

**CONSOLIDATED FINVEST & HOLDINGS LIMITED**

**CORPORATE SOCIAL RESPONSIBILITY (CSR)**

**POLICY**

**CONSOLIDATED FINVEST & HOLDINGS LIMITED**

**11/5B, PUSA ROAD, OPPOSITE TELEPHONE EXCHANGE,**

**NEW DELHI – 110 005**

**PHONE NO. 011-25767000**

**[www.consofinvest.com](http://www.consofinvest.com)**

## **CORPORATE SOCIAL RESPONSIBILITY (CSR)**

- 1.1 Company shall mean the Consolidated Finvest & Holdings Ltd., a Company incorporated under the provisions of the Companies Act, 1956 with its registered Office at 19th K.M., Hapur- Bulandshahr Road, P.O. Gulaothi, Distt. Bulandshahr (U.P.)
- 1.2. Act shall mean the Companies Act, 2013 and includes any other rules, regulations made under the Act, statutory amendments, from time to time, and any other statutory enactment thereof;
- 1.3. Board shall mean Board of Directors of the Company (**Consolidated Finvest & Holdings Ltd.**)
- 1.4. Independent Director shall mean the Director as defined and enunciated in sub section 6 of section 149 of the Act, 2013;
- 1.5. CSR shall mean the Corporate Social Responsibility as defined in the Section 135 of the Act, 2013 and rules made there under
- 1.6. Committee shall mean the CSR Committee formed by the Board of Directors of the Company.
- 1.7. Activities shall mean the CSR activities as prescribed by the Committee to the Board in cohesion with those enunciated in the schedule VII of the Act, 2013 for the benefits of the localities of nearby area of the company:-
- 1.8. NGO shall mean the non-profit organizations be it a Registered trust, society, section 8 companies of the Act, 2013 made by the company or its holding, subsidiary or associate company, or any association formed and registered under the respective statutory body in India;
- 1.9. Global NGO shall mean non-profit organizations formed and registered under the respective law of the Country other than India and caters for the beneficiaries globally and includes UNO, UNESCO;
- 1.10. Beneficiaries shall mean the person (s) or sector of people fructifying the benefits from the activities defined in clause 1.7, and shall include ecology, environment;
- 1.11. Directors' report shall mean the report under the section 134 of the Act 2013, by the Company;
- 1.12. Web site shall mean the official web site of the Company.

## **COMMITTEE**

The Board has constituted a committee especially for CSR known as CSR committee. The committee should constitute of three or more directors and one among them is an Independent Director. The list of the committee members is annexed as Annexure A to this policy and the Board has absolute power to remove and induct any member into the committee.

- 2.1 The members of the committee should be of age not less than 21 years.
- 2.2 The tenure of the members shall be of Five years initial term. Second term shall be provided to the Directors other than the Independent Director.
- 2.3 The Independent Director shall be appointed for an initial term of five years and subsequently reappointed with the approval of the shareholders for another term subject to SEBI Guidelines.
- 2.4 None of the Director shall be extended more than 2 terms.
- 2.5 Any Director can be appointed after a cooling period of three years on completion of two consecutive term and such appoint shall be considered as a fresh appointment enabling them to continue for another two terms.

## **CHAIRMAN**

- 3.1 The Chairman of the committee shall be elected by the members of the Committee. It is desired to have the committee be headed by an Independent Director.

## **MEETING**

- 4.1. The committee members will meet at least once in every three months before the Board meeting.
- 4.2 Notice of any meeting of the CSR Committee has to be given at least 3 days prior to any such meeting to be held, unless all Members unanimously waive such notice. Irrespective of the length of notice being given, attendance of a meeting by a Member shall be deemed waiver of the requisite length of notice by the Member.

## **QUORUM**

- 4.3 Minimum of two Members shall form the Quorum, including at least one Independent Director.

## **RESOLUTIONS**

- 4.4. All decisions shall be taken by simple majority. In case of equality of votes on any matter, Chairman shall have a casting vote.
- 4.5. The CSR Committee can also pass the resolution by circulation, if the draft resolution along with necessary papers, has been circulated to all the members of the CSR Committee (not being less than the quorum fixed for a meeting of the CSR Committee), then in India and has been approved by such of the members as are then in India, or by majority of such of them, as are entitled to vote on the resolution.

## **MINUTES**

- 4.6. Minutes of the proceedings and resolutions of the CSR Committee meetings shall be signed and confirmed by the Chairman of the meeting. Minutes so signed and confirmed shall be conclusive evidence of such proceedings and resolutions.

Minutes of all Committee meetings will be open for inspection at any reasonable time on reasonable notice by any member of the Board of Directors of the Company.

- 4.7. Minutes of the committee meeting shall be recorded in loose sheets bound and shall be initialed by the Chairman or in electronic form and shall be digital signed by the Chairman.

## **MAINTENANCE OF RECORDS**

- 4.8. Company Secretary of the Company or any other member of his/her team may be nominated as a responsible person for maintaining the records of all the Meetings and duly signed minutes of the Meeting of the CSR Committee at a place designated by the Committee.

## **CSR FUNDS**

- 4.9 a) In every financial year, the company should spend at least 2 percent of the average Net Profits of the company made during the three preceding financial years.
- b) any income arising therefrom
  - c) Surplus arising out of CSR activities
  - d) Donations received from any sources

However, at the recommendation of the CSR committee, the Board may decide to spend more amount but not less than the Profit as mentioned above.

## **NOT FOR EMPLOYEES ONLY:**

- 4.10. The CSR activities should not be exclusively for the benefit of employees of the Company or their family members.

## **AMENDMENTS TO THE CSR POLICY:**

- 4.11** Board of Directors of Consolidated Finvest & Holdings Limited shall have power to amend the CSR Policy at any point of time after taking recommendation of CSR Committee

### **4.12. ROLE OF BOARD OF DIRECTORS**

- a) Approve CSR Policy after considering recommendations of CSR Committee.
- b) Contents of CSR Policy on company's website.
- c) Ensuring CSR Policy activities are undertaken.

## **ROLE AND RESPONSIBILITY OF THE COMMITTEE.**

The Committee shall

- 5.1 Recommend the computed amount that shall be spend on CSR.
- 5.2 The bifurcation on the recommended amount for the activities and the global activities.
- 5.3 Determine the beneficiaries of the activities and global activities.
- 5.4 Mode of serving the beneficiaries i.e. directly or indirectly through an NGO.
- 5.5 Identify the NGO and global NGO through which the beneficiaries shall be served.
- 5.6 Determine the mode of payment to the identified NGOs and global NGOs.
- 5.7 Derive the method of verifying whether the amount allotted is spend for the beneficiaries.
- 5.8 Derives and implement a snap check procedures.
- 5.9 Audit and assess the activities implemented
- 5.10 Report to the Board and aids in disclosing in the Directors' report of the Board under section 134 of the Act, 2013 as well as uploading in the official web site of the Company.

## **NGO**

### **The NGO selection criteria are;**

- 6.1 Legal identity and its organization
- 6.2 Registration under the Income Tax and Foreign Exchange department, if applicable.
- 6.3 Members in the Board of NGO.
- 6.4 Past donors and recipients of NGO.
- 6.5 Impact assessment on the activities undertaken.
- 6.6 Input output ration of the activities undertaken.
- 6.7 Directors', employees, volunteers remuneration.
- 6.8 Future projects appraisal;
- 6.9 Beneficiaries of the activities.
- 6.10 Projected impact assessment of the activities.
- 6.11 Fund required for the activity and plan for contribution.
- 6.12 Other donors contributing for these chosen activities.

6.13 Mode of payment to the NGO either by cash/Demand Draft/Cheque

#### **ACTIVITIES MAY BE INCLUDED IN CSR POLICY-**

#### **As per Schedule VII of the Companies Act, 2013, there are 10 specified generic category of activities:**

- 7.1 eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water:
- 7.2 promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
- 7.3 promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
- 7.4 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;
- 7.5 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:
- 7.6. measures for the benefit of armed forces veterans, war widows and their dependents;
- 7.7 training to promote rural sports, nationally recognised sports, Paralympics sports and Olympic sports;
- 7.8 contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Caste, the Scheduled Tribes, other backward classes, minorities and women;
- 7.9 contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government
- 7.10 Rural development projects
- 7.11. Contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation" shall be included.
- 7.12. Contribution to the Clean Ganga Fund setup by the Central Government for rejuvenation of river Ganga.

## **ASSESSMENT**

- 8.1 Accounting on the money spent on CSR.
- 8.2 Auditing and submission of activity report for the approval of the Board before the AGM.

## **REPORTING.**

- 9.1 Adhere to volunteer reporting guidelines.
- 9.2 Follow the National/International standard in reporting.

## **REVIEW OF ACTIVITIES**

- 10.1. Frequency of review will be on quarterly basis.
- 10.2. Implementation of changes desired.
- 10.3. Alternate NGO performing better for the cause.
- 10.4. Recommendation of the identified NGO for the review of Board.

## **OTHERS**

- 11.1 Preference shall be to local area and areas around it where it operates
- 11.2 A company may spend on CSR activities by way of an organization which is registered as Trust or Section 8 Company or Society or Foundation or any other form of entity operating within India.
- 11.3 A company may incorporate / registered a separate trust, society, foundation, section 8 of the Companies Act, 2013 to facilitate CSR Activities.
- 11.4 CSR activities in India only shall be taken into consideration.
- 11.5 Expenditure thereof are eligible for computing CSR spending.
- 11.6 The CSR policy of the Company as amended from time to time, shall be posted on the website of the Company.
- 11.7. Surplus arising out of the CSR Activity will not be part of business of the Company.
- 11.8 The Company may collaborate or pool resources with other companies to undertake activities.

## **12. IMPLEMENTATION PROCESS**

All projects are identified in a participatory manner, in consultation with the community, literally sitting with them and gauging their basic needs.

We recourse to the participatory rural appraisal mapping process. Subsequently, based on a consensus and in discussion with the village Panchayats, and other influential, projects are prioritized.

## **13. COMPUTATION OF NET PROFIT FOR CSR.**

For the purposes of this section, "Average Net Profit" shall be calculated in accordance with the provisions of section 198 of Companies Act, 2013.

## **ANNEXURE A**

<b>Member's Name</b>	<b>Category</b>	<b>Designation</b>
Mr. Ghanshyam Dass Singal	Non Executive Independent Director	Chairman
Mr. Radhey Shyam	Non Executive Director	Member
Mr. Sanjiv Kumar Agarwal	Managing Director	Member