

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

Approved by the Board of Directors at its meeting held on May 09, 2023

Five-Star is a growing company and is committed towards social welfare of the common people as it caters to the needs of self-employed, informal segment of customers, belonging to middle income, primarily from semi urban and rural markets. The Company shall seek to positively impact the lives of the disadvantaged by supporting and engaging in activities that aim to improve their livelihood and well-being.

CSR ACTIVITIES

The company may undertake following CSR activities:

- (i) eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and 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.
- (xiii) Such other activities as covered under Section 135 of the Companies Act, 2013, the Companies (Corporate Social Responsibility Policy) Rules, 2014 and Schedule VII to the Companies Act, 2013 (including any amendments or enactments thereof) from time to time.

CSR OUTLAY:

The Company shall endeavour to spend, in every financial year at least 2% of the average net profits of the Company made during the 3 immediately preceding financial years in pursuance of this Policy and in accordance with the provisions of Section 135 of the Companies Act, 2013, read with the Companies (Corporate Social Responsibility) Rules, 2014. The CSR Committee shall formulate and recommend to the Board, an annual action plan in pursuance of its CSR policy

Any unspent CSR amount or excess spent CSR amount shall be dealt with as provided in sub-section (5) & (6) of section 135 of the Companies Act 2013, read with the Companies (Corporate Social Responsibility) Rules, 2014 and Schedule VII to the Companies Act, 2013, as amended from time to time.

The Company may use the CSR capacities of their own personnel in executing the CSR activities and also effectively monitoring the same but such CSR expenditure shall not exceed 5% of total CSR expenditure of the company in one financial year.

GUIDING PRINCIPLES:

The guiding principles for selection of the CSR projects, will be dependent on the long term objective of each project` credibility of the Institution that is involved in the implementation and the practical need for such projects.

MANNER EXECUTION OF PROJECTS, MODALITIES OF UTILISATION OF FUNDS, IMPLEMENTATION SCHEDULE, MONITORING AND REPORTING PROCESS:

(i) *Manner of Execution of Projects*

The Company will undertake its CSR activities either directly or through a Registered Trust or through a Registered Society or establish another company under Section 8 of the Companies Act, 2013 or through collaboration with other entities. The Company will give preference to the local area(s) in and around our offices in India.

(ii) *Modalities of utilisation of Funds*

The Company will utilise the CSR outlay for each financial year in sectors or activities specified as “CSR Activities”.

Steps shall be taken to ensure that the contributions are made only to institutions / agencies that have obtained a CSR Registration Number from the Ministry of Corporate Affairs.

Further, the Chief Financial Officer of the Company shall issue a certificate to the effect that the funds disbursed towards CSR have been utilised for the relevant purposes and in the manner as approved by the Board.

(iii) *Implementation Schedule, Monitoring and Reporting process*

The Internal Audit Team or such other person as may be nominated by the Managing Director of the Company shall monitor the implementation schedules of the various CSR projects towards which the Company has made contributions, on the basis of the timelines indicated by the respective Institutions.

The CSR Committee will oversee the implementation and monitoring of all CSR projects/ programmes /Activities and periodic reports shall be provided for review to the Board.

The Company shall constitute a team under the supervision of the Chief Financial Officer and Company Secretary & Compliance Officer for the purpose of monitoring the progress of various projects, utilisation of funds and timeliness of implementation.

Where considered necessary, the Managing Director may advise on-site visits for the purpose of carrying out a due diligence in the case of projects involving an outlay of Rs. 25 lakhs or more, except in the case of contributions made to the Central/State Government(s). Such on-site monitoring may be carried out either by the employees of the Company or through an independent external agency.

The Company Secretary & Compliance Officer shall submit a report to the CSR Committee after the closure of each financial year, providing therein brief details about various contributions made during the year under each broad head.

RESOURCE UTILISATION:

The Company may use the CSR capabilities of their employees or avail of the services of one or more external agencies towards overseeing and monitoring the overall CSR programme of the Company. The administrative expenses to be incurred in this connection shall not exceed 5% of the total CSR outlay of the Company for the financial year.