

Corporate Social Responsibility Policy

S CHAND AND COMPANY LIMITED

Contents

1. Introduction	3
2. Definition.....	3
3. CSR Vision Statement and Objective.....	4
3.1. Vision Statement	4
3.2. Objectives	4
4. Expenditure.....	5
5. CSR activity areas/ Scope.....	5
6. Role of the Board and CSR Committee	7
6.1. Role of CSR Committee.....	7
6.2 Role of the Board.....	8
7. Reporting and Disclosure	9
7.1. Annual Reporting.....	9
7.2. Company Website.....	9
8. Annexures	10

1. INTRODUCTION

The concept of Corporate Social Responsibility (“CSR”) has gained prominence from all avenues. Organizations have realized that government alone will not be able to get success in its endeavor to uplift the downtrodden of society. The concept of CSR is considered as closely linked with the principle of sustainable economic development, which requires the organizations to make decisions not only based on financial factors but also on immediate and long term social & environmental consequences of their activities.

Ministry of Corporate Affairs has notified Section 135 of the Companies Act, 2013 and Schedule VII thereto along with the Companies (Corporate Social Responsibility Policy) Rules, 2014 (hereinafter “CSR Rules), effective April 01, 2014.

This Corporate Social Responsibility Policy (hereinafter “CSR Policy) of the Company has been prepared pursuant to Section 135 of the Companies Act, 2013 and the CSR Rules. This CSR policy should serve as the referral document for all CSR-related activities at the Company.

2. DEFINITIONS:

- a) “Act” means the Companies Act, 2013.
- b) "Corporate Social Responsibility (CSR)" means and includes but is not limited to:-
 - i) Projects or programs relating to activities specified in Schedule VII and other amendments/circulars thereon to the Act; or
 - ii) Projects or programs relating to activities undertaken by the Board of Directors of the Company in pursuance of recommendations of the CSR Committee of the Board as per declared CSR policy of the Company subject to the condition that such policy will cover subjects enumerated in Schedule VII and other amendments/circulars thereon of the Act.
- c) "CSR Policy" relates to the activities to be undertaken by the Company as specified in Schedule VII and other amendments/circulars thereon to the Act and the expenditure, excluding activities undertaken in pursuance of normal course of business of the Company, if any;

- d) "Net profit" means the net profit of the Company as per its annual financial statements prepared in accordance with the applicable provisions of the Act, but shall not include the following, namely :-
- i) any profit arising from any overseas branch or branches, if any, 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, (1 of 1956) shall not be required to be re-calculated in accordance with the provisions of the Act.

3. CSR VISION STATEMENT & OBJECTIVE

3.1 Vision Statement

In alignment with the vision of the company, the Company, as its CSR initiatives, will continue to enhance value creation in the society and in the community in which it operates, through its services, conduct and initiatives, so as to promote sustained growth for the society and community in fulfillment of its role as a *Socially Responsible Corporate* with environmental concern.

3.2 Objective

The main objectives of CSR Policy are:

- i) To directly or indirectly take up programs that benefit the communities in and around the Company's workplace and results, over a period of time, in enhancing the quality of life and economic well-being of the local populace.
- ii) To generate through its CSR initiatives, a community goodwill for the Company and help reinforce a positive & socially responsible image of the Company as a corporate entity and as a good Corporate Citizen.

- iii) Ensure commitment at all levels in the organization, to operate its business in an economically, socially and environmentally sustainable manner, while recognizing the interest of all its stakeholders.

4. EXPENDITURE

In every financial year, the Company shall, with the recommendation of its CSR Committee and approval of its Board of Directors, make a budgetary allocation for CSR and Sustainability activities / projects for the year. The budgetary allocation will be at least two percent of the average net profits of the Company made during the three immediately preceding financial years. The Company shall give preference to the local area(s) around it where it operates, for spending the amount earmarked for CSR activities.

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 or not in line with activities covered under the purview of Schedule VII to the Act. The surplus arising out of the CSR projects or programs or activities shall not form part of the business profits of the Company.

5. CSR ACTIVITY AREAS/ SCOPE

5.1 The CSR activities shall be undertaken by the Company, as per its stated CSR Policy, as projects or programs or activities (either new or ongoing), excluding the activities undertaken in pursuance of its normal course of business.

5.2 The Company may join hands and the resources for undertaking CSR activities with its holding company, other subsidiaries of holding company, or with any other Company or with any Civil Society Organizations or Government bodies or registered trusts or registered society or Section 8 companies, etc. or otherwise:

Provided that-

- a) if such trust, society or company or other entities is not established by the company or its holding or subsidiary or associate company, it shall have an established track record of at least three years in undertaking similar programs or projects;

- b) the Company has specified the project or programs to be undertaken through these entities, the modalities of utilization of funds on such projects and programs and the monitoring and reporting mechanism.

5.3 The Company may also collaborate with other companies for undertaking projects or programs 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 programs in accordance with the CSR Rules.

5.4 CSR projects or programs or activities undertaken in India only shall amount to expenditure towards CSR activities. The CSR projects or programs or activities that benefit only the employees of the company and their families shall not be considered as CSR activities in accordance with Section 135 of the Act.

5.5 The Company may build CSR capacities of its own personnel as well as those of their implementing agencies through Institutions with established track records of at least three financial years but such expenditure shall not exceed five percent of total CSR expenditure of the company in one financial year.

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

5.7 As per the Schedule VII read with Section 135 of the Companies Act, 2013, the following activities would be allowed as a part of CSR activities by the Company:

- i) 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;
- ii) Promoting education, including special education and employment enhancing vocational 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, 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;
 - 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;
 - vii) Training to promote rural sports, nationally 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; and
- Explanation: For the purposes of this item, the term 'sum area' shall mean any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force.
- xii) Such other matters as may prescribed by the Central Government.

The above list is illustrative and not exhaustive.

6. ROLE OF CSR COMMITTEE, QUORUM AND THE BOARD

6.1 Role of the CSR Committee

In pursuance to Section 135 of the Act, the Company shall constitute a Corporate Social Responsibility Committee of the Board consisting of three or more directors, out of which at least one director shall be an independent director. In case of companies where appointment of

an independent director is not mandatory shall form the CSR Committee without such independent director.

The CSR Committee of the Company shall comprise of the following Directors:

- | | |
|----------------------------------|----------|
| a) Mr. Himanshu Gupta | Chairman |
| b) Mr. Dinesh Kumar Jhunjhnuwala | Member |
| c) Mr. Deep Mishra | Member |

The Corporate Social Responsibility Committee shall:

- formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII to Companies Act, 2013;
- recommend the amount of expenditure to be incurred on the activities referred to in clause (a) above; and
- monitor the Corporate Social Responsibility Policy of the Company from time to time.

6.2 Quorum

- As maybe decided by the Board of Directors.

6.3 Role of the Board

The Board shall:

- after taking into account the recommendations made by the CSR Committee, approve the Corporate Social Responsibility Policy for the Company and disclose contents of such Policy in its report and also place it on the Company's website, if any, in such manner as may be prescribed;
- ensure that the activities as are included in Corporate Social Responsibility Policy of the Company are undertaken by the Company;
- ensure that the Company spends, in every financial year, at least two percent of its average net profits made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy, provided that the Company shall give preference to the local area/s around it where it operates, for spending the amount earmarked for Corporate Social Responsibility activities.

- d) If the Company fails to spend such amount, 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.

7 REPORTING AND DISCLOSURE

7.1 Annual Reporting

The Board's Report of the Company for the financial year commencing from 1st day of April, 2014 shall include an annual report on CSR containing particulars as specified in the Annexure to the CSR Rules, 2014 (annexed herewith).

7.2 Company's Website

The Board of Directors of the Company shall, after taking into account the recommendations of CSR Committee, approve its CSR Policy 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 to the CSR Rules, 2014 (annexed herewith).

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 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 (1) Local area or other (2) Specify the State and projects or programs was undertaken	Amount outlay (budget) project or programs 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
1							
2							
3							
4							
5							
6							
	Total						

*Give details of implementing agency:

6. In case the company has failed to spend the two percent 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.

Dinesh Kumar Jhunjnuwala
Whole-time Director