

# 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 Policy 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 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 to help execute and monitor CSR projects
- 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 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.
- In future the other CSR activities 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 “Shri Harkishanbhai B. Marwadi Charitable Trust, Rajkot” or such other entity/organization as approved by the CSR Committee.

“Shri Harkishanbhai B. Marwadi Charitable Trust, Rajkot” has been duly registered trust under Bombay Public Trust Act, 1950 since 09<sup>th</sup> December, 2002. Trust has been engaged in Animal welfare related activity since last twelve 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 12 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.

#### 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. Pranav M. Shah	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:

- 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;
- 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;
- Define and approve terms, conditions for any CSR programme;
- Prepare 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, programmed 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. Monitoring and Feedback:**

- In order to ensure effective implementation of CSR programmes/projects, a monitoring mechanism shall be put in place.
- The progress of CSR projects will be reported by the “H.B. Marwadi Trust” on half yearly basis to CSR Committee.
- MSFL may conduct impact assessment study on a periodical basis through independent professional third parties/professional institutions especially on strategic and high value projects.
- CSR Policy shall be displayed on the website of the company.
- The CSR activities shall also be included in the Directors’ Report as per the format prescribed under the CSR Rules, 2014.

## **7. Annual spends / Allocation of Funds**

The Company would spend not less than 2% of the average Net Profits of the Company made during the three immediately preceding financial years. The surplus arising out of the CSR activity will not be part of business profits of the Company. The Corpus would thus include 2% of average net profits, as aforesaid, any income arising there from and surplus arising out of CSR activities.

The Company may build CSR capacities of its personnel and/or those of its implementing agencies through Institutions with established track records of at least three financial years but such expenditure shall not exceed five percent of total CSR expenditure of the Company in one financial year.

However, if the Company ceases to be covered under sub-section (1) of Section 135 of the Act for three 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.

## **8. 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.