AMC Repo Clearing Limited

Secretarial Department
Corporate Social Responsibility Policy

ARCL/SECRETARIAL/POL/009

May 2026

Document Review and Approval

Revision History

Version	Author	Date	Revision
1.0	Mr. Vedant Kamulkar	2-Aug-2023	• Original
1.1	Mr. Vedant Kamulkar	17-May-2024	• Amendments in Role of Board.
1.1	Mr. Vedant Kamulkar	02-May-2025	• Annual Review – No change.
1.1	Mr. V Narayanan Iyer	16-Apr-2026	• Annual review on 06-May-2026

Approval History

Sr. No.	Reviewer	Date Reviewed	Approved By	Approval Date
1	Mr. Kashinath Katakdhond	8-Aug-2023	Board of Directors	8-Aug-2023
2	Mr. Kashinath Katakdhond	02-May-2025	Board of Directors	02-May-2025
3	Mr. Kashinath Katakdhond	16-Apr-2026	Board of Directors	07-May-2026

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1 Background

AMC Repo Clearing Limited (‘**the Company or ARCL**’), shall contribute to harmonious and sustainable development of society and the earth through our business activities, based on our Guiding Principles.

We comply with all local and national regulations, as well as the spirit thereof, and we conduct our business operations with honesty and integrity. In order to contribute to sustainable development, we believe that management interacting with its stakeholders as described below is of considerable importance, and we will endeavor to build and maintain sound relationships with our stakeholders through open and fair communication.

With the stricter **CSR-1 registration rules** enforced since July 2025, selecting verified implementing agencies is more important than ever to ensure full compliance, avoid penalties, and achieve measurable social impact.

2 Objective

The main objective of this CSR policy is to establish guidelines that will work to make CSR a key business process in support of the sustainability of our Company and of society. We recognize that our social, economic, and environmental responsibilities to a wide variety of stakeholders are integral for our business. We aim to demonstrate these responsibilities through our actions and within our corporate policies. We shall be open and honest in communicating our strategies, targets, performance, and governance to our stakeholders in our continual commitment to sustainable development.

3 Definitions

“Act” means the Companies Act, 2013

“Board” means the Board of Directors of the Company

“Rules” means the Companies (Corporate Social Responsibility Policy) Rules, 2014

"Corporate Social Responsibility (CSR)” means the activities undertaken by a Company in pursuance of its statutory obligation laid down in Section 135 of the Act in accordance with the provisions contained in these 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;
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.

All other expressions unless defined herein shall have the same meaning as have been assigned to them under the Act and Rules made thereunder.

4 CSR Applicability Thresholds (Section 135 Companies Act 2013)

CSR applies if any one criterion is met in the preceding financial year (no changes announced as of November 2025):

Criteria	Threshold	Triggers CSR From FY
Net Worth	≥ Rs. 500 crore	Next FY
Turnover	≥ Rs. 1,000 crore	Next FY
Net Profit (before tax)	≥ Rs. 5 crore	Next FY

5 Key CSR Amendments 2025

The Companies (Corporate Social Responsibility Policy) Amendment Rules, 2025 introduced a fully web-based revised Form CSR-1:

a) Mandatory for all implementing agencies (Trusts, Societies, Section 8 companies).
b) Requires detailed disclosures: 12A/80G certificates, 3-year track record (unless company-created), audited accounts, PAN.
c) Professional certification by CA/CS/CMA compulsory.
d) Only agencies with new CSR registration number (issued post-July 2025) can receive funds.
e) Existing pre-July registrations remain valid but agencies must update for new projects.

This ensures only credible entities handle CSR projects India 2025-26.

6 Role of the Governing Board

a) The Board shall formulate an Annual Action Plan once the CSR corpus is approved by the Board, which shall include the following:
   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 rules;
   c. the modalities of utilisation of funds and implementation schedules for the projects or programs;
   d. monitoring and reporting mechanism for the projects or programs; and
   e. details of need and impact assessment, if any, for the projects undertaken by the Company:
   f. The Board may modify the annual action plan of the Company at any time during the financial year by providing a reasonable justification to that effect.
b) Monitor the Corporate Social Responsibility Policy of the Company from time to time;

7 CSR Obligation

a) The Company is required to spend in every financial year, at least 2 per cent. of the average net profits of the Company made during the 3 immediately preceding financial years on CSR activities.
b) The company to give preference to the local area and areas around it where it operates, for spending the amount earmarked for CSR activities.
c) The Company ensures that the administrative overheads shall not exceed 5% of the total CSR expenditure of the Company for the financial year.

Parameters	Details
Obligation	Minimum 2% of average net profits (before tax) of the last 3 financial years.
Set-off allowed	Up to 5% excess spend can be carried forward for 3 succeeding FYs.
Overheads cap	5% of total CSR expenditure.
Impact assessment	Mandatory if average CSR obligation ≥ Rs. 10 crore (last 3 years); cost capped at lower of 5% spend or Rs. 50 lakh.

Example for CSR obligation

Year	Net Profit (₹ crore)
2023-24	90
2024-25	110
2025-26	120
Average	**107 crore**
2% CSR	**Rs. 2.14 crore**

8 CSR Activities

The Policy recognizes that corporate social responsibility is not merely compliance; it is a commitment to support initiatives that measurably improve the lives of underprivileged by one or more of the areas as notified under Schedule VII to the Companies Act 2013.

9 Activities Not Considered as CSR

Such activities as may be notified not being CSR activities under the provisions of the Act and Rules, shall not form part of the CSR activities of the Company.

10 Implementation

a) The CSR activities will be carried out by the Company only in a project / program (either ongoing or new) mode in order to effectively monitor its implementation.
b) The plans will be formulated in line with the strategic direction provided by the Board on sustainability.
c) The programs will, where appropriate, be developed in consultation with stakeholders in order to ensure a bottom – up planning approach.
d) The Board shall suggest additional areas of social intervention in line with the overall objectives of the Company and its divisions.
e) The Board will institute a transparent monitoring mechanism for implementation of the CSR Programs or Projects undertaken by the Company.

11 Monitoring

Measures to monitor and access progress include the following:

a) The Board will pursue a corporate strategy that enables realization of the twin goals of shareholder value enhancement and societal value creation in a mutually reinforcing and synergistic manner;

b) The Company will obtain report at the end of year from the implementation / beneficiary agency to ensure appropriate utilization of CSR expenditure or undertaking of CSR programs/projects of the Company.
c) The Board will be provided with an update on the status of CSR programs/projects undertaken by the Company.

12 Reflection of CSR Activities

a) The CSR activities will be reflected in the Annual Accounts of the Company under the head 'Expenditure under CSR Activities;
b) The Board's Report of the Company to include an Annual report on CSR outlining the CSR Policy, CSR projects undertaken by Company, the amount available for set off, Surplus arising out of CSR Projects,the amount spent and unspent on CSR activities during the financial year on ongoing projects or projects other than ongoing projects and other information as prescribed.

13 Penalties for Non-Compliance

Violation	Penalty (Company + Officer)
Non-spend without proper transfer	Company: 2× unspent amount; Officer: up to ₹2 lakh + possible imprisonment
False info in CSR-1/returns	Sections 448/449: Fine + imprisonment for false statements

14 Review

This policy will be reviewed annually. Any amendment or modification to the CSR policy shall be approved by the Board. In the event of any conflict or inconsistency in the CSR Policy and the provisions of the Act and Rules madethereunder, the provisions of the Act and Rule shall prevail and be binding on the Company.