

1 PREAMBLE

We, AMC Repo Clearing Limited (**'the Company or ARCL'**), shall contribute to harmonious and sustainable development of society and the earth through our business activities, based on our Guiding Principles.

We comply with all local and national regulations, as well as the spirit thereof, and we conduct our business operations with honesty and integrity. In order to contribute to sustainable development, we believe that management interacting with its stakeholders as described below is of considerable importance, and we will endeavor to build and maintain sound relationships with our stakeholders through open and fair communication.

2 OBJECTIVE

The main objective of this CSR policy is to establish guidelines that will work to make CSR a key business process in support of the sustainability of our Company and of society. We recognize that our social, economic, and environmental responsibilities to a wide variety of stakeholders are integral for our business. We aim to demonstrate these responsibilities through our actions and within our corporate policies. We shall be open and honest in communicating our strategies, targets, performance, and governance to our stakeholders in our continual commitment to sustainable development.

3 DEFINITIONS

"Act" means the Companies Act, 2013

"Board" means the Board of Directors of the Company

"Rules" means the Companies (Corporate Social Responsibility Policy) Rules, 2014

"Corporate Social Responsibility (CSR)" means the activities undertaken by a Company in pursuance of its statutory obligation laid down in Section 135 of the Act in accordance with the provisions contained in these rules, but shall not include the following, namely:

- i. activities undertaken in pursuance of normal course of business of the Company;
- 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 clause (k) of section 2 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.

All other expressions unless defined herein shall have the same meaning as have been assigned to them under the Act and Rules made thereunder.

4 ROLE OF THE BOARD

- a. The Board shall formulate an Annual Action Plan once the CSR corpus is approved by the Board, which shall include the following:
 - i. the list of CSR projects or programs that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
 - ii. the manner of execution of such projects or programs as specified in the rules;
 - iii. the modalities of utilisation of funds and implementation schedules for the projects or programs;
 - iv. monitoring and reporting mechanism for the projects or programs; and
 - v. details of need and impact assessment, if any, for the projects undertaken by the Company;
 - vi. The Board may modify the annual action plan of the Company at any time during the financial year by providing a reasonable justification to that effect.
- b. Monitor the Corporate Social Responsibility Policy of the Company from time to time;

5 CSR OBLIGATION

- i. The Company is required to spend in every financial year, at least 2 per cent. of the average net profits of the Company made during the 3 immediately preceding financial years on CSR activities.
- ii. The company to give preference to the local area and areas around it where it operates, for spending the amount earmarked for CSR activities.
- iii. The Company ensures that the administrative overheads shall not exceed 5% of the total CSR expenditure of the Company for the financial year.

6 CSR ACTIVITIES

The Policy recognizes that corporate social responsibility is not merely compliance; it is a commitment to support initiatives that measurably improve the lives of underprivileged by one or more of the areas as notified under Schedule VII to the Companies Act 2013.

7 ACTIVITIES WHICH WOULD NOT BE CONSIDERED AS CSR

Such activities as may be notified not being CSR activities under the provisions of the Act and Rules, shall not form part of the CSR activities of the Company.

8 IMPLEMENTATION

- i. The CSR activities will be carried out by the Company only in a project / program (either ongoing or new) mode in order to effectively monitor its implementation.
- ii. The plans will be formulated in line with the strategic direction provided by the Board on sustainability.

- iii. The programs will, where appropriate, be developed in consultation with stakeholders in order to ensure a bottom – up planning approach.
- iv. The Board shall suggest additional areas of social intervention in line with the overall objectives of the Company and its divisions.
- v. The Board will institute a transparent monitoring mechanism for implementation of the CSR Programs or Projects undertaken by the Company.

9 MONITORING

Measures to monitor and assess progress include the following:

- i. The Board will pursue a corporate strategy that enables realization of the twin goals of shareholder value enhancement and societal value creation in a mutually reinforcing and synergistic manner;
- ii. The Company will obtain report at the end of year from the implementation / beneficiary agency to ensure appropriate utilization of CSR expenditure or undertaking of CSR programs/projects of the Company.
- iii. The Board will be provided with an update on the status of CSR programs/projects undertaken by the Company.

10 REFLECTION OF CSR ACTIVITIES

- i. The CSR activities will be reflected in the Annual Accounts of the Company under the head 'Expenditure under CSR Activities';
- ii. The Board's Report of the Company to include an Annual report on CSR outlining the CSR Policy, CSR projects undertaken by Company, the amount available for set off, Surplus arising out of CSR Projects, the amount spent and unspent on CSR activities during the financial year on ongoing projects or projects other than ongoing projects and other information as prescribed.

11 AMENDMENTS TO CSR POLICY

Any amendment or modification to the CSR policy shall be approved by the Board.

In the event of any conflict or inconsistency in the CSR Policy and the provisions of the Act and Rules made thereunder, the provisions of the Act and Rule shall prevail and be binding on the Company