



SBC EXPORTS LIMITED

CORPORATE SOCIAL RESPONSIBILITY POLICY

Effective from- Financial Year 22-23

SBC Exports Limited

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SBC EXPORTS LIMITED

CORPORATE SOCIAL RESPONSIBILITY POLICY (Framed under Section 135(3)(a) of the Companies Act, 2013)

The Board of Directors (the "Board") of The SBC Exports Limited (the "Company" or "SBC") acting upon the recommendation of its Directors has adopted the following policy and procedures with regard to the Company's Social Responsibility:

PREAMBLE

At SBC Exports Limited we are committed to various non-governmental and not-for-profit organizations that believe that a new approach and thinking is required against the lack of sanitation, public hygiene awareness and promoting education for keeping our surroundings clean and green and to educate youth of the Country for their brighter future & for Country's economic development etc. This needs a new kind of effort, a fresh initiative, in fact a movement against this malaise that is casting a dark shadow on our nation. The emergence of consent of Corporate Social Responsibility over Companies will supplement the vision of SBC towards the society.

INTERPRETATION

For the purposes of this Policy references to the following shall be construed as:

- (a) "Act" means the Companies Act, 2013
- (b) "Annexure" means the Annexure appended to these rules
- (c) "Corporate Social Responsibility (CSR)" means and includes but is not limited to:-
 - (i) Projects or programs relating to activities% [, areas or subjects] specified in Schedule VII to the Act; or
 - (ii) Projects or programs relating to activities undertaken by the board of directors of a company (Board) in pursuance of recommendations of the Board of the Board as per declared CSR Policy of the company subject to the condition that such policy will * [include activities, areas or subjects specified] in Schedule VII of the Act.
- (d) "Board" means the Corporate Social Responsibility Committee of the Board referred to in section 135 of the Act.
- (e) "CSR Policy" relates to the activities to be undertaken by the [company in areas or subjects] specified in Schedule VII to the Act and the expenditure thereon, excluding activities undertaken in pursuance of normal course of business of a company; IBC Law [Provided that any company engaged in research and development activity of new vaccine, drugs and medical devices in their normal course of business may undertake research and development activity of new vaccine, drugs and medical devices related to COVID-19 for financial years 2020-21, 2021-22 and 2022-23 subject to the conditions that-
 - (i) Such research and development activities shall be carried out in collaboration with any of the institutes or organizations mentioned in item (ix) of Schedule VII to the Act.
 - (ii) Details of such activity shall be disclosed separately in the Annual Report on CSR included in the Board's Report.
- (f) "Net profit" means the net profit of a 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: Provided that net profit in respect of a financial year for which the relevant financial statements were prepared in accordance with the provisions of the Companies Act, 1956, (1 of 1956) shall not be required to be re-calculated in accordance with the provisions of the Act

Provided further that in case of a foreign company covered under these rules, net profit means the net profit of such company as per profit and loss account prepared in terms of clause (a) of sub-section (1)

- Of section 381 read with section 198 of the Act.
- Words and expressions used and not defined in these rules but defined in the Act shall have the same meanings respectively assigned to them in the Act."

I. MISSION AND VISION

SBC Exports limited (hereinafter called "the Company") and its people are committed to society, ecology and environment. The Company realises that caring for the society, country and the planet is not philanthropy or generosity– it is the very way of doing sustainable business. The Company also realises that the Company is not being generous by following the CSR Policy - it is only being relevant and meaningful to the society of which it is a corporate citizen.

Vision: The Board's Vision is "improving lives in pursuit of collective development and environmental sustainability". This vision should encompass all CSR activities of the Company.

Mission: The Board's Mission is primarily to pursue initiatives directed towards enhancing welfare measures of the society based on long term social and environmental consequences of the CSR activities. Within the above mission, the Board will choose Priority Projects from time to time.

The objective of this Policy is not only to guide the Company and its people to indulge in social activities but also to integrate the business processes with social processes. The Company believes that CSR Policy is the Company's faith in socially inclusive and sustainable business, as the way of doing business.

II. APPROACH TOWARDS CSR

The Company recognises that good CSR embraces all aspects of sustainable development and the way the Company affects people through its business operations. The objective of this Policy is to set guiding principles for carrying out CSR activities by the Company and also to set up process of execution, implementation and monitoring for the CSR activities to be undertaken by the Company.

The policies to be pursued by the Board are as follows:

General business policies:

1. The Company realises that one of the most important parameters for a socially responsible corporate citizen is to carry out its business in accordance with the principles of sustainability, balance and equity. The Company will always strive to align its business interests with those of the society in general, ecology and environment. The Company further encourages any stakeholder or any member of the public to make thoughtful suggestions for sustainable business practices.
2. The Company will encourage voluntary efforts of its directors and employees to CSR Projects. The Company also encourages its directors and employees to recommend to the Board meaningful projects in accordance with the Guiding Principles that may be taken up by the Company, under the supervision of the Board.
3. The Company shall strive to enhance corporate value while achieving a stable and long- term growth for the benefit of stakeholders.
4. The Company respects and honors the human rights of people involved in its business and, in particular, does not use or tolerate any form of forced or child labour.
5. As far as possible, the Company shall strive to create self-sustainability in its CSR efforts, that is to say, over a long run, a CSR Project should be able to generate sufficient resources, whether by way of profits or by way of a regular flow of contributions, so that it does not have to depend on the Company's contribution on a regular basis.

CSR Expenditure

1. The Company shall, in each financial year, spend a minimum amount of 2% of the average net profits made during three immediately preceding financial years or such higher amount as may be recommended by the Board and approved by the Board of Directors of the Company.
2. Pursuant to Rule 7(1) of the Rules, the Administrative overheads shall not exceed 5% of Minimum allocation of CSR or such limit as prescribed under the law.
3. In any financial year, if the Company is unable to spend the Minimum allocation of CSR, the Company shall, in its Board's Report prepared under Section 134(3)(o) of the Companies Act, 2013, specify the reasons for not spending the amount.
4. The Company shall deal with the unspent amount, if any, in the following manner:
 - a. where the unspent amount is related to an Ongoing Project, such unspent amount shall be transferred to the CSR Unspent Account within a period of 30 days from the end of the financial year and the same shall be spent in the manner as prescribed in Section 135(6) of the Act and the Rules; and
 - b. where the unspent amount is not related to an Ongoing Project, such unspent amount shall be transferred to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year or such other time period, as permissible under the Applicable Law

5. The Board would be authorized for sanctioning the amount for any specific activity/initiative and/or to delegate authority from time to time to CSR Delegation Committee to allocate amount for any such specific activity within the approved ceiling limit.
6. Any surplus arising out of the CSR activities shall not form part of the business profit of the Company and shall be ploughed back into the same project or shall be transferred to the Unspent CSR Account and spent in pursuance of CSR 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.
7. Where a company spends an amount in excess of the Minimum allocation of CSR, such excess amount may be set off against the Minimum Allocation of CSR of three immediately succeeding financial years subject to the conditions that—
 - (i) The excess amount available for set off shall not include the surplus arising out of the CSR activities, if any, in pursuance of Rule 7(2) of the Rules.
 - (ii) The Board of the Company shall pass a resolution to that effect.
8. 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 Society, having charitable objects and CSR Registration Number under Rule 4(2) of the Rules; or
 - (b) beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities; or
 - (c) a public authority.

III. GUIDING PRINCIPLES

A. Selection of CSR Projects

1. The Board shall, from time to time, identify the Priority Projects of CSR to be carried out by the Company from the areas specified under Schedule VII of the Act;
2. Notwithstanding the listing of the Priority Projects, the Board may undertake projects which are relatable to the activities as stated in Schedule VII of the Companies Act, 2013, by taking a liberal interpretation so as to capture the essence of the subjects enumerated in the said Schedule.
3. The Company shall give preference to the local area and areas around it where it operates, for spending the amount earmarked for CSR Projects.
4. A CSR Project may be selected by the Board, either based on its own discretion or based on recommendations/ proposal received from any stakeholder as mentioned above. The Board will accord priority to projects in the areas covered by Priority Projects.

5. The Board shall approve an Annual Action Plan in terms of the Policy.
6. The Board, after identifying and approving a CSR Project, shall fix a target spending as per the Annual Action Plan or any modification thereof, and direct the CSR Cell to carry out the execution thereof.

B. List of Activities/Projects

1. Eradicating hunger, poverty and malnutrition, promoting health care including 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 vocation 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, 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.
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;
6. Measures for the benefit of armed forces veterans, war widows and their dependents, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows
7. Training to promote rural sports, nationally recognised sports, Paralympic sports and Olympic sports
8. contribution to the prime minister's national relief fund or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES 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;
9. (a) Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government; and

(b) Contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of



Electronics and Information Technology and other bodies, namely Defense Research and Development Organisation (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).

10. Rural development projects

11. Slum area development.

Explanation.- For the purposes of this item, the term `slum area' shall mean any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force.

12. Disaster management, including relief, rehabilitation and reconstruction activities.

C. Monitoring and Evaluation of CSR

1. The Board shall periodically monitor and evaluate the performance of the Projects and the achievement of targets.
2. The Board shall seek statements and reports on the progress of CSR Projects from the CSR Cell on a periodical basis.
3. The Board shall periodically review and discuss the progress of Projects undertaken including spending thereon and make any decision including allocation/ reallocation of funds, with respect to the Projects which it thinks fit and recommend the same to the Board of Directors for approval.
4. Where the CSR Cell has failed to spend the allocated amount or failed to meet the timeline for execution of its projects, the Board shall furnish to the Board, the reasons for the same.
5. The Board of Directors of the Company shall satisfy itself that the funds so disbursed have been utilized for the purposes and in the manner as approved by it and the Chief Financial Officer or the person responsible for financial management shall certify to that effect.
6. In case of Ongoing Project, the Board of the Company shall monitor the implementation of the Project with reference to the approved timelines and year-wise allocation and shall be competent to make modifications, if any, for smooth implementation of the project within the overall permissible time period.

D. Formulation of the Annual Action Plan

1. The Management shall place before the Board, the Annual Action Plan at the first Meeting of the Financial Year wherein the annual accounts of the Company shall be considered for approval which may be amended from time to time, as recommended by the Board and approved by the Board.



2. The Annual Action Plan shall include the following:
 - a. the list of CSR projects or programmes that are approved to be undertaken in the areas or subjects specified in Schedule VII of the Act;
 - b. the manner of execution of such projects or programmes as specified in Rule 4(1) of the Rules;
 - 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;
3. The Board may alter such plan at any time during the financial year based on the reasonable justification to that effect.

E. Procedure for CSR Activities

1. The Committee shall recommend the Board the CSR Activities to be undertaken for the financial year along with the detailed plan, modalities of execution, implementation schedule, monitoring process and amount to be incurred on such activities;
2. The Board shall give its approval based on the recommendation of the Committee and in compliance of this Policy;
3. The Committee, after approval, shall submit the half-yearly report giving status of the CSR Activities undertaken, Expenditure Incurred and such other details as may be required the Board.

F. AMENDMENTS

Amendments from time to time to the CSR Policy, if any, shall be considered by the Board of Directors of the Company, based on the recommendations of the Board. This Policy has been made as per the provisions of the Companies Act, 2013 and the Rules made thereunder ('Applicable law'). Any amendments in the Applicable Law, including any clarifications/ circulars of relevant regulator, if mandatory, shall be read into this Policy such that the Policy shall automatically reflect the contemporaneous applicable law at the time of its implementation.

For SBC Exports limited

sd/-

Govindji Gupta

DIRECTOR