

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

CSR POLICY AS APPROVED BY THE BOARD OF DIRECTORS OF SARA INTERNATIONAL LIMITED IN ITS MEETING HELD ON 9th JULY 2014

Abbreviations:

1. CSR = Corporate Social Responsibilities
2. R & D = Research and Development
3. DOP = Delegation of Powers

I. PREAMBLE

The concept of Corporate Social Responsibility has gained prominence over the last few years, globally and is gaining increasing relevance in India. Organizations have realized that the Government alone will not be able to identify the socio-economic challenges of our society and implement changes to overcome these problems. With the rapidly changing role of the company in the society and in part to fulfil our obligations as a responsible corporate citizen, the company has adopted CSR as a strategic tool for sustainable growth. For the company in the present context, CSR means not only investment of funds for social causes but also integrating social empathy in all our business processes.

II. INTRODUCTION

The business of the company, its branches and subsidiaries are located in different parts of the world. The company's business has profound impact on the people living in and around the areas where our operations exist. The obvious impact of the introduction of any activity in such an area changes the traditional lifestyle of its original inhabitants and indigenous communities and also changes the socio-economic profile of the area. In the aforesaid backdrop, the company's policy on CSR is broadly framed taking into account the following measures:

- a. Contribution to the society at large by way of social and cultural development, imparting education, training and social awareness, especially with regards to the economically backward classes.
- b. Protection and safeguarding of the environment and maintaining an ecological balance.

III. OBJECTIVE

The main objective of CSR policy is to lay down guidelines for the company to make CSR a key business process for sustainable development for the society. It aims at supplementing the role of the government in actively contributing to the social and economic development of the communities in which we operate. The Company will act as a good Corporate Citizen.

IV. AREAS TO BE COVERED

The underprivileged, backward and needy sections of the Society living in different parts of India would normally be covered.

For carrying out CSR activities, the budgeted amount shall be spent through the SARA FOUNDATION, the Mohinder Kaur Charitable Trust and the Thakurdwara Trust. The Whole Time Director of the Company shall exercise his DOP under this Policy for according approval for the project and the amount to be spent.

V. SCOPE

i. Education:

- ◆ Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
- ◆ Academic education by way of financial assistance to Primary, Middle and Higher Secondary Schools.
- ◆ Adult literacy especially amongst those belonging to BPL.
- ◆ Awareness programmes on girl education.
- ◆ Counselling of parents
- ◆ Special attention on education, training and rehabilitation of mentally & physically challenged children/persons.
- ◆ Spreading legal awareness amongst people and disadvantaged sections of the society about their rights & remedies available.
- ◆ Promotion of Professional Education by setting up / giving aid to educational institutions offering courses in Engineering, Nursing, Management, Medicine and in Technical subjects etc. Company may ask for reservation of seats for Company's nominated students considering their different aspects.
- ◆ Provide fees for a period of one year or more to the poor and meritorious, preferably girl students of the school in the operational area of the Company to enable them to get uninterrupted education.
- ◆ Provide cycle to needy girl students who are attending school in remote and distant areas.

ii. Water Supply including drinking water

- ◆ Making available safe drinking water
- ◆ Installation / Repair of Hand Pumps / Tube Wells.
- ◆ Digging/Renovation of Wells.

- ◆ Gainful utilization of waste water from underground mines for cultivation or any other purpose.
- ◆ Development / construction of Water Tank / Ponds.
- ◆ Rain water-harvesting scheme.
- ◆ Formation of a Task Force of Volunteers to educate people regarding proper use of drinking water.
- ◆ Empowerment to the villagers for maintenance of the above facilities for availability of water.

iii. Health care

- ◆ Promoting health care including preventive health care
- ◆ Sanitation
- ◆ Senior Citizen Health Care Wellness Clinics.
- ◆ Awareness about Social evils like alcohol, smoking, drug abuse etc.
- ◆ Awareness about Child and Mother care
- ◆ Organizing / Participating in Blood donation camps.
- ◆ Organising Diabetics detection & Hypertension Camps
- ◆ Provision of Fully equipped Mobile Medical Vans.
- ◆ To supplement the different programme(s) of Local/State Authorities.

iv. Environment

- ◆ Organizing sensitizing programmes on Environment Management and Pollution Control.
- ◆ Green belt Development
- ◆ Afforestation, Social Forestry, Check Dams, Park.
- ◆ Restoration of mined out lands.
- ◆ Development of jobs related to agro product i.e., Dairy/Poultry/farming and others.
- ◆ Plantation of saplings producing fruit.
- ◆ Animal care.
- ◆ Ensuring environmental sustainability, ecological balance, protection of flora and fauna
- ◆ Conservation of natural resources
- ◆ Maintaining quality of soil, air and water

v. Social Empowerment

- ◆ Self /Gainful Employment Opportunities – Training of Rural Youth for Self Employment (TRYSEM) on Welding, Fabrication, and other Electronic appliances.
- ◆ To provide assistance to villagers having small patch of land to develop mushroom farming, medicinal plants, farming & other cash crops to make them economically dependent on their available land resources. Agricultural experts for above farming may provide training.
- ◆ Organizing training programmes for women on tailoring Embroidery designs, Home Foods/Fast

Foods, Pickles, Painting and Interior Decoration and other Vocational Courses.

- ◆ Care for senior citizens.
- ◆ Adoption / construction of Hostels for women and orphans;
- ◆ Improvement and protection of adolescent girls
- ◆ Promoting gender equality

vii. **Sports and culture**

- ◆ Promotion of Sports and Cultural Activities for participation in State and National level.
- ◆ Promotion/Development of sports activities by conducting tournaments like Golf, Football, Kabaddi etc.
- ◆ Providing sports materials for Football, Volleyball, and Hockey sticks etc. to the young and talented villagers.
- ◆ Promotion of National level teams, Sponsorship of National Sports events.
- ◆ Sponsorship of Cultural event to restore Indian Cultural Traditions and Values.

viii. **Generation of employment**

- ◆ Employment facilities should be provided to the community people especially to the backward section by providing education and training thereby developing their skill for suitable Employment.

ix. **Infrastructure Support** – construction, repair, extension etc.

- ◆ Rural Dispensaries initiated by reputed NGOs.
- ◆ Mobile Creches.
- ◆ Yatri Shed in Bus Stand,
- ◆ Old Age Homes
- ◆ Day care centres.
- ◆ Public libraries

x. Eradicating hunger, poverty and malnutrition

xi. Grant / donation / financial assistance / sponsorship to reputed NGOs of the Society / locality doing / involved in upliftment of the standard of the society.

xii. Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; and development of traditional arts and handicrafts

xiii. Relief of victims and Natural Calamities like Earth Quake, Cyclone, Draught and Flood situation in any part of the country.

xiv. Disaster Management Activities including those related to amelioration/ Mitigation.

xv. Collection of old clothes / items from the employees and distribution to needy people.

xvi. Adoption of village for carrying out the activities like infrastructural development e.g. Road, water supply, electricity and community center etc.

xvii. Contribution to Prime Minister's Relief Fund or any other fund set up by the Central Government

xviii. Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government.

Managing Director / Whole time Director shall be authorized to consider CSR activities not falling in this list.

All activities under the CSR activities should be environment friendly and socially acceptable to the local people and Society.

VI. IMPLEMENTATION

a) The investment in CSR should be project based.

b) Project activities identified under CSR are to be implemented by Specialized Agencies and generally NOT by the staff of the organization. Specialized agencies could be made to work singly or in tandem with other agencies.

c) Such specialized agencies would include:

- i) Community based organization whether formal or informal.
- ii) Elected local bodies such as Panchayats
- iii) Voluntary Agencies (NGOs)
- iv) Institutes / Academic Organizations
- v) Trusts, Mission etc.
- vi) Self-help groups
- vii) Government, Semi Government and autonomous Organizations.
- viii) Standing Conference of Public Enterprises (SCOPE)
- ix) Mahila Mondals/Samitis and the like
- x) Contracted agencies for civil works
- xi) Professional Consultancy Organization etc.

(d) Activities related to Sustainable Development will form a significant element of the total initiatives of CSR.

VII. INSTITUTIONAL ARRANGEMENT

a) All proposals under CSR activity would be referred to CSR Committee who will evaluate the Project Report.

b) The activities of the CSR Committee will also involve the following:

- ◆ To decide the priority of the activities to be undertaken under CSR.
- ◆ To interact with the CSR Implementing agencies for determining the activities to be undertaken.
- ◆ The Committee will monitor and review the progress of activities Undertaken/completed.

c) DOP for according approval of any project proposal would be as under:

- i) Project and amount of proposal related to Company up to Rs. 10 lakhs should be approved by the whole time Director of the Company. Details of all such approvals granted shall be presented to the CSR Committee in its next meeting post such approval(s).
- ii) CSR Committee shall approve project proposal related to Company exceeding Rs. 10 lakhs under intimation to Board of Directors of the Company.

The CSR committee at the Company would be headed by Mrs. Abha Singh, Chairman of the Board and would include, in addition to her:

- a) Mr. Devinder Pal Singh, Managing Director
- b) Mr. Deepit Singh, Whole Time Director

VIII. MONITORING

a) At Company level full time CSR Committee should be constituted and the company secretary shall act as the Secretary to the Committee and shall prepare the Annual Report on CSR Activities to be included in the Board's Report.

b) The Board of Directors of Company should review the implementation of CSR, from time to time..

IX. SOURCE OF FUNDS

The fund for the CSR should be allocated based on average profits of previous 3 years subject to the provisions of the Companies Act, 2013 and the Rules made there under.

X. REFLECTION OF CSR ACTIVITIES

The CSR activities will be reflected in the Annual Report and Accounts of the Company under Social Overhead (CSR).

XI. MANAGEMENT COMMITMENT

Our Board of Directors, our Management and all of our employees subscribe to the philosophy of compassionate care. We believe and act on an ethos of generosity and compassion, characterised by a willingness to build a society that works for everyone. This is the cornerstone of our CSR policy.

XII. CONCLUSION

The above guidelines would form the framework around which the CSR activities would be undertaken.

The Board will review the Policy from time to time based on changing needs and aspirations of the target beneficiaries and make suitable modifications, as may be necessary.