

**CORPORATE SOCIAL RESPONSIBILITY POLICY**

**SAMPATI SECURITIES LIMITED**



*Corporate Social Responsibility (CSR) is a company's commitment to ethical practices, environmental sustainability, and community well-being.*

## CONTENTS

Section	Title
1	Preamble
2	Policy Objective and Company Philosophy
3	Definitions
4	CSR Committee - Constitution and Composition
5	Terms of Reference for CSR Committee
6	CSR Activities - Focus Areas
7	Budget and CSR Expenditure
8	Implementation Framework
9	Monitoring and Reporting Mechanism
10	Disclosures
11	Review and Amendment



## 1. PREAMBLE

This Corporate Social Responsibility Policy ("CSR Policy" or "Policy") has been formulated by Sampati Securities Limited (hereinafter referred to as "SSL" or "the Company") in accordance with Section 135 of the Companies Act, 2013 ("the Act") read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time ("CSR Rules").

At SSL, we believe that corporate success extends beyond financial performance to encompass our responsibility towards society and the environment. This Policy reflects our commitment to ethical practices, environmental sustainability, and community well-being, ensuring that our business growth contributes to sustainable development and social progress.

## 2. POLICY OBJECTIVE AND COMPANY PHILOSOPHY

### 2.1 Objective

The primary objective of this CSR Policy is to:

- Establish a structured framework for undertaking CSR activities that create measurable social impact
- Align CSR initiatives with the Company's business values and national development priorities
- Ensure compliance with statutory requirements under the Companies Act, 2013
- Promote transparency and accountability in CSR expenditure and implementation
- Contribute meaningfully to the welfare of communities in areas where the Company operates

### 2.2 Company Philosophy

SSL recognizes that sustainable business growth is intrinsically linked to the well-being of society. We are committed to:

- Supporting initiatives that promote inclusive growth and equitable development
- Addressing social, economic, and environmental challenges through targeted interventions
- Partnering with credible organizations to maximize the reach and effectiveness of our CSR programs
- Building long-term relationships with communities and stakeholders
- Fostering a culture of social responsibility among our employees and business associates



### 3. DEFINITIONS:

For the purpose of this Policy, unless the context otherwise requires:

**3.1 "Act"** means the Companies Act, 2013, including any statutory modification or re-enactment thereof, and the rules framed thereunder.

**3.2 "Annual Action Plan"** means the plan prepared by the Board or CSR Committee detailing the CSR activities to be undertaken during a financial year, including modalities of implementation and monitoring mechanisms, as per Rule 5 of the CSR Rules.

**3.3 "Board" or "Board of Directors"** means the Board of Directors of Sampati Securities Limited, as constituted from time to time.

**3.4 "Company"** means Sampati Securities Limited, a company incorporated under the Companies Act.

**3.5 "CSR Activities"** means activities, projects, or programs relating to the areas specified in Schedule VII of the Act, excluding activities undertaken in the normal course of business of the Company.

**3.6 "CSR Committee"** means the Corporate Social Responsibility Committee constituted by the Board of Directors in accordance with Section 135 of the Act.

**3.7 "CSR Expenditure"** means the expenditure (including contribution to corpus) incurred by the Company on CSR Activities, excluding any expenditure on an item not in conformity with activities falling within the purview of Schedule VII of the Act.

**3.8 "Impact Assessment"** means an assessment of the social, economic, and environmental impact of a CSR project, as required under Rule 8 of the CSR Rules for projects having outlays of Rs. 1 crore or more and completed not less than one year before undertaking the assessment.

**3.9 "Implementing Agency"** means an entity registered under Section 8 of the Act or a registered public trust or registered society, having CSR Registration Number issued by the Central Government, through which the Company may implement its CSR activities.

**3.10 "Independent Director"** means a Director as defined under Section 149(6) of the Act and the rules made thereunder.

**3.11 "Net Profit"** means the net profit of the Company as per its financial statement prepared in accordance with the applicable provisions of the Act, but shall not include:

- Any profit arising from any overseas branch or branches of the Company, whether operated as a separate company or otherwise; and
- Any dividend received from other companies in India which are covered under and complying with the provisions of Section 135 of the Act.

**3.12 "Ongoing Project"** means a multi-year project undertaken by the Company in fulfillment of its CSR obligation having timelines not exceeding three years, excluding the financial year in which it was commenced.

**3.13 "Policy"** means this Corporate Social Responsibility Policy.

**3.14 "Schedule VII"** means Schedule VII of the Companies Act, 2013, as amended from time to time, which specifies the activities that may be included in CSR Policies of companies.

• Terms not defined herein shall have the same meaning as assigned to them under the Act, CSR Rules, or any other applicable law or regulation.

#### 4. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR COMMITTEE):

**Current Status:** Based on the financials for the three years ending March 31, 2024, the Company is not mandatorily required to constitute a CSR Committee. However, in the interest of good governance and in anticipation of future growth, the Company has voluntarily constituted a CSR Committee.

**Transition Provision:** Until such time as the Company's CSR expenditure exceeds Rs. 50 lakh in a financial year, the functions of the CSR Committee **SHALL** be discharged by the Board of Directors directly. Once the threshold is crossed, the CSR Committee shall become fully functional.

**Exemption Clause:** In the event that the Company fails to meet the thresholds under Section 135 for three consecutive financial years, the Company shall not be required to constitute or maintain the CSR Committee or comply with the provisions of this Policy, subject to applicable law.

The CSR Committee shall consist of at least three Directors, with at least one Independent Director.

**Composition effective from meeting the threshold OF 50 LAKH CSR Expenditure: -**

S.No.	Name	Designation
i.	Smt. Mona Shah	Chairman & Member
ii.	Smt. Rina Kumari	Member
iii.	Smt. Dipali Shah	Member

The Board of Directors 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 Act and CSR Rules notified with regard thereto.



## 5. TERMS OF REFERENCE FOR CSR COMMITTEE

### 5.1 Roles and Responsibilities

The CSR Committee shall be responsible for:

1. **Formulating and Recommending CSR Policy:** Formulating and recommending to the Board a CSR Policy indicating the activities to be undertaken by the Company as per Schedule VII of the Act.
2. **Annual Action Plan:** Formulating and recommending to the Board an Annual Action Plan in pursuance of the CSR Policy, which shall include:
  - List of CSR projects or programs to be undertaken
  - Manner of execution
  - Modalities of utilization of funds
  - Implementation schedules
  - Monitoring and reporting mechanism
3. **Budget Recommendation:** Recommending the amount of expenditure to be incurred on CSR Activities.
4. **Monitoring:** Monitoring the implementation of CSR Activities and ensuring compliance with the CSR Policy.
5. **Review of Ongoing Projects:** Reviewing the progress of ongoing CSR projects and making necessary recommendations to the Board.
6. **Impact Assessment:** Ensuring that impact assessment is conducted for eligible projects in accordance with the CSR Rules.
7. **Amendments:** Recommending modifications or amendments to the CSR Policy as may be necessary from time to time.
8. **Any other matter** as may be delegated by the Board from time to time.

### 5.2 Meetings

**5.2.1 Notice:** Notice of the CSR Committee meeting shall be given to all members at least seven days in advance. Notice may be sent by hand delivery, post, or electronic means to the address registered with the Company.

**5.2.2 Quorum:** The quorum for a meeting of the CSR Committee shall be two members or one-third of the total strength, whichever is higher.

**5.2.3 Frequency:** The CSR Committee shall meet at least twice a year or as often as may be required to discharge its functions effectively.

**5.2.4 Attendance:** Only members of the CSR Committee are entitled to attend and vote at Committee meetings. However, the Committee may invite other Directors, senior management personnel, or external experts to attend meetings as special invitees, without voting rights.

**5.2.5 Chairperson:** The Chairperson of the CSR Committee shall preside over the meetings. In the absence of the Chairperson, the members present may elect one among themselves to act as Chairperson for that meeting.

**5.2.6 Voting:** Matters shall be decided by a majority of votes of members present. In case of equality of

votes, the Chairperson shall have a casting vote.

### 5.3 Minutes and Record Keeping

1. Minutes of each CSR Committee meeting shall be prepared and maintained in a separate minute book.
2. Minutes shall be entered within 30 days from the conclusion of the meeting.
3. Each page of the minutes shall be initialed by the Chairperson of the meeting or the Chairperson of the next succeeding meeting.
4. The last page of the minutes shall be dated and signed by the Chairperson.
5. Minutes shall contain:
  - Names of members present
  - Matters discussed and decisions taken
  - Names of members dissenting or not concurring with any resolution
6. Resolutions passed by circulation shall be noted in the subsequent meeting and made part of those minutes.
7. Minute books shall be preserved permanently in the custody of the Company Secretary or an officer designated by the Board, at the registered office or such other place as the Board may decide.

## 6. CSR ACTIVITIES - FOCUS AREAS

### 6.1 Scope of Activities

The Company shall undertake CSR Activities in areas specified in Schedule VII of the Act, as amended from time to time. The focus areas may include, but are not limited to:

1. **Eradicating Hunger, Poverty, and Malnutrition:** Promoting health care including preventive health care and sanitation, and making available safe drinking water.
2. **Education:** Promoting education, including special education and employment-enhancing vocational skills, especially among children, women, elderly, and the differently-abled.
3. **Gender Equality and Women Empowerment:** Promoting gender equality, empowering women, setting up homes and hostels for women and orphans, and measures for reducing inequalities faced by socially and economically backward groups.
4. **Environmental Sustainability:** Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources, and maintaining quality of soil, air, and water.
5. **Heritage and Culture:** 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 arts and handicrafts.
6. **Armed Forces Veterans and War Widows:** Measures for the benefit of armed forces veterans, war widows, and their dependents.
7. **Sports:** Training to promote rural sports, nationally recognized sports, Paralympic sports, and Olympic sports.
8. **Technology Incubators:** Contribution to technology incubators located within academic institutions approved by the Central Government.
9. **Rural Development Projects:** Rural development projects.



10. **Slum Area Development:** Slum area development.
11. **Disaster Management:** Disaster management, including relief, rehabilitation, and reconstruction activities.
12. **Other Activities:** Any other activity as may be included in Schedule VII of the Act from time to time.

#### 6.2 Preference for Local Areas

The Company shall give preference to undertaking CSR Activities in and around the local areas and regions where it operates, to maximize community impact and foster local development.

#### 6.3 Exclusions

The following shall not be considered as CSR Activities:

- Activities undertaken in the normal course of business
- Activities that benefit only employees of the Company and their families
- One-off events such as marathons, awards, charitable contributions, advertisements, sponsorships of TV programs, etc.
- Activities supported by the Company on sponsorship basis for deriving marketing benefits
- Activities carried out for fulfillment of any statute or regulation
- Expenses incurred for fulfilling responsibilities arising out of any law
- Political contributions or activities of a political nature

#### 6.4 Selection of CSR Projects

The Board, on the recommendation of the CSR Committee, shall approve the CSR Activities and projects to be undertaken in a given financial year based on:

- Alignment with Schedule VII activities
- Social impact and sustainability
- Feasibility and implementation capability
- Availability of credible implementing partners
- Geographical relevance and community needs

## 7. BUDGET AND CSR EXPENDITURE

#### 7.1 CSR Obligation

In accordance with Section 135(5) of the Act, the Company shall endeavor to spend, in every financial year, at least 2% (two percent) of the average Net Profit made during the three immediately preceding financial years, towards CSR Activities ("CSR Obligation").

#### 7.2 Calculation of Average Net Profit

Average Net Profit shall be calculated in accordance with the provisions of Section 198 of the Act and shall exclude:

- Profits from overseas branches
- Dividends received from other companies in India that comply with Section 135

### 7.3 Allocation and Approval

The annual CSR budget shall be recommended by the CSR Committee and approved by the Board as part of the Annual Action Plan.

### 7.4 Unspent CSR Amount

**7.4.1 Ongoing Projects:** Any unspent CSR amount pertaining to ongoing projects shall be transferred to a special account to be opened by the Company in any scheduled bank under the head "Unspent Corporate Social Responsibility Account-Ongoing Projects" within 30 days from the end of the financial year. Such amount shall be spent within three financial years from the date of transfer, failing which the Company shall transfer the same to a fund specified in Schedule VII within 30 days from the date of completion of the third financial year.

**7.4.2 Other than Ongoing Projects:** Any unspent CSR amount, other than ongoing projects, shall be transferred to a fund specified in Schedule VII within six months from the end of the financial year.

### 7.5 Excess CSR Expenditure

Any excess amount spent on CSR Activities in a financial year may be set off against the CSR Obligation in succeeding financial years, subject to conditions specified in the CSR Rules.

### 7.6 Administrative Overheads

The Company may spend up to 5% (five percent) of the total CSR expenditure for administrative overheads, including expenses incurred by the Company for monitoring and evaluation of CSR projects.

### 7.7 Shortfall

In the event of failure to spend the minimum CSR Obligation, the reasons for such shortfall shall be:

- Recorded in the minutes of the Board meeting
- Disclosed in the Board's Report
- Explained on the Company's website, if applicable
- Unspent amount transferred as per Rule 7.4 above

## 8. IMPLEMENTATION FRAMEWORK

### 8.1 Responsibility for Implementation

The Board of Directors shall be responsible for ensuring that the CSR Activities are undertaken in accordance with this Policy, the Annual Action Plan, and applicable provisions of the Act and CSR Rules.

### 8.2 Mode of Implementation

The Company may undertake CSR Activities:

**8.2.1 Direct Implementation:** The Company may directly implement CSR projects or programs through its own team or employees.

**8.2.2 Through Implementing Agencies:** The Company may implement CSR Activities through the following entities ("Implementing Agencies"), provided they are registered and have a unique CSR Registration Number issued by the Central Government:

1. A company established under Section 8 of the Act or any previous company law, or a registered public trust or registered society, exempted under sub-clauses (iv), (v), (vi), or (via) of clause (23C) of Section 10, or registered under Section 12A and 80G of the Income Tax Act, 1961, established by the Company, either singly or along with any other company; or
2. A company established under Section 8 of the Act or any previous company law, or a registered trust or registered society, established by the Central Government or State Government; or
3. An entity established under an Act of Parliament or a State legislature; or
4. A company established under Section 8 of the Act or any previous company law, or a registered public trust or registered society, exempted under sub-clauses (iv), (v), (vi), or (via) of clause (23C) of Section 10, or registered under Section 12A and 80G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar CSR activities.

**8.2.3 Due Diligence:** Before engaging any Implementing Agency, the Company shall conduct appropriate due diligence to verify credentials and ensure that the agency is eligible, capable, and has necessary infrastructure and expertise to undertake the proposed CSR Activities.

### 8.3 Collaboration

**8.3.1 With Group Companies:** The Company may collaborate with its holding company, subsidiary, associate, or group companies to undertake CSR Activities. However, each company shall report separately on such projects in accordance with the CSR Rules.

**8.3.2 With Other Companies:** The Company may collaborate with other companies for undertaking CSR projects, provided the CSR Committees or Boards of the respective companies are in a position to report separately on such projects.

### 8.4 Agreements and Documentation

The Board may authorize any Director, Company Secretary, Chief Financial Officer, or other officer to finalize, approve, and execute agreements, memoranda of understanding, deeds, or other documents as may be necessary with Implementing Agencies or other parties for implementing CSR Activities, under the common seal of the Company or otherwise.

### 8.5 Ongoing Projects

**8.5.1 Definition and Approval:** An ongoing project shall be a multi-year CSR project with a duration not exceeding three years, excluding the year of commencement. The Board shall approve ongoing projects based on detailed proposals submitted by the CSR Committee, including:

- Implementation schedule with milestones
- Estimated cost and year-wise allocation
- Monitoring and evaluation framework

**8.5.2 Extension:** The Board may extend the duration of an ongoing project beyond three years with adequate justification, subject to conditions specified in the CSR Rules.

### 8.6 Impact Assessment

For CSR projects with an outlay of Rs. 10 crore or more and completed not less than one year before undertaking the assessment, the Company shall undertake an impact assessment through an independent agency. The impact assessment report shall be placed before the Board and annexed to the Annual Report on CSR.

1. A company established under Section 8 of the Act or any previous company law, or a registered public trust or registered society, exempted under sub-clauses (iv), (v), (vi), or (via) of clause (23C) of Section 10, or registered under Section 12A and 80G of the Income Tax Act, 1961, established by the Company, either singly or along with any other company; or
2. A company established under Section 8 of the Act or any previous company law, or a registered trust or registered society, established by the Central Government or State Government; or
3. An entity established under an Act of Parliament or a State legislature; or
4. A company established under Section 8 of the Act or any previous company law, or a registered public trust or registered society, exempted under sub-clauses (iv), (v), (vi), or (via) of clause (23C) of Section 10, or registered under Section 12A and 80G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar CSR activities.

**8.2.3 Due Diligence:** Before engaging any Implementing Agency, the Company shall conduct appropriate due diligence to verify credentials and ensure that the agency is eligible, capable, and has necessary infrastructure and expertise to undertake the proposed CSR Activities.

### 8.3 Collaboration

**8.3.1 With Group Companies:** The Company may collaborate with its holding company, subsidiary, associate, or group companies to undertake CSR Activities. However, each company shall report separately on such projects in accordance with the CSR Rules.

**8.3.2 With Other Companies:** The Company may collaborate with other companies for undertaking CSR projects, provided the CSR Committees or Boards of the respective companies are in a position to report separately on such projects.

### 8.4 Agreements and Documentation

The Board may authorize any Director, Company Secretary, Chief Financial Officer, or other officer to finalize, approve, and execute agreements, memoranda of understanding, deeds, or other documents as may be necessary with Implementing Agencies or other parties for implementing CSR Activities, under the common seal of the Company or otherwise.

### 8.5 Ongoing Projects

**8.5.1 Definition and Approval:** An ongoing project shall be a multi-year CSR project with a duration not exceeding three years, excluding the year of commencement. The Board shall approve ongoing projects based on detailed proposals submitted by the CSR Committee, including:

- Implementation schedule with milestones
- Estimated cost and year-wise allocation
- Monitoring and evaluation framework

**8.5.2 Extension:** The Board may extend the duration of an ongoing project beyond three years with adequate justification, subject to conditions specified in the CSR Rules.

### 8.6 Impact Assessment

Where the company has an average CSR obligation of ₹10 crore or more, in accordance with Section 135(5) of the Companies Act, 2013, during the three immediately preceding financial years, and has undertaken CSR projects with an outlay of ₹1 crore or more that have been completed at least one year prior to the undertaking of the assessment, the company shall conduct an impact assessment of such projects through an independent agency. The impact assessment report shall be placed before the Board of Directors and shall also be annexed to the Annual Report on Corporate Social Responsibility.

## 9. MONITORING AND REPORTING MECHANISM

### 9.1 Monitoring by CSR Committee

1. The CSR Committee shall monitor the implementation and progress of CSR Activities on an ongoing basis.
2. Implementing Agencies shall submit periodic progress reports (quarterly or as specified by the Committee) detailing:
  - Activities undertaken
  - Funds utilized
  - Outcomes and impact achieved
  - Challenges faced and mitigation measures
3. The CSR Committee shall review progress reports, visit project sites where feasible, and provide necessary guidance and recommendations to ensure effective implementation.

### 9.2 Monitoring by the Board

1. The Chief Financial Officer or any other designated officer shall submit a report to the Board on an annual basis, detailing:
  - Total CSR expenditure incurred
  - Amount spent on each CSR Activity
  - Implementation status of projects
  - Unspent amounts, if any, and reasons thereof
2. The Board shall review the CSR Committee's recommendations and take appropriate decisions regarding continuation, modification, or discontinuation of CSR projects.

### 9.3 Annual Reporting

1. The Board's Report shall include an Annual Report on CSR Activities in the format prescribed under the CSR Rules, containing:
  - Brief outline of the CSR Policy
  - Composition of the CSR Committee
  - Average Net Profit for the preceding three financial years
  - Prescribed CSR expenditure (2% of average Net Profit)
  - Details of CSR expenditure during the financial year
  - Reasons for shortfall, if any
  - Details of unspent CSR amount
  - Impact assessment report, if applicable
2. The CSR Policy and Annual Report on CSR shall be disclosed on the Company's website at <https://www.sampati.co.in/> for public access.

### 9.4 Compliance Certificate

If the annual CSR expenditure exceeds Rs. 10 crores, the Company shall obtain a certificate from a statutory auditor or chartered accountant certifying that the CSR expenditure has been utilized for the purposes and in the manner approved by the Board.

## 10. DISCLOSURES

### 10.1 Website Disclosure

The Company shall display the following information on its website:

- CSR Policy
- Composition of the CSR Committee when it is effective
- Annual Action Plan
- Impact assessment reports, if applicable

### 10.2 Annual Report Disclosure

The Board's Report in the Annual Report of the Company shall include the Annual Report on CSR in the prescribed format, containing complete details of CSR Activities, expenditure, and compliance status.

### 10.3 Transparency

The Company is committed to maintaining transparency in all CSR Activities. Information regarding CSR projects, beneficiaries, and outcomes shall be made accessible to stakeholders to the extent permissible under applicable laws.

## 11. REVIEW AND AMENDMENT

### 11.1 Review

This Policy shall be reviewed by the CSR Committee periodically and at least once every year to ensure:

- Alignment with the Act, CSR Rules, and amendments thereto
- Relevance to evolving social and environmental needs
- Effectiveness in achieving intended outcomes

### 11.2 Amendment

The Board may, on the recommendation of the CSR Committee or suo motu, alter, amend, modify, or supplement this Policy from time to time, subject to compliance with applicable statutory provisions.

### 11.3 Interpretation

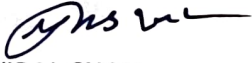
In case of any conflict or inconsistency between the provisions of this Policy and the Act, CSR Rules, or any other applicable law, the provisions of the Act and CSR Rules shall prevail. The Company shall comply with the statutory requirements as amended from time to time.



#### 1.4 Management Commitment

The management of SSL is committed to the principles of Corporate Social Responsibility and pledges to implement this Policy in letter and spirit, ensuring that the Company's CSR initiatives contribute meaningfully to the betterment of society and the environment.

**FOR AND ON BEHALF OF SAMPATI SECURITIES LIMITED**



**MONA VIRAL SHAH**

Director

DIN: 02343194

Place: Ahmedabad

Date: 12.04.2024



**Note:** This Policy has been approved by the Board of Directors of Sampati Securities Limited at its meeting held on 12.04.2024. This Policy supersedes all previous CSR policies and shall be effective from 12.04.2024.