



MONARCH
NETWORK CAPITAL

Monarch Network Capital Limited

CORPORATE SOCIAL RESPONSIBILITY POLICY

1. Preamble:

The Companies Act, 2013 (the “Act”) has made it mandatory for certain companies to carry out corporate social responsibility activities in accordance with Section 135 of the Act, Schedule VII of the Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014. In order to comply with the requirements of the law, the Board of Directors (the “Board”) of Monarch Network Capital Limited (the “Company”), has adopted the following Corporate Social Responsibility Policy (the “Policy”) and procedures with regards to the Company’s social responsibility.

2. CSR Philosophy & Vision:

The Company believes in a philosophy of adopting sustainable business practices which are beneficial to the various stakeholders including the society. Through its corporate values, the Company constantly endeavors’ to actively contribute to the social and economic development of the communities in which it operates.

The Company has always believed in giving back to the society and recognized its role and responsibility as a corporate citizen. the Company has social values ingrained into its culture and manner of working. To further the Company’s CSR philosophy, a formal policy on CSR is being formulated to align its practices with requirements of Companies Act, 2013 and rules made thereunder.

The CSR Vision of the Company is to build relationships of trust with local communities, society and stakeholders as good corporate citizens and to contribute to developing a sustainable society for future generations. We believe that to succeed, an organization must maintain highest standards of corporate behavior towards its employees, consumers and societies in which it operates.

3. Objectives of CSR Policy:

The CSR Policy, formulated in alignment with the Vision of the Company, lays down guidelines and mechanisms to be adopted by the Company in order to carry out CSR Projects/Programs. All CSR Projects/Programs will be conceived and implemented through a focused approach towards target beneficiaries for generating maximum impact. CSR Projects/Programs of the Company may be carried out in partnership with credible implementing agencies. The CSR Policy shall apply to all CSR Projects/Programs undertaken by the Company. The Board shall review the CSR policy once in a year and may amend the same as per the requirement of the Company. The Board may review and make changes to the policy at any other intervals in case of any change in the Act.

4. CSR Budget & Spending:

The CSR Budget will be allocated as per the provisions of the Act i.e. at least two per cent of the average net profit calculated as per Section 198 of the Act read with the Companies (Corporate Social Responsibility) Rules thereof (‘average net profit’) accrued during the three immediately preceding Financial Years.

The Board of the Company will endeavor to spend in each Financial Year, at least two percent of the average net profit on CSR Projects/Programs. CSR Projects/Programs will be identified and budgets will be allocated through a process incorporating identification of suitable implementing agencies, need assessment (where required) and clear outlining of desired outcomes. In the event that the amount indicated above is not spent in its entirety in that Financial Year, the reasons thereof will be outlined as per Section 134(3) (o) of the Act.

In implementing its CSR Projects/Programs the Company may choose to partner with a registered trust, society or a Section 8 company that fulfill all requirements of Section 135 of Companies Act, 2013. The Company may collaborate or pool resources with other entities within the Group to undertake CSR Projects / Programs. The Company may also enter into partnerships with the government, business partners and communities to achieve a significant impact of the social projects.

In the event that the Company makes any surplus or profit from pursuing its CSR Projects/Programs, these will not form part of the business profit and will be invested back into CSR Projects

5. CSR Projects, Programs and Activities:

The Company may undertake various CSR projects, programs and activities from time to time. The Company may also contribute towards any existing or ongoing CSR projects, programs and activities. Such projects, programs and activities will be undertaken keeping in mind the CSR philosophy of the Company and in alignment with the permissible activities under the Companies Act, 2013 and rules framed under (as amended from time to time). It shall be at the discretion of the Company to undertake, modify, implement and cancel CSR projects, programs and activities from time to time as it deems fit.

Without prejudice to the generality of the aforesaid, the Company shall undertake CSR Projects/Programs that are aligned with areas listed in Schedule VII of the Act, within the geographical limits of India, for the benefit of marginalized, disadvantaged and underserved sections of the community and the environment.

6. CSR Committee:

The Board of Directors of the Company shall constitute a committee called the "Corporate Social Responsibility Committee" ("CSR Committee") in accordance with the provisions of Companies Act, 2013 and rules made thereunder. The CSR Committee will consist of 3 or more directors or such other number of directors as the Board of Directors of the Company may determine from time to time out of which atleast one director shall be an Independent Director.

The Board of Directors may change the composition of the CSR Committee from time to time in such manner as it thinks fit.

Subject to provisions of Companies Act, 2013 and rules made thereunder, the CSR Committee may meet at such intervals, in such manner and may carry out matters in such manner and function generally as per such guidelines as it deems fit.

The CSR Committee shall have, inter alia, the following roles, powers and responsibility:

- (i) Formulate and recommend the CSR Policy and any amendments therein to the Board of Directors of the Company
- (ii) Develop and approve various CSR projects, programs and activities to be undertaken from time to time either directly by the Company or through other entities
- (iii) Determine modalities of execution of such CSR projects, programs and activities
- (iv) Undertake all necessary steps to implement the CSR activities
- (v) Authorise and approve CSR expenditure from time to time subject to the limits approved by the Board of Directors
- (vi) Monitor the CSR activities in such manner as it deems fit
- (vii) Carry out all such acts, deeds, matters and things as may be required in connection with aforesaid matters and generally for any matter connected with the CSR policy of the Company
- (viii) To perform such functions as may be entrusted by the Board of Directors from time to time.

The Board of Directors of the Company will be responsible for:

- (i) Setting up the CSR Committee as per the Act;
- (ii) Approving the CSR policy and list of activities as per Schedule VII of the Act or amended from time to time as formulated by the CSR Committee;
- (iii) Ensuring that in each financial year the Company spends at least 2% of the average net profit before tax (as per Section 198 of the act with Co.) made during the three immediate preceding financial years;
- (iv) Ensuring that every financial year funds committed by the Company for CSR Projects/Programs are utilized effectively, and regularly monitoring implementation;
- (v) Disclosing in its Annual Report the names of CSR Committee members, the content of the CSR policy and ensure annual reporting of its CSR Projects/Programs on the Company website;
- (vi) To perform such other functions as may be deemed necessary in the interest of the Company.

7. Implementation:

The proposals for new CSR activities as and when received shall be evaluated in terms of appropriateness and alignment with CSR policy of the Company. On clearing the evaluation process, the same shall be put up to CSR committee for review and approval. As per the policy a budget for the approved projects in pipeline shall be placed before committee for approval.

8. Monitoring & Reporting Process

CSR Committee shall monitor the implementation of various programs, projects and activities in such manner as it deems fit. CSR Committee shall ensure that a transparent monitoring mechanism is put in place. The monitoring and reporting mechanism will include program review, evaluation, documentation and reporting.

Without prejudice to the generality of the contents of this policy, the Company may undertake CSR projects, programs and activities as permitted under the framework of Companies Act, 2013 from time to time (including any

amendments, clarifications, circulars, notifications or other official communications from time to time). The Company may also carry out the purposes of this CSR policy in accordance with any amended position of law from time to time notwithstanding that such amended position is not reflected in this policy.

An Annual CSR report and plan will be included in the Directors Report within Annual financial report of the Company and placed before Board by CSR committee for approval.

9. Review And Amendment

If at any point a conflict of interpretation / information between the Policy and any regulations, rules, guidelines, notification, clarifications, circulars, master circulars/directions issued by relevant authorities (“Regulatory Provisions”) arises, then interpretation of the Regulatory Provisions shall prevail.

In case of any amendment(s) and/or clarification(s) to the Regulatory Provisions, the Policy shall stand amended accordingly from the effective date specified as per the Regulatory Provisions. The Board and/or its Committee reserve(s) the right to alter, modify, add, delete or amend any of the provisions of the Policy.