

## **CORPORATE SOCIAL RESPONSIBILITY POLICY**

### **PREFACE**

This policy shall apply to all Corporate Social Responsibility (CSR) initiatives and activities taken up at the units and other locations of Super Spinning Mills Limited (Super), for the benefit of different segments of the society.

Super through its CSR initiative continue to enhance value creation in the society and in the community through its services and initiatives so as to promote sustained growth for the society and community.

### **OBJECTIVE**

The objective of CSR policy at Super is to

- To directly or indirectly take up programmes that benefit the communities in & around the units of Super and resulting in enhancing the quality of life & economic well-being of the locality.
- Ensure an increased commitment at all levels in the organization, to operate its business in an economically, socially & environmentally sustainable manner, while recognizing the interests of all its stakeholders.

### **DEFINITIONS:**

**1. Act** means the Companies Act, 2013 (18 of 2013);

**2. Rules** means Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended from time to time;

**3. CSR Committee** means the Corporate Social Responsibility Committee of the Board referred to in section 135 of the Companies Act, 2013;

**4. Net profit** means the net profit of the 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.

**5. Corporate Social Responsibility or CSR** means the activities undertaken by the Company in pursuance of its statutory obligation laid down in section 135 of the Act in accordance with the provisions contained in the rules, but shall not include the following, namely:

- (i) activities undertaken in pursuance of normal course of business of the company;
- (ii) any activity undertaken by the company outside India except for training of Indian sports personnel representing any State or Union territory at national level or India at international level;
- (iii) contribution of any amount directly or indirectly to any political party under section 182 of the Act;
- (iv) activities benefitting employees of the company as defined in section 2 of the Code on Wages, 2019 (29 of 2019);
- (v) activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services;
- (vi) activities carried out for fulfillment of any other statutory obligations under any law in force in India;

**6. CSR expenditure** means the amount spent by the Company on CSR activities in Clause 5 above.

**7. Ongoing Project** means a multi-year project undertaken by the 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.

Words and expressions used herein and not defined in this policy shall have the meanings respectively assigned to them in the Companies Act, 2013 and Rules made thereunder.

#### **CSR ACTIVITIES TO BE COVERED**

CSR activity to be undertaken shall be one or more of the projects / programmes /activities specified under the Schedule VII of the Act. The CSR committee shall formulate and recommend to the Board of Directors, an annual action plan in pursuance of this policy, which shall include the following, namely;

- (a) the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
- (b) the manner of execution of the projects or programmes as specified in sub-rule (1) of rule 4;
- (c) the modalities of utilisation of funds and implementation schedules for the projects or programmes;
- (d) monitoring and reporting mechanism for the projects or programmes; and
- (e) details of need and impact assessment, if any, for the projects undertaken by the company.

The CSR committee is at liberty to identify the projects / programmes /activities based on the needs of the society. The Administration Department / Public Relations Department / Unit Heads of the Company may submit to the Chairman of the CSR Committee the nature of CSR activities to be pursued from time to time based on the requirements of the area in which the factories / establishments of the Company are situated.

## **CSR ACTIVITIES**

The CSR activities at Super shall include the following,

1. Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water;
2. Promoting education, including special education and employment enhancing vocational skills especially among children, women, elderly and the differently abled and livelihood enhancement projects;
3. Promoting gender equality, empowering women, setting up homes and hostels for women and orphans, setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
4. 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 including contribution to Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga;
5. 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;
6. Measures for the benefit of armed forces veterans, war widows and their dependants, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows;
7. Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports,
8. Contribution to the Prime Minister's National relief fund or Prime Minister's Central Assistance and Relief in Emergency Situations Fund (PM CARES Fund) or any other fund set up by the central government for socio-economic development and relief and welfare of the Scheduled Castes, Scheduled Tribes, other back ward classes, minorities and women;
9. Contributions or fund provided to technology incubators located within academic institutions which are approved by the Central Government,
10. Rural development projects.
11. Slum area development;
12. Disaster management, including relief, rehabilitation and reconstruction activity(ies) and
13. Any other activity as may be specified in Schedule VII of the Act from time to time.

## **IDENTIFICATION OF PROGRAMMES**

The Committee may identify the CSR programmes by any of the following methods:

- a. Internal assessment by units/corporate office of the company,
- b. Identification studies by professional institutions/agencies,
- c. Receipt of a proposal/request from district administration/local Panchayat etc.,
- d. Receipt of a proposal/request from voluntary organizations/local representatives etc.,

## **ALLOCATION**

For achieving CSR objectives through implementation of the CSR programmes, the CSR committee will allocate every financial year, if applicable, a sum not more than 2 % of the average net profit of

the immediately preceding three years of the Company. The committee will decide on the mode of execution of the activities.

However, if in any financial year, for any reason, the company is unable to spend an amount as stated above, the Company shall provide suitable explanation stating the reasons therefor to the Board of Directors and the Board shall include the same in the Directors' Report of the Company. Further, the Company shall transfer such unspent amount (unless the unspent amount relates to an ongoing project) pertaining to that financial year to a fund as specified in Schedule VII of the Act within a period of six months of the expiry of the financial year.

Any amount which is remaining unspent pursuant to any ongoing project, undertaken by a company in pursuance of this 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 under this 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.

Further, 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 this 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.

Subject to the provisions of the Rules, excess CSR amount spend by the Company in excess of the statutory requirement may be set off against the requirements to spend up to immediate succeeding three financial years subject to the following conditions:

- a. The excess amount available for set off shall not include the surplus arising out of the CSR activities as mentioned above.
- b. The Board of Directors shall pass a resolution to this effect.

The CSR amount may be spent by a 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 Public 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 as defined under Rule 2(j) of Companies (Corporate Social Responsibility Policy) Rules, 2014

### **CSR EXPENDITURE BUDGET**

A CSR expenditure budget (budget) for every financial year shall be prepared and submitted to the CSR committee for recommendation. The budget shall provide details as required for annual action plan. The CSR Committee after deliberations may recommend with or without modification to the

Board of Directors for approval at its first meeting to be held in each financial year. Then the company shall allocate funds as per the Board's approval.

#### **METHOD OF CSR EXPENDITURE**

The Company may undertake the CSR activities directly by itself or by contributing to the following Implementing Agencies as may be recommended by the CSR Committee and approved by the Board:

- (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, 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.

Where contributions are made to an implementing agencies, the company shall ensure that the implementing agency has a valid "CSR Registration Number" and also shall obtain a Fund.

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 able to report separately on such projects or programmes.

Utilization Certificate duly certified by an independent Chartered Accountant and submitted to the CSR Committee.

For ongoing projects, extending beyond the financial year, the Board shall monitor the implementation of the project with reference to the approved timelines and year-wise allocation.

#### **APPROVAL**

The identified proposals will be required to be put up to the CSR Committee of the Board at the beginning of every financial year.

For meeting the requirements arising out of immediate & urgent situations, Managing Director is authorised to approve the proposals, the same may be ratified in the next CSR committee meeting.

#### **IMPLEMENTATION**

Once the programmes approved by the CSR Committee of the Board are communicated to the Units, the concerned unit managers shall initiate steps to implement the activities, they will be required to enter into an agreement with each of the executing/ implementing agency.

**The committee may implement the CSR activities through a registered trust/registered society or may be jointly with any other company.**

### **MONITORING AND REPORTING**

To ensure effective implementation of the CSR programmes undertaken at each unit/ corporate office, a monitoring mechanism will be put in place by the unit in charge/ manager. The progress of CSR programmes under implementation at the unit level will be reported to corporate office on a quarterly basis. The Chief Financial Officer shall certify to the Board that the funds disbursed for CSR have been utilised for the said purpose.

The CSR committee shall forward a report on CSR projects / programmes / activities of the Company to the Board of Directors once in a year. The Board shall provide a report in the prescribed format on CSR activities of the Company in its Report to shareholders every year.

CSR initiatives of the Company will also be reported in the Annual Report of the Company. If necessary the committee may insist units/ corporate office to conduct impact studies on a periodic basis, through independent professional third parties/professional institutions, especially on the high value programmes.

### **GENERAL**

*The CSR Committee which was formed on 28<sup>th</sup> May 2014 to foresee the Corporate Social Responsibility initiatives of the Company shall be dissolved as on 9<sup>th</sup> November 2021, since the Company does not have any CSR activities for the past three financial years. Function of the CSR committee will be done by the Board of Directors of the company henceforth.*

Any or all provisions of the CSR Policy would be subject to revision/amendment in accordance with the guidelines on the subject as may be issued from Government, from time to time.

The Company reserves the right to modify, cancel, add, or amend any of these Rules.

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