

CORPORATE SOCIAL RESPONSIBILITY POLICY

This Policy is framed pursuant to Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility) Rules, 2014, as amended from time to time.

(A) PREAMBLE

Chhotaria Securities Private Limited ("Chhotaria" or the "Company") acknowledges its responsibility towards its stakeholders, society, and the communities in which it operates. The Company believes that incorporating social, environmental, and ethical responsibilities into its business framework is essential for sustainable growth and long-term value creation.

As a responsible NBFC, the Company views Corporate Social Responsibility ("CSR") as an integral part of its governance philosophy, aligned with national development priorities and stakeholder expectations.

(B) PURPOSE

This Corporate Social Responsibility Policy outlines the scope, focus areas, governance structure, and implementation framework for CSR initiatives of the Company in accordance with Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility) Rules, 2014, as amended from time to time.

(C) DEFINITIONS

For the purposes of this Policy, unless the context otherwise requires:

- (1) "Act" means the Companies Act, 2013, including amendments and modifications thereto.
- (2) "Board" means the Board of Directors of Chhotaria Securities Pvt. Ltd.
- (3) "CSR Activities" means activities undertaken by the Company as projects or programmes in pursuance of its statutory CSR obligations but shall not include:
 - (i) activities undertaken in the normal course of business;
 - (ii) activities undertaken outside India, except as permitted under law;
 - (iii) direct or indirect contribution to any political party;
 - (iv) activities benefitting employees of the Company;
 - (v) activities undertaken for marketing or promotional benefits;
 - (vi) activities undertaken to fulfil any other statutory obligation under any law.

Chhotaria Securities Pvt Ltd

Neelamsh
Director

(4) “CSR Committee” including at least one Independent Director, wherever required under Section 135 of the Act.

(5) “CSR Corpus” means the total funds allocated by the Company for carrying out CSR activities.

(6) “CSR Policy” means this Corporate Social Responsibility Policy of the Company.

(7) “CSR Rules” means the Companies (Corporate Social Responsibility) Rules, 2014, as amended.

(8) “Net Profit” shall have the meaning assigned under the CSR Rules.

(9) “Ongoing Project(s)” means multi-year CSR projects having timelines not exceeding three years excluding the year of commencement, as approved by the Board.

(D) SELECTION OF PROJECTS

The Company aims to act as a responsible corporate citizen and contribute to nationbuilding through meaningful CSR initiatives. CSR activities shall be undertaken in accordance with Schedule VII of the Companies Act, 2013, including but not limited to:

- (i) Eradication of poverty, hunger, and malnutrition; promotion of healthcare and sanitation; access to safe drinking water.
- (ii) Promotion of education, vocational skills, and livelihood enhancement, especially among women, children, elderly, and differently-abled persons.
- (iii) Promotion of gender equality, women empowerment, and support for senior citizens and socially disadvantaged groups.
- (iv) Environmental sustainability, conservation of natural resources, ecological balance, and animal welfare.
- (v) Protection of national heritage, art, and culture.
- (vi) Welfare measures for armed forces veterans, war widows, and their dependents.
- (vii) Promotion of rural and nationally recognised sports.
- (viii) Contribution to the PM CARES Fund or any other Government-approved relief fund.
- (ix) Contribution to research, innovation, incubators, and public-funded institutions.

(x) Rural development projects.

(xi) Slum area development projects.

(xii) Disaster management, relief, rehabilitation, and reconstruction activities.

The Company may modify the above list in line with amendments to applicable laws.

(E) COMPOSITION OF CSR COMMITTEE

(1) The CSR Policy and initiatives shall be implemented and supervised by a CSR Committee constituted by the Board.

(2) The CSR Committee shall comprise three or more Directors, including at least one Independent Director, as applicable.

(3) Senior management officials may be invited to attend meetings as invitees without voting rights.

(F) DECISIONS BY THE CSR COMMITTEE

(1) The CSR Committee shall act in accordance with this Policy, the Act, and the CSR Rules.

(2) Decisions shall be taken preferably by consensus; failing which, by majority vote and subject to Board approval.

(3) Preference shall be given to CSR activities in local areas where the Company operates.

(4) The Committee shall recommend an annual action plan to the Board covering project details, fund utilisation, monitoring, and impact assessment.

(G) MEETING OF THE CSR COMMITTEE

(1) The CSR Committee shall meet at least once in a financial year.

(2) Minutes of meetings shall be recorded and maintained.

(3) Final approval of CSR projects shall rest with the Board.

(H) CSR CORPUS

(1) The CSR Corpus shall comprise:

(a) 2% of the average net profits of the Company for the immediately preceding three financial years; and

(b) any surplus arising out of CSR activities.

(2) CSR funds shall be utilised exclusively for approved CSR activities.

(3) Surplus arising from CSR activities shall not form part of business profits.

(4) Administrative overheads shall be within statutory limits.

(5) Excess CSR expenditure may be set-off against future obligations as permitted under law.

(I) MANNER OF IMPLEMENTATION

1. The CSR Committee shall ensure that the CSR activities are undertaken either directly by Chhotaria Securities Private Limited or through eligible implementing agencies, in accordance with the provisions of the Companies (Corporate Social Responsibility) Rules, 2014, as amended from time to time.
2. The implementing agencies may include:
 - o (a) A company established under Section 8 of the Companies Act, 2013, or a registered public trust or a registered society, registered under Section 12A and 80G of the Income Tax Act, 1961, established by the Company, either singly or along with any other company; or
 - o (b) A company established under Section 8 of the Act or a registered trust or a registered society established by the Central Government or any State Government; or
 - o (c) Any entity established under an Act of Parliament or a State Legislature; or
 - o (d) A company established under Section 8 of the Act, or a registered public trust or a registered society, registered under Section 12A and 80G of the Income Tax Act, 1961, having an established track record of at least three years in undertaking similar activities.
3. The Company may collaborate with other companies for undertaking CSR projects or programmes in such a manner that the CSR Committees of the respective companies are in a position to report separately on such projects

or programmes in accordance with the CSR Rules.

4. The CSR Committee shall ensure that proper agreements, monitoring systems, and reporting mechanisms are in place with the implementing agencies to ensure effective execution of CSR activities.

(J) MONITORING MECHANISM

1. The Company may also undertake internal audits or third-party evaluations of CSR projects, where deemed necessary.
2. The CSR Committee shall periodically review the progress of CSR projects with reference to the approved timelines, budgets, and expected outcomes.
3. For ongoing projects, the CSR Committee shall monitor the implementation on a year-wise basis and shall be empowered to recommend modifications, if any, for smooth and effective implementation of such projects.
4. The Chief Financial Officer of the Company or the person responsible for financial management shall certify that the CSR funds disbursed have been utilised for the purposes and in the manner approved by the Board of Directors.
5. Wherever applicable, feedback may be obtained from beneficiaries or implementing agencies to assess the effectiveness and impact of the CSR initiatives.

(K) REPORTING MECHANISM

1. The CSR Committee shall prepare an annual report on CSR activities containing such particulars as may be prescribed under the Companies Act, 2013 and the CSR Rules.
2. The annual CSR report shall form part of the Board's Report annexed to the financial statements of the Company for the relevant financial year.
3. The Board of Directors shall ensure that all statutory disclosures relating to CSR are made accurately and within the prescribed timelines.
4. The Company shall maintain proper documentation and records relating to CSR expenditure, implementation status, and impact assessment, as required under applicable laws.

(L) TO BE PUBLISHED ON WEBSITE

1. The Board of Directors of the Company shall, after taking into account the recommendations of the CSR Committee, approve this CSR Policy.
2. The contents of the CSR Policy, along with details of CSR projects and the annual action plan, shall be disclosed on the official website of **Chhotaria Securities Pvt. Ltd.**, in accordance with the requirements of the Companies Act, 2013 and CSR Rules.
3. The CSR Policy shall remain accessible to the public at all times on the Company's website.

(M) EXCEPTIONS

Any exception, deviation, or relaxation from the provisions of this CSR Policy or the procedures outlined herein shall require prior written approval of the Chairman of the CSR Committee and the Board of Directors of the Company.

(N) AMENDMENTS

The Board of Directors of **Chhotaria Securities Pvt. Ltd.** shall have the authority to revise, modify, amend, or update this CSR Policy from time to time based on:

- Recommendations of the CSR Committee;
- Changes in applicable laws, rules, or regulations; or
- Business or operational requirements of the Company.

Any such amendment shall become effective from the date approved by the Board, unless otherwise specified.

Chhotaria Securities Pvt Ltd


Neelam
Director