



## **CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY**

### **INTRODUCTION**

Corporate social responsibility is an evolving concept for business organizations in the country. It addresses the well-being of all the stakeholders of the society at large and sustaining the environment for future generations. With the recent development of corporate social responsibility provisions under the realms of the Companies Act 2013, Indian companies are now expected to discharge their responsibility by acting in a socially responsible manner, thereby taking care of people, planet and profit.

At Spectrum Talent Management Limited (STML/Company), CSR is ingrained in our DNA since we are modeled as a Social Enterprise rather than a typical commercial establishment. STML CSR policy is a set of basic principles and guidelines to direct focus and influences our actions and decision-making towards providing necessary care and assistance to the needy.

This policy is in accordance with the requirements set out in Section 135 of Companies Act 2013 including Amendments thereof, read with Companies (Corporate Social Responsibility) Rules, 2014.

Section 135 of the Companies Act, 2013 has mandated companies, whose turnover is more than Rs. 1000 Crores or net worth of Rs. 500 Crores are more or the net profit of the company in any financial year is more than Rs. 5.00 Crores, to constitute the Corporate Social Responsibility Committee (CSR Committee) of the Board with three or more Directors out of which at least one Director shall be an Independent Director. The amount to be spent towards CSR will be at least 2% every year of the average net profits of the company made during the three immediately preceding financial years. The Act specifies that any amount spent for the business gain of the company or for the welfare of employees shall not be considered as amount spent towards CSR.

### **SCOPE & PURPOSE**

This policy is formulated to meet the CSR objectives set out by the Company as well as the applicable statutory requirements notified by the Ministry of Corporate Affairs through the Act. This policy shall apply to all CSR activities / projects / programs undertaken by the Company. The CSR activities of the Company shall continuously evolve for a long-term sustainability of business, society and environment at large. CSR shall further align and integrate social wellbeing, economic growth and environmental sustainability with the Company's core values, operations and growth.

- (a) Geographic scope:** The approved CSR activities shall only be carried out in cities/districts in which the Company or its clients, including group companies, have operations.
- (b) Delivery scope:** The target beneficiary of CSR initiatives shall primarily be the disadvantaged, impoverished, underserved and marginalized sections of the society. Emphasis shall be given to communities living around the area of operations of the Company with no exclusive benefits to employees or related parties of the Company.
- (c) Activity scope:** The CSR spends shall be restricted to the activities listed below or any other activities as may be approved by the Board on a need basis:
  - I. Promoting education, including special education and employment enhancing vocational skills and livelihood enhancement projects.
  - II. Promoting healthcare including preventive healthcare.
  - III. Promotion of sanitation and making available safe drinking water.



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- IV. Activities intended to promote dignity to vocational jobs.
- V. Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water.

**Clarifications** - In case of any ambiguity or clarification, the Company shall refer to the applicable Secretarial Standards, provisions of the Act, SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, and Articles of Association of the Company and the law as contained in them shall prevail in such a situation.

### CSR COMMITTEE

In line with the provisions of the Act, the Company's Board of Directors (herein after referred as 'Board') shall be responsible for forming a CSR Committee. Composition and functioning of the Committee shall be in line with the requirements specified in the Act.

In the process of executing CSR, the CSR Committee (hereinafter referred to as "the Committee") of the Company shall comply with the statutory requirements of the Companies Act 2013, and the related rules and regulations as may be amended from time to time (hereinafter referred to as "the Act") under the guidance of this policy.

The present composition of the Committee is:

Sl. No	Committee Members	Designation
1	Sidharth Agarwal	Chairman
2	Vidur Gupta	Member
3	Anup Kumar Jaiswal	Member

### Roles and Responsibilities of the Committee:

- Formulate and recommend a CSR policy to the Board and seek their approval;
- Ensure that the list of CSR activities which the Company plan to undertake fall under the purview of the Act and the proposed activities are selected in a transparent manner.
- Recommend CSR activities and budget to the Board from time to time and seek their approval;
- Review, implement and monitor all CSR activities from time to time and regularly report to the Board on the progress
- Periodically review and assess the adequacy of the existing policy and seek approval from the board for revision(s), if any.
- Ensure that the surplus fund that arises from the CSR activities shall not form part of the business profit;
- Ensure that only CSR activities undertaken as per the Act are accounted for towards CSR expenditure;
- Ensure that any activity that benefits only the employees of the Company and their families shall not be considered as CSR activities;
- Undertake self-evaluation of its own functioning and identification of areas for improvement towards better governance.



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### **Procedure and Quorum:**

- **Time and frequency of meetings** – The Committee shall meet as and when the need arises to discharge its roles and responsibilities. Members who are not physically present may attend the meetings through video / teleconference.
- **Quorum for meetings** – A minimum of two members shall be present for the meeting including those who attend via video conference. Members attending meeting through teleconference shall be excluded for the purpose of quorum.
- **Onward Reporting** – The minutes of each meeting of the Committee shall be circulated within 15 days from the date of each meeting or as per Act or Secretarial Standards to all the committee's members for their comments and be placed before the Board in the subsequent meeting.

### **CONTRIBUTION**

The Company shall spend at least two percent (2%) of its average net profit of the immediately (3) three preceding financial years on CSR activities in accordance with the provisions of the Act. The amount of net profit shall be calculated in accordance with the Act.

Any surplus arising out of CSR activities shall be reinvested into CSR initiatives and this shall be over and above the spending of the mandatory 2%, in pursuance of the Act.

### **MODES OF EXECUTION**

The Company can either partner with external agencies (hereinafter referred to as 'Implementing Agencies') for undertaking various CSR activities or execute them directly through internal teams or employees. The Nomination and Remuneration Committee can consider giving weightage during the annual appraisal process to employees undertaking social giving activities through the Company or by their own means.

The Committee and the Implementing Agencies shall be responsible for planning, execution, monitoring and evaluation of the CSR activities on behalf of the Company, either directly or through meaningful partnerships. Implementing Agencies shall satisfy all requirements as specified in the Act in this regard.

### **REPORTING / MONITORING & REVIEW**

#### **MECHANISM PERIODIC MONITORING**

The Implementing Agency shall report to the Committee twice a year based on the progress of the projects / programs.

#### **ANNUAL REVIEW**

In addition, CSR initiatives of the Company shall be reported in the Annual Report including any unspent budget allocated to CSR initiatives.

#### **EFFECTIVE DATE**

The Committee shall review the policy at least once annually. The Committee shall amend the policy as necessary or appropriate on the approval of Board. Once approved by the Board, the Committee shall thereafter apprise all the major stakeholders and provide them with a copy of the



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approved new version.

## **GENERAL**

- The surplus, if any, arising out of the CSR projects or programmes shall not form part of the business profits of the Company and will be ploughed back into the CSR activities.
- A responsibility statement of the CSR committee that the implementation and monitoring of CSR policy, is in compliance with CSR objectives and Policy of the company.
- Any/all provisions of the CSR Policy would be subject to revision/amendment as may be issued from Government from time to time.
- Treatment of unspent amount if any shall be as per Companies Act, 2013