

SHARDUL SECURITIES LIMITED

CORPORATE SOCIAL RESPONSIBILITY POLICY

1. Preamble

Corporate Social Responsibility (CSR) is a Company's commitment to its stakeholders to conduct business in an economically, socially and environmentally sustainable manner. Corporate Social Responsibility (CSR) builds a dynamic relationship between a company on one hand and the society and environment on the other. CSR is traditionally driven by a moral obligation and philanthropic spirit. Over time it has become an integral part of business to ensure that the company conducts its business in the most transparent and ethical manner.

2. Purpose and Applicability

It has been prepared keeping in mind the company's business ethics and to comply with the requirements of Companies Act, 2013 (hereinafter called as "the Act") and the Companies (Corporate Social Responsibility Policy) Rules, 2014, notified by the Ministry of Corporate Affairs vide Notification dated 27th February, 2014.

The policy shall be applicable to all CSR activities of the company whether carried by it or through any implementation agency.

3. Corporate Social Responsibility Committee

a. Composition:

CSR Committee shall be constituted as per Section 135 of the Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014, and shall be headed by an independent director.

b. Role of CSR Committee:

- i. To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII of the Companies Act 2013;
- ii. To recommend the amount of expenditure to be incurred on the activities referred to in clause (a) in a financial year;
- iii. To monitor the Corporate Social Responsibility Policy of the company from time to time.
- iv. Any other matter/thing as may be considered expedient by the members in furtherance of and to comply with the CSR Policy of the Company.

4. Funding & Allocation

For achieving its CSR objectives through implementation of meaningful & Sustainable CSR programmes, the Company will allocate 2% of its average net profits made during the 3 immediately preceding financial years as its Annual CSR Budget.

The Annual CSR Budget shall be spent on activities laid down in this Policy

5. Areas for Activities

Activities proposed to be undertaken under CSR shall be activities mentioned in Schedule VII of Section 135(3) (a) of the companies Act 2013, which are as follows:

1. Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set up by the Central Government for the promotion of sanitation and making available safe drinking water;
2. Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
3. 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;
4. 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 Clean Ganga Fund set up by the Central Government for rejuvenation of river Ganga;
5. 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;
6. Measures for the benefit of armed forces veterans, war widows and their dependents;
7. Training to promote rural sports, nationally recognized sports, Paralympics sports and Olympic sports;
8. 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;
9. Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government
10. Rural development projects;
11. Slum area development

6. Implementing agencies

The company can also appoint implementing agencies like charitable trusts and NGOs/ Institutions with established track records of at least three financial years.

The company may decide to undertake its CSR activities directly or through a Registered Trust or a registered society or a company established by the company under section 8 of the Act. Provided that –

- i. If such trust, society or company is not established by the company or its holding or subsidiary or associate company, it shall have an established track record of three years in undertaking similar programs or projects;
- ii. The Company shall specify the project or programs to be undertaken through these entities, modalities of utilization of funds on such projects and programmes.

7. Monitoring and reporting of CSR Activities

CSR committee of the company will be responsible for the monitoring of various CSR projects or programs undertaken by the company directly or through its trust. The committee shall ensure that;

- i. CSR activities are undertaken as provided in the CSR policy
- ii. The budget allocated for each of the project is utilized for the projects as per the approved plans.

The Board report on CSR activities pertaining to a financial year commencing on 1st Day of April 2014 shall include an annual report on CSR containing particulars specified in the Company (CSR) Rules and the same shall be displayed on the website of the Company.

8. Exclusions:

The CSR activities shall be undertaken by the company, (either new or ongoing), excluding activities undertaken in pursuance of its normal course of business.

The Company will not make any contribution of any amount directly or indirectly to any political party.

The CSR projects or programs or activities that benefit exclusively for the employees of the company and their families shall not be considered as CSR activities in accordance with this policy

Any surplus arising out of the CSR projects or programs or activities shall not form part of the business profit of the company but should be added in the CSR Fund.

9. Amendment

Any or all provisions of the CSR Policy would be subject to revision/amendment in accordance with the guidelines on the subject as may be issued from Government, from time to time.

The CSR Committee reserves the right to modify, add, or amend any of provisions of this Policy subject to approval of the Board.
