

S Chand And Company Limited

Corporate Social Responsibility Policy

This Corporate Social Responsibility (“CSR”) policy of S Chand And Company Limited (hereinafter referred to as “S Chand” or “the Company”) is framed in terms of The Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time.

Philosophy

Recognizing that business enterprises are economic organs of society and draw on societal resources, it is S Chand belief that a company's performance must be measured by its Triple Bottom Line contribution towards building economic, social and environmental capital. S Chand believes that in the strategic context of business, enterprises possess - beyond mere financial resources - the transformational capacity to create game-changing development models by unleashing their power of entrepreneurial vitality, innovation and creativity. In line with this belief, S Chand will continue crafting unique models which have a significant multiplier impact on sustainable livelihood creation and environmental replenishment. These initiatives are independent of the normal conduct of S Chand businesses and are aligned to the activities listed in Schedule VII read with Section 135 of the Act and the CSR Rules.

Definition:

“**Act**” means The Companies Act, 2013.

“**Board**” or “**Board of Directors**” means Board of Directors of S Chand And Company Limited.

“**CSR Committee**” means Corporate Social Responsibility Committee of Directors of the Company

“**CSR Rules**” means The Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time.

“**CSR Programmes**” means programmes, projects and activities undertaken by the Company in pursuance of its statutory obligation laid down in section 135 of the Act.

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“Ongoing project” means a multi-year project undertaken by a Company in fulfilment of its CSR obligation having timelines not exceeding three years excluding the financial year in which it was commenced, and shall include such project that was initially not approved as a multi-year project but whose duration has been extended beyond one year by the board based on reasonable justification.

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Selection of CSR Programmes

The Board of Directors belief is to direct its CSR Programmes, inter alia, towards achieving one or more of the following:

- Poverty alleviation;
- Promoting education and skill development;
- Promoting healthcare including preventive healthcare;
- Providing sanitation and drinking water;
- Ensuring environmental sustainability;
- Rural development projects;
- Creating livelihoods for people, especially those from disadvantaged sections of society; and
- Providing relief and assistance to victims of disasters and calamities.

In pursuit of the above, the Board of Directors on the recommendation of CSR Committee has identified the following focus areas for its CSR Programmes:

- Eradicating hunger, poverty and malnutrition, promoting health care including preventinve health care and sanitation and making available safe drinking water;
- promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects;
- 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;
- rural development projects; and
- Disaster management, including relief, rehabilitation and reconstruction activities.

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The Company aims:

- To pursue CSR Programmes primarily in areas that fall within the economic vicinity of the Company's operations to enable close supervision and ensure maximum developmental impact; and
- To carry out CSR Programmes in relevant local areas and areas where the Company operates;

Implementation

The Company's CSR Programmes shall be undertaken by the Company itself or through-

- (i) 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, or
- (ii) 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.

Provided that entities mentioned above shall be registered with the Central Government and shall have unique CSR Registration Number as per sub-rule (2) of Rule 4 of CSR Rules.

The Company may also collaborate with other companies for undertaking CSR Programmes in such a manner that the CSR committees of respective companies are in a position to report separately on CSR Programmes in accordance with CSR rules.

Governance / Monitoring Mechanism

- Every year, the CSR Committee shall place for the approval of the Board of Directors of the Company, an annual CSR Action Plan (hereinafter referred to as 'CSR Plan') delineating the CSR Programmes to be carried out during the financial year, including the budgets thereof, their manner of execution, implementation schedules, modalities of utilisation of funds, and monitoring & reporting mechanism for the CSR Programmes. The Board will consider and approve the CSR Plan with such modification that may be deemed necessary; the CSR Plan may

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also be modified by the Board at any time during the financial year, on the recommendation of the CSR Committee.

- In case of ongoing project, the Board shall monitor the implementation of the project with reference to the approved timelines and year-wise allocation. The Board shall make modifications, if required, for smooth implementation of the project within the overall permissible time period on recommendation of CSR Committee.
- After the expiry of the financial year, the CSR Committee shall consider an Annual Report on CSR activities and recommend the same for the approval of the Board. The said CSR Report shall form part of the Board's Report of the Company for the financial year for which said CSR Report relate.
- The Chief Financial Officer of the Company shall place a certificate before the Board that the funds so disbursed for CSR Programmes have been utilised for the purposes and in the manner as approved by Board.

CSR Expenditure

- It shall be the Company's endeavour to spend in every financial year, two percent of its average net profits during the three immediately preceding financial years (or such other limit as may be prescribed under the Act), on CSR Programmes in pursuance of this Policy.
- The CSR expenditure will include all expenditure, direct and indirect, incurred by the Company on CSR Programmes undertaken in accordance with the CSR Plan.
- Any surplus arising from the CSR Programmes shall not be formed 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 this policy and annual action plan of the company or shall be transferred to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year;
- If CSR expenditure in a financial year exceeds the statutory limit, such excess may be set-off against Company's CSR requirement up to immediate succeeding three

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financial years with the approval of the Board, on the recommendation of the CSR Committee.

- In case of any amount remaining unspent pursuant to ongoing project, such unspent amount shall be transferred within 30 days from the end of financial year to a special account to be opened by the Company in that behalf for that financial year in any scheduled bank to be called the “Unspent Corporate Social Responsibility Account”. The Company shall spend such unspent amount in that ongoing project / programme with a period of three financial years from the date of such transfer. In case of failing to spend such amount within three financial year, the Company shall transfer the same to a Fund specified in Schedule VII, within a period of thirty days from the date of completion of the third financial year.
- In case of any amount remaining unspent (other than pursuant to ongoing project), such unspent amount shall be transferred within a period of six months of the expiry of the financial year to a Fund specified in Schedule VII.

This Policy will be posted on the Company's website www.schandgroup.com and web link thereto will be disclosed in the Board's Report of the Company.

An annual report on CSR containing particulars specified in Annexure I or Annexure II, as applicable, of CSR Rules, shall form part of the Board's Report of the Company for the financial year for which said CSR Report relate.

In the event of any inconsistency between this Policy and the applicable laws, the applicable laws will prevail.

This Policy will be reviewed by the CSR Committee, as and when deemed necessary. In case of any modification / revision required in this policy, the Board shall approve the revised policy on recommendation of CSR Committee.
