



Corporate Social Responsibility Policy

Stock Holding Corporation of India Limited

Version no.	1.2 dated 28-07-2016
Recommended	CSR Committee

[Corporate Social Responsibility Policy proposed by the Corporate Social Responsibility Committee of SHCIL and approved by the Board of SHCIL. The policy may be updated or modified in case of any new compliance requirements or as desired by the Board of SHCIL]



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a. Introduction

1. Stock Holding Corporation of India Limited (SHCIL) strongly believes that Business & Corporate Social Responsibility (CSR) go hand-in-hand. Currently, all the CSR activities of SHCIL are being undertaken through SHCIL Foundation Trust, a public charitable trust registered under Section 12 (A) of the Income Tax Act, 1961 with SHCIL as a Settlor.
2. Ministry of Corporate Affairs (MCA) has notified Section 135 and Schedule VII of Companies Act, 2013 (hereinafter referred to as 'Act') along with the Companies (Corporate Social Responsibility Policy) Rules, 2014 (hereinafter referred to as 'CSR Rules') to come into effect from April 1, 2014.
3. The CSR policy of SHCIL has been prepared pursuant to the Section 135 of the Act and the CSR Rules. The CSR policy would serve as the referral document for all CSR related activities of SHCIL.

b. Financial resources

4. Every financial year, SHCIL shall with the approval of its Board of Directors make a budgetary allocation for CSR activities. In line with the provisions of the Act and the CSR Rules, the budgetary allocation will be atleast 2% of the average net profits of SHCIL made during the three immediately preceding financial years. The surplus arising out of CSR activities shall not form part of the business profit of SHCIL.

c. CSR activities

5. The activities as specified under Schedule VII of the Act which can be undertaken by any company for CSR related activities are given below :
 - i. Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation (including contribution to the swach bharat kosh set up by Central Govt. for promotion of 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, 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 Govt. for rejuvenation of river Ganga);
- v. Protection of natural 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;
- vi. Measures for the benefit of armed forces veterans, war widows and their dependents;
- vii. Training to promote rural sports, nationality 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 socio-economic 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 area development

The CSR activities of SHCIL will be in compliance with prevailing laws of land including Cigarettes and Other Tobacco Products Act (COTPA), 2003.

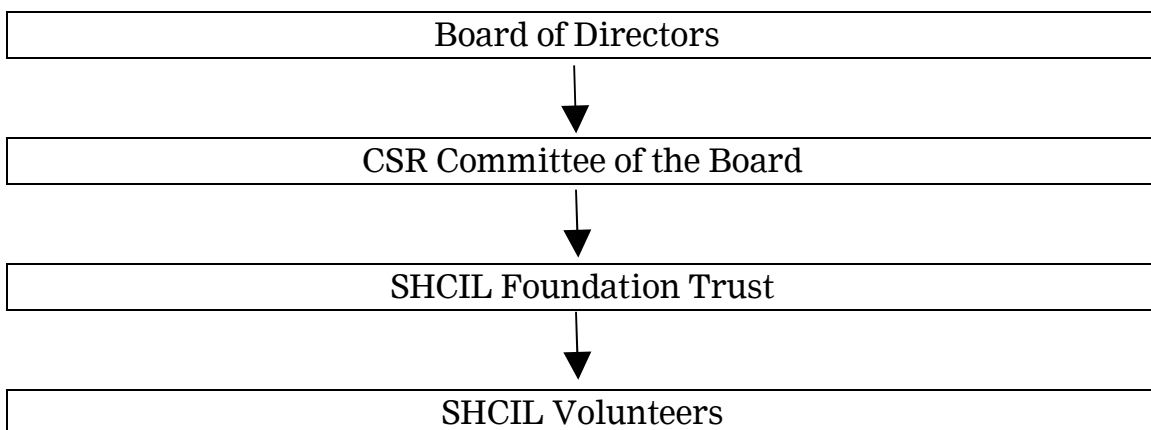


d. CSR Expenditure

6. CSR expenditure shall include all expenditure including contribution to corpus, for projects or programs relating to CSR activities approved by the Board on the recommendations of the CSR Committee but will not include any expenditure on any item not in conformity or in line with activities which fall within the purview of Schedule VII of the Act.
7. It is proposed that SHCIL & its subsidiaries may contribute by way of donation to SHCIL Foundation Trust for projects and program undertaking CSR activities directly related to subject covered in Schedule VII of the Act after the same are approved by the Board on recommendations of CSR committee/CSR Policy. SHCIL Foundation Trust will carry out the activities as specified under Schedule VII of the Act.
8. SHCIL will give preference to the local area and areas where it operates, for spending the amount ear-marked for CSR activities.

e. Governance Structure

9. The Governance Structure for CSR at SHCIL is as depicted below :





f. Role of the Board

10. The Role of the Board of Directors will be guided by the Act, Rules and any circulars / notifications issued by the MCA.

The Role of SHCIL Board shall include the following :

- Based on the recommendations made by the CSR Committee, approve the CSR policy for SHCIL and disclose contents of such policy in its report and also place it on its website in prescribed manner.
- Ensure that the activities as are included in the CSR policy are undertaken.
- If SHCIL fails to spend the required amount, i.e. atleast 2% of the average net profits of the Company made during the immediately three preceding financial years, the Board shall in its report made under Clause (o) of sub-section 3 of Section 134 of the Companies Act, 2013, specify the reasons for not spending the amount.

g. Role of CSR Committee

11. The CSR Committee shall consist of 3 or more Directors out of which atleast one Director shall be an Independent Director.
12. The role of the CSR Committee will be guided by the Act, Rules and any circulars / notifications issued by the MCA.

The role of CSR Committee shall include :

- Formulating and recommending to the Board of Directors the CSR policy and indicating activities to be undertaken.
- Recommending the amount of expenditure for the CSR activities.
- Monitoring CSR activities from time to time.



h. SHCIL Foundation Trust

13. As specified under the Regulation no.4 (2) of the CSR Rules, 2014, the Board of a Company may decide to undertake its CSR activities approved by the CSR Committee through a registered trust. As per the general circular no 21/ 2014 issued by the MCA dated June 18, 2014 a 'registered trust' would include trusts registered under the Income Tax Act.
14. SHCIL Foundation Trust is a public charitable trust with SHCIL as a Settlor. The Trust is registered under Section 12(A) of Income Tax Act, 1961 for public charitable purposes.
15. Currently, the Trust with support from SHCIL Volunteers reaches out to the underprivileged and deprived sections of the Society by conducting Medical camps like breast cancer detection, eye check-up, bone density check-up, etc. Medicines are distributed free of cost to poor and needy patients with calcium deficiency, patients having symptomatic abnormalities are sent to a reputed medical centre for free mammography tests, etc. Free spectacles are distributed at these camps and poor & needy patients diagnosed with cataract or / and retina problems are operated upon free of cost. In the past, the Trust has also installed water coolers for the less privileged citizens and also distributed free books to the children of the deprived / underprivileged sections of the society. The Trust also operates free bus service for the benefit of poor cancer patients and their relatives plying between Shree Sant Gadge Maharaj Dharamshala, Dadar Station (E), Mumbai to Tata Memorial Hospital, Parel & back. In addition, donations are also given through the Trust to various credible and reputed NGOs across India.

i. SHCIL Volunteers

16. The employees of SHCIL who are interested in CSR related activities act as its Volunteers. For effective compliance, execution, supervision and reporting, an employee in the grade not lower than Vice President shall act as a Nodal Officer. The Nodal Officer shall have a cross functional team comprising of not lesser than the following :



1. An officer from HWD dept., not lower than the rank of Manager
 2. An officer from Legal dept., not lower in rank than Manager
 3. An officer from the Finance dept., not lower in rank than Manager.
 4. An officer from Administration dept., not lower than the rank of Manager
 5. An officer from Operations dept., not lower than the rank of Manager
17. The Nodal officer and the Volunteers will be decided by the MD & CEO. The team will be enlarged as and when required by the CSR Committee. The Nodal Officer will submit reports regarding the progress in the implementation of the CSR activities to MD & CEO who will submit the report to the CSR Committee with his comments / suggestions, if any. The CSR Committee will in turn submit the report to the Board of Directors with its comments / suggestions, if any.
18. Since SHCIL has a PAN India presence which is divided into various regions (currently 13 regions), each Regional Manager will identify activities recommended by the CSR Committee and approved by the Board which could be undertaken by SHCIL Foundation Trust and put in the proposals / appeals.
19. SHCIL Foundation Trust will receive the proposals / appeals for funding of projects / activities throughout the financial year. The Trustees will evaluate the proposals received under the Foundation's focus activities and projects. The Foundation will deliberate on the proposals and approve the amount of expenditure to be incurred on each of the proposals.

j. CSR activities to be undertaken by SHCIL

20. In accordance with the requirements of the Act, Rules and circulars issued by MCA from time to time and based on the past experience gained through the CSR activities carried out by SHCIL through its Trust viz., SHCIL Foundation Trust. It is proposed that the CSR activities of SHCIL and its wholly owned subsidiary companies include



- i. Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation (including contribution to the swach bharat kosh set up by Central Govt. for promotion of sanitation) and making available safe drinking water (Point no.(i) of Schedule VII of the Act),
- ii. Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects; (point no.(ii) of Schedule VII of the Act.
- iii. 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 Govt. for rejuvenation of river Ganga); (point no.(iv) of the Schedule VII of the Act)

k. Action plan

21. The proposed CSR activities and the action plan is as given below.

Sr. no.	CSR activities	Specific action plan
1	Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation, etc.	SHCIL Foundation Trust will carry out various medical camps on a pan India basis to help the under privileged, needy and deprived sections of the society which would also include free of cost distribution of medicines, tests, etc. For the said purpose, SHCIL Foundation Trust will involve with the local administration and partner with the government or other credible NGOs. In



		addition, donations would also be given to various credible and reputed NGOs involved in the said CSR activity.
2	Promoting education, including special education and employment enhancing vocation skills, etc.	SHCIL Foundation Trust's focus on education would be to provide grants to various schools and colleges which assist students of less privileged backgrounds. SHCIL Foundation Trust will also involve itself in setting up sanitation facilities, toilets, drinking waters in schools and colleges catering to the needy, under privileged sections of the society. For the said purpose, SHCIL Foundation Trust will involve with the local administration and partner with the government or other credible NGOs. In addition, donations would also be given to various credible and reputed NGOs involved in the said CSR activity.
3	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 Govt. for rejuvenation of river Ganga)	SHCIL Foundation Trust will contribute towards Clean Ganga fund set up by the Central Govt. for rejuvenation of river Ganga.
4	Any other areas under	SHCIL Foundation Trust will



	Schedule VII of Section 135 of the Companies Act, 2013.	contribute towards any other areas under Schedule VII of the Companies Act, 2013. The Trust will also collaborate with IFCI Social Foundation on a case to case basis.
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The CSR activities / action plan should ensure that atleast 5% of the funds be earmarked for projects / programs relating to CSR activities in the North East region.

1. Reporting and Disclosure

Annual Reporting

22. The Board's report of SHCIL for the financial year commencing from 1st day of April 2014 shall include a report on CSR containing particulars as specified in ***Annexure '1'***.

Company Website

23. The Board of Directors of SHCIL, after taking into account the recommendations of CSR Committee, approve the CSR policy for the company and disclose contents of such policy in its report and the same shall be displayed on the company's website, if any, as per the particulars specified in the Annexure.



Annexure '1'

**Format for the Annual Report on CSR activities
to be included in the Board's report**

1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs
2. The composition of the CSR Committee
3. Average net profit of the company for last three financial years
4. Prescribed CSR expenditure (two percent, of the amount as in item 3 above)
5. Details of CSR spent during the financial year
 - (a) Total amount to be spent for the financial year
 - (b) Amount unspent, if any;
 - (c) Manner in which the amount spent during the financial year is detailed below.

S.No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs i. Local area or other ii. Specify the State and district where project or programs was undertaken	Amount outlay (budget) project or program-wise	Amount spent on the projects or programs Sub-heads 1. Direct expenditure on projects or programs 2. Overheads	Cumulative expenditure upto the reporting period	Amount spent ; direct or through implementing agency

6. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.
7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and policy of the Company.

Sd/- (Chief Executive Officer or Managing Director or Director)	Sd/- (Chairman CSR Committee)
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