



CORPORATE SOCIAL RESPONSIBILITY POLICY

PREAMBLE

Corporate Social Responsibility (CSR) in India has traditionally been seen as a philanthropic activity and in keeping with the Indian tradition, it was an activity that was performed but not deliberated. India has seen a period of sustained economic growth during the last ten years. The Country however still continues to face major challenges like poverty, illiteracy, malnutrition, health hazards, gender bias, environmental problems etc. These have resulted in a large section of the population remaining as 'un-included' from the mainstream. It is necessary to address these challenges through sustainable efforts, both by Government and Private Sector Organizations. The Indian Business has traditionally been socially responsible. While a lot of human and economic resources are available for utilization in the corporate world; a suitable mechanism is necessary to channelize these resources for socio-economic development.

Keeping this in mind, The Ministry of Corporate Affairs had come out with a voluntary CSR Guidelines in 2009. The Companies Act, 2013 (the Act) has made it mandatory for certain class of Companies to adopt a Corporate Social Responsibility Policy and spend every year an amount prescribed in the Act, towards discharging its obligations towards the Society in terms of the CSR Policy adapted by it.

SHORT TITLE & APPLICABILITY

This Policy may be termed as "SRL CSR Policy". The Policy shall apply to all CSR initiatives and activities of SRL. The Policy has been framed inline with the provisions of Section 135 of the Act and Rules made thereunder.

OBJECTIVE

This Policy has been formulated in compliance with Section 135 of the Act read with applicable Rules made thereunder.

DEFINITIONS

In this policy unless the context otherwise requires:

"Corporate Social Responsibility (CSR)" means and includes but is not limited to Projects or programs relating to activities specified in Schedule VII to the Act.

“CSR Committee” means the Corporate Social Responsibility Committee of the Board referred to in Section 135 of the Act

“CSR Policy” relates to the activities to be undertaken by the Company as specified in Schedule VII to the Act and expenditure

“Net Profit” means the net profit of the Company as per its financial statement prepared in accordance with applicable provisions of the Act (Section 198), but shall not include the following viz;

- i. Any profit arising from any overseas branch or branches of the Company, whether operated as a separate company or otherwise and
- ii. Any dividend received from other companies in India, which are covered under and complying with the provisions of Section 135 of the Act

Provided that net profit in respect of a financial year for which the relevant financial statements were prepared in accordance with the provisions of the Companies Act, 1956 shall not be required to be re-calculated in accordance with the provisions of the Act

CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

The SRL Corporate Social Responsibility Committee shall consist of three Directors amongst which one shall be an Independent Director. The Committee shall hold meetings as and when required, to discuss various issues on implementation of the CSR Policy of SRL.

The CSR Committee shall:

- a) Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by SRL as specified in Schedule VII of the Companies Act 2013;
- b) Recommend the amount of expenditure to be incurred on the activities referred to in clause (a) in a financial year;
- c) Monitor the Corporate Social Responsibility Policy of SRL from time to time; and
- d) Any other matter as may be considered expedient in furtherance of and to comply with the CSR Policy of SRL.

CSR ACTIVITIES

SRL's CSR activities shall primarily include one or more of the items covered under Schedule VII of the Act with special focus on the following:

1. Promoting preventive healthcare and sanitation and making available safe drinking water and other activities contained in Schedule VII (i). The Company may be involved in these activities by way of adoption of one or more villages for overall development and livelihood enhancement.
2. Promoting education and other education related activities and livelihood enhancement projects covered under Schedule VII (ii).
3. Activities relating to environmental sustainability, ecological balance and other activities contained in Schedule VII (iv).
4. Protection of national heritage, art and culture as contained in Schedule VII (V).
5. Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports, covered under Schedule VII (vii).
6. Contribution to various funds contained under Schedule VII.

The Board of Directors shall ensure that SRL spends at least 2 percentage of the average net profits of SRL made during the 3 immediately preceding financial years in pursuance of its CSR Policy.

Apart from the CSR projects/programmes taken up by the Company itself, the Board of Directors may decide to undertake its CSR activities recommended by the CSR Committee, through a registered Trust or a registered society or a company established by SRL under Section 8 of the Act. Provided that,

- ❖ If such trust, society or company is not established by SRL or its holding or subsidiary or associate company, it shall have an established track record of three years in undertaking similar programs or projects;
- ❖ SRL shall specify the project or programs to be undertaken through these entities, modalities of utilization of funds on such projects and programs and the monitoring and reporting mechanism.

SRL may also collaborate with other Companies for undertaking projects or programs for CSR activities in such a manner that the Committees of the respective Companies are in a position to report separately on such projects or programs.

SRL may build CSR capacities of their own personnel as well as of their implementing agencies through Institutions with established track records of at least three financial years but such expenditure shall not exceed 5 (five) percentage of the total CSR expenditure of SRL in a financial year.

CSR EXPENDITURE

For achieving its CSR objectives through implementation of meaningful & sustainable CSR programs, SRL will allocate 2 percentage of its average net profits made during the 3 immediately preceding financial years as its Annual CSR Budget.

The Annual CSR Budget shall be spent on activities laid down as above.

CSR projects or programs or activities undertaken in India only shall amount to CSR Expenditure.

Any unspent/unutilized CSR allocation of a particular year, will be carried forward to the following year, that is, the CSE Budget will be non-lapsable in nature.

CSR expenditure shall include all expenditure including contribution to corpus, for projects or programs relating to CSR activities approved by the Board on the recommendation of its CSR Committee, but does not include any expenditure on an item not in conformity with the CSR Policy.

EXCLUSIONS

The CSR activities shall be undertaken by SRL, (either new or ongoing), excluding activities undertaken in pursuance of its normal course of business.

Any Contribution of any amount directly or indirectly to any political party under Section 182of the Act, by SRL shall not be considered as CSR activity.

The CSR projects or programs or activities that benefit only to the employees of SRL and their families shall not be considered as CSR activities in accordance with Section 135 of the Act. Any surplus arising out of the CSR projects or programs or activities shall not form part of the business profit of SRL.

IMPLEMENTATION

CSR programs will be undertaken by SRL to the best possible extent within the defined ambit of the identified Project/ Program.

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

By and large, it may be ensured that the CSR programs shall be executed in and around the areas adjoining Company's workplace and Project sites/ work centers and etc.

POWERS FOR APPROVAL

CSR programs as may be identified by each work centre/corporate office will be required to be put up to the CSR Committee of the Board at the beginning of each financial year.

MONITORING AND FEEDBACK

To ensure effective implementation of the CSR programs undertaken, a monitoring mechanism will be put in place by the Company. The progress of CSR programs will be reported to corporate office on a monthly/quarterly basis.

The CSR Committee at the corporate office may conduct impact studies on a periodic basis, through independent professional third parties/professional institutions, especially on the strategic and high value programs.

Appropriate documentation of SRL's CSR Policy, annual CSR activities, executing partners, if any and expenditure entailed will be undertaken on a regular basis.

CSR initiatives of SRL will be reported in the Annual Report of SRL & the Board's Report in compliance with Section 135 and rules made thereunder. The CSR policy recommended by the CSR Committee and approved by the Board shall be displayed on the web-site of the Company at www.simplex-group.com .

GENERAL

In case of any doubt with regard to any provision of the policy and also in respect of matters not covered herein, a reference to be made to CSR Committee. In all such matters, the interpretation & decision of the Committee shall be final.

Any or all provisions of the CSR Policy would be subject to revision/amendment in accordance with the guidelines on the subject as may be issued from Government, from time to time.SRL reserves the right to modify, add, or amend any of this Policy Rules/Guidelines.
