

SONATA FINANCE PRIVATE LIMITED
REVISED ANNUAL ACTION PLAN FOR CSR
(For Financial Year 2021-22)

The Annual Action plan for Corporate Social Responsibility (CSR) prepared in compliance with Rule 5 (2) of the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 read with The Companies (Corporate Social Responsibility Policy) Rules, 2014.

1. Objective

The objective of CSR initiative of the Company is to assist in building a society that offers an opportunity to develop the minimal socio-economic conditions needed to live a life of dignity. During the past years the main focus of the company for CSR expenditure was improvement in the quality of education and its infrastructure. The company has majorly focused on improving the infrastructure facilities in the primary Government Schools which were operating in the areas where the company is carrying out its business activities. These schools have been uplifted by the Company by providing various infrastructural facilities and e-learning teaching materials like setting up of smart classes, advanced computer labs, setting up of library, smart boards, ensuring safe drinking water and sanitation facility for students. This expenditure has started reaping the fruits and the number of students in these schools have increased. The company aims to continue to contribute part of its CSR budgets for the maintenance and upkeep of the schools already adopted by the company as per its CSR initiatives. Further the company shall also focus on the development of skills amongst the youth. For this purpose, it is proposed to include a part of the budget towards the financial aid to the professional institutions in form of establishment of incubation centers, technical knowhow labs, research and development activities and other skill development programs.

With the outspread of Corona virus, the medical facility within the country has crippled. The shortage of beds and oxygen in hospitals, more specifically in the areas of operation of the company is visible extensively. The company believes that it shall be in the interest of the society if a part of its CSR budget is allocated towards creation of health infrastructure *(in general, by providing necessary medical equipment to hospitals and for covid-relief activities) by supplying oxygen concentrators or other such medical equipment's and medicines for treatment of COVID patients through the primary health centers or district hospitals. The Ministry of Corporate Affairs vide its General Circular No. 09/2021 dated 05th May, 2021 has also approved for the expenditure for health infrastructure as a CSR spending and the same shall qualify as approved CSR activity as per section 135 and Schedule VII of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014 and as per guidelines issued by Ministry from time to time.

2. CSR Budget

As per Section 135(5) of the Companies Act 2013, the company is statutorily obligated to spend an amount of Rs. 25,45,000/- (Rupees Twenty-Five Lakh Forty-Five Thousand Only) on CSR activities during the current financial year, or such higher amount as the Board may approve, on the recommendation of the CSR committee.

* Approved by Board of Directors in their meeting held on February 14, 2022

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3. List of CSR Projects/ Programs to be undertaken as per Schedule VII of the Companies Act, 2013

Category	Activities	Selected task	Proposed expense (in Rs.)	Actual expenditure incurred till January 31, 2022 ¹	Revised expenses (in Rs.)
Promotion of education	Facilitation of basic infrastructure, Administration expense and Repair and maintenance to the schools, Promoting education, including special education and employment enhancing vocation skills 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.	Arrangement of pure drinking water, infrastructural facilities, e-learning facilities, study materials, sports and gaming equipment.	18,45,000	17,18,645	17,18,645
		Painting and cleanliness of school.			
		Contribution to professional incubators/skill development projects or research and development projects.			
Promotion of healthcare including preventive healthcare	*Providing medical equipment and other infrastructural support to hospitals Creating health infrastructure for Covid care, Supply of oxygen concentrators, cylinders and other medical equipment for countering Covid-19, or similar such activities eligible as CSR activities under item no. (i) and (xii) of Schedule VII of the Companies Act,	*Supply of medical equipment and providing other infrastructural support to hospitals Supply of oxygen cylinders, concentrators, oximeters and medicines, food and other basic necessities for COVID-19 patients	7,00,000	1,31,200	12,66,200 (including additional budget of Rs. 4,39,845/- and remaining budget under promotion of Education Rs. 1,26,355/-)

*the members of the Board in their meeting held on February 14, 2022 on the recommendation of CSR committee approved (i) the utilization of remaining budget of Rs. 1,26,355 under promotion of education and (ii) additional expenditure of Rs. 4,39,845/- under promotion of healthcare for donating to Aastha Centre of Geriatric Medicine, Palliative Care Hospice, Hospital & Social Welfare Society, Lucknow, aggregating the total CSR budget for FY 2021-22 to Rs. 29,84,845/-

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	2013 and Providing tele-medicine and Doctor-on-call services for the clients of the company; Providing free meals and distribution of food packets to Covid affected families			
Total budget			25,45,000	18,49,845
			29,84,845	

However, as per the proviso to Rule 5 of the Companies (Corporate Social Responsibility Policy) Amendment Rules 2021, the Board may alter such plan at any time during the financial year, as per the recommendation of its CSR Committee, based on the reasonable justification to that effect.

4. Manner of Execution

The CSR projects/programs shall be executed directly by the company through its own staff, under the directions of the CSR Head. The internal CSR department of the company shall be responsible for implementation of the CSR action plan on continuous basis. However, no intermediary, implementation agency or outside party is proposed to be engaged for the purpose of implementation of CSR projects.

5. Modalities of Utilisation of Funds

- The CSR budget of Rs. 25.45 lakhs *(increased to Rs. 29,84,845 vide board resolution dated February 14, 2022), shall be spent on promotion of education and skill development facility, and healthcare as per the apportionment covered in para 3 above and subject to approval of the Board on the recommendation of the CSR Committee
- The funds for the activities shall be released upon the supply of the goods or services for the identified activity, subject to production of bills and verification of the supporting documents by the internal CSR department of the company. However, the company can make advance payments to the parties, or make the payments in tranches depending upon the size of transaction and nature which shall be adjusted with the final billing.

6. Implementation Schedule

It is proposed to start the implementation once the action plan is approved by the Board of Directors upon the recommendation of the CSR committee. Duration for CSR projects/programs will be of maximum one year which will be annually renewed on the basis of the project performance.

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7. Monitoring and Reporting Mechanism

The Monitoring Mechanism of each project will differ on the basis of the nature of the project. All the projects will be monitored & evaluated as per the objectives & deliverables set for respective projects as per Board & Committee recommendation.

However, the committee shall ensure that the funds so disbursed have been utilised for the purposes and in the manner as approved by it. For this purpose, the company shall circulate to the CSR committee, a monthly report on the progress made and expenses incurred. Further the Chief Financial Officer and Internal Auditor of the Company shall certify to that effect on half yearly basis and submit a utilisation certificate with the statement, that the funds so disbursed have been utilised for the purposes and in the manner as approved by the Board and recommended by the CSR committee.

Furthermore, as per Rule 9 of the Companies (Corporate Social Responsibility Policy) Amendment Rules 2021, the composition of the CSR committee, CSR Policy and CSR Projects approved by the Board shall be placed on the website of the company, for public access and also disclosed in the Annual Report of the Company.

8. Details of need and impact assessment, if any

As per Rule 8(3) (a) of the Companies (Corporate Social Responsibility Policy) Amendment Rules 2021, since the company does not have an average CSR obligation of Rs. 10 Crore or more in the three immediately preceding financial years, therefore the company is not required to undertake an impact assessment through an independent agency.

However, the CSR team shall remain in constant touch with the beneficiaries of the CSR spending and an impact study shall be prepared by the CSR department, which shall be placed for consideration of the committee members upon the close of the Financial Year.
