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CORPORATE SOCIAL RESPONSIBILITY POLICY

INDEX

SR. NO.	CONTENT	PAGE NO.
1.	BACKGROUND & INTRODUCTION ❖ SCOPE OF CSR POLICY ❖ APPLICABILITY ❖ DEFINITION	2
2.	CSR DRIVING PRINCIPLES AT ARFIN ❖ VISION ❖ MISSION ❖ VALUES & COMMITMENT	4
3.	CSR ACTIVITIES	5
4.	IMPLEMENTATION	6
5.	BUDGETARY ALLOCATION	7
6.	MONITORING	7
7.	CSR REPORTING	7

1. BACKGROUND & INTRODUCTION

This document lays down the framework of Corporate Social Responsibility at Arfin India Limited and defines the Policy for the same. This document shall be under the authority of the Board of Directors of the Company.

The Corporate Social Responsibility (CSR) Policy of the Arfin is aligned with its overall commitment to maintaining the highest standards of business performance. We recognize that our business activities have direct and indirect impact on the society. The Company strives to integrate its business values and operations in an ethical and transparent manner to demonstrate its commitment to sustainable development and to meet the interests of its stakeholders.

❖ Scope of CSR Policy

To take an active role and responsibility in empowering local communities to achieve their ambitions focusing on environmental growth, socio – economic development, achieve positive perception of Arfin in areas of operation & demonstrate leadership in Corporate Citizenship.

❖ Applicability

This Policy shall apply to all the CSR initiatives and activities taken up at Arfin, for the benefit of different segments of the society, specifically the deprived, under- privileged and differently abled people.

❖ Definition

“Act” – Act hereinafter means The Companies Act, 2013

“Board” – means Board of Directors of the Company

"CSR" – means Corporate Social Responsibility 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 activities undertaken by the Board of Directors of the Company in pursuance of

recommendations of the CSR Committee of the Board as per declared CSR Policy of the Company subject to the condition that such policy will cover subjects enumerated in Schedule VII of the Act.

- "Committee" – means the Corporate Social Responsibility Committee of the Board
- "Policy" – means Corporate Social Responsibility Policy or CSR Policy
- "Rules" – means Companies "Corporate Social Responsibility" Rules, 2014

2. CSR DRIVING PRINCIPLES AT ARFIN

❖ Vision

In line with Arfin's Vision, through its CSR initiatives, it will continue to enhance value creation in the society and in the community in which it operates, through its services, conduct & initiatives, so as to promote sustained growth for the society and community, in fulfillment of its role as a Socially Responsible Corporate, with environmental concern.

❖ Mission

The CSR Policy of Arfin aims to achieve, consolidate and strengthen Good Corporate Governance including socially and environmentally responsible business practices that balance financial profit with social well-being.

❖ Values & Commitment

Ensure an increased commitment at all levels in the organization, to operate its business in an economically, socially & environmentally sustainable manner, while recognizing the interests of all its stakeholders

To directly or indirectly take up activities those benefit the communities and results in enhancing the quality of life & economic well-being of the local populace.

To generate, through its CSR initiatives, a community goodwill for Arfin and help reinforce a positive & socially responsible image as a corporate entity.

3. CSR ACTIVITIES

For purposes of focusing its CSR efforts in a continued and effective manner, the following thrust Areas have been identified:

- I. Eradication of 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. Promotion of education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
- III. Promotion of 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, agro forestry, 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 arts and handicrafts;
- VI. Measures for the benefit of armed forces veterans, war widows and their dependents;
- VII. Training to promote rural sports, nationally recognized sports, Paralympics sports and Olympic sports;
- VIII. Contribution to the Prime Minister's National Relief 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;
- IX. Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
- X. Rural development projects;
- XI. Slum Area Development i.e. any area declared as the term 'slum area' by the Central Government or any State Government or any other competent authority under any law for the time being in force;

4. IMPLEMENTATION

CSR Committee of the Company will be responsible for the monitoring of various CSR projects or programs undertaken by the Company directly or indirectly. The CSR Committee will meet whenever necessary and shall ensure that:

- I. Company undertakes the CSR activities as provided in the CSR policy.
- II. The projects/ programs are implemented as per the program approved by the Board.
- III. The budget allocated for each of the project is utilized for the projects as per the approved plans.
- IV. The objective of the project/program is achieved as per the plans.
- V. Wherever projects/programs are undertaken in partnership with one or more organizations/ trust/ agencies, the part of the project or program undertaken by the Company shall be distinguishable and necessary supporting documents in respect of the same shall be obtained from the other partners/implementing agency on an annual basis.

5. BUDGETARY ALLOCATION

The Company shall spend in every financial year, in which CSR Rules and Act applies to it, at least 2% of the average net profit of the Company made during the three immediately preceding financial years.

6. MONITORING

CSR Committee of the Company will be responsible for the monitoring of various CSR projects or programs undertaken by the Company directly or indirectly. The CSR Committee will meet whenever necessary and shall ensure that:

- I. Company undertakes the CSR activities as provided in the CSR Policy.
- II. The projects/ programs are implemented as per the program approved by the board.
- III. The budget allocated for each of the project is utilized for the projects as per the approved plans.
- IV. The objective of the project/program is achieved as per the plans.
- V. Wherever projects/programs are undertaken in partnership with one or more organizations/ trust/ agencies, the part of the project or program undertaken by the Company shall be distinguishable and necessary supporting documents in respect of the same shall be obtained from the other partners/implementing agency on an annual basis.

7. CSR REPORTING

At the end of each financial year, the CSR committee shall prepare a report in the prescribed form relating to the CSR program/ activities undertaken by the Company during the year and submit to the Board for its inclusion in the Board's report.