

CORPORATE SOCIAL RESPONSIBILITY POLICY

VERSION CONTROL:

Version	Date of Adoption	Change Reference	Owner	Custodian	Approving Authority
1.0	25-May-2017	Corporate Social Responsibility Policy	Compliance Team	Compliance Team	Board of Directors
1.1	26-Aug-2021	Review the Policy based on Companies Act 2013	Compliance Team	Compliance Team	Board of Directors
1.2	11-Aug-2023	Review the policy based on Companies Act 2013	Compliance Team	Compliance Team	Board of Directors
1.3	14-Aug-2024	The policy is reviewed based on Companies Act 2013	Compliance Team	Compliance Team	Board of Directors

1. INTRODUCTION:

This Corporate Social Responsibility (CSR) Policy has been developed in line with provision of the Companies Act, 2013 and subsequent adoption of charter and constitution of CSR Committee of the Board of Ashv Finance Limited (Ashv Finance). CSR activities/ projects/ programs shall be governed by this policy.

This CSR Policy shall be read in line with the provisions of the Companies Act, 2013 read with the Companies (CSR Policy) Rules, 2014 the Companies (CSR Policy) Amendment Rules, 2021, notified by the Ministry of Corporate Affairs vide notification dated 22-Jan-2021 and such other rules, regulations, circulars and notifications (collectively referred hereinafter as 'Regulations') as may be applicable and as including any amendment from time to time.

In order to have an efficient and effective execution, co-ordination, monitoring of CSR activities, Ashv Finance shall constitute CSR execution team (hereafter referred to as 'CSR Team'). The CSR team will be constituted in the year when section 135 is applicable on the Company. This team will report to CSR committee.

2. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

Composition:

The CSR Committee shall consist of three or more Directors amongst whom at least one Director shall be an Independent Director.

Meetings:

The Committee shall meet at least once in the financial year in which section 135 of Companies Act 2013 is applicable on the Company.

Quorum:

The quorum for a meeting of the Committee on CSR shall be as mentioned in the Corporate Governance Committee of the Board.

Role of CSR Committee:

- a. To establishment and review of Corporate Social Responsibility (CSR) policies, programs and compliances w.r.t to the Companies Act on CSR matters.
- b. To review and evaluate the adequacy of its charter and recommend to the Board any proposed changes.
- c. To recommend the amount of expenditure to be incurred on the activities specified in Schedule VII of the Companies Act, 2013.
- d. To review annual budgets with respect to CSR and review its utilization. The Board shall ensure that the company spends, in every financial year, at least two per cent of the average net profits of the company made during the three immediately preceding financial years, in pursuance of its CSR guidelines under the companies Act and any changes there-under.
- e. To ensure that the CSR program includes significant sustainable development, community relations and security policies and procedures.
- f. To have an oversight on implementation of CSR policies and programs.

- g. To review the findings and recommendations from any investigation or audit by regulatory agencies or external auditors or consultants concerning the Company's CSR matters.
- h. To review the Company's disclosure of corporate social responsibility matters in the Company's continuous disclosure documents and any annual social responsibility report.
- i. To have the power to obtain advice and assistance from outside legal or other advisors in its sole discretion.
- j. To annually evaluate its performance and report the results of such evaluation to the Board.

Role of Board of Directors:

- a. The Board of Directors shall, after considering the recommendations made by the CSR Committee, approve the CSR Policy and the Annual CSR Action Plan of the Company.
- b. The Board of Directors shall ensure that activities are included in CSR Policy of the Company are undertaken by the Company by itself or through a registered and eligible Implementation Agency.
- c. The Board of Directors may alter the CSR Annual Action Plan at any time during the financial year, basis the recommendation of its CSR Committee.
- d. In case of ongoing project, the Board of a Company shall monitor the implementation of the project with reference to the approved timelines and year wise allocation and shall be competent to make modifications, if any, for smooth implementation of the project within the overall permissible time period.
- e. The Board shall satisfy itself that the funds so disbursed have been utilised for the purposes and in the manner as approved by it and the Chief Financial Officer or the person responsible for financial management shall certify to the effect.
- f. Where the Company spends an amount in excess of requirement, such excess amount may be set off by the Board against the requirement to spend up to immediate succeeding three financial years subject to the conditions that –
 - (i) the excess amount available for set off shall not include the surplus arising out of the CSR activities, if any.
 - (ii) the Board of the Company shall pass a resolution to that effect.
- g. If the Company fails to spend CSR budgeted amount, the Board shall in its Directors' report specify the reason for not spending the amount and unless the amount unspent relates to any ongoing project then transfer unspent amount to a fund specified in Schedule VII, within a period of six months of the expiry of the financial year.
- h. Also, the Board shall ensure that any amount remaining unspent pursuant to any ongoing project, fulfilling such conditions as may be prescribed, undertaken by the Company in pursuance of its Corporate Social Responsibility Policy, shall be transferred by the Company within a period of thirty days from the end of the financial year to a special account to be opened by the Company in that behalf for that financial year in any scheduled bank to be called the Unspent Corporate Social Responsibility Account, and such amount shall be spent by the Company in pursuance of its obligation towards the Corporate Social Responsibility Policy within a period of three financial years from the date of such transfer, failing which, the Company shall transfer the same to a Fund specified in Schedule VII, within a period of thirty days from the date of completion of the third financial year.
- i. The Board shall ensure that the administrative overheads shall not exceed five percent of total CSR expenditure of the Company for the financial year.

3. CSR ACTIVITIES:

Ashv Finance can undertake any project/program that is in line with following sectors as listed in Schedule VII of the Act:

- a. Eradicating hunger, poverty and malnutrition;
- b. Promoting health care including preventive healthcare;
- c. Promoting sanitation including contribution to the Swachh Bharat Kosh set-up by the Central Government;
- d. Providing safe drinking water;
- e. Promoting education, including special education and employment enhancing vocation skills, especially among children, women, elderly and the differently abled and livelihood enhancement projects;
- f. Promoting gender equality, empowering women, setting up of homes and hostels for women and orphans, setting up of old age home, day care Centre and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
- g. 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 Clean Ganga fund set up by Central government for rejuvenation of River Ganga);
- h. 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;
- i. Measures for the benefit of armed forces veterans, war widows and their dependents, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows;
- j. Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports;
- k. Contributions 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;
- l. Contribution to Prime Minister's National Relief Fund or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES 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;
- m. 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 Defense 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).
- n. Rural development projects;
- o. Slum area development;

- p. Disaster management, including relief, rehabilitation and reconstruction activities.

Ashv Finance will review the sectors from time to time and make amendment to the above sectors, if necessary, as per the latest amendments of the applicable Act.

4. EXCLUSIONS FROM CSR ACTIVITIES:

The following activities shall not form part of the Ashv Finance CSR activities:-

- a. The activities undertaken in pursuance of normal course of business of Ashv Finance;
- b. activities that benefit only the employees of Ashv Finance;
- c. Any contribution directly/indirectly to political party;
- d. 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.
- e. Activities carried out for fulfilment of any other statutory obligations under any law in force in India.
- f. activities supported by the company on sponsorship basis for deriving marketing benefits for its products or services.

5. CSR PARTNER/COLLABORATION:

The Board of Directors of Ashv Finance may decide to undertake CSR activities, projects or programs, approved by the CSR committee,

- a. by Ashv Finance itself;
- b. through setting up of registered Trust, registered society or Section 8 company by Ashv Finance or its Holding or Subsidiary or Associate Company;
- c. through any Section 8 company, registered trust or registered society operating within India and having three years of established track record in undertaking the similar projects or activities that aligns with Ashv Finance's CSR activities;
- d. In collaboration with any other company provided Ashv Finance's CSR Committee are in a position to report separately in accordance with CSR rules.

The Company may engage international organisations for designing, monitoring and evaluation of the CSR projects or programmes as per its CSR policy as well as for capacity building of their own personnel for CSR. The Company shall only use those partners for CSR implementation who have filed CSR -1 as per the requirements under the Companies Act 2013.

6. BUDGET:

Budget allocated for CSR activities at Ashv Finance is as per the guidelines provided in the Act and change from time to time, currently at least 2% of the average net profit of 3 immediately preceding financial years in its Annual CSR Budget, which shall be spent on projects/activities laid down in this policy

"Administrative overheads" means the expenses incurred by the company for 'general management and administration' of CSR functions in the Company but shall not include the expenses directly

incurred for the designing, implementation, monitoring, and evaluation of a particular CSR project or programme.

Any surplus arising out of the CSR activities shall not form part of the business profit of a Company and shall be ploughed back into the same project or shall be transferred to the Unspent CSR Account and spent in pursuance of CSR policy and annual action plan of the Company or transfer such surplus amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.

Transfer of unspent CSR amount. - Until a separate fund is specified by the Government, the unspent CSR amount, if any, shall be transferred by the Company to a fund specified in Schedule VII of the Act.

7. PROJECT IDENTIFICATION:

- a. The CSR team will identify and propose the projects to the CSR Committee for approval;
- b. The project identified and finalized will be in consonance with the Schedule VII of the Companies Act, 2013.

8. MONITORING & REPORTING:

The CSR committee along with CSR team would be responsible of monitoring approved projects. A comprehensive monitoring mechanism will be devised by Ashv Finance which may include visits to project sites, meetings, progress reports, analysis of Key indicators etc. on a periodic basis. The status on progress on the CSR Programmes undertaken by the Company will be placed in the CSR Committee with full details of cost incurred and results achieved on a regular basis. CSR initiatives of the Company will be reported in the Annual Report and the Directors' report in in the format in compliance with the Section 135 of the Companies Act, 2013 and rules made thereon.

9. DOCUMENTATION:

The CSR Team of Ashv Finance will ensure that CSR projects are well documented including all the utilization certificates, agreements, invoices of actual spent etc. and accountability is fixed at requisite level of the CSR process and the implementation mechanism.

10. IMPACT ASSESSMENT:

- a. Details of need and impact assessment, if applicable for the projects undertaken by the Company will be included in the Annual Action Plan.
- b. if the Company has an average CSR obligation of ten crore rupees or more, in the three immediately preceding financial years, it shall undertake impact assessment, through an independent agency, of their CSR projects having outlays of one crore rupees or more, and which have been completed not less than one year before undertaking the impact study.
- c. The impact assessment reports if applicable shall be placed before the Board and shall be annexed to the annual report on CSR.
- d. Impact assessment, if applicable may be booked as the expenditure towards Corporate Social Responsibility for that financial year, which shall not exceed two percent of the total CSR

expenditure for that financial year or fifty lakh rupees, whichever is higher.

11. CAPITAL ASSET:

The CSR amount may be spent by a Company for creation or acquisition of a capital asset, which shall be held by -

- a. Company established under section 8 of the Act, or a Registered Public Trust or Registered Society, having charitable objects and CSR Registration Number under sub-rule (2) of rule 4; or
- b. beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities; or
- c. a public authority:

Provided that any capital asset created by a Company prior to the commencement of the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, shall within a period of one hundred and eighty days from such commencement comply with the requirement of this rule, which may be extended by a further period of not more than ninety days with the approval of the Board based on reasonable justification.

12. TREATMENT OF SURPLUSES:

Any surplus, generated out of the CSR activities, will not be added to the normal business profit of the Ashv Finance.

13. DISCLOSURE OF CSR POLICY:

As per the CSR Rules, the composition of the CSR Committee and CSR Policy and Projects approved by the Board shall be displayed on Ashv Finance’s website – www.ashvfinance.com apart from the disclosure in the Board’s report.

14. REVIEW:

This policy shall be reviewed annually by the Management. If there is any change to the policy, then the Management will seek approval of the Committee/Board.

Any or all provisions of this Policy would be subject to revision / amendment in accordance with the Rules, Regulations, Notifications, etc. on the subject as may be issued by relevant statutory authorities, from time to time. 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.

XXXXXXXXXXXXXXXXXXXX