



**CORPORATE SOCIAL RESPONSIBILITY POLICY
OF SUNIDHI SECURITIES & FINANCE LIMITED
(With effect from July 26, 2021)
*In accordance with Section 135 of the Companies Act 2013 and
the Companies (Corporate Social Responsibility Policy) Rules, 2014***

CORPORATE SOCIAL RESPONSIBILITY POLICY**➤ PREAMBLE**

Sunidhi Securities & Finance Limited ("**the Company**") through its CSR initiatives will continue to enhance value and promote social sustainability, sustainable development of the environment and social welfare of the people and society at large, more specifically for the deprived and underprivileged persons. Constitution of a Corporate Social Responsibility Committee of the Board and formulation of a Corporate Social Responsibility Policy has become mandatory under the Companies Act, 2013. Accordingly, our Company has formulated this CSR policy which encompasses its philosophy and guides its sustained efforts for undertaking and supporting useful programs.

➤ CSR VISION, OBJECTIVITY & APPLICABILITY

The CSR Policy sets out commitment to ensure our activities extend beyond business and include initiatives and endeavors for the benefit and development of the community and society.

The main objective of the Policy is to establish and lay down the basic principles and the general framework of action for the Company to undertake and fulfill its corporate social responsibility. The Policy will function as a built-in, self-regulating mechanism whereby the business will monitor and ensure its active compliance with the spirit of law, ethical standards and requisite norms.

Notwithstanding anything to the contrary contained in this CSR Policy but subject to applicable law, in the event that the Company fails to meet the thresholds set out under Section 135(1) of the Act for three consecutive financial years, it shall not be required to:

- (i) Constitute/maintain the CSR Committee; and
- (ii) Comply with the provisions of this CSR Policy till such time as it again meets the criteria specified in Section 135(1) of the Act.

➤ CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

In terms of section 135 of the Companies Act, 2013 and Rules made thereunder, Board of Directors of the Company constituted a CSR Committee comprising of Shri Arun J. Shah, Shri Jayesh D. Parekh, Shri Bimal J. Parekh and Shri Rishabh J. Parekh, Directors of the Company. The Committee shall hold meetings as and when required, to discuss various issues on implementation of the CSR Policy.

The role of CSR Committee:

- (a) Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall include the activities to be undertaken as specified in Schedule VII of the Companies Act 2013 (the Act);
- (b) Recommend the amount to be spent on CSR activities.
- (c) Monitor the Corporate Social Responsibility Policy periodically.
- (d) Any other matter and functions as may be considered expedient from time to time.

➤ CSR FOCUS ACTIVITIES

The Company's CSR and welfare activities will center on the following areas:

- a) Promoting education including special education, employment enhancing vocation skills especially among children and livelihood enhancement projects;
- b) Eradicating hunger, poverty and malnutrition, promoting 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;

- c) Contributions 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
- d) Promoting gender equality, empowering women, setting up homes and hostels for women and orphans, setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.

However, the Company may, subject to the approval of the CSR Committee, undertake any other CSR activities specified in Schedule VII of the Companies Act, 2013, from time to time.

➤ **RESPONSIBILITIES OF THE BOARD OF DIRECTORS**

- Upon recommendation of the CSR Committee, approve the following:
 - a. Amendments to the CSR Policy of the Company
 - b. Annual Action Plan including CSR Expenditure, areas of CSR intervention etc.
 - c. CSR Report forming part of the Board's Report
- Monitor the implementation of the CSR Projects.
- Ensure that the activities as are included in Corporate Social Responsibility Policy of the Company are undertaken by the Company.
- The Board shall satisfy itself that the funds so disbursed have been utilized for the purposes and in the manner as approved by it.
- Preference shall be given to local area and areas around the Company for spending the amount earmarked for CSR.

➤ **CSR BUDGET**

The total budget for the CSR activities will be decided by the CSR Committee and shall be in compliance with the provisions of the Companies Act, 2013 and the Rules framed thereunder (including notification(s) / Circulars issued by Ministry of Corporate Affairs in this regard) and as per the provisions of such other applicable law for time being the force.

➤ **CSR EXPENDITURE**

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.

Any surplus arising out of the CSR Activities shall not form part of the business profit of the Company and may only be re-allocated to the CSR Activities being undertaken in terms of this CSR Policy and the annual action plan for the financial year in which such surplus has arisen.

The administrative overheads shall not to exceed 5% of total CSR expenditure of the Company for the financial year relating to the general management and administration of CSR functions in the Company.

Where the Company spends an amount in excess of requirement provided under Section 135(5) of the Act, such excess amount may be set off against the requirement to spend under section 135(5) up to immediate succeeding three financial years' subject to the certain conditions.

If the Company, in any Financial Year, fails to spend the CSR Obligation amount, the same shall be reported in the Board's Report, specifying the reason for not spending the amount and such amount shall be transferred within a period of 6(Six) months of the expiry of the financial year to a Fund specified in Schedule VII to the Act.

The Annual CSR Budget shall be spent on activities laid down in Schedule VII.

➤ **IMPLEMENTATION OF CSR ACTIVITIES**

The Company will implement CSR projects either by itself directly, or through other Implementing Agencies which fulfil the criteria laid down in 2013 Act and the CSR Rules and which are registered with MCA. Projects are implemented in strict compliance with requirements laid down in the CSR Rules and in accordance with the socio-economic needs of India. Implementation will be in adherence to approved Annual Action Plan of CSR for the financial year.

The Company may also collaborate with other Companies for undertaking projects or programs for CSR activities in such a manner that the CSR Committees of the respective Companies are in a position to report separately on such projects or programme's.

➤ **EXCLUSIONS**

In order to count towards CSR Expenditure, CSR Activities must be undertaken in compliance with the applicable laws and shall not include the following:

- a) activities undertaken in pursuance of normal course of business of the company;
- b) any activity undertaken by the company outside India except for training of Indian sports personnel representing any State or Union territory at national level or India at international level;
- c) contribution of any amount directly or indirectly to any political party under Section 182 of the Act;
- d) activities benefitting employees of the company as defined in clause (k) of Section 2 of the Code on Wages, 2019 (29 of 2019);
- e) activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services; and
- f) activities carried out for fulfilment of any other statutory obligations under any law in force in India.

➤ **MONITORING AND REPORTING ON CSR ACTIVITIES**

- The CSR Committee of the Board has instituted "transparent monitoring mechanism" for various CSR Projects / Programs / Activities undertaken by the Company;
- The CSR Committee shall review the implementation of the approved CSR Program; Sunidhi_CSR POLICY v. 2.0
- The performance of the Company's CSR activities shall be reviewed by the CSR Committee;
- The Member of the CSR Committee shall be responsible for monitoring the expenditure on CSR activities with respect to the plan and submission of the same to the CSR Committee;
- The CSR Committee will submit a report to the Board at the end of the year as per the format prescribed under Companies Act, 2013 and applicable law. The Board will report CSR performance in its report of Board of Directors.

➤ **IMPACT ASSESSMENT**

If the Company's average CSR obligation is Rs.10 Crore (Rupees Ten Crore Only) or more, in the 3 (three) immediately preceding Financial Years, the Company shall undertake Impact Assessment, through an independent agency, of their CSR projects having outlays of Rs. 1 Crore (Rupees One Crore Only) or more, and which have been completed not less than 1(One) year before undertaking the impact study. The impact assessment reports shall be placed before the Board and shall be annexed to the Annual Report on CSR Activities.

➤ **REVIEW AND AMENDMENT OF POLICY**

The Board of the Company may, subject to compliance with applicable law, at any time alter, amend or modify the CSR Policy as it deems fit to comply with the statutory obligation of the Company to undertake the CSR Activities.

This Policy has been last amended by the Board of Directors of the Company at its Meeting held on July 26, 2021, on the basis on recommendation of the CSR Committee of the Board of Directors.
