

## **SAEL INDUSTRIES LIMITED**

### **CORPORATE SOCIAL RESPONSIBILITY POLICY**

#### **Vision**

**Enabling lives, living and livelihood  
for a stronger & healthier India**

“Our mission is to continue growing as a responsible organisation that believes in enriching *lives* of those around us

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**Shri Jasbir Singh**  
**Managing Director**

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## **1. Introduction**

SAEL Industries Limited is the flagship company of SAEL group (SAEL) having very strong PAN India presence in Solar, Rooftop Solar Power and Waste to Energy through its subsidiary companies. It is India's one of the fastest growing private sector enterprises

SAEL's diverse projects and operations touch the lives of people and society in many ways and create value by helping in overall and holistic development of communities across multiple geographies. Through its various initiatives, the group endeavors to play a relevant role by serving communities and projects that address gaps in basic societal requirements.

As a responsible corporate citizen, SAEL has embarked on several initiatives of scale in the education, healthcare, development of rural sports, welfare of animals and livelihood domains. SAEL endeavors to continuously learn from its experiences and adapt its policies and implementation strategy on an ongoing basis.

## **2. Vision, Purpose and Scope**

2.1 **Vision:** Enabling lives, living and livelihood for a stronger and inclusive India.

2.2 **Purpose & Scope:** The purpose of this CSR policy is to detail SAEL's Corporate Social Responsibility Agenda, programme implementation and their governance, monitoring and reporting.

The policy has been framed in accordance with Section 135, Schedule VII of the Companies Act, 2013 (the 'Act') and the Companies (Corporate Social Responsibility Policy) Rules, 2014 and Companies (Corporate Social Responsibility Policy) Amendment, Rules 2021 (the 'Rules').

The Policy shall apply to all CSR programmes/ activities undertaken by the Company and its subsidiaries in India and executed either directly or through any implementation partner or Fund setup by the Central or the State Government.

## **3. Policy**

### **3.1 Corporate Social Responsibility Philosophy**

"At SAEL, business priorities co-exist with social commitments and our activities support inclusive growth."

**Jasbir Singh**  
**Managing Director**

Conscious business decisions by the group have directly and indirectly created value for multiple stakeholders and helped in improving the lives of the people. SAEL has always believed in creating societal value by providing affordable products and services which have assisted in the growth of relevant industries. Across all its areas of operations, there are inherent linkages and interconnections with the immediate and long-term societal impact.

In addition, SAEL impacts the lives particularly of several hundreds of thousand underprivileged people through our CSR activities.

SAEL seeks to continue its contribution to the society through its distinct value proposition that meets the needs of millions of people, enhancing their lives through healthcare, improving quality of living by providing education, promoting the rural sports by providing world class facilities and enabling livelihoods by creating employment opportunities- through the following:

- (a) For the Business- value created for the society through business (including employment generation, market growth, creating opportunities etc.)
- (b) By the Business- value created through CSR initiatives across different operating facilities with appropriate link ages to local communities in which they operate.
- (c) Beyond Business- value created through interventions for the communities in diverse geographies across India.

SAEL has been involved in various Social Responsibility initiatives over the last many years. These efforts have substantially improved the quality of lives of people through health care, education, livelihoods and community development initiatives, making their living experience dramatically better. These activities are spread across India and reach well beyond our business locations impacting the lives of marginalized communities.

An endeavour is made to ensure that all initiatives undertaken by the group have an impact on the beneficiaries in improving their lives. The initiatives also should be replicable, scalable and sustainable on a long-term basis.

SAEL aims to continue its efforts to build on its tradition of Social Responsibility to empower people and deepen its engagement with a view to improve lives, living and livelihood of millions on a sustainable basis.

### **3.2 Focus Areas**

For a group with diversified businesses like SAEL, there are several opportunities to increase and deepen social impact at scale and generate value for all. SAEL seeks to strategically consolidate the company's CSR initiatives to focus on discrete social problems, all aimed at enabling lives, living and livelihoods. Owing to its long tradition of social responsibility, the value of sustainable social impact at scale is instilled across the conglomerate.

Considering the CSR philosophy of the Company, SAEL has identified 6 focus areas:

<b>Rural Transformation</b>	<ul style="list-style-type: none"> <li>• Creating sustainable livelihood solutions, addressing poverty, hunger and malnutrition</li> </ul>
<b>Health</b>	<ul style="list-style-type: none"> <li>• Affordable solutions for healthcare through improved access, awareness and health seeking behavior</li> </ul>
<b>Education</b>	<ul style="list-style-type: none"> <li>• Access to quality education, training and skill enhancement</li> </ul>
<b>Environment</b>	<ul style="list-style-type: none"> <li>• Environmental sustainability, ecological balance, conservation of natural resources</li> </ul>
<b>Animal Welfare</b>	<ul style="list-style-type: none"> <li>• Providing shelters and arrange fodder for cows.</li> </ul>
<b>Disaster Response</b>	<ul style="list-style-type: none"> <li>• Managing and responding to disaster</li> </ul>

SAEL aims to continue its work in the above-mentioned areas and scale up further for better reach, deeper engagement and impact. Key areas where SAEL has been working and seeks to continue its efforts are as under:

### **3.2.1 Rural Transformation**

To work towards bridging the developmental gap between rural 'Bharat' and urban India by improving livelihood, addressing poverty, hunger and malnutrition. Key initiatives include:

- (a) Supporting Farm and non-farm livelihoods
- (b) Improving water conservation and rain-water harvesting
- (c) Developing community-based initiatives like VFAs and producer companies towards building capacity of the community and ensuring sustainability
- (d) Using technology towards delivering need-based information for improving quality of life.
- (e) Improving food security and enhancing nutrition Developing Community infrastructure.

### **3.2.2 Healthcare**

To address issues around affordability and accessibility of quality healthcare and bring about improvement in awareness and health seeking behaviour in various parts of India, enabling a better living, through initiatives such as:

- (a) Primary, secondary and tertiary care facilities
- (b) Conducting need-based health camps and providing consultation, medicines etc.
- (c) Working on maternal and child health
- (d) Behavioural change for improved mother and child health
- (e) Improving healthcare delivery through innovative outreach programmes
- (f) Working for the visually impaired
- (g) Working in the areas of Communicable and non-communicable diseases
- (h) Using technology for training, competency evaluation and clinical decision support for medical professionals with a view to improve quality of healthcare.

### **3.2.3 Education**

To work on several educational initiatives to provide quality education, training, skill enhancement for improving the quality of living and livelihood. Initiatives are aimed at:

- (a) Promoting primary and secondary education
- (b) Enabling higher education through merit cum means scholarships, including for differently abled across the country.
- (c) Using sports as a tool for development of students in both urban and rural settings
- (d) Promoting higher education including setting up and supporting universities
- (e) Skill development and vocational training
- (f) as a measure to increase the child education and safety, it is the policy of the Company not to employ any child labour in any of our plant or office.

### **3.2.4 Environment**

To enable enhanced livelihood and quality of life, promote environment sustainability through various initiatives for:

- (a) Ecological sustainability
- (b) Promoting biodiversity
- (c) Conservation of natural resources
- (d) Maintaining quality of soil, air and water
- (e) Promoting renewable energy
- (f) Developing gardens and river fronts

### **3.2.5 Animal Welfare**

To contribute towards Animal Welfare including but limited to the following:

- (a) Set up a GAUSHALA (Cowshed) taking complete care
- (b) Providing foods to Cows and other animals.
- (c) Providing Medical facilities for cows and other animals

### **3.2.6 Disaster Response**

SAEL has a track record of organizing timely relief and rehabilitation of communities affected by natural calamities.

To strengthen efforts in the area of Disaster Response towards establishing SAEL as one of the leading organizations with the capacity to respond in a timely and impactful manner in the affected areas. Key initiatives include:

- (a) Building capacities of local communities to respond to disasters.
- (b) Developing expertise and resources to respond to disaster.

### **3.2.7 Other Initiatives**

To undertake other need-based initiatives in compliance with Schedule VII of the Companies Act, 2013 and Rules made thereunder.

The above list is illustrative and not exhaustive. The CSR Committee constituted by the Board of Directors is authorized to consider CSR activities which are not included in the above.

## **3.3 Governance**

### **3.3.1 Corporate Social Responsibility Committee (CSR Committee) & its composition**

CSR Committee constituted in accordance with the requirements of Companies Act, 2013 and rules made thereunder will have three or more directors, out of which at least one director shall be an independent director and will be responsible for the governance of the CSR Activities of the Company.

The Board level Committee to meet as and when required to review the implementation of CSR projects/ programs and give suitable direction.

### **3.3.2 Responsibilities of CSR Committee**

- (a) Formulate and recommend the CSR Policy to the Board of Directors and review the same from time to time in line with the requirements of Companies Act, 2013 and rules made thereunder and the CSR rules.



- (b) Formulate the CSR action plan with budget for the year, classification of projects as ongoing and others and to obtain the approval of the Board of Directors.
- (c) Implement the CSR activities either directly or through any implementation partner.
- (d) Create a transparent monitoring mechanism for CSR activities.
- (e) Review the impact assessment reports on various projects, as may be applicable.
- (f) Hold regular meetings and have their decisions approved/ ratified by the Board from time to time.
- (g) Submit periodic report to the board detailing the activities undertaken.
- (h) Initiate the action on the treatment of unspent CSR Fund at the close of every financial year.

### **3.3.3 Budget**

- (a) The Board of SAEL to ensure that minimum of 2% of average net profit of the last 3 years is spent on CSR initiatives undertaken by SAEL in pursuance of this policy.
- (b) All expenditure towards the programs to be diligently documented.
- (c) if the company fails to spend such amount, the Board shall, in its report made under clause (o) of sub-section (3) of section 134 of the Companies Act 2013, specify the reasons for not spending the amount and, unless the unspent amount relates to any ongoing project referred to in sub-section (6) of section 135 of the Companies Act 2013, transfer such unspent amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.
- (d) Any amount remaining unspent, pursuant to any ongoing project, fulfilling such conditions as may be prescribed, undertaken by a company in pursuance of its Corporate Social Responsibility Policy, shall be transferred by the company within a period of thirty days from the end of the financial year to a special account to be opened by the company in that behalf for that financial year in any scheduled bank to be called the Unspent Corporate Social Responsibility Account, and such amount shall be spent by the company in pursuance of its obligation towards the Corporate Social Responsibility Policy within a period of three financial years from the date of such transfer, failing which, the company shall

transfer the same to a Fund specified in Schedule VII, within a period of thirty days from the date of completion of the third financial year.

- (e) Ongoing Project” means a multi-year project undertaken by a Company in fulfilment of its CSR obligation having timelines not exceeding three years excluding the financial year in which it was commenced, and shall include such project that was initially not approved as a multi-year project but whose duration has been extended beyond one year by the board based on reasonable justification.
- (f) 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.
- (g) Where a company spends an amount in excess of requirement provided under sub-section (5) of section 135 , such excess amount may be set off against the requirement to spend under sub-section (5) of section 135 up to immediate succeeding three 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,
  - (ii) The Board of the company shall pass a resolution to that effect.
- (h) The board shall ensure that the administrative overheads shall not exceed five percent of total CSR expenditure of the company for the financial year.
- (i) The CSR amount may be spent by a company for creation or acquisition of a capital asset, which shall be held by –
  - (i) 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 of the Companies (CSR Policy Rules) ; or
  - (ii) beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities; or
  - (iii) a public authority:

### **3.3.4 Onboarding of Implementation Partner**

- (a) The Company shall conduct requisite due diligence before onboarding any implementing partner for administration/implementation of CSR Projects more specifically mentioned in Annexure – 1, which forms part of this policy.
- (b) Such diligence shall include but not limited to ascertaining their track record of community service, governance, and management standards and financial accountability among other parameters.
- (c) The Company shall enter into Memorandum of Understanding (MoU) or other binding agreements with the Implementing Partners, setting out the terms and conditions relating to the implementation of the CSR Project(s), as deemed appropriate.

### **3.3.5 Identification of CSR projects and implementation Strategy**

The CSR projects will be identified broadly in line with the focus areas identified by the Company and on the basis of thorough assessment study. The Committee may engage external professionals/ firms, if required, for the purpose of the identification of CSR projects.

The Company shall implement the identified CSR Projects in the following manner:

- (a) **Direct Engagement:** SAEL to have a direct engagement strategy- most initiatives to be conceptualized and executed directly through a team of professionals or through a foundation/ society established by the Company, which is engaged in the CSR activities or through its group companies.
- (b) **Indirect:** SAEL may contribute CSR indirectly donations to Charitable Trust, Societies and Section 8 Companies having CSR objectives as per provisions of Section 135 of the Companies Act, 2013 including Rules and Schedule made thereunder and other applicable provisions.
- (c) **Partnerships:** In addition to direct engagement, in specific cases, to partner with other organizations, foundations, registered trust, societies or section 8 Company etc. having an established track record of at least 3 years in carrying out activities in related areas who have the technical expertise and experience to undertake various programs in the identified

core focus areas of operation, to improve our outcomes. While engaging with partners, SAEL to evaluate the credentials of the implementing entity in line with this policy and seek relevant documents, information, and details as per Annexure – I.

- (d) SAEL may also collaborate with other Companies or institutions for undertaking the CSR projects or program.

### **3.3.6 Applicability of Anti-Bribery and Corruption Policy**

To ensure the highest standards of integrity and accountability in our CSR activities, the provisions of our Anti-Bribery and Anti-Corruption (ABAC) Policy shall apply to this CSR Policy.

## **3.4 Measuring and Reporting Outcomes and Impact (Impact Assessment)**

**3.4.1.** SAEL's Monitoring & Evaluation (M&E) framework aims to focus on outcome and impact measurement in multiple ways by measuring change in the lives of the communities that it engages with. The M&E team, comprising in-house team of experts, to continue to play a critical role in routine monitoring and analysis of the different parameters that represent the programs through:

- (a) Impact assessment studies
- (b) Routine program monitoring to track key operational strategies.
- (c) Focus on beneficiary acceptance and course correction.
- (d) Efficient information systems towards developing solutions for collecting, collating, storing, processing and transmitting information.

**3.4.2** The knowledge generated from different studies to be used for supporting the advocacy cause of development issues to positively influence the evidence-based decision-making process in development sector.

**3.4.3** SAEL to continuously strengthen its existing systems and processes to capture the impact (social/economic and developmental) through its various initiatives across multiple mediums. Periodic reports of CSR initiatives to be presented before the Corporate Social Responsibility and Governance Committee (CSR&G) and Board of Directors of the company.

**3.4.4** A third party Impact assessment will be done for the CSR projects/ program, if required by law, as per the provisions of the Act and the Rules framed thereunder, as amended, from time to time.

### 3.5 Monitoring Mechanism

An effective monitoring mechanism shall be established to ensure that the identified CSR projects have been implemented in line with the values and objectives of the Company and relevant provisions of the Companies Act, 2013 and rules made thereunder.

### 3.6 Reporting Framework

- The details of the CSR Projects undertaken by the Company during the Financial Year, the status of its implementation, the impact thereof on targeted participants, the details of funds allocated and amounts which remained unspent as at the end of every financial year shall be submitted to the CSR Committee for their review and noting.
- The Company will disclose the details of the CSR Projects undertaken by it during the financial year in the CSR Report which forms part of the Annual Report, in accordance with the provisions of the Act and the Rules framed thereunder, as amended, from time to time.

### 3.7 Periodic Review of CSR Mechanism

The Policy shall be reviewed by the CSR Committee as and when there are any changes.

### 3.8 Document History

Version	Approval Date	Approved by	Nature of Change
Version 1	12 Jan 2024	Board of Directors	-

## **ANNEXURE- 1**

### **Indicative list of aspects to be considered while engaging with the implementing partner:**

1. Due diligence of the implementing agency would be conducted to check the credentials of the organization. The following information from the interested implementing agencies would be sought, as relevant:
  - (i) Memorandum/Article of Association or Constitution.
  - (ii) Registration Certificate.
  - (iii) Registration Certificate under Section 12A.
  - (iv) ROC filing acknowledgment of CSR 1 form
  - (v) Audited Accounts of last three years.
  - (vi) IT Exemption Certificate under Section 80G; (Lifetime validity)
  - (vii) Pan Card.
  - (viii) IT Exemption Certificate under Section 35(i), if available.
  - (ix) Acknowledgement of Income Tax Return along with IT Return filed (last three years).
  - (x) FCRA Certificate (if any) and latest copy of FCRA Return FC-3, if available.
  - (xi) Description of the project.
2. Ensure that the project/program is consistent with list of activities in Schedule VII.
3. The team may visit and/or meet the representatives to assess the organization (as required).
4. Quarterly reporting on the progress in implementation of the projects/ programs and utilization of the amounts.
5. Reserving the right to be exercised at its sole discretion, of stopping the funding at any stage of the project, if the program is not being implemented as per program objectives and goals.