

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY Of SKP BEARING INDUSTRIES LIMITED

1. Introduction:

1.1. We at SKP BEARING INDUSTRIES LIMITED are committed to the SKP Group's 'Good & Green' vision of creating a more inclusive and greener India. We never lose sight of our responsibility to the environment and society. Our commitments towards Corporate Social Responsibility include but not limited to, promotion of education and healthcare, energy and climate change, and betterment of the society through respect for universal human rights and the environment, acting with integrity and accountability and operating responsibly and sustainably.

1.2. CSR in India Corporate bodies' involvement in CSR activities is not a new concept in India. Industrial majors are engaged in social development activities since long back. However, the Companies Act, 2013 has brought it under the legal purview. The concept of CSR is introduced through "Comply-or-Explain" mandate. It mandates qualifying companies to constitute Corporate Social Responsibility Board to effectively monitor CSR activities of the Company. Further the Companies (Corporate Social Responsibility Policy) Rules, 2014 (hereinafter referred to as "the CSR Rules") lay down the framework and modalities for carrying out CSR activities which are specified in Schedule VII of the Act.

2. Objective and Scope

2.1. Objective:

The main objective of the CSR Policy is to lay down guidelines for (hereinafter referred to as 'the Company') to make CSR as one of the key focus areas to adhere to 's global interest in environment and society that focuses on making a positive contribution to society through effective impact and sustainable development programs. This Policy covers the proposed CSR activities to be undertaken by the Company and ensuring that they are in line with Schedule VII of the Act as amended from time to time. It covers the CSR activities which are being carried out in India only and includes strategy that defines plans for future CSR activities.

2.2. Scope & Coverage:

The CSR activities of the Company shall include, but not limited to any or all of the sectors/activities as may be prescribed by Schedule VII of the Companies Act, 2013 amended from time to time. Further, the Company will review the sectors/activities from time to time and make additions/ deletions/ clarifications to the above sectors/activities.

3. Corporate Social Responsibility (CSR) Board:

Pursuant to the provisions of Section 135 of the Act, the Board of Directors shall constitute the Corporate Social Responsibility (CSR) Board as & when applicable. The Functions of the CSR will be managed by directors in absence of CSR Board.

4. CSR Activities:

Pursuant to Schedule VII of the Companies Act, 2013, the board has approved the following activities as “CSR Activities” to be undertake under the CSR policy of the Company. The Board of Directors has reviewed the said activities and express its consent to the Board to pursue the said activities under CSR policy of the Company under section 135 of the Companies Act, 2014, Schedule VII and other applicable rules, regulations, notifications etc., issued/to be issued from time to time.

Approved CSR Activities:

- Promoting preventive healthcare and sanitation to the public;
- Promoting education, including primary, secondary and higher secondary education, as well as special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects;
- Projects, Activities, Programmes relating to conservation of natural resources including renewable energy sources;
- Projects, Activities, Programmes relating to water conservation and maintaining quality of soil, air, and water;
- Promoting Gender equality and empowerment of women
- Community Health- Innovation projects to meet local needs. Reaching out with basic health care to all (bridging the gap).
- Sustainable livelihood Projects – Holding hands of all marginalized group to improve livelihood opportunity, thus improving their quality of life.
- Rural Infrastructure Development- Need based quality infrastructure to improve quality of life.

5. Identification of activities/projects:

Out of approved CSR activities, the Board shall decide which activity/project should be given priority for the respective financial year. While arriving at the decision of the activity to be undertaken for the respective year, the Board shall analyze the basic need of the community/ area in which the Organization operates or at the place where its registered office is situated. The Board shall record its findings and prioritized the CSR activities.

6. Implementation process:

After prioritizing the activity the Board shall finalize the detail implementation project/programme, including planning for expenses against the total budget allocated for CSR activities.

7. CSR Spend:

The Companies Act, 2013 prescribes that the companies which meet the criteria specified U/s. Sec. 135 shall allocate certain portion of its annual net profits (calculated as per Sec. 198) during the three immediately preceding financial years to be spent on CSR Activities that fall under the categories specified under Schedule VII of the Act.

7.1. CSR Expenditure:

Net profit for the purpose of allocation towards CSR means profit more fully described under Rule 2(f) of the CSR Rules. The CSR expenditure shall include all expenditure including contribution to corpus or on projects or programs relating to CSR activities approved by the Board of Directors on the recommendation of its CSR Board but does not include any expenditure on an item not in conformity or not in line with activities stated under Schedule VII of the Act.

7.2. Failure to spend the CSR Money:

If the Company fails to spend the required amount in a particular financial year, it is the duty of the Board members to submit a report in writing to the Board of Directors specifying the reasons for not spending the amount, which in turn shall be reported by the Board of Directors in their Annual Report pertaining to that particular Financial Year. Surplus, if any, arising out of the CSR projects or programs or activities shall not form part of the business profit of the Company.

8. CSR Initiatives:

Pursuant to Schedule VII of the Act and the CSR Rules, the Company shall undertake CSR activities included in its Annual CSR Plan, as recommended by the CSR Board at the beginning of each year. The Board is authorized to approve any modification to the existing Annual CSR Plan or to propose any new program during the financial year under review.

8.1. Annual CSR Plan:

The Annual CSR Plan is a yearly plan of CSR activities that would be placed before the Board of Directors of the Company based on recommendation of its CSR Board which outlines inter alia the following aspects of CSR initiatives of the Company:

- Project Proposals
- Targeted Beneficiaries and their key needs Alignment with Schedule VII
- Project Goals and milestones Activities and Timelines including expected closure dates
- CSR Budget with projections
- Monitoring mechanism
- Progress reporting and frequency of reports
- Risks and mitigation strategies
- Any other information as may be required by the CSR Board

8.2. Collaboration:

It is expressly allowed under the CSR Rules that the Company may collaborate with any other Company or association formed in this regard subject to approval by CSR Board, to implement CSR activities and the same shall form a part of the Annual CSR Plan.

9. Reporting and publication of CSR policy:

As per the CSR Rules, the contents of the CSR Policy shall be included in the Directors' Report and the same shall be displayed on the Company's website, if any.

10. Monitoring Mechanism:

An Internal Working and Monitoring Team comprising of employees of the Company will be set up to ensure effective implementation and monitoring of the projects approved by the Board from time to time.

10.1 Reporting by Internal Working and Monitoring Team:

The Internal Working and Monitoring Team will report / give feedback to the Board for all CSR projects undertaken.

The Internal Working and Monitoring Team shall submit reports to the Board of the Company at least once in six months on the progress of the various projects approved by the Board and entrusted to the Group for implementation and monitoring.

11. Policy review and future amendments:

The administration of the CSR Policy of the Company and the execution of identified CSR projects, programs and activities under it shall be carried out under the control and overall supervision of Board member. At the time of formation of this policy.

Further, the Board of Directors may revise/ amend this CSR Policy based on the recommendations of the director or to bring the same in line with the guidelines or amendments issued from time to time by Government on the subject.