

CORPORATE SOCIAL RESPONSIBILITY POLICY

1. TITLE AND APPLICABILITY

The document describes the Corporate Social Responsibility Policy (“CSR Policy”) of Shri Venkatesh Refineries Limited (“The Company”). It includes Company’s vision, mission, and other relevant attributes of Corporate Social Responsibility. In term of the provision of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014 (‘CSR Rule’), Company has formulated and adopted this Corporate Social Responsibility (‘CSR’) Policy. The CSR Policy shall be guided by Company’s corporate philosophy of respect for the individual and the society at large. Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, requires Company to constitute a CSR Committee of Directors, adopt a CSR Policy, spend at least 2% of its average net profit made during the immediately preceding three financial years towards CSR activities as set out in Schedule VII to the Companies Act, 2013 and confirm compliance thereof in the Annual Report.

2. CSR OVERVIEW

“Corporate Social Responsibility” (CSR) is a way of conducting business, by which corporate entities visibly contribute to the social good. The essence of CSR is to integrate economic, environmental, and social objectives with the company’s operations and growth. CSR is the process by which an organization thinks about and evolves its relationships with society for the common good and demonstrates its commitment by giving back to the society for the resources it used to flourish by adoption of appropriate business processes and strategies.

The main objective of CSR policy is to make CSR a key business process for sustainable development of society. In its endeavors to mutually achieve the said objective, the Act stipulates the provisions regarding mandatory adherence to the Corporate Social Responsibility practices by the prescribed classes of companies.

3. OBJECTIVE

Corporate Social Responsibility is a form of corporate self-regulation integrated into a business model. Therefore, the Policy will function as a built-in, selfregulating mechanism whereby the business will monitor and ensure its active compliance with the spirit of law, ethical standards and national norms. The main objective of this Policy is to set guiding principles for carrying out CSR activities and also to set up process of execution, implementation and monitoring of the CSR activities to be undertaken.

4. CSR COMMITTEE

i. Composition:

The Corporate Social Responsibility committee (CSR Committee) shall consist of three or more directors. The CSR Committee may invite Executives, Advisors, representatives of Social

Organizations, Auditors of Company, and such other person(s) as it may consider necessary to attend the meeting.

ii. Scope and Responsibility of Committee:

a) Formulate and recommend to the Board the CSR Policy and any amendments thereof which shall indicate the activities to be undertaken by the Company as specified in schedule VII of the Companies Act, 2013.

b) Recommend the amount of expenditure to be incurred on the activities, as per CSR Policy.

c) Be responsible for implementation and monitoring the CSR projects or programs or activities.

d) Any other matter/thing as may be considered expedient by the members in furtherance of and to comply with the CSR Policy.

iii. Meetings: The CSR Committee shall meet as and when necessary.

iv. Sitting Fees: Sitting fees shall be payable for attending CSR Committee as per Article of Association of the Company.

v. Quorum: Quorum of meeting of CSR Committee shall be one third of the total strength or two directors, whichever is higher.

5. LIST OF ACTIVITIES /PROJECTS

Company shall undertake any of the following Activities/Projects as specified in Schedule VII or such other activities/projects as may be notified by the Ministry of Corporate Affairs from time to time as a part of the Corporate Social Responsibility (CSR):

- i. Eradicating hunger, poverty and malnutrition, promoting healthcare including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promoting 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 centers 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, agro-forestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga;

- v. 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;
- vi. Measures for the benefit of armed forces veterans, war widows and their dependents;
- vii. Training to promote rural sports, nationally recognized 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 Schedule Castes, the Schedule 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 govt;
- x. Rural development projects.
- xi. Slum area development.
- xii. Disaster management, including relief, rehabilitation, and reconstruction activities.

The provisions of the Companies Act, 2013 and CSR Rules made thereafter shall have overriding effect Vis-a Vis the provisions of this policy.

Periodic review of this policy shall be done to ensure its continued suitability, adequacy, and efficacy.

6. FUNDING

In line with extent provisions of Section 135 of the Companies Act, 2013 and requirements laid down in the Companies (CSR Policy) Rules, 2014; 2 % of the average net profit of the Company made during the three immediately preceding financial years will be allocated for CSR activities. CSR budget for the relevant financial year shall be approved by the Board.

Companies may build CSR capacities of their own personnel as well as those of their Implementing agencies through Institutions with established track records of at least 3 financial years but such expenditure, including expenditure on administrative overheads, shall not exceed 5% of total CSR expenditure of the company in one financial year.

Any surplus arising out of the CSR projects or programs or activities shall not form part of the Business profit of a company and same shall be spent for undertaking any CSR activities only. If the Company fails to spend, the amount stated hereinabove, then reason for not spending shall be stated in the Directors Report.

7. IMPLEMENTATION OF CSR ACTIVITIES

Company may undertake CSR Activities either directly by itself or through a company established under section 8

of the Act or a registered trust or a registered society, established by the company, either singly or alongwith any other company, or 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 any entity established under an Act of Parliament or a State legislature :

Provided that the Company can carry out the CSR activities through such other institutes having an established track record of 3 (three) years in undertaking the CSR Activities.

The Company may collaborate with other companies for undertaking the CSR Activities subject to fulfilment of separate reporting requirements as prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014(the rules).

The scope of this policy will extend to activities as stated under Schedule VII of the Companies Act, 2013, as presently in force. The scope of the policy to also include all additional and allied matters, as will be notified by Ministry of Corporate Affairs or such other body, as appointed/notified by Central or State Government, from time to time for this purpose.

CSR programs will be undertaken by Company to the best possible extent within the defined ambit of the identified Project/Program.

The time period/duration over which a particular program will be spread, will depend on its nature, extent of coverage and the intended impact of the program.

Identification of programs will be done by means of the following:

- i. Need identification studies by the Senior Management/Professional Institutions/agencies.
- ii. Receipt of proposals/ requests from District Administration/local Govt. etc.
- iii. Suggestion from the Board of Directors/Senior Management level.
- iv. Detailed assessment survey.

Company shall give preference to the local areas and areas where the Company operates. However, this shall not bar the Company from pursuing its CSR objects in other areas.

8. MONITORING AND FEEDBACK

The administration of the CSR policy and execution of CSR Projects/programs and activities shall be carried out under the overall superintendence and guidance of an internal monitoring group (herein after CSR Team) formed for this purpose.

The internal monitoring group/CSR Team shall consist of:

- i. Managing Director
- ii. Executive Director
- iii. Chief Financial Officer of the Company
- iv. HR unit head

The CSR Team shall submit its report to CSR Committee formed under the Act.

CSR Team will try to obtain feedback from beneficiaries about the programs implemented at the area.

CSR initiatives of the Company will be reported in the Annual Report of the Company & the Board Report in compliance with Section 135 of the Act, and rules made there under.

9. PROCEDURE FOR CSR ACTIVITIES

The Committee shall recommend the Board suitable CSR Activities to be undertaken during for the financial year along with the detailed plan, modalities of execution, implementation schedule, monitoring process and amount to be incurred on such activities;

The Board shall give its approval based on the recommendation of the Committee and in compliance of this policy;

The Committee, after approval, shall submit its report giving status of the CSR Activities undertaken, Expenditure incurred and such other details as may be required by the Board.

10. EXCLUSION

The CSR Activities shall not include any activity undertaken by the Company in pursuance of normal course of business of the Company.

Company shall not make any payment directly or indirectly to Political Party (ies) for CSR Activities. The CSR projects or programs or activities that benefit only the employees of Company and their families shall not be considered as CSR activities in accordance with Section 135 of the Act.

Any surplus arising out of the CSR projects or programs or activities shall not form part of the business profit of the Company but should be added in the CSR Fund.

11. ALLIED MATTERS

With regard to CSR activities, Boards Report to state such particulars as stated under Companies (Corporate Social Responsibility) Rules, 2014. Company shall display such particulars relating to CSR Policy and activities undertaken there under as stated under Companies (Corporate Social Responsibility) Rules, 2014.

12. GENERAL

In case of any doubt with regard to any provision of the policy and also in respect of matters not covered herein, a reference to be made to CSR Committee. In all such matters, the interpretation & decision of the Committee shall be final.

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 CSR Committee reserves the right to modify, add, or amend any of provisions of this policy subject to approval of the Board.