

Corporate Social Responsibility



Corporate Social Responsibility (CSR) Policy

Sudhir Power Limited (SPL)
(formerly known as Sudhir Gensets Limited)
Registered office: 507, International Trade Tower,
Nehru Place, New Delhi – 110019
CIN: U74899DL1995PLC073261

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1. Introduction

a) CSR concept and meaning

CSR is a means by which a company manages its business in a manner which leaves positive impact on society.

b) CSR in India

CSR in India has traditionally been seen as a philanthropic activity. While the corporate houses have been traditionally engaged in doing CSR activities voluntary, the new CSR provisions put formal and greater responsibility on companies to set out clear framework and process to ensure strict compliance.

The new Companies Act, 2013, has introduced the idea of CSR to the forefront, according to which every such Company which either has a net worth of INR 500 Crore or Turnover of INR 1000 Crore or Net Profit of INR 5 Crore has to comply with the CSR provisions and through its "Comply-or-Explain" mandate, it mandates qualifying companies to constitute Corporate Social Responsibility Committee to effectively monitor CSR activities of the Company.

c) SPL Philosophy

SPL strives to be socially responsible Company and strongly believes in development which is beneficial for the society at large. As a corporate citizen receiving various benefits out of society, it is our co-extensive responsibility to pay back in return to the society in terms of helping needy people, keeping the environment clean and safe for the society by adhering to the best industrial practices and adopting best technologies, and so on. It is the Company's intent to make a positive contribution to the society in which the company lives and operate. The Company's focus has always been to contribute to the sustainable development of the society and environment, and to make our planet a better place for future generations. CSR initiatives undertaken by the Company will be independent of the normal conduct of our business. Programmes, projects and activities (collectively "CSR Programmes") carried out in this regard are the subject matter of this Policy.

2. Objective and Scope

a) Objective

The newly introduced Companies Act, 2013 by virtue of Section 135 (3) casts responsibility on the CSR committee of a company 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. SPL CSR Policy is framed to meet the obligation casted by the law and to also lay down standards, guidance and mechanism to focus on CSR activities.

The **objectives** of this policy are to –

- Demonstrate commitment to the common good through responsible business practices and good governance
- Actively support the state’s development agenda to ensure sustainable change
- Set high standards of quality in the delivery of services in the social sector by creating robust processes and replicable models.
- Engender a sense of empathy and equity among employees of SPL to motivate them to give back to the society.

b) Scope / Focus Areas

The scope of SPL CSR programmes will be, inter alia, towards achieving one or more of the following activities which will be within the ambit of the activities specified in Schedule VII of the Companies Act, 2013:

- Eradicating hunger, poverty and malnutrition, promoting healthcare including preventive healthcare and sanitation and including contribution to the Swach Bharat Kosh set-up by the central government for the promotion of sanitation and making available safe drinking water;
- Promoting education, including special education and environmental enhancing vocational skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
- Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age home, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
- 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;
- 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;
- 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]

- Training to promote rural sports, nationally recognised sports, paralympic sports and olympic sports;
- 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 Government for socio-economic development and relief and welfare of the scheduled castes, the scheduled tribes, other backward classes, minorities and women;
- 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
- 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).]
- Rural development projects;
- Slum area development.
- disaster management, including relief, rehabilitation and reconstruction activities.

The committee constituted under Section 135 (1) of the Companies Act, 2013 shall review the policy from time to time and recommend to the Board of any addition/ deletion/ substitution in the activities enlisted above.

Note: Apart from above, Sudhir Power also contribute to the welfare of ACID Survivors and Contribution given to Iskon for its ongoing activities of "Food for Life" & Meditation Programs & many more.

3. Definitions

a) Board of Director or Board means the Board of Directors of the Company, as constituted from time to time;

b) Company means a Company incorporated under the Companies Act, 2013 or under any previous Company Law;

c) CSR Programmes means Programmes, projects and activities carried out in this regard are the subject matter of this policy;

d) Corporate Social responsibility Committee or Committee means CSR Committee constituted by the Company, from time to time;

e) Independent Director means a director of the Company, not being a whole time director and who is neither a promoter nor belongs to the promoter group of the Company and who satisfies other criteria for independence under the Companies Act, 2013;

f) Policy means Corporate Social Responsibility Policy.

Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013 or any other applicable regulation.

4. CSR Committee

a) Constitution

At SPL our CSR will be headed by the board level CSR committee that will be ultimately responsible for the CSR projects undertaken. The committee will report to our Board of Directors. The Board of Directors of SPL has constituted a CSR committee consisting of 3 members, namely:

S. No.	Name	Designation in CSR Committee	Designation/Category in Board
1.	Mr. Sudhir Seth	Chairman	Chairman & Managing Director/Executive
2.	Mr. Rahul Seth	Member	Joint managing Director/Executive
3.	Mr. Pankaj Renjhen	Member	Independent Director/ Non Executive

The Board of Directors shall review the constitution of CSR committee from time to time and may make necessary changes therein.

b) Powers/ Responsibilities of committee

- Formulate & update CSR Policy and recommend the same to the Board of Directors of the Company for approval;
- Recommend CSR activities as stated under Schedule VII of the Act;
- Recommend the CSR Budget;
- Spend the allocated CSR amount on the CSR activities once it is approved by the Board of Directors of the Company in accordance with the Act and the CSR Rules;
- Submit the Reports to the Board in respect of the CSR activities undertaken by the Company;
- Monitor CSR Policy from time to time.

c) Meetings of committee

- The meeting of the Committee shall be held at such regular intervals as may be required;
- CSR committee may invite members of senior management and other persons as it deems necessary to the committee meetings.

5. Implementation of CSR Activities

- The CSR activities will be undertaken by various work centers of SPL to the best possible extent within the defined ambit of the above identified activities under the guidance of the CSR Committee;
- The CSR activities enlisted above may also be undertaken through a registered trust or a registered society or a Company established under section 8 of the Act or any other body permitted or may be permitted by the legislation.
- The CSR committee shall specify the modalities of execution of such project or programs and implementation schedules for the same.

6. Monitoring and review mechanism

The CSR committee shall institute a transparent monitoring mechanism for implementation of the CSR projects, programs and activities in India. The administration of the CSR policy and the execution of the identified CSR projects, programs and activities under it shall be carried out jointly by the members of committee under the overall superintendence and guidance of the committee chairman.

7. Governance

- Every year, the CSR Committee may place for the Board's approval, a CSR Plan delineating the CSR Programmes to be carried out during the financial year and the specified budgets thereof. The Board will consider and approve the CSR Plan with any modification that may be deemed necessary
- The CSR Committee will assign the task of implementation of the CSR Plan within specified budgets and timeframes to such persons or bodies as it may deem fit.
- The persons/bodies to which the implementation is assigned will carry out such CSR Programmes as determined by the Committee within the specified budgets and timeframes and report back to the Committee on the progress thereon at such frequency as the Committee or committee member/s may direct.
- The Committee shall review the implementation of the CSR Programmes and issue necessary directions from time to time to ensure orderly and efficient execution of the CSR Programmes in accordance with this Policy.
- At the end of every financial year, the CSR Committee will submit its report to the Board.
- SPL will give preference to the local area and areas around it where it operates, for spending the amount earmarked for Corporate Social Responsibility activities.

8. Expenditure

- CSR expenditure will include all expenditure, direct and indirect, incurred by the Company on CSR Programmes undertaken in accordance with the approved CSR Plan;
- The Board of SPL to ensure that at least 2% of the average net profits of the company made during the three immediately preceding financial years is spent on CSR initiatives undertaken by SPL;
- All expenditure towards the programs will be diligently documented;
- In case at least 2% of average net profit of the last 3 years is not spent in a financial year, reasons for the same to be specified in Board report.

9. Location

All CSR projects/ programs under this policy shall be undertaken in India. The CSR Committee shall decide on locations for implementation of the CSR projects/ programs.

10. Treatment of surplus from CSR projects

The surplus, if any, generated out of the CSR projects or programmes or activities undertaken by us will be tracked & channelized into our CSR activities and shall not form part of the business profit of the Company.

11. CSR through registered Trust, Society or otherwise

The Board of Directors of the Company may decide to undertake CSR activities approved by the CSR committee, through a registered trust or a society or a company established under section 8 of the Act by the Company, either singly or along with its holding or subsidiary or associate Company, or along with any other Company or holding or subsidiary or associate Company of such other Company, or otherwise. Provided that:

- If such trust, society or company is not established by the company, either singly or along with its holding or subsidiary or associate Company, or along with any other Company or holding or subsidiary or associate Company of such other Company, it shall have an established track record of three(3) years in undertaking similar programs or projects;
- The company has specified the project or programs to be undertaken through these entities, the modalities of utilization of funds on such projects and programs and the monitoring and reporting mechanism.

12. CSR Reporting and Display

The Company shall include in the Annual Report the details about the policy developed and implemented by the Company on CSR initiatives taken during the year, and disclose the contents of such policy in its report as specified in the Annexure to the Companies (CSR Policy) Rules, 2014 and display the same on the Company's website.

13. Policy Review

The committee may & if required, will annually review the CSR Policy and make suitable changes as may be required and submit the revised policy for the approval of the Board.