

CORPORATE SOCIAL RESPONSIBILITY POLICY

1. INTRODUCTION

Corporate Social Responsibility (CSR) is the idea that a company should play a positive role in the community and consider the environmental and social impact of business decisions. Thus, CSR is not charity or mere donations but a way of going beyond business as usual, creating shared value and contributing to social and environmental good.

The 'Corporate Social Responsibility' is a statutory provision under Section 135 of the Companies Act, 2013 read with Schedule VII of the Act. Subsequent to the statutory provision, the Ministry of Corporate Affairs (MCA), Government of India, notified on 27th February 2014, "The Companies (Corporate Social Responsibility Policy) Rules, 2014".

Smart Equity Brokers Private Limited (SEB) is strongly committed to continuously perform their duties with full dedication and enthusiasm in true letter and spirit.

This Policy lays down the guiding principles that shall apply to all CSR programs/projects to be undertaken by the Company as per Schedule VII of the Act

2. CSR OBJECTIVE

The objective of the CSR policy is

- To operate its business in an economically, socially and environmentally sustainable manner, while recognizing the interests of all its stakeholders.
- To sustain and continuously improve the quality of life and economic well-being of the local population.
- Demonstrate commitment to the common good through responsible business practices and good governance

SEB shall engage in CSR activities only within the framework of the provisions of the Companies Act, 2013, its related Rules and Schedule VII of the Act.

3. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

Composition of CSR Committee

The Board of Directors has constituted the Corporate Social Responsibility Committee ("CSR Committee") consisting of 2 (two) members in accordance with Section 135 of the Companies Act 2013 and CSR Rules thereto.

Members of the Committee

1. Mr. Arun Khera
2. Mr. Sachit Khera

Functions of CSR Committee

1. Formulate and monitor the implementation of the CSR Policy from time to time and take such other action as it may deem fit.
2. Recommend the amount of expenditure to be incurred on the CSR projects;
3. Formulate and recommend to the Board, an annual action plan in pursuance of its CSR policy, which shall include the following, namely: -

- (i) the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Companies Act, 2013;
- (ii) the manner of execution of such projects or programmes
- (iii) the modalities of utilisation of funds and implementation schedules for the projects or programmes;
- (iv) monitoring and reporting mechanism for the projects or programmes; and
- (v) details of need and impact assessment, if any, for the projects undertaken by the company:

4. CSR ACTIVITIES

The scope of CSR activities will cover the following areas as enumerated under Schedule VII of the Companies Act, 2013

- i. Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.
- ii. 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.
- iii. Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water.
- iv. Eradicating hunger, poverty and malnutrition, promoting health care and sanitation and making available safe drinking water.
- 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 art and handicrafts;
- vi. Contribution to the prime minister's national relief fund or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) or any other fund set up by the central govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;
- vii. Rural development projects

Such other activities as the Committee may from time to time consider to be appropriate, in accordance with the provisions of Act.

5. MODE OF IMPLEMENTATION

The CSR Activities/Projects shall be executed through one or more of the following modes:

- i. directly by the Company; and/or

- ii. Company established under section 8 of the Act or a registered public trust or a registered society registered under section 12A and 80 G of the Income Tax Act, 1961 (43 of 1961), established by the Company either singly or along with any other company; and/or
- iii. 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 any entity established under an Act of Parliament or State legislature; and/or
- iv. Company established under section 8 of the Act or a registered public trust or a registered society registered under section 12A and 80G of the Income Tax Act, 1961, other than those specified above, and having an established track record of at least three years in undertaking similar activities, programs or projects;
- v. Collaborate with other companies for undertaking projects or CSR activities in such a manner that the CSR committees of respective companies are in a position to report separately on such projects or programmes.

Provided that any such entity through which the Company undertakes to carry out CSR Activities, shall possess the unique CSR Registration Number.

6. CSR Budget

Company in its annual budget shall allocate at least 2% of the average net profit during the preceding three financial years. For this purpose, the net profit shall be calculated in accordance with the provisions of Section 198 of the Act read with the CSR Rules.

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 certain conditions.

7. MONITORING

The CSR Committee shall be responsible for maintaining transparent monitoring and reporting mechanism for ensuring effective implementation of the projects/activities proposed to be undertaken by the Company.

8. REPORTING

In terms of Section 135 of the Companies Act, 2013 read with Rule 8 of the CSR Rules, CSR activities and progress shall be reported as part of the Director's Report in the Company's Annual Report.

9. AMENDMENT

The CSR Policy would be subject to revision/amendment in accordance with the guidelines as may be issued by the Government, from time to time. The Board may subject to the applicable laws amend any provision(s) or substitute any of the provision(s) with the new provision(s) or replace this policy entirely with a new policy.

In case of any subsequent changes in the provisions of the Act which makes any of the provisions in this Policy inconsistent with the Act, then the provisions of the Act would prevail over the Policy and the provisions in the Policy would be modified in due course to make it consistent with the Act.