

**CORPORATE SOCIAL RESPONSIBILITY POLICY\***  
**OF**  
**SICAL LOGISTICS LIMITED**

**I. Introduction**

- a. The term 'Corporate Social Responsibility' ("**CSR**") can be referred to as the corporate initiative to assess and take responsibility for the company's effects on the environment and impact on social welfare.
- b. CSR is the process by which an organization thinks about and evolves its relationship with stakeholders for the common good, and demonstrates its commitment in this regard by adoption of appropriate business processes and strategies. Thus, CSR is not charity or mere donations. CSR is a way of conducting business, by which corporate entities visibly contribute to social good. Socially responsible companies do not limit themselves to using resources to engage in activities that increase only their profits. They use CSR to integrate economics, environment and social objectives with the company's operations and growth.

**II. Objectives**

The objective of this policy is to provide an approach and direction including guiding principles for selection, implementation and monitoring of activities as well as formulation of the annual action plan by the board of directors ("**Board**"), after taking into account the recommendations of its CSR committee.

This policy shall be read in line with Section 135 of the Companies Act, 2013 read with Schedule VII of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014 (collectively referred hereinafter as "**Regulations**") as amended from time to time. In the event of any inconsistency or discrepancy between this policy and the Regulations, the provisions of the Regulations shall prevail.

**III. Guiding principles for selection of CSR activities**

1. The Company shall undertake CSR activities in line with the Schedule VII of the Companies Act, 2013, as amended from time to time.
2. The Company shall not discriminate against the beneficiaries of the CSR activities, on any grounds whatsoever, including race, gender, ethnicity, caste, religion, but may focus its CSR activities to benefit the economically or socially weak, or marginalized sections, of the society.
3. The CSR activities must not include the activities undertaken by the Company in pursuance of normal course of its business or activities carried out for fulfilment of statutory obligations under any law in force in India.
4. The activities which are exclusively for the benefit of the Company's employees and their families shall not be considered as CSR activities.
5. The contribution of any amount directly or indirectly to any political party shall not be considered as CSR activities.
6. Any activities supported by the Company on sponsorship basis for deriving marketing benefits for its services shall not be considered as CSR.

***\*This CSR policy has been adopted by the board of directors on September 03, 2024***

7. The CSR activities must be undertaken in India only.
8. The Company shall give preference to the local area where it operates, for spending the amount earmarked for CSR activities. *The Ministry of Corporate Affairs vide its general circular No. 06/ 2018 dated 28.05.2018 clarifies that this has to be followed in letter and spirit.*

**IV. CSR activities**

The Company may take up any activity as covered under Annexure A.

**V. CSR committee**

1. The composition, scope and roles and responsibilities of the CSR committee shall be as defined under the Regulations.
2. The CSR committee shall be entrusted with all such powers, as are necessary to enable it to identify, implement and monitor the implementation of the CSR activities.
3. The CSR committee shall-
  - a. Formulate and recommend to the Board, this policy and the activities to be undertaken by the Company towards CSR initiatives.
  - b. Recommend the amount of expenditure to be incurred on the CSR activities.
  - c. Monitor this policy from time to time.
  - d. Formulate and recommend to the Board an annual action plan.

**VI. CSR expenditure**

1. As per the Regulations, the Company needs to spend, in every financial year, at least 2% of the average net profit of the Company made during the three immediately preceding financial years.

*The net profit shall be determined in accordance with the section 198 of the Companies Act, 2013 and rules made there under but shall not include the following, namely:-*

- (i) *any profit arising from any overseas branch or branches of the company, whether operated as a separate 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.*
2. In case the Company spends an amount in excess of the requirement provided under clause VI (1) above, the Company may set off such excess amount against the requirement to spend up to immediately succeeding 3 financial years.

*Provided that the excess amount available for set off shall not be included in the surplus arising out of the CSR activities and the Board resolution shall be passed to that effect.*

3. In case the Company fails to spend the amount specified in clause VI (1) above, the Board shall have to specify the reasons for not spending the amount in its Board report and, unless the unspent amount relates to any ongoing project, the Company shall transfer such unspent amount to a fund specified in Schedule VII of the Companies Act, 2013 within a period of 6 months from the end of the financial year.

**Explanation:** *'Ongoing Project' means a multi-year project undertaken by the Company in fulfilment of its CSR obligation having timelines not exceeding 3 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 1 year by the Board based on reasonable justification.*

4. Any amount remaining unspent out of amount specified in clause VI (1) above, with respect to any ongoing project, undertaken by the Company in pursuance of this policy, the same shall be transferred within a period of 30 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 CSR Account', and such amount shall be spent by the Company in pursuance of its obligation towards this policy within a period of 3 financial years from the date of such transfer, failing which, the Company shall transfer the same to a fund specified in Schedule VII of the Companies Act, 2013, within a period of 30 days from the date of completion of the third financial year.
5. Any surplus arising out of the CSR activities shall not form part of the business profit of the Company and shall be ploughed back into the same project or shall be transferred to the 'Unspent CSR Account' and spent in pursuance of this policy and annual action plan of the Company or transfer such surplus amount to a fund specified in Schedule VII of the Companies Act, 2013, within a period of 6 months from the end of the financial year.
6. The Board of the Company shall ensure that the administrative overheads shall not exceed 5 % of total CSR expenditure of the Company for the financial year.

**Explanation:** 'Administrative overheads' means the expenses incurred by the Company for general management and administration of CSR functions in the Company but shall not include the expenses directly incurred for the designing, implementation, monitoring, and evaluation of a particular CSR project or programme.

7. 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 Companies Act, 2013 or a registered public trust or registered society, having charitable objects and CSR registration number; or
  - (b) beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities; or
  - (c) a public authority.

## **VII. Guiding principles for implementation of CSR activities**

1. Based on the CSR activities set out in clause IV above, the CSR committee may select and evaluate the activities.
2. The CSR committee, after identifying and approving the CSR activities, may fix budget for spending.
3. Every financial year, the CSR committee shall determine the budget allocation for individual CSR projects, programmes or activities after considering the CSR budget for that year.
4. The CSR committee will formulate an annual action plan for a given financial year. The annual action shall include the following, namely:-
  - i) the list of CSR projects or programmes that are approved to be undertaken in areas specified under the Schedule VII of the Companies Act, 2013;
  - ii) the manner of execution of such projects or programmes;
  - iii) the modalities of utilisation of funds and implementation schedules for the projects or programmes;
  - iv) monitoring and reporting mechanism for the projects or programmes; and
  - v) details of need and impact assessment, if any, for the projects undertaken by the Company.
5. The CSR committee shall have full discretion to specify or modify the modalities of execution of CSR projects or programmes and to determine implementation schedules.
6. Subsequent to the approval of the CSR committee, the annual action plan containing the specific CSR activities that may be undertaken by the Company shall be placed before the Board for its approval.

7. On the recommendations of the CSR committee, the Board will approve the annual action plan along with the CSR activities and budget for a given financial year.
8. The Board may alter annual action plan at any time during the financial year, as per the recommendation of the CSR committee, based on the reasonable justification to that effect.
9. The CSR activities may be implemented either:
  - a) by the Company itself; or
  - b) through an implementing agency, which may be-
    - a company established under section 8 of the Companies Act, 2013, or a registered public trust or a registered society, registered under section 12A and 80G of the Income Tax Act, 1961, established by the Company, either singly or along with any other company; or
    - a company established under section 8 of the Companies Act, 2013 or a registered trust or a registered society, established by the Central Government or State Government; or
    - any entity established under an act of Parliament or a State legislature; or
    - a company established under section 8 of the Companies Act, 2013, 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 3 years in undertaking similar activities.
10. The implementing agency shall be duly registered with the Central Government and shall possess a unique CSR registration number.
11. The Company shall conduct due diligence prior to selection of an entity as its implementation agency, to inter alia verify the credentials and ensure that the proposed implementation agency is eligible and capable to be appointed as such.
12. The Company may also collaborate with other companies for undertaking projects or programmes or activities in such a manner that the CSR committees of respective companies are in a position to report separately on such projects or programmes in accordance with the Companies Act, 2013.
13. The Company may engage international organizations for designing, monitoring and evaluation of the CSR projects or programmes as well as for capacity building of their own personnel for CSR.

#### **VIII. Guiding principles for monitoring of CSR activities**

1. The disbursement of funds to the implementing agency must be done on a progressive basis so as to align with the funding needs of the projects, and to permit the evaluation of the activities carried so far.
2. The implementing agency must provide periodically reports, to the satisfaction of the CSR committee, about execution of the project.
3. The CSR committee will review the progress of the CSR activities/annual action plan in terms of both outcome assessment and financial monitoring.
4. The CSR committee will also review the strategy from time to time and may choose new focus areas and projects as and when required.

5. The CSR committee may appoint one or more senior officials for monitoring implementation of CSR activities and nominate them as nodal officials.
6. The nodal officials shall be responsible for obtaining the documentary evidence in support of the CSR activities and expenditure.
7. The CSR committee may direct the nodal officials or implementing agency to carry out situational analysis, assessment surveys, project visits, impact study etc. as and when required.
8. The CSR committee shall ensure that all projects, programmes, activities are duly implemented as budgeted.
9. The Board shall satisfy itself that the funds so disbursed have been utilised for the purposes and in the manner as approved by it and the chief financial officer or the person responsible for financial management of the Company shall certify the same.
10. The Board shall ensure that the Company spends in every financial year the prescribed amount on CSR activities.

**IX. Reporting and Disclosure Mechanism**

1. The Company shall publish its annual report on CSR activities in its Board's report as prescribed under the Companies Act, 2013 and the Regulations (format enclosed as Annexure B).
2. In the event the Company's average CSR obligation becomes Rs. 10 crore or more, in the 3 immediately preceding financial years:
  - (i) the Company shall undertake an impact assessment, through an independent agency, of its CSR projects having outlay of Rs. 1 crore or more, and which have been completed not less than 1 year before undertaking the impact study; and
  - (ii) the impact assessment report shall be placed before the Board and shall be annexed to the annual report on CSR.
3. This policy along with the composition of the CSR committee and projects approved by the Board will also be available on the Company's website.

**X. Policy review and amendment**

The Board may revise/ amend this policy based on the recommendations of the CSR committee or to bring the same in line with the guidelines or amendments issued by the Government from time to time.

**Annexure A**  
**Activities covered under the Schedule VII of the Companies Act, 2013**

- i. **Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water:**
- **Water supply including drinking water:**
    - a. Installation/repair of hand pumps/tube wells.
    - b. Providing water coolers.
    - c. Digging/renovation of wells.
    - d. Gainful utilization of waste water from under-ground mines for cultivation or any other purpose.
    - e. Development/construction of water tank/ponds.
    - f. Rain water-harvesting scheme.
    - g. Formation of a task force of volunteers to educate people regarding proper use of drinking water.
    - h. Empowerment to the villagers for maintenance of the above facilities for availability of water.
  - **Health Care**
    - a. Conducting regular health check-up, eye and dental check-up in collaboration with partner or directly with the help of field professionals.
    - b. Financial aid/ other items provided to hospitals
    - c. Expenses on special treatment of under-privileged people
    - d. Social evils like alcohol, smoking, drug abuse etc.
    - e. Child and mother care
    - f. Diet and Nutrition
    - g. Blood donation camps
    - h. Family Welfare
    - i. Senior Citizen health care wellness clinics
    - j. Fully equipped mobile medical vans
    - k. Other health related activities (e.g. diagnostic assistance, treatment, ambulance, distribution of medicines etc)
    - l. To supplement the different programme of Local/State Authorities
- ii. **Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects:**
- a. Support to Technical /Vocational Institutions for their self -development.
  - b. Academic education by way of financial assistance to primary, middle and higher secondary schools.
  - c. Providing computers/books/stationery/ other education items
  - d. Adult literacy amongst those families which are below poverty line.
  - e. Awareness programmes on girl education.
  - f. Special attention on education, training and rehabilitation of mentally & physically challenged children/persons.
  - g. Spreading legal awareness amongst people and disadvantaged sections of the society about their rights & remedies.
  - h. Promotion of professional education by setting up educational institutions, offering courses in engineering, nursing, management, medicine and in technical subjects etc.
  - i. Provide fees for a period of one year or more to the poor and meritorious, preferably girl students of the school to enable them to get uninterrupted education.
  - j. Provide scholarship, reimbursement of tuition fees, hostel fees, accommodation charges etc.
  - k. Promoting livelihood enhancement activities such provision of equipments like sewing machine to needy

- l. Any other activity which may be covered under this head.
- iii. 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:**
- a. Setting up homes and hostels for women and orphans.
  - b. Setting up old age homes, day care centre and any other facilities for senior citizens.
  - c. Self /Gainful employment opportunities – Training of Rural Youth for Self Employment.
  - d. Financial aid for infrastructure/ house construction to poor/orphans/women
  - e. To provide assistance to villagers having small patch of land to develop farming to make them economically dependent on their available land resources.
  - f. Organizing training programmes for women on tailoring embroidery designs, home foods, pickles, painting and interior decoration and other vocational courses.
  - g. Any other activity which may be covered under this head.
- iv. 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 including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga:**
- a. Organizing sensitizing programmes on environment management and pollution control.
  - b. Green belt development
  - c. Animal welfare
  - d. Protection of flora and fauna
  - e. Undertaking/ assistance in village /town beautification projects/ fountains etc
  - f. Afforestation, social forestry, check dams, park
  - g. Plantation of saplings
  - h. Activities related to resources conservation
  - i. Any other activity which may be covered under this head.
- 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 arts and handicrafts;**
- a. Providing financial assistance for protection of national heritage and art including restoration of building and sites of historical importance and works of art.
  - b. Promoting culture through financial aid for melas, local functions etc.
  - c. Promotion and development of traditional arts and handicrafts.
  - d. Setting up public libraries
  - e. Any other activity which may be covered under this head.
- vi. Measures for the benefit of armed forces veterans, war widows and their dependents, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows:**
- a. Amount paid to war widows, dependents of war deceased
  - b. Amount paid to institutions helping war veterans
  - c. Financial aid/ expenses on sponsorship of war veterans club etc.
  - d. Any other activity which may be covered under this head.
- vii. Training to promote rural sports, nationally recognized sports, Paralympics sports and Olympic sports**
- a. Promotion of sports and cultural activities for participation in State and National level.
  - b. Promotion/Development of sports activities in villages by conducting tournaments like football, kabaddi, cricket, hockey and others etc.
  - c. Providing sports materials to the young and talented villagers.

- d. Promotion of sports activities by way of granting financial assistance/donation/sponsorship etc.
  - e. Helping State Government in promotion of sports by providing them proper training facilities, grounds, construction of fields etc
  - f. Any other activity which may be covered under this head.
- 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 Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled 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 Organisation (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:**
- a. Construction, repair and maintenance of roads or pavements, shed, community halls, portable or fixed rest rooms, toilets or other rural infrastructure
  - b. Any other infrastructure project in rural areas.
- xi. Slum area development**
- 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.**

*The items in the above list is illustrative and not exhaustive.*



**Annexure B**

**Format for the Annual Report on CSR activities to be included in the Board's Report**

1. Brief outline on CSR Policy of the Company
2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.
4. Provide the executive summary along with the web-link(s) of impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable
5. (a) Average net profit of the company as per sub-section (5) of section 135.  
(b) Two percent of average net profit of the company as per sub-section (5) of section 135.  
(c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years.  
(d) Amount required to be set-off for the financial year, if any.  
(e) Total CSR obligation for the financial year [(b)+(c)-(d)].
6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project).  
(b) Amount spent in Administrative Overheads.  
(c) Amount spent on Impact Assessment, if applicable.  
(d) Total amount spent for the Financial Year [(a)+(b)+(c)].  
(e) CSR amount spent or unspent for the Financial Year:

Total amount spent for the financial year (in Rs.)	Amount Unspent (in Rs.)				
	Total amount transferred to Unspent CSR Account as per sub-section (6) of section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer

(f) Excess amount for set off, if any:

S. No. (1)	Particular (2)	Amount (in Rs.) (3)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	
(ii)	Total amount spent for the financial year	
(iii)	Excess amount spent for the financial year [(ii)-(i)]	
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	

7. Details of Unspent Corporate Social Responsibility amount for the preceding three financial years:

1	2	3	4	5	6	7	8
S. No.	Preceding financial year(s)	Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in Rs.)	Balance amount in Unspent CSR Account under sub-section (6) of section 135 (in Rs.)	Amount spent in the financial year (in Rs.)	Amount transferred to a fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any	Amount remaining to be spent in succeeding financial years (in Rs.)	Deficiency, if any
					Amount (in Rs)		

8. Whether any capital assets have been created or acquired through corporate social responsibility amount spent in the financial year: Yes/No

If Yes, enter the number of capital assets created/ acquired:

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the financial year:

Sl. No.	Short particulars of the property or asset(s)  [including complete address and location of the property]	Pin code of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner
(1)	(2)	(3)	(4)	(5)	(6)

					CSR registration number, if applicable	Name	Registered address

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

- Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub section (5) of section 135.

Sd/-  
(Chief Executive Officer or Managing Director or Director)

Sd/-  
(Chairman CSR Committee)