



## Corporate Social Responsibility Policy

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### **SHCIL SERVICES LIMITED**

Version no.	1.0 dated March 25, 2015
Recommended	CSR Committee

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## **a. Introduction**

1. Ministry of Corporate Affairs (MCA) has notified Section 135 and Schedule VII of Companies Act, 2013 (hereinafter referred to as 'Act') along with the Companies (Corporate Social Responsibility Policy) Rules, 2014 (hereinafter referred to as 'CSR Rules') to come into effect from April 1, 2014.
2. The CSR policy of SHCIL Services Limited (SSL) has been prepared pursuant to the Section 135 of the Act and the CSR Rules. The CSR policy would serve as the referral document for all CSR related activities of SSL.

## **b. Financial resources**

3. In line with the provisions of the Act and the CSR Rules, the budgetary allocation will be at least 2% of the average net profits of SSL made during the three immediately preceding financial years (herein after referred to as "CSR fund").

## **c. CSR activities**

4. The activities as specified under Schedule VII of the Act which can be undertaken by any company for CSR related activities are given below :
  - i. Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation (including contribution to the swach bharat kosh set up by Central Govt. for 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 set up by the Central Govt. for rejuvenation of river Ganga);
- v. Protection of natural 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. Measures for the benefit of armed forces veterans, war widows and their dependents;
  - vii. Training to promote rural sports, nationality recognized sports, paralympic sports and Olympic sports;
  - viii. Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;
  - ix. Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
  - x. Rural development projects
  - xi. Slum area development

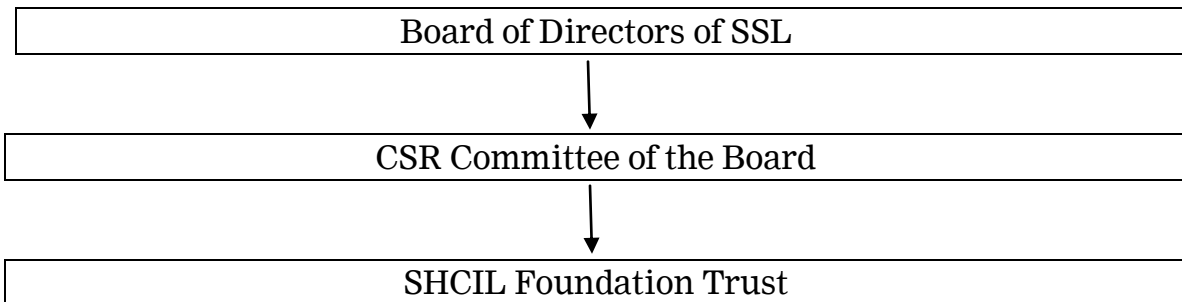
#### **d. CSR Expenditure**

- 5. CSR expenditure shall include all expenditure, for projects or programs relating to CSR activities approved by the Board on the recommendations of the CSR Committee but will not include any expenditure on any item not in conformity or in line with activities which fall within the purview of Schedule VII of the Act.
- 6. It is proposed to contribute CSR fund to SHCIL Foundation Trust for projects and program undertaking CSR activities directly related to subject covered in Schedule VII of the Act after the same are approved by the Board on recommendations of CSR committee/CSR Policy. SHCIL Foundation Trust will carry out the activities as specified under Schedule VII of the Act.
- 7. SHCIL Foundation Trust shall provide to SSL details of CSR activities carried out on behalf of SSL along with documentary evidence about utilization of CSR fund contributed by SSL.

8. SHCIL Foundation shall give preference to the local area and areas where SSL operates, for spending the amount ear-marked for CSR activities.
9. Alternatively, SSL can also directly contribute to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women.

**e. Governance Structure**

10. The Governance Structure for CSR at SSL is as depicted below :



**f. Role of the Board**

11. The Role of the Board of Directors will be guided by the Act, Rules and any circulars / notifications issued by the MCA.

The Role of SSL Board shall include the following:

- Based on the recommendations made by the CSR Committee, approve the CSR policy for SSL and disclose contents of such policy in its report and also place it on its website in prescribed manner.
- Ensure that the activities as are included in the CSR policy are undertaken.
- If SSL fails to spend the required amount, i.e. atleast 2% of the average net profits of the Company made during the immediately three preceding financial years, the Board shall in its report made under Clause (o) of sub-section 3 of Section 134 of the Companies Act, 2013, specify the reasons for not spending the amount.

#### **g. Role of CSR Committee**

12. The CSR Committee shall consist of 3 or more Directors out of which atleast one Director shall be an Independent Director.
13. The role of the CSR Committee will be guided by the Act, Rules and any circulars / notifications issued by the MCA.

The role of CSR Committee shall include:

- Formulating and recommending to the Board of Directors the CSR policy and indicating activities to be undertaken.
- Recommending the amount of expenditure for the CSR activities.
- Monitoring CSR activities from time to time.

#### **h. SHCIL Foundation Trust**

14. As specified under the Regulation no.4 (2) of the CSR Rules, 2014, the Board of a Company may decide to undertake its CSR activities approved by the CSR Committee through a registered trust. As per the general circular no 21/ 2014 issued by the MCA dated June 18, 2014 a 'registered trust' would include trusts registered under the Income Tax Act.
15. SHCIL Foundation Trust is a public charitable trust with SHCIL (holding company of SSL) as a Settlor. The Trust is registered under Section 12(A) of Income Tax Act, 1961 for public charitable purposes.
16. Currently, the Trust with support from SHCIL Volunteers reaches out to the underprivileged and deprived sections of the Society by conducting Medical camps like breast cancer detection, eye check-up, bone density check-up, etc. Medicines are distributed free of cost to poor and needy patients with calcium deficiency, patients having symptomatic abnormalities are sent to a reputed medical centre for free mammography tests, etc. Free spectacles are distributed at these camps and poor & needy patients diagnosed with cataract or / and retina problems are operated upon free of cost. In the past, the Trust has also installed water coolers for the less privileged citizens and also distributed free books to the children of the deprived / underprivileged sections of the society.

**i. CSR activities to be undertaken by SHCIL Foundation Trust on behalf of SSL**

17. In accordance with the requirements of the Act, Rules and circulars issued by MCA from time to time and based on the past experience gained through the CSR activities carried out by SHCIL through its Trust viz., SHCIL. It is proposed that the CSR activities of SHCIL Foundation Trust on behalf of SSL include:

- i. Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation (including contribution to the swach bharat kosh set up by Central Govt. for promotion of sanitation) and making available safe drinking water (Point no.(i) of Schedule VII of the Act),
- ii. Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects; (point no.(ii) of Schedule VII of the Act.
- iii. 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 set up by the Central Govt. for rejuvenation of river Ganga);
- iv. Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women; (point no.(viii) of the Schedule VII of the Act).

**j. Action plan**

18. The proposed CSR activities of SHCIL Foundation Trust and the action plan are as given below.

Sr. no.	CSR activities	Specific action plan
1	Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation, etc.	SHCIL Foundation Trust will carry out various medical camps on a pan India basis to help the under privileged, needy and deprived sections of the society which would also include free of cost distribution of medicines, tests, etc. For the said purpose, SHCIL Foundation Trust will involve with the local administration and partner with the government or other credible NGOs. In addition, donations would also be given to various credible and reputed NGOs involved in the said CSR activity.
2	Promoting education, including special education and employment enhancing vocation skills, etc.	SHCIL Foundation Trust's focus on education would be to provide grants to various schools and colleges which assist students of less privileged backgrounds. SHCIL Foundation Trust will also involve itself in setting up sanitation facilities, toilets, drinking waters in schools and colleges catering to the needy, under privileged sections of the society. For the said purpose, SHCIL Foundation Trust will involve with the local administration and partner with the government or other credible NGOs. In addition, donations would also be given to various credible and reputed NGOs involved in the said CSR activity.



3	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 set up by the Central Govt. for rejuvenation of river Ganga)	SHCIL Foundation Trust will contribute towards Clean Ganga fund set up by the Central Govt. for rejuvenation of river Ganga.
4	Any other areas under Schedule VII of Section 135 of the Companies Act, 2013.	SHCIL Foundation Trust will contribute towards any other areas under Schedule VII of the Companies Act, 2013.

**k. Reporting and Disclosure**

Annual Reporting

19. The Board’s report of SSL for the financial year commencing from 1<sup>st</sup> day of April 2014 shall include a report on CSR containing particulars as specified in **Annexure ‘1’**.

Company Website

20. The Board of Directors of SSL, after taking into account the recommendations of CSR Committee, approve the CSR policy for the company and disclose contents of such policy in its report and the same shall be displayed on the company’s website, if any, as per the particulars specified in the Annexure.

**Format for the Annual Report on CSR activities  
to be included in the Board's report**

1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs
2. The composition of the CSR Committee
3. Average net profit of the company for last three financial years
4. Prescribed CSR expenditure (two percent, of the amount as in item 3 above)
5. Details of CSR spent during the financial year
  - (a) Total amount to be spent for the financial year
  - (b) Amount unspent, if any;
  - (c) Manner in which the amount spent during the financial year is detailed below.

S.No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs i. Local area or other ii. Specify the State and district where project or programs was undertaken	Amount outlay (budget) project or program-wise	Amount spent on the projects or programs Sub-heads 1. Direct expenditure on projects or programs 2. Overheads	Cumulative expenditure upto the reporting period	Amount spent ; direct or through implementing agency

6. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.
7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and policy of the Company.

Sd/- (Chief Executive Officer or Managing Director or Director)	Sd/- (Chairman CSR Committee)
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