

**SAURASHTRA CALCINE BAUXITE AND ALLIED INDUSTRIES
LTD**

[CIN: L14100GJ1995PLC025199]

CORPORATE SOCIAL RESPONSIBILITIES POLICY
[INCOMPLIANCE OF COMPANIES ACT, 2013 AND THE COMPANIES
(ACCOUNT OF COMPANIES) RULES, 2014]

1. INTRODUCTION:

Saurashtra Calcine Bauxite and Allied Industries Ltd (“the Company”) has always been committed to the cause of social service and has repeatedly channelized a part of its resources and activities, such that it positively affects the society socially, ethically and also environmentally. The Company is committed to take up various Corporate Social Responsibility (“CSR”) initiatives and enhanced value in the society.

With the commencement of the Companies Act, 2013 constitution of a Corporate Social Responsibility Committee (“CSR Committee”) of the Board and formulation of a Corporate Social Responsibility Policy became a mandatory requirement. Therefore, the Company seeks to formulate a formal CSR Policy which encompasses its philosophy and guides its sustained efforts for undertaking and supporting socially useful programs for the welfare & sustainable development of the society.

2. CSR OBJECT:

The main objective of CSR policy is to lay down guidelines for the companies to make CSR as one of the key business process for sustainable development for the Society. It aims at supplementing the role of the Government in enhancing welfare measures of the society based on the immediate and long term social and environmental consequences of their activities. Company will act as a good Corporate Citizen, subscribing to the principles of Global Compact for implementation.

The Company firmly believes that CSR is primarily, the responsibility of the Company in relation to the impact of its decisions and activities on the society and also the environment, through a transparent and ethical behavior which is:

- (a) consistent with sustainable development and welfare of society,
- (b) takes into account the expectations of stakeholders,
- (c) in compliance with applicable law, and
- (d) uniformly integrated and practiced throughout the Company.

3. SCOPE:

In furtherance of its CSR objects, the following are covered under this Policy:

- (a) CSR activities implemented by the Company on its own;

(b) CSR activities of the Company through an external trust/society.

4. DEFINITIONS:

In this Policy, unless the context otherwise requires:

- a. **“Act”** shall mean the Companies Act 2013, including any modifications, amendments or reenactment thereof.
- b. **“Agency”** (or Agencies) means any Section 8 Company or a registered trust/society/NGO/ institution, performing social services for the benefit of the society and excluding a registered trust/society/NGO/institution/Section 8 Company which is formed by the Company or its holding or subsidiary company/companies.
- c. **“Approved Budget”** shall mean the total budget as approved by the Board of the Company upon the recommendation of the CSR Committee, which is to be utilized for CSR Projects.
- d. **“Board”** shall mean the Board of Directors of the Company.
- e. **“Company”** shall mean Saurashtra Calcine Bauxite and Allied Industries Ltd and wherever the context requires, shall signify the Company acting through its Board.
- f. **“CSR Annual Plan”** shall mean the annual plan detailing the CSR expenditure for the year.
- g. **“CSR Committee”** shall mean the Corporate Social Responsibility Committee constituted by the Board of the Company in accordance with the Act, consisting of three or more directors, out of which at least one director shall be an independent director.
- h. **“CSR expenditure”** means all CSR expenditure of the Company as approved by the Board upon recommendation of the CSR committee, including the following:
 - i. contribution to CSR Projects which shall be implemented and/or executed by the Company;
 - ii. contribution to CSR Projects (including for corpus as required) which shall be implemented and/or executed by its Trust or Society; and
 - iii. contribution to CSR Projects (including for corpus as required) which shall be implemented and/or executed by an Agency.
 - iv. Any other contributions covered under Schedule VII to the Companies Act, 2013.

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

i. **“CSR Officer”** shall mean the whole time person engaged by the Company for activities envisaged in the CSR Policy; having due comprehension, understanding, drive and passion for such activities and designated as such.

j. **“CSR Policy”** shall mean the present Corporate Social Responsibility Policy of the Company, which covers the activities to be undertaken by the Company as specified in Schedule VII to the Act and the CSR Expenditure thereon.

k. **“CSR Projects” or “Projects”** means Corporate Social Responsibility projects/activities/ programs/ initiatives, instituted in India, either new or ongoing, and includes, but is not limited to those undertaken by the Board in pursuance of recommendations of the CSR Committee as per the declared CSR Policy of the Company. Projects/activities/ programs/ initiatives undertaken in pursuance of normal course of business of the Company and projects which benefit only the employees of the Company and their families shall not be considered as CSR Projects.

l. **“Financial Year”** shall mean the period beginning from 1st April of every year to 31st March of the succeeding year.

m. **“Net profit”** shall mean the net profit as per the Act and Rules based on which the specific percentage for CSR expenditure has to be calculated.

n. **“Rules”** shall mean the Companies (Corporate Social Responsibility) Rules 2014, including any re-enactment, modifications or amendments thereof.

o. **“Thrust Areas”** shall have the meaning as ascribed to them as per point V of the Policy.

5. THRUST AREA:

While the Company is eligible to undertake any suitable/rightful activity as specified in Schedule VII of the Act, however, at present, it proposes to undertake the relevant activities on priority basis in the following three Thrust Areas:

1.1 Community healthcare, sanitation and hygiene, including, but not limited to:

1. Establishment and management of state-of-the-art healthcare infrastructure with high level of excellence.

2. Providing financial and/or other assistance to the Agencies involved in exclusive medical research, public health, nursing etc.
3. Providing financial assistance to deserving people for specialized medical treatment in any medical institution.
4. Activities concerning or promoting: a. General health care including preventive health care, b. Safe motherhood, c. Child survival support programs, d. Health / medical camps, e. Better hygiene and sanitation, f. Adequate and potable water supply, etc.

1.2 Education and knowledge enhancement, including, but not limited to:

1. Establishment and management of educational and knowledge enhancement infrastructure.
2. Providing financial and/or other assistance to the needy and/or deserving students.
3. Providing financial assistance to any Agency involved in education, knowledge 5 enhancement and sports.
4. Facilitate enhancement of knowledge and innovation in the educational Agencies.
5. Contribution to technology incubators located within academic institutions which are approved by the Central Government.

1.3 Social care and concern, including, but not limited to:

1. Creating Public awareness
2. Protection and upgradation of environment including ensuring ecological balance and related activities.

3. Others:

a) Establishment and management of orphanages, old age homes, Sanatoriums, Dharmashalas and institutions of similar nature.

b) Providing assistance to institutes of credibility involved in areas of social care, including:

- Preservation of heritage;
- Animal welfare, social welfare and related matters;
- Orphanages, old age homes, Sanatoriums, Dharmashalas and institutions of similar nature.

c)Other humanitarian activities.

1.4 Contribution for eradicating extreme hunger and poverty, promotion of gender equality and empowering women and reducing child mortality and improving maternal health.

1.5 Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government or the State Governments for Socio-economic development and relief and fund for the welfare of the Scheduled Castes, the Schedule Tribes, other backward classes, minorities and women.

6. IDENTIFICATION OF CSR PROJECT:

1. CSR Projects need to be identified and planned for approval of the CSR Committee, in particular in Thrust Areas, with estimated expenditure and phase wise implementation schedules;

2. The Company shall ensure that in identifying its CSR Projects, preference shall be given to the local area and areas around which the Company (including its Units) operates. However, this shall not bar the Company from pursuing its CSR objects in other areas.

3. As a cardinal principle, the CSR Projects in Thrust Areas, shall be identified on the basis of a detailed assessment survey.

4. The CSR Officer may engage external professionals/firms/agencies if required, for the purpose of identification of CSR Projects.

7. IMPLEMENTATION OF CSR PROJECTS:

The Company shall implement the identified CSR Projects by the following means:

I. Direct Method

1. The Company may itself implement the identified CSR Projects presently within the scope and ambit of the Thrust Areas as defined in the Policy;

2. The Company may also implement the identified Projects through creation of Trust or Society which is involved in CSR activities, within the scope and ambit of the Thrust Areas as defined in the Policy;

3. The CSR Officer may engage external professionals/firms/agencies if required, for the purpose of implementation of its CSR Projects.

4. The Company, may collaborate with other companies, including its Group Companies if required, for fulfilling its CSR objects through the Direct method, provided that the CSR Committees of respective companies are in a position to monitor separately such CSR Projects.

II. Indirect Method

1. The Company may implement the identified CSR Projects through Agencies, subject to the condition that:

➤ The activities pursued by the Agency are covered within the scope and ambit of Schedule VII of the Act provided

→ The Agency has an established track record of at least three years in undertaking similar programs or projects, and

→ The Company has specified the Project to be undertaken through the Agency which shall preferably be in Thrust Areas, the modalities of utilization of funds on such Projects and the monitoring and reporting mechanism which shall be at least once in three months.

2. The Company may collaborate with other companies, including its holding, subsidiary as well as Associate Companies for fulfilling its CSR objects through the indirect method provided that the CSR Committees of respective companies are in a position to monitor separately such Projects.

8. MONITORING:

Monitoring process for CSR Projects shall include the following:

- Evaluation of Planned progress V/s Actual Progress'
- Actual expenditure V/s expenditure as per Approved Budget'

I. Fund allocation and others

A. Fund allocation

1. The Company, in every Financial Year, shall endeavor to spend the feasible amount, which shall not be restricted by the statutory limit of a specified

percentage of its average net profits of the immediately preceding three Financial Years. However, the aforementioned expenditure in any Financial Year shall be at least 2% of Company's average Net profits for the three immediately preceding Financial Years.

2. The CSR Committee shall prepare a CSR Annual Plan for the above which shall include:

- a. Identified CSR Projects
- b. CSR expenditure
- c. Implementation Schedules

3. Total expenditure in the CSR Annual Plan shall be approved by the Board upon recommendation by the CSR Committee;

4. In case the Company fails to spend the statutory minimum limit of 2% of Company's average net profits of the immediately preceding three years, in any given financial year, the Board shall specify the reasons for the same in its Director's Report of respective financial year in terms of clause (o) of sub-section (3) of section 134.

B. Others

1. The CSR Committee shall ensure that major portion of the CSR expenditure in the Annual Plan shall be for the Projects in the Thrust Areas. However, there shall not be any preference given to any particular Thrust Area for budgetary allocation and it shall be made purely as per the identified CSR Projects on need basis.

2. The Chairman or Managing Director or whole time Director of the Company is severally authorized to decide on Projects to be implemented through the Indirect Method within the allocation as per the Annual Plan.

3. Any surplus arising out of the CSR Projects shall not form a part of the business profit of the Company.

9. DUTIES AND RESPONSIBILITIES:

A. Board of Directors

The Board shall include in its annual report on CSR Projects as per the format provided in the Annexure to the Rules.

B. CSR Committee

- a) The CSR Committee shall monitor the implementation of the CSR Policy and CSR Plan. For this purpose, the CSR Committee shall meet at least once in a year and as and when required.
- b) In discharge of CSR functions of the Company, the CSR Committee shall be directly responsible to the Board for any act that may be required to be done by the CSR Committee in furtherance of its statutory obligations, or as required by the Board.
- c) The CSR Committee shall place before the Board the draft annual report as per the annexure prescribed under the Rules for finalization.
- d) The CSR Committee shall place before the Board 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 for inclusion in the Board's Report.
- e) The CSR Committee shall ensure that the CSR Policy and finalized Annual Plan are displayed on the Company's website.

C. CSR Officer

- a) The CSR Officer shall be responsible for the proper implementation and execution of CSR Projects of the Company.
- b) The CSR Officer shall be responsible for monitoring the Projects vis-à-vis the Annual Plan.
- c) The CSR Officer shall send CSR Annual Plan and the draft Annual Report as per the format in Rules.
- d) The CSR Officer shall communicate the relevant feedbacks received by him/her to the CSR Committee.
- e) The CSR Officer shall be directly responsible to the CSR Committee for any act that may be required to be done by the CSR Committee in accordance with the Policy.
- f) The CSR Officer shall be assisted by a select group of individuals who shall be exclusively dedicated and/or available on priority basis to the CSR Officer,

including in Units, as and when required in discharge of all or any of his functions as required under the CSR Policy.

10. REVIEW PERIODICITY AND AMENDMENT:

a) CSR Plan may be revised/modified/amended by the CSR Committee at such intervals as it may deem fit in consultation with Board.

b) The CSR Committee shall review the Policy from time to time unless such revision is necessitated earlier.

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.

Sr. No.	CSR Project or activity identified.	Sector in which the project is covered	Project or Program 1) Local area or other 2) Specify the State and district where projects or programs were undertaken	Amount outlay(budget) project or programs wise (In Rs.)	Amount spent on the projects or programs Sub-heads: 1.Direct on projects or programs- 2. Overheads:	Cumulative Expenditure upto the reporting period i.e. FY 2015-16	Amount spent Direct or through implementing Agency.
	Total						

→ **Give details of implementing agency:**

1. 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.

2. 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.

<hr/> Managing Director	<hr/> Chairman CSR Committee
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