

# **ALGOQUANT FINTECH LIMITED**

## **CORPORATE SOCIAL RESPONSIBILITY POLICY**

## (CORPORATE SOCIAL RESPONSIBILITY POLICY)

*In accordance with provisions of section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 and Corporate Social Responsibility Policy Amendment Rules, 2021.*

### PREAMBLE

Algoquant Fintech Limited (“the Company”) believes that any organization which operates in social environment, Corporate Social Responsibility (“CSR”) is the best manner through which a corporate can repay its obligations to Society. CSR is strongly connected with the principles of sustainability and social welfare. An organization should make decisions based not only on financial and commercial factors, but also on the basis of its 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. This statement demonstrates our commitment to CSR through which we aim to align our business values, purpose and strategy with the needs of the society as a whole in which the Company operates, whilst embedding such responsible and ethical principles into everything we do.

### OBJECTIVE

The main objective of CSR policy is to make CSR a key business process for sustainable development of the society. The Company will act as a good corporate citizen and aims at supplementing the role of Government in enhancing the welfare measures of the society within the framework of its policy.

### GUIDING PRINCIPLES

The Company is vigilant in its enforcement towards corporate social responsibility principles which the Government of India has mandated through the Act and is committed towards sustainable development. The Company endeavours to make CSR a key business process for sustainable development. It constantly strives to ensure strong corporate culture which emphasizes on integrating CSR values with its corporate objectives. It also pursues initiatives related to quality management, environment preservation and social awareness.

### FOCUS AREAS OF ENGAGEMENT

The Company feels that there are numerous opportunities to increase and deepen social impact at a scale and generate value for the society. The Company seeks to consolidate and implement its CSR initiatives in a phased and strategic manner with a focus on discrete social problems, as envisaged under the Act. The Company shall undertake such other activities in addition to the below identified focus areas:

- **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 contribution to academic institutions for establishing endowment funds, chairs, laboratories etc. with the object of assisting students in their studies;
- **Rural Development Projects** – Strengthening rural areas by improving accessibility, housing, drinking water, sanitation, power and livelihoods etc.;
- **Empowerment of Women** – Support and Develop programs and services that meet the needs and challenges of socially and economically disadvantaged girls and/or women and prepare them for personal, livelihood, and economic success;

- **Health** –Support hospital expenses, health care and medical care of poor, needy and under privileged people and/or organizing subsidized health care check-up camps for under privileged and poor people wherein patients are carefully diagnosed and treated and also educated about the health problems they are facing & providing them best possible solutions for better health. Also arrange health, hygiene and sanitation awareness campaigns to spread awareness about critical issues viz. significance of cleanliness in their lives;
- **Others**- as per Companies Act, 2013 read with rules made thereunder (including any statutory amendment).

## SELECTION AND IMPLEMENTATION OF CSR ACTIVITIES

The Board of Directors shall consider CSR proposal proposed to be undertaken by the Company. Based on the Policy recommended and approved by the Board of Directors, the management of the Company shall undertake implementation of the projects / programs and report to the Board from time to time.

The surplus arising out of the CSR activities, projects or programmes shall not form part of business profit of the Company.

## LOCATION OF CSR EFFORTS

The Board of Directors will decide on the location for the CSR activities.

## RESPONSIBILITIES OF BOARD

- After taking into account the recommendations by the Board approve the CSR policy of the Company and disclose contents of such policy in its report and also place it on Company's website.
- Ensure that the activities as are included in the CSR Policy are undertaken by the Company
- Ensure that minimum of 2% of the average net profit of the last 3 years is spent on CSR initiatives undertaken by the Company;
- In case at least 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 Board's Report of the Company for the respective period;
- Any surplus arising out of CSR projects/ programs will not form part of Company ordinary course of business of the Company.
- Approve the annual action plan recommended by the Board and amendments thereto during the financial year, if any, recommended by the Board based on reasonable justification to that effect;
- Satisfy itself that the funds so disbursed have been utilised for the purposes and in the manner as approved by it and to seek certification to this effect from the person responsible for financial management.
- ensure that the administrative overheads do not exceed 5% of total CSR expenditure of the company for the financial year;

## FUNDING, MONITORING & DISCLOSURE

The Board shall endeavour to:

- Devise a robust monitoring mechanism to ensure that the CSR projects/programs are undertaken effectively and strictly in accordance with the approval granted and are fully in

compliance with the applicable provisions of the Act. Monitoring of CSR activities could be done through:

- Periodic assessment of key projects/programs;
- Impact assessment with key indicators in the area of operation, if applicable;
- Regular review by Board;
- Ensure that appropriate disclosures are made to the shareholders in the Company's annual report;
- Take such steps as may be required for effective implementation of the CSR projects / programs.

#### **ANNUAL ACTION PLAN**

The Board of Directors of the Company shall formulate an annual action plan in pursuance of its CSR Policy which shall include the following namely:

1. the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Companies Act;
2. the manner of execution of such projects or programmes as specified in sub-rule (1) of rule 4 of Companies (CSR Policy) Amendment Rules, 2021;
3. the modalities of utilisation of funds and implementation schedules for the projects or programmes;
4. monitoring and reporting mechanism for the projects or programmes; and
5. details of need and impact assessment, if any, for the projects undertaken by the company.

The Board may alter such plan at any time during the financial year, based on the reasonable justification to that effect.

#### **EFFECTIVE DATE**

This policy is applicable to the Company with immediate effect.