

CORPORATE SOCIAL RESPONSIBILITY POLICY

Index

Sr.No.	Particulars	Page No.
1	Preamble	3
2	Short title and applicability	3
3	Objective	3
4	Definitions	3-4
5	CSR Committee	4-5
6	CSR Activities	5-6
7	CSR Expenditure	6-7
8.	Implementation of CSR	7-8
9.	CSR Reporting Mechanism	8-9
10.	Review/ Amendment in Policy	9

A. K. STOCKMART PRIVATE LIMITED

CSR Policy of AKSMPL

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. Stockmart Private Limited (AKSMPL) believes that in alignment with its vision, AKSMPL 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. SHORT TITLE AND APPLICABILITY:

This Policy on Corporate Social Responsibility encompasses the company's philosophy for giving back to the society as a corporate citizen and lays down the guidelines and mechanism for undertaking socially useful Program for the welfare and sustainable development of the community at large, is titled as "CSR Policy of AKSMPL". This Policy shall apply to all CSR initiatives and activities taken up at various work centers, branches and locations of AKSMPL including donations and contributions made in accordance with the applicable law.

3. 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 AKSMPL, and to make CSR a key business process for sustainable development for the Society and thus contribute value addition towards the same. The 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.

4. DEFINITIONS:

In this Policy, unless the context requires otherwise:

- 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) **"Corporate Social Responsibility (CSR)"** means and includes but is not limited to –
 - (i) Projects or programs relating to activities specified in Schedule VII to the Act; or
 - (ii) 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.
- d) **"CSR Committee"** means the Corporate Social Responsibility Committee of the Board referred to in section 135 of the Act.
- e) **"CSR Policy"** means Corporate Social Responsibility Policy framed and implemented by AKSMPL, including amendments thereto.
- f) **"Net profit"** shall mean the net profits of the Company as defined under the Act and the Rules based on which a specific percentage for CSR expenditure has to be calculated.
- g) **"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.

Words and expressions used and not defined in this policy but defined in the Act shall have the same meanings respectively assigned to them in the Act.

5. CSR COMMITTEE:

As per Section 135 (9) of The Companies Act, 2013 the amount to be spent for CSR activities as provided in section 135 (5) does not exceed Rs. 50,00,000/- (Rupees Fifty Lakh only), therefore there is no requirement for constitution of CSR Committee and the functions shall be discharged by the Board of Directors of the Company.

(a) Role of the Board of Directors:

The Board of Directors shall:

- i. formulate the CSR Policy which shall indicate the activities to be undertaken by AKSMPL in areas or subject as specified in Schedule VII of the Act;
- ii. approve the amount of expenditure to be incurred on the activities to in clause (i);
- iii. monitor the CSR Policy from time to time and review the amendments to be made in the CSR Policy as and when required;
- iv. ensure legal and regulatory compliance from a CSR view point;

- v. approve an annual action plan in pursuance of its CSR policy and in accordance with the applicable provisions of the Companies Act, 2013 and rules made thereunder;
- vi. Review the CSR report to be included in the Board's Report;
- vii. Any other matter as may be considered expedient in furtherance of and to comply with CSR Policy of AKSMPL and such other duties, responsibilities as may be defined/ required to be performed under the Act.

6. CSR ACTIVITIES:

The Company shall undertake any of the following activities/projects or such other activities/projects as may be notified by the Ministry of Corporate Affairs from time to time as a part of the Corporate Social Responsibility:

- a) Eradicating hunger, poverty and malnutrition, promoting 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 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, the Scheduled 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

(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);
- j) Rural development projects;
- k) Slum area development;
- l) Disaster management, including relief, rehabilitation and reconstruction activities; and
- m) Any other activities in relation to the above and all other activities which forms part of CSR as per Schedule VII of the Companies Act, 2013 as amended from time to time.

7. CSR EXPENDITURE:

AMOUNT TO BE SPENT ON CSR ACTIVITIES:

- a) The CSR Committee and/or the Board of Directors will note and record 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 AKSMPL.
- 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 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 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 an "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 an "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 sub-section (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."

8. IMPLEMENTATION OF CSR:

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, 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, established by the Central Government or State Government; having an established track record of at least three years in undertaking similar activities.

- b) any entity established under an Act of Parliament or a State legislature; having an established track record of at least three years in undertaking similar activities.
- c) The CSR Committee or Board, in absence of 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.
- d) A 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.
- e) A 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.
- f) 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.
- g) In case of an 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.
- h) 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.

9. CSR REPORTING MECHANISM:

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

- a) Appropriate documentation of CSR Policy of AKSMPL, annual CSR activities and expenditure entailed will be undertaken on a regular basis.
- b) The Board's Report of the Company covered under the Act pertaining to any financial year shall include an annual report on CSR containing particulars specified in the Act.

- c) Every company having average CSR obligation of ten crore rupees or more in pursuance of sub-section (5) of section 135 of the Act, in the three immediately preceding financial years, shall undertake impact assessment, through an independent agency, of their 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.
- d) The impact assessment reports shall be placed before the Board and shall be annexed to the annual report on CSR.
- e) The Company undertaking impact assessment may book the expenditure towards Corporate Social Responsibility for that financial year, which shall not exceed five percent of the total CSR expenditure for that financial year or fifty lakh rupees, whichever is less.
- f) CSR initiatives of AKSMPL will be reported in the Annual Report of AKSMPL and the Board's Report in compliance with Section 135 of the Companies Act, 2013 and the Rules made thereunder.

10. REVIEW/AMENDMENT IN POLICY:

Any amendment in this Policy may be carried out with the approval of the Board of Directors of the Company.

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).

Sd/-
(Whole-time Director)

Sd/-
(Director)
