



SYNERGY GREEN INDUSTRIES LIMITED

CORPORATE SOCIAL RESPONSIBILITY POLICY (CSR POLICY)

Pursuant to Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014

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Introduction and background

Synergy Green Industries Limited (SGIL) incorporated in the year 2010, Our Company was originally incorporated on October 08, 2010 as “Synergy Green Industries Private Limited” vide CIN U27100PN2010PTC137493 under the provisions of the Companies Act, 1956 with the Registrar of Companies, Pune. Further, our Company was converted into Public Limited Company and consequently name of Company was changed from “Synergy Green Industries Private Limited” to “Synergy Green Industries Limited” vide Special resolution passed by the Shareholders at the Extra Ordinary General Meeting held on February 12, 2018 and a fresh certificate of incorporation dated February 16, 2018 issued vide CIN U27100PN2010PLC137493 by the Registrar of Companies, Pune. During the financial year of 2018-19 Company has raised Rs.26,46,00,000 through Initial Public Offer and got listed on SME exchange of BSE on September 21, 2018.

Our Company was originally promoted by Mr. Sachin Rajendra Shirgaokar and Mr. Sohan Sanjeev Shirgaokar who were the initial subscribers to the Company’s Memorandum and Articles of Association in the year 2010. Presently S. B. Reshellers Private Limited, Mr. Sachin Rajendra Shirgaokar, Mr. Sohan Sanjeev Shirgaokar, and Mr. Vendavagali Srinivasa Reddy are Promoters of the Company.

Consequent to the conversion, now to bring its CSR activities in line with the provisions of Section 135 of the Companies Act, 2013 and Rules thereunder this CSR policy is being formulated.

The objectives of this policy are to –

- Specify and accordingly undertake activities as specified in Schedule VII of the Companies Act, 2013 and the expenditure thereon.
- Clarify and Establish Vision, Strategy and Focus Areas of SGIL in respect of Corporate Social Responsibility.
- Establish the governance mechanism and process – how the CSR budget and activities shall be approved, monitored and reported to the Board of Directors and other stakeholders.

Applicability

1. SGIL’s CSR policy has been developed keeping in mind the provisions of Section 135 of the Companies Act, 2013 (Act) and CSR Rules notified by the Ministry of Corporate Affairs, Government of India in 2014.

2. The Policy shall apply to all CSR projects/programmes undertaken by the Company in India as per Schedule VII of the Act.

3. This policy shall be applicable to SGIL until it is further modified and approved by the Board of the Company.



4. All the Directors, KMPs, Officers and Employees of the Company to strive for implementing CSR policy recommended by CSR committee, approved by the Board and adopted by the Company.

CSR Vision, Focus Areas and Strategy

CSR requires a focused effort and a management team. At the same time, the scale of the CSR activity that SGIL can support does not justify a dedicated Foundation. Thus, the CSR objectives of SGIL are best served by supporting an independent NGO which is aligned to its CSR vision. SGIL wishes to contribute to activities mainly permissible under Schedule VII of the Companies Act, 2013.

The Company may, undertake CSR projects / activities as specified in Schedule VII of the Act. Preference will be given to activities in the area where SGIL carries out its operations and other commercial activities. The approach to CSR planning in case of SGIL will be a shift from an ad-hoc charity to a long-term sustainable approach. With this vision, read with provisions of Section 135 of the Companies Act, 2013 & Rules framed thereunder and Schedule VII following are the thrust areas in respect CSR activities of SGIL, which it may undertake:

- Eradicating hunger, poverty and malnutrition, promoting preventive healthcare and sanitation and making available safe drinking water
- promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
- promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups
- 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
- 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 arts and handicrafts
- measures for the benefit of armed forces veterans, war widows and their dependents;
- training to promote rural sports, nationally recognised sports, Paralympic sports and Olympic sports
- contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women



- contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government
- slum area development.
- Disaster management, including relief, rehabilitation and reconstruction activities.

The CSR projects or programs or activities that benefit only the employees of SGIL and their families shall not be considered as CSR activities.

Composition of CSR Committee and its Responsibilities

The CSR Committee of SGIL shall consist of following Directors:

1. Mr. M. R. Desai (DIN:01625500), Independent Director as Chairman of the Committee
2. Mr. Meyyappan Shanmugam (DIN: 00079844), Independent Director as Member of the Committee
3. Mr. Chandan S. Shirgaokar (DIN: 00208200), Non Executive Director as Member of the Committee

The CSR Committee of SGIL will be responsible for:

- formulating the CSR policy in compliance with Section 135 of the Companies Act, 2013
- identifying activities to be undertaken as per Schedule VII of the Companies Act, 2013.
- recommending to the Board the CSR expenditure to be incurred.
- recommending to the Board, modifications to the CSR policy as and when required.
- Regularly monitoring the implementation of the CSR policy.

CSR Budget, Implementation and Reporting

The Company's CSR programs will be in line with the approved CSR policy of SGIL.

The CSR Committee will recommend projects which will be undertaken by SGIL, to the Board. The said projects shall be approved by the CSR Committee in its duly convened meeting. Thereafter, it will be placed at, in the first meeting of the Board of Directors to be held during the financial year for its approval.

Any proposals for donations received by the Company during any time of the financial year, shall be first approved by the CSR Committee and further be recommended to the Board for its approval.



At the end of the financial year, it shall be the duty of the CSR Committee to report to the Board, pending amount of donations or any amounts yet to be disbursed.

The CSR expenditure shall include all expenditure including contribution to corpus, or on projects or programs relating to CSR activities approved by the Board on the recommendation of its CSR Committee, but does 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.

Contribution of any amount directly or indirectly to any political party under section 182 of the Companies Act, 2013, shall not be considered as CSR activity.

CSR through Company and other NGOs

In future CSR projects / programmes will be selected, finalized on the basis of following criteria's:

- Whether the activity falls within the purview of Schedule VII of the Companies Act, 2013 and Rules made thereunder including its enactments/ amendments thereof
- Description of socio / economic and environmental benefits may get derived from the project
- The community / group of people to get benefitted and their probable numbers

Presently it is planned to carry out CSR activities under the aegis of local NGOs.

Staff of the Company will also be trained accordingly. SGIL management will generate awareness among all levels of their staff about CSR activities and the integration of social processes with business processes. Those involved with the undertaking of CSR activities will be provided with adequate training and re-orientation.

SGIL may build CSR capacities of their own personnel as well as those of their 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 SGIL in one financial year.

The modalities of utilization of funds, monitoring & reporting mechanism will be decided in consultation with these entities. Collaborative partnerships be formed with like-minded stakeholders. This will help widen the Company's reach and leverage upon the collective expertise, wisdom and experience that these partnerships bring to the table.

Selection Criteria for the Other NGOs

The trust, society or Company (NGO) not established by SGIL, shall conform to the following criteria:



- established track record of three years in undertaking similar programs or projects
- submit a certified copy of its registration certificate under which it is registered.
- Obtain a brief write up about the activities of NGO.
- Obtain a proof of such philanthropic activities carried out by the NGO. Visits be made to confirm the same before selecting the NGO. Up to date with its filing of audited annual accounts and returns with the respective authorities. Proof of such submissions made be obtained.

On selection of an NGO, SGIL will specify the project or programs to be undertaken through NGO, the modalities of utilization of funds on such projects and programs and the monitoring and reporting mechanism.

Monitoring & Review Mechanism

Monitoring of the CSR projects is very crucial and needs to be a periodic activity of the SGIL. It shall be the duty of the CSR Committee to report to the Board any pending amounts of donations or donations yet to be disbursed during any financial year.

The status of each of the CSR activities will be monitored by the CSR Committee and the Committee shall prepare a status report on the same. The CSR Committee will place the status report before the SGIL Board.

Management Commitment

Our Board of Directors, our Management and all of our employees subscribe to the philosophy of compassionate care. We believe and act on an ethos of generosity and compassion, characterized by a willingness to build a society that works for everyone. This is the cornerstone of our CSR policy.

Our Corporate Social Responsibility policy conforms to the Corporate Social Responsibility spelt out by the Ministry of Corporate Affairs, Government of India.

Note

Further any or all provisions of CSR Policy would be subject to revision / amendment by the Board of Directors of the Company based upon recommendations of CSR Committee or else in accordance with the guidelines on the subject as may be issued from time to time.

Approved in the meeting of the Board of Directors held on 13th August 2019.

Sachin R. Shirgaokar
Managing Director
(DIN:00254442)

Sohan S. Shirgaokar
Joint Managing Director
(DIN:00217631)