



## **CORPORATE SOCIAL RESPONSIBILITY POLICY**

**(AS APPROVED BY THE BOARD OF DIRECTORS OF THE COMPANY IN ITS MEETING HELD ON 12.11.2014 AND FURTHER AMENDED IN BOARD MEETING DATED 11.02.2021)**

*In terms of Section 135, Schedule VII and the Companies (CSR) Rules, 2014 of the Companies Act – 2013 including the amendments, changes and clarifications etc issued by the Ministry of Corporate Affairs from time to time.*

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### **Introduction**

It is the Company's intent to make a positive difference to society. It recognizes that it cannot do it all, so that if there are choices to be made, preference will be towards doing activities/programs/projects and initiatives on communities in which the Company lives and operates.

### **Legislation**

The Government of India vide Notification dated 27th February, 2014 has notified that Section 135 of the Companies Act, 2013 read with Schedule VII of the Said Act and Companies (CSR) Rules, 2014 (w.e.f. 01.04.2014) have made it mandatory for prescribed class of companies to contribute at least two percent of the average net profits of the Company made during the three immediately preceding financial years in pursuance of its CSR policy managed through CSR committee constituted by Board of Directors of the such company.

### **Vision Statement**

Shreyans Group is a responsible Corporate Citizen and would continue to make a serious endeavor for a quality value addition and constructive contribution in building a healthy and better society through its CSR related initiatives and focus on education, environment, health care and other social causes.

### **Definitions & Meaning of various terms**

In this policy, all the definitions, terms and clarifications to be read as per Section 135 read with CSR Rules and Schedule VII, as may be amended from time to time.

## CSR Committee

In view of above mentioned legal position, the Board has constituted the CSR committee in its meeting held on 13th August 2014 and further the constitution of committee amended by the Board on 29<sup>th</sup> June 2020.

<b>Name of the Director</b>	<b>Designation</b>
Mr. Rajneesh Oswal, Chairman & Managing Director	Chairman
Mr. Vishal Oswal, Vice-Chairman & Managing Director	Member
Mr. Anil Kumar, Executive Director & CEO	Member
Mr. Ramesh Chander Juneja, Independent Director	Member (wef 29 <sup>th</sup> June 2020)
Mr. A. K. Chakraborty, Independent Director	Member (ceased wef 12 <sup>th</sup> August 2020, as his second term ended)

The Company Secretary shall acts as a secretary to the committee and committee may invite any other person to attend the committee meeting(s) as may be required in furtherance of the CSR activities.

The committee shall meet as and when required and recommend/inform to the Board the activities/programs/projects undertaken or to be undertaken and amount of expenditures required for such policy activities of the Company.

The Board after considering the recommendations of the committee shall take the appropriate decision and shall ensure compliance with prescribed provisions of law.

The Committee shall monitor implementation status of such activities /programs/projects and expenses incurred thereon through internal audit department of the Company by way of quarterly/annual status reports.

### **CSR Policy Activities/programs/projects**

The Company has since inception have contributed towards social activities/programs/projects in the vicinity of its operations and the same are ongoing in the Company and are in accordance with prescribed activities under Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and Schedule VII of the Companies Act, 2013, as amended from time to time and do not form part of activities undertaken in pursuance of its normal course of business. These are as follows as on today:

- i. Eradicating, hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to Swach Bharat Kosh set by the Central Government for promoting sanitation and making available safe drinking water; spending CSR funds for COVID-19 related activities shall qualify as CSR expenditure.
- 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 centers 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, agro forestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set up by the Central Government or 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. Measures for the benefit of armed forces veterans, war widows and their dependents; the Central Armed Police Force (CAPF) and Central Para Military Force (CPMF) veterans, and their dependents including widows;
- vii. Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports;
- viii. Contribution to Prime Minister's National Relief Fund or Prime Minister's Citizen 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 scheduled 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 Central Government or State Government or any agency or Public Sector Undertaking of 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 Homeopathy (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. Spending CSR funds for COVID-19 related activities shall qualify as CSR expenditure Contribution made to State Disaster Management Authority to combat COVID-19 shall qualify as CSR expenditure,

The above areas shall be liberally interpreted so as to capture the essence of the subjects enumerated in the said Schedule. Clarifications/ notifications issued by Ministry from time to time shall be used to determine whether any activity is covered under prescribed activities mentioned under Schedule VII of the Companies Act, 2013.

#### **Activities not constituting as CSR activities or programs**

- i) Activities or programs out of the scope of the CSR policy adopted by the company.
- ii) Activities undertaken in the pursuance of normal course of business.
- iii) Expenditure on any item not in conformity or not in line with activities which fall within the purview of schedule VII of the Act.
- iv) CSR projects or programs or activities under taken outside India shall not amount to CSR expenditure.
- v) CSR projects or programs or activities that benefit only the employees of the Company and their families shall not be considered as CSR activities under section 135.
- vi) Contribution of any amount directly or indirectly to any political party under section 182 of the Act, 2013 shall not be considered as CSR activity.
- vii) Expenditure exceeding 5% of total CSR expenditure of the company in one financial year through their own personnel as well as those of their Implementing Agencies through Institutions with established track records of at least 3 financial years shall not be considered as CSR expenditure.
- viii) One – off events such as marathons/awards/charitable contribution/advertisement/sponsorships of TV programmes, etc

- would not qualify as part of CSR expenditure.
- ix) Expenses incurred by companies for the fulfillment of any act/statute of regulations (such as labour laws, land acquisition act, etc) would not amount to CSR expenditure.
  - x) Expenditure incurred by Foreign Holding Company for CSR activities in India will qualify as CSR spend of the Indian Subsidiary, if the CSR expenditures are routed through such Indian Subsidiary/ies and if the Indian Subsidiary is required to do so as per section 135 of the Act.
  - xi) Sustainable urban development and urban public transport systems not covered as CSR activities.
  - xii) US-India Physicians Exchange Program – broadly speaking, this would be program that provides for the professional exchange of physicians between India and the United States.
  - xiii) ‘Chief Minister’s Relief Fund’ or ‘State Relief Fund for COVID-19’ is not included in Schedule VII of the Companies Act, 2013 and therefore any contribution to such funds shall not qualify as admissible CSR expenditure.
  - xiv) Payment of salary/wages in normal circumstances is a contractual and statutory obligation of the company. Similarly, payment of salary/wages to employees and workers even during the lockdown period is a moral obligation of the employers, as they have no alternative source of employment or livelihood during this period. Thus, payment of salary/wages to employees and workers during the lockdown period (including imposition of other social distancing requirements) shall not qualify as admissible CSR expenditure.
  - xv) Payment of wages to temporary or casual or daily wage workers during the lockdown period is part of the moral/humanitarian/contractual obligations of the company and is applicable to all companies irrespective of whether they have any legal obligation for CSR contribution under section 135 of the Companies Act 2013. Hence, payment of wages to temporary or casual or daily wage workers during the lockdown period shall not count towards CSR expenditure.

### **The Geographic Reach**

The Act provides that the Company shall give preference to the Local Area and areas around where it operates, for spending the amount earmarked for Corporate Social Responsibility. The Company will thus give preference to conducting CSR activities in the States, where it has its operations. However, the Committee may identify such areas other than stated above, as it may deem fit and recommend it to the Board for undertaking CSR Activities.

## **CSR Expenditure**

1. The Board shall ensure that the administrative overheads shall not exceed five percent of total CSR expenditure of the company for the financial year.
2. 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.
3. 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:
  1. 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 this rule.
  2. The Board of the company shall pass a resolution to that effect.
4. The CSR amount may be spent by a company for creation or acquisition of a capital asset, which shall be held by-
  - (a) 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; or
  - (b) beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities; or
  - (c) 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.

## **Annual spends**

The Company would spend not less than 2% of the average net profits of the Company made during the three immediately preceding financial years. The surplus arising out of CSR activity will not be part of business profits of the Company and it would be added back to the CSR spends.

The Company may build its in house team to work on various CSR activities across different states where the Company operates. Salaries of all such personnel shall form part of the CSR expenditure.

Further the Company may improve the capabilities of its own regular CSR staff as well as those of their implementing agencies with the help of institutions with established track records of at least three financial years, but such expenditure shall not exceed 5% of total CSR expenditure of the Company in any year.

If any ex-gratia payment is made to temporary/casual workers/daily wage workers over and above the disbursement of wages, specifically for the purpose of fighting COVID 19, the same shall be admissible towards CSR expenditure as a onetime exception provided there is an explicit declaration to that effect by the Board of the company, which is duly certified by the statutory auditor.

### **Modalities**

The Company shall execute various CSR activities which are in line with this policy:

- i) through its own CSR staff, or
- ii) through a registered trust or a registered society or a company established by the Company under Section 8 of the Act, or
- iii) by way of making contribution to a registered trust towards various activities carried out by such trust which are in conformity with areas/items mentioned under clause 4 of this policy, or
- iv) in collaboration with other companies for undertaking projects or programs or CSR activities in such a manner that the CSR committee of the respective companies are in a position to report separately on such projects or programs in accordance with the Companies (Corporate Social Responsibility Policy) Rules, 2014, or
- v) In any other manner as may be permitted under the Act and the Rules.
- vi) The employees of the Company who are interested in CSR related activities can act as its volunteers. For effective compliance, execution, supervision and reporting an employee in the grade of not lower than Assistant Vice President shall act as a Nodal Officer.
- vii) The Nodal officer and the volunteers will be decided by the MD & CEO. The team will be enlarged as and when required. The Nodal Officer will submit the report regarding the progress in the implementation of CSR activities to MD & CEO who will in turn submit the report to the CSR Committee with his comments/suggestions if any. The CSR Committee will report the progress to the Board of Directors periodically with its Comments/suggestions.

- viii) MD & CEO will have the authority to incur expenditure on the activities and projects within overall sanction/ceilings approved by the CSR Committee.

### **Role of CSR Committee**

The role of CSR Committee shall include:

The CSR Committee shall formulate and recommend to the Board, an Annual Action Plan in pursuance of its CSR policy, which shall include the following, namely:-

- a. the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
- b. the manner of execution of such projects or programmes as specified in sub-rule (1) of rule 4;
- c. the modalities of utilisation of funds and implementation schedules for the projects or programmes;
- d. monitoring and reporting mechanism for the projects or programmes; and
- e. details of need and impact assessment, if any, for the projects undertaken by the company:

Provided that 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.

- f. Formulation and recommending to the Board of Directors the CSR Policy and indicating the activities to be undertaken by the Company.
- g. Recommending to the Board the amount to be spent on CSR activities during the Financial Year and also decide on the budgets/estimates of periodic spending on the identified list of activities/areas.
- h. Evaluating the proposal submitted by the Company for CSR activities and accord its approval.
- i. Monitor CSR activities based on the progress report submitted by the Chairperson/Member of the Committee and appraise the Board of Directors on the same.
- j. The CSR Committee shall meet at least once in a year or as many times it may be needed to review the CSR activities undertaken by the Company.
- k. Sub-delegate any of the functions/roles etc by way of formation of sub-committee, if required for effective carrying of the functions and roles of the CSR committee of the Board.



## **CSR Implementation**

1. The Board shall ensure that the CSR activities are undertaken by the company itself or through -
  - (a) a company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80 G of the Income Tax Act, 1961 (43 of 1961), established by the company, either singly or along with any other company, or
  - (b) a company established under section 8 of the Act or a registered trust or a registered society, established by the Central Government or State Government; or
  - (c) any entity established under an Act of Parliament or a State legislature; or
  - (d) 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.
2. (a) Every entity, covered under sub-rule (1), who intends to undertake any CSR activity, shall register itself with the Central Government by filing the form CSR-1 electronically with the Registrar, with effect from the **1st day of April 2021**:  
Provided that the provisions of this sub-rule shall not affect the CSR projects or programmes approved prior to the **1st day of April 2021**.
  - (b) Form CSR-1 shall be signed and submitted electronically by the entity and shall be verified digitally by a Chartered Accountant in practice or a Company Secretary in practice or a Cost Accountant in practice.
  - (c) On the submission of the Form CSR-1 on the portal, a unique CSR Registration Number shall be generated by the system automatically.
3. A company may engage international organisations for designing, monitoring and evaluation of the CSR projects or programmes as per its CSR policy as well as for capacity building of their own personnel for CSR.
4. A company may also collaborate with other companies for undertaking projects or programmes or CSR activities in such a manner that the CSR committees of respective companies are in a position to report separately on such projects or programmes in accordance with these rules.
5. The Board of a company shall satisfy itself that the funds so disbursed have been utilised 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.
6. In case of ongoing project, the Board of a Company shall monitor the implementation of the project with reference to the approved timelines and

year-wise allocation and shall be competent to make modifications, if any, for smooth implementation of the project within the overall permissible time period.

### **CSR Reporting**

1. The Board's Report of a company covered under these rules pertaining to any financial year shall include an annual report on CSR containing particulars specified in Annexure I or Annexure II, as applicable.
2. In case of a foreign company, the balance sheet filed under clause (b) of sub-section (1) of section 381 of the Act, shall contain an annual report on CSR containing particulars specified in Annexure I or Annexure II, as applicable.
3. A. Every company having average CSR obligation of ten crore rupees or more in pursuance of sub-section (5) of section 135 of the Act, in the three immediately preceding financial years, shall undertake impact assessment, through an independent agency, of their CSR projects having outlays of one crore rupees or more, and which have been completed not less than one year before undertaking the impact study.  
B. The impact assessment reports shall be placed before the Board and shall be annexed to the annual report on CSR.  
C. A Company undertaking impact assessment may book the expenditure towards Corporate Social Responsibility for that financial year, which shall not exceed five percent of the total CSR expenditure for that financial year or fifty lakh rupees, whichever is less.

### **Display of CSR activities on its website**

The Board of Directors of the Company shall mandatorily disclose the composition of the CSR Committee and CSR Policy and Projects approved by the Board on their website, if any, for public access.

### **Transfer of unspent CSR amount**

Until a fund is specified in Schedule VII for the purposes of sub-section (5) and(6) of section 135 of the Act, the unspent CSR amount, if any, shall be transferred by the company to any fund included in schedule VII of the Act.

### **Amendments to the Policy**

The provisions of the CSR Policy would be subject to revision/amendment by the Board of Directors on the recommendations of CSR Committee in accordance with the Regulations.