

POLICY ON CORPORATE SOCIAL RESPONSIBILITY

[Pursuant to Companies Act 2013]

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1. PREAMBLE:

This Policy is in consonance with the corporate business philosophy followed by Sahyadri Industries Limited (SIL) and lays down the guidelines and mechanism for undertaking socially useful programs for welfare & sustainable development of the society, is titled as the ‘SIL CSR Policy’.

The initiatives of SIL are aptly called as SWASTIK DISHA.

2. OBJECTIVE:

The Objective of CSR policy is

- a) To directly and indirectly take up programs or projects within the purview of the Schedule VII of the Companies Act 2013 that benefits the society at large.
- b) To specify modalities for project or program and implementation schedule for the same.
- c) To allocate financial and non financial resources and to monitor the process of such projects.

3. CSR ACTIVITIES:

For the purpose of focusing its CSR efforts in a continued and effective manner, the following activities have been identified:

Activities relating to:

- a) Eradicating hunger, poverty and malnutrition, promoting 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;
- b) Promoting education, including special education and vocation skills enhancing employment opportunity especially among children, women, elderly, and the physically challenged people and livelihood enhancement projects;
- c) Promoting gender equality, empowering women, setting up homes and hostels for woman and orphans; setting up old age homes, day care centers and such other facilities for senior citizens and measure for reducing inequalities faced by socially and economically backward groups
- d) 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 for rejuvenation of river Ganga to promote and run projects of generation of green power so as to reduce carbon emission and to participate clean development mechanism.

- e) 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;
- f) Measures for the benefit of armed forces veterans, war widows and their dependents;
- g) Training to promote rural sports, nationally recognized sports, Paralympics sports and Olympic sports;
- h) Contribution to the Prime Ministers' 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;
- i) Contributions or funds provided to technology incubators located within academic institution which are approved by the Central Government;
- j) Rural development projects.

4. CSR FUNDS:

The corpus for the purpose of carrying on the CSR activities would include the followings:

- a) At least 2% of the average Net Profit made by the Company during immediately preceding three Financial Years.
- b) If surplus arises out of CSR activities carried out by the Company such surplus will not be part of business profit of the Company and shall be ploughed back for CSR activities.
- c) The budget for the CSR projects will be decided by the CSR Committee and will further recommend to the Board for their approval.

5. EXECUTION OF CSR ACTIVITIES/PROJECTS:

- a) The Company has constituted executive committee namely Swastik Disha. The CSR activities are to be executed through executive committee namely Swastik Disha.
- b) The role of the Swastik Disha Team is to identify the activities in which company can contribute to the welfare of society at large. The Swastik Disha Team is required to recommend the activities to Board for their approval giving the justification for the same.
- c) The Swastik Disha Team should give priorities to the CSR activities which are specified in Schedule VII of the Companies Act 2013.
- d) The Swastik Disha Team if satisfied that, the amount which Company intends to contribute is for activities which are covered under Schedule VII, the Swastik Disha Team should recommend the activity to the Board for its approval. The Swastik Disha Team should give priority to local areas where the manufacturing unit is situated in spending money for CSR activities.

- e) The Swastik Disha Team should give justification for the amount sought for the activities individually and all CSR activities collectively. The Swastik Disha team should give detailed report in writing to Board.
- f) The CSR Committee is required to
 - Recommend the amount of expenditure to be incurred on the activities
 - Monitor implementation of the Corporate Social Responsibility Policy of the company from time to time.
- g) The CSR Committee may entrust execution of CSR activities to employees or group of employees of the Company Swastik Disha Team.

6. MAINTENANCE OF RECORDS

- a) The CSR committee will maintain or caused to maintain record of income and expenditure of CSR activities
- b) The CSR committee will do verification/audit of such records.
- c) The CSR committee records will be placed before the board.

The members of CSR Committee are:

- Managing Director - Chairman
 - Chairperson - Member
 - Independent Director - Member
- d) The CSR Committee should recommend the CSR activities to the Board for their approval.
 - e) After CSR Committee recommends the amount to be spent on CSR different activities, the Board should in the normal course approve the expenditure.

-----*END OF THE POLICY*-----