

SHAPOORJI PALLONJI AND COMPANY PRIVATE LIMITED.

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

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1.0 CSR Vision

Vision

"CSR of the People, by the People..., and for the People...will always, endeavor to Create Living Environment Across Nation..!".

2.0 Focus Area:

2.1 In accordance with the requirements under the Companies Act 2013, SPCPL CSR activities will focus on activities covered in Schedule VII which are:

- a) **Eradicating hunger**, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water;
- b) **Promoting education**, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
- c) **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;
- d) **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;
- e) **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 arts and handicrafts;
- f) Measures for the benefit of armed forces veterans, war widows and their dependents;
- g) **Training to promote rural sports**, nationally recognized sports and Paralympic sports and Olympic sports;
- h) **Contribution to the P.M.'s National Relief Fund** or any other fund set up by the Central Governments for socio-economic development and relief/welfare of the SC/STs, OBCs, minorities and women;
- i) Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government; and
- j) **Rural development projects.**

2.2 Projects recommended under CSR Policy of the years 2014-2017:

- a) Promoting Education including special Education and Employment enhancing Vocation Skills.
- b) Ensuring Environmental Sustainability
- c) Rural Development Projects.
- d) Health & Sanitation
- e) Tree Plantation
- f) Reducing Carbon Footprint

2.3 Objectives:

- a) Employment enhancing Vocational Skills will include Education and training for Construction activities so as to earn their livelihood as Mason, Carpenter, and Fitter to support their families.
- b) Enhancing Education Facilities by adopting Tribal Schools
- c) Developing Day Care Centers
- d) Environmental Sustainability will include Water Conservation, use of Solar Power.
- e) Rural Development projects will include construction of Low cost houses, Drainage systems, and Brick manufacturing skills, Schools, Primary Health Centers, and Sanitation Facilities.

3.0 Budget

At least 2% of Average Profit Before Tax (PBT) made during the preceding 3 Financial years.

4.0 Implementation of CSR Activities

The implementation of the CSR activities/projects shall be carried out through initiatives and drives undertaken by Company's office and various project sites and also through collaborate or pool resources with other companies of the Shapoorji Pallonji Group (under Group CSR activities/program).

SPCPL may also undertake CSR activities through various implementing agencies such as NGO's, Non-Profit Organizations having an established track record as prescribed under the law.

5.0 CSR Committee

The CSR Committee will comprise a team of **3 (three) directors** of the Company (at least 1 to be an independent director). As, unlisted and private companies that are not required to appoint an independent director can set up a CSR Committee without such an independent director, Shapoorji Pallonji and Company Private Limited will set up a CSR Committee, without such an independent director.

The CSR Committee shall consist of the following Directors:

- a) Mr. F. K. Bhatena
- b) Mr. J. L. Mavani
- c) Mr. S. C. Dixit.

6.0 Responsibilities of CSR Committee:

- a) The primary duty of the CSR Committee will be to formulate and recommend a CSR Policy to the Board indicating the projects/programs to be undertaken by the company and modalities of their execution.
- b) Recommending the amount of expenditure for the CSR activities.
- c) CSR Committee will ensure that such CSR Policy covers one or more of the activities enumerated under **Schedule VII** of the Companies Act, as well as to supervise their progress from time to time.
- d) The CSR Policy shall be made available on the **company's website** and in the **Board's report** in a form and manner stipulated in the CSR Rules.
- e) The CSR Committee will institute a **transparent monitoring mechanism** for implementation of the CSR activities undertaken by the company.

7.0 Responsibilities of the Board:

- a) The Board will ensure that the company spends, in every financial year, **at least 2% of the average net profits** of the company made during the 3 (three) immediately preceding financial years.

- b) If the company fails to do so, the Board will specify the reasons for not so spending, in the Report of the Board of Directors to be placed before the shareholders of the company at the annual general meeting.
- c) If such disclosures are not made, the Board is fully aware that the company will be penalized for an amount **not less than INR 50,000** (approximately USD 824) extending up to **INR 25,00,000** (approximately USD 41,200), and every officer of the company who is in default will be punishable with imprisonment for a term which may extend to **3 years or with fine** which shall not be less than **INR 50,000** (approximately USD 824) but which may extend to **INR 5,00,000** (approximately USD 8,240) **or both**.
The format of the CSR report specified in the CSR Rules will be followed.

8.0 Governance:

- a) The Company through a registered trust or a registered society can undertake CSR activities as per the provisions of the Companies Act, 2013.
- b) Accordingly, SP Foundation registered as a trust/society in 1997, will work closely with and support the Board and the CSR Committee in implementing CSR activities of the Company.
- c) SP Foundation will assist the CSR Committee in identifying the areas of CSR activities, programs and execution of initiatives as per defined guidelines. They will also assist the Board and the CSR Committee in reporting the progress of deployed initiatives and in making appropriate disclosures (internal/external) on a periodic basis.

The following minimum criteria shall be applicable while selecting other NGO/voluntary organizations for program execution:

- i. The NGO shall be a registered Society / Public Charitable Trust
- ii. The NGO shall have a permanent office / address in India
- iii. The NGO shall have has a valid Income Tax Exemption Certificate
- iv. The NGO shall submit a detailed project proposal and budget for approval by the CSR Committee.

9.0 Funding, Selection, Monitoring & Reporting:

- a) SP Foundation or such other entity will receive requests for funding of projects throughout the calendar year. Its panel of experts will evaluate proposals received

under the focus areas and projects will be prioritized by assessing their impact. SP Foundation or such other entity will then forward its recommendations to the CSR Committee. The CSR Committee will deliberate on the proposals and approve proposals for implementation at its discretion.

- b) SPCPL representatives and/or SP Foundation or such other entity will collaborate with stakeholders to monitor the status of each project and will report its findings to the CSR Committee periodically.
- c) The CSR Committee shall meet at regularly (not less than 3 meetings shall be held during financial year) to review the progress of the projects identified for implementation under CSR Policy.
- d) The CSR Committee shall frame guidelines including the time frames for implementation and measurable objectives to be achieved.
- e) The Committee shall submit its report to the Board of Directors of the Company from time to time.
- f) Budget Allocated shall be signed by CSR Head and approved by Chairman / MD / CEO.
- g) The Company shall display on its website the contents of its CSR Policy, CSR Activities and other information as may be required to be displayed.
- h) The surplus arising out of the CSR activities, projects or programs shall not form part of the business profit of the Company.
- i) Annual Report on CSR shall be submitted in compliance with CSR Policy – Point (10).

10.0 Annual CSR Report

- a) **Objectives** : As mentioned in CSR definition in (2.0) above.
- b) **Strategy Employed** : As mentioned under points (3.0) thru (9.0) above.
- c) **Results achieved** : In the form of Standard Accounting Format.
- d) **Learning/s: (In the form of Bullet points)**
 - i. Positive:
 - ii. Negative:
- e) **Plan forward to strengthen CSR by:**
 - i. Elevating Targets
 - ii. Enhancing Profits
 - iii. Encompassing improved quality of lives of work force and their families including communities.

11.0 Amendment & Effective Date

11.1 This Policy may be reviewed and amended from time to time.

11.2 This policy is effective from April 1, 2014.

12.0 Message:

SP Foundation ----- stands for

“बहुजन हिताय
बहुजन सुखाय”

“Survive and Help others to Survive...!”