

CSR Policy

1. Preface

Corporate Social Responsibility (CSR) is the way and mean through which corporates can repay the obligations made by the Society by contributing the resources in its various forms as required for the efficient operation of the Business. Corporate Social Responsibility is strongly connected with the principles of sustainability. Organization should make decisions based not only on financial or operational factors, but also on the social and environmental consequences. Therefore, it is the core corporate responsibility of “Shervani Industrial Syndicate Limited” (hereinafter known as “SISL”) to practice its corporate values through its commitment to grow in a socially and environmentally responsible way, while meeting the interests of its stakeholders.

2. Objective and Purpose

The key purpose of this Policy is to:

- Outline the development areas in which the Company shall get involved in.
- Define governance structure for CSR management within the Company.
- Serve as a guiding document aiding in identification, execution and monitoring the CSR projects.
- Describe the treatment of surpluses from CSR activities.

3. Alignment with Shervani Industrial Syndicate Limited Values

We believe to drive our CSR policy with the same values which directs SISL. Hence, this CSR Policy absorbs SISL core values and is aligned in the following manner to its CSR strategy:

- **Being Accountable for what we do:** SISL considers itself accountable for contributing back in a meaningful way to the society/ Nation.
- **Embrace Diversity:** SISL believes in embracing diverse views and opinions which lead to a better solution. Accordingly, for execution of its CSR objectives, SISL plans to partner, where necessary, with NGOs/ other charitable organizations to meet the CSR objectives.

4. Applicability

CSR Policy is applicable to SISL, which is mandated with the CSR expenditure obligations as per Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time.

5. Scope of CSR Policy

This Policy applies to all CSR projects that will be undertaken by SISL and shall fulfil all the requirements of Section 135 of the Companies Act, 2013. SISL shall ensure all these activities are over and above the normal course of business and are in line with Schedule VII of the Companies Act, 2013. This Policy will be periodically reviewed and updated in line with the relevant codes of legislation and best practices that can be adopted by SISL.

6. Areas to Emphasize

SISL has broadly selected **Education** under its CSR activities, as under:

Education:

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

7. Governance Structure:

A governance structure at SISL is responsible for implementing and administering CSR Policy, in compliance with the requirements of Section 135 of the Companies Act, 2013. The Board of Directors of the Company who are ultimately accountable for the CSR projects undertaken by SISL. SISL has constituted a CSR Committee at the Board level.

8. CSR Committee

SISL has constituted Corporate Social Responsibility Committee (the “CSR Committee”) in line with Section 135 of the Companies Act, 2013 (the “Act”). The CSR Committee consists of following members of the Board:

- Mr. Mohammad Aslam Sayeed Chairman
- Mr. Saleem Iqbal Shervani Member
- Mr. Tahir Hasan Member

The CSR Committee of the Board shall be responsible for:

- Review of CSR activities in the Company.

- Formulation of CSR Policy.
- Monitoring of implementation of CSR Policy.
- Recommend to the Board, modifications to CSR Policy as and when required.
- Appraise to the Board the CSR expenditure done during the year.

9. CSR Budget

The total budget for the CSR projects in each financial year will be decided by the CSR Committee in accordance with applicable provisions of the Act and the CSR Rules. The CSR Committee shall propose to distribute the budget among the Areas to Emphasize or such of them as the CSR Committee may deem fit in each financial year, in such proportion and in a manner that meets the objectives of the CSR Policy.

10. Implementation Process

10.1 CSR Contributions:

The Company will endeavour to contribute and spend at least 2% of the average net profits of the Company made during the three immediately preceding financial years or such amount as may be recommended by the CSR Committee from time to time in pursuance of this Policy.

10.2 Compliance, Monitoring and Reporting

10.2.1 Compliance

The CSR Committee will formulate implementation plans for the projects specifying the following:

- Activities to be undertaken.
- Budgets proposed.
- Time frame for implementation.
- Responsibilities and authorities for implementation.
- Results expected to be achieved post implementation

10.2.2 Monitoring

The CSR Committee will monitor the implementation and progress of the approved projects through appropriate mechanisms such as site visits, review meetings and progress reports etc. Mechanisms to track data and monitor projects will be established to ensure the transparency and efficiency of the implementation process. The projects will be evaluated against the milestones defined in the implementation plan of the project.

10.2.3 Reporting

The CSR Committee of the Board, based on reports and data available, will annually publish report on the CSR projects as a part of the Director's report. The report will disclose information in the format as prescribed by the Section 135 of the Companies Act 2013. The CSR Committee shall also submit a responsibility statement to the Board that the implementation and monitoring of the CSR Policy is in compliance with the approved CSR Policy of the Company.

The CSR Policy on being approved by the Board shall be displayed on the website of the Company and any modifications carried out from time to time shall also be updated on the website of the Company respectively.