

MARWADI SHARES AND FINANCE LIMITED
CORPORATE SOCIAL RESPONSIBILITY POLICY

“There is no more powerful institution in society than business... The business of business should not be about money, it should be about responsibility. It should be about public good, not private greed.”

OUR MISSION

“to the sustainable development of the society and environment, and to make our planet a better place for future generations.”

CSR Policy of MARWADI SHARES AND FINANCE LIMITED

The Board of Directors of Marwadi Shares and Finance Limited [the “**MSFL**”] acting upon the recommendation of its Directors and the Corporate Social Responsibility Committee [the “**CSR Committee**”], has adopted the following policy [“**CSR Policy**”] and procedures with regard to the Company’s Social Responsibility. This policy is in suppression of all earlier CSR Policies of the company.

1. Preamble

This policy evolved to meet with requirements of Section 135 of The Companies Act, 2013 [The Act] and Companies [Corporate Social Responsibility Policy] Rules, 2014 [CSR Rules]. CSR Rules has mandated certain category of companies to have CSR Policy and MSFL qualifies under the criteria of Net Profit of Rs 5.00 crore or more. Further the Company being a good corporate citizen is also otherwise committed to its social responsibilities. The Company’s focus has always been to contribute to the sustainable development of the society and environment, and to make our planet a better place for future generations. Apart from the same, MSFL always stands with the society in the time of emergency.

2. Purpose

The key purpose of this CSR Policy is to:

- Define what CSR means to MSFL and the approach adopted to achieve Objectives.
- Define the kind of CSR projects and CSR activities that will come under the ambit of CSR.
- Identify broad areas of intervention in which the company will undertake projects.
- Serve as a guiding document aiding in identification, execution and monitoring the CSR projects.
- Define the approach and direction given by the Board of the Company, taking into account the recommendations of the CSR Committee.
- Define Annual Action Plan to be formulated and recommended by the CSR Committee to the Board of Directors.
- Explain the manner in which the surpluses from CSR projects will be treated.

3. Focus area of CSR Policy

The CSR Policy focuses on addressing

(i) Welfare of Animal

Animal welfare is defined as:

"The avoidance of abuse and exploitation of animals by humans by maintaining appropriate standards of accommodation, feeding and general care, the prevention and treatment of disease and the assurance of freedom from harassment, and unnecessary discomfort and pain."

MSFL CSR Policy is striving to provide following for the welfare of animals:

- To provide forage and fresh water to maintain health and vigour of animals.
- To provide appropriate accommodation to animals including shelter and a comfortable resting area.
- To provide treatment for any injury or disease.
- Support for animal hospital and the rescue and care of animals.
- Support to various organizations for the care of animals in India.
- Any other activity for betterment of animal welfare.

(ii) Promotion of Education

Education is the tool for creating an empowered, enlightened society capable of rising to its full potential. Availability of Quality Education for all classes is the way to ensure an equitable and just social system. MSFL aims to promote and improve the level of education in India.

Promotion of Education is defined as:

Promotion of Education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.

MSFL CSR Policy is striving to provide following for the promotion of Education:

- To provide scholarships to students who are from underprivileged backgrounds.
- To provide grants for improving the infrastructure. Sponsor Chairs and create endowment funds to assist the students with their studies.
- To provide grant for physical, mental and intellectual development of students.
- To provide grant to hostels for boarding and lodging of students.
- Such other activities as may be required to be undertaken for the promotion of education.

The Company may spend CSR amount for creation or acquisition of a capital asset subject to compliances with provisions of Companies (Corporate Social Responsibility Policy) Rules, 2014.

In future the other CSR activities, covering areas or subject as specified in Schedule VII of the Companies Act, 2013, may be undertaken by the Company as suggested by the CSR Committee.

4. Undertaking CSR Activities

MSFL will undertake its CSR activities, as approved by the CSR Committee, through any of *‘Shri Harkishanbhai B. Marwadi Charitable Trust, Rajkot’ (Registered on Ministry of Corporate Affairs- MCA entity for undertaking CSR Activities - having Registration No. CSR00003603), **‘Marwadi Education Foundation Trust’, Rajkot (Registered on Ministry of Corporate Affairs- MCA entity for undertaking CSR Activities having Registration No. CSR00006317) or any other implementing agencies as may be selected by CSR Committee, which is fulfilling criteria as prescribed in Rule 4 of The Companies (Corporate Social Responsibility Policy) Rules, 2014.

In case CSR Programmes are implemented through any other external agencies or other Trusts, the programmes to be undertaken by those agencies or Trusts will be specified, and it will be ensured that such programmes are covered in the Objects laid down in the respective Trust Deeds / Memorandum and Articles of Association of the external agencies/Trusts.

*‘Shri Harkishanbhai B. Marwadi Charitable – Trust’, Rajkot (Registered on Ministry of Corporate Affairs- MCA entity for undertaking CSR Activities - having Registration No. CSR00003603) has been duly registered trust under Bombay Public Trust Act, 1950 since 09th December, 2002. Trust has been engaged in Animal welfare related activity since last twenty years. ‘Shri Harkishanbhai B. Marwadi Charitable – Trust’ fulfills all the criteria for eligibility of trust

prescribed under the Companies Act, 2013 and Companies (corporate social responsibility policy) Rules, 2014. ‘Shri Harkishanbhai B. Marwadi Charitable – Trust’ has a very good set up and has adequate resources for carrying out animal welfare activities. It has been in such activities since last 20 years with a sound track record of animal welfare activities. By making donation to ‘Shri Harkishanbhai B. Marwadi Charitable – Trust’ which is an approved trust, the CSR Committee shall ensure and monitor that the fund is used for prescribed and approved objects under this policy.

****‘Marwadi Education Foundation - Trust’,** Rajkot (Registered on Ministry of Corporate Affairs-MCA entity for undertaking CSR Activities having Registration No. CSR00006317) has been duly registered trust under Bombay Public Trust Act, 1950 since 24th October, 2008. Trust has been engaged in carrying out all activities for educational purpose since last thirteen years. ‘Marwadi Education Foundation – Trust’ fulfills all the criteria for eligibility of trust prescribed under the Companies Act, 2013 and Companies (corporate social responsibility policy) Rules, 2014. ‘Marwadi Education Foundation – Trust’ is having a sound track record of more than 13 years. By making donation/grant to Marwadi Education Foundation which is an approved trust, the CSR Committee shall ensure and monitor that the fund is used for prescribed and approved objects under this policy.

5. CSR Committee

The CSR Committee will consist of three directors, out of which at least one director shall be independent director.

Constitution of the CSR Committee shall be as under:

Committee Members:

Sr. No.	Names	Member
1.	Mr. Ketan H. Marwadi	Chairman
2.	Mr. Kantilal Kalidas Khakhar	Member
3.	Mr. Nareshkumar D. Jadeja	Member

The Company Secretary of MSFL shall act as Secretary to the Committee.

Meeting, Role, Powers and Responsibilities of CSR Committee:

The Committee will meet at least twice in a year to discuss and review CSR activities and Policy. A quorum of two members is required to be present for the proceedings to take place. Chairman of the Committee when present in the Committee Meeting shall be the Chairman of the meeting. Such other meetings of the Committee can be convened as and when deemed appropriate.

The Committee shall have authority to call such employee(s), senior official(s) and or externals, as it deems fit.

The CSR committee has following powers, authority and responsibilities:

- Formulate and amend, time to time, CSR Policy and recommend the same to the Board of Directors of the Company for approval and adoption;
- Identify and implement the CSR activities on behalf of the company;
- Prepare and allocate budget for CSR activities and get approval of the board of directors of the company for the same;
- Frame projects, to be undertaken by the Company, for fulfilment of CSR obligation and decide about duration of the said project;
- Designate any employee or department, if necessary, for any specific CSR activities;
- Approve sponsorship, hosting of any programme;
- Identifying, approving any institution for tie up for any CSR activities;
- Formulate and recommend Annual Action Plan to Board of Directors of the Company;
- Ensure that the administrative overheads are not more than 5% of the total CSR Expenditure.
- Define and approve terms, conditions for any CSR programme;
- Prepare/Submit periodic report on CSR activities of the company and present the same before the board of directors;
- Ensure all CSR activities are undertaken in the name of company;
- Take such other measure either with or without approval, as the case may be, as necessary to implement the CSR activities, programmes of the company.
- Meets at least twice a year to review the progress made.
- Overall monitoring of CSR projects undertaken and CSR activities carried by the Company

6. Annual Action Plan:

The CSR Committee shall formulate and recommend to the Board an Annual Action Plan in line with CSR Policy, which shall include the following:

- The list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
- The manner of execution of such projects or programmes;
- The modalities of utilisation of funds and implementation schedules for the projects or programmes;
- Monitoring and reporting mechanism for the projects or programmes;
- Details of need and impact assessment, if any, for the projects undertaken by the company

The Board may alter such plan at any time during the financial year, as per the recommendation of the CSR Committee, based on the reasonable justification to that effect.

7. Monitoring and reporting mechanism:

- In order to ensure effective implementation of CSR programmes/projects, CSR Committee shall monitor the implementation and progress of the approved projects.
- The progress of CSR projects/programmes will be reported by the Implementing agencies on half yearly basis to CSR Committee.
- CSR Policy shall be displayed on the website of the company.
- The Company shall attached with its Board's Report an annual report on CSR in the format as specified in Companies (Corporate Social Responsibility Policy) Rules, 2014 as modified from time to time.

8. CSR Expenditure & Treatment of Surplus and Unspent Amount:

The Company would spend not less than 2% of the average Net Profits of the Company made during the three immediately preceding financial years. Further, any surplus arising out of the CSR activities shall not form part of the business profit of a company and shall be ploughed back into the same project or shall be transferred to the Unspent CSR Account and spent in pursuance of CSR policy and annual action plan of the company or transfer such surplus amount to a Fund specified in Schedule VII of Companies Act, 2013, within a period of six months of the expiry of the financial year.

If Company spends an amount in excess of 2% of the average Net Profits of the Company made during the three immediately preceding financial years, then such excess amount may be set off against the requirement to spend CSR amount up to immediate succeeding three financial years subject to the conditions that:

- the excess amount available for set off shall not include the surplus arising out of the CSR activities.
- the Board of the company shall pass a resolution to that effect,

▪ **Treatment of Unspent Amount:**

If the Company fails to spend the required amount in a particular financial year, the treatment of unspent CSR amount shall be as under:

a) In case unspent amount not relating to ongoing Project:

- The Board of Directors in their Annual Report pertaining to that particular Financial Year shall specify the reasons for not spending the amount; and
- The Company shall transfer such unspent amount to a Fund specified in Schedule VII, within a period of 6 (Six) months of the expiry of the said financial year.

b) In case unspent amount relating to any ongoing Project:

- The Company shall open a special account in any scheduled bank to be called “Unspent Corporate Social Responsibility Account” and transfer such unspent amount, within a period of 30 (Thirty) days, from the end of that financial year to above mentioned account; and
- Such amount shall be spent by the Company in pursuance of its obligation towards the Corporate Social Responsibility Policy within a period of 3 (Three) financial years from the date of such transfer.
- If the after completion of third year also the amount remains unspent, the company shall transfer the same to a Fund specified in Schedule VII, within a period of thirty days from the date of completion of the third financial year.

If the Company ceases to be covered under sub-section (1) of Section 135 of the Act for three consecutive financial years, then it shall not be required to, comply with the provisions laid down under sub-section (2) to (5) of the said section, till such time it meets the criteria specified in sub-

section (1) of the Act.

9. Amendments to the Policy

The Board of Directors on its own and/or as per the recommendations of CSR Committee can amend this Policy, as and when required as deemed fit. Any or all provisions of the CSR Policy would be subject to revision/amendment in accordance with the Act on the subject as may be issued from relevant statutory authorities, from time to time.