

**ASEEM INFRASTRUCTURE FINANCE LIMITED****POLICY FOR CORPORATE SOCIAL RESPONSIBILITY****Reviewing & Approving Authority**

<b>Authority</b>	<b>Designation</b>
Prepared By	Company Secretary Chief Risk Officer
Reviewed By	Chief Executive Officer Chief Financial Officer
Recommended By	CSR Committee
Approved By	Board of Directors
Date of approval	November 09, 2022

**Version History**

<b>Version</b>	<b>Issue Date</b>	<b>Brief Description</b>
V.1	July 22, 2020	New Policy Adopted
V.2	May 28, 2021	Updated to reflect amendments as notified by the Ministry of Corporate Affairs
V.3	August 26, 2021	Annual review with no changes
V.4	November 09, 2022	Annual review with no changes

**ASEEM INFRASTRUCTURE FINANCE LIMITED****Regd. Office:** Aseem Infrastructure Finance Limited | UTI Tower, GN Block, 4th Floor, BKC, Mumbai-400051, Maharashtra**CIN:** U65990MH2019PLC325794 | **Phone:** +91-022 68591350 | **Website:** www.aseeminfra.in

## **I. Preamble**

Corporate Social Responsibility (“CSR”) represents an approach that encourages companies to integrate social and environmental impact in their business operations and strategies. It is a holistic approach that guides companies on their role in the society and focuses on addressing the needs of all stakeholders, especially underprivileged communities, by creating positive shared value for all. It encompasses concepts such as corporate citizenship, strategic philanthropy, shared value and sustainability.

For Aseem Infrastructure Finance Limited (“AIFL”), CSR is an extension of its overall ethos of responsible business.

AIFL’s Corporate Social Responsibility Policy (hereby referred to as ‘The CSR Policy’) is developed in accordance with Section 135 of the Companies Act, 2013 and The Companies (Amendment) Act, 2017 (together referred to as ‘the Act’ hence forward), as notified by the Ministry of Corporate Affairs, Government of India. The Act mandates every company having net worth of INR 500 crore or more, or turnover of INR 1000 crore or more or a net profit of INR 5 crore or more during the immediately preceding financial year shall spend, in every financial year, at least 2% of the average net profits of the company made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy. AIFL shall carry out CSR function as per the Companies (Corporate Social Responsibility Policy) Rules, 2014 and the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 and the guidelines issued by the Ministry of Corporate Affairs from time to time.

## **II. Applicability:**

This CSR Policy shall act as a guide for all the CSR project(s) / programme(s) to be undertaken by the Company, as per the Schedule VII of the Act.

## **III. CSR Policy objectives**

This CSR policy is prepared in alignment with the CSR vision of the company and the objective of the CSR Policy is to lay guidelines and mechanisms to assist AIFL in implementing its CSR vision.

## **IV. CSR Vision Statement**

***To build a better and sustainable future for India by leveraging our competencies and engaging our stakeholders and partners.***

AIFL will achieve this vision by supporting social development and environmental programs that are strategically linked to its business and create long-term and sustainable impact within the causes enlisted in Schedule VII of the Act, with a special focus on livelihood generation, community development in catchment areas and environmental protection.

## V. CSR activities

CSR activities that may be undertaken by the Company shall include the following items or activities that are recognized as such under the regulations as amended from time to time.

The Company may focus on the following activities:

- (a) 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;
- (b) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to Swach Bharat Kosh set by the Central Government for promoting sanitation and making available safe drinking water;
- (c) Promoting education, including special education and employment enhancing vocational skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
- (d) Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
- (e) 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 the Clean Ganga Fund set up by the Central Government for rejuvenation of river Ganga;
- (f) Protection of national heritage, art and culture including restoration of buildings and sites of historical & sites of historical Importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts;
- (g) 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;
- (h) Training to promote rural sports, nationally recognized sports, paralympic sports and Olympic sports; 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;
- (i) 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

Organization (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).

- (j) rural development projects;
- (k) slum area development;
- (l) disaster management, including relief, rehabilitation and reconstruction activities.
- (m) Such other activities and projects covered in Schedule VII to the Companies Act, 2013 from time to time.

The scope of this CSR Policy has been kept as such, to not spread the resources thin. The Company would respond to different situations and challenges appropriately and flexibly, subject to the activities enumerated in Schedule VII of the Companies Act, 2013.

## **VI. Governance Structure**

The CSR Governance structure comprises of the Board and the CSR Committee.

### **The Board of Directors will:**

- Approve / review the CSR Policy of the Company from time to time based on the recommendation made by the CSR Committee
- Ensure that the Company spends, in every financial year, at least 2% of the average net profits during preceding three financial years or preceding financial year
- To satisfy itself that the funds so disbursed have been utilized for the purposes and in the manner approved by the Board
- Disclose the content of the CSR Policy in its report and place the Policy on the Company's website
- Ensure that the programs undertaken are aligned to the CSR Policy of the Company
- Specify reasons in its report for not spending the earmarked amount in case the Company fails to spend such amount

### **The CSR Committee will:**

- Formulate and recommend to the Board
  - (a) Annual Action Plan
  - (b) CSR Policy and indicative list of activities to be undertaken by the Company
- Recommend the amount of expenditure to be incurred on a particular CSR program
- Disclose composition of the CSR Committee on the website and in the Board Report
- Identify programs that are to be implemented
- Identify suitable partners for implementation
- Constitute transparent monitoring and evaluation mechanism for ensuring implementation of CSR programs
- Avail the services of sector and domain experts to ensure the smooth implementation of CSR programs as and when required

- Provide periodic update and report of its activities to the Board of Directors

In the dispensation of its duties, the CSR committee will make sure that it is in line with the Company's policies of conduct and service and adhere to established corporate governance principles.

#### **Responsibility of the Chief Financial Officer**

Additionally, the Chief Financial Officer or the person responsible for the financial management shall certify that the funds so disbursed for CSR activities have been utilized for the purposes and in the manner approved by the Board.

#### **VII. Composition of the CSR Committee**

The CSR Committee shall comprise of at least three Directors as may be appointed by the Board from time to time of which one shall be an Independent Director.

#### **VIII. CSR Budget & Expenditure**

- For the implementation of AIFL's CSR agenda and to achieve the stated aims and objectives, AIFL will set aside atleast 2% of its average net profits made during the 3 immediately preceding financial years as its annual CSR budget. Only activities as outlined in the Company's CSR policy will be applicable for CSR expenditure.
- Any surplus that arises out of the implementation of the CSR projects will not be considered as business profits of the Company and shall be:
  - (i) ploughed back into the same project; or
  - (ii) be transferred to the Unspent CSR Account and spent in pursuance of CSR policy and annual action plan of the Company; or
  - (iii) transfer such surplus amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.
- The expenses incurred by the Company for the "general management and administration" ("administrative overheads") of CSR activities shall not exceed five percent of total CSR expenditure of the Company for the financial year.
- Where a Company spends an amount in excess of stipulated requirement, such excess amount may be set off 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,
  - (ii) the Board of the Company shall pass a resolution to that effect.
- The CSR amount may be spent by a company for creation or acquisition of a capital asset, which shall be held by:-
  - (a) a Company established under section 8 of the Act, or a Registered Public Trust or Registered Society, having charitable objects and CSR Registration Number; or
  - (b) beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities; or
  - (c) a public authority

- If the Company is unable to spend its CSR budget in a financial year, then it will disclose the reason in the annual/CSR report.
- If for some reason the amount equivalent to at least 2% of its average net profits (calculated as per Section 198 of the Act) made during the three immediately preceding financial years is not utilized or spent within the fiscal year, such unutilised funds would be automatically carried forward for utilization in the succeeding year(s) for CSR activities and will not form part of the business profits of the Company.

#### **IX. Implementation**

- CSR programs/projects to be undertaken by the Company will be identified by the Company and presented before the CSR Committee for consideration;
- CSR Committee shall evaluate each programs/projects based on the due diligence, background checks and such other information as presented for consideration. CSR Committee may perform any additional checks/due diligence, if required;
- The mode of implementation of CSR programmes may include a combination of direct implementation and / or through a trust, civil societies, collaborations with other entities; implementing agencies, social partners; or company that is compliant with Section 8 of the Companies Act, 2013. AIFL will select its partners after appropriate due diligence.
- AIFL may use the services of expert agencies, consultants etc. wherever required for specialized services such as impact assessment, program design and implementation, employee engagement etc.
- The Company may undertake CSR activities through external agencies, NGOs having the requisite track record of 3 years in the relevant project/ programme and a report on the same shall be disclosed separately as may be prescribed from time to time under applicable provisions of Companies Act, 2013.
- All details, including the manner of implementation, around the company's CSR programs will be published in the annual report and made available to all stakeholders.

#### **X. Accounts and Audit**

A separate accounting for CSR related expense and receipts shall be maintained.

In case specified projects or programmes are to be undertaken through third party agencies the Company would need to specify the manner of accounting and tracking the expenditure incurred through third party agencies.

The amount spent on CSR by the Company will be subject to audit at such intervals, as may be required, from time to time.

#### **XI. Monitoring and Evaluation (M&E) framework**

The Company will perform a periodic assessment of the relevance, performance, efficiency and impact of The CSR project / programs. The performance report on the project / programs will be submitted to the CSR Committee at regular intervals.

Progress on CSR initiatives will be reviewed and monitored on by the CSR Committee and once in a financial year by the Board of Directors.

If the Company has a CSR obligation of ten crore rupees or more in pursuance to section 135 (5) of Companies Act 2013, in the three immediately preceding financial years, it shall undertake impact assessment as per prevailing rules.

## **XII. Review of Policy**

The CSR Policy shall be subject to periodic review and reassessment by the CSR Committee. Based on requirements, the Committee can make recommendations for changes in the CSR policy that are subject to the Board's approval. Any subsequent amendment to the Act with respect to section 135 will apply to AIFL's CSR policy.

## **XIII. Publication**

The Company shall provide, in prescribed format as set out under Companies (Corporate Social Responsibility Policy) Rules, 2021, the details of CSR initiatives and activities in its Director's report, composition of CSR Committee and CSR Policy and Projects approved by the Board. Further, the same will also be placed on the website of the Company.