



Corporate Social Responsibility Policy

SHCIL SERVICES LIMITED

Version no.	2.0 dated October 25, 2021
Recommended	CSR Committee

Table of Contents

a. Introduction.....	3
b. Financial resources.....	3
c. CSR activities.....	3
d. CSR expenditure.....	4
e. Governance Structure.....	5
f. Role of the Board	5
g. Role of CSR Committee	6
h. SHCIL Foundation Trust.....	6
i. CSR activities to be undertaken by SHCIL.....	7
j. Action Plan	7
k. Reporting & Disclosure.....	9
l. Annexure 1.....	10
J Annexure 2.....	12.

a. Introduction

1. Ministry of Corporate Affairs (MCA) has notified Section 135 and Schedule VII of Companies Act, 2013 (hereinafter referred to as 'Act') along with the Companies (Corporate Social Responsibility Policy) Rules, 2014 (hereinafter referred to as 'CSR Rules') to come into effect from April 1, 2014.
2. The CSR policy of SHCIL Services Limited (SSL) has been prepared pursuant to the Section 135 of the Act and the CSR Rules. The CSR policy would serve as the referral document for all CSR related activities of SSL.

b. Financial resources

3. In line with the provisions of the Act and the CSR Rules, the budgetary allocation will be atleast 2% of the average net profits of SSL made during the three immediately preceding financial years (herein after referred to as "CSR fund").

c. CSR activities

4. The activities as specified under Schedule VII of the Act which can be undertaken by any company for CSR related activities are given below :
 - i. Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation (including contribution to the swach bharat kosh set up by Central Govt. for promotion of sanitation) and making available safe drinking water,
 - 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 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, agroforestry, conservation of natural resources and maintaining quality of

- soil, air and water (including contribution to the clean Ganga fund set up by the Central Govt. for rejuvenation of river Ganga);
- v. Protection of natural 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; (Central Armed Forces (CAPF) and Central Para Military Forces (CAPF) and Central Para Military Forces (CPMF) vetrans, and their dependents including widows)
 - vii. Training to promote rural sports, nationality recognized sports, paralympic sports and Olympic sports;
 - viii. Contribution to the Prime Minister’s National Relief Fund or [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) Contributions to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by Central Government or State Government or Public Sector Undertaking or any agency of the 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), 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 (Explanation: for the purpose of this term the slum 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;)
- xi. Disaster management, including relief, rehabilitation and reconstruction activities.

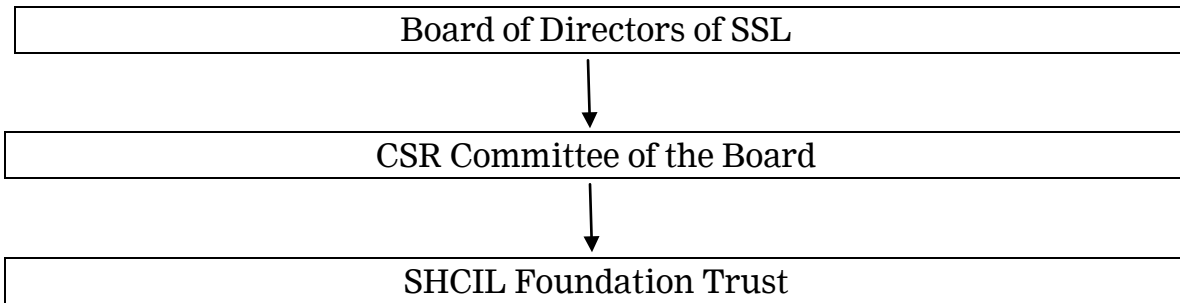
The CSR activities of SSL will be in compliance with prevailing laws of land including Cigarettes and Other Tobacco Products Act (COTPA), 2003

d. CSR Expenditure

- 5. CSR expenditure shall include all expenditure, for projects or programs relating to CSR activities approved by the Board on the recommendations of the CSR Committee but will not include any expenditure on any item not in conformity or in line with activities which fall within the purview of Schedule VII of the Act.
- 6. It is proposed to contribute CSR fund to SHCIL Foundation Trust for projects and program undertaking CSR activities directly related to subject covered in Schedule VII of the Act after the same are approved by the Board on recommendations of CSR committee/CSR Policy. SHCIL Foundation Trust will carry out the activities as specified under Schedule VII of the Act.
- 7. SHCIL Foundation Trust shall provide to SSL details of CSR activities carried out on behalf of SSL along with documentary evidence about utilization of CSR fund contributed by SSL.
- 8. SHCIL Foundation shall give preference to the local area and areas where SSL operates, for spending the amount ear-marked for CSR activities.
- 9. Alternatively, SSL can also directly contribute 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.

e. Governance Structure

- 10. The Governance Structure for CSR at SSL is as depicted below :



f. Role of the Board

11. The Role of the Board of Directors will be guided by the Act, Rules and any circulars / notifications issued by the MCA.

The Role of SSL Board shall include the following:

- Based on the recommendations made by the CSR Committee, approve the CSR policy for SSL and disclose contents of such policy in its report and also place it on its website in prescribed manner.
- Ensure that the activities as are included in the CSR policy are undertaken.
- If SSL fails to spend the required amount, i.e. atleast 2% of the average net profits of the Company made during the immediately three preceding financial years, 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. and ensure that the requirements w.r.t. unspent amount whether for an ongoing project or otherwise are complied.

g. Role of CSR Committee

12. The CSR Committee shall consist of 3 or more Directors out of which atleast one Director shall be an Independent Director.

13. The role of the CSR Committee will be guided by the Act, Rules and any circulars / notifications issued by the MCA.

The role of CSR Committee shall include:

- Formulating and recommending to the Board of Directors the CSR policy and indicating activities to be undertaken.
- Recommending the amount of expenditure for the CSR activities.
- Monitoring CSR activities from time to time.

h. SHCIL Foundation Trust

14. As specified under the Regulation no.4 (2) of the CSR Rules, 2014, the Board of a Company may decide to undertake its CSR activities approved by the CSR Committee through a registered trust. As per the general circular no 21/ 2014 issued by the MCA dated June 18, 2014 a 'registered trust' would include trusts registered under the Income Tax Act.
15. SHCIL Foundation Trust is a public charitable trust with SHCIL (holding company of SSL) as a Settlor. The Trust is registered under Section 12(A) of Income Tax Act, 1961 for public charitable purposes.
16. Currently, the Trust with support from SHCIL Volunteers reaches out to the underprivileged and deprived sections of the Society by conducting Medical camps like breast cancer detection, eye check-up, bone density check-up, etc. Medicines are distributed free of cost to poor and needy patients with calcium deficiency, patients having symptomatic abnormalities are sent to a reputed medical centre for free mammography tests, etc. Free spectacles are distributed at these camps and poor & needy patients diagnosed with cataract or / and retina problems are operated upon free of cost. In the past, the Trust has also installed water coolers for the less privileged citizens and also distributed free books to the children of the deprived / underprivileged sections of the society.

i. CSR activities to be undertaken by SHCIL Foundation Trust on behalf of SSL

17. In accordance with the requirements of the Act, Rules and circulars issued by MCA from time to time and based on the past experience gained through the CSR activities carried out by SHCIL through its Trust viz., SHCIL. It is proposed that the CSR activities of SHCIL Foundation Trust on behalf of SSL include:

- i. Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation (including contribution to the swach bharat kosh set up by Central Govt. for promotion of sanitation) and making available safe drinking water (Point no.(i) of Schedule VII of the Act),
- ii. Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects; (point no.(ii) of Schedule VII of the Act.
- iii. 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 (including contribution to the clean Ganga fund set up by the Central Govt. for rejuvenation of river Ganga);
- iv. 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; (point no.(viii) of the Schedule VII of the Act).
- v. Any other area under Schedule VII of the Act.
- vi. If any unspent amount of CSR remain (except on going project undertaken by the Company) then the Company is required to transfer such unspent amount to a fund specified in schedule VII (Clean Ganga Fund, Prime Minister's National Relief Fund or any fund set up by the Central Government for socioeconomic development and relief and welfare of the Scheduled Castes, the Scheduled Tribe, Other Backward Classes, minorities and women, swach bharat kosh set up by Central Government for promotion of sanitation and making available safe drinking water). Any surplus arising out of the CSR activities shall not form part of the business profit of a company and shall be ploughed back to the same project or shall be transferred to the unspent CSR amount 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

- vii. In case of spends of an amount in excess of requirement, such excess amount may be set off against the requirement to spend up to immediate succeeding three financial years subject to the conditions that –
 - a) The excess amount available for set off shall not include the surplus arising out of the CSR activities, if any,
 - b) The board shall pass a resolution to that effect.

j. Action plan

18. The proposed CSR activities of SHCIL Foundation Trust and the action plan are as given below.

Sr. no.	CSR activities	Specific action plan
1	Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation, etc.	SHCIL Foundation Trust will carry out various medical camps on a pan India basis to help the under privileged, needy and deprived sections of the society which would also include free of cost distribution of medicines, tests, etc. For the said purpose, SHCIL Foundation Trust will involve with the local administration and partner with the government or other credible NGOs. In addition, donations would also be given to various credible and reputed NGOs involved in the said CSR activity.
2	Promoting education, including special education and employment enhancing vocation skills, etc.	SHCIL Foundation Trust’s focus on education would be to provide grants to various schools and colleges which

		assist students of less privileged backgrounds. SHCIL Foundation Trust will also involve itself in setting up sanitation facilities, toilets, drinking waters in schools and colleges catering to the needy, under privileged sections of the society. For the said purpose, SHCIL Foundation Trust will involve with the local administration and partner with the government or other credible NGOs. In addition, donations would also be given to various credible and reputed NGOs involved in the said CSR activity.
3	Any other areas under Schedule VII of Section 135 of the Companies Act, 2013.	SHCIL Foundation Trust will contribute towards any other areas under Schedule VII of the Companies Act, 2013.

k. Reporting and Disclosure

Annual Reporting

19. The Board’s report of SSL for the financial year commencing from 1st day of April 2014 shall include a report on CSR containing particulars as specified in **Annexure ‘1’** The format of CSR reporting in the annual report had undergone a change for the financial year commencing on or after April 1, 2020, copy enclosed at **Annexure ‘2’**.

Company Website

20. The Board of Directors of SSL, after taking into account the recommendations of CSR Committee, approve the CSR policy for the company 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.

**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 the 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 i. Local area or other ii. Specify the State and district where project or programs was undertaken	Amount outlay (budget) project or program-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

6. In case the Company has failed to spend the two per cent 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.

Sd/- (Chief Executive Officer or Managing Director or Director)	Sd/- (Chairman CSR Committee)
--	----------------------------------

Annexure '2'

Format for the Annual Report on CSR activities to be included in the Board's report
[FOR FINANCIAL YEAR COMMENCING ON OR AFTER 1st DAY OF APRIL, 2020]

1. Brief outline on CSR policy of the Company.
2. Composition of CSR Committee :

S.No	Name of the Director	Designation/Nature of Directorship	Number of meetings of CSR committee held during the year	Number of meetings of CSR committee attended during the year

3. Provide the weblink where Composition of CSR committee, CSR policy and CSR projects approved by the Board are disclosed on the website of the company.
4. Provide the details of impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility policy) Rules, 2014, if applicable (attach the report).
5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any.

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs.)	Amount required to be set-off for the financial year, if any (in Rs.)

6. Average net profit of the company as per section 135 (5).
7. (a) Two percent of average net profit of the company as per section 135(5).
 (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.
 (c) Amount required to be set off for the financial year, if any.
 (d) Total CSR obligation for the financial year (7a+7b – 7c).

8. (a) CSR amount spent or unspent for the financial year.

Total amount spent for the financial year (in Rs.)	Amount unspent (in Rs.)				
	Total amount transferred to unspent CSR account as per section 135 (6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount.	Date of transfer

(b) Details of CSR amount spent against ongoing projects for the financial year :

1	2	3	4	5		6	7	8	9	10	11	
Sl.no.	Name of the project	Item from the list of activities in Schedule VII to the Act	Local area (Yes / No.)	Location of the project		Project duration	Amount allocated for the project (in Rs.)	Amount spent in the current financial year (in Rs.)	Amount transferred to unspent CSR account for the project as per Section 135(6) (in Rs.)	Mode of implementation – Direct (Yes / No)	Mode of implementation – Through implementing agency	
				State	District						Name	CSR registration no.
	Total											

(c) Details of CSR amount spent against other than ongoing projects for the financial year :

1	2	3	4	5		6	7	8	
Sl.no.	Name of the project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project (in Rs.)	Mode of implementation Direct (Yes / No.)	Mode of implementation through implementing agency	
				State	District			Name	CSR registration no.

- (d) Amount spent in Administrative overheads
- (e) Amount spent on Impact Assessment, if applicable
- (f) Total amount spent for the financial year (8b+8c+8d+8e)
- (g) Excess amount for set off, if any

Sl.no.	Particular	Amount (in Rs.)
i.	Two percent of average net profit of the company as per section 135 (5)	
ii.	Total amount spent for the financial year	
iii.	Excess amount spent for the financial year [ii – i]	
iv.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	
v.	Amount available for set off in succeeding financial years [iii-iv]	

9. (a) Details of unspent CSR amount for the preceding three financial years :

Sl.no.	Preceding financial year	Amount transferred to unspent CSR account under section 135 (6) (in Rs.)	Amount spent in the reporting financial year (in Rs.)	Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any			Amount remaining to be spent in succeeding financial year (in Rs.)
				Name of the Fund	Amount (in Rs.)	Date of transfer	
	Total						

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s) :

1	2	3	4	5	6	7	8	9
Sl.no.	Project ID	Name of the project	Financial year in which the project was	Project duration	Total amount allocated for the	Amount spent in the project in the reporting	Cumulative amount spent at the end of reporting	Status of the project – completed / ongoing

			commented		project (in Rs.)	financial year (in Rs.)	financial year (in Rs.)	
	Total							

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details).

- (a) Date of creation or acquisition of the capital asset(s)
- (b) Amount of CSR spent for creation or acquisition of capital
- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.
- (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).

Sd/- (Chief Executive Officer or Managing Director or Director)	Sd/- (Chairman CSR Committee)	Sd/- [Person specified under clause (d) of sub-section (1) of section 380 of the Act] (wherever applicable)
--	-------------------------------------	--