A. K. CAPITAL FINANCE LIMITED

BUILDING BONDS

CORPORATE SOCIAL RESPONSIBILITY POLICY, PROJECTS AND COMMITTEE COMPOSITION

Adopted/Amendment of the Policy	***Board Meeting Date(s)***
Adoption of the Policy	*May 19, 2014*
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CORPORATE SOCIAL RESPONSIBILITY POLICY, PROJECTS AND COMMITTEE COMPOSITION

1. Preamble:

The concept of Corporate Social Responsibility (**CSR**) is strongly connected with the principles of sustainability. The concept and need for CSR has gained prominence from all avenues. It is recognized that integrating social, environmental and ethical responsibilities into the governance of businesses ensures their long term success, competitiveness and sustainability. Our vision is – "to actively contribute to the social and economic development of the communities in which we operate. A. K. Capital Finance Limited believes that in alignment with its vision, AKCFL through its CSR initiatives will continue to enhance value and promote social sustainability, sustainable development of the environment and social welfare of the people and society at large.

2. **Objective**:

CSR is a form of corporate self-regulation integrated into a business model and the main objective of introduction of CSR policy is to lay down guidelines and general framework of action for AKCFL, and to make CSR a key business process for sustainable development for the Society and thus contribute value addition towards the same. The CSR policy will function and strive to create value in the society and in the community in which it operates, through its services, contributions, conduct & initiatives, so as to promote sustained growth for the society and community.

3. Definition:

a. **"Act**" means the Companies Act, 2013 and the Rules made thereunder, as amended from time to time;

b. "**Administrative overheads**" means the expenses incurred by the Company for 'general management and administration' of Corporate Social Responsibility functions in the Company but shall not include the expenses directly incurred for the designing, implementation, monitoring, and evaluation of a particular Corporate Social Responsibility project or programme.

c. "**Company**" or "**AKCFL**" means A. K. Capital Finance Limited.

d. **"CSR entities"** means an entity, other than the Company, eligible to undertake CSR activityunder the Act and/ or the Rules (defined hereinafter) that may be engaged by the Company for the purpose of undertaking CSR activities from time to time.

e. **"Corporate Social Responsibility (CSR)"** means and includes but is not limited to 1) Projects or programs relating to activities specified in Schedule VII to the Act; or 2) Projects or programs relating to the activities approved by the Board in pursuance of the recommendations of the CSR Committee covering subjects enumerated in Schedule VII of the Act, including amendment thereto

f. "**CSR Committee**" means the Corporate Social Responsibility Committee of the Board referred to in Section 135 of the Act.

g. "**CSR Policy**" means Corporate Social Responsibility Policy framed and implemented by AKCFL, including amendments thereto.

h. "**Net profit**" shall mean the net profits of the Company as defined under Section 198 of the Act and the Rules made thereunder based on which a specific percentage for CSR expenditure has to be calculated.

i. **"Ongoing Project"** means a multi-year project undertaken by a Company in fulfillment 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. **"Rules"** means The Companies (Corporate Social Responsibility Policy) Rules, 2014.

Any term(s) and, or expression(s) not defined in this Policy shall have the same meaning as defined in the applicable provisions of the Act and other applicable laws/ regulation.

Wherever appropriate in this Policy, a singular term shall be construed to mean the plural where necessary and a plural term the singular. Similarly, any masculine term shall also be construed to mean the feminine or any other gender and vice versa.

4. Corporate Social Responsibility (CSR) Committee

a. Composition of CSR Committee

The Board has established a Committee of the Board as the CSR Committee. The Committee currently comprises of three directors of the Board and its composition more than adequately meets the requirements of the Act.

b. Role of the Committee:

The terms of reference of the CSR Committee are as follows:

(i) Formulating and recommending to the Board, CSR policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII to the Companies Act, 2013;

(ii) Making recommendation on the amount of expenditure to be incurred on CSR activities and set-off of excess amount, if any;

(iii) Identify the activities to be considered by the Company and the projects and timelines and recommend the same to the Board for its approval. Formulate Annual Action Plan and recommend the same to the Board;

(iv) Instituting a transparent monitoring mechanism for implementation of the CSR activities to be undertaken by the Company;

(v) Review the policy's effectiveness and implementation on a regular basis and report relevant

findings and make appropriate recommendations to the Board;

(vi) Review and finalise CSR Report as part of the Annual Report and website disclosure of the Company;

(vii) All such acts, deeds, matters as may be required for successful execution, implementation and smooth compliance of matters pertaining to CSR, as and when required;

(viii) To carry out any other function or undertake any other activity (from time to time) as is referred/ specified by the Board or enforced by any statutory notification/amendment or modification as may be applicable, whether under the Act, the listing regulations or by any other regulatory authority.

c. **Meetings:**

The CSR Committee shall meet as and when deemed necessary to perform the duties and responsibilities provided under the Act and this Policy.

d. **Quorum:**

Quorum of the meeting of CSR Committee shall be one third of the total strength or two Directors, whichever is higher. The CSR Committee may invite executives, advisors, representatives of social organizations, Auditors of the Company or such other person(s) as it may consider necessary to attend the meeting.

5. CSR Activities

Areas of interest for Corporate Social Responsibility

The Company has chosen the following areas ('Areas of interest') for its CSR projects, which may be carried out by way of direct participation/ implementation or through implementation agency:

a. Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water;
b. Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects;
c. Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
d. 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;
e. 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;

f. 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

g. Training to promote rural sports, nationally recognized sports, paralympic sports and olympic sports.

h. 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 castes, tribes, other backward classes, minorities and women;

i. (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.

j. 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 Defense 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);

k. Rural development projects;

l. Slum area development;

m. Disaster management, including relief, rehabilitation and reconstruction activities; and

n. Any other activities in relation to the above and all other activities which forms part of Schedule VII of the Act, as amended from time to time

6. CSR EXPENDITURE

AMOUNT TO BE SPENT ON CSR ACTIVITIES:

a) The CSR Committee and the Board of Directors will discuss and recommend/ approved the amount of expenditure to be incurred by the Company on the CSR activities. The basis for such recommendation will be the profits of the Company and the percentage prescribed under the Act.

b) The Annual CSR Budget shall be spent on activities laid down in the CSR Policy of AKCFL.

c) The Board shall ensure that the administrative overheads shall not exceed five percent of total CSR expenditure of the Company for the financial year.

d) Any surplus arising out of the CSR activities shall not form part of the business profit of a Company and shall be ploughed back into the same project or shall be transferred to the Unspent CSR Account and spend 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 the financial year.

e) Where the Company spends excess amount for CSR activities such excess amount may be set off against the requirement to spend under Section 135(5) up to immediate succeeding three financial years subject to the condition that the excess amount available for set off shall not include the

surplus arising out of the CSR activities and the Board resolution is passed to that effect.

f) The CSR amount may be spent by a Company for creation or acquisition of a capital asset, which shall be held by a Company established under section 8 of the Act, or a Registered Public Trust or Registered Society, having charitable objects and CSR Registration Number under sub-rule (2) of rule 4 or beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities or a public authority.

g) If the Company fails to spend amount required to be spent under CSR obligation, the Board shall specify the reasons for not spending such amount in the Board's Report. If the unspent amount pertains to "ongoing project" such unspent amount shall be transferred to a separate bank account opened with Scheduled bank to be called as "Unspent CSR Account" within 30 days from the end of financial year 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.

h) If the unspent amount does not pertain to "ongoing project" such unspent amount shall be transferred to the National Fund or the Fund prescribed under Schedule VII within 6 months from the end of the financial year.

i) Until a fund is specified in Schedule VII for the purposes of subsection (5) and(6) of section 135 of the Act, the unspent CSR amount, if any, shall be transferred by the Company to any fund included in Schedule VII of the Act."

Implementation of CSR Projects

(i) The Board shall ensure that the CSR activities are undertaken by the Company itself or through–

a) a company established under section 8 of the Act, or a registered public trust or a registered society, exempted under sub-clauses (iv), (v), (vi) or (via) of clause (23C) of section 10 or registered under section 12A and approved under 80 G of the Income Tax Act, 1961 (43 of 1961), established by the company, either singly or along with any other company; or

b) A company established under Section 8 of the Act or a registered trust or a registered society, established by the Central Government or State Government. or;

c) any entity established under an Act of Parliament or a State legislature (explanation - the term "entity" shall mean a statutory body constituted under an Act of Parliament or State legislature to undertake activities covered in Schedule VII of the Act); or

d) a company established under section 8 of the Act, or a registered public trust or a registered society, exempted under sub-clauses (iv), (v), (vi) or (via) of clause (23C) of section 10 or registered under section 12A and approved under 80 G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities.

(ii) The CSR Committee shall ensure that every entity who intends to undertake any CSR activity is registered with Ministry of Corporate Affairs, has complied with requisite formalities and complies with regulatory requirements as provided under the laws for the time being in force.

(iii) Company may engage international organisations for designing, monitoring and evaluation of the CSR projects or Program as per its CSR policy as well as for capacity building of their own personnel for CSR.

(iv) Company may also collaborate with other companies for undertaking projects or Program or CSR activities in such a manner that the CSR committees of respective companies are in a position to report separately on such projects or Program in accordance with the Companies (Corporate Social Responsibilities Policy) Rules, 2014 as amended from time to time.

(v) The Board of the Company shall satisfy itself that the funds so disbursed have been utilised for the purposes and in the manner as approved by it. The Chief Financial Officer or the person responsible for financial management shall certify to the effect shall certify to the effect.

(vi) In case of ongoing project, the Board of the Company shall monitor the implementation of the project with reference to the approved timelines and year-wise allocation and shall be competent to make modifications, if any, for smooth implementation of the project within the overall permissible time period.

(vii) The time period over which a particular project/ program will be spread, will depend on its nature, extent of coverage and the intended impact of the project/ program. By and large, it may be ensured that the CSR Program shall be executed in and around the areas adjoining Company's workplace/ work centers/ branches/ locations.

(viii) CSR Policy and Projects approved by the Board shall be published/ displayed on the website of the Company for public access.

7. Review, Monitoring and Impact assessment

There shall be a regular monitoring and reporting of progress from the senior management team or from the teams of the CSR entities or implementing agencies responsible for implementing these projects. In case of ongoing project, the monitoring shall be with respect to implementation of the project with reference to approved timelines and year-wise allocation.

The implementing agencies, including CSR entities, shall keep the Company informed about any information or circumstances that will affect the ability of the agency to carry out the CSR project or programme. Where the CSR amount spent results or resulted in creation or acquisition of capital asset, the Company shall confirm to the CSR Committee about the entity holding the capital asset in accordance with the Rules.

The representatives of the Company and/or CSR entities shall carry out site visits/ field visits on a periodic basis. The Company shall carry out impact assessment by engaging independent agency either directly or through CSR entities, in accordance with the Act. Impact Assessment of the CSR projects having outlays of one crore rupees or more, and which have been completed not less than one year before undertaking the impact study, is required to be carried out in case the average CSR obligation in the three immediately preceding financial years is Ten Crores Rupees or more as per the Act.

The CSR Committee shall review the progress reports received from the Company and implementing agencies. The CSR Committee shall also monitor the utilization of the funds disbursed for the purposes and in the manner approved by the Board.

The outcome of impact assessment, as and when undertaken, and progress reports submitted, will be taken into consideration while engaging the implementation agencies for subsequent CSR projects and programmes and while finalizing the annual action plan for the subsequent year. The impact assessment reports shall also be placed before the Board and shall be annexed to the annual report on CSR.

8. Reporting and Disclosure

The CSR Committee shall report to the Board of the Company. The Composition of the CSR Committee, CSR projects approved by the Board and this Policy shall be disclosed on the website of the Company, for public access.

9. Review/ Amendments

The Company may review/ amend this Policy as and when deemed fit. Any and all provisions of this Policy shall also be amended as required due to any regulatory changes from time to time with the approval of the Board of Directors of the Company, based on the recommendations of CSR Committee.

In case any amendment(s), clarification(s), circular(s) and guideline(s) issued by applicable regulatory authority(ies), that is not consistent with the requirements specified under this Policy, then the provisions of such amendment(s), clarification(s), circular(s) and the guideline(s) shall prevail upon the requirements hereunder and this Policy shall stand amended accordingly effective from the date as laid down under such amendment(s), clarification(s), circular(s) and guideline(s). An interim review and amendment can also be carried out to accommodate minor changes, if any, on regulatory and operating front by the Compliance Officer of the Company.

COMPOSITION OF CSR COMMITTEE AS ON DATE:

Pursuant to Section 135 of the Companies Act, 2013, the Board of Directors has constituted Corporate Social Responsibility Committee of the Board.

The Corporate Social Responsibility Committee consists of the following members:

Sr. No.	Name of Member	Category
1	Mr. A. K. Mittal	Managing Director
2	Ms. Aditi Mittal	Executive Director
3	Mr. Vinod Kumar Kathuria	Non-Executive Independent Director

Corporate Social Responsibility for the Financial Year 2020-2021

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No.	**Name of the Project**	**Item from the list of activities in schedule VII to the Act**	**Local area**	**Location of the project**	**Amount spent for the project (in INR)**	**Mode of implementation – Direct (Yes/No)**	**Mode of implementation – Through implementing Agency**
1.	The Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund)	Item no (viii) of Schedule VII	PAN INDIA	PAN INDIA	INR 1,35,00,000	Not Applicable	Not Applicable

Corporate Social Responsibility for the Financial Year 2021-2022

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No.	**Name of the Project**	**Item from the list of activities in schedule VII to the Act**	**Local area**	**Location of the project**	**Amount spent for the project (in INR)**	**Mode of implementation – Direct (Yes/No)**	**Mode of implementation – Through implementing Agency**
1.	Clean Ganga Fund	Item no (viii) of Schedule VII	PAN INDIA	PAN INDIA	INR 30,00,000/-	Not Applicable	Not Applicable
2.	Swachh Bharat Kosh	Item no (viii) of Schedule VII	PAN INDIA	PAN INDIA	INR 30,00,000/-	Not Applicable	Not Applicable
3.	Prime Minister's National Relief Fund	Item no (viii) of Schedule VII	PAN INDIA	PAN INDIA	INR 30,00,000/-	Not Applicable	Not Applicable
4.	PM Cares Fund	Item no (viii) of Schedule VII	PAN INDIA	PAN INDIA	INR 30,00,000/-	Not Applicable	Not Applicable

Corporate Social Responsibility for the Financial Year 2022-2023

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No.	**Name of the Project**	**Item from the list of activities in schedule VII to the Act**	**Local area**	**Location of the project**	**Amount spent for the project (in INR)**	**Mode of implementation – Direct (Yes/No)**	**Mode of implementation – Through implementing Agency**
1.	Clean Ganga Fund	Item no (viii) of Schedule VII	PAN INDIA	PAN INDIA	INR 35,00,000/-	Not Applicable	Not Applicable
2.	Swachh Bharat Kosh	Item no (viii) of Schedule VII	PAN INDIA	PAN INDIA	INR 35,00,000/-	Not Applicable	Not Applicable
3.	Prime Minister's National Relief Fund	Item no (viii) of Schedule VII	PAN INDIA	PAN INDIA	INR 35,00,000/-	Not Applicable	Not Applicable
4.	PM Cares Fund	Item no (viii) of Schedule VII	PAN INDIA	PAN INDIA	INR 17,50,000/-	Not Applicable	Not Applicable

Corporate Social Responsibility for the Financial Year 2023-2024

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No.	**Name of the Project**	**Item from the list of activities in schedule VII to the Act**	**Local area**	**Location of the project**	**Amount spent for the project (in INR)**	**Mode of implementation – Direct (Yes/No)**	**Mode of implementation – Through implementing Agency**
1.	Clean Ganga Fund	Item no (viii) of Schedule VII	PAN INDIA	PAN INDIA	INR 40,00,000/-	Not Applicable	Not Applicable
2.	Swachh Bharat Kosh	Item no (viii) of Schedule VII	PAN INDIA	PAN INDIA	INR 40,00,000/-	Not Applicable	Not Applicable
3.	Prime Minister's National Relief Fund	Item no (viii) of Schedule VII	PAN INDIA	PAN INDIA	INR 40,00,000/-	Not Applicable	Not Applicable
4.	PM Cares Fund	Item no (viii) of Schedule VII	PAN INDIA	PAN INDIA	INR 16,30,000/-	Not Applicable	Not Applicable

Corporate Social Responsibility for the Financial Year 2024-2025

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No.	**Name of the Project**	**Item from the list of activities in schedule VII to the Act**	**Local area**	**Location of the project**	**Amount spent for the project (in INR)**	**Mode of implementation – Direct (Yes/No)**	**Mode of implementation – Through implementing Agency**
1.	Prime Minister's National Relief Fund	Item no (viii) of Schedule VII	PAN INDIA	PAN INDIA	INR 40,00,000/-	Not Applicable	Not Applicable
2.	PM Cares Fund	Item no (viii) of Schedule VII	PAN INDIA	PAN INDIA	INR 35,00,000/-	Not Applicable	Not Applicable
3.	Clean Ganga Fund	Item no (viii) of Schedule VII	PAN INDIA	PAN INDIA	INR 35,00,000/-	Not Applicable	Not Applicable
4.	Swachh Bharat Kosh	Item no (viii) of Schedule VII	PAN INDIA	PAN INDIA	INR 34,35,000/-	Not Applicable	Not Applicable

Corporate Social Responsibility for the Financial Year 2025-2026

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No.	**Name of the Project**	**Item from the list of activities in schedule VII to the Act**	**Local area**	**Location of the project**	**Amount spent for the project (in INR)**	**Mode of implementation – Direct (Yes/No)**	**Mode of implementation – Through implementing Agency**
1.	Prime Minister's National Relief Fund	Item no (viii) of Schedule VII	PAN INDIA	PAN INDIA	50,00,000/-	Not Applicable	Not Applicable
2.	PM Cares Fund	Item no (viii) of Schedule VII	PAN INDIA	PAN INDIA	23,36,980/-	Not Applicable	Not Applicable
3.	Clean Ganga Fund	Item no (viii) of Schedule VII	PAN INDIA	PAN INDIA	30,00,000/-	Not Applicable	Not Applicable
4.	Swachh Bharat Kosh	Item no (viii) of Schedule VII	PAN INDIA	PAN INDIA	50,00,000/-	Not Applicable	Not Applicable