

**SHARE INDIA SECURITIES
LIMITED**

**Corporate Social Responsibility
(CSR) Policy**

Document Validation Note

Share India Securities Limited (the "Company"), a Public Limited Company, incorporated under the Companies Act, 1956 and having its registered office at 6th Milestone, New Bhai - Chara Complex, Opp Mata Mandir, Chikambarpur Up Border Sahibabad Uttar Pradesh- 201006, has formulated and adopted this Corporate Social Responsibility Policy in terms of Section 135 of the Companies Act 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014 (CSR Rules).

Section 135 of the Companies Act, 2013, requires the Company to constitute a Corporate Social Responsibility (CSR) Committee of Directors, adopt a CSR Policy, spend at least 2% of its average net profits made during the immediately preceding three financial years towards CSR activities as set out in Schedule VII to the Companies Act, 2013 and confirm compliance thereof in the Annual Report.

Accordingly, on the recommendations of the CSR Committee, this Policy was reviewed and approved by the Board of Directors of the Company at its meeting held on 28th November 2016 and is deemed to have come into effect from, 28th November 2016.

Title	Particulars
Reviewing Authority	Corporate Social Responsibility(CSR) Committee of Directors
Approving Authority	Board of Directors of the Company
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ABBREVIATIONS:

- 1) "Act" shall mean the Companies Act, 2013 including any modifications, amendments or re-enactments thereof.
- 2) "Rules" shall mean the Companies (Corporate Social Responsibility) Rules, 2014, including any modifications, amendments or re-enactments thereof.
- 3) "CSR" shall mean Corporate Social Responsibility.
- 4) "Financial Year" shall mean the period beginning from 1st April of every year to 31st March of the succeeding year.
- 5) "Net Profits" shall mean the net profits of the Company as defined under the Act and the Rules based on which a specific percentage for CSR expenditure has to be calculated.
- 6) "Company" shall mean Share India Securities Limited.
- 7) "Board" shall mean the Board of Directors of the Company.
- 8) "Approved Budget" shall mean the total budget as approved by the Board of the Company, which is to be spent or utilized for CSR activities.
- 9) "Annual Plan" shall mean the annual plan for CSR expenditure for the year.
- 10) "CSR Committee" shall mean the Corporate Social Responsibility Committee as constituted by the Board of Directors of the Company in accordance with the Act and the Rules made there under.
- 11) "CSR Policy" shall mean the Corporate Social Responsibility Policy of the Company.
- 12) "CSR Activities" shall mean all the Corporate Social Responsibility activities
/programs/initiatives of the company, either ongoing or new specified in Schedule VII to the Act (as amended from time to time), as recommended by the CSR Committee and approved by the Board.
- 13) "CSR Expenditure" shall mean all CSR expenditure as recommended by the CSR Committee and approved by Board of Directors.

I. PREAMBLE

The Companies Act, 2013 has brought the concept of Corporate Social Responsibility in the limelight for all the qualifying companies through its "Comply –or – Explain mandate." The concept of Corporate Social Responsibility has gained prominence from all avenues. Organizations have realized that Government, alone will not be able to get success in its endeavor to uplift the downtrodden of Society. With the rapidly changing corporate environment, more functional autonomy, operational freedom etc. the Company has adopted CSR as a strategic tool for sustainable growth. For the Company in the present context, CSR means not only investment of funds for Social Activity but also Integration of Business processes with Social processes.

The concept of CSR provisions puts a formal and greater responsibility on the Companies setting out a clear framework and process to ensure strict compliance.

II. INTRODUCTION

While the Company has a Philanthropic past and has been engaged in CSR Activities voluntarily, the current CSR Activity proposed to be undertaken is subjected to improve quality of life for all our communities through integrated and sustainable development in every possible way.

The betterment of the Society is not a job to be left to a few. It's a responsibility to be shared by all. Corporate Social responsibility is now one of the core objectives of the Company besides the other main objectives. The Company intends to do CSR activities /programs, either ongoing or new, in the areas as specified in Schedule VII to the Act, as recommended by the CSR Committee and approved by the Board and welfare measures for the community at large including employees and their families, so as to ensure that the poorer section of the society derives the maximum benefit.

III. OBJECTIVE

Corporate Social Responsibility is a Company's sense of responsibility towards the community and environment in which it operates. It is the continuing commitment by businessmen to behave ethically and contribute to economic development of the society at large and building capacity for sustainable livelihoods that positively impacts the society at large.

The main objective of CSR policy is to lay down guidelines for the companies to make CSR a key business process for sustainable development for the Society. It aims at supplementing the role of the Government in enhancing welfare measure of the society based on the immediate and long term social and environmental consequences of their activities. The Company will act as a good Corporate Citizen, subscribing to the principles of Global Compact for implementation.

This Policy specifies the projects and programmes that can be undertaken, provides a list of CSR projects/ programmes in terms of the Schedule VII to the Companies Act, 2013, including any amendments thereto which the Company plans to undertake

during the implementation years, specifies the modalities of execution in the areas/ sectors chosen and the implementation schedule.

The scope of the Policy has been kept as wide as possible, so as to allow the Company to respond to different situations and challenges appropriately and flexibly, subject to the activities enumerated in Schedule VII of the Companies Act, 2013 including any amendments thereto.

IV. CONSTITUTION OF CSR COMMITTEE

In terms of section 135 of the Companies Act, 2013 and the Rules made there under, Board of Directors of the Company at its meeting held 28th November, 2016 has constituted a CSR Committee and the following are its members;

Name	Designation
Parveen Gupta	Chairman/Managing Director
Vikas Kumar Mittal	Member/ Independent Director
Sachin Gupta	Member/ Whole Time Director

FREQUENCY OF THE MEETINGS OF THE CSR COMMITTEE:

The CSR Committee shall meet at least twice in a year or at such periodic intervals as may be required. Members of the CSR Committee can agree upon mutually regarding time and place for the said meetings. Quorum for the meeting should be majority of the members. The Members of the Committee may participate in the meeting either in person or through video conferencing or other audio visual means in accordance with the provisions of the Companies Act, 2013 and rules made there under from time to time. Other Members of the Management may attend the CSR Committee Meetings as may be appropriate, subject to the approval of the CSR Committee.

V. ROLE OF CSR COMMITTEE

The CSR Committee will play the following role in fulfilling the Company's CSR objectives:

- Formulate CSR Policy and identify activities to be undertaken as per Schedule VII of the Companies Act 2013 towards CSR initiatives.
- Recommend the CSR Policy to the Board of Directors of the Company for its approval
- Recommend the CSR expenditure/CSR Budget
- Spend the allocated CSR amount on the CSR activities once it is approved by the Board of Directors of the Company in accordance with the Act and the CSR Rules
- Formulation of a transparent monitoring mechanism for ensuring implementation of the projects/ programmes/ activities proposed to be undertaken by the Company or the end use of the amount spent by it towards CSR activities.

- Regularly monitor and implement CSR Policy from time to time
- Annually report to the Board, the status of the CSR activities and contributions made by the Company
- Change/modify the CSR policy as per requirement
- To carry out any other requirements mandated under the Act and Rules issued thereto.
- Authorize executives of the Company to attend the CSR Committee Meetings

VI. AREAS TO BE COVERED

Schedule VII to the Companies Act, 2013 lists down the activities which may be included by companies in their corporate social responsibility policies. The said activities relates to –

- i. eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation including the contribution to Swachh Bharat Kosh set-up by the Central Government for the promotion of Sanitation” and making available safe drinking water;
- ii. promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
- iii. 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;
- iv. 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 the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga;
- v. 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;
- vi. measures for the benefit of armed forces veterans, war widows and their dependents;
- vii. training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports;
- viii. 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 Caste, the Scheduled Tribes, other backward classes, minorities and women;
- ix. Contributions or funds provided to technology incubators located within

academic institutions which are approved by the Central Government;

- x. rural development projects
- xi. Slum area development
- xii. Any other activity as may be notified by the Government from time to time

Explanation: For the purpose of this item, the term 'slum area' shall mean any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force.

The Company shall give preference to the local area and areas around it where it operates for spending the amount earmarked for CSR activities;

While the Company intends to undertake all or any suitable activity as specified in Schedule VII to the Act, currently, we focus to promote education and support and implement the following Sectors as our thrust areas.

A. Promoting education

Conservation and renovation of school buildings and classrooms

1. Donations to schools, colleges, universities or any other educational institution for conservation of buildings and renovation of classrooms would qualify as "promoting education" and hence eligible for compliance of companies with Corporate Social Responsibility.
2. Donations to schools, colleges, universities or any other educational institution for conservation of buildings and renovation of classrooms would qualify as "protection of national heritage, art and culture, including restoration of buildings and sites of historical importance" and hence eligible for compliance of companies with CSR.
3. Monetary contributions to academic and other institutions with the objective of assisting students in their studies
4. To provide Education Kit comprising study material, uniforms etc. to the poor students of Govt. Schools.
5. To extend support /educational assistance to children from financially backward families and underprivileged community as part of the company's social responsibility.
6. To provide cash awards to students studying in School/Colleges and has secured high academic / professional records
7. To provide financial assistance to organizations working on the similar objective

- B. Providing Healthcare including Preventive Health care
- C. Helping in Rural Development and Education
- D. Ensuring Environment Sustainability

The Company will review the sectors from time to time and make additions/ deletions/ clarifications to the above sectors.

The CSR Activities shall not include the following: -

- (i) The CSR projects or programs or activities that benefit only the employees of the company and their families;
- (ii) One-off such events such as marathons/awards/charitable contribution/advertisement/sponsorship of TV programmes etc.;
- (iii) Expenses incurred by Companies for the fulfillment of any other Act/Statute of regulations (such as Labour Laws, Land Acquisition Act, 2013, Apprentice Act, 1961 etc.);
- (iv) Contributions of any amount directly or indirectly to any political party;
- (v) Activities undertaken by the company in pursuance of its normal course of business
- (vi) The project or programmes or activities undertaken outside India.

VII. ALLOCATION OF FUNDS FOR CSR ACTIVITIES

1. The Board of Directors of the Company shall ensure that in each financial year the Company spends at least 2% of the average net profit made during the three immediately preceding financial years or such other minimum amount in pursuance of its corporate social responsibility and subject to Section 135 of the Companies Act, 2013 and the rules made there under.
2. "Average Net Profit" here means average net profit calculated in accordance with the provisions of section 198 of the Companies Act, 2013
3. Provided further that the allocation of the funds for CSR activities shall not be at the cost of or in place/ instead of the statutory /contractual obligations of the Company towards the government, banks and financial institutions
4. In case of any surplus arising out of CSR projects the same shall not form part of business profits of the Company.
5. The Company may collaborate or pool resources with other companies to undertake CSR activities.

6. As per section-135 of the Companies Act, 2013 ("the Act"), the Company will report in its annual report to the shareholders of the company, reasons, if any, for under spending the allocated CSR Budget in any of the financial year.

VIII. IMPLEMENTATION

This CSR Policy will be implemented from the succeeding year of a Financial Year in which the Company crosses any of the limits as provided in section 135 of the Companies Act, 2013 as per its audited annual financial statements. Based on the net profits, or net worth or turnover, if any, every year, the CSR Committee will identify the CSR activities including the thrust areas, annual budget, planned expenditure and implementation schedule etc.

The preference for CSR activities shall be given to the local areas where registered office of the Company is situated.

However, this shall not bar the Company from pursuing its CSR activities in any other areas.

IX. CSR IN COLLABORATION OR THROUGH A MEDIUM

The Company will undertake its CSR activities as approved by the CSR Committee, through itself or through a registered trust or registered society or a Company established by the Company under Section 8 of the Companies Act, 2013.

The CSR Committee will decide the mode of execution of such activities /projects i.e. whether such activities will be carried out by a registered and approved trust or society or a company with an established track record of not less than three years in undertaking similar programs or projects or they will be carried out by team of persons specifically formed for such purpose(s) or such other mode as is within the scope of the CSR Provisions and most suitable for execution of that particular activity / project.

The CSR Committee may also decide to contribute the entire or part of the amount to any fund as is within the scope of CSR Provisions.

X. MONITORING AND EVALUATION MECHANISM

The CSR Committee would set direction including a review mechanism. This will be incongruence with the budget allocated and objectives to be met.

The monitoring and evaluation system will aim to ensure that every program has:

- Clearly defined outcomes, outputs and indicators that are linked with, where possible, measurable targets and time lines.
- A robust progress monitoring system for day to day implementation
- Undertake impact assessments as per the evaluation plan developed by the

- Company.
- Yearly reporting of CSR expenditure as per the requirements of the Act.

PROGRAM MONITORING:

1. Programme monitoring mechanism will ensure:
 - i) The CSR policy is implemented as per the Act and the Rules framed there under (“the Rules”)
 - ii) The CSR policy is implemented ensuring that all projects/programmes as budgeted are duly carried out.
2. CSR spends will be closely monitored and funds shall be released against verified utilizations as per the approved plans.
3. CSR spends will be audited in an accountable and transparent manner.
4. Regular reporting and review by the CSR committee and by the Board.

EVALUATION:

1. A robust Impact monitoring mechanism and evaluation plan will be put in place.
2. Expected outcomes, outputs and inputs will be clearly defined for each programme as per stated timelines.
3. There shall be clarity about the scope of the programme and the need before evaluations are undertaken.

XI. PUBLICATION OF THE 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.

XII. POLICY REVIEW & FUTURE AMENDMENT

The Committee shall review its CSR Policy from time to time and make suitable changes as may be required and submit the same for the approval of the Board.

XIII. REMOVAL OF DIFFICULTIES

Any term not defined in the CSR Policy shall have the meaning ascribed to it under any of the CSR Provisions.
