

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

1. Concept:

Corporate Social Responsibility is deeply connected with the principles of sustainability; an organization should make decisions based not only on financial factors but also on the social and environmental issues and consequence thereupon. Therefore, it is the corporate responsibility of Dalmia Securities Pvt. Ltd (DSPL) to practice its corporate values through its commitments to grow in a social and environmentally responsible way, while meeting the interest of its various stake holders. Hence, we believe CSR is a responsibility and not a duty towards the society.

2. Effective date:

Policy will come into force with effect from 1st April, 2014.

3. CSR Committee:

- i) The Board of Directors of the Company shall constitute a Corporate Social Responsibility Committee (CSR Committee) of the Board consisting of three or more directors.
- ii) The committee referred above shall execute its responsibility as referred u/s. 135(3) – (a) formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule – VII, (b) recommend the amount of expenditure to be incurred on the activities referred to in u/s. 135 (3) (a) and (c) monitor the Corporate Social Responsibility Policy of the Company from time to time.
- iii) The CSR Committee shall meet as and when deem necessary.
- iv) Quorum of meeting of CSR Committee shall be 1/3rd of the total strength or two Directors whichever is higher.
- v) The CSR Committee may invite to attend the meeting, executives, advisors, representatives of social organizations, auditors and or such other persons as it may consider necessary.

4. Activities and implementation:

- i) The scope of this policy is extended to activities as stated under Schedule – VII of the Companies Act, 2013 as presently in force. The scope of the policy encompasses and includes all additional and allied matters as will be notified by the Ministry of Corporate Affairs, Government of the Union of India or such other body and enforcement agency, as appointed/notified by the Central or State Government from time to time for this purpose.
- ii) The Board of Directors of the Company may on recommendation of CSR Committee, determine/approve the projects or programmes or activities to be undertaken by the Company under CSR initiatives, from time to time. However, the Board shall ensure that the projects or programmes or activities undertaken are related and within the broad purview of the activities as stated under Schedule-VII or any other relevant provisions of the Companies Act, 2013.
- iii) The minimum eligibility criteria for any project or programme or activity and other incidental or ancillary matter, including but not limited to quantum of proposed expenditure shall be finalized by the Board of Directors or any delegate thereof, on recommendation of the CSR Committee.
- iv) Modalities of execution of CSR projects or programmes or activities and implementation thereof shall be determined by the Board of Directors or its committee (excluding any Board Committee formed for some other specific purpose, however, including but not limited to Committee of Directors) from time to time upon recommendation of the CSR Committee.
- v) The CSR Committee shall frame rules or issue directives with regard to monitor the CSR projects or programmes or activities.
- vi) The CSR Committee may by resolution delegate or entrust any of the functions, acts, deeds or things as may be required and deem fit and just to be performed or complied with by it, as provided in the Companies Act, 2013 or rules made there under or otherwise to any person whether in employment of the company or otherwise and any such functions, acts, deeds or things etc. performed by such person pursuant to such resolution shall have effect as if same has been performed by the Committee itself.

- vii) The Board of Directors of the Company may on recommendations made by the CSR Committee decide to undertake CSR projects or programmes or activities through a registered trust or registered society or a company or an associated company established by or to be established by, for this specific purpose of CSR, by DSPL or otherwise through any other implementing agency as provided in section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility) Rules, 2014.
- viii) The Board of Directors may on recommendations of the CSR Committee decide to collaborate with other companies or undertaking CSR projects or programmes of activities.
- ix) While undertaking CSR projects or programmes or activities references shall be given to the local area or area of operation of company. Such area of operation for any identified project or programme or activity shall be finalized by the Board of Directors or any Committee thereof upon recommendations of the CSR Committee.

5. Quantum of Investment:

- i) The Company shall spend in every financial year at least 2% of the average net profit of the company made during the immediately three preceding financial years. Net profit in such case will have the meaning as stated under Rule 2(f) of the companies (Corporate Social Responsibility) Rules, 2014.
- ii) CSR expenditure shall include all expenditures including corpus for projects or programmes relating to CSR activities approved by the Board on recommendation of the CSR Committee. However, the same will not include expenditure on any item not in conformity or in line with the activities stated under Schedule – VII of the Companies Act, 2013.
- iii) CSR projects or programmes or activities undertaken in India only shall be considered as CSR expenditure.
- iv) Projects, programmes or activities with benefit only the employees of the company and their families shall not be considered as CSR activities.
- v) Contribution of any amount directly or indirectly to any political party shall not be considered as expenditure towards CSR activities.

- vi) Any expenditure for building CSR capacity, whether for own personnel as well as for that of eligible implementing agency through institutions with established track record of at least 3 financial years but such expenditure shall not exceed 5% of total CSR expenditure in one particular financial year.
- vii) Surplus arising out of CSR projects or programmes or activities shall not form part of the business profit of the company.
- viii) If the company fails to spend the amount stated herein above, the reason for not spending shall be stated in the Director's Report.

6. Allied matters:

- i) The Board shall report such particulars as stated under Companies (Corporate Social Responsibility) Rules, 2014 in its Board Report.
- ii) The Company shall display such particulars relating to CSR policy and activities undertaken therein as stated under Companies (Corporate Social Responsibility) Rules, 2014 in its website.