

CORPORATE SOCIAL RESPONSIBILITY POLICY



SUMEDHA
adding values to value

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[Section 135 of the Companies Act, 2013 and rules made thereunder]

PREAMBLE

Sumedha Fiscal Services Limited (SFSL) has formulated and adopted this Corporate Social Responsibility Policy in terms of Section 135 of the Companies Act, 2013 (“Act”) read with Schedule VII of the Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014 (including any statutory modifications, amendments or re-enactments of any of them for the time being in force) (hereinafter mention as “Policy”).

This CSR Policy encompasses SFSL’s philosophy for social responsibilities and lays down the guidelines and mechanism for undertaking projects, programs and activities towards such responsibilities.

VISION STATEMENT AND OBJECTIVE

- ❏ The CSR Policy sets out SFSL’s commitment towards ensuring that corporate activities extend beyond business and include initiatives and endeavours for the benefit and development of individuals, society & environment. The CSR Policy lays down guidelines for undertaking programmes geared towards welfare activities or interventions. Through this policy, SFSL proposes to adopt the CSR Activities mentioned below.
- ❏ In alignment with the above vision, SFSL through the CSR Activities, will endeavor to enhance value creation through its services, conduct and initiatives, so as to promote sustained growth for the society and community, in fulfilment of its role as a socially responsible corporate.
- ❏ This CSR Policy has been framed in accordance with the applicable provisions of the Companies Act 2013 and the rules issued thereunder.
- ❏ The objective of the CSR Policy is to:
 - a. Provide approach & direction including guiding principle for selection, implementation & monitoring of CSR activities
 - b. Formulation of Annual Action plan
 - c. Outline projects, programs and activities to be undertaken by SFSL;
 - d. Specify the modalities of execution of such projects, programs and activities;
 - e. Monitor the process to be followed for such projects, programs and activities;
 - f. Generate goodwill for Responsibility initiatives at SFSL and help reinforce a positive and socially responsible image, through CSR Activities.

GOVERNANCE STRUCTURE

The Company has a well-defined and robust governance structure to oversee the implementation of the CSR Policy, in compliance with the requirements of Section 135 of the Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014.

A. The Board of Directors

Pursuant to Section 135(9) of the Companies Act, 2013 the constitution of CSR Committee is not applicable to the Company and therefore the functions of such Committee provided under Section 135 and rules made thereunder shall be discharged by the Board of Directors.

The Board of Directors shall be responsible for:

- (a) Formulating and monitoring the CSR Policy any subsequent change/modifications thereto;
- (b) Approving the amount to be spent and their budgets as well as any subsequent change/ modification thereto
- (c) Institute an implementation and monitoring mechanism for CSR Activities;
- (d) Approving an Annual Action plan

B. Management Committee

The Management Committee (the Committee) to assist the Board with the implementation and impact assessment of the CSR initiatives.

The Management Committee shall be responsible for:

- a. Identifying CSR Activities at the directions of the Board;
- b. Undertaking impact assessment of the CSR Activities, wherever required
- c. Determining the modalities of execution including targets and timelines in consultation with the Board;
- d. Timely implementation of the CSR Activities approved by the Board in compliance with the applicable provisions of the Act and CSR Rules;
- e. Providing periodic reports to the Board on implementation as well as assessment carried out through field visits and feedback sessions; and
- f. Any other assistance as may be required by the Board in relation to implementation of the CSR Activities.

PROJECTS, PROGRAMS AND ACTIVITIES

SFSL has identified the following focus areas of intervention

- (i) Healthcare services
- (ii) Promoting education and employment by enhancing vocational skills
- (iii) Catering to societal needs by providing services to old age homes and orphanages.
- (iv) Environmental contributions through welfare of animals and protection of flora and fauna through green initiatives
- (v) Disaster management which includes relief and sustainability activities

The criteria for selecting the programs will, *inter-alia*, comprise of the following:

- (i) Preference shall be given to CSR activities in local areas and in immediate vicinity of Company's offices.

The Management Committee shall undertake sufficient due diligence of each of the CSR Activity before it is implemented.

The Board shall approve the following:

- (i) Approve the CSR policy and amendments, if any
- (ii) The specific CSR Activities that should be undertaken from time to time;
- (iii) Whether the CSR Activities will be undertaken directly or through an implementing agency or in collaboration with any other companies, including by availing services of any NGOs
- (iv) Approve the Annual CSR Report
- (v) Approve the disclosures in the Annual Directors report
- (vi) Approve the Disclosures in Company website

Activities undertaken in pursuance of the normal course of SFSL's business shall not be considered towards CSR Expenditure.

CSR EXPENDITURE AND ALLOCATION

- 5 The minimum CSR spend by SFSL shall be as per the requirements of the Companies Act 2013.
- 5 The Board shall approve the allocation of the CSR Expenditure on the CSR Activities and, to the extent possible, shall give priority to the local areas wherever SFSL has its operations.
- 5 On the basis of identified CSR activities / projects, the Annual CSR Plan shall be prepared by the Management Committee.
- 5 The CFO of the company shall certify that the funds so disbursed for CSR have been utilised for the purposes and in the manner approved.

ANNUAL ACTION PLAN

- 5 An Annual action plan will be prepared by the Management Committee and will include:
 - a. Approved CSR projects
 - b. Manner of execution of the projects
 - c. Modalities of utilisation of funds
 - d. Implementation schedules
 - e. Monitoring and reporting mechanism
 - f. Details of need
 - g. Impact assessment, if any,

- ☛ The CSR Annual Plan may, however, be amended/modified at any time during the financial year by the Board.
- ☛ The approved CSR Annual Plan shall form part of this policy.

IMPLEMENTATION

- ☛ If required, baseline survey would be conducted by the implementing agency and annual reviews shall be undertaken to ascertain the progress.
- ☛ The Board along with the Management Committee shall be responsible for implementation of this CSR Policy.
- ☛ SFSL may undertake the CSR Activities either ourselves or through other qualifying Non-government organizations (“NGOs”) or agencies.
- ☛ The projects, programs or activities identified and approved by the Board shall be implemented in a project mode through the Management Committee which will entail charting the stages of execution through planned processes, measurable targets, mobilization and allocation of budgets and prescribed timelines.
- ☛ To the extent feasible, a project based accountability approach to stress on the long term sustainability of CSR Activities shall be adopted, and the indicative action plan and implementation schedule (timelines) for the projects, programs and activities shall be adopted.

MONITORING MECHANISM

- ☛ To ensure effective implementation of the CSR projects, programmes and activities undertaken in terms of this CSR Policy, the progress of each such project, programme and activity will be reported to the Board on a quarterly basis, with all requisite documentation.
- ☛ The Management Committee to obtain feedback from the beneficiaries of the CSR projects, programmes and activities and place it before the Board.

IMPACT ASSESSMENT

- ☛ The Board will conduct impact studies, if required through independent professional third parties / professional institutions.
- ☛ Field visits shall be conducted at regular intervals to ensure effective implementation.

- 📌 Proper documentation shall be done in an MIS format to record key observations of such feedback sessions and field-visits.
- 📌 If deemed necessary by the Board, the effectiveness of the various programs/ activities undertaken under the CSR Policy may be evaluated through external agencies to provide the required feedback and inputs to formulate and improve the programs in future.

REPORTING

- 📌 The Board shall prepare an annual report on CSR with such information and particulars as may be required by the Act and such report shall be included in the Board's report annexed to the financial statements.
- 📌 The Board's report shall include an annual report on CSR containing such details as may be prescribed from time to time under the Act and the CSR Rules.
- 📌 The Board will be responsible to ensure that the statutory requirements as may be prescribed from time to time under the Act and the CSR Rules are complied with.

GENERAL

- 📌 Any surplus arising out of the CSR projects/ programs or activities shall not form part of the business profits of the company.
- 📌 All administrative expenses, including expenditure on general management & administration incurred in implementing the CSR policy would be borne from CSR funds. However, the expenditure in a financial year for shall not exceed the limits as specified by any statute in such financial year.
- 📌 If it is observed that any CSR Activity taken up for implementation is found not properly implemented, the Board may discontinue funding the project at any time during the course of implementation and use such funds for any other project.

AMENDMENT

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