



SELAN EXPLORATION TECHNOLOGY LIMITED

CORPORATE SOCIAL RESPONSIBILITY POLICY

CORPORATE SOCIAL RESPONSIBILITY POLICY

Selan Exploration Technology Limited (“the Company”) as a responsible corporate citizen shall continue to have among its objectives the promotion and growth of the national economy through increased productivity, effective utilization of material and manpower resources. We understand that there is a need to strike a balance between the overall objectives of achieving corporate excellence vis-a-vis the corporate social responsibilities towards the community. It is this twin objective of business and social commitment that has promoted the Company to embark upon massive programmes of educational, health and infrastructural development and actively assisting in improving the quality of life. The Company not only strives hard to achieve business objective but is equally sensitive to social responsibility for the impact of its activities on its employees, shareholders, neighbouring communities and the environment in all aspects of its operation.

The Company has a long and cherished tradition of commendable initiatives and practices of Corporate Social Responsibility (CSR) which have played a laudable role in building economic, social and environmental capital towards enhancing social sustainability. Our CSR activities are essentially guided to supplement the efforts to meet the needs of the present without compromising the ability of future generations to meet their own needs.

The Company has been taking concrete actions to release its social responsibility objectives and these will be executed on its own or through registered and reputed NGO’s, trusts and foundations which are dedicated in this regard.

Mindful of its great tradition, the Company is deeply committed for enhancing and contributing to economic development while improving the quality of life of the workforce and their families as well as of the community and society at large.

In compliance with the provisions of section 135 of the Companies Act, 2013 (“**Act**”) including Schedule VII thereof, and the Companies (Corporate Social Responsibility Policy) Rules, 2014 (“**Rules**”) and other applicable laws, as amended from time to time, this Policy has been formulated to undertake the **CSR initiative, projects, programmes in a manner compliant with the Act and the Rules (“CSR activities”)**.

1. CSR POLICY

This policy (“**Policy**”) spells out the **Company’s** philosophy towards its Corporate Social Responsibility (“**CSR**”) and lays down the guidelines, framework and mechanism for effective planning, implementation and monitoring of its CSR activities.

2. DEFINITIONS

- (i) ‘**Board**’ means the Board of Directors of the Company;
- (ii) ‘**Corporate Social Responsibility**’ means Corporate Social Responsibility as defined in Section 135 of the Act read with the Rules.
- (iii) ‘**CSR Expenditure**’ shall include all expenditure including contribution to projects or programs relating to CSR activities specified in this policy as approved by Board on recommendation of CSR Committee;
- (iv) ‘**CSR Projects**’ or ‘**CSR Activities**’ means the CSR activities, programs, projects undertaken as per Schedule VII to the Act.

- (v) “**Net Profits**” means the net profit calculated in accordance with Section 198 of the Act and shall not include such sums as prescribed under the Rules.
- (vi) “**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.

Words and expressions used and not defined in this Policy shall have the meanings respectively assigned to them in the Act and Rules issued thereunder.

3. EXCLUSIONS

This Policy excludes:

- (i) Activities undertaken by the Company in pursuance of the normal course of its business;
- (ii) Activities that solely benefit the employees of the Company and their families;
- (iii) contribution of any amount directly or indirectly to any political party under section 182 of the Act;
- (iv) Activities carried out for fulfilment of any other statutory obligations under any law in force in India;
- (v) Activities supported by the Company on sponsorship basis for deriving marketing benefits for its products or services; and
- (vi) Activities undertaken outside of India except for training of Indian sports personnel representing any State or Union territory at national level or India at international level.

4. CSR COMMITTEE

The CSR committee of the Company (“**CSR Committee**”) shall at all times be constituted in accordance with the provisions of the Act and the Rules. It shall comprise at least 3 (three) directors, out of which at least one director shall be an independent director.

5. ROLE OF THE CSR COMMITTEE

The CSR Committee shall be, inter- alia, responsible for:

- (i) Formulating and recommending to the Board an Annual Action Plan or any alteration thereto in pursuance of Company’s CSR policy, which shall include the following, namely:
 - a. the list of CSR Activities that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
 - b. the manner of execution of CSR Activities;
 - c. the modalities of utilisation of funds and implementation schedules for the CSR Activities;
 - d. monitoring and reporting mechanism for the CSR Activities; and
 - e. details of need and impact assessment, if any, for the CSR Activities undertaken by the Company:

The Board may alter such plan at any time during the financial year, as per the recommendation of its CSR Committee, based on the reasonable justification to that effect.

- (i) formulating Company’s CSR Policy and making modifications, amendments, clarifications, deletions to the Policy, as and when considered necessary, in accordance with the provisions of the Act and Rules and recommending the same to the Board for its approval;

- (ii) recommending the budget and amount of expenditure to be incurred in a Financial Year by the Company on CSR Activities;
- (iii) identification and specification of CSR Activities to be undertaken along with identification of the implementing agency for such activities (as may be relevant);
- (iv) instituting a transparent monitoring mechanism for implementation of the CSR Activities undertaken by the Company and proper utilization of funds;
- (v) recommend to appoint the impact assessment agency (if required);
- (vi) recommend International Organisations for designing, monitoring and evaluation of the CSR Projects as per this Policy as well as for capacity building of Company's own personnel for CSR
- (vii) periodically review the progress being made in the planned CSR Activities; and
- (viii) any other activities / functions, as may be assigned by the Board.

6. CSR ACTIVITIES

In light of the Company's vision and objectives as set out above, the Company shall undertake CSR activities within the overall ambit of Schedule VII to the Act, including the following:

- (i) **Health & Hygiene:** eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water;
- (ii) **Education:** promoting education including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement project;
- (iii) **Equality:** 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;
- (iv) **Sustainability:** 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 including contribution to the Clean Ganga Fund for rejuvenation of river Ganga;
- (v) **Heritage Protection:** 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 art and handicrafts;
- (vi) **Armed Forces:** 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;
- (vii) **Sports:** training to promote rural sports, nationally recognised sports, paralympic sports and olympic sports;
- (viii) **Contribution:** 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 or the State Governments for socio-economic development and relief and funds for the welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;
- (ix) **Research & Development:** (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. (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;
- (xi) slum area development;
- (xii) disaster management, including relief, rehabilitation and reconstruction activities; and
- (xiii) Such other activities as may be prescribed under the Act and Schedule VII thereto, from time to time.

Identification of Projects will be based on (i) activities/programmes to be undertaken; (ii) budgetary requirements; (iii) time-lines; (iv) responsibilities and authorities defined; and (v) results expected.

7. IMPLEMENTATION

The implementation of the CSR Activities may be done by one or more of the following means:

- (i) the Company may undertake the CSR Activities on its own;
- (ii) the Company may also collaborate with other companies including its subsidiary and associate companies for undertaking CSR Activities in such a manner that the CSR Committee of the Company as well as the CSR committees of such other companies are in a position to report separately on CSR activities;
- (iii) the Company may decide to undertake CSR activities through:
 - a. a company established under section 8 of the Act or a registered public trust, or a registered society, exempted under sub-clauses (iv), (v), (vi) or (via) of clause (23C) of section 10 or registered under section 12A and approved under 80G of the Income Tax Act, 1961, established by the Company, either singly or along with any other company; or
 - b. a company established under section 8 of the Act or a registered trust, or a registered society, established by the Central Government or State Government; or
 - c. any entity established under an Act of Parliament or a State legislature; or
 - d. a company established under section 8 of the Act, or a registered public trust or a registered society, exempted under sub-clauses (iv), (v), (vi) or (via) of clause (23C) of section 10 or registered under section 12A and approved under 80G of the Income Tax Act, 1961, and having an established track record of at least 3 (three years) in undertaking similar activities.

If required, suitable documents/agreements shall be entered into by the Company with other entities, societies, agencies or companies for the purposes of implementation of the CSR activities. The conditions of grant of amounts to such entities, societies, agencies or companies, the break-up of allocations and monitoring methodology shall be set out in such documents/ agreements and evaluated from time to time.

8. CSR EXPENDITURE, ALLOCATION AND DISBURSEMENT OF FUNDS

- a. The CSR Committee shall recommend the amount of expenditure to be incurred on the CSR Activities to be undertaken by the Company, for the consideration and approval of the Board.
- b. The Board shall ensure that the Company spends, in every financial year, a minimum of 2% (two percent) of the average net profits of the Company made during the 3 (three) immediately preceding financial years in compliance with the provisions of the Act and in pursuance of this Policy. The overall CSR expenditure shall be approved by the Board based on the recommendations of the CSR Committee.
- c. While approving any CSR Projects, the Board of Directors of the Company shall determine whether it will be an Ongoing Project or otherwise.
 - (i) In case of an Ongoing Project, the Board shall lay down the following:
 - Estimated budget outlay on CSR Projects during the course of its implementation

- Estimated budget outlay during every financial year.
- Manner of implementation

In case of CSR Projects, which are not Ongoing Projects, the Board shall endeavour to spend the complete such CSR Projects during the relevant financial year. In case for any reason(s), such CSR Projects will go beyond one year then Board shall re-categories such CSR Projects as Ongoing Projects for smooth implementation of the project within the overall permissible time period.

d. The Board shall also ensure that:

- a) the administrative overheads shall not exceed 5% (five percent) of total CSR expenditure of the Company for the financial year;
- b) 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 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; and
- c) If the Company spends an amount in excess of its CSR obligations, such excess amount may be set off against the requirement to spend on the future CSR obligations up to immediate succeeding 3 (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; and
 - II. the Board shall pass a resolution to that effect.
- e. 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 Act, or a Registered Public Trust or Registered Society, having charitable objects and CSR Registration Number; or
 - b) beneficiaries of the CSR project(s), in the form of self-help groups, collectives, entities; or
 - c) a public authority:
- f. In the event the Company fails to spend up to a minimum of 2% (two percent) of the average net profits of the 3 (three) immediately preceding financial years or such sum as may be prescribed or any part thereof on CSR Activities, the same shall be dealt with in accordance with the provisions of the Act.

9. MONITORING

- a. The CSR Committee shall implement a transparent monitoring mechanism to ensure that the CSR Activities are being carried out in compliance with this Policy, the Act and in accordance with the approved budget, implementation schedules and processes.
- b. The Board shall also ensure that the funds disbursed have been utilised for the purposes and in the manner as approved by it and the Chief Financial Officer of the Company shall certify to this effect.
- c. In case of Ongoing Project, the CSR Committee shall monitor the implementation of the project with reference to the approved timelines and year-wise allocation and may recommend modifications, if any, for smooth implementation of the project within the overall permissible time period.

- d. The Company shall carry out the impact assessment of the CSR activities undertaken by it, wherever applicable as per the applicable provisions of the Act and Rules.

10. REPORTING

The CSR Committee shall ensure that an annual report on CSR, in the format prescribed under the Act and the Rules, be included in the Board's Report. Further the composition of the CSR Committee, CSR Policy and CSR Projects approved by the Board shall be mandatorily disclosed on the website of the Company and be updated on regular intervals, for public access.

11. AMENDMENT TO THE POLICY

The Board of Directors may review or amend this Policy, in whole or in part, from time to time, as per the requirements of the Act or any other enactments/rules as may be applicable.

This Policy is in compliance with the provisions of the Act. In case of any inconsistency, the provisions of the Act shall prevail.