



SHARE INDIA SECURITIES LIMITED

Corporate Social Responsibility Policy

Effective Date: February 06, 2021
Approval Date: February 06, 2021
Revision Dates: February 06, 2021, September 28, 2022, August 21, 2024
Version: 3.0
Recommended By: Corporate Social Responsibility Committee
Approved By: Board of Directors

INTRODUCTION

Share India Securities Limited (“**Company**”) has always been a responsible corporate citizen and it has various societal obligations. It always seeks ways to make a positive impact on the society at large.

The Company has developed its Corporate Social Responsibility (**CSR**) policy in accordance with Section 135 of the Companies Act, 2013 (“**Act**”) read with Companies (Corporate Social Responsibility Policy) Rules, 2014 (“**CSR Rules**”). This Policy, henceforth called “**CSR Policy/Policy**”, underlines the guiding principles and mechanisms for undertaking various CSR activities/programmes by the Company.

VISION STATEMENT & CSR PHILOSOPHY

Vision:

The Company has been unwavering in its dedication to societal well-being and ecological principles. It recognizes that its responsibilities extend beyond financial transactions, viewing its engagement with society, nation, and the planet not as philanthropy but as an integral aspect of conducting sustainable business.

The commitment to CSR is not an act of generosity; rather, it signifies the pledge to be relevant and meaningful contributors to the community in which the Company operates. As a responsible corporate citizen, the Company is devoted to making a positive impact and fostering a sustainable future for all.

Mission:

Through CSR activities, the Company shall be advancing societal well-being through initiatives that consider the long-term social and environmental impact. With a commitment to this overarching mission, the CSR Committee will strategically select Priority Projects to ensure meaningful contributions to the community.

Objective of this Policy:

This Policy aims to:

- seamlessly integrate business processes with social responsibility;
- provide guidance for the Company and its personnel in engaging with social activities.

CONSTITUTION OF CSR COMMITTEE

In compliance with the requirements of Section 135 of the Act, the Company shall at all times have a duly constituted CSR Committee of the Board comprising of minimum three directors out of which at least one director shall be an Independent Director.

ROLE OF CSR COMMITTEE

The CSR Committee will play the following roles in fulfilling the Company’s CSR objectives:

1. Identify activities to be undertaken as per Schedule VII of the Companies Act, 2013 towards CSR initiatives;
 2. Formulate CSR Policy indicating the activities identified in point no. 1 above;
 3. Recommend the CSR Policy to the Board of Directors of the Company for its approval;
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4. Formulate and recommend to the Board, an annual action plan in pursuance of this CSR policy, which shall include the following, namely:-
 - a. The list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
 - b. The manner of execution of such projects or programmes;
 - c. The modalities of utilisation of funds and implementation schedules for the projects or programmes;
 - d. Monitoring and reporting mechanism for the projects or programmes; and
 - e. Details of need and impact assessment, if any, for the projects undertaken by the Company.
5. To recommend any alteration in the annual action plan to the Board along with reasoned justifications.
6. Recommend the CSR expenditure/CSR Budget to be incurred on the activities referred to in point no. 1 above;
7. Spend the allocated CSR budget, once it is approved by the Board of Directors of the Company, on the CSR activities in accordance with the Act and the CSR Rules;
8. Formulation of a transparent monitoring mechanism for ensuring the effective implementation of the projects/ programmes/ activities proposed to be undertaken by the Company as part of its CSR initiatives;
9. Monitoring the end use of the amount spent towards CSR activities;
10. To facilitate impact assessment of the CSR projects, if required;
11. Regularly monitor the implementation of the CSR Policy from time to time;
12. Quarterly report to the Board, the status of the CSR activities and the contributions made by the Company;
13. Review of the CSR Policy from time to time;
14. Place the annual reports on CSR before the Board
15. To carry out any other function as is referred by the Board from time to time or enforced by any statutory notification / amendment or modification as may be applicable; and
16. To adhere and comply with the general or specific directions issued by the Central Government for the compliance with the provisions of law relevant to CSR obligations of the Company.

ROLE OF BOARD OF DIRECTORS

1. Approve CSR Policy, after taking into account the recommendations made by the Corporate Social Responsibility Committee, which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Act;
2. Ensure that activities included in the CSR Policy of the Company are undertaken by Company;
3. Ensure that the Company spends, in every financial year, at least two per cent. of the average net profits made during the three immediately preceding financial years
4. 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.

CSR FOCUS AREAS/ PRIORITY PROJECTS/ACTIVITIES

As a responsible corporate citizen, the Company is committed to sustainable development and inclusive growth and has been focusing on a wide range of issues in relation to health and hygiene, skill development, quality education, social advancement and ensuring environmental sustainability.

The Company has following focus areas for undertaking its CSR activities:

- a) Promoting quality education as a key to ensure the overall development of society.
 - b) Prioritising health and well-being of society.
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- c) Environment Sustainability.
- d) Rural Development.

While the Company will primarily engage in the CSR activities as specified in the aforesaid focus areas / priority projects, the Company can also support or undertake any other activities as specified in Schedule VII to the Act, as amended from time to time. The activity list in Schedule VII must be interpreted liberally to capture the essence of the subjects enumerated therein .

EXCLUSIONS

The following activities will not be considered as CSR activities, in accordance with the provisions of the Act and the Rules -

1. Any CSR projects and programmes that are implemented by the Company for benefit of the employees of the Company;
2. Any CSR activities implemented outside India, except for training of Indian sports personnel representing any State or Union territory at national level or India at international level;
3. Any amount contributed, directly or indirectly, to any political party or for any political purpose;
4. Activities that are undertaken by the Company in pursuance of its normal course of business;
5. Activities supported by the Company on sponsorship basis for deriving marketing benefits for its products or services;
6. Activities carried out for fulfilment of any other statutory obligations under any law in force in India.

CSR EXPENDITURE

The Board shall ensure that the Company spends, in every financial year, two percent of its average net profits made during the three immediately preceding financial years on CSR programmes in pursuance of this Policy.

The net profit is to be calculated as per the provisions of section 198 of the Act. Also, the net profit so calculated shall not include the following, namely;

- a. Any profit arising from any overseas branch(es) of the Company, whether operated as separate company or otherwise; and
- b. Any dividend received from other companies in India, which are covered under and complying with the provisions of section 135 of the Act.

The CSR expenditure will include all the expenditures, whether direct or indirect, incurred by the Company on CSR programmes undertaken by it in accordance with the CSR Policy .

Based on its consultative process of needs assessment as well as other criteria for identifying social initiatives, necessary budget allocation exercise shall be carried out, to the extent possible, at the beginning of the relevant financial year. The budget shall include details of activities / projects planned to be covered during the year.

The Company shall endeavor to give preference to local areas and the areas around which it operates for spending the amount earmarked for CSR activities.

The CSR amount spent by Company for creation or acquisition of a capital asset, if any, shall be held by a company established under section 8 of the Act, or a registered public trust or registered society, having CSR registration number, or beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities, or a public authority.

The Board shall ensure that the administrative overheads shall not exceed five percent of the total CSR expenditure of the Company for the financial year.

TREATMENT OF UNSPENT CSR AMOUNT

In case the Company is not able to spend the minimum statutory amount towards CSR activities during the financial year, the unspent amount shall be treated in the following manner:

a. If it relates to an ongoing project -

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

The Company shall transfer such amount to an unspent CSR account within a period of 30 days from the end of the financial year to which such amount relates. Such amount shall be spent by the Company in pursuance of this Policy within a period of 3 financial years from the date of such transfer.

If the Company still fails to spend such an amount, then the Company shall transfer the same to a fund specified in Schedule VII to the Act, within a period of thirty days from the date of completion of the third financial year.

b. If it does not relate to an ongoing project-

The Company shall transfer such an amount to a fund specified in Schedule VII within a period of 6 months from the end of financial year.

The Board shall also record the reasons for not spending the CSR amount towards CSR projects, both ongoing and other than ongoing, in its board report.

TREATMENT OF THE AMOUNT WHICH IS SPENT IN EXCESS OF THE CSR REQUIREMENT

If the CSR expenditure in a financial year exceeds the statutory limit, then excess amount spent may be set-off against the CSR expenditure of the Company for the next three financial years with the approval of the Board by way of a resolution, on the recommendation of the CSR Committee. Such an excess amount available for set off shall not include the surplus arising out of the CSR activities.

SURPLUS FROM THE CSR ACTIVITIES

Any surplus arising out of the CSR activities shall not form part of the business profit of the Company and shall be

1. ploughed back into the same CSR project; or
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2. transferred to the Unspent CSR Account and spent in pursuance of the CSR Policy and annual action plan of the Company; or
3. transferred to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year in which the surplus is generated.

CSR IN COLLABORATION OR THROUGH A MEDIUM / IMPLEMENTING AGENCY

The Board, through the CSR Committee, shall ensure that the CSR activities shall be undertaken/ executed/ implemented either by the Company itself and/ or through Implementing Agencies (IAs).

In case of direct implementation, the Company may directly contribute the CSR funds to the beneficiary in accordance with the provisions of the Act.

The following may act as an IA for undertaking CSR activities of the Company –

- 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 80 G of the Income Tax Act, 1961 (43 of 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 80 G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities.

The Company shall ensure that the IAs engaged by the Company are duly registered with the Ministry of Corporate Affairs.

The Company may also collaborate with other companies for undertaking their CSR projects/ programmes/ 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 CSR Rules.

The Company shall endeavor to undertake appropriate documentation of the Company's CSR activities, its executing partners, and expenditure entailed shall be undertaken on a regular basis. MoUs/agreements may shall be executed with IAs qualified to undertake CSR activities under the Act with clear project outlines, deliverables, timelines and budget.

For the purpose of determining the authenticity and genuineness of the IAs/ beneficiary, the Company may obtain such documents as may be necessary, which may include the following –

- Charter documents of the IA / beneficiary organization;
 - Layout of project plan with estimated cost time with milestones involved;
 - Audited financials of the IA / beneficiary organization, etc.
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GOVERNANCE, MONITORING AND EVALUATION MECHANISM

The Company may engage international organisations for designing, monitoring and evaluation of the CSR projects or programmes as well as for capacity building of their own personnel for CSR.

CSR Committee-Level Monitoring

The CSR Committee will ensure a transparent monitoring mechanism for ensuring effective implementation of the CSR activities proposed to be undertaken by the Company.

The CSR Committee will monitor the projects and programmes to ensure that they are being carried out in compliance with this CSR Policy, annual action plan and the Act. The CSR Committee shall on a quarterly basis apprise the Board of Directors about the progress of CSR project/programmes/activities including expenditure incurred by the implementing agency(ies) till the allocated budget is fully utilized.

Board-Level Monitoring

Every year the CSR Committee will place, for the approval of the Board of Directors of the Company, a CSR annual action plan delineating the CSR programmes to be carried out during the financial year, including the budgets thereof, their manner of execution, implementation schedules, modalities of utilisation of funds, and monitoring & reporting mechanism .

The Board will consider and approve the CSR annual action plan with such modifications that may be deemed necessary. The CSR annual action plan may also be modified by the Board during the financial year, on the recommendation of the CSR Committee.

In case of the ongoing project(s), the Board shall monitor the implementation of the project with reference to the approved timelines and year-wise allocation and shall be competent to make modifications, if any, for smooth implementation of the project within the overall permissible time period.

The Board shall satisfy itself that the funds so disbursed have been utilized for the purposes and in the manner as approved by it. The Chief Financial Officer (CFO) shall certify to this effect.

The Company shall endeavor to devise a monitoring system which may include:

- a. Regular field visits by designated staff and teams to project sites, enabling firsthand observation of progress and challenges;
- b. Comprehensive field reports, including visual elements like pictures and videos, to be documented, providing a clear picture of on-ground activities;
- c. An established mechanism to facilitate regular interaction with beneficiary communities to gather feedback on project outcomes and experiences;
- d. Verifying timely utilization of funds to ensure adherence to budget allocations and planned expenditures.

IMPACT ASSESSMENT

The Company shall undertake impact assessment, through an independent agency, of its CSR projects having outlays of one crore rupees or more, and which have been completed not less than one year before undertaking the impact study, if the average CSR obligation of the Company is ten crore rupees or more, in the three immediately preceding financial years.

The impact assessment shall be done by an independent external agency appointed by the Board.

The impact assessment report(s), if any, shall be placed before the Board and shall be annexed to the annual report on CSR as per the provisions of law.

The Company may, for undertaking the impact assessment, book the expenditure towards CSR for that financial year, which shall not exceed two percent of the total CSR expenditure for that financial year or fifty lakh rupees, whichever is higher.

DISCLOSURES

This CSR Policy, details of the composition of the CSR Committee and the CSR projects approved by the Board shall be hosted on the Company's website. The same shall also be disclosed in the Board's Report of the Company.

AMENDMENT

The CSR Committee shall review the CSR Policy from time to time based on the changing needs and make suitable modifications as may be necessary with the approval of the Board.

In the event of any conflict between the provisions of this Policy and the Act or any other statutory enactments or rules, then the provisions of the Act or any other statutory enactments or rules shall prevail over this Policy. Further, in case of any subsequent amendment(s), clarification(s), circular(s), etc., issued by the relevant authorities, are not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s), etc., shall also prevail over the provisions of this Policy and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s), etc.

Share India