

SURAKSHA ASSET RECONSTRUCTION LIMITED¹

CORPORATE SOCIAL RESPONSIBILITY POLICY²

1) Introduction

Suraksha Asset Reconstruction Private Limited (the “**Company**”) is an asset reconstruction company registered under Section 3 of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002.

This Corporate Social Responsibility Policy (“**this Policy**”) is framed in accordance with Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility) Rules, 2014 including any modifications and amendments for the time being in force.

The main objective of this Policy is to:-

- i. Set guiding principles and the general framework for carrying out Corporate Social Responsibility (‘**CSR**’) activities of the Company and also to set up process of execution, implementation and monitoring of the CSR programs to be undertaken by the Company.
- ii. function as a built-in, self regulating mechanism whereby the Company will monitor and ensure its active compliance with the spirit of law, ethical standards and requisite norms.

2) Definitions

In this Policy unless the context otherwise requires:

- (a) “**Act**” means Companies Act, 2013, (including any statutory modification or re-enactment thereof);
- (b) “**Rules**” means Companies (Corporate Social Responsibility Policy) Rules, 2014, (including any statutory modification or re-enactment thereof);
- (c) “**Ministry**” means the Ministry of Corporate Affairs;
- (d) “**Corporate Social Responsibility (CSR)**” means and includes but not limited to projects or programs relating to activities in areas or subjects specified in Schedule VII to the Act;

¹ Name of the Company changed pursuant to conversion of the Company into a public limited company and issuance of fresh certificate of incorporation dated May 3, 2019 by Ministry of Corporate Affairs.

² Reviewed at the BM held on 3.8.2021

- (e) "CSR Committee" means the Committee of the Board of Directors of the Company constituted pursuant to the provisions of Section 135 of the Act;
- (f) "CSR Policy" means this Policy containing inter-alia the CSR outlook of the Company and the activities to be undertaken by the Company as specified in Schedule VII to the Act, 2013 and the expenditure thereon, excluding activities undertaken in pursuance of normal course of business of the Company;
- (g) "Net Profit" means net profit as calculated to in Section 198 of the Companies Act, 2013;

Words and expressions used in this CSR Policy and not defined herein but defined in the Act will have the meaning respectively assigned to them in the Act, 2013.

3) Constitution, composition and scope of CSR Committee-

3.1 Constitution and composition of the CSR Committee:

The Company has constituted a Board-level committee which will make recommendations to the Board on CSR Policy and related matters.

The CSR Committee will comprise of 3 or more directors, out of which atleast one shall be an Independent Director. The quorum of the Committee shall be 2 members. The CSR Committee shall meet as its members may deem necessary to discuss various issues on implementation of the CSR Policy but not less than once in a year. An outgoing member of the CSR Committee may be replaced by any other member of the Board.

3.2 Scope of the CSR Committee:

The scope of the CSR Policy will be:-

- a) To formulate and recommend to the Board, a CSR policy which shall indicate the activities to be undertaken by the Company as per the Companies Act, 2013.
- b) To review and recommend the amount of expenditure to be incurred on the activities to be undertaken by the company.
- c) To monitor the CSR policy of the Company from time to time.
- d) Any other matter as the CSR Committee may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors from time to time.

3.3 In case the amount to be spent on CSR in any financial year does not exceed INR. 50 Lacs then the functions of the CSR Committee shall be discharged by the Board of directors of the Company.

4) Thrust areas of CSR activities:

- 4.1 Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.
- 4.2 Promoting education, including special education and employment enhancing vocational skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.
- 4.3 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.
- 4.4 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 Government for rejuvenation of river Ganga.
- 4.5 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 art and handicrafts;
- 4.6 Measures for the benefit of armed forces veterans, war widows and their dependents;
- 4.7 Training to promote rural sports, nationally recognised sports, paralympic sports and olympic sports
- 4.8 Contribution to the prime minister's national relief fund or any other fund set up by the central govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;
- 4.9 Contributions or funds provided to technology incubators located within academic institutions which are approved by the central government.
- 4.10 Rural development projects
- 4.11 Slum area development.

The above list is illustrative and not exhaustive. The CSR Committee/Board is authorized to consider other activities in conformity with the provisions of the Companies Act, 2013. The activities will be specific to the village(s) depending on the assessed need of the people. All activities under the CSR should be environment friendly and socially relevant to the local people.

5) Approval/review of CSR Policy by the Board-

The Board of Directors will:-

- a) Approve the CSR Policy of the Company and overall annual budget for the financial year;
- b) Disclose the content of the Policy in its report and place the Policy on the Company's website in such a manner as prescribed under Section 135 of the Act, 2013 read with the Companies (Corporate Social Responsibility) Rules, 2014.

6) Implementation of CSR activities-

- 6.1 For achieving its CSR objectives, the Company shall allocate such amount of its average net profits as may be approved by its Board of Directors, as its Annual CSR budget in each FY.
- 6.2 Allocation of the Annual Budget for CSR activities in any given year shall be as per the provisions of the Companies Act, 2013 and Rules made thereof as amended from time to time. It is clarified that, the surplus arising out of CSR projects or activities shall not form part of the business profit of the Company.
- 6.3 Project activities identified under CSR may be implemented through specialized agencies, including the trust created / to be created by the Company, Non-Government Organisations (NGO's), Recognised Institutes / Academic Institutions, Trusts / Missions / Foundations / Companies set up with charitable objects as per Section 8 of the Act, registered Mahila Mandals / Samitis / Panchayats / Self Help Groups, Professional Consultancy organizations etc.
- 6.4 The time period / duration over which a particular programme will be spread, will depend on its nature, extent of coverage and the intended impact of the programme.
- 6.5 The process for implementation of CSR programmes will involve some or all these following aspects as suitable on a case to case basis:-
 - a) Programme objectives;
 - b) Adopting a basis such as primary or secondary survey / study, on which the outcome of the programme would be measured;
 - c) Prescribing implementation schedules with timelines for milestones of the programme;
 - d) Responsibilities and authorities;
 - e) Major results expected; and;
 - f) Annual review of the performance

7) Monitoring mechanism-

- 7.1 To ensure effective implementation of the CSR programmes undertaken by the Company, a monitoring mechanism will be put in place. The CFO of the Company shall provide a certificate to the Board of directors on the manner of utilisation of CSR funds in a financial year.
- 7.2 The progress / impact of projects under implementation, amounts allocated / spent / unspent on the projects, of CSR programmes undertaken will be reported to CSR Committee/Board and the CSR Committee shall review the progress of activities.
- 7.3 CSR initiatives of the Company will also be reported in the Annual Report of the Company.

- 7.4 The company will consider seeking feedback from beneficiaries about the programmes, wherever feasible.

8) Miscellaneous-

- 8.1 In case of any doubt with regard to any provision(s) of the CSR Policy, a reference can be made to CSR Committee/Board. In all such matters, the interpretation & decision of the the Board of Directors shall be final.
- 8.2 Any or all provisions of the CSR Policy would be subject to revision/amendment in accordance with the guidelines as may be issued by Government, from time to time.
- 8.3 The Board may review the CSR Policy from time to time and make suitable modifications, as may be necessary.