

# **SIMMONDS MARSHALL LIMITED**

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## **CORPORATE SOCIAL RESPONSIBILITY POLICY**

Corporate Social Responsibility (CSR) builds a dynamic relationship between a company, the society and environment. CSR is traditionally driven by a moral obligation and philanthropic spirit. **Simmonds Marshall Limited** has been engaged has contributed funds for the schemes of eradicating hunger and poverty; promotion of education and medical aid. The company has also undertaken schemes of distribution food to the poor directly as part of the CSR initiative.

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, notified by the Ministry of Corporate Affairs vide Notification dated 27th February, 2014.

### **CSR VISION STATEMENT & OBJECTIVE**

Through sustainable measures, actively contribute to the Social, Economic and Environmental Development of the community in which we operate ensuring participation from the community and thereby create value for the nation.

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.

### **CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

#### **Composition:**

The Corporate Social Responsibility Committee consists of Three Independent Directors.

#### **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:**

The role of CSR Committee is:

- a. 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;
- b. To recommend the amount of expenditure to be incurred on the activities referred to in clause (a) in a financial year;
- c. To monitor the Corporate Social Responsibility Policy of the company from time to time.
- d. 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.

The Board of Directors shall, after taking into account the recommendations made by the CSR committee, approve the CSR policy for the company and disclose its contents in their report and also publish the details on the Company's website, if any, in such manner laid down in the Companies (Corporate Social Responsibility Policy) Rules, 2014.

**RESOURCES****Funding & Allocation**

For achieving its CSR objectives through implementation of meaningful & sustainable CSR programmes, 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 activities laid down in 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.

## **ACTIVITIES, PLANNING & IMPLEMENTATION**

### **Areas for Activities**

The Company shall identify projects / activities which will fall in any one or more of the following areas /sector for its CSR spending:

- 1) Improving the quality of life in rural area.
- 2) Eradicating hunger, poverty and malnutrition,
- 3) Promoting healthcare including preventive healthcare
- 4) Employment enhancing vocational skills
- 5) Promotion of education including investment in technology in schools
- 6) Ensuring environment sustainability including measures for reducing inequalities faced by socially and economically backward groups
- 7) Promoting sports including rural and Olympic sports
- 8) Contribution to funds for promoting technology
- 9) Investing in various rural development projects
- 10) Contribution to the Prime Minister's National Relief Fund or any other fund setup by the Central Government for development and relief.
- 11) Collaborate with like-minded bodies like Voluntary organizations, charitable trusts, governments and academic institutes in pursuit of our goals.
- 12) Interact regularly with stakeholders, review and publicly report our CSR initiatives and
- 13) Other areas approved by the CSR Committee that are covered in the CSR Rules as amended from time to time.

The CSR projects or programs or activities undertaken by the company as per Company's CSR 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 areas where the Company operates.

All expenses and contributions for CSR activities will be made after approval from the Chairman of the CSR committee, which would then be placed before the forthcoming CSR committee for noting and record. The Chairman will ensure that the expenses/contribution and donation will be in full compliance of the CSR Policy.

The Company shall appoint officers at its business places (Units & Corporate Office) to undertake, supervise and monitor the CSR activities and expenditure. 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. The company will see that these officers have CSR capacities of their own and if required, they will be given required training to take up these tasks. The company can also appoint implementing agencies like charitable trusts and NGOs/ Institutions with established track records of at least three financial years.

### **Implementing Agency**

The company may decide to undertake its CSR activities directly or through a Registered Trust or a registered society or a company established by the company under section 8 of the Act. Provided that –

If such trust, society or company is not established by the company or its holding or subsidiary or associate company, it shall have an established track record of three years in undertaking similar programs or projects;

The Company shall specify the project or programs to be undertaken through these entities, modalities of utilization of funds on such projects and programs.

### **Exclusions:**

The CSR activities shall be undertaken by the company, (either new or ongoing) excluding activities undertaken in pursuance of its normal course of business. The Company will not make any contribution of any amount directly or indirectly to any political party.

The CSR projects or programs or activities that benefit exclusively for the employees of the company and their families shall not be considered as CSR activities in accordance with this policy.

Any surplus arising out of the CSR projects or programs or activities shall not form part of the business profit of the company but should be added in the CSR Fund.

### **MONITORING AND FEEDBACK**

- a. To ensure effective implementation of the CSR program undertaken at each work center, a monitoring mechanism will be put in place.
- b. The progress of CSR programs under implementation will be reported to corporate office on a monthly basis.
- c. 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.

- d. Work centers will try to obtain feedback from beneficiaries about the programs implemented at the area.
- e. Appropriate documentation of the Company's CSR activities, executing partners, and expenditure entailed will be undertaken on a regular basis.
- f. CSR initiatives of the Company will be reported in the Annual Report of the Company & the Board's Report in compliance with Section 135 and rules made thereunder.

## **GENERAL**

In case of any doubt with regard to any provision of the policy and also in respect of matters not covered herein, a reference to 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 the guidelines on the subject as maybe 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.

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