

ANGEL BROKING LIMITED
CORPORATE SOCIAL RESPONSIBILITY POLICY

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PRELUDE AND LEGAL FRAMEWORK:

The Companies Act, 2013 (the “**Act**”) has made it mandatory for certain companies to carry out its corporate social responsibility activities in accordance with Section 135 of the Act, Schedule VII of the Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014. In order to comply with the requirements of the law, the Board of Directors (the “**Board**”) of Angel Broking Limited (the “**Company**”) acting upon the recommendation of the Corporate Social Responsibility Policy Committee (the “**Committee**”), has adopted the following Corporate Social Responsibility Policy (the “**Policy**”) and procedures with regard to the Company’s social responsibility:

1) Corporate Social Responsibility Philosophy and Objective:

The Company strives to be a socially responsible company and strongly believes in development which is beneficial for the society at large as a part of its Corporate Social Responsibility (“**CSR**”). Through the CSR program, the Company sets the goal of reaching a balance that integrates human, environmental and community resources. By means of integrating and embedding CSR into its business operation and participating proactively in CSR initiatives, the Company intends to contribute continuously to the global sustainable development. The objective of this Policy is to set guiding principles for carrying out CSR activities by the Company and also to set up process of execution, implementation and monitoring of the CSR activities to be undertaken by the Company.

2) CSR Activities:

- I. The Company shall undertake any of the following projects or programs or activities:
 - A. 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.
 - 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 centres 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 recognised 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 scheduled castes, the scheduled tribes, other backward classes, minorities and women.
 - I. Contribution or funds provided to technology incubators located within academic institution which are approved by the Central Government.
 - J. Rural development projects.
 - K. Slum area development.
 - L. All other activities which forms part of CSR as per Schedule VII of the Act and the rules made thereunder as amended from time to time.
- II. The Company shall give preference to the local area and areas around its registered office, corporate office, regional offices, branch offices and franchisee offices, for spending the amount earmarked for CSR activities.

3) Exclusions:

The following activities shall not be considered as CSR activities:

- A. Activities undertaken in pursuance of the Company's normal course of business.
- B. Activities undertaken outside India except training of Indian sports personnel outside India who is representing any State or Union Territory at national level or India at international level.
- C. Activities that benefit only the employees of the Company and their families.
- D. Contribution of any amount directly or indirectly to any political party.
- E. Activities supported by the Company on sponsorship basis for deriving marketing benefits for its products or services shall not form part of CSR expenditure.

- F. Activities carried out for fulfilment of any other statutory obligations under any law in force in India shall not form part of CSR expenditure.
- G. The surplus, if any, arising out of the CSR projects/programmes/activities shall not form part of the business profit of the Company.

Governance

The CSR Governance structure at the Company comprises of a CSR Committee and the Board of Directors of the Company.

BOARD

- The Board monitors and reviews the performance and impact of the CSR programmes, provides input and course corrections if required and satisfies itself that the CSR funds so disbursed are aligned to the CSR Policy of the Company and have been utilized for the purposes and in the manner as approved by it.
- The CFO shall certify to the fact that CSR funds so disbursed have been utilised for the purposes and in the manner approved by the Board.

CSR COMMITTEE OF THE BOARD OF DIRECTORS

The CSR Committee of the Company shall consist of minimum three Directors, out of which atleast one director shall be an Independent Director.

The CSR Committee provides oversight and guidance on CSR performance and monitor compliance with the CSR Policy, commitments and the applicable CSR provisions.

The role & responsibilities of CSR Committee are:

- Formulation and recommendation to the Board, of a CSR policy which shall indicate the activities to be undertaken by the Company as per the Act;
- Monitoring the CSR policy of the Company from time to time;
- Formulation and recommendation to the Board an annual action plan as per the provisions of the Act;
- Recommendation of any alteration in the annual action plan at any time during the year and update, if any, required to the CSR Policy;
- Implementation and Monitoring of the CSR activities as per the annual action plan;
- Identify projects of the Company as 'Ongoing Projects' as per the provisions of the Act and recommend the same to the Board;
- Recommend the annual CSR expenditure budget to the Board for approval;
- Undertake Impact assessment through third parties for CSR projects whenever applicable;
- Ensure implementation of CSR activities of the Company within the applicable framework;
- Determine the overall scope of, provide input on, and recommend adoption of the CSR report to the Board of Directors of the Company;

- Carry out any other function contained in the Listing Agreement/Listing Regulations, as amended from time to time;
- Performance of such other functions as may be necessary under any statutory or other regulatory requirements to be performed by the Committee and as delegated by the Board from time to time.

The CSR Committee will meet at regular intervals for the above purpose.

Funding, Selection, Implementation and Monitoring and their Guiding Principles:

A. Funding obligation:

The Board of the Company to ensure that 2% of average net profits during the three immediately preceding financial years is spent on CSR initiatives undertaken by ABL. If ABL spends any amount over and above such 2% of average net profits, the same is to be considered as excess CSR expenditure which can be set-off in the immediate succeeding three financial years subject to the conditions as prescribed under the Act.

In order to compute whether the Company has under spent or over spent the CSR funds, the following shall be considered:

- a. **Project Cost** – it shall include designing, implementation, monitoring and evaluation cost incurred directly or indirectly on the project
- b. **Administrative Overheads** – to ensure that such expenses shall not exceed 5% of the total CSR expenditure of the company for the financial year. Further, these expenses would not include expenses incurred by the Company towards designing, implementation, monitoring and evaluation

B. Selection of activities:

The guiding principles for Selection of activities are:

- a. **Eligibility** - Statutory eligibility of implementing agency through which the CSR activities are selected, i.e. to ensure whether those implementing agencies have registered under section 12A and 80G of the Income Tax Act, 1961, have an established track record of at least three years in undertaking similar activities and have also filed form CSR-1 with the Registrar of Companies.
- b. **Sustainability** - Implementing agency has a track record of 3 years in undertaking similar programs or projects.
- c. **Goodwill** – Implementing agency shall have a goodwill in performing its activities diligently.
- d. **Law of land** – Implementing agency shall have a good stand in terms of Law of Land.

C. Implementation & Monitoring:

i. Implementation:

The projects and programs covered under the CSR activities of the Company may be undertaken through:

- A. A registered trust or a registered society or a company established by the Company, under Section 8 of the Act, either singly or along with any other company.
- B. A registered trust or a registered society or a Company established by the central government or state government or any entity established under an act of Parliament of state legislature.
- C. Any other trust, society or company having an established track record of three years in undertaking similar programs or projects.
- D. Collaboration with other companies for undertaking the CSR Activities in such a manner that the CSR Committees of respective companies are in a position to report separately on such projects or programs.

Accordingly, such other entity will work closely with and support the Board and the CSR Committee in implementing CSR activities of the Company. Such other entity will assist the CSR Committee in identifying the areas of CSR activities, programs and execution of initiatives as per defined guidelines. Such other entity will also assist the Board and the CSR Committee in reporting the progress of deployed initiatives and in making appropriate disclosures (internal/external) on a periodic basis.

ii. Monitoring:

Impact Assessment –In the event of average CSR obligation of Rs. 10 crores or more in the three immediately preceding financial years, the Company shall ensure that impact assessment through an independent agency is carried out for CSR projects having an outlay of Rs. 01 Crore or more. Expenditure incurred for such assessment shall not exceed 5% of the total CSR expenditure for the financial year or 50 lakh rupees, whichever is less.

Monitoring will be done with the help of identified key qualitative and quantitative performance indicators, with a continuous feedback mechanism, and recourse for mid-course correction in implementation, if needed, to ensure efficacy.

Assessment of utilisation of funds will also be done on a quarterly basis, along with submission of an annual consolidated utilisation which will be part of the Company's Annual Report. This will include a rationale for shortfall or surplus of funds.

All expenditure towards the programs to be diligently documented. In case 2% of average net profit of the last 3 years is not spent in a financial year, reasons for the same to be specified in the CSR report.

The surplus from the allocated CSR budget will not be utilized for business or form part of business profits.

All activities will be undertaken in project mode with defined objectives and deliverables, clarity on target beneficiaries, implementation plans with schedule of timeline agreed prior to commencement of activities.

The CSR Committee will be responsible for:

- 1) monitoring and regularly reporting to the Board, the CSR activities undertaken;
- 2) providing guidance in implementation of CSR activities;
- 3) establishing a mechanism for undertaking CSR activities including site visits, meetings, progress reporting, obtaining monitoring reports from organizations receiving the funds for the Company's CSR activities and ensuring receipt of information in relation to CSR activities;
- 4) ensure documentation of CSR activities, reports on execution and expenditures will be undertaken on a regular basis and same will be available to the Board of the Company.
- 5) the management of the Company will provide to the CSR Committee appropriate details of the proposed projects including implementation years, modalities of execution in the areas chosen etc.;
- 6) the CSR Committee may empower the managing director or chief financial officer or any other person to spend such amounts towards CSR activities. Any amount spent beyond the prescribed limit for CSR activities shall be ratified by the CSR Committee in the next meeting of the CSR Committee and shall be reported to the Board of the Company from time to time.
- 7) the CSR Committee will conduct due diligence checks on the current projects on a regular basis and report anomalies, if any, immediately.

The modalities of execution of CSR activities and the implementation schedule shall be determined by the Board from time to time, in accordance with law, upon recommendation of the CSR Committee.

iii. Guiding Principles for Implementation and Monitoring:

- a. Accountability and Transparency – Implementing agency shall be accountable for all expenses along with the acknowledgements. Further, there should be transparency in

- the actions to protect the interest of all the stakeholders.
- b. Ethical Behaviour – Management and Implementing agency shall maintain ethical behaviour while implementing and monitoring CSR programs without any corruption.
 - c. No conflict of interest - There shall not be any conflict of interest in the objectives of employees involved in CSR activities and the implementing agencies. Both of them should work for benefits of the needy.
 - d. Respect for stakeholder's interest - While identifying CSR programs, interest of all the stakeholders shall be taken into consideration.

Guiding Principles for Annual Action Plan:

ABL shall prepare an Annual Action plan of the Company to identify the activities and the CSR expenditure to be spent during the year which shall include the details as mentioned in the rules.

Further, the guiding principles required to formulate the Annual Action Plan are as follows:

- a) CSR programs shall not include activities as restricted under the amended CSR Rules.
- b) The preference for CSR programs is to be given by ABL to local areas and areas around its operations.
- c) The CSR activities may be carried out directly or through implementing agency/ies.
- d) Payments to implementing agencies or to vendors should be milestone based.
- e) All the guiding principles as required to be followed for implementing and monitoring the CSR Activities shall also be followed while formulating the Annual Action Plan.
- f) Action plan shall be Simple, Action oriented, Measurable, Relevant and Time Bound.

During any financial year, the Annual Action Plan of the Company may be modified to include any unbudgeted expenditure, either on account of new project(s) or due to increase in the outlay for approved project(s).

Subject to the provisions of the Act, the Company may also utilize its CSR spend towards creation or acquisition of a capital asset.

Disclosures

All relevant disclosures required to be made in the annual report and on the website of the Company in relation to CSR including the details of the CSR Policy, the CSR Committee, the CSR activities undertaken by the Company, the CSR expenditure during the relevant financial year and other information as may be required under law, Section 135 and Schedule VII of the Act, Companies (Corporate Social Responsibility Policy) Rules, 2014 and any other applicable law.