

**Anand Rathi Insurance Brokers
Limited**

Policy on Corporate Social Responsibility

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1. Preamble

As a responsible Corporate Citizen, Anand Rathi Group has always strived to make positive change in the society. Accordingly, the Board of Anand Rathi Insurance Brokers Limited (“Company”) has adopted a Policy on Corporate Social Responsibility (hereinafter referred to as the ‘CSR Policy’/‘Policy’), as per the recommendation made by the Corporate Social Responsibility Committee of the Company.

The CSR Policy of the Company is applicable to all CSR projects/programs that the Company may or will undertake in future, in accordance with section 135 of the Companies Act, 2013 read with the rules made thereunder.

2. Definitions

For the purposes of this policy

“**Act**” shall mean the Companies Act, 2013 and shall include any amendments made thereto.

“**Average net profit**” shall be net profit of the Company calculated in accordance with the provisions of section 198 of the Companies Act, 2013.

“**Corporate Social Responsibility (CSR)**”: means the 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;

“Corporate Social Responsibility Committee or CSR Committee or Committee” shall mean a Committee of the Board of Directors of the Company constituted pursuant to Section 135 of Companies Act, 2013 or any other regulations as may be applicable.

“Company or ARIBL” shall mean Anand Rathi Insurance Brokers Limited, wherever it is referred to in the policy.

“Board” means Board of Directors of ARIBL.

“Key Thrust Area” shall mean the areas identified under this policy (Clause 4) to be the focus areas for undertaking various CSR Programs.

“Minimum spending requirement” shall mean the minimum amount to be spent on CSR activities as prescribed under section 135 of the Companies Act 2013, and the rules made thereunder.

“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;

“Policy” shall mean the Policy on Corporate Social Responsibility of ARIBL

“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.

4. Key Thrust Areas

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

(i) Eradicating hunger, poverty and malnutrition, promoting health care including 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.

(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 govt. 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 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).

(x) Rural development projects

- (xi) Slum area development.

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 of CSR Activities/Projects/Programs

Subject to recommendation by the CSR Committee and approval by the Board, the CSR Project/Program, may be undertaken by the Company either by itself or through other entities, as follows –

- (a) a company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 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; or
- (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, and having an established track record of at least three years in undertaking similar activities.

Note: For the purpose of engaging other entities as referred above, the company shall tie up with only those other entities, which are registered with the Central Government pursuant to Companies (Corporate Social Responsibility Policy) Rules, 2014

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, contribution to corpus of CSR projects or programs as approved by the Board on the recommendation of the CSR Committee. Expenditures 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.

Notwithstanding above, any surplus arising out of the CSR activities shall not form part of the business profit of a company and shall be either:

- a) ploughed back into the same project or
- b) shall be transferred to the Unspent CSR Account and spent in pursuance of CSR policy and annual action plan of the company or
- c) be transferred to a Fund specified in Schedule VII, within a period of 6 months of the expiry of the financial year.

8. Monitoring, Reporting and Disclosure Requirements

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

The Board from time to time satisfy itself that the 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, at regular intervals, that the CSR funds have been utilised for the purposes and in the manner as approved by the Board.

In the event of Company having average CSR obligation of ten crore rupees or more in three immediately preceding financial years, the Board shall undertake impact assessment, through an independent agency, of the CSR Projects having outlay of one crore rupees or more and which have been completed not less than one year before undertaking the impact study. However, without regard to the above said prescribed average CSR obligation, but subject to other conditions, the Board may voluntarily undertake the impact assessment of any of the CSR projects, as it deem fit.

All disclosures, display and reporting requirements related to CSR shall be made in accordance with the provisions of the Act and the Rules made thereunder, as prevailing from time to time.

9. 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.
