the various locations of Sentini Group of Companies, for the benefit of different segments of the Society, and as identified under Schedule VII of the Companies Act, 2013. 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 rules, regulations, circulars, and notifications (collectively referred hereinafter as 'Regulations') as may be applicable and as amended from time to time.

CSR - Vision Statement & Objective

In alignment with the vision of the Sentini Group of Companies, through its CSR initiatives, will continue to enhance value and positively impact to support both the environment and the society / community in which it operates, in fulfillment of its role as a Socially Responsible Corporate, with environmental and social concern. The Objective of the CSR Policy is to:

- Ensure an increased commitment at all levels in the organization, to operate its business in an economically, socially & environmentally sustainable manner, while recognizing the interests of all its stakeholders.
- To directly or through implementing agencies take up programs that benefit the communities in & around the areas where the company operates, for overall well-being of the all the stakeholders.
- To generate, through its CSR initiatives, a community goodwill for Sentini Group.

Resources

For achieving its CSR objectives through implementation of meaningful and sustainable CSR programs, each Sentini Group Company shall allocate at least 2% of the average net profit out of India operations for the preceding three financial years as its Annual CSR Budget.

Identification of thrust areas and strategic initiatives

For the purposes of focusing its CSR efforts in a continued and effective manner, the following seven thrust areas have been identified:

- a. Preventive healthcare / medical facility;

- b. Education / literacy enhancement;
- c. Community development;
- d. Environmental sustainability/ Protection/ Horticulture;
- e. Skill development / empowerment;
- f. Drinking water / sanitation;
- g. Sports & games;
- h. Promoting gender equity
- i. Infrastructure Development; and
- j. Other items as prescribed under the Companies Act, 2013 from time to time

As a guidance to distribute annual CSR Expenditure amongst the seven trust areas, an indicative list, as below, has been suggested. However, the actual distribution of expenditure among these thrust areas will depend upon the local needs as may be determined by the need identification

- (a) Contribution towards promoting preventive healthcare: viz., public health activities focused on prevention of diseases and promotion of good health, strengthening of health systems, etc.,
- (b) Skill Development: To support the Skill Development and help higher productivity, employment, income growth, enhance employability and development
- (c) Education: To improve literacy/education programs / courses offered by educational institutes, colleges, schools and Universities
- (d) Sports: Training to promote recognized sports for State, National and International level participation
- (e) Eradicating hunger and malnutrition: To support hygienic food systems, transport and to deliver sufficient and nutritious food for economically poor children in schools.

Implementation

1. CSR programs will be undertaken majorly at the Plant Locations / Head Office within the defined ambit of the identified 'Thrust areas'.
2. The period / duration over which a particular program will be spread, will depend on its nature, extent of coverage and the intended purpose of the program to be met immediately.
3. Initiatives of State Governments, District Administration, Local Administration as well as Central Government Departments, Agencies, Self-help groups, etc., would be synergized with the initiatives taken by Sentini Group Company that would enhance corporate branding in the community.
4. Project activities identified by Sentini Group Company under CSR are to be implemented either directly or through agencies, such as voluntary organizations, formal / informal

elected local bodies such as Panchayats, Institutes / Academic Institutions, Hospitals, Trusts, Societies, Self-help groups, Government / Semi-Government / Autonomous organizations, Mahila Mandals, Professional Consultancy Organizations, Educational and Training Institutes or such other entity as may be approved by the Board of Directors of the Sentini Group Company.

Identification of CSR initiatives

Identification of CSR programs will be done at Head Office level by:

- a. Need identification;
- b. Internal need assessment at the local level;
- c. CSR Project Proposals / requests from District Administration / local Government etc.;
- d. Responding to request from local representatives / civic bodies / citizen's forums / voluntary organizations etc.,

Approval Mechanism

All CSR programs identified, shall be reviewed by the Sentini Management and recommended by the CSR Committee before the same is approved by the Board of Directors at the beginning of each financial year. The CSR Committee and the Board shall also be empowered to make modifications, if any, for smooth implementation of the project(s) within the overall time period.

Monitoring and feedback

Implementation of this policy will be monitored and reviewed periodically by the Sentini Management and the Board of Directors.

Composition of the CSR Committee is as follows

Sri T Seshagiri Rao	Director
Smt. K Jaya	Director
Sri Raymond Peter	Director

Implementation and Monitoring Mechanisms

- The progress of CSR programs, if any, under implementation at the work centers will be reported to Head Office on a monthly basis and the Head Office will report to the Committee on a quarterly basis.
- The Management will cause to conduct inspections on a periodical basis, through independent professional third parties / professional institutions
- CSR initiatives of the Company will also be reported in the Annual Report of the Company as per the Companies Act, 2013.

- Appropriate documentation of the Sentini CSR Policy, Annual CSR activities, executing partners and expenditure entailed will be undertaken on a regular basis.

The effective monitoring and implementation of the project with reference to the approved timelines and year-wise allocation shall be certified by the CFO for information of the Board, on annual basis.

General

- (i) The administrative overheads towards CSR shall not exceed 5 % of the total CSR expenditure for the financial year.
- (ii) Any surplus arising out of the CSR activities shall not form part of the business profit of the company and shall be ploughed back into the same project or shall be transferred to the Unspent CSR Account and spent as per procedures laid down in Section 135 read with Schedule VII and Rules Thereto under the Companies Act, 2013 (as amended from time to time)
- (iii) If the CSR spends during a financial year exceeds its CSR obligations, the excess amount may be set off against the CSR obligations of immediately succeeding 3 financial years

Reporting and Disclosure

The company shall undertake reporting and disclosures in accordance with applicable statutory requirements as amended from time to time.

Notes

In case of any doubt with regard to any provision of the policy and in respect of matters not covered herein, a reference to be made to Finance Department. In all such matters, the interpretation and decision of the Sentini Management shall be final. Any or all the provisions of the CSR Policy would be subject to revision / amendment in accordance with the guidelines on the subject as may be issued from Government, from time to time.

Sentini Management and the CSR Committee reserves the right to modify, cancel, add, or amend any of these Rules.