



SANGHVI MOVERS LIMITED

**CORPORATE SOCIAL
RESPONSIBILITY POLICY**

DATE OF AMENDMENT:

24 MAY 2023



CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

Applicability:

Pursuant to the requirements of Section 135 of the Companies Act, 2013 ('the Act') read with the Companies (Corporate Social Responsibility) Rules, 2014, the 'Corporate Social Responsibility Policy' ('the Policy') of Sanghvi Movers Limited ('SML / the Company') was adopted by the Board of Directors of Company at its meeting held on 08 August 2014.

The Company's CSR Policy has been developed in conformity with the provisions of Section 135 of the Companies Act, 2013 and in accordance with the Companies (Corporate Social Responsibility) Amendment Rules, 2021, notified by the Ministry of Corporate Affairs. In view of the Companies (Corporate Social Responsibility) Amendment Rules, 2021 notified by the Ministry of Corporate Affairs, the Policy has been amended by the Board of Directors of the Company at its meeting held on 27 May 2021.

Vision:

To actively contribute to the social and economic development of the communities in which we operate and build a better, sustainable way of life for the weaker sections of society.

CSR Methodology:

The CSR projects will be identified in a participatory manner and gauging their basic needs. The focus areas identified are as follows:

1. Education;
2. Health care;
3. Sustainable livelihood;
4. Infrastructure development;
5. Promotion of sports.

Prior to the commencement of projects, a baseline study will be carried out and the same will be tabled before the CSR Committee of the Board of Directors for consideration. In addition to undertaking direct CSR activities, SML has a philosophy of built-in, self-regulating mechanism and ensures its active compliance with the spirit of the laws, ethical standards, national and international norms.

Objectives:

The objective of CSR policy is to lay down guidelines for proper functioning of CSR activities, to attain sustainable development of the nearby society:

1. To frame guiding principles for selection, implementation and monitoring of CSR activities;
2. To formulate annual action plan for CSR activities of the Company;
3. To formulate and recommend to the Board, a Corporate Social Responsibility Policy indicating the activities to be undertaken by the Company in compliance with the provisions of the Companies Act, 2013 and the rules made thereunder;
4. To recommend the amount of expenditure to be incurred on the activities referred to above;
5. To monitor the implementation of the Corporate Social Responsibility Policy of the Company from time to time;



6. To recommend to the Board necessary amendments, if any, in the CSR policy from time to time;
7. To monitor the budget under the CSR activities of the Company;
8. To accomplish the various CSR projects of the Company independently or through any other eligible NGO / Social Institute, as the case may be;
9. While devising projects, care should be taken by the Company to protect the environment and minimize adverse impact, if any, on the society at large;
10. To obtain outside legal professional advice as considered necessary;
11. To secure attendance of outsiders with relevant expertise, and
12. To ensure CSR activities comply with provisions of Section 135 of the Act read with rules thereof, as may be amended from time to time.

Guiding principles for selection, implementation and monitoring of activities as well as formulation of the Annual Action Plan for CSR activities at SML:

Focus areas:

In accordance with provisions of the Companies Act, 2013 and rules thereof and Schedule VII to the Companies Act, 2013, SML will undertake CSR activities in areas which include:

a) **Education:**

Promoting education, skill enhancement, promoting primary, secondary or higher education including setting up and supporting activities, providing infrastructure facilities, financial assistance to deserving students, distribution of educational supplies, grant of scholarships.

Education represents a critical area of action to realise India's growth potential as also make it inclusive, by enabling children from all sections of society, to have access to quality basic education that equips them for taking up higher education or job-oriented skill training. The Company will continue to work to improve the quality of education in government and municipal schools, which account for the vast majority of school-going children in the country.

b) **Health care:**

Promoting healthcare including preventive health care and sanitation, making available safe drinking water, promoting health care facilities, health check-up camps and/or support / activities for adopted schools, students, teachers and community, distribution of medical kits, sanitization equipment and related supplies, contributions to funds set by the Central Government / State Governments / local authorities for promoting health care.

These will seek to enhance the availability of affordable healthcare to low income households, improve health seeking behavior among low-income & vulnerable groups through higher awareness and improve child nutrition. The Company will support initiatives to make available clean and safe drinking water. Sanitation and hygiene being a key enabler for public health. The Company will support such projects that improve and enhance overall sanitation and cleanliness.

c) **Sustainability livelihood:**

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, tree plantation, promoting biodiversity and promoting renewal energy.

The Company's Sustainable Livelihood Initiatives are designed to empower people at large, particularly women in rural parts of India. Under this project the Company will continue to support people who are financially excluded through a holistic approach that will also offer training for enhancing occupation skills, financial literacy and market linkages.

d) **Infrastructure Development:**

Infrastructure development projects including developing community infrastructure, water conservation projects, ensuring sustainability projects, construction, renovation, development of public utility areas like gardens, parks, jogging tracks, play grounds, etc.

The Company would strive to set up essential services that form the foundation of sustainable development through basic infrastructure facilities, rehabilitation facilities water and sanitation hygiene facilities and housing facilities for below poverty line people.

e) **Promotion of Sports:**

Promote sports in all forms, geographies and for all groups including (but not limited to) sports for persons with disabilities, providing assistance to various recognized sporting events, trainings to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports and any other related sports activity.

f) **Such other activities in compliance with Schedule VII of the Companies Act, 2013 and rules thereof, as may be amended from time to time.**

Identification of CSR Projects:

The Company shall ensure that in identifying its CSR Projects, preference shall be given to the local area and areas around which the Company (including its Depots) operates. However, this shall not bar the Company from pursuing its CSR objectives in other areas, as prescribed under Schedule VII of the Act and the amendments thereto.

Implementation, monitoring and formulation of Annual Action Plan:

1. The Company shall spend in every financial year at least two percent of the average of the net profits of the Company during the three immediately preceding financial years, calculated in accordance with provisions of the Companies Act, 2013 and rules thereof, as may be amended from time to time. The Company may spend in any financial year a sum not exceeding five percent of this total CSR expenditure of the Company on administrative overheads towards general management and administration of CSR functions in the Company.



2. Every entity who intends to undertake any CSR activity on behalf of the Company is required to register itself with the Ministry of Corporate Affairs by filing the form CSR-1 electronically, mandatory w.e.f. 01 April 2021, as notified vide G.S.R. 40(E) dated 22 Jan 2021 by Ministry of Corporate Affairs or as per subsequent amendments, if any. CSR activities shall be carried out directly by the Company and/or through implementing agencies having unique CSR registration number, any other entity having unique CSR registration number, as deem fit by the Managing Director, Joint Managing Director & CFO and the Chairman of CSR Committee from time to time.
3. The CSR Committee shall formulate and recommend to the Board for approval an Annual Action Plan relating to CSR activities, which shall include details as required pursuant to provisions of the Companies Act, 2013 and rules thereof, as amended from time to time.

Based on the recommendation of the CSR Committee, the Board may alter such plan at any time during the financial year, based on reasonable justification to that effect.

- a. Any surplus arising out of the CSR activities shall not form part of the business profit of the Company and shall be ploughed back into the same project.
- b. Where the Company spends in any financial year a sum in excess of requirement, such excess sum may be set off as per the provisions of the Companies Act, 2013 and rules thereof.
- c. The Company may undertake multi year project(s) having time lines not exceeding three years in fulfillment of its CSR obligation.

In case of ongoing project(s), the Management shall be responsible for monitoring the implementation of the project with reference to the approved timelines and year-wise allocation and shall make modifications, if any, for smooth implementation of the project within the overall permissible time period.

- i. The Company may spend towards CSR expenditure for creation or acquisition of capital asset(s), which shall be held by an entity having a unique CSR registration number.
- ii. The Committee may engage national / international organization(s) for designing, monitoring and evaluation of the CSR projects or programmes as per the Policy as well as for capacity building of their own personnel for CSR activities.
- iii. The Company may also collaborate with other companies for undertaking projects or programmes or CSR activities in such a manner that the CSR committees of respective companies are in a position to report separately on such projects or programmes in accordance with these rules.



- iv. The Board of Directors shall satisfy itself that the sum expended towards CSR activities has been utilised for the purposes and in the manner as approved by it and the Chief Financial Officer of the Company shall certify to the effect.
- v. The Managing Director, Joint Managing Director & CFO and the Chairman of CSR Committee of the Company are authorised severally to perform various functions, which include:
- appoint employee(s)/person(s) for implementation and monitoring CSR activities;
 - encourage employees in the process of implementing CSR activities being carried out by the Company;
 - where required, create a working group to develop CSR Commitments of the Company.

Composition of CSR Committee:

The Committee shall have minimum three Directors and at least one member shall be Independent Director. At present the CSR Committee of Board of Directors of SML consists of three members & two of them are Independent Directors.

Quorum for CSR Committee Meeting:

The quorum of the meetings shall be one third of the total strength or two Directors whichever is more. The attendance through video conferencing is permitted under Companies Act, 2013. At present the quorum is 1/3rd of total members of the CSR Committee or two members whichever is more.

Reporting Authority: Board of Directors of the Company.

Standard Operating Procedure: To carry out its CSR activities in an effective and efficient manner, the standard operating procedure is enclosed herewith in Annexure -1.

Review of CSR Policy: Any or all provisions of the Policy would be subject to revision / amendment in accordance with the guidelines, as may be issued by Ministry of Corporate Affairs (MCA) / Government or as decided by the Board of Directors of the Company from time to time.

Display of CSR activities on the website:

The composition of the CSR Committee, the CSR Policy and CSR projects shall be displayed in the Company website.

Approval:

The Board of Directors of the Company in their meeting held on 24 May 2023 approved the amendments to the Corporate Social Responsibility Policy.

Annexure - 1

Standard operating procedure (sop) for implementation of CSR programmes

Purpose

The Management of Sanghvi Movers Limited (SML) has formulated the following Standard Operating Procedure (SOP) aligning with its CSR Policy. The intention is to carry out its CSR activities in an effective and efficient manner. The CSR activities of SML would be carried-out through outsourcing to Implementing Partners (IPs)/NGOs.

Documentation

The IP/NGO are required to submit following documents:

- a. Comprehensive project proposal along with project timeline, existing list of donors;
- b. Certified copy of Unique ID No. NGO Darpan issued by NITI Aayog;
- c. Certified copy of NGO Registration Certificate;
- d. Certified copy of CSR Registration Number issued by Ministry of Corporate Affairs (MCA);
- e. Form 12AA registration granted under Income Tax Act;
- f. Certified copy of Trust Deed or incorporation document;
- g. Certified copy of latest list of trustees;
- h. Certified copy of Income Tax exemption certificate under Section 80 G of Income Tax Act;
- i. Certified copy of Pan Card;
- j. Certified copies of last three years Audited Financial Statements;
- k. Any other documents as may be specified.

Before approving any CSR project, the officials of Sanghvi Movers Limited may visit the project site, to ascertain the current status. Post approval of the project by CSR Committee / Board of Directors of Sanghvi Movers Limited, the IP / NGO shall submit undertaking towards effective implementation of the project. The funds shall be disbursed as per the following guidelines:

- i. The amount sanctioned should be disbursed in suitable installments;
- ii. An utilisation certificate showing the receipt of funds from SML and expenditure incurred during the period, duly certified by the Auditors/ CA firm, shall be submitted periodically;
- iii. The NGO shall submit periodical project development report, till the final completion of the project;
- iv. Any other report (as may be prescribed/ required by SML) along with the photos, videos etc. to give the authentic proof of execution of the CSR project on behalf of SML.