

AFCO Investments Services Pvt. Ltd.

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AFCO INVESTMENTS SERVICES PVT. LTD. CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

1. Introduction:

Afco Investments Services Pvt. Limited ('the Company') is committed to conduct its business with highest standards of business ethics and in accordance with applicable laws, rules and regulations ensuring full and accurate disclosures. The company believes in conduct of the affairs of its constituents in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behavior.

Corporate Social Responsibility (CSR) is the way and mean through which corporate can repay the obligations made by the Society by contributing the resources in its various forms as required for the efficient operation of the Business. Corporate Social Responsibility is strongly connected with the principles of sustainability. Organization should make decisions based not only on financial or operational factors, but also on the social and environmental consequences. Therefore, it is the core corporate responsibility of the company to practice its corporate values through its commitment to grow in a socially and environmentally responsible way, while meeting the interests of its stakeholders.

2. Objectives and Purpose:

The key purpose of this Policy is to:

- Outline the development areas in which the Company shall get involved in.
- Define governance structure for CSR management within the Company.
- Serve as a guiding document aiding in identification, execution and monitoring the CSR projects.
- Describe the treatment of surpluses from CSR activities
- Enhance value creation in the society through the Company's CSR initiatives and projects;

3. Vision and Mission:

The company is committed to build a sustainable business with strong social relevance and a commitment to inclusive growth and contribute to the society by supporting causes on various concerns including healthcare, environmental sustainability, promoting education, promoting sports and other rural development activities.

In pursuance of our vision that we desire to be a 'Company which society wants to exist', we are dedicated towards fulfilling the social objectives through various CSR activities. Company shall make its endeavour to positively impact and influence the society for its sustainable development.

4. Scope and Applicability

This CSR Policy has been formulated in consonance with Section 135 of the Act, read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 ("CSR Rules") and such other applicable rules as notified by the Ministry of Corporate Affairs, Government of India. This Policy shall apply to all CSR projects / programmes undertaken by the Company in India as per Schedule VII of the Act, for the time being in force. This Policy will be applicable to the company including all its subsidiaries and associate companies in India. This Policy will be periodically reviewed and updated in line with the relevant codes of legislation and best practices that can be adopted by the Company.

5. Areas to Emphasize:

In accordance with the requirements under the Companies Act, 2013, Company's CSR activities, amongst others, will focus on:

- **HUNGER, POVERTY, MALNUTRITION:** Eradicating hunger, poverty and malnutrition, promoting sanitation and making available safe drinking water.
- **PROMOTION OF HEALTHCARE INCLUDING PREVENTIVE HEALTHCARE:** Providing affordable solution for healthcare through improved access, awareness.
- **EDUCATION:** Promoting education, including special education and employment enhancing vocational skills especially among children, women, elderly and the differently abled, and livelihood enhancement projects; monetary contributions to academic institutions for establishing endowment funds, chairs, laboratories, etc., with the objective of assisting students in their studies
- **RURAL DEVELOPMENT PROJECTS:** Strengthening rural areas by improving accessibility, housing, drinking water, sanitation, power and livelihoods, thereby creating sustainable villages.
- **GENDER EQUALITY AND EMPOWERMENT OF WOMEN:** Promoting gender equality and empowering women; setting up homes, hostels and day care centers for women and orphans; setting up old age homes and such other facilities for senior citizens; and adopting measures for reducing inequalities faced by socially and economically backward groups.
- **ENVIRONMENTAL SUSTAINABILITY:** Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro-forestry, conservation of natural resources and maintaining the quality of soil, air and water.
- **NATIONAL HERITAGE, ART AND CULTURE:** Protecting national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promoting and developing traditional arts and handicrafts.
- **OTHER INITIATIVES:** To undertake other need based initiatives in compliance with Schedule VII of the Companies Act, 2013.

6. Implementation Strategy

The company's CSR projects and programmes will be implemented directly or through charitable trusts, not-for-profit companies set up under Section 8 of the Companies Act, 2013 or through recognized and reputed NGOs and similar entities. The CSR projects and programmes may also be undertaken by the company with joint and collaborative efforts of other subsidiary and associate companies. Any surplus generated out of the CSR activities shall not be added to the normal business profits of the Company.

7. Location of CSR efforts:

The CSR committee will decide on the locations for CSR activities.

8. Composition of CSR Committee:

The CSR Committee shall consist of Mr. Atul Balmukund Oza, Mrs. Falguni Atul Oza and Mr. Chitvan Atul Oza who shall approve the CSR Policy, CSR Budget and CSR projects and programmes in alignment with Section 135 of the Act.

9. Responsibilities of the Committee:

The responsibilities of the CSR Committee include:

1. To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company in areas or subject, specified in Schedule VII of the Companies Act, 2013, specifying modalities of execution of such projects or programs which may be annual or ongoing in nature [as defined under the Companies (Corporate Social Responsibility Policy) Amendment Rules 2021 which may be amended from time to time] and implementation schedule for the same and monitoring the process of such projects or programs.
2. To recommend to the Board an Annual Action Plan of CSR activities to be undertaken in pursuance of Schedule VII of the Companies Act, 2013 and the CSR Policy which shall include the details as specified under the Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended from time to time and recommending any amendment to the approved Action Plan during a financial year.
3. To recommend the amount of expenditure to be incurred on the activities referred to in clause (i) in terms of the provisions of Section 135 of the Companies Act, 2013 as amended from time to time.
4. To review and recommend to the Board, the treatment of unspent / excess spent of CSR funds and surplus arising out of CSR activities, if any in accordance with the provisions of the Companies Act 2013 and Rules made thereunder as amended from time to time.
5. To monitor the activities undertaken pursuant to Corporate Social Responsibility Policy of the Company from time to time by instituting a transparent monitoring mechanism for implementation and reporting of the CSR projects or programs or activities undertaken by the Company.
6. Such other activities as may be delegated by the Board from time to time or as required under the Companies Act, 2013 and Rules made thereunder as amended from time to time

10. Governance:

- Company's Board of Directors have formed a CSR Committee. This committee, along with the CSR team, to be responsible for the decision making with respect to its CSR policy.
- CSR Committee recommended the policy to Board of Directors and the Board of Directors have approved this policy.
- The CSR Committee/Board shall periodically review the progress of the activities/projects being implemented and ensure their compliance with the Companies Act 2013 and CSR Rules, CSR objectives and the Policy as amended from time to time.

11. Budget:

- The Board of Company to ensure that minimum of 2% of average net profit of the last 3 years is spent on CSR initiatives undertaken by Company.
- All expenditure towards the programs to be diligently documented.

12. Reporting:

- The Board's report shall include an annual report on CSR in prescribed form and such other details as may be prescribed from time to time under the Act and the CSR Rules.
- In case of failure to ensure the minimum CSR Expenditure, detailed reasons for the same are adequately disclosed in the Board Report.

13. Amendments to the CSR Policy:

The Board of Directors of the company shall have the powers to revise/modify/amend this Policy from time to time, as the Board may think fit, based on the recommendations to be made by the CSR Committee to confirm to the revision/amendment, if any, to be made to the CSR Rules by the Ministry of Corporate Affairs (MCA), under the Act.

14. Contact:

For queries related to the CSR Policy, please write to us at: debt@afcogroup.in