

SURYA

SURYA ROSHNI LIMITED

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Corporate Social Responsibility Policy

CORPORATE SOCIAL RESPONSIBILITY POLICY

Corporate Social Responsibility (CSR) builds a dynamic relationship between a company on one hand and the society and environment on the other. CSR is traditionally driven by a moral obligation and philanthropic spirit. Over time, it has become an integral part of business. Surya Roshni Limited (“Surya Roshni” or “Company”) has been engaged in charities and philanthropic activities, along with a number of others social activities. The key objective is to promote education, fight against hunger, provide medical relief help in combating chronic disease and addressing environmental issues.

The Board of Directors of Surya Roshni has the responsibility of formulating the Corporate Social Responsibility Policy (“Policy”) for the Company, identifying & addressing the progress achieved in the area of Corporate Social Responsibility (“CSR”) & fostering a culture of global responsibility that contributes to the creation of value& making CSR a key business process for sustainable development of the society.

1. SHORT TITLE & APPLICABILITY

This Policy describes and contains the Company’s philosophy for delivering its responsibility as a corporate citizen and lays down the guidelines, process and mechanisms for undertaking socially useful programmes for welfare and sustainable development of the community at large. Titled as the “**Surya Roshni Limited CSR Policy**”, this Policy has been prepared keeping in mind the Company’s business ethics and the requirements of the Companies Act, 2013 (hereinafter called as “the Act”) and the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time. Notwithstanding any provision mentioned in this Policy, any change thereto with respect to the legal framework of Corporate Social Responsibility as specified in Section 135 of the Companies Act, 2013 read with relevant rules, shall have effect including the statutory amendment and modifications thereto in the legal provisions.

2. DEFINITIONS

2.1 ‘**Act**’ means the Companies Act, 2013;

2.2 ‘**Administrative Overhead**’ means the expenses incurred by the company for ‘general management and administration’ of 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;

2.3 ‘**Board**’ means the Board of Directors of Surya Roshni Limited;

2.4 ‘**Company**’ means Surya Roshni Limited;

2.5 ‘**Corporate Social Responsibility (CSR)**’ means the activities undertaken by a Company in pursuance of its statutory obligation laid down in section 135 of the Act in accordance with the provisions contained in these rules, but shall not include the following, namely: -

- a) activities undertaken in pursuance of normal course of business of the company;
- b) any activity undertaken by the company outside India except for training of Indian sports personnel representing any State or Union territory at national level or India at international level;

- c) contribution of any amount directly or indirectly to any political party under section 182 of the Act;
- d) activities benefitting employees of the company as defined in clause (k) of section 2 of the Code on Wages, 2019 (29 of 2019);
- e) activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services;
- f) activities carried out for fulfilment of any other statutory obligations under any law in force in India;

2.6 **'CSR Expenditure'** shall include all expenditure including contribution to corpus, or on projects or programs relating to CSR activities specified in this policy as approved by Board on recommendation of CSR Committee;

2.7 **'CSR Committee'** means the committee constituted under the provisions of Section 135 of the Act;

2.8 **'Directors'** shall mean the directors of the Company;

2.9 **'Net profit'** means the net profit of a Company as per its financial statement 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 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.

2.10 **"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;

3 CSR VISION STATEMENT & OBJECTIVE

Corporate Social Responsibility is a form of corporate self-regulation integrated into a business model. Therefore, the Policy will function as a built-in, self-regulating mechanism whereby the business will monitor and ensure its active compliance with the spirit of law, ethical standards and international norms. The main objective of the Policy is to establish the basic principles and the general framework of action for the management to undertake and fulfil its corporate social responsibility.

4 CORPORATE SOCIAL RESPONSIBILITY

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

Quorum: The quorum for a meeting of the Committee on CSR shall be one-third of its total strength (any fraction contained in that one-third being rounded off as one), or two members, whichever is higher.

Sitting Fee: The sitting fees for attending the meeting shall be determined from time to time by the Board of Directors.

Role of CSR Committee

- a. To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company in areas or subjects as specified in Schedule VII of the Act ;
- b. To recommend the amount of expenditure to be incurred on the activities referred to in clause (a) in a financial year; To monitor the Corporate Social Responsibility Policy of the company from time to time. To formulate and recommend to the Board for its approval, an annual action plan every financial year in pursuance of its CSR policy, which shall include the following, namely:-
 - i. the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
 - ii. the manner of execution of such projects or programmes as specified in sub-rule (1) of rule 4 of the Rules;
 - iii. the modalities of utilisation of funds and implementation schedules for the projects or programmes;
 - iv. monitoring and reporting mechanism for the projects or programmes; and
 - v. details of need and impact assessment, if any, for the projects undertaken by the company;
- c. 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 and/or specified under the Act and the rules made thereunder.
- d. recommend to alter annual action plan at any time during the financial year, based on the reasonable justification to that effect.
- e. recommend to appoint the impact assessment agency.
- f. recommend International Organisations for designing, monitoring and evaluation of the CSR projects or programmes as per this Policy as well as for capacity building of Company's own personnel for CSR.
- g. After monitoring the implementation of the Online Project with reference to the approved timelines and yearwise allocation, recommend to the Board of a Company to make modifications, if any, for smooth implementation of the project within the overall permissible time period.

5 RESOURCES

For achieving its CSR objectives through implementation of meaningful and sustainable CSR programs, the Company will allocate 2% of its average net profits made during the 3 immediately preceding financial years as its Annual CSR Budget.

The Annual CSR Budget shall be spent on CSR projects or programmes approved by the Board in accordance with this Policy. CSR expenditure shall include all expenditure including contribution to corpus of flagship projects, projects or programs relating to CSR activities as per CSR policy, but does not include any expenditure on an item not in conformity with the CSR Policy.

6 CSR ACTIVITIES

The scope of the CSR activities of the Company will cover the following areas but not be limited to the same and may extend to other specific projects/ programs as permitted under the law from time to time:

- a. Eradicating hunger, poverty and malnutrition;
- b. Promoting health care
- c. Making available safe drinking water & Sanitation;
- d. Promoting education
- e. Enhancing vocational skills & livelihood enhancement projects;
- f. Women empowerment;
- g. Promoting of home and hostels for women and orphans;
- h. Reducing inequality faced by socially and economically backward groups;
- i. Animal welfare /animal care;
- j. Promoting Art & Culture;
- k. Contribution to Prime Minister Relief Fund;
- l. Rural development projects; and
- m. Any other areas as may be identified by the CSR Committee from time to time.

7 UTILIZATION OF FUND

The CSR projects or programs or activities undertaken by the Company as per this Policy in India only, shall amount to CSR Expenditure in accordance with the provisions of sub-section (5) of section 135 of the Act.

The Company will prefer to take up projects for spending the amount earmarked for CSR at local areas and regions where the Company operates.

All expenses and contributions for CSR projects or programmes will be made after approval from Board of Directors of the Company upon recommendation of the CSR Committee. The Board will ensure that the expenses/contribution and donation will be in full compliance of the CSR Policy.

While approving any CSR project or programme, the Board of Directors of the Company shall determine, whether it will be an Ongoing Project or otherwise. For Ongoing Projects, the Company will open a CSR Unspent Account and shall transfer the amount which remains unspent on the Ongoing Project during the said financial year, in the CSR Unspent Account within 30 days of closure of financial year and such amount shall be utilized for the said Ongoing Project 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, within a period of thirty days from the date of completion of the third financial year. . Where the unspent amount relates not to Ongoing Project, transfer such unspent amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.

Ongoing Projects will be treated as '*Flagship CSR Program*'

Further while approving any CSR Project or programme which will be treated as an Ongoing Project, the Board shall lay down the following:

- Estimated budget outlay on CSR project or programme during the course of its implementation
- Estimated budget outlay during every financial year.
- Manner of implementation

In case of multiple Ongoing Projects, Unspent CSR Account shall be opened for each project separately for better implementation.

In case of CSR projects or programmes, which are not Ongoing Projects, the Board shall endeavour to spend the complete such projects or programmes during the relevant financial year. In case for any reason(s), such projects or programmes will go beyond one year then Board shall re-categories such projects or programmes as Ongoing Projects.

The requirement of categorizing CSR projects or programmes as Ongoing Projects or otherwise, shall not be required where such projects or programmes are carried through any implementing agency outlined in this Policy

8 SURPLUS ARISING FROM CSR ACTIVITY

The surplus arising from CSR projects, programs or activities shall not form part of the business profit of the Company and shall within a period of six months of the expiry of the financial year be treated in the following manner:

- a. ploughed back into the same project or
- b. shall be transferred to the Unspent CSR Account opened by the Company, from which the said amount shall be spent in pursuance of CSR policy and annual action plan of the Company or
- c. such surplus will be transferred to a Fund specified in Schedule VII to the Act,

9 OFFICERS FOR IMPLEMENTATION

The Company shall appoint officers at its business places (Units & Corporate Office) to undertake, supervise and monitor the CSR activities and expenditures. Such officers will be responsible to ensure that the expenditures are made in full compliance with this policy. They will submit periodical report to the Committee.

10 ADMINISTRATIVE OVERHEADS

The Company shall ensure that the concerned officers of the Company have CSR capacities of their own and if required, they will be given the requisite training to undertake these tasks. However, the total Administrative Overheads shall not exceed five percent of total CSR expenditure of the Company during any financial year.

11 AGENCY FOR IMPLEMENTATION

The Company may undertake its CSR activities approved by the CSR Committee directly or through:

- a) a company established under section 8 of the Act, or a registered public trust or a registered society, exempted under sub-clauses (iv), (v), (vi) or (via) of clause (23C) of section 10

- or registered under section 12A and approved under 80 G of the Income Tax Act, 1961 (43 of 1961), established by the company, either singly or along with any other company, or
- b) a company established under section 8 of the Act or a registered trust or a registered society, established by the Central Government or State Government; or
 - c) any entity established under an Act of Parliament or a State legislature; or
 - d) a company established under section 8 of the Act, or a registered public trust or a registered society, registered under sub-clauses (iv), (v), (vi) or (via) of clause (23C) of section 10 or registered under section 12A and approved under 80G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities.

12 IMPLEMENTATION PROCESS

The CSR Committee shall formulate and recommend to the Board, an annual action plan for proposed CSR expenditure. Upon the recommendation of CSR Committee, the Board may alter such plan at any time during the financial year.

- 12.1 The CSR projects or programmes that will be required to be undertaken by the Company and which shall form part of the annual action plan, will be identified in the following manner
 - Company may engage professional institutions/agencies to identify the CSR program in line with the Policy;
- 12.2 Internal need assessment by cross functional teams at the local level;
- 12.3 Receipt of proposals/requests from charitable institutions and NGOs;
- 12.4 Suggestions from the Board of Directors/senior management level;

13 IMPACT ASSESSMENT

- 13.1 In case the Company's average CSR expenditure obligation is 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.
- 13.2 The impact assessment reports shall be placed before the Board and shall be annexed to the annual report on CSR.
- 13.3 The Board on the recommendation of the CSR Committee shall appoint the impact assessment agency.
- 13.4 Any expenditure incurred on impact assessment may also be booked towards Corporate Social Responsibility for that financial year, which shall not exceed two percent of the total CSR expenditure for that financial year or fifty lakh rupees, whichever is higher.

14 TIME AMBIT PROGRAMME

- 14.1. CSR projects or programmes may be undertaken by various work centers i.e. corporate office, units and other business places of the Company in India to the best possible extent within the defined ambit of the identified Project/ Program.
- 14.2. The time period/duration over which a particular program will be spread, will depend on its nature, extent of coverage and the intended impact of the program.

15 MONITORING AND FEEDBACK

- 15.1 To ensure effective implementation of the CSR programs undertaken at each work center, a monitoring mechanism will be put in place by the work center head. The progress of CSR programs under implementation at work center will be reported to corporate office on a monthly basis.
- 15.2 The report on progress on the CSR program undertaken by the Company will be put forward to the CSR Committee with full details of cost incurred and results achieved on a regular basis
- 15.3 Work centers and zonal office will try to obtain feedback from beneficiaries about the programs implemented at the area.
- 15.4 Appropriate documentation of the Company's CSR activities, executing partners, and expenditure entailed will be undertaken on a regular basis.
- 15.5 In case of Ongoing Project, the Board shall monitor the implementation of the project with reference to the approved timelines and year-wise allocation and shall be competent to make modifications, if any, for smooth implementation of the project within the overall permissible time period.
- 15.6 The Company may engage any third party to monitor and supervise the implementation of CSR projects or programmes
- 15.7 At the end of every financial year, the CSR Committee shall submit requisite information and documents to report the progress of implementation of the CSR projects or programmes approved by the Board, to the Board. Further the Chief Financial Officer shall certify to the Board every financial year, that the funds disbursed towards CSR expenditure have been utilised for the purposes.

16 CARRY FORWARD OF EXCESS CSR EXPENDITURE

The Board may during any financial year, approve to spend CSR expenditure beyond the CSR obligation for that particular financial year provided the overall CSR expenditure during any financial year shall not exceed 3% of the average net profits of the Company for preceding three financial year provided that the excess amount available for set off shall not include the surplus arising out of the CSR activities, if any, and the Board of the company shall pass a resolution to that effect.

Such excess CSR spend shall be carried forward for setting-off against the CSR obligation of the Company for immediate succeeding three financial years.

17 DISCLOSURE

- 17.1 The Board's report, being a part of the Annual Report shall disclose the composition of the Corporate Social Responsibility Committee, the contents of such policy and the CSR initiatives undertaken in accordance with format prescribed under the Act. This CSR Policy shall also be placed on the website of the Company.
- 17.2 The composition of the CSR Committee, CSR Policy and Projects approved by the Board shall mandatorily be disclosed on the website of the company and be updated on regular intervals, for public access.

18 MISCELLENEUOS

In case of any doubt with regard to any provision of the Policy and also in respect of matters not covered herein, a reference shall be made to CSR Committee. In all such matters, the interpretation & decision of the Committee shall be final. Any or all provisions of the CSR Policy would be subject to revision / amendment in accordance with amendment in the applicable law and the guidelines on the subject as may be issued from Government, from time to time. The CSR Committee reserves the right to modify, add, or amend any of provisions of this Policy subject to approval of the Board.
