

# SKIL INFRASTRUCTURE LIMITED

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## CORPORATE SOCIAL RESPONSIBILITY POLICY

### LEGAL FRAMEWORK

This Policy has been formulated by the Corporate Social Responsibility Committee and approved by the Board of Directors of SKIL Infrastructure Limited (Erstwhile Horizon Infrastructure Limited) (hereinafter referred to as the “Company” or “SKIL”) in accordance with the requirement of the provisions of Section 135 of the Companies Act, 2013 read with the Rules thereunder.

### DEFINITIONS

1. **“Act”** means Companies Act, 2013 & rules made thereunder, including any modifications, clarifications, amendments, circulars or re-enactment thereof.
2. **“Board of Directors”** or **“Board”** means the Board of Directors of the Company, as constituted from time to time.
3. **“Committee”** means Corporate Social Responsibility Committee of the Company as constituted or reconstituted by the Board in terms of Section 135 of the Act.
4. **“Corporate Social Responsibility”** means and includes but is not limited to:
  - (i) Projects or programs relating to activities specified in Schedule VII to the Act; or
  - (ii) Projects or programs relating to activities undertaken by the Board of Directors of the Company in pursuance of recommendations of the CSR Committee of the Board as per declared CSR Policy of the company subject to the condition that such Policy will cover subjects enumerated in Schedule VII of the Act.
5. **“Independent Director”** means a director who satisfies the criteria for independence as prescribed under Section 149 of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘Listing Regulations’).
6. **“Key Managerial Personnel”** in relation to a company, means—
  - (i) the Chief Executive Officer or the Managing Director or the Manager;
  - (ii) the Company Secretary;
  - (iii) the Whole-Time Director;
  - (iv) the Chief Financial Officer; and
  - (v) such other officer as may be prescribed;
7. **“Policy”** means this Policy, as may be amended from time to time.

## **APPLICABILITY**

Provisions relating to Corporate Social Responsibility ('CSR') are applicable to every company having net worth of Rupees Five Hundred Crore or more, or Turnover of Rupees One Thousand Crore or more or a Net Profit of Rupees Five Crore or more during any of the three preceding financial years. Where the Company ceases to be covered under the said criteria for three consecutive financial years, the Company shall not be required to constitute CSR Committee or comply with the provisions of Section 135 (2) to 135 (5) of the Act till it meets the said criteria.

## **MEMBERSHIP**

- i) The Committee shall consist of a minimum 3 Directors out of which at least one Director shall be an Independent Director.
- ii) A minimum of two (2) Members shall constitute a quorum for the Committee Meeting.
- iii) Term of the Committee shall be continued unless terminated by the Board of Directors.

## **ROLE OF THE COMMITTEE**

The CSR Committee, inter alia, shall—

- i) indicate the activities to be undertaken by the company relating to that specified in Schedule VII to the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014;
- ii) recommend the amount of expenditure to be incurred on the activities referred to in clause (i) above; and
- iii) institute a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the Company;
- iv) monitor the CSR Policy of the Company from time to time.
- v) such other functions as the Board may delegate from time to time.

## **ROLE OF THE BOARD**

The Board shall—

- i) ensure that the activities to be undertaken by the Company shall be related to that specified in Schedule VII to the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014;

- ii) ensure that the Company spends, in every financial year, at least two per cent of the average net profits (before tax), if any, (which is calculated in accordance with the provisions of section 198 of the Act) of the Company made during the three immediately preceding financial years, in pursuance of its CSR Policy;
- iii) consider and give preference to the local area and areas around the Company where it operates, for spending the amount earmarked for CSR activities.
- iv) in its Report specify the reasons for not spending amount, if any, on CSR activities.

## **CSR ACTIVITIES**

The Company shall endeavour to provide adequate budget for CSR project/program in consonance with Schedule VII of the Act, with emphasis on Skill Development, Educational Development, Handicrafts & Handloom Development in the areas which are contiguous to the project sites getting developed by the Company.

The Company may decide to undertake CSR activities indicated by the CSR Committee, through a registered trust or a registered society or a company established under section 8 of the Act by the Company, either singly or along with its subsidiary or associate company, or along with any other company or holding or subsidiary or associate company of such other company, or otherwise provided that – (a) If such trust, society or company is not established by the Company, either singly or along with its subsidiary or associate company, or along with any other company or holding or subsidiary or associate company of such other company, it shall have an established track record of three years in undertaking similar programs or projects/activities; (b) The Company has specified the project or program to be undertaken through these entities, the modalities of utilization of funds on such projects and programs and the monitoring and reporting mechanism.

The Company may also decide to collaborate with other companies for undertaking projects or programs or CSR activities in such a manner that the CSR committees of respective companies are in a position to report separately on such projects or programs.

The Company may build CSR capacities of its own personnel as well as those of its Implementing agencies through Institutions with established track records of at least three financial years but such expenditure shall not exceed five percent of total CSR expenditure of the Company in one financial year.

Surplus, if any, arising out of the CSR project/program/activity shall not form part of the business profit of the Company and the amount spent towards CSR cannot be claimed as business expenditure.

## **SPECIFICATION OF MODALITIES OF EXECUTION OF THE POLICY**

The Committee shall be responsible for laying down operational mechanism, design the implementation model & schedule and recommend the same for the approval of the Board. The CSR project/program shall be initiated in the manner approved by the Board.

## **MONITORING PROCESS**

The Board shall periodically review the status of the CSR project/program being implemented and issue necessary directions to ensure orderly and efficient execution of the CSR project/program in accordance with this Policy. The review shall be in accordance with the COREX principle i.e., Comply or Explain.

## **EXPENDITURES WHICH DO NOT QUALIFY AS CSR EXPENDITURES:**

- i) Expenses incurred by companies for the fulfillment of any Act/ Statute of regulations (such as Labour Laws, Land Acquisition Act etc.).
- ii) The CSR projects or programs or activities that benefit only the employees of the Company and their families
- iii) One-off events such as marathons/ awards/ charitable contribution/ advertisement/sponsorships of TV programmes, etc.
- iv) Contribution of any amount directly or indirectly to any political party.
- v) Activities undertaken in pursuance of the normal course of business of the Company.
- vi) CSR activities undertaken outside India.
- vii) Expenditure not in conformity or not in line with the activities which fall within the purview of Schedule VII of the Act.

## **DISCLOSURES**

As per the Companies Act, 2013, the contents of this Policy shall be disclosed in the Board's Report of the Company and also be placed on the Company's website.

The Board's Report shall also include an Annual Report on CSR containing the particulars specified in Annexure to the Companies (Corporate Social Responsibility Policy) Rules, 2014.

## **MISCELLANEOUS**

Any terms used in this Policy but not defined herein shall have the same meaning ascribed to it in the Companies Act, 2013 or Rules made thereunder, SEBI Act or Rules and Regulations made thereunder, Listing Regulations, or any other relevant legislation / law applicable to the Company.

**AMENDMENT**

Any subsequent amendment/modification in the Companies Act, 2013 or Rules made thereunder, SEBI Act or Rules and Regulations made thereunder, Listing Regulations and/or other applicable laws in this regard shall automatically apply to this Policy.

The Committee can recommend any amendment to this Policy, as and when it deems fit and implement after Board's approval.

**Details of amendment:**

Amended on	November 5, 2015 and made effective from December 1, 2015.
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