

AKIKO GLOBAL SERVICES LIMITED

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CORPORATE SOCIAL RESPONSIBILITY POLICY

BACKGROUND

In compliance with the requirements of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, AKIKO GLOBAL SERVICES LIMITED ('AGSL' or 'the Company') is, *inter alia*, required to:

1. Constitute a Board Committee to formulate and recommend to the Board a Corporate Social Responsibility (CSR) Policy, recommend the amount of CSR expenditure and monitor the CSR activities of the Company from time to time.
2. Ensure that the Company spends, in every financial year, at least two per cent (2%) of the average Net Profits before Tax (PBT) of the Company, made during the three (3) immediately preceding financial years, in pursuance of its CSR Policy.

PHILOSOPHY

Corporate Social Responsibility (CSR) is a public spirited cause that has been well introduced by the new Companies Act 2013. Through the CSR there is a formation of a dynamic relationship between a company on one hand and the society and environment on the other. CSR is traditionally driven by a moral obligation and philanthropic spirit. AGSL has a heritage to be engaged in charities and philanthropic activities, along with a number of others social activities. Also as a responsible corporate citizen, AGSL believes in regularly contributing to social and economic development.

FOCUS AREAS

The main responsibilities of the Company towards society at large are to eradicate hunger, poverty and malnutrition, promote preventive health care and sanitation and making available safe drinking water, promoting gender equality and empowering women.

OUR VISION

1. The Company completely endorses reliability. It is committed to conduct business in a true, fair and ethical manner and takes up the responsibility to create a good impact in the society it belongs.
2. The Company is committed towards improving the quality of lives of people in the communities in which it operates because the society is an essential stakeholder and the purpose of its existence.
3. The Company believes that giving back to the society through CSR activities is its moral duty.
4. The Company aims to fulfil the requirements laid down under the Companies Act, 2013 and act diligently to comply with all its Rules and Regulations on CSR.

SCOPE

This CSR Policy applies to CSR initiatives and activities taken by the Company in India.

APPLICABILITY OF THE POLICY

1. The Company's CSR Policy has been developed in conformity with the provisions of Section 135 of the Companies Act, 2013 (referred to as the Act in this Policy) and in accordance with the CSR Rules (hereby referred to as the Rules) notified by the Ministry of Corporate Affairs, Government of India. Further this Policy is revised to conform with the amendments in the Act and the Rules.

2. This Policy shall apply to all CSR initiatives and activities taken up at the various locations in India, preferably in the vicinity where the Company carries out its business operations and for the benefits of different segments of the society, specifically the deprived and under- privileged.

DEFINITION

A. In this Policy unless the context otherwise requires:

1. **“Act”** means the Companies Act, 2013, as amended from time to time.
2. **“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 program.
3. **“Board”** means the Board of Directors of the Company.
4. **“Company”** means AKIKO GLOBAL SERVICES LIMITED.
5. **“CSR”** means the activities undertaken by the Company in pursuance of its statutory obligation laid down in Section 135 of the Act per the provisions contained in Corporate Social Responsibility Rules, as may be notified from time to time, but shall not include the following, namely: -
 - activities undertaken in pursuance of the normal course of business of the Company.
 - any activity undertaken by the Company outside India except for training of Indian sports personnel representing any State or Union territory at the national level or India at the international level.
 - contribution of any amount directly or indirectly to any political party under Section 182 of the Act.
 - activities benefitting employees of the Company as defined in clause (k) of Section 2 of the Code on Wages, 2019 (29 of 2019).
 - activities supported by the Companies on a sponsorship basis for deriving marketing benefits for its products or services.
 - activities carried out for the fulfillment of any other statutory obligations under any law in force in India.
6. **“CSR Committee”** means Corporate Social Responsibility Committee of the Company constituted by the Board.
7. **“CSR Rules”** means Companies (Corporate Social Responsibility Policy) Rules, 2014 and amendments thereon.
8. **“CSR Policy”** means this Policy.
9. **“CSR Expenditure”** shall include all expenditures including contribution to the corpus, for projects or programs relating to CSR activities approved by the Board on the recommendation of its CSR Committee.
10. **“Net profit”** shall have the meaning ascribed to it in the Act.
11. **“Ongoing Project”** means a multi-year project undertaken by the Company in fulfillment 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.

- B. Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Act or the Rules made thereunder, as may be amended from time to time, shall have the meaning respectively assigned to them therein.

OBJECTIVE OF THE CSR POLICY

1. To ensure that the Company is committed to operate its business in an economically, socially and environmentally sustainable manner, while recognizing the interests of all its stakeholders.
2. To take up programmes that benefit the communities in and around its work centres and over a period of time, results in enhancing the quality of life of the people in the area of its business operations.
3. To generate a community goodwill for AGSL and help reinforce a positive and socially responsible image of AGSL as a good corporate citizen of the Country.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (WHENEVER APPLICABLE)

COMPOSITION:

The Corporate Social Responsibility Committee ('CSR Committee') shall consist of three or more Directors amongst whom at least one shall be an Independent Director.

The Committee may formulate a CSR Sub-Committee with such other Directors / Executives of the Company from time to time as it may deem necessary and expedient.

The Company Secretary shall act as the Secretary to the Committee.

MEETINGS:

The Committee shall hold meeting as and when required, to discuss various issues on implementation of the CSR Policy of the Company. The members would thrive to hold at least two meetings in a financial year.

The Committee shall periodically review the implementation of the CSR Programmes and issue necessary direction from time to time to ensure orderly and efficient execution of the CSR programmes in accordance with this Policy. It would be the responsibility of the CSR Committee to periodically keep the Board apprised of the status of the implementation of CSR activities.

ROLE OF CSR COMMITTEE:

1. To formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company in thematic areas or subjects, specified in Schedule VII of the Act.
2. To recommend the amount of expenditure to be incurred on the activities referred to in clause (a).
3. To monitor the Corporate Social Responsibility Policy of the company from time to time.
4. To formulate and recommend to the Board, an annual action plan, which shall include the following, namely: -
 - the list of CSR projects or programs 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 programs as specified in sub-rule (1) of

Rule 4 of the Companies (Corporate Social Responsibility Policy) Rules, 2014.

- the modalities of utilization of funds and implementation schedules for the projects or programs.
 - monitoring and reporting mechanisms for the projects or programs; and
 - details of need and impact assessment, if any, for the projects undertaken by the Company.
5. To implement, oversee, and monitor the progress of the project or activity rolled out under this Policy.
 6. To provide regular updates to the Board on the CSR activities undertaken during the financial year; and
 7. such other functions and responsibilities, as may be assigned from time to time.

RESPONSIBILITIES OF THE BOARD

The Board shall:

- Form a CSR Committee and disclose the composition of the CSR Committee.
- Approve the CSR Policy after taking into account the recommendations made by the CSR Committee.
- Place the CSR Policy on the Company's website.
- Ensure implementation of the activities under CSR
- Ensure expenditure of requisite amount on CSR every year as per law.
- Disclose reasons for not spending the amount (if applicable) in the Annual Report to the Shareholders of the Company.
- Ensure that the administrative overheads are not more than 5% of the total CSR Expenditure.
- Ensure that the funds so disbursed have been utilized for the purposes and in the manner as approved by Board/CSR Committee and the Chief Financial Officer shall certify to the effect.
- Approve transfer of unspent CSR Amount in accordance with the law. The Accounts and Finance Team of AGSL shall prepare the statement of spent and unspent CSR amounts and shall assist and facilitate for transfer of the same.

CSR PROGRAMMES / PROJECTS

- A. The Company will carry on its CSR activities in areas or subjects as prescribed under Schedule VII of the Act, as amended from time to time. An illustrative list of such areas or subjects is outlined below:
 1. eradicating 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.
 2. promoting education, including special education and employment enhancing vocation skills, especially among children, women, elderly, and the differently abled and livelihood enhancement projects.
 3. promoting gender equality empowering women, setting up homes and hostels for women and orphans; setting up old age homes, daycare centers, and other facilities for senior citizens, and measures for reducing inequalities faced by socially and economically backward groups.

4. 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 Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga.
 5. 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.
 6. measures for the benefit of armed forces veterans, war widows, and their dependents; Central Armed Police Forces (CAPF) and Central Paramilitary Forces (CPMF) veterans, and their dependents including widows.
 7. training to promote rural sports, nationally recognized sports, Paralympic sports, and Olympic sports.
 8. contribution to the Prime Minister's National Relief Fund or any other fund including Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES 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.
 9. 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.
 10. 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 Defence 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).
 11. rural development projects.
 12. slum area development.
 13. disaster management, including relief, rehabilitation, and reconstruction activities.
 14. Any other activity as may be specified under the Act or the CSR Rules from time to time.
- B.** The Company's CSR projects and programs will be undertaken by the Company either by itself or jointly with other organizations.
- C.** The Company encourages its employees, their family and friends, civic organizations, and volunteers to participate in its CSR Project activities.

The CSR projects and programs may also be implemented through registered public charitable trusts or a registered society, registered under Sections 12A and 80G of the Income Tax Act, 1961, companies established under Section 8 of the Act (corresponding to Section 25 of the Companies Act, 1956) and/or through any implementing entity as permitted under the Act and CSR Rules.

IMPLEMENTATION

IDENTIFICATION / SELECTION OF PROGRAMMES

AGSL integrates CSR plans and strategies effectively with its business plans and strategies.

Every year, the CSR Committee shall formulate and recommend to the Board, an annual action plan of the CSR projects to be undertaken. The annual action plan includes the following broad parameters or such other matters as may be required by the Act or Board:

- A.** the list of CSR projects or programs that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act.
- B.** the manner of execution of such projects or programs as specified in the CSR Rules.
- C.** the modalities of utilization of funds and implementation schedules for the projects or programs.
- D.** monitoring and reporting mechanisms for the projects or programs; and
- E.** Details of need and impact assessment, if any, for the projects undertaken by the Company.

Provided that the Board may alter such plan at any time during the financial year, as per the recommendation of its CSR Committee based on the reasonable justification to that effect.

PARTNERSHIPS TO IMPLEMENT THE PROGRAMMES

Collaborative Partnerships may be formed with the Government Agencies, the village Panchayats, NGOs and other likeminded stakeholders. This would help widen the Company's reach and leverage upon the collective expertise, wisdom and experience that these partnerships bring to the table.

CRITERIA FOR IDENTIFYING EXECUTING PARTNERS

The CSR program management team can avail the service of external agencies for the effective implementation of the CSR projects.

In the event an external agency is engaged for the CSR initiatives of AGSL, the following broad parameters shall be considered while appointing any external agency:

- Legally authorized to undertake CSR activities.
- Confirmation of the ethical and clean track record of the agency.
- Agency having a track record of at least at least three years of working in CSR areas.
- duly registered under Sections 80G and 12A of the Income Tax Act.
- Has obtained a Unique CSR Registration Number from the Ministry of Corporate Affairs.
- The agency shall have the requisite systems and processes in place for monitoring and reporting.
- Such other conditions as may be decided by the CSR Committee from time to time.

Provided that in case of any amendment in the Act/ the Rules specifying any criteria for implementing agencies, the same shall be applicable in addition to the above criteria (to the extent applicable). Provided also that the CSR Committee may waive one or more of the above criteria on case to case basis.

FINANCIAL OUTLAY FOR CSR ACTIVITIES

Every year, upon the recommendation of the CSR Committee, the Board will make a budgetary allocation for CSR activities/projects for the year. The budgetary allocation will be based on the CSR obligation of the Company for that financial year arrived in the manner provided under the Act.

The Company shall strive to spend the budgeted amount allocated for CSR activities/projects planned for each financial year, within that year. If for any reason, any of the provisioned annual budget remains unutilized, the same will not lapse and will be treated in the following manner:

- A. In case of an Ongoing Project, the unspent amount shall be transferred to an account i.e., 'Unspent CSR Account' within 30 days of the end of the financial year, or within such other period as may be specified in the Act or CSR Rules from time to time, and such sum shall be spent during the next three financial years from the date of transfer, in the manner prescribed under the Act read with CSR Rules, failing which, the Company shall treat the unspent amount in the manner prescribed under the Act read with CSR Rules.
- B. In case of activities/projects other than Ongoing Project, the same shall be transferred to funds specified in Schedule VII of the Act, or any such other fund(s) as may be specified under the Act or CSR Rules, within 6 months of the close of the financial year or within such other time as may be specified from time to time.

Any surplus arising out of the CSR activities, projects, or programs shall not form part of the business profits of the Company and shall be treated in the following manner:

- A. ploughed back into the same project; or
- B. shall be transferred to the Unspent CSR Account (if any) opened by the Company, from which the said amount shall be spent in pursuance of CSR policy and annual action plan of the Company; or
- C. such surplus will be transferred to a Fund specified in Schedule VII of the Act, within six months of the expiry of the financial year.

The Board may during any financial year, approve to undertake CSR expenditure beyond the CSR obligation for that particular financial year. Such excess CSR spend shall be carried forward for set off against the CSR obligation of the Company for the next three consecutive financial years in the manner decided by the Board in compliance with the provisions of the Act and the Rules.

MONITORING MECHANISMS

- A. AGSL recognizes that regular and robust monitoring is critical for CSR projects.
- B. Implementation and monitoring of the CSR activities and projects will be overseen by the CSR Committee.
- C. Monitoring is to be done periodically on key performance indicators- timelines, utilization of funds, targets, qualitative and quantitative impact, etc. depending on the nature and need of the CSR project.
- D. Continuous feedback mechanism plays a pivotal role in monitoring to plan out the mid-course correction in implementation, whenever required.
- E. If the projects are being implemented by an implementation agency, the program management team may in consultation with the CSR Committee designate special executives for monitoring of the CSR projects.
- F. In case the Company's average CSR expenditure obligation is ten crore rupees or more, in the three immediately preceding financial years, the Company shall mandatorily undertake an impact assessment, through an independent agency, of their CSR projects or activities having outlays of one crore rupees or more, and which have been completed not less than one year before undertaking the impact study. The impact assessment reports shall be placed before the CSR committee and shall be annexed to the annual report on CSR.

ENGAGEMENT OF INTERNATIONAL ORGANISATIONS

The Company may engage international organisation(s) for designing, monitoring and evaluation of the CSR projects or programmes as well as for capacity building of its personnel for CSR.

DISCLOSURE

AGSL will comply with all the statutory guidelines, issued on the subject ensuring that it makes full disclosure of its CSR activities in the Annual Report as mentioned in the Act/ Rules. The Company's engagement in this domain shall be disseminated on its website, annual reports, and/or its in-house journals as and when deemed fit. The Company shall disclose the composition of the CSR Committee, the CSR Policy, and the Projects approved by the Board on its website. CSR annexure in the Annual Report, web link of the Policy along with salient features of the Policy, and details of change (if any) during the financial year, shall be disclosed in the Board's report.

REVIEW AND AMENDMENT OF THE POLICY

The CSR Committee shall review the CSR Policy from 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), 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), 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

GENERAL

- This Policy shall also be subject to such clarifications and FAQs as may be issued by MCA from time to time.
- In case of any doubt with regard to any provision of the policy and also in respect of matters not covered herein, a reference should be made to Corporate CSR Department. In all such matters, the interpretation & decision of the CSR Committee shall be final.
