



CIN: U74101UP2011PLC047839

CORPORATE SOCIAL RESPONSIBILITY POLICY (CSR)

INTRODUCTION:

In accordance with the provisions of Section 135 of the Companies Act, 2013 ("the Act") read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time ("CSR Rules"), the Company has formulated this Corporate Social Responsibility Policy ("CSR Policy") to provide a framework for undertaking and monitoring its Corporate Social Responsibility ("CSR") initiatives.

The Company recognizes that its responsibility extends beyond business operations and is committed to contributing towards inclusive and sustainable development through initiatives that promote education, healthcare, environmental sustainability, rural development, skill enhancement, women empowerment, and other activities specified under Schedule VII of the Act. Through its CSR initiatives, the Company aims to create a positive and lasting impact on society while supporting the nation's social, economic, and environmental development.

APPLICABILITY:

Section 135(1) of the Companies Act, 2013 notifies that the Companies having Net worth of INR 500 Crores or more; or Turnover of INR 1000 Crores or more; or Net Profit of INR 5 Crores or more during the immediately preceding financial year shall be required to constitute a Corporate Social Responsibility Committee of the Board "hereinafter CSR Committee". This CSR Policy shall be effective from the date of the Board Meeting at which it is adopted.

The Company covered under the Section 135(1) shall be required to do following activities:

1. The Company shall be required to Constitute Corporate Social Responsibility Committee of the Board. The CSR Committee shall be comprised of three or more directors, out of which at least one director shall be an independent director, if there is any independent director in the company.
2. The Company shall be required to prepare Corporate Social Responsibility Policy.
3. The Company shall disclose the compositions of the CSR Committee and other details as specified in Corporate Social Responsibility Rules, 2014 in the Board's report.
4. The Company shall spend, in every financial year, at least two per cent of the average net profits of the Company made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy.

OBJECTIVES OF THE CSR POLICY:

The main objective of the Corporate Social Responsibility Policy ("CSR Policy" or "Policy") is to lay down guidelines for Abacus Lifestyles Brands Limited (Formerly known as Abacus Lifestyle Brands Private Limited) (hereinafter referred to as "Company") to make CSR as one of the areas that the Company is dedicated towards and aims to formulate a strategy that focuses on making positive contributions to the society through high impact and sustainable programs.

DEFINITION:

“Act” means the Companies Act, 2013, as amended from time to time.

“Board” means the Board of Directors of the Company.

“Company” means ‘Abacus Lifestyle Brands Limited’.

“CSR” means Corporate Social Responsibility.

“CSR Committee” means Corporate Social Responsibility Committee of the Company constituted by the Board.

“CSR Rules” means Companies (Corporate Social Responsibility Policy) Rules 2014 and amendments thereon.

“CSR Policy” means this Policy.

“CSR Expenditure” means the amount recommended by the CSR Committee to be incurred on the CSR Activities in terms of the Act and the CSR Rules as approved by the Board from time to time.

“Net profit” shall mean the net profit as per the Act and Rules based on which the specific percentage for CSR Expenditure has to be calculated.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in Companies Act, 2013 and Listing Regulations as may be amended from time to time shall have the meaning respectively assigned to them therein.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

Pursuant to the provisions of Section 135 of the Act, the qualifying company shall constitute the Corporate Social Responsibility Committee. The Members of CSR committee shall be appointed by the Board of Directors of the Company which must consist of three or more Directors out of which at least one director shall be an independent director.

The term "Corporate Social Responsibility Committee" in this Policy shall refer to the duly constituted CSR Committee of the Company constituted by the board of directors of the Company from time to time pursuant to the provisions of Section 135 of the Act.

The objectives of this Corporate Social Responsibility (CSR) Committee are to:

- a. formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company in areas or subject specified in Schedule VII
- b. recommend the amount of expenditure to be incurred on the activities
- c. monitor the Corporate Social Responsibility Policy of the company from time to time.

CSR Committee constituted as per the provision of Section 135 of the Companies Act, 2013-

Name of the Director	Category	Designation
Mrs. Divya Nemichand Gupta	Independent Director	Chairperson
Mr. Nehil Gautamchand Dugar	Independent Director	Member
Mr. Sunit Kumar Mishra	Executive Director	Member

POWERS OF THE COMMITTEE

Following are the powers of the CSR Committee:

- Formulate CSR Policy and recommend the same to the Board of Directors of the Company for approval.
- Recommend CSR activities as stated under Schedule VII of the Act.
- Identify corporate social responsibility policy partners and corporate social responsibility policy programmes;
- Approve to undertake CSR activities in collaboration with firms/NGOs etc. and to separately report the same in accordance with the CSR Rules.
- Recommend the CSR Budget.
- Spend the allocated CSR amount on the CSR activities once it is approved by the Board of Directors of the Company in accordance with the Act and the CSR Rules.
- Create transparent monitoring mechanism for implementation of CSR Initiatives in India.
- Submit the CSR Report to the Board in respect of the CSR activities undertaken by the Company.
- Monitor CSR Policy from time to time.
- Monitor activities to ensure that the CSR activities of the Company are implemented effectively.
- Authorize executives of the Company to attend the CSR Committee meetings.
- Delegate responsibilities to the corporate social responsibility team and supervise proper execution of all delegated responsibilities.
- Recommend to the Board an Annual Action Plan which includes the modalities for utilization of CSR funds and implementation schedules for the projects or programs, monitoring and reporting mechanism of the projects or programs and details of need and impact assessment for the projects undertaken by the Company.
- Recommend the alteration in the Annual Action Plan at any time during the year and update, if any, required to the CSR Policy.
- To ensure that Company makes mandatory disclosures in the Company's annual reports and its website, relating to CSR Committee members, Policy and the activities undertaken.
- To Approve for transfer of unspent CSR amount if any in accordance with the law.

Frequency of the meetings of the CSR Committee

The CSR Committee shall meet at least once a year. Members of the CSR Committee can agree upon mutually regarding time and place for the said meetings. The quorum for the meeting should be minimum two. The Members of the Committee may participate in the meeting either in person or through video conferencing or other audio-visual means in accordance with the provisions of the Act.

Management may attend the CSR Committee Meetings as may be appropriate, subject to the approval of CSR Committee. Minutes of the CSR Committee shall be placed before the Board for notice.

CSR ACTIVITIES:

The Board shall ensure that the CSR Activities that are undertaken by the Company should be within the scope of the following activities:

- i. Eradicating hunger, poverty & malnutrition, promoting health care including preventive health care & sanitation including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation & making available safe drinking water;
- ii. Promoting education including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
- iii. promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
- iv. 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;
- v. 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;
- vi. measure for the benefit of armed force veterans, war widows and their dependents, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows;
- vii. training to promote rural sports, nationally recognized sports, Paralympic sports and Olympics sports;
- viii. 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 Schedule Tribes, other backward classes, minorities and women;
- ix. (a) Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government; and

(b) 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).

- x. rural development projects.
- xi. slum area development.
- xii. disaster management, including relief, rehabilitation and reconstruction activities.

CSR IMPLEMENTATION:

The Board shall ensure that the CSR activities are undertaken by the Company itself or through:

- a Company established under section 8 of the Companies Act, 2013, or a registered public trust or a registered society, registered under section 12A and 80 G of the Income Tax Act, 1961, established by the Company, either singly or along with any other Company, or
- a Company established under section 8 of the Companies Act, 2013, or a registered trust or a registered society, established by the Central Government or State Government; or
- any entity established under an Act of Parliament or a State legislature; or
- 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
- Every entity who intends to undertake any CSR activity, shall register itself with the Central Government by filing the form CSR-1 electronically with the Registrar.

CSR Budget/ CSR Spend

The total budget for the CSR projects in each financial year will be decided by the CSR Committee in accordance with applicable provisions of the Act and the CSR Rules and the CSR Committee will recommend the amount of expenditure to be incurred on the activities to the Board for its approval. The CSR Committee shall propose to distribute the budget among the Areas to Emphasize or such of them as the CSR Committee may deem fit in each financial year, in such proportion and in a manner that meets the objectives of the CSR Policy.

The Act mandates companies meeting the qualification criteria to allocate 2% of its average net profits (before tax) during the three immediately preceding financial years calculated as per Section 198 of the Act to be spent on CSR Activities that fall under purview of Schedule VII of the Act.

CSR Expenditure

Net profit means profit more fully described under Rule 2(h) of the CSR Rules. The CSR Expenditure shall include all expenditure including contribution to corpus or on projects or

programs relating to CSR activities approved by the Board of Directors on the recommendation of its CSR Committee but does not include any expenditure on an item not in conformity or not in line with activities stated under Schedule VII of the Act.

Expenditure on CSR Capabilities

The Company may build CSR capabilities of their own personnel as well as of their Implementing Agencies and such expenditure including administrative overheads shall not exceed 5% of the total CSR spend of the Company as stated in the Rules from time to time.

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.

Where a company spends an amount in excess of requirement provided under sub-section (5) of section 135, such excess amount may be set off against the requirement to spend under sub-section (5) of section 135 up to immediate succeeding three financial years subject to the conditions that –

- i. the excess amount available for set off shall not include the surplus arising out of the CSR activities, if any, in pursuance of sub-rule (2) of the rule 7.
- ii. the Board of the company shall pass a resolution to that effect.

The CSR amount may be spent by a company for creation or acquisition of a capital asset, which shall be held by –

- i. a company established under section 8 of the Act, or a Registered Public Trust or Registered Society, having charitable objects and CSR Registration Number under sub-rule (2) of rule 4;
- ii. or beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities; or
- iii. a public authority;

Provided that any capital asset created by a company prior to the commencement of the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, shall within a period of one hundred and eighty days from such commencement comply with the requirement of this rule, which may be extended by a further period of not more than ninety days with the approval of the Board based on reasonable justification.

MONITORING:

The CSR Team or any person authorized by the CSR Committee will monitor the implementation and progress of the approved projects through appropriate mechanisms such as site visits, review meetings and progress reports etc. Mechanisms to track data and monitor projects may be established to ensure the transparency and efficiency of the implementation process. The projects will be evaluated against the milestones defined in the implementation plan of the project. The Board of the Company shall satisfy itself that the CSR funds disbursed

have been utilized for the purposes and in the manner as approved by it and the Chief Financial Officer or the person responsible for financial management shall certify to the effect as per applicable rules in this regard.

REPORTING

The CSR Committee of the Board, based on reports presented by the CSR Team, will annually publish a report on the CSR projects as a part of the Director's report. The report will disclose information in the format as prescribed by the Section 135 of the Act and rules made thereunder. The CSR Committee shall also submit a responsibility statement to the Board that the implementation and monitoring of the CSR Policy is in compliance with the approved CSR Policy of the Company.

The CSR Policy on being approved by the Board shall be displayed on the website of the Company and any modifications carried out from time to time shall also be updated on the website of the Company respectively.

FAILURE TO SPEND THE CSR MONEY

In case the Company fails to spend the targeted amount in that particular financial year, it needs to transfer the unspent CSR amount - Until a fund is specified in list of funds at present specified under Schedule VII for the purposes of sub section (5) and (6) of section 135 of the Act:

- i. Prime Minister's Central Assistance and Relief in Emergency Situations Fund (PM CARES Fund)
- ii. Swach Bharat Kosh
- iii. Clean Ganga Fund
- iv. People for Animal Organisation
- v. Such other funds/purpose as the CSR Committee may decide

ANNUAL ACTION PLAN

The Annual Action Plan is a yearly plan of CSR activities that would be placed before the Board of Directors of the Company based on recommendation of its CSR Committee which outlines the following aspects of CSR initiatives of the Company:

1. Tailor-made CSR projects depending upon allocated spend and geographical presence.
2. Partnering agencies/companies/firms Process Owners.
3. Project Proposals.
4. Targeted Beneficiaries & their key needs Alignment with Schedule VII.
5. Project Goals and milestones.
6. Activities and Timelines including expected closure dates CSR Budget with projections.
7. Monitoring mechanism.
8. Progress reporting and frequency of reports Risks and mitigation strategies.
9. Impact Assessment for Projects undertaken.
10. Any other information as may be required by the CSR Committee.

DISQUALIFYING ACTIVITIES FOR CSR

The CSR Rules prohibit the CSR projects and programs that are implemented by the Company for the benefit of the employees of the Company and their families. The CSR activities implemented outside India also fall outside the purview of the Rules and hence CSR Expenditure on such activities will not be considered for inclusion in the CSR Report. Any amount directly or indirectly contributed towards any political party under Section 182 of the Act shall not be considered as CSR Spend. Activities that are undertaken by the Company in pursuance of its normal course of business will not be considered as CSR activities.

DISCLOSURES ON WEBSITE:

Company shall mandatorily disclose the following on their website, if any, for public access:

1. The composition of the CSR Committee
2. CSR policy
3. Projects approved by the Board.

REVIEW PERIODICITY AND AMENDMENT:

Annual Action Plan may be revised/modified/amended by the Board based on the recommendation of the CSR Committee at such intervals as it may deem fit. In case of any statutory modification or amendment or alteration in the provisions of the Act, the newly modified/amended/alterd provisions of the Act shall be deemed to be implemented in the policy immediately with effect from the date of the statutory notification for modification / amendment / alteration etc. The amended policy should be placed before the Committee and Board within reasonable time for approval / consideration.

On and behalf of the Board of Directors
For Abacus Lifestyle Brands Limited
(Formerly known as Abacus Lifestyle Brands Private Limited)



Sunit Kumar Mishra
DIN: 05124540
Managing Director