

CORPORATE SOCIAL RESPONSIBILITY POLICY

I. BACKGROUND

Corporate Social Responsibility (CSR) is a company's sense of responsibility towards the community and environment in which it operates. It is the continuing commitment by business to behave ethically and contribute to economic development of the society at large and building capacity for sustainable livelihoods.

The Company believes in conducting its business responsibly, fairly and in a most transparent manner. It continually seeks ways to bring about an overall positive impact on the society and environment where it operates as part of its social objectives. Globe Capital Market Limited and its Subsidiaries have been making consistent efforts over the years towards economic and social upliftment of the marginalized sections of the society.

Though this policy has been formally formulated and adopted in terms of section 135 of the Companies Act, 2013 and the CSR Rules to undertake CSR activities, the Company has made various efforts from time to time since its inception to meet its responsibility towards the society (now termed as CSR).

II. GLOBE CAPITAL FOUNDATION

The Company along with the Promoter Director Mr. Yashpal Mendiratta and Mr. Ashok Kumar Agarwal has incorporated a public welfare trust in the name of Globe Capital Foundation (the Trust). The Company and the Promoter Directors are the founder Members of the Trust.

The Globe Capital Foundation has been incorporated with the solo aim to undertake, pursue and be concerned with the welfare, betterment and advancement of society as a whole. The Foundation will be working in the areas of education, child welfare, causes of the disabled, health-care, vocational training, community development programmes and any such initiative serving the betterment of society as a whole. The scope of objectives has been kept as wide as possible, so as to allow the Foundation to respond to different situations and challenges appropriately and flexibly.

III. ROLE OF CSR COMMITTEE

The Board of Directors of the Company has constituted a Corporate Social Responsibility (CSR) Committee of Directors in accordance with the Companies Act, 2013 and Rules made thereunder. The CSR Committee will play the following role in fulfilling the Company's CSR objectives:

- Formulation and review of this CSR Policy indicating the activities to be undertaken by the Company towards CSR initiatives;
- Recommendation of the amount of expenditure to be incurred on the CSR activities; and

- Formulation of a transparent monitoring mechanism for ensuring proper implementation of the projects/ programmes /activities proposed to be undertaken by the Company or the proper end use of the amount spent by it towards CSR activities.
- Monitor and if needed to review this Policy from time to time
- Annually report to the Board, the status of the CSR activities and contributions made by the Company for causes.
- Fulfill any other requirements mandated under the Act and Rules made thereunder.

IV. FOUNDATION & PARTNERING NGO'S

The Company would be undertaking the CSR activities by making contributions either to the Foundation or to other not-for-profit organizations including specific funds maintained by the Central/State Government like, Prime Minister Relief Fund.

The contributions to the Foundation will be governed by the Letter of Commitment issued by the Company to the Foundation from time to time. As regards, entering in partnership with not for profit organizations are concerned, the Company and its Subsidiaries shall ensure that the said organizations have impeccable track record of service, performance and accountability.

The Globe Capital Foundation is referred as “Foundation” and the aforementioned not for profit organizations will be referred as “Partnering NGOs” in this Policy.

V. OBJECTIVE

The main objective of this CSR Policy is to lay down guidelines to make CSR a key business process for sustainable development of the society and the environment in which the Company operates. It aims at enhancing welfare measures towards the society based on the immediate and long term social and environmental consequences of the Company's activities in India.

This Policy specifies the projects and programmes that can be undertaken, provides a list of CSR projects/programmes in terms of the Schedule VII to the Companies Act, 2013, which the Company plans to undertake during the implementation years.

The scope of the Policy has been kept as wide as possible, so as to allow the Company to respond to different situations and challenges appropriately and flexibly, subject to the activities enumerated in Schedule VII of the Companies Act, 2013. However, no contribution will be made for any activities undertaken outside India.

VI. CSR AMOUNT

The Company shall ensure that it spends, in every financial year, at least 2% of its average net profits (PBT) during the 3 immediately preceding financial years, in pursuance of its corporate social responsibility and subject to section 135 of the Companies Act, 2013 and the Rules made there under.

Net Profit means the net profit of a Company as per its financial statement prepared in accordance with the applicable provisions of the Act, but shall not include the following namely:-

- i) Any profits arising from any overseas branch or branches of the company, whether operated as a separate company or otherwise; and
- ii) Any dividend received from other companies in India, which are covered under and complying with the provisions of Section 135 of Companies Act, 2013.

VII. SPENDING OF CSR AMOUNT

The CSR committee will decide on the following with regard to spending of CSR amount:

- Amount to be contributed to “Foundation” for undertaking CSR action in accordance with the Schedule VII of Companies Act, 2013.
- Amount to be used for funding other Partnering NGO’s;
- Tranches of disbursement.;
- Any income/surplus arising from CSR projects or programs or activities will not form part of the business profits of the Company; and
- The committee shall recommend contributing funds for building the CSR capacities of personnel for the Company as well as contributing for the same to external institutions (with established track records of at least three financial years) through which it may undertake its CSR activities, but such expenditure shall not exceed 5% of total CSR expenditure of the company in one financial year.

VIII. CSR ACTIVITIES/PROJECTS

Schedule VII to the Companies Act, 2013 lists down the activities which may be included by the companies in their social responsibility policies. The said activities include-

- To provide all kinds of Health Care Services including preventive health care to the Poor and Needy including financial help, arranging medical camps, checkup, opening and establishing dispensaries, hospital, advanced diagnostic centres and other medical facilities;
- To Promote Education including Establishment of schools, colleges, university;
- To Provide financial and other assistance to students;
- To promote and spread Financial Literacy & Other Literacy in India;
- Awarding Scholarship on such terms and conditions as the trustees may think fit for the purpose of undertaking, prosecuting and encouraging higher education and research work in any field of education, art or any other field;
- Establishing and supporting professorships, fellowships, lectureships, in any college or other educational institutions and awarding scholarships and prizes or giving loans to scholarship any school, college, university or other educational institutions in such manner as the Trustees may think fit;

- To provide food including eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water;
- 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;
- To promote and encourage employment enhancing vocation skills ;
- Promoting 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;
- 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;
- To take measures for the benefit of armed forces veterans, war widows and their dependents;
- To undertake rural development projects and slum area development to help the poor and needy;
- To work in the field of sports and to provide help to needy and deserving sportsmen/women and to organize training camps, establishment of sports centres, hostels and institutes;
- To provide help to people affected by calamities such as riots, earthquakes, floods, fire, epidemic or any other natural disaster;
- To promote any other charitable object including relief to the poor, education and advancement of any other general public utility not involving profit.
- Such other matters as may be prescribed.

IX. PROCESS FOR UNDERTAKING CSR ACTIVITIES/PROJECTS

The following procedure is required to be adhered to while undertaking/funding CSR activities/projects:

- Formulating and recommending contribution for undertaking CSR activities through the Foundation.
- Execution of Memorandum of Undertaking (MoU) with other partnering NGOs, which would detail the key roles and responsibilities of each of the parties. The disbursement of the contribution amount by the Company to the Partnering NGOs shall be made only if they have requisite approval including but not limited to under Section 12AA, 80G of the Income Tax Act, 1961 and other applicable laws as applicable.
- The disbursement will be made only upon the receipt of a request from the partnering NGOs specifying the amount that is required and the activity for which it is required. Such request should be accompanied with a statement of its past activities.

- The Company whilst making any contribution may specify the activities for which it is made and the said amount and any interest earned on such amount shall be utilized towards the said activities only.

X. MONITORING

The Company may be entitled to receive the following information from the Foundation /partnering NGOs:

- Audited financial statements, including cash flow statements and management accounts within 30 days after approved by the Board/ Trustee;
- Quarterly operational/progress reports from time to time within 60 days of the end of each month along with a consolidated statement of expenses along with the operational/progress reports mentioned above.
- Copies of any other reports or communications received from the auditors relating to its financial position or affairs which is of a material nature;
- Any information or circumstance which may affect or jeopardize the implementation of the Project Plan or the activities of the Foundation/Partnering NGOs in general.

To ensure steady progress and proper utilization of CSR amount, the following monitoring mechanism may be adopted:

- Periodic Field visits by the persons deputed by the Company;
- Undertaking sample internal audit of the projects/activities;
- Review of the reports submitted by the Foundation/Partnering NGOs.

The Foundation/Partnering NGOs shall allow the Company, its management, its auditors (whether internal or external), their agent(s) appointed to act on its behalf and/ or its regulators to enter upon the its premises and monitor, examine and audit the Foundation/Partnering NGOs operations and records which the Company, its management, its auditors (whether internal or external), their agent appointed to act on its behalf and/or its regulators in their absolute discretion deem to be relevant, including conducting of annual review of the financial and operational condition of the Foundation/Partnering NGOs and also to obtain copies of any audit or review reports and findings made on the Foundation/Partnering NGOs.

The CSR committee may engage external agencies to evaluate the CSR projects and monitor its progress. The committee would constantly monitor the implementation of the CSR projects and the utilization of the CSR amount.

XI. DISSEMINATION OF INFORMATION

The CSR committee may report to the Board of the Company, at least on an annual basis, the status of the CSR projects/ activities undertaken by the Company along with the report on the impact created by such projects/activities.

The Company shall also upload this policy on its website www.globecapital.com. Further, a detailed status report on the CSR activities carried out by the Company would be disclosed every year as part of the Directors' Report in the Annual Report. The said would also be uploaded on the website of the Company.

The CSR Committee will also make a Responsibility Statement in the Annual Report stating that the CSR Policy implementation and monitoring thereof is in compliance with its CSR objectives.