

CORPORATE SOCIAL RESPONSIBILITY POLICY

A. Preamble

Pursuant to the Section 135 of the Companies Act, 2013 (hereinafter refer as “the Act”) read with the Companies (Corporate Social Responsibility Policy) Rule, 2014, the Company is required to adopt the Corporate Social Responsibility (CSR) policy in the organization to add sense of responsibility and contribution among corporate which is expected to be Beneficial to different class of people such as children, women, uneducated, unemployed etc. towards which such CSR activities may be focused.

It is the Company's intent to make a positive difference to society. Corporate Social Responsibility (CSR) is the responsibility of the corporate entity towards the society in consideration of the support given and sacrifices made by the society by sharing part of its profit for the betterment of society.

Accordingly, the board of directors of Sattva Engineering Construction Limited (the “Company”), in compliance with the provisions of the Companies Act, 2013, has formulated a Policy on CSR (the “Policy”), which has been adopted by the Board on 28th March 2025.

B. Philosophy

Corporate Social Responsibility is strongly connected with the principles of Sustainability; an organization should make decisions based not only on financial factors, but also on the social and environmental consequences. Therefore, it is the core corporate responsibility of our Company to practice its corporate values through commitment to grow in a socially and environmentally responsible way, while meeting the interests of its stakeholders.

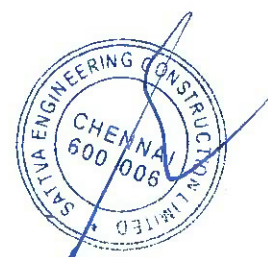
Our philosophy is to target support to selected programs that are innovative, sustainable and which produce tangible results. We intend to lend a helping hand to the under privileged in our society through the support of women, children and the aged in the areas of health, education, Public Sanitation etc. Implementing this philosophy in spirit, we shall make a positive contribution to the communities in which we operate and invest in health and education programs and partnerships that aim to bring sustainable improvements to these people.

This policy will serve as a guiding document containing approach and direction given by the board, taking into account the recommendations of the CSR Committee, defining guiding principles for selection, implementation and monitoring of activities as well as formulation of the annual action plan.

C. Sectors & issues

The scope of the CSR activities of the company will cover the following areas but not limited to the same and may extend to other specific projects/programs as permitted under the law from time to time. These activities can be conducted directly, or the company would support organizations, which conduct any of these activities.

- i. Good health and wellbeing,
- ii. Poverty alleviation,
- iii. Food security,
- iv. Education,
- v. Clean water & sanitation,
- vi. Gender equality,
- vii. Reduced inequality,
- viii. Sustainable energy,
- ix. Climate change,
- x. Animal Welfare
- xi. Resource and Bio-diversity conservation.



In addition, we will respond to any disasters, depending upon where they occur and our own ability to respond meaningfully.

D. Implementation

The Company will implement its CSR activities in a number of ways:

- i. Direct mode or establishing section 8 Company singly, or with another Company
- ii. Through NGOs
- iii. Participatory Approach involving beneficiaries
- iv. Involving experts
- v. Implementing Agencies

E. Obligation

The Company is mandatorily required to spend at least 2% of the average Net profit* of 3 immediately preceding financial years on specified CSR activities.

*Net Profit means the net profit of the Company as per its financial statement prepared in accordance with the applicable provisions of the Act, but shall not include the following; a) Any profit arising from any overseas branch or branches of the Company, whether operated as a separate Company or otherwise; and b) Any dividend received from other Companies in India which are covered under and complying the provisions of CSR rules.

The Board of Directors of the company shall, after considering the recommendations of CSR Committee, approve the CSR Policy for the company and disclose the contents of such policy in its report and the same shall be displayed on the company's website.

F. CSR Budget

The Board shall ensure that the 2% of average net profits from the immediately 3 preceding 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 Budget Outlay and Expenditure –

- The administrative overheads shall not exceed five percent (5%) of the total CSR expenditure of the Company for the financial year.
- The expenses incurred on Impact Assessment studies shall not exceed (2%) of the total CSR expenditure of the Company or 50 lacs, whichever is higher.
- Any surplus generated from CSR activities shall not form part of the business profit of the Company and shall be treated as follows:
 - a. Ploughed back into the same project.
 - b. Transferred to a designated Unspent CSR Account (UCSRA) and spent in pursuance of CSR policy and Annual Action Plan of the Company.
 - c. Transferred 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 Section 135 of the Act and rules under Amendments thereof.

In case, the 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 fulfillment of conditions specified under the Companies (CSR Policy) Amendment Rules, 2021 as maybe amended from time to time



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

G. Governance

Overall governance of CSR and approving of the CSR Policy will be the responsibility of the Board through the CSR Committee.

- The CSR Committee shall formulate and recommend to the Board, an annual action plan in pursuance of its CSR policy,
- 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 alignment to the CSR Policy of the company and have been utilized for the purposes and in the manner approved by it. The CFO or appropriate authority shall certify the same to the effect.
- The Board shall also ensure appropriate disclosures pursuant to the Act and Amendments thereof in the Annual Reports and company's Website in prescribed formats.
- In case of ongoing project, as defined under the Companies (CSR Policy) Amendment Rules 2021, the Board of a Company shall monitor the implementation of the project with reference to the approved timelines and year-wise allocation and shall be competent to make modifications, if any, for smooth implementation of the project within the overall permissible time period

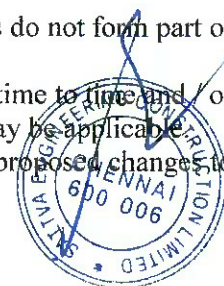
The CSR Department of the company will be responsible for administering and executing the policy. As the company's CSR activities evolve further, the policy may be revised with the approval of the Board as per the recommendations CSR Committee of the Board.

H. Corporate Social Responsibility(CSR)Committee

The Company will constitute a Corporate Social Responsibility Committee (hereinafter referred as "**the CSR Committee**") as per the provision of Section 135 of the said Act i.e. consisting of three or more directors including at least one Independent Director; to do the work as mentioned herein after.

The CSR Committee is responsible for:

- i. To Recommend the amount of expenditure to be incurred on the activities herein before.
- ii. To monitor the implementation of the Corporate Social Responsibility Policy of the Company from time to time.
- iii. To identify the areas of CSR activities as prescribed in Schedule VII of the Companies Act, 2013 and amendments thereof to the Act and recommend the amount of expenditure to be incurred on such CSR activities / projects within the Board approved budget plan.
- iv. To monitor the Company's CSR policy and performance from time to time to ensure the company meets the mandatory CSR compliance requirements.
- v. To review the CSR projects/initiatives from time to time and recommending any alteration in annual action plan, if any, to the Board
- vi. To ensure legal and regulatory compliance from a CSR viewpoint
- vii. To ensure reporting, communication and appropriate disclosures to stakeholders on the company's CSR projects/initiatives
- viii. To ensure that the surplus arising out of the CSR projects or programs, or activities do not form part of the business profit of the company
- ix. To carry out any other roles and responsibilities as is mandated by the Board from time to time and/or enforced by any statutory authority including any modification or amendment as may be applicable
- x. To review and reassess the adequacy of the Charter annually and recommend any proposed changes to Board for approval.



The CSR Committee shall arrange to provide all required inputs to under take CSR activities and shall review all social initiatives. The CSR committee shall update the Board of Directors periodically.

The Board of Directors shall include an Annual Report on CSR activities in their report.

I. Impact Assessment:

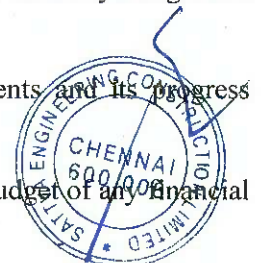
1. If the Company has (i) an average CSR obligation of ten crore rupees or more, in the three immediately preceding financial years; or (ii) CSR projects with outlays of minimum one crore rupees and which have been completed not less than 1 year before undertaking impact assessment, it shall undertake impact assessment, through an independent agency, of their CSR projects having outlays of one crore rupees or more, and which have been completed not less than one year before undertaking the impact study.
2. The impact assessment reports, if applicable, shall be placed before the Board and shall be annexed to the annual report on CSR.
3. Impact assessment, if applicable, may be booked as the expenditure towards Corporate Social Responsibility for that financial year, which shall not exceed five percent of the total CSR expenditure for that financial year or fifty lakh rupees, whichever is less.
4. Details of need and impact assessment, if applicable for the projects undertaken by the Company will be included in the CSR Annual Action Plan.

J. Supervision

The Company's CSR activities will be driven by a dedicated CSR team under the guidance and support of senior functionaries. The CSR Committee and CSR Department under the direction of the Board would play a significant role in ensuring that the CSR policy is embedded across the company's operations and the CSR initiatives are in line with the policy.

K. Guiding Principles on formulation of the Annual Action Plan to initiate CSR project:

- a) The Company will ensure that its CSR projects are non-discriminatory in nature and do not have any restrictive political or religious affiliations.
- b) The programs/ projects will be within the areas recommended / listed in the Schedule VII of the Act and mentioned in the Policy.
- c) The programs/ projects will be beyond business as usual.
- d) The programs/projects will be implemented within the country (with an exception if any as permitted by the CSR rules) and preferably in areas where the Company has its presence.
- e) 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.
- f) The programs/ projects should exclude activities that are to be supported on sponsorship basis for deriving marketing benefits for its products or services.
- g) The programs/ projects should exclude activities carried out for fulfillment of any statutory obligations under any law in force in India.
- h) In review of existing 'ongoing' projects as defined under the CSR Amendments and its progress against the approved timelines for those projects.
- i) In review of excessive amount approved by the Board for setting off against the budget of any financial year as eligible under the Act and its amendments.



- j) In review of any unspent amount from preceding FYs as aggregated in 'Unspent Corporate Social Responsibility Account (UCSRA)
- k) Any surplus, generated out of the CSR activities of the Company, will be ploughed back to the CSR Initiatives of the Company and Unspent amount (if any) from CSR program/project will be incurred/transferred in accordance to CSR rules of the Act and amendments thereof

During any financial year, the Annual Action Plan of the Company may be modified with approval of the board to include any unbudgeted expenditure, either on account of new project(s) or due to increase in the outlay for approved projects.

L. Policy Review & Future Amendment

This policy shall remain in force unless modified by the Corporate Social Responsibility (CSR) Committee.

Activities not covered in the Policy if taken up will be within the prescribed activities listed in Schedule VII of the Companies Act, 2013 and amendments thereof to the Act with approval/ratification of CSR committee of the Board.

