



## **SENCO GOLD CORPORATE SOCIAL RESPONSIBILITY POLICY**

<b>Approved By</b>	Board of Directors
<b>Date of Approval</b>	28.01.2015
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**SENCO GOLD LIMITED**

**CIN: L36911WB1994PLC064637**

**Registered & Corporate Office:**

Diamond Prestige, 41A, A.J.C. Bose Road, 10<sup>th</sup> Floor,  
Unit no. 1001, Kolkata- 700017, West Bengal, India

## **SENCO GOLD LIMITED**

### **Corporate Social Responsibility Policy**

#### **1. Objective:**

The main objective of Corporate Social Responsibility Policy (CSR Policy) is to lay down guidelines for Corporate Social Responsibility Activities of Senco Gold Limited ('the Company' or 'SENCO').

#### **2. Philosophy and vision of the Company on CSR:**

The policy on Corporate Social Responsibility (CSR) is adopted by the Company to align its philosophy to initiate measures and pursue socially useful programmes with the objectives and activities of CSR envisaged and incorporated in the Companies Act, 2013 and the rules made thereunder. This policy has been recommended by the Corporate Social Responsibility Committee (CSR Committee') and adopted by the Board of Directors at its meeting held on 20<sup>th</sup> January 2015. The terms, rules and regulations mentioned in this policy are as per the Companies Act 2013 and the rules made thereunder. The Board may upon the recommendation of the CSR Committee, amend or modify this CSR Policy as and when necessary. This policy shall be effective with immediate effect.

SENCO will do its best to follow the requirements of the Companies Act, 2013 on the CSR obligation in letter and spirit.

#### **3. Mission:**

The CSR Committee's Mission is primarily to pursue initiatives directed towards enhancing welfare measures of the society and providing qualitative good healthcare including preventive health care infrastructural facilities to the common people for the welfare of the human beings. Within the above mission, the CSR Committee 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 welfare healthcare 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.

#### **4. Definitions:**

**"Act"** means The Companies Act, 2013 as amended from time-to-time.

**"Board"** means the Board of Directors of the Company.

**"CSR or Corporate Social Responsibility"** means and includes but is not limited to :

- (i) Projects or programs relating to activities specified in Schedule VII of the Companies Act, 2013; or

(ii) Projects or programs relating to activities undertaken by the Company in pursuance of the recommendations of the CSR Committee and approved by the Board as per this policy.

**“CSR Committee”** means Corporate Social Responsibility Committee constituted by the Board pursuant to Section 135 of the Companies Act, 2013. ‘The Company’ or ‘SENCO’ means **Senco Gold Limited**.

**“MCA”** means the Ministry of Corporate Affairs.

**‘Net Profit’** means the net profit of the company as per its financial statement prepared in accordance with the applicable provisions of the Companies Act, 2013 (previously the Companies Act, 1956), but shall not include the following, namely:

- (i) any profit arising from any overseas branch or branches of the 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 Companies Act, 2013.
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**“Rules”** means The Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended from time-to-time

AND expression used in this policy and not defined herein but defined under the Companies Act, 2013 shall have the meanings respectively assigned to them therein.

## **5. CSR Committee:**

5.1 CSR Committee shall consist of at least 3 (three) Directors, nominated by the Board, out of which at least one Director shall be an Independent Director, if any.

5.2 The Committee shall meet at least once in a year to formulate and recommend to the Board, an annual action plan in pursuance of its CSR policy, which shall include the following, namely :

- a) the list of CSR projects or programmes that are approved to be undertaken in areas or subject specified in Schedule VII of the Act;
- b) the manner of execution of such projects or programmes;
- c) the modalities of utilization 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.

However, the Board of Directors of the Company may alter such plan at any time during the financial year, as per the recommendations of the CSR Committee, based on the reasonable justification to that effect. Apart from the above, the Committee shall hold meetings as and when necessary.

5.3 The Board shall intimate the Committee the amount of expenditure to be incurred by the Company on CSR activities and the Committee will ensure that the activities as are included in the CSR Policy are undertaken by the Committee subject to and in accordance with the provisions of Section 135 of the Act and Rules related thereto.

5.4 The programs/projects may be undertaken through Trust/NGO having a track record of at least three years and duly registered with MCA for carrying out CSR activities.

5.5 The Committee may invite such outside expert / consultant or any other person as it may deem fit for the purpose of CSR activities.

5.6 CSR activities may also be undertaken in collaboration with other Companies in terms of the provisions of the Act and the rules related thereto.

5.7 The Committee may also recommend allocation of certain portion of the CSR spend for some identified activities/projects.

5.8 The Committee shall endeavor for CSR capacity building of the personnel of the Company and / or of the institution carrying CSR activities of the Company within the allowable statutory expenditure limits.

5.9 The composition of CSR Committee shall be disclosed in the Board' Report.

## **6. Terms of reference**

6.1 To formulate and recommend to the Board, a Corporate Social Responsibility Policy, which shall indicate the activities to be undertaken by the company as specified in Schedule VII to the Companies Act, 2013;

6.2 To recommend the amount of expenditure to be incurred on the activities referred to in clause (a);

6.3 To monitor the Corporate Social Responsibility Policy of the company from time to time; and

6.4 To institute a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the company.

## **7 CSR Activities**

The Company may undertake any of the following activities as its CSR activities:

- (i) 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.
- (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, 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.

(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 art and handicrafts.

(vi) measures for the benefit of armed forces veterans, war widows and their dependents, Central Armed Police Forces (CAPF) and Central Paramilitary Forces (CPMF) veterans, and their dependents including widows;

(vii) training to promote rural sports, nationally recognized sports, paralympic sports and Olympic sports

(viii) 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.

(ix) (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 Organization (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).

(x) rural development projects

(xi) 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.

xii) disaster management, including relief, rehabilitation and reconstruction activities

or any other areas as may be notified by the Central Government from time to time and as included in Schedule VII to the Act. However, preference shall be given to local area and areas around it where it operates, for spending the amount earmarked for CSR activities.

Further, the CSR amount may be spent by the 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 sub-rule (2) of rule 4; or

(b) beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities; or

- (c) a public authority.

## **8. RESPONSIBILITIES OF CSR COMMITTEE**

Apart from its annual feature of formulation and recommendation of an annual action plan to the Board of Directors of the Company, the CSR Committee shall:

- a) formulate and recommend to the Board, a CSR policy which shall indicate the activities to be undertaken by the Company in areas or subject, as specified in Schedule VII of the Act;
- b) recommend the amount of expenditure to be incurred on the activities as referred to in clause (a);
- c) monitor the CSR activities of the Company from time to time;
- d) any other matter as may be considered necessary or expedient by the Members in furtherance of or to comply with the CSR Policy of the Company.

The Board shall ensure that the Company spends at least 2% of the average net profit of the Company made during the three immediately preceding financial years in pursuance of the CSR Policy. The Board shall also ensure necessary compliances pertaining to unspent CSR amount, if any, in any financial year and the manner of utilization of excess CSR contribution done in any financial year, in accordance with the provisions of the Act and the rules related thereto.

Contribution of any amount directly or indirectly to any political party under Section 182 of the Act, shall not be considered as CSR activities.

The amount spent on CSR activities shall include all expenditure including contribution to corpus for projects or programs relating to CSR activities approved by the Board on the recommendation of its CSR Committee but will not include any expenditure on an item not in conformity or not in line with activities which fall within the purview of Schedule VII of the Act.

Any surplus arising out of the CSR activities shall not form part of the business profit of a 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

The CSR Committee will approve the expenditure on CSR activities within monetary limits sanctioned by the Board for such activities

## **9. CARRYING OUT OF CSR PROJECTS THROUGH EXTERNAL AGENCIES**

The Company may undertake CSR activities itself or through:

- (a) a Company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80 G of the Income Tax Act, 1961 (43 of 1961), established by the Company, either singly or along with any other Company, or
- (b) 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
- (c) any entity established under an Act of Parliament or a State legislature; or

- (d) a Company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities.

In case the CSR Committee decides to execute a CSR Project through an external agency, it would adhere to the following guiding principles:

1. The Agency must be eligible for carrying the CSR Project and must have track record in carrying similar project for a period to the satisfaction of the Committee, but not less than 3 years. Subject to the above, any director of the Company may be associated/affiliated as a trustee, governing body member or in any other manner with the Agency, provided that no personal benefit, directly or indirectly, should flow from such Agency to any such director.
2. The Committee shall provide specific Project agenda, targets, target spending, accomplishments, manner of execution etc to the Agency, subject to discussions with the Agency.
3. The disbursement of funds to the Agency must be done on a progressive basis so as to align with the funding needs of the Project, and to permit the evaluation of the activity carried so far.
4. The Agency must provide periodically reports, to the satisfaction of the Committee, about execution of the Project.

However, no CSR activities will be carried out by the Company directly or through any other eligible entity unless the Company itself or such entity is duly registered with Central Government for such purpose with a valid Unique CSR Registration Number as allotted by MCA to the Company or such entity for carrying out such activities.

Further, the Company may also collaborate with other companies for undertaking projects or programmes or CSR activities in such a manner that the CSR committees of respective companies are able to report separately on such projects or programmes in accordance with CSR rules.

The Board 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 the effect.

In case of ongoing project, the Board 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.

#### **10. Treatment for Unspent CSR:**

If the company spends less than the amount required to be spent under their CSR obligation, the Board shall specify the reasons for not spending in the Board's report and shall deal with the unspent amount in the following manner:



1. Unspent amount pertaining to 'ongoing projects' - Transfer such unspent amount to a separate bank account of the company to be called as 'Unspent CSR Account' within 30 days from the end of the financial year.
2. Unspent amount pertaining to 'other than ongoing projects' - Transfer unspent amount to any fund included in Schedule VII of the Act. Within 6 months from the end of the financial year

## **11. EXCLUSIONS**

Following activities shall be excluded from the CSR expenditure of the Company:

- a) Activities which are exclusively for the benefit of employees of the Company;
- b) Activities undertaken in pursuance of normal course of business of the Company;
- c) Direct or indirect contribution to political parties; —
- d) Activities undertaken outside India, except for training of Indian sports personnel representing any State or Union Territory at national level or India at international level
- e) Activities for fulfilling statutory obligations under any law in force in India.
- f) Activities supported by the Companies on sponsorship basis for deriving marketing benefits for its products or services.

## **12. MONITORING OF CSR PROGRAMS**

Notwithstanding whatever mentioned elsewhere, every year, the CSR Committee will place for the Board's approval a CSR Plan delineating the CSR Programmes to be carried out during the financial year and the specified budgets thereof. The Board will consider and approve the CSR Plan with any modification that may be deemed necessary.

The Board shall be responsible for day-to-day management of CSR related activities of the Company. The Board shall periodically review regarding the financial and programmatic progress of CSR projects. All projects undertaken by the Company shall be monitored on a regular basis.

The Board shall be empowered to appoint an external third party to monitor / review / audit the progress (financial and programmatic) of any CSR projects, if required.

The Committee will appoint an independent agency / firm of repute for carrying out an impact assessment, if applicable, and the report of such impact assessment shall be placed before the Board and shall also be annexed with the Annual Report on CSR.

## **13. Role of Board**

The roles and responsibilities of the Board shall inter-alia, include the following —

- (i) approve the CSR policy;



- (ii) disclose contents of such policy in its report and also place it on the company's website, if any;
- (iii) ensure that the activities included in the CSR policy are undertaken by the company;
- (iv) ensure that the company spends, in every financial year, at least two per cent of the average net profits of the company made during the three immediately preceding financial years;
- (v) satisfy itself regarding the utilisation of the disbursed CSR funds; and
- (vi) if the company fails to spend at least two per cent of the average net profits of the company, the Board shall, in its report made under clause (o) of sub-section (3) of section 134, specify the reasons for not spending the amount and transfer the unspent CSR amount as per provisions of sections 135(5) and 135(6) of the Act.

#### **14. AMENDMENTS TO THE CSR POLICY**

CSR Policy may be updated to align it with the changing requirement or changes in the legal and regulatory framework. Any revision in the Policy shall be approved by the Board of Directors.

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