



**ANGEL ONE 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 read with 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 One Limited (the "**Company**" / "**AOL**") 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**"). The Company's CSR philosophy is rooted in the principle of shared value creation, where business success goes hand-in-hand with the well-being of communities and the environment. 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) Applicability

Every Company having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more, or a net profit of rupees five crore or more during the immediately preceding financial year shall constitute a Corporate Social Responsibility Committee of the Board consisting of three or more directors, out of which at least one director shall be an Independent Director

### 3) Definitions

In this Policy, the following terms shall have the following meanings:

- i. "**Act**" means the Companies Act, 2013 read with rules made thereunder.



- ii. **"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.
- iii. **"Board"** means the Board of Directors of the Company, as constituted from time to time.
- iv. **"Company"** means Angel One Limited.
- v. **"Corporate Social Responsibility (CSR)"** means the activities undertaken by the Company in pursuance of its statutory obligation laid down in section 135 of the Act in accordance with the provisions contained in the rules, but shall not include the following, namely:-
  - a. activities undertaken in pursuance of normal course of business of the Company.
  - b. 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.
  - c. contribution of any amount directly or indirectly to any political party under section 182 of the Act.
  - d. activities benefitting employees of the company as defined in clause (k) of section 2 of the Code on Wages, 2019 (29 of 2019).
  - e. activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services.
  - f. activities carried out for fulfilment of any other statutory obligations under any law in force in India;
- vi. **"Director"** means a director appointed on the Board of a Company.
- vii. **"Corporate Social Responsibility Committee" or "Committee" or "CSR Committee"** means the committee constituted by Board of Directors of the Company in accordance with the provisions of Section 135 of the Companies Act, 2013 and rules made thereunder.
- viii. **"CSR Policy"** means a statement containing the approach and direction given by the board of a company, taking into account the recommendations of its CSR Committee if any, and includes guiding principles for selection, implementation and monitoring of activities as well as formulation of the annual action plan.
- ix. **"Independent Director"** means a director referred to in sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of the Listing Regulations or any modifications thereof.



- x. **"Net profit"** means the net profit of a company as per its financial statement prepared in accordance with the applicable provisions of the Act, but shall not include the following, namely:-
    - a. any profit arising from any overseas branch or branches of the Company, whether operated as a separate company or otherwise; and
    - b. any dividend received from other companies in India, which are covered under and complying with the provisions of section 135 of the Act.
  - xi. **"Not for Profit Organization"** has the same meaning as in clause (e) of regulation 292A of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
  - xii. **"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.
  - xiii. **"Public Authority"** means 'Public Authority' as defined in clause (h) of section 2 of the Right to Information Act, 2005 (22 of 2005); This clause should be read in the context of Clause no. 7.4(c) of the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 is with reference to the Transfer of assets.
- Any term not defined in the Policy shall have the same meaning assigned to it under the Companies Act, 2013 or the rules made thereunder. Preference should be given to the meaning assigned to such term under the Companies Act, 2013 as compared to other source of interpretation.
- The Policy has been framed to maintain the highest standard of corporate governance and therefore interpretation of any matter in this Policy should be consistent with the objectives for introducing such requirements in the Companies Act, 2013.
- xiv. **"zero coupon zero principal instrument"** means an instrument declared as a security that is issued by a Not for Profit Organization registered with the Social Stock Exchange segment of a recognised Stock Exchange in accordance with the regulations made by the Securities and Exchange Board of India.'
  - xv. **"Social Stock Exchange"** means a separate segment of a recognized stock exchange having nationwide trading terminals permitted to register Not for Profit Organizations and / or list the securities issued by Not for Profit Organizations in accordance with provisions of these regulations.



#### 4) Focus Areas and CSR Activities:

- I. The Company shall undertake any of the following projects or programs or activities as prescribed under the Schedule VII of the Act as amended from time to time. An illustrative list of such areas or subjects is outlined below:
  - 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. 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
  - K. 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)
  - L. Rural development projects.
  - M. Slum area development.
  - N. Disaster management, including relief, rehabilitation and reconstruction activities.
  - O. Subscription to zero coupon zero principal instruments on Social Stock Exchange.
  - P. 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.

## **5) 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. One-off events such as marathons/ awards/ charitable contribution/ advertisement/sponsorships of TV programmes etc.
- G. Activities carried out for fulfilment of any other statutory obligations under any law in force in India shall not form part of CSR expenditure.
- H. The surplus, if any, arising out of the CSR projects/programmes/activities shall not form part of the business profit of the Company.

## **6) Governance**

- I. 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 or more Directors, out of which at least one director shall be an Independent Director. The Company Secretary shall act as the Secretary to the Committee

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 every year in accordance with this Policy;
- 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 outlining the following;
  - the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
  - the manner of execution of such projects or programmes;
  - the modalities of utilisation of funds and implementation schedules for the projects or programmes;
  - monitoring and reporting mechanism for the projects or programmes; and
  - details of need and impact assessment, if any, for the projects undertaken by the Company.
- 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 with details of projects or activities proposed to be undertaken;
- 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/SEBI LODR 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 meetings of the CSR Committee will be conducted at least twice a year or as deemed fit by the Committee. The Committee may also take action from time to time through circular resolutions.



## 7) 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 AOL. If AOL 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 overspent 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 and Guiding Principles:**

**i. Implementation:**

The projects and programs covered under the CSR activities of the Company may be undertaken 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; 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.

Note: 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.

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.

The overall amount to be committed towards CSR will be approved by the Board of Directors as a part of its annual Budget / Plans based on the recommendation of the CSR Committee.



Any amount remaining unspent at the end of the financial year, if any, except in case of an ongoing project, shall be transferred to a Fund to be specified in Schedule VII for this purpose, within a period of six months of the expiry of the relevant financial year.

In case the Company undertakes any ongoing project, any amount remaining unspent and earmarked for the ongoing project, shall be transferred within a period of thirty days from the end of the financial year to a special account to be opened for that financial year in any scheduled bank to be called the 'Unspent Corporate Social Responsibility Account', and such amount shall be spent within a period of three financial years from the date of such transfer, failing which, the unspent amount shall be transferred to the Fund to specified in Schedule VII for this purpose, within a period of thirty days from the date of completion of the third financial year.

An amount spend in excess of requirement provided under sub-section (5) of section 135, such excess amount may be set off against the requirement to spend under sub-section (5) of section 135 up to immediate succeeding three financial years subject to the conditions that –

- the excess amount available for set off shall not include the surplus arising out of the CSR activities, if any, in pursuance of sub-rule (2) of this rule.
- the Board of the company shall pass a resolution to that effect.

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.

Provided that any capital asset created by a company prior to the commencement of the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, shall within a period of one hundred and eighty days from such commencement comply with the requirement of this rule, which may be extended by a further period of not more than ninety days with the approval of the Board based on reasonable justification.

### **Implementation through Zero Coupon Zero Principal Instruments**

- (1) The company may carry out Corporate Social Responsibility activities through a zero coupon zero principal instrument:

Provided that the expenditure incurred for such instrument shall not exceed ten percent of the total Corporate Social Responsibility expenditure of company for that financial year.



- (2) The Company shall subscribe to the zero coupon zero principal instrument undertaking a project with a duration not more than three succeeding financial years from the date of issue of such zero coupon zero principal instrument.

**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 2% of the total CSR expenditure for the financial year or 50 lakh rupees, whichever is higher. Further, the impact assessment reports shall be placed before the Board and shall be annexed to the annual report on CSR. Further, the CSR Committee shall appoint the impact assessment agency.

Note: Impact assessment shall not be required to CSR projects funded through Zero Coupon Zero Principal Instruments.

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 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.



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.

Note: Monitoring of ongoing projects is not required to the projects undertaken through a zero coupon zero principal instrument.



### **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 including community grievances.
- e. Feedback – Monitoring will be done in project mode with continuous feedback mechanism, and recourse will always be available for mid-course correction in implementation, whenever required.

### **Guiding Principles for Annual Action Plan:**

AOL 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 AOL 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), as per the recommendation of its CSR Committee, based on the reasonable justification to that effect.



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

#### **8) Disclosures**

As per section 135 of the Act read with rules made there under, the Board's Report of the company shall disclose an annual report on CSR containing particulars specified in the Act, in Board's Report of the company, as prescribed in the Companies (Corporate Social Responsibility) Rules as amended from time to time.

As per section 135(4), the Board shall disclose the contents of CSR policy in Board's Report and the same shall be displayed on the company's website, if any.

#### **Conflict in the Policy**

In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down or mentioned under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

#### **Review & amendment of the Policy**

The CSR Committee shall review the CSR Policy from time to time based on the changing needs and make suitable modifications as may be necessary with the approval of the Board.

In case of any amendment(s), clarification(s), circular(s), FAQs etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s), FAQs etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.