

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

Sharda Motor industries Limited

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Phase I, New Delhi -110020

CIN: L74899DL1986PLC023202

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CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

i. Introduction and Background

The CSR policy of Sharda Motor industries Limited ('the Company') encompasses the Company's philosophy towards Corporate Social Responsibility and lays down the guidelines and mechanism for undertaking socially useful programs for welfare & sustainable development of the community at large. The following is the summary of the CSR policy of the Company.

The CSR policy has been formulated in consonance with section 135 of Companies Act 2013 ('the Act') and the Companies (Corporate Social Responsibility) Rules, 2014 ('the Rules') as notified by the Ministry of Corporate Affairs. The Policy shall apply to all CSR projects/ programmes undertaken/ to be undertaken by the Company in India as per Schedule VII of the Companies Act, 2013.

ii. CSR Philosophy

The Company intends to undertake its corporate social responsibility in a strategic manner. The Company will leverage its financial and human resources, networks and expertise to create maximum impact for its stakeholders.

iii. Governance

1. Every year, the CSR Committee will place for the Board's approval, a CSR Plan delineating the CSR Programmes to be carried out during the financial year and the specified budgets thereof. The Board will consider and approve the CSR Plan with any modification that may be deemed necessary.
2. The CSR Committee will assign the task of implementation of the CSR Plan within specified budgets and timeframes to such persons or bodies as it may deem fit.
3. The persons/bodies to which the implementation is assigned will carry out such CSR Programmes as determined by CSR Committee within the specified budgets and time frames and report back to the CSR Committee on the progress thereon at such frequency as the CSR Committee may direct.

4. The CSR Committee shall review the implementation of the CSR Programmes once a quarter and issue necessary directions from time to time to ensure orderly and efficient execution of the CSR Programmes in accordance with this Policy.
5. Whenever required the CSR Committee will provide a status update to the Board on the progress of implementation of the approved CSR Programmes carried out. It shall be the responsibility of the CSR Committee to review such reports and keep the Board apprised of the status of implementation of the same.
6. At the end of every financial year, the CSR Committee will submit its report to the Board.

iv. CSR Expenditure

The Company will allocate 2% of its average net profits made during the 3 immediately preceding financial years as its Annual CSR Budget.

Any surplus arising and/or additional revenue generated out of CSR Activities undertaken by the Company shall not form part of the business profit of the Company and same shall be spent for undertaking any CSR Activities only.

v. Communication and Reporting

CSR program details would be communicated in the public domain through the annual report in the reporting format as mandated by Section 135 of the Companies Act, 2013.