



Corporate Social Responsibility Policy

Sukhbir Agro Energy Limited

*Delivering **green** energy for a changing world...*



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1 INTRODUCTION

1.1 SAEL Philosophy

Founded in 1999, Sukhbir Agro Energy Limited Company's (SAEL) promoters, Mr. Harbhajan Singh, Mr. Jasbir Singh, Mr. Sukhbir Singh and Mr. Raminder Singh started SAEL with a vision that has transformed SAEL today into the one of largest millers of rice, generation of Biomass energy, Solvent extraction plant, and Godown business for individuals and organizations of all sizes. SAEL aims to enrich society and drive sustainable economic growth by giving people and businesses innovative ways to be more creative, productive, and successful through the power of its products. SAEL's founders are Punjab based having varied and rich experience of more than 30 years in agriculture and agro based industries. The main promoter of the group Mr. Harbhajan Singh was Director of CWC for 18 years and is well experience in Rural godown business. Being a good corporate citizen is integral to SAEL's corporate purpose of advancing the way people live and work.

In the words of one of the founders and Managing Director of SAEL "The betterment of society is not a job to be left to a few. It's a responsibility to be shared by all." Today, Corporate Social Responsibility (CSR) remains a core value and one of SAEL's seven corporate objectives. With operations in more than 15 States of India, SAEL's scale means we can positively impact critical issues affecting communities countrywide. CSR, through our Living Progress initiatives is incorporated into SAEL's business strategy, guiding where SAEL can apply its technologies, influence and expertise to drive shared value and create a positive impact worldwide. SAEL's CSR commitments include, but are not limited to, education, healthcare, energy and climate change, and betterment of the society through respect for universal human rights and the environment, acting with integrity and accountability and operating responsibly and sustainably.

1.2 CSR in India

CSR in India has traditionally been seen as a philanthropic activity. While the corporate houses have been traditionally engaged in doing CSR activities voluntarily, the new CSR provisions put formal and greater responsibility on companies to set out clear framework and process to ensure strict compliance. The Companies Act 2013 (hereinafter referred to as 'the Act'), has introduced the idea of CSR to the forefront and through its "Comply-or-Explain" mandate. It mandates qualifying companies to constitute Corporate Social Responsibility Committee to effectively monitor CSR activities of the Company. Further the Companies (Corporate Social Responsibility Policy) Rules, 2014 (hereinafter referred to as "CSR Rules") lays down the framework and modalities of carrying out CSR activities which are specified in Schedule VII of the Act.

2 OBJECTIVE & SCOPE

The main objective of the CSR Policy is to lay down guidelines for Sukhbir Agro Energy Limited (hereinafter referred to as 'the Company') to make CSR as one of the key focus areas to adhere to SAEL's Living Progress strategy that focuses on making a positive contribution to society through high impact, sustainable programs. This Policy covers current as well as proposed CSR activities to be undertaken by the Company and examining their alignment with Schedule VII of the Act as amended from time to time. It covers the CSR activities which are being carried out in India only and includes strategy that defines plans for future CSR activities.

The Company proposes to implement its CSR activities in various sectors stated hereunder:

Targeted Sectors

- Healthcare
- Sanitation
- Drinking Water
- Education
- Rural Development
- Vocational Skills
- Entrepreneurship Skills
- Employment Opportunities
- Facilities for Senior Citizens
- Medical Aid
- Old Aged Homes
- Women Hostels
- Special Employment Opportunities for Women
- Environment Protection
- Animal Welfare
- Conservation of Natural Resources
- Protection of National Heritage
- Promoting and development of Art and Culture
- Public Libraries
- Promotion and development of traditional arts and handicrafts
- Measures for armed forced veterans, war widows and their dependents
- Promotion and development of rural sports and National Games
- Contribution to funds set by the Central or State Government for development
- Welfare of Scheduled Castes, Scheduled Tribes and minorities
- Rural Development Projects
- Contribution to technology incubators located within academic institutions
- Go Green Initiatives
- Human Rights
- Construction of public cremation ground
- Set up a GAUSHALA (Cowshed) taking complete care of the inmate cows



- Any other area as may be prescribed by Schedule VII amended from time to time

The Company will review the sectors from time to time and make additions/deletions/clarifications to the above sectors.

3 CSR COMMITTEE

3.1 Constitution

Pursuant to the provisions of Section 135 of the Act, the Board of Directors shall constitute the Corporate Social Responsibility (CSR) Committee. The Members of CSR shall be appointed by the Board of Directors of the Company which must consist of at least two or more Directors. On 22nd January 2015, Company held Board Meeting and constituted CSR Committee.

CSR Committee members will be:-

Mr. Jasbir Singh, Managing Director

Mr. Sukhbir Singh, Whole Time Director

Dr. (Mrs.) Sanjeevan Bajaj, Independent Director

3.2 Powers of the Committee

Following are the Powers of the CSR Committee:

- (i) Formulate CSR Policy and recommend the same to the Board of Directors of the Company for approval;
- (ii) Recommend CSR activities as stated under Schedule VII of the Act;
- (iii) Approve to undertake CSR activities in collaboration with Group companies/ other Companies/firms/NGOs etc. and to separately report the same in accordance with the CSR Rules;
- (iv) Recommend the CSR Budget;
- (v) Spend the allocated CSR amount on the CSR activities in accordance with the Act and the CSR Rules;
- (vi) Create transparent monitoring mechanism for implementation of CSR Initiatives in India;
- (vii) Submit the Reports to the Board in respect of the CSR activities undertaken by the Company;
- (viii) Monitor CSR Policy from time to time;
- (ix) Monitor activities/charter of Joint Working Group (JWG) who are authorized to ensure that the CSR activities of the Company are implemented effectively;



(x) Authorize executives of the Company to attend the CSR Committee Meetings.

3.3 Frequency of the Meetings of the CSR Committee

The CSR Committee shall meet at least once in a quarter. Quorum for the meeting should be two. The Members of the Committee may participate in the meeting either in person or through video conferencing or other audio visual means in accordance with the provisions of the Companies Act, 2013 and rules made thereunder from time to time. Other Members of the Senior Management may attend the CSR Committee Meetings as may be appropriate, subject to the approval of the CSR Committee. Minutes of the CSR Committee shall be placed before the Board for noting.

4 CSR BUDGET/CSR SPEND

The Act mandates companies meeting the qualification criteria, to allocate certain portion of its annual net profits during the three immediately preceding financial years, to be spent on CSR Activities that fall under purview of Schedule VII of the Act.

4.1 CSR Expenditure:

Net profit means profit described under Rule 2(f) of the CSR Rules. The CSR expenditure shall include all expenditure including contribution to corpus or on projects or programs relating to CSR activities approved by the CSR Committee but does not include any expenditure on an item not in conformity or not in line with activities stated under Schedule VII of the Act.

4.2 Expenditure on CSR capabilities

The Company may build CSR capabilities of their own personnel as well as of their Implementing Agencies and such expenditure shall not exceed 5% of the total CSR spend of the Company as stated in the Rules from time to time. Determination of whether a particular expenses fall within this 5% cap can be decided in consultation of the Chief Financial Officer of the Company based on the clarification available from time to time in this regard.

4.3 Failure to spend the CSR Money

In case the Company fails to spend the above targeted amount in that particular financial year, the Committee shall submit a report in writing to the Board of Directors specifying the reasons for not spending the amount which in turn shall be reported by the Board of Directors in their Directors' Report for that particular Financial Year. Surplus arising out of the CSR initiatives shall not form part of the business profits of the Company.

5 CSR INITIATIVES

In line with Section 135 of the Companies Act, 2013, Schedule VII of the Act and the CSR Rules made thereunder, the Company shall undertake CSR activities included in its Annual CSR Plan, as recommended by the CSR Committee.



5.1 Annual CSR Plan

The Annual CSR Plan is a yearly plan of CSR activities which outlines the following aspects of CSR initiatives of the Company:

5.2 Collaboration

The Company may collaborate with other SAEL Affiliates or its subsidiaries or any other Company as may be approved by CSR Committee to implement CSR activities and the same shall form a part of the Annual CSR Plan. The Company may form trusts on its own or along with other SAEL Affiliates or its subsidiaries etc. to carry out CSR activities in accordance with the CSR Rules and to administer its CSR activities. The Company may also collaborate its CSR activities with other SAEL Affiliates or its subsidiaries or any other Company as may be eligible and approved by the CSR Committee.

5.3 Disqualifying Activities for CSR

The CSR Rules prohibit the CSR projects and programs that are implemented by the Company for benefit of the employees of the Company and their families. The CSR activities implemented outside India also fall outside the purview of the Rules and hence CSR expenditure on such activities will not be considered for inclusion in the CSR Report. Any amount directly or indirectly contributed towards any political party under Section 182 of the Act shall not be considered as CSR Spend. Activities that are undertaken by the Company in pursuance of its normal course of business will not be considered as CSR activities.

5.4 Monitoring Mechanism

A Joint Working Group (JWG) comprising of employees of the Company and representatives of entities with which the Company decides to collaborate for fulfilling its CSR obligations, will prepare CSR reports on the progress of the various projects approved by the CSR Committee to assist the CSR Committee in implementation and monitoring thereof.

6 PUBLICATION OF CSR POLICY & PROGRAMS

6.1 Publication of the CSR Policy

As per the CSR Rules, the contents of the CSR Policy shall be included in the Directors' Report and the same shall be displayed on the Company's website, if any.

7 POLICY REVIEW & FUTURE AMENDMENT

The Committee shall review its CSR Policy from time to time and make suitable changes as may be required and submit the same for the approval of the Board.