

ANAND RATHI GLOBAL FINANCE LIMITED

COMPOSITION OF CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

Sr No	Name	Designation
1	Mr. Anand Rathi	Chairman of the Committee
2	Mr. Jugalkishor Mantri	Member of the Committee
3	Mr. Sharad Bhutra	Member of the Committee

Anand Rathi Global Finance Limited

CORPORATE SOCIAL RESPONSIBILITY POLICY

VERSION CONTROL

Version	Approval	Version Description	Regulatory Reference
I	Board Meeting dated April 7, 2014	Formation of Policy	Companies Act 2013
II	Board Meeting dated May 6, 2016	Review of Policy	-
III	Board Meeting dated March 11, 2019	Review of Policy	-
IV	Board Meeting dated June 07, 2021	Review of Policy	Companies Act 2013

TABLE OF CONTENTS

Sr. No.	Particulars
1	Preamble
2	Definition
3	Objective
4	Key Thrust Area
5	Implementation Process
6	Annual Action Plan
7	CSR Expenditure
8	Roles & Responsibilities of the Board
9	Roles of the CSR Committee
10	Monitoring and reporting Framework
11	Authority to make amendments

1. Preamble

Anand Rathi Global Finance Limited ('The Company'/'ARGFL') has developed this policy titled 'ARGFL Corporate Social Responsibility Policy' ('CSR Policy') encompassing the Company's philosophy for being a responsible corporate citizen and lays down the principles and mechanism for undertaking various programs in accordance with Section 135 of the Companies Act, 2013 (the 'Act') read along with the rules and schedules framed therein for the Company at large.

The CSR Policy shall guide the CSR programs and activities undertaken by the Company in the geography/ communities in which it operates.

2. Definitions

In this CSR Policy, unless the context otherwise requires,

- a. **"Act"** means the Companies Act, 2013 and rules made thereunder (as amended);
- b. **"Average net profit"** shall be net profit of the Company calculated in accordance with the provisions of section 198 of the Companies Act, 2013.
- c. **"Corporate Social Responsibility (CSR)"** means various social activities undertaken by a company pursuant to Section 135 of the Act and in accordance with the provisions of this Policy, but shall NOT include the following namely : -
 - I. activities undertaken in pursuance of normal course of business of the company, However any Company engaged in research and development activity of new vaccine , drugs and medical devices in their normal course of business may undertake research and development activity of new vaccine , drugs and medical devices related to COVID- 19 for financial years 2020-21, 2021-22 , 2022-23 subject to the Conditions that-
 - A) such research and development activities shall be carried out in collaboration with any of the institutes or organisations mentioned in item (ix) of Schedule VII to the Act;
 - B) details of such activity shall be disclosed separately in the Annual Report on CSR included in the Board's Report
 - II. any activity undertaken by the company outside India except for training of Indian sports personnel representing any State or Union territory at national level or India at international level;
 - III. contribution of any amount directly or indirectly to any political party under section 182 of the Act;
 - IV. activities benefitting employees of the Company as defined in section 2(k) of the code on Wages, 2019;
 - V. activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services;
 - VI. activities carried out for fulfilment of any other statutory obligations under any law in force in India;

- d. **Corporate Social Responsibility Committee or CSR Committee or Committee:** Shall mean a Committee of the Board of Directors of the Company constituted pursuant to the Section 135 of Companies Act, 2013 or any other regulations as may be applicable.
- e. **Company or ARGFL** shall mean Anand Rathi Global Finance Limited is registered with the Reserve Bank of India (RBI) as a Systematically Important Non Deposit Taking Non-Banking Financial Company (NBFC- ND-SI) wherever it is referred to in this policy.
- f. **Board** means Board of Directors of ARGFL
- g. **Key thrust Area** shall mean the areas identified under this policy (clause 4) to be the focus areas for undertaking various CSR Programs.
- h. **Minimum spending requirements** shall mean the minimum amount to be spent on CSR activities as prescribed under section 135 of the Companies Act 2013, and the rules thereunder;
- i. **Ongoing Project:** means a multi-year project undertaken by a Company in fulfilment of its CSR obligation having timelines **not exceeding three years** excluding the financial year in which it was commenced, and shall include such project that was initially not approved as a multi-year project but whose duration has been extended beyond one year by the Board based on reasonable justification.
- j. **Policy** shall mean the Policy on Corporate Social Responsibility of ARGFL approved by its Board after taking into consideration recommendations of its CSR Committee.
- k. **Rules** Shall mean the Companies (Corporate Social Responsibility Policy) Rules, 2014 and shall include any amendments made thereto.

3. **Objective**

This Policy envisages:

- To lay down guidelines to embed CSR as an integral part of the business of the Company.
- To undertake various CSR projects/programs as identified under the Thrust Areas of this Policy, so as to enhance the quality of life and economic well-being of the communities around the localities in which the Company operates and/or proposes to carry business.
- CSR projects, will enhance value creation in the society and in the community in which it operates, through its services, conduct and initiatives, so as to promote sustained growth for the society and community, in fulfillment of its role as a Socially Responsible Corporate Citizen.

4. Key Thrust Area

For the purpose of this Policy, the Company shall focus primarily on the following areas, while driving it's CSR projects/activities.

- i. Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.
- ii. Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.
- iii. 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.
- iv. 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 including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga.
- v. 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 art and handicrafts;
- vi. measures for the benefit of armed forces veterans, war widows and their dependents, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows;
- vii. training to promote rural sports, nationally recognized sports, para-Olympic sports and Olympic sports,
- viii. contribution to the prime minister's national relief fund or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) or any other fund set up by the central government for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;
- ix. Contributions;
 - a) Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government; and
 - b) Contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defence Research and Development Organisation (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research

- (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).
- x. Rural developments project
 - xi. Slum area Developments Explanation.- For the purposes of this item, the term `slum area' shall mean any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force.
 - xii. Disaster management, including relief, rehabilitation and reconstruction activities.

5. Implementation Process

CSR programs/ projects to be undertaken by the Company will be identified by the CSR Committee. CSR Committee then recommends to the Board for its approval.

- The time period/ duration over which a particular program will be spread, will depend on its nature, extent of coverage and the intended impact of the program;
- The mode of implementation of CSR programs / projects may include a combination of direct implementation or implementation through government, own foundation, charity partners, registered societies, civil societies, social partners etc. The Company will select its partners after appropriate due diligence;
- The Company may engage the services of external expert agencies, consultancy firms etc for carrying out any survey, assessment or report with regards to any CSR program / projects to be undertaken by the Company;
- Company's CSR Operations would not be limited to a particular region of India.
- Any surplus arising out of the CSR Projects or programs or activities shall not form part of the business profit of the Company **and shall be ploughed back into same project or shall be transferred to the Unspent CSR account and spent in pursuance of CSR Policy and annual action plan of the company or transfer such surplus amount to a Fund specified in Schedule VII , within a period of six months of the expiry of financial year.**
- The CSR Committee is authorized to settle all queries, differences or doubts that may arise in relation to the implementation of the CSR programs / projects as may be approved by the Board.

6. Annual Action Plan

The CSR Committee shall formulate and recommend to the Board, an annual action plan in pursuance of this CSR policy, which shall inter-alia include the following: –

- (a) The list of CSR projects or programmes (as selected from the Key Thrust Areas) proposed to be undertaken by the Company;

- (b) The manner of execution of such projects or programmes;
- (c) The modalities of utilisation of funds and implementation schedules for the said projects or Programmes;
- (d) Monitoring and reporting mechanism for the said projects or programmes; and
- (e) Details of need and impact assessment, if any, for the said projects.

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

7. **CSR Expenditure**

CSR expenditure shall include all kinds of expenditure towards CSR Projects including creation, acquisition of capital assets, and contribution to corpus of CSR projects or programs as approved by the Board on the recommendation of the CSR Committee. Expenditure falling outside the scope of the Key Thrust Areas shall not be considered as CSR expenditure under this Policy.

It may be noted that the administrative overheads for any financial year shall not exceed five percent of total CSR Expenditure of the Company for the respective financial year.

The prescribed minimum amount to be spent on CSR (at present 2% of average net profits) shall be calculated in accordance with the provisions of the Act and Rules made thereunder. However, the Board, on the recommendation of CSR Committee, can approve higher amounts, as it may deem fit, from time to time.

If the Company spends in excess of prescribed minimum amount, such excess amount may be set off in three immediately succeeding financial years or such more number of financial years, as may be prescribed from time to time. The Board shall pass necessary resolution to this effect, in the absence of such resolution, the entire amount shall be considered to have spent for the same financial year only.

Subject to above, and, unless the unspent amount relates to any ongoing project undertaken by the Company, the Company shall transfer such unspent amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.

Any amount remaining unspent, pursuant to any ongoing project, fulfilling such conditions as may be prescribed, undertaken by a company in pursuance of this Policy, shall be transferred by the company within a period of thirty days from the end of the financial year to a special account to be opened by the Company in that behalf for that financial year in any scheduled bank to be called the “Unspent Corporate Social Responsibility Account”, and such amount shall be spent by the company in pursuance of its obligation towards the Corporate Social Responsibility Policy within a period of three financial years from the date of such transfer, failing which, the company shall transfer the same to a Fund specified in Schedule VII, within a period of thirty days from the date of completion of the third financial year.

8. Roles & Responsibilities of the Board

- Constitution of CSR Committee as per specified in Companies Act, 2013 and rules made thereunder;
- Approving the CSR Policy as formulated & recommended by the CSR Committee;
- Upon recommendation of CSR Committee consider and approve CSR programs/ projects to be undertaken by the Company and amount of expenditure to be incurred on each of the CSR programs / projects;
- Ensuring that the Company gives preference to the local areas around its operations for spending the amount earmarked for CSR programs/ projects;

9. Roles of the CSR Committee

- Formulate and recommend the CSR Policy to the Board for approval which shall indicate the activities to be undertaken by the company;
- recommend the amount of expenditure to be incurred on the activities undertaken by the Company;
- Recommend to the Board for its consideration and approval specific CSR programs/ projects identified and to be undertaken during the financial year at the start of financial year which are in lines with the activities specified in Schedule VII and amount of expenditure to be incurred for each such programs/ projects;
- Identify CSR Team for implementation of CSR programs and projects;
- Monitor the CSR Policy, CSR programs/ projects from time to time and recommend changes to the Board;
- Constitute a transparent monitoring mechanism for ensuring implementation of the CSR programs / projects undertaken by the Company;
- Update the Board on the status of CSR programs/ projects undertaken by the Company during the financial year and amount of expenditure incurred and also ensure the Company spends at least two percent of the average net profits of the Company made during immediately preceding financial years.

10. Monitoring and reporting Framework

CSR Committee shall meet inter alia to review the progress of CSR Projects / Program as per the Annual Action Plan approved by the Board and report to the Board in case of any deviations / shortcoming etc.

CSR Committee will institute a suitable monitoring and evaluation mechanism to ensure that each CSR program / project has:

- Clear objectives developed out of the societal needs;
- Clear targets, time lines and measurable parameters wherever possible;
- A progress monitoring and reporting framework that is aligned with the requirement of the Act;

The Board from time to time satisfy itself that CSR amount so disbursed has been utilized for the purpose for which it was approved. The Chief Financial Officer or the Person responsible for financial management shall certify to the Board / CSR Committee that the CSR funds have been utilized for the purposes and in the manner as approved by the Board.

11. Authority to make amendments

The CSR Committee shall have the right to make recommendations to the Board with regards to any amendment to the policy and the Board shall have the power to make any amendments to the Policy as it deems fit from time to time, provided that the Policy continues to be in line with the requirements under the Section 135 of the Act and the Corporate Social Responsibility policy rules made there under, for the time being in force.

ANAND RATHI GLOBAL FINANCE LIMITED

CIN : U67190MH1982PLC140380

ANNUAL CSR ACTION PLAN F.Y. 2021-22

Sr No.	Particulars	Remarks
1	The list of CSR projects or programs that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;	<p>The CSR Projects and programs shall be finalized as per the scope of the revised CSR policy. However, during the year, the primary focus would be contribution towards health care systems, which also is covered under the scope of the Policy.</p> <p>The CSR budget shall be decided by the CSR Committee on projects basis and recommended to the Board for its approval.</p> <p>It may be noted that basis the average net profit of the Company for the preceding three financial year, o amount of Rs.113.81 Lakhs is required to be spent for the financial year 2021-22 towards CSR activity.</p>
2	The manner of execution of such projects or programs as specified in sub-rule (1) of rule 4;	<p>CSR Contribution shall be made primarily through donations to various NGOs, Trusts and or other implementing agencies.</p> <p>However, if need arises, the Company may explore options to make direct spending on CSR activities or partly under donation route and partly under direct spending, in due compliance with the approved CSR Policy of the Company and provisions of Companies Act and the rules made thereunder.</p>
3	The modalities of utilization of funds and implementation schedules for the projects or programs;	The modalities of utilization of CSR funds and the implementation schedule shall be decided in consultation with the respective NGOs and Trusts respectively.
4	Monitoring and reporting mechanism for the projects or programs;	Monitoring and reporting of CSR program shall be done in accordance with the approved CSR Policy. CSR Committee shall meet at regular intervals to review the implementation and progress made in ongoing CSR programs. Undertaken by the Company.
5	details of need and impact assessment, if any, for the projects undertaken by the company:	It shall be carried out in compliance with the requirement under Companies Act, 2013, as and when the need arises.