



## **SANGAM (INDIA) LIMITED**

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### **CORPORATE SOCIAL RESPONSIBILITY POLICY**

#### **PREAMBLE**

India is a country of myriad contradictions. On the one hand, it has grown to be one of the largest economies in the world, and an increasingly important player in the emerging global order, on the other hand, it is still home to the largest number of people living in absolute poverty (even if the proportion of poor people has decreased) and the largest number of undernourished children. What emerges is a picture of uneven distribution of the benefits of growth which many believe, is the root cause of social unrest.

In accordance with Section 135 of the Companies Act, 2013 and the rules promulgated thereunder, the Board of Directors of Sangam (India) Limited has adopted this Corporate Social Responsibility Policy.

Sangam (India) Limited (SIL) is committed to operate and grow its business in a socially responsible way. Our vision is to grow our business whilst reducing the environmental impact of our operations and increasing our positive social impact.

This policy outlines our Corporate Social Responsibility agenda. Our aim is to achieve responsible growth and we will inspire to bring this to life by encouraging people to take small everyday actions that will add up to make a big difference.

#### **DEFINITIONS**

1. "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.
2. "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 in case of a foreign company covered under these rules, net profit means the net profit of such company as per profit and loss account prepared in terms of clause (a) of sub-section (1) of section 381, read with section 198 of the Act.

3. "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.
4. Terms that have not been defined in this policy shall have the same meaning assigned to them under the Companies Act, 2013 and rules made thereunder.

### **CSR FUNDS AND ALLOCATION**

1. For achieving its CSR objectives through implementation of meaningful & sustainable CSR programmes, the Board of Directors of SIL shall ensure that the Company spends at least 2% of its average net profits made during the three immediately preceding financial years, in pursuance of its CSR Policy.
2. If the company fails to spend such amount, the Board shall, in its report, specify the reasons for not spending the amount and, unless the unspent amount relates to any 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.
3. Where a 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;
  - (ii) the Board of the company shall pass a resolution to that effect.
4. Any amount remaining unspent under sub-section (5) of Section 135, pursuant to any ongoing project, fulfilling such conditions as may be prescribed, undertaken by a company in pursuance of its Corporate Social Responsibility Policy, shall be transferred by the company within a period of thirty days from the end of the financial year to a special account to be opened by the company in that behalf for that financial year in any scheduled bank to be called the Unspent Corporate Social Responsibility Account, and such amount shall be spent by the company in pursuance of its obligation towards the Corporate Social Responsibility Policy 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.

5. Any surplus arising out of the CSR activities shall not form part of the business profit of a 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.
6. The CSR amount may be spent by a company for creation or acquisition of a capital asset, which shall be held by -
  - (i) 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
  - (ii) beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities; or
  - (iii) a public authority:

#### **CONSTITUTION OF CSR COMMITTEE**

1. The Committee shall consist of a minimum 3 Directors where one of whom shall be Independent Director.
2. Minimum two (2) members shall constitute a quorum for the Committee meeting.
3. Membership of the Committee shall be disclosed in the Annual Report.
4. Terms of the Committee shall be continued unless terminated by the Board of Directors.

#### **CHAIRMAN OF CSR COMMITTEE**

1. Chairman of the Committee shall be appointed by the Board of Directors or the Committee itself.
2. Chairman of the Company may be appointed as a member or Chairman of the Committee.
3. In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.
4. Chairman of the CSR Committee should present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

## **FUNCTION OF CSR COMMITTEE**

The CSR Committee shall:

1. Formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company in terms of Schedule VII of the Companies Act, 2013 or any amendment thereof.
2. Recommend the amount of expenditure to be incurred on CSR activities and
3. Monitor the CSR policy from time to time.
4. Formulate and recommend to the Board, an Annual Action Plan in pursuance of its CSR policy, which shall include the following, namely:-
  - i. the list of CSR projects or programs 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 programs
  - iii. the modalities of utilisation of funds and implementation schedules for the projects or programs;
  - iv. monitoring and reporting mechanism for the projects or programs; and
  - v. details of need and impact assessment, if any, for the projects undertaken by the company

Provided that Board may alter such plan at any time during the financial year, as per the recommendation of its CSR Committee, based on the reasonable justification to that effect.

## **MODE OF IMPLEMENTATION**

- A. CSR programs, projects or activities, will be implemented/undertaken by the Company through one or more of the following methods:
  - i. Company by Itself – the Chairman of the CSR Committee and as agreed upon in the Committee;
  - ii. 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 established by the company, either singly or along with any other company;
  - iii. 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;
  - iv. In collaboration with other organizations; and
  - v. Other entity as specified under the Act/Rules.
- B. The allocated CSR budgets / Corpus will be utilized for CSR activities undertaken within India:
  - i. which are not exclusively for the benefit of employees of the Company or their family members; and

- ii. which are not undertaken in pursuance of normal course of business of the Company.

## **PURPOSE**

The key purpose of this policy is to:

- Define what CSR means to us and the approach adopted to achieve our Good & Green goals.
- Define the kind of projects that will come under the ambit of CSR.
- Identify broad areas of intervention in which the company will undertake projects.
- Serve as a guiding document to help execute and monitor CSR projects.
- Elucidate criteria for partner implementation agencies.
- Explain the manner in which the surpluses from CSR projects will be treated.

## **POLICY STATEMENT**

The CSR Policy focuses on addressing critical social, environmental and economic needs of the marginalized/underprivileged sections of the society. Through this policy, we align our CSR strategy with the SIL's vision and goals. We adopt an approach that integrates the solutions to these problems into the strategies of the company to benefit the communities at large and create social and environmental impact.

## **SCOPE OF CSR ACTIVITIES IN SIL**

As a practice, we classify only those projects that are over and above our normal course of business as CSR. This policy applies to all our CSR projects and it will be further reviewed and updated.

## **OUR CSR VISION**

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.

## **OUR CSR MISSION**

1. Ensuring socio-economic development of the community through different participatory and need-based initiatives in the best interest of the poor and deprived sections of the society so as to help them to become SELF-RELIANT and build a better tomorrow for themselves.

2. Ensuring environmental sustainability through ecological conservation and regeneration, protection & re growth of endangered plant species and promoting biodiversity.

## **CSR ACTIVITIES**

The CSR Activities will be in line with our stated Vision and Mission, focused not just around our plants and offices, but also in other geographies based on the needs of the communities.

The focus areas where special Community Development programmes to be run are:

1. Eradicating hunger, poverty and malnutrition:
  - Provision of food, nutrition supplement, clothes etc for the poor, children and other deprived sections of the society
  - Supporting nutrition in anganwadi centres and building capacities of anganwadi workers to this effect.
  - Provision of shelter for homeless.
  - Promoting sanitation, making available safe drinking water
2. Promoting Health care including Preventive Health care through awareness programmes, health check-ups, provision of medicine & treatment facilities, providing pre-natal & post-natal healthcare facilities, prevention of female foeticide through awareness creation, program for preventing diseases and building immunity.
3. Ensuring environmental sustainability and ecological balance through :
  - Plantation drives in schools, villages, our manufacturing units & offices/business premises and other areas in general
  - Reviving endangered plants, promoting agro-forestry
  - Protection of flora & fauna
  - Conservation of natural resources
  - Maintaining quality of soil, air & water
  - Adoption of wastelands to cultivate plants
  - Promoting biodiversity
  - Animal welfare and veterinary services
  - Technical support and Knowhow for improving farming and building capacities of small farmers
  - Promoting alternate energy resources
4. Employment and livelihood enhancing vocational skills and projects including tailoring, beautician, mehndi application, bee keeping, food processing and preservation, vermi-composting and other Life Skill Training and livelihood enhancement projects.

5. Promotion of education especially among children, women, elderly and the differently abled including:
  - Non-formal education programmes
  - Supporting schools with infrastructure like benches, toilets, potable water, fans etc.
  - Supporting other educational institutions.
  - Improving educational facilities in general.
  - Supporting children for higher education.
  
6. Promoting gender equality and empowering women including:
  - Adult literacy for women.
  - Promoting and providing credit support to women's self-help and joint liability groups.
  - Training in vocations pursued by women.
  - Setting up homes for women & orphans;
  - Setting up old-age homes & other facilities for senior citizens
  - Setting up hostels for working and student women, day care centers for kids of working women
  
7. Contribution or funds provided to technology incubators located within academic institutions which are approved by the Central Government.
  
8. Rural Development Projects.
  
9. Other Activities
  - Promotion of Sports with special focus on training for rural sports, nationally recognised sports, Paralympic sports, Olympic sports.
  - Welfare for differently disabled persons
  - Setting up public libraries
  - Reducing inequalities faced by the socially and economically backward groups.
  - Protection of national heritage, art, culture and handicraft; Restoration of Buildings & sites of historical importance & works of art.
  - Welfare of armed forces personnel, war widows and their dependents.
  
10. Incidental Activities - Employing people and incurring other costs to carry out aforesaid activities.
  
11. Such other activities as the Board may consider to be appropriate.

## **MONITORING**

The CSR department will provide regular progress report to the CSR Committee of the Board. This report would indicate:

- a) To ensure effective implementation of the each CSR programmes undertaken, a monitoring mechanism will be put in place by the CSR Team.
- b) Feedback would also be obtained from the beneficiaries by CSR team about the programmes, as and when required.
- c) Field visits would be conducted by the respective CSR teams to ensure the progress of the programmes. The visits would be informed and surprised also.
- d) Implementing Agencies would be required to report narrative as well as financial updates on a quarterly/annual basis in the format mutually decided.
- e) The Finance and Accounts/Internal Audit Team of SIL may conduct audit of the CSR programmes as and when required. The Finance and Accounts may, from time to time, also guide the respective Implementing Agencies and CSR team of SIL on necessary compliances.
- f) Impact Assessment may be conducted on a periodic basis, through CSR team of SIL and/or independent professional third parties, if need be, especially on the strategic and high value programmes.
- g) A company may engage outside agency or international organisations for designing, monitoring and evaluation of the CSR projects or programmes as per its CSR policy as well as for capacity building of their own personnel for CSR.

## **REPORTING**

1. The Board's Report of a company shall include an Annual Report on CSR containing particulars specified in Annexure I or Annexure II, as applicable.
2. The Board of Directors of the Company shall mandatorily disclose the composition of the CSR Committee, and CSR Policy and Projects approved by the Board on their website i.e. [www.sangamgroup.com](http://www.sangamgroup.com), for public access.
3. (a) In case the company having average CSR obligation of ten crore rupees or more in pursuance of subsection (5) of section 135 of the Act, in the three immediately preceding financial years, 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.
  - (b) The impact assessment reports shall be placed before the Board and shall be annexed to the annual report on CSR.
  - (c) A Company undertaking impact assessment may book the expenditure towards Corporate Social Responsibility for that financial year, which shall not exceed five percent of the total CSR expenditure for that financial year or fifty lakh rupees, whichever is less



## **AMENDMENTS TO CSR POLICY**

The Committee shall review this CSR Policy on a periodic basis and shall update it as necessary or appropriate (subject to approval by the Board, if applicable) to ensure that it reflects CSR requirements as well as the current interests of the Company and relevant stakeholders.