
**CORPORATE SOCIAL RESPONSIBILITY POLICY
OF
SMC GLOBAL SECURITIES LIMITED**

We at SMC, believe in growing together

(Originally adopted by the Board of Directors on 26th May, 2014)

(Version 2020: Adopted by the Board of Directors on 9th June, 2020)

INTRODUCTION

Corporate Social Responsibility (CSR) at our Company goes beyond business and extends to the implementation of socially relevant activities for the benefit of society at large.

This CSR Policy has been formulated in consonance with Section 135 of the Act, read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 (“CSR Rules”) notified by the Ministry of Corporate Affairs, Government of India. This Policy shall apply to all CSR projects / programmes undertaken by the Company in India as per Schedule VII of the Act, for the time being in force.

VISION AND POILCY STATEMENT

We at **SMC** believe that business enterprises are economic organs of society and draw on social resources.

SMC believes in take part its business values and operations to meet the expectations of stakeholders and a company’s performance/evaluation must be measured by its Triple Bottom Line contribution to building economic, social and environmental capital towards enhancing social sustainability. Based on the thought process, our focus has always been to advancement of the society and environment for the present & future generations. The Board of Directors of the Company through its CSR Committee will plan and monitor the expenditure of CSR activities.

The CSR Committee will annually recommend the CSR programmes and projects to the Board for its approval. The activities undertaken in the normal course of business will not be a part of CSR activities.

CONSTITUTION

The constitution of the CSR Committee shall be as follows:

“Minimum Three Directors including at least one Independent Director as may be decided by the Board from time to time”.

QUORUM & OTHER THINGS

- a) Minimum two (2) members or one third at the strength of the Committee whichever is lower shall constitute a quorum for the Committee meeting.
- b) Membership of the Committee shall be disclosed in the Annual Report.
- c) Term of the Committee shall be continued unless terminated by the Board of Directors.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Company has constituted Corporate Social Responsibility Committee (“the Committee”) comprising of following three Directors:

- 1. Mr. Subhash Chand Aggarwal - Chairman**
- 2. Mr. Mahesh Chand Gupta - Member**
- 3. Mr. Kundan Mal Agarwal - Member**

The Board of Directors of the Company may re-constitute the Committee, as and when required to do so, by following the sections, sub-sections, rules, regulations, notifications issued or to be issued, from time to time, by the Ministry of Corporate Affairs or the Central Government of India. The Committee shall exercise powers and perform the functions assigned to it by the Board of Directors of the Company pursuant to section 135 of the Companies Act, 2013 and CSR Rules notified with regard thereto.

ROLE OF CSR COMMITTEE

The CSR Committee constituted in pursuance of Section 135 of the Companies Act, 2013 shall be required to carry out the following activities:

- 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 clause (a); and
- c) Monitor the Corporate Social Responsibility Policy of the company from time to time.

The committee will institute a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the company.

OBJECTIVES OF CSR POLICY

This Policy shall be read in line with Section 135 of the Companies Act 2013, Companies (Corporate Social Responsibility Policy) Rules, 2014 and such other rules, regulations, circulars, and notifications (collectively referred hereinafter as “Regulations”) as may be applicable and as amended from time to time and will, inter-alia, provide for the following:

- Ensuring the implementation of CSR initiatives in letter and spirit through appropriate procedures and reporting.
- For betterment of economic development that positively impacts the society at large.
- To contribute for the social and environmental development of the society including on hunger, education, employment & empowering women etc.

ACTIVITIES/FOCUS AREA

In accordance with the requirements of the Companies Act, 2013, **SMC Global Securities Limited** CSR activities will focus on the following areas in line with our stated Vision:

Activities which may be included by companies in their Corporate Social Responsibility Policies Activities relating to:—

(i) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation [including contribution to the Swaksh Bharat Kosh set-up by the Central Government for the promotion of sanitation] and making available safe drinking water.

(ii) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.

(iii) Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.

(iv) ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water [including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga].

(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) measures for the benefit of armed forces veterans, war widows and their dependents;

(vii) training to promote rural sports, nationally recognised sports, paralympic sports and olympic sports

(viii) 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;

(ix) Contribution to incubators funded by Central Government or State Government or any agency or Public Sector Undertaking of Central Government or State Government, and contributions to public funded Universities, Indian Institute of Technology (IITs), National Laboratories and Autonomous Bodies (established under the auspices of Indian Council of Agricultural Research (ICAR), Indian Council of Medical Research (ICMR), Council of Scientific and Industrial Research (CSIR), Department of Atomic Energy (DAE), Defence Research and Development Organisation (DRDO), [Department of Biotechnology (DBT)], Department of Science and Technology (DST), Ministry of Electronics and Information Technology) engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).]

(x) rural development projects]

(xi) slum area development.

(xii) disaster management, including relief, rehabilitation and reconstruction activities.

Explanation.- For the purposes of this item, the term 'slum area' shall mean any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force.

APPROACH TOWARDS CSR ACTIVITIES

- ❖ **SMC** will undertake its CSR activities as recommended and approved by Board and approved by CSR Committee by itself or through its own foundation/ trust/ Company incorporated under Section 8 including holding or subsidiary or the other entities/organizations established by the Central Government or State Government or any entity established under an Act of Parliament or a State legislature specialize in the aforesaid activities as approved by CSR Committee:

Provided that-

- (i) If such trust, society or Company is not established by the Company or its holding or subsidiary or associate company, it shall have an established track record of three years in undertaking similar programs or projects;
 - (ii) The Company has specified the project or programs to be undertaken through these entities, the modalities of utilization of funds on such projects and programs and the monitoring and reporting mechanism.
- ❖ The Company may also collaborate or pooling resources with other companies for undertaking aforesaid projects, programs or CSR activities.

However, the projects, programs or CSR activities that benefit for employees of the Company and their families shall not be considered as CSR activities.

CSR FUNDS

The corpus for the purpose of aforesaid activities would include the following:

1. 2 % of the average net profit of the Company made during immediately preceding three financial years.

2. Any income arising therefrom.
3. Surplus arising out of CSR activities carried out by the Company and such surplus will not be part of business profit of the Company.

Explanation.—For the purposes of this section "net profit" shall not include such sums as may be prescribed, and shall be calculated in accordance with the provisions of section 198 of Companies Act, 2013.

Provided further that if the company fails to spend aforesaid amount, the Board shall, in its Board's report, will specify the reasons for not spending the amount and, unless the unspent amount relates to any ongoing project, transfer such unspent amount to a Fund specified in Schedule VII, within a period of six (6) months of the expiry of the financial year.

Any amount remaining unspent pursuant to any ongoing project, fulfilling such conditions as may be prescribed, undertaken by a company in pursuance of its Corporate Social Responsibility Policy, shall be transferred by the company within a period of thirty (30) days from the end of the financial year to a special account to be opened by the company in that behalf for that financial year in any scheduled bank to be called the **Unspent Corporate Social Responsibility 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 three financial years from the date of such transfer, failing which, 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.

REPORTING FOR CSR

Rule 8 of the CSR Rules provides that the companies, upon which the CSR Rules are applicable on or after 1st April, 2014 shall be required to incorporate in its Board's report an annual report on CSR containing the following particulars:

- A brief outline of the company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs;
- The composition of the CSR Committee;
- Average net profit of the company for last three financial years;
- Prescribed CSR Expenditure (2% of the amount of the net profit for the last 3 financial years);
- Details of CSR Spent during the financial year;

- In case the company has failed to spend the 2% of the average net profit of the last three financial year, reasons thereof;
- A Responsibility statement, of the CSR Committee, that the CSR Policy implementation and monitoring thereof is, in letter and spirit, in compliance with CSR objectives.

IMPLEMENTATION

The Company's CSR programmes will be identified and implemented according to the approved CSR Policy.

PLACE/LOCATION OF THE CSR ACTIVITIES

The CSR activities will be done at such locations within India as decided by the CSR Committee from time to time, provided that the preference shall be given to the local areas and areas around it where it operates.

AMENDMENTS TO THE CSR POLICY

The Board of Directors of the Company shall have the powers to revise/modify/amend this Policy from time to time, as the Board may think fit, based on the recommendations to be made by the CSR Committee to confirm to the revision/amendment, if any, to be made to the CSR Rules by the MCA, under the Act.

**BY THE CSR COMMITTEE OF SMC GLOBAL SECURITIES LIMITED
RECOMMENDED TO THE BOARD OF DIRECTORS**

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CHAIRMAN
DATED: 09/06/2020

**APPROVED AND ADOPTED
BY THE BOARD OF DIRECTORS OF SMC GLOBAL SECURITIES
LIMITED**

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CHAIRMAN
DATED: 09/06/2020