



# **SURANA TELECOM AND POWER LIMITED**

(CIN- L23209TG1989PLC010336)

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## **CORPORATE SOCIAL RESPONSIBILITY POLICY**

### **A. PURPOSE**

The purpose of Surana Telecom and Power Limited's (SSL) Corporate Social Responsibility (CSR) Policy is to devise an appropriate strategy and focus for its CSR initiatives and lay down the broad principles on the basis of which it will fulfill its CSR objectives.

### **B. BACKGROUND**

Corporate Social Responsibility (CSR) has evolved during last few decades from simple philanthropic activities to integrating the interest of the business with that of the communities in which it operates. By exhibiting socially, environmentally and ethically responsible behavior in governance of its operations, the business can create value and long-term sustainability for itself while making positive contribution to the betterment of the society. It is recognized the world over that integrating social, environmental and ethical responsibilities into the governance of businesses ensures their long term success, competitiveness and sustainability. This approach also reaffirms the view that businesses are an integral part of society, and have a critical and active role to play in the sustenance and improvement of healthy ecosystems, in fostering social inclusiveness and equity, and in upholding the essentials of ethical practices and good governance.

### **C. LEGAL AND REGULATORY REQUIREMENTS**

This policy shall contain the approach and direction given by the Board of the Company, and include guiding principles for selection, implementation and monitoring of activities as well as formulation of the Annual Action Plan.

This policy, which encompasses the Company's philosophy for delivering its responsibility as a corporate citizen, is titled as the "CORPORATE SOCIAL RESPONSIBILITY POLICY". It has been prepared keeping in mind the Company's business ethics and to comply with the requirements of Companies Act, 2013 (hereinafter called as "the Act") and the Companies (Corporate Social Responsibility Policy) Rules, 2014 (hereinafter called as "CSR Rules"), as amended from time to time. This policy shall apply to all CSR initiatives and activities taken up at various locations of the Company, preferably in the vicinity where the Company carries out its business operations and for the benefit of different segments of the society, specifically the deprived, under-privileged.

## **D. CSR VISION STATEMENT**

- ❖ Partner with credible organizations like trusts, foundations etc. including non-government organizations;
- ❖ Develop meaningful and effective strategies or engaging with all stakeholders;
- ❖ Consult local communities to identify effective and culturally appropriatedevelopment goals;
- ❖ Conduct business in a true, fair and ethical manner and takes up theresponsibility to create a good impact in the society it belongs;
- ❖ Improving the quality of lives of people in the communities in which it operates;
- ❖ Measures for empowering marginalized and disadvantaged sections of the society particularly in the field of education and health care.

## **E. OBJECTIVES OF THE CSR POLICY**

The objectives of this policy are to -

- ❖ demonstrate commitment to the common good through responsible businesspractices and good governance;
- ❖ set high standards of quality in the delivery of services in the social sector bycreating robust processes and replicable models;
- ❖ to operate its business in an economically, socially and environmentallysustainable manner, while recognizing the interests of all its stakeholders.

## **F. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

### **Composition:**

The Corporate Social Responsibility Committee ('CSR Committee') shall consist of three or more Directors amongst whom at least one shall be an Independent Director.

*[Note: The Companies (Amendment) Act, 2020 vide Notification dated 28<sup>th</sup> September, 2020 (effective from 22<sup>nd</sup> January, 2021) has given relaxation to the Companies with respect to constitution of CSR Committee, if the amount to be spent by a company towards CSR does not exceed Rs. 50 lakhs in a financial year and the functions of such Committee shall be discharged by the Board of Directors. In view of this the Board of Directors may in case of the above scenario, dissolve the CSR Committee of your company and relieve the members of their duties. Thereafter, all the functions of the CSR Committeeshall be discharged by the Board of Directors. ]*

### **Meetings:**

The CSR Committee shall hold meeting as and when required, to discuss various issues on implementation of the CSR Policy of the Company.

## **Role of CSR Committee:**

The role and responsibility of the CSR Committee will be as under:-

- ❖ to 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 of the Companies Act 2013;
- ❖ to recommend the amount of expenditure to be incurred on various CSR activities in a financial year;
- ❖ to monitor the Corporate Social Responsibility Policy of the Company from time to time.
- ❖ to recommend the Board on the guiding principles for selection, implementation and monitoring of CSR activities.
- ❖ to formulate and recommend to the Board, an Annual CSR Action Plan in pursuance of its CSR policy.
- ❖ to recommend the Board to alter the Annual CSR Action Plan at any time during the financial year based on the reasonable justification to that effect.
- ❖ to decide on any other matter/thing as may be considered expedient by the members in furtherance of and to comply with the CSR Policy of the Company.
- ❖ to perform such other functions as may be delegated by the Board and/or mandated by any regulatory provisions from time to time.

## **G. RESPONSIBILITIES OF BOARD OF DIRECTORS**

The Board will be responsible for:

Approving the CSR policy as formulated by the CSR Committee and CSR Annual Action Plan of the Company in pursuance of its CSR policy, which shall include the following:

- ❖ the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Companies Act, 2013;
- ❖ the manner of execution of such projects or programmes as per CSR Rules;
- ❖ the modalities of utilization of funds and implementation schedules for the projects or programmes;
- ❖ monitoring and reporting mechanism for the projects or programmes; and details of need and impact assessment, if any, for the projects undertaken by the Company;
- ❖ ensuring that in each Financial Year the Company spends at least 2% of the average net profit made during the three immediately preceding Financial Years (*if applicable*);
- ❖ approve the CSR projects or programmes that are recommended to be undertaken in areas or subjects specified in the Act; along with the manner of execution of such

- projects or programmes as specified in the Act;
- ❖ ensuring that the CSR activities are undertaken by the Company itself or through a registered and eligible Implementing Agency as per CSR Rules;
  - ❖ ensuring that in every Financial Year, funds committed by the Company for CSR activities are utilized effectively, and implementation is monitored on regular basis and the Chief Financial Officer or the person responsible for financial management shall certify to the effect;
  - ❖ ensuring disclosure of the composition of the CSR Committee, and CSR Policy and Projects approved by the Board on their website, if any, for public access;
  - ❖ altering the CSR Annual Action Plan at any time during the financial year, as per the recommendation of its CSR Committee, based on reasonable justification to that effect;
  - ❖ ensuring that the administrative overheads shall not exceed 5 % of total CSR expenditure of the Company for the financial year;
  - ❖ monitor the implementation of ongoing projects, if any carried forward from earlier years, and make modifications in such projects to ensure smooth implementation of the project within permissible time period;
  - ❖ in case of excess CSR Spend in any year, to decide on set off of excess amount against the requirement to spend in the three immediate succeeding financial years, in accordance with the provisions of the Act and CSR Rules;
  - ❖ as per Section 135 of the Companies Act, 2013, the reasons for under spending of the allocated CSR budget shall be specified in the Board's Report.

## **H. CSR ALLOCATION & EXPENDITURE**

For achieving its CSR objectives through implementation of meaningful & sustainable CSR programmes, the Company will allocate at least 2% of its average net profits made during the 3 (Three) immediately preceding financial years as its Annual CSR Budget.

The Annual CSR Budget shall be spent on projects / activities as laid down in this Policy.

### ***Administrative Overheads:***

“Administrative Overheads” expenses incurred by the Company will be used for ‘General Management & Administration’ of the Corporate Social Responsibility functions in the Company but shall not include the expenses directly incurred for the designing, implementation, monitoring, and evaluation of a particular Corporate Social Responsibility project or programme.

### ***Surplus of CSR Activities:***

Any surplus arising out of the CSR activities shall not form part of the business profit of the Company and shall be ploughed back into the same project or shall be transferred to

the Unspent CSR Account 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 of the Act, within a period of six months of the expiry of the financial year.

***Excess CSR Spent:***

Where the Company spends an amount in excess of requirement, such excess amount may be set off by the Board against the requirement to spend up to immediate succeeding three financial years subject to the conditions that :

- i. the excess amount available for set off shall not include the surplus arising out of the CSR activities, if any;
- ii. the Board of the Company shall pass a resolution to that effect.

***Creation or Acquisition of Capital Assets:***

CSR amount may be spent by the Company for creation or acquisition of a Capital Asset which shall however, be held by either:

- i. Company established under Section 8 of the Act, or a Registered Public Trust or Registered Society, having charitable objects and CSR Registration Number under the CSR Rules;
- ii. Beneficiaries of the CSR Project, in the form of self-help groups, collectives, entities;
- iii. A Public authority.

***I. CSR ACTIVITIES:***

1) The CSR Activities which may be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013 will include the following:-

- i) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the SwachBharat 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 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 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 art and handicrafts;
- vi) Measures for the benefit of armed forces veterans, war widows and their dependents, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows;
- vii) Training to promote rural sports, nationally recognised sports, Paralympic sports and Olympic sports;
- viii) Contribution to the Prime Minister's national relief fund or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) or any other fund set up by the central govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;
- ix) (a) Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the 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 Homoeopathy (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) and 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;
- xi) slum area development;
- Explanation.* - For the purposes of this item, the term '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.
- xii) disaster management, including relief, rehabilitation and reconstruction activities;

xiii) Any other CSR Activity including projects/ programmes as may be notified by the Government from time to time.

2) The activities mentioned above are to be interpreted liberally so as to capture the essence of the same. These areas are only illustrative and not exhaustive. The initiatives by the Company in the above fields will include contribution to various projects engaged in these areas;

3) 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.

4) Though the Company would give preference to local area and areas around the Company for spending the amount earmarked for CSR, it would also work for the upliftment of the underprivileged at large.

5) The CSR projects or programs or activities undertaken by the Company as per the Company's CSR Policy in India only, subject to the relaxations under the CSR Rules, shall amount to CSR Expenditure in accordance with the provisions of the Act.

#### **J. TRANSFER OF UNSPENT CSR AMOUNT**

Until a separate fund is specified by the Government, the unspent CSR amount, if any, shall be transferred by the Company to a fund specified in Schedule VII of the Act, within a period of six months of the expiry of the financial year.

Amount remaining unspent pursuant to an ongoing project shall be transferred within a period of thirty days from the end of the financial year to the Unspent Corporate Social Responsibility Account and such amount shall be spent by the company in pursuance of

it's obligation towards the CSR Policy within a period of three financial years from the date of such transfer, failing which, the company shall transfer the same to a Fund specified in Schedule VII of the Act, within a period of thirty days from the date of completion of the third financial year.

#### **K. IMPLEMENTATION**

The process for implementation of CSR programmes will involve the identification of programmes at Corporate and Unit level of the Company and the same will be done by means of the following:

A. Receipt of proposals/requests from Units/District Administration/local Govt./NGO/Trust/Society/Institution etc. and assessment of the same.

B. Discussions with local representatives/Civic bodies/Citizen's forums etc.

C. CSR programmes as may be identified at Corporate Office or at Unit level will be required to be put up to the CSR Committee of the Board.

Very often, for CSR initiatives involving large capital outlays, there is potential for public-private-partnership where the appropriate Government makes available land/other infrastructure free or at concessional rates, in the larger interests of the society. In order to ensure that there is transparency and credibility and that the State / Central Govt. grants of land and/or other resources are indeed for larger public good and not designed to benefit a Company, it is appropriate to undertake these projects through a distinct and separate legal entity such as a Trust/Society etc., rather than the Company itself. The activities and expenditure of such trusts/societies are regulated in terms of the requirements of Income Tax Act, 1961 for maintaining eligibility for tax deductibility of the donor Company. *The Company may make contributions to the trusts/societies for CSR initiatives to be undertaken by them. Such contributions to the trusts/societies will be made either to the corpus or otherwise for planned projects/activities or for future initiatives to be undertaken by them as per their objectives.*

Further, all eligible entities covered in Rule 4 of the CSR Rules through which the Company intends to undertake any CSR Activity shall have registration certificates, as applicable under various laws, rules, regulations and statutes.

#### **L. MONITORING AND FEEDBACK**

To ensure effective implementation of the CSR programmes undertaken at each Unit, a monitoring mechanism will be put in place by the Unit head. The progress of CSR programmes under implementation at the Unit will be reported to Corporate Office on a regular basis.

In respect of the contributions made to various societies/trusts for the CSR activities, BIL will obtain commitment from the trusts/societies that it shall utilize its funds solely for the projects/activities identified. SSL shall have the right to ask the said trusts/societies to provide requisite details to show that the contribution made by SSL have been spent on the earmarked projects.

The CSR activities of the Company will be included in the Directors' report as prescribed in Section 135 of the Companies Act, 2013 and the Rules made there under. A copy of the CSR Policy and CSR Projects approved by the Board will also be placed on the Company's website.

#### **M. ENGAGEMENT OF INTERNATIONAL ORGANISATIONS**

The Company may engage international organization(s) for designing, monitoring and evaluation of the CSR projects or programmes as well as for capacity building of its personnel for CSR.



## **N. IMPACT ASSESSMENT**

1. If the Company has an average CSR obligation of ten crore rupees or more, in the three immediately preceding financial years, it shall undertake impact assessment, through an independent agency, of their CSR projects having outlays of one crore rupees or more, and which have been completed not less than one year before undertaking the impact study.
2. The impact assessment reports, if applicable, shall be placed before the Board and shall be annexed to the annual report on CSR.
3. Impact assessment, if applicable, may be booked as the expenditure towards Corporate Social Responsibility for that financial year, which shall not exceed five percent of the total CSR expenditure for that financial year or fifty lakh rupees, whichever is less.
4. Details of need and impact assessment, if applicable for the projects undertaken by the Company will be included in the CSR Annual Action Plan.

## **O. GENERAL**

Words and expressions used but not defined in this Policy shall have the same meaning assigned to them in the Companies Act, 2013, the CSR Rules made thereunder or in any amendment thereto. This CSR Policy shall also be subject to such clarifications and FAQs as may be issued by Ministry of Corporate Affairs from time to time.

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

The CSR Policy would be subject to revision/amendment in accordance with the guidelines as may be issued by the Government, from time to time.

The Company reserves the right to modify, add, or amend any of the provisions of this policy, subject to approval of the Board.

In case of any subsequent changes in the provisions of the Act which makes any of the provisions in this Policy inconsistent with the Act, then the provisions of the Act would prevail over the Policy and the provisions in the Policy would be modified in due course to make it consistent with the Act.

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