

CSR POLICY

BACKGROUND:

Anand Rathi Global Finance Limited ('ARGFL' or 'Company') is registered with the Reserve Bank of India (RBI) as a Systemically Important Non Deposit Accepting Non-Banking Financial Company (NBFC-ND-SI).

ARGFL aims at conducting its business in a way that the Company achieves its business goals and objectives with a due consideration of community's economic, environmental and social aspirations and therefore commits to integrate Corporate Social Responsibility ('CSR') with its business processes.

In accordance with the notification issued by the Ministry of Corporate Affairs dated 27th February 2014 under Section 135 of the Companies Act 2013, the Company's Corporate Social Responsibility (CSR) is enunciated.

TITLE AND APPLICABILITY:

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 programmes in accordance with Section 135 of the Companies Act, 2013 (the 'Act') read alongwith the rules and schedules framed therein for the Company at large.

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

CSR VISION STATEMENT:

The Company, through its 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. The ultimate aim of the CSR projects will be to benefit the communities at large and over a period of time enhance the quality of life and economic well-being of the local populace.

DEFINITIONS:

In this CSR Policy, unless the context otherwise requires,

a. "**Act**" means the Companies Act, 2013 and rules made thereunder (as amended);

b. **“Board”** means the Board of Directors of the Company and will include any Committee of the Board;

c. **“Corporate Social Responsibility (CSR)”** means and includes:

i) Projects or programs relating to activities specified in **Schedule VII** to the Act as amended

from time to time; or

ii) Projects or programs relating to activities undertaken by the Board in pursuance of recommendations of the CSR Committee as per CSR Policy of the Company subject to condition that such policy shall cover subjects enumerated in Schedule VII of the Act.

iii) **“CSR Committee”** shall mean the committee of the Board framed pursuant to Section 135 of the Act;

Following are the activities that can be undertaken for CSR Projects as specified in Schedule VII :

(i) eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation including contribution to the Swachh Bharat Kosh 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, agro forestry, 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 arts and handicrafts;

(vi) measures for the benefit of armed forces veterans, war widows and their dependents;

(vii) training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports;

(viii) contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;

(ix) contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;

(x) rural development projects;

(xi) slum area development

CSR BUDGET:

ARGFL shall endeavor that funds to the tune of at least 2% of the average net profits of the Company during the immediately preceding three financial years is allocated towards the CSR programmes / projects as mentioned above. The CSR Committee will recommend the allocation of funds for each programme or project or activities for approval by the Board.

The Company may collaborate or pool resources with other organization or companies to undertake CSR activities.

IMPLEMENTATION PROCESS:

- CSR programmes / projects to be undertaken by the Company will be identified by the CSR Committee;

- The CSR Committee shall recommend the CSR programmes / projects, specifying modalities of its execution and the amount of expenditure to be incurred on the programmes/ projects;

- Upon recommendations of the CSR Committee, the Board shall specifically approve such CSR projects/programs and the amount of expenditure;

- The time period/ duration over which a particular programme will be spread, will depend on its nature, extent of coverage and the intended impact of the program;

- The mode of implementation of CSR programmes / 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 programmes / projects to be undertaken by the Company;
- Any surplus arising out of the CSR Projects or programs or activities shall not form part of the business profit of the Company;
- The CSR Committee is authorized to settle all queries, differences or doubts that may arise in relation to the implementation of the CSR programmes / projects as may be approved by the Board.

ROLES & RESPONSIBILITIES OF THE BOARD:

The Board of Directors will be responsible for:

- Constitution of CSR Committee;
- Approving the CSR Policy as formulated & recommended by the CSR Committee;
- Upon recommendation of CSR Committee consider and approve CSR programmes/ projects to be undertaken by the Company and amount of expenditure to be incurred on each of the CSR programmes / projects;
- Ensuring that the Company gives preference to the local areas around its operations for spending the amount earmarked for CSR programmes/ projects;

The CSR Committee will be responsible to:

- Formulate and recommend the CSR Policy to the Board for approval; Identify specific CSR programmes / projects areas to be undertaken during the financial year at the start of the financial year;
- Recommend to the Board for its consideration and approval CSR programmes/ projects identified and to be undertaken during the financial year which are in lines with the activities specified in Schedule VII and amount of expenditure to be incurred for each programmes/ projects;

- Identify CSR Team for implementation of CSR programmes and projects;
- Monitor the CSR Policy, CSR programmes/ projects from time to time and recommend changes to the Board;
- Constitute a transparent monitoring mechanism for ensuring implementation of the CSR programmes / projects undertaken by the Company;
- Update the Board on the status of CSR programmes/ projects undertaken by the Company during the financial year and amount of expenditure incurred.

MONITORING AND REPORTING FRAMEWORK:

The CSR Committee will institute a suitable monitoring and evaluation mechanism to ensure that each CSR programme / 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;

Progress on CSR initiatives will be reviewed and monitored by the CSR Committee.