

SRM CONTRACTORS LIMITED
CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

1.0 SHORT TITLE AND DEFINITIONS

1.1 The “**Act**” Means the Companies Act, 2013.

1.2 “Corporate Social Responsibility” means and includes but not limited to:-

- i. Projects or programs relating to activities specified in Schedule VII to the Act; or
- ii. Projects or programs relating to activities undertaken by the Board of directors of a company (Board) in pursuance of recommendations of the CSR Committee of the Board as per declared CSR Policy of the Company subject to the condition that such policy will cover subjects enumerated in Schedule VII of the Act.

1.3 The “**CSR Committee**” means the Corporate Social Responsibility Committee of the Board referred to in Section 135 of the Act.

1.4 “**CSR Policy**” relates to the Activities to be undertaken by the Company as specified in Schedule VII to the Act and the expenditure thereon, excluding activities undertaken in pursuance of normal course of business of a Company.

1.5 “**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:- Provided that net profit in respect of a financial year for which the relevant financial statements were prepared in accordance with the provisions of the Companies Act, 2013, shall not be required to be re-calculated in accordance with the provisions of the Act.

1.6 This policy shall apply to all CSR initiatives and projects taken up at the various sites and locations of SRM Contractors Ltd, for the development and empowerment of deprived and underprivileged sections of the society.

1.7 **Administrative overheads** 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.

1.8 **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 of Directors based on reasonable justification.

Any word(s) not defined in this Policy shall have the same meaning as described in the Companies Act, 2013 and/or Rules made thereunder

2.0 CSR VISION

- Develop meaningful and effective strategies for engaging with all stakeholders;
- Consult with local communities to identify effective and culturally appropriate development goals;
- Partner with credible organizations like trusts, foundations etc. including non-government organizations;
- Check and prevent pollution; recycle, manage and reduce waste, manage natural resources in sustainable manner
- Ensure efficient use of energy and environment friendly technologies

3.0 OBJECTIVES OF THE CSR POLICY

This Policy shall be read in line with Section 135 of the Companies Act 2013, Companies (Corporate Social Responsibility Policy) Rules, 2014 and such other rules, regulations, circulars, and notifications (collectively referred hereinafter as Regulations) as may be applicable and as amended from time to time and will, inter-alia, provide for the following:

- Establishing a guideline for compliance with the provisions of Regulations to dedicate a percentage of Company's profits for social projects.
- Ensuring the implementation of CSR initiatives in letter and spirit through appropriate procedures and reporting.
- Creating opportunities for employees to participate in socially responsible initiatives.
- To undertake CSR projects largely in and around SRM project sites and offices (any other needy area or backward district can be taken up irrespective of operations of the company).
- To generate through its CSR initiatives, a community goodwill for SRM and help reinforce a positive and socially responsible image of SRM as a corporate entity.

4.0 CSR COMMITTEE AND ITS FUNCTIONS

The CSR Committee presently comprises of 3 directors viz., Mr. Sanjay Mehta(Chairperson) and Mr. Puneet Pal Singh, Mr. Yudhvir Gupta as members. However, the Board has power to re-constitute the Committee as and when required from time to time. In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman. The

meetings of the Committee could be held at such periodic intervals as may be required. The quorum of the meetings shall be two members. The Company Secretary of the Company shall act as Secretary of the Committee.

The responsibilities of the CSR Committee include:-

- Formulating and recommending to the Board of Directors the CSR Policy.
- Identifying and recommending the CSR activities to be undertaken to the Board of Directors.
- Recommending the amount to be spent for the CSR activities.
- Undertaking all necessary steps to implement the CSR activities.
- Monitoring the CSR activities from time to time.
- The CSR Committee shall be responsible for managing the tasks to be implemented and providing feedback to the board of directors.

5.0 CSR ACTIVITIES TO BE UNDERTAKEN BY THE COMPANY

In accordance with the requirements of the Companies Act, 2013, the CSR activities to be undertaken by the Company under this Policy shall be chosen from Schedule VII as :-

- I. eradicating hunger, poverty and malnutrition, promoting preventive health care and 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, agro forestry, conservation of natural resources and maintaining quality of soil, air and water;
- 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 and handicrafts;
- VI. measures for the benefit of armed forces veterans, war widows and their dependents;
- VII. training to promote rural sports, nationally recognized sports, paralympic sports and Olympic sports;

- VIII. contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socioeconomic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;
- IX. contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
- X. rural development projects;
- XI. Slum Development - any area decided 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. Any other activity taken up by the Management at the discretion and which qualifies as a CSR activity under the Companies Act, 2013 and any amendment(s) thereof.

6.0 UNDERTAKING CSR ACTIVITIES

The Company shall undertake CSR activities, as approved by the CSR Committee, either on its own, or through a registered trust or registered society or through a company registered under Section 8 of the Companies Act, 2013, whether established by the Company, a subsidiary of the Company, an Associate Company or the Company or by a third party.

The company shall give preference to local areas and areas around where it operates for spending the amount earmarked for Corporate Social Responsibility activities. Further any activities undertaken at project sites of the Company which further the CSR objectives and which cover activities specified in Schedule VII of the Act shall constitute CSR activity.

The Company may engage international organizations for designing, monitoring and evaluation of the CSR projects or programmes as per this Policy as well as for capacity building of their own personnel for CSR.

The Company may also collaborate with other companies for undertaking projects or programmes or CSR activities in such a manner that the CSR committees of respective companies are in a position to report separately on such projects or programmes in accordance with these rules.

The Board of a company shall satisfy itself that the funds so disbursed have been utilized for the purposes and in the manner as approved by it and the Chief Financial Officer or the person responsible for financial management shall certify to the effect.

7.0 ROLE OF THE BOARD

- After taking into account the recommendations made by the CSR Committee, Board shall approve the CSR Policy for the Company
- The Board shall ensure that the CSR activities included in this Corporate Social Responsibility Policy are undertaken by the Company.

- The Board shall ensure that the CSR activities are undertaken by the Company itself or through
 - a) a company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 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 section 12A and 80G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities.
- The entities through which the Company shall undertake CSR activities should be compliant with the applicable provisions of the Act and the Rules made thereunder.
- The Board shall ensure that in each financial year the Company spends at least the prescribed percentage of the average net profits of the Company made during the three immediate preceding financial years or such other period as prescribed under the Act from time to time, calculated in accordance with Section 198 of the Act, in pursuance of its CSR policy. Further, while spending the amount earmarked for CSR activities, preference should be given to local areas and areas around the Company where it operates,
- The Board shall, as per Section 135 of the Act, specify the reasons for under spending the CSR amount in the Board's Report.
- The Board shall, in case of ongoing project, 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

8.0 CSR EXPENDITURE

1. The CSR Committee shall recommend the annual budget expenditure to the Board of Directors for its consideration and approval. The Company shall ensure to spend in each financial year at least 2% of the average Net Profit made during the three immediate preceding financial years. The expenditure towards Proposal Evaluation / Need Assessment / Baseline Survey, Mid-term Assessment, Impact Assessment, Documentation & Dissemination, Trainings for employees'' sensitization towards CSR, Identification of CSR Activities / Projects, Monitoring / Coordination Activities, Fee of experts such as Consultants / designers /engineers (excluding departmental) etc. shall form part of CSR expenditure and would be covered under CSR Head.
2. The Board shall ensure that the administrative overheads shall not exceed five percent of total CSR expenditure of the company for the financial year.
3. 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, within a period of six months of the expiry of the financial year.

4. Where the company spends an amount in excess of requirement provided under sub-section (5) of section 135 , such excess amount may be set off against the requirement to spend under sub-section (5) of section 135 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, in pursuance of sub-rule (2) of this rule.
 - ii. the Board shall pass a resolution to that effect.
5. The CSR amount may be spent by the Company for creation or acquisition of a capital asset, which shall be held by –
 - (a) a company established under section 8 of the Act, or a Registered Public Trust or Registered Society, having charitable objects and CSR Registration Number; or
 - (b) beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities; or
 - (c) a public authority.

Provided that capital asset, if any, created by the Company prior to the commencement of the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, shall be dealt with in the manner specified in the said Rules.

9.0 MONITORING AND EVALUATION

Monitoring and Evaluation are necessary for successful implementation of the project/activity. Timelines, budgetary expenditures and achievement of milestones can only be assessed by monitoring the projects/activities. The CSR Committee shall monitor all CSR activities undertaken by the Company as also various activities undertaken at various projects in furtherance of its CSR Objectives at such intervals as it deems necessary. The CSR Committee shall meet as often as it deems necessary and report the implementation, progress, CSR spend etc. to the Board at periodic intervals

10.0 DISCLOSURE OF THE POLICY

The composition of the CSR Committee, and CSR Policy and Projects approved by the Board shall mandatorily be disclosed on the website of the Company for public access.

11.0 CSR REPORTING

The Board Report of the Company shall include an Annual Report on CSR containing particulars specified in the applicable Annexures prescribed under the CSR Rules.

In the event of average CSR obligation being ten crore rupees or more in pursuance of subsection (5) of section 135 of the Act, in the three immediately preceding financial years, the Company shall undertake impact assessment, through an independent agency, of its 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. The impact assessment reports shall be placed before the Board and shall be annexed to the annual report on CSR.

12.0 AMENDMENTS/MODIFICATIONS

The Policy shall be Reviewed by the Board / CSR Committee annually and shall be amended / modified as and when deemed appropriate .

In case of an subsequent changes in the provisions of the Companies Act 2013 or the Listing Regulations or any other applicable law which makes any of the provisions in this Policy inconsistent with the Companies Act 2013 or the Listing Regulations or such applicable law , then the provisions of the Companies Act 2013 or the Listing Regulations or such applicable law would prevail over the policy and provisions in this policy would be modified in due course to make it consistent with such change .