

SRC CSR POLICY

1. INTRODUCTION

Ever since its inception, SRC Ltd. has always believed in giving back to the Society and recognized its role and responsibility as a Corporate Citizen. SRC has social values ingrained into its culture and manner of working. SRC has been participating in various CSR initiatives and Projects over the years even before CSR spending came to be mandated under the law.

The present CSR policy is being documented with a candid objective of formalizing as a document of what is being done by the Company and what would it proposes to do in the time to come. Section 135 read with Schedule VII to the Companies Act, 2013 and the Corporate Social Responsibility Rules, 2014 (CSR Rules) has prescribed the requirements as to what should be the legal and structured framework for doing the CSR activities.

The CSR policy of the Company, in the backdrop of such prescribed requirements, is enunciated in the following paragraphs :

2. SHORT TITLE

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

3. DEFINITIONS

Act : Act shall mean the Companies Act, 2013 including with reference to Section 135 and any rules made thereunder and shall include any amendments thereto or reenactments thereof.

CSR : Means and includes activities that are carried out as Corporate Social Responsibility and fall within the ambit of Section 135 and any rules made thereunder read with Schedule VII to the Companies Act, 2013.

Net Profit : Net Profit means as defined in Rule 2(f) of the Companies (Corporate Social Responsibility Policy) Rules, 2014.

Rules : Rules means the Companies (Corporate Social Responsibility Policy) Rules, 2014.

Schedule : Means Schedule VII to the Companies Act, 2013 and as amended from time to time.

4. **CSR Projects, Programs and Activities**

SRC may undertake various CSR projects, programs and activities from time to time. SRC may also contribute towards any existing or ongoing CSR projects, programs and activities of SRC. Such projects, programs and activities will be undertaken keeping in mind the CSR philosophy of the Company and in alignment with the permissible activities under the Companies Act, 2013 and rules framed under (as amended from time to time). It shall be at the discretion of the Company to undertake, modify, implement and cancel CSR projects, programs and activities from time to time as it deems fit.

5. **CSR Committee**

The Board of Directors of the Company shall constitute a Committee called the "Corporate Social Responsibility Committee" ("CSR Committee") in accordance with the provisions of Companies Act, 2013 and rules made thereunder. The CSR Committee will consist of 3 or more directors of the Company. The Board of Directors may change the composition of the CSR Committee from time to time in such manner as it thinks fit.

The CSR Committee shall have, inter alia, the following roles, powers and responsibility:

- (i) Recommend any amendments in the approved CSR Policy and any amendments therein to the Board of Directors of the Company.
- (ii) Develop and approve various CSR projects, programs and activities to be undertaken from time to time either directly by the Company or through other entities as defined in the Act.
- (iii) Authorise and approve CSR expenditure from time to time subject to the limits approved by the Board of Directors & Monitor the CSR activities in such manner as it deems fit
- (iv) Carry out all such acts, deeds, matters and things as may be required in connection with aforesaid matters and generally for any matter connected with the CSR policy of the Company
- (v) To perform such functions as may be entrusted by the Board of Directors from time to time.

6. **AMOUNT OUTLAY**

For achieving its CSR objectives through implementation of meaningful & sustainable CSR programs, SRC will allocate statutorily permissible at least 2% of its average past three financial year's net profit and the said amount shall be worked out in accordance with the requirements of the provisions of law for the time being in force.

7. **SPENDING**

Any unspent / unutilized CSR allocation of a particular year, will be dealt within due compliance of law for the time being in force.

Any surplus arising out of CSR Projects or Programs or activities may not form part of the business profits of a Company.

8. **STRATEGIC INITIATIVES**

Schedule VII of the Companies Act, 2013, contains the activities which may be considered as eligible for CSR activities.

SRC may undertake one or more project/s under any or all of the following thrust areas or such other area that may, under the law for the time being in force, be permissible.

The thrust areas mandated shall be :

- 1 Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water;
- 2 Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
- 3 Setting up of Public Library, adoption of public libraries, etc.
- 4 Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up oldage homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
- 5 Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro-forestry, conservation of natural resources and maintaining quality of soil, air and water;
- 6 Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; preservation of monuments; promotion and development of traditional arts and handicrafts;
- 7 Measures for the benefit of armed forces veterans, war widows and their dependents;
- 8 Training to promote rural sports, nationally recognized sports, paralympic sports and Olympic sports;
- 9 Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socioeconomic development and relief and welfare of the Scheduled Caste, the Scheduled Tribes, other backward classes, minorities and women;
- 10 Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
- 11 Rural development projects.

CSR programs will be undertaken by SRC to the best possible extent within the framework of the above areas.

The time period / duration over which a particular program will be spread, shall depend on its nature, extent of coverage and the intended impact of the program.

9. **DOCUMENTATION**

Appropriate documentation of the SRC CSR Policy, annual CSR activities, executing partners details, and expenditure incurred / earmarked shall be undertaken on a periodical basis and the Company's CSR policy as well as its activities shall be suitably placed on its website.

Suitable reporting on CSR initiatives of the Company shall be made in the Annual Report of the Company as required under the Companies Act, 2013 and the rules made there under with effect from Financial Year 2014-15.

10. **RESPONSIBILITY of BOARD**

1. To approve the CSR policy & amendments as recommended by the CSR Committee and disclose the contents of such policy in its report and place in its report and place it on Company's Website.
2. To ensure 2 % spending on CSR activities.
3. To report CSR activities in Board's report and disclose with reasons for nonspending of CSR fund (2%).

11. **GENERAL TERMS**

Any or all provisions of the CSR Policy would be subject to revision/ amendment in accordance with the requirements of the law for the time being in force.

The Company reserves the right to modify, cancel, add, or amend this CSR Policy.

CSR Committee will meet at such intervals as may be required.

In case of urgent payment for a CSR Project/s, a post facto approval shall be taken from the Board. However it may be ensured that the said CSR Project/s should be within the ambit of this CSR policy as well as within the budget approved by the Board.