

Corporate Social Responsibility (CSR) Policy

The policy which lays down the guidelines and mechanism for undertaking socially useful programs for welfare & sustainable development of the community at large along with the company's philosophy for setting down its responsibility as a corporate citizen is titled as the '**Akasa Finance Limited – CSR Policy**'.

I. Preamble:

The concept of Corporate Social Responsibility (CSR) has gained prominence from all avenues. Organizations have realized that Government alone will not be able to get success in its endeavor to uplift the under privileged part of the society. With rapidly changing corporate environment, more functional autonomy, operational freedom etc. our company has adopted CSR as a strategic tool for sustainable growth.

This policy shall apply to all CSR initiatives and activities taken up by the Company for the benefit of different segments of the society, specifically the deprived, underprivileged and differently able persons.

II. Objective / Goals:

This CSR policy aims with following objectives / goals:

- (1) To make CSR a key business process for sustainable development for the Society;
- (2) To aim at supplementing the role of the Government in enhancing welfare measures of the society based on the immediate and long term social and environmental consequences of their activities;
- (3) To directly and indirectly take up the programmes that benefit the communities residing in the local areas wherever the Company operates and results, over a period of time, in enhancing the quality of life and economic well-being of the local populace;
- (4) Contributing to the sustainable development in the areas of strategic interest through initiatives designed in a manner that addresses the challenges faced by the Indian society especially in rural India;
- (5) Collaborating with communities and institutions to contribute to the national

mission of eradicating hunger and poverty, especially in rural areas, through agricultural research, knowledge sharing, conservation and development of forest resources, empowering women economically, supplementing primary education and participating in rural capacity building programs and such other initiatives.

III. Our CSR Vision:

Through sustainable measures, actively contribute to the Social, Economic and Environmental Development of the community in which the Company operate ensuring participation from the community and thereby create value for the nation.

IV. Our CSR Mission:

(1) Ensuring socio-economic development of the community through different participatory and need-based initiatives in the best interest of the poor and deprived sections of the society so as to help them to become SELF-RELIANT and build a better tomorrow for themselves.

(2) Ensuring environmental sustainability through ecological conservation and regeneration, protection & re growth of endangered plant species, and promoting biodiversity.

V. Our Activities:

The CSR activities to be pursued by the Company will be in line with our stated Vision and Mission, focused not just around our plants and offices, but also in other geographies based on the needs of the communities.

The areas under which the Company will implement its CSR Projects:

(1) Eradicating hunger, poverty and malnutrition:

(a) Provision of food, nutrition supplement, clothes etc. for the poor, children and other deprived sections of the society.

(b) Provision of shelter for homeless.

(c) Promoting sanitation, making available safe drinking water

- (d) Mid-day meal by corporate through additional nutrition
- (e) Disaster relief including medical aid, food supply, supply of clean water

(2) Promoting Health care including Preventive Health care through awareness programmes, health check-ups, provision of medicine & treatment facilities, program for preventing diseases and building immunity.
Giving medical and legal aid treatment to road accident victims & Provisions for aids and appliances to the differently – able persons.

(3) Ensuring environmental sustainability and ecological balance through:

- (a) Plantation drives in schools, villages, our manufacturing units & offices/business premises and other areas in general;
- (b) Reviving endangered plants, promoting agro-forestry;
- (c) Protection of flora & fauna;
- (d) conservation of natural resources;
- (e) Maintaining quality of soil, air & water; (Clean Ganga Fund set up)
- (f) Adoption of wastelands to cultivate plants;
- (g) Promoting biodiversity;
- (h) Animal welfare and veterinary services;
- (i) Technical support and Know how for improving farming and building capacities of small farmers;
- (j) Promoting alternate energy resources; and
- (k) Own research on the field for individual's crops to find out the most cost optimum and Agri-ecological sustainable farm practices with a focus on water management, Renewable energy projects.

(4) Employment and livelihood enhancing vocational skills and Livelihood Enhancing Projects:

A growing economy like India requires a large and skilled workforce. The Company's skill training initiatives will aim at training and capacity development of youth, physically disadvantaged and women from economically weaker sections of society, and to empower them to gain access to opportunities for sustainable livelihood and growth.

The Company will support technical training courses, Skill Development Centre's, non-formal vocational programs aimed at creating livelihood opportunities, soft skill training aimed at creating livelihood opportunities, soft skill training aimed to facilitate integration into mainstream and soft loans for self-financing of training.

(5) Promotion of education especially among children, women, elderly and the differently abled including:

- (a) Non-formal education programmes;
- (b) Supporting schools with infrastructure like benches, toilets, potable water, fans etc;
- (c) Supporting the infrastructure or running cost of reading programs, libraries, supportive classes, Computers, science laboratories etc;
- (d) Supporting other educational institutions;
- (e) Improving educational facilities in general;
- (f) Supporting children for higher education; and
- (g) Educating the masses and Promotion of Road safety awareness in all facets of road usage, Safety traffic engineering and awareness through print, audio & visual media, Research and studies.

(6) Promoting gender equality and empowering women including:

- (a) Adult literacy for women;
- (b) Promoting and providing credit support to women's self-help and joint liability groups;
- (c) Training in vocations pursued by women;
- (d) Setting up homes for women and orphans;
- (e) Setting up old-age homes and other facilities for senior citizens; and
- (f) Setting up hostels for working and student women, day care centers for kids of working women.

(7) Rural Development Projects: Strengthening of rural areas by improving accessibility hosing drinking water, sanitation, power, participate in school development in villages, livelihoods, thereby creating sustainable village.

(8) Other Activities :

- (a) Promotion of Sports with special focus on training for rural sports, nationally recognised sports;
- (b) Welfare for differently disabled Person;
- (c) Reducing inequalities faced by the socially and economically backward groups;
- (d) Protection of national heritage, art, culture and handicraft; Restoration of Buildings & sites of historical importance & works of art; and
- (e) Welfare of armed forces personnel, war widows and their dependents

(9) Incidental Activities :

- (a) Employing people and incurring other costs to carry out aforesaid activities.
- (b) Slum area development:

Explanation.- For the purposes of this item, the term ‘slum area’ shall mean any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force.”

(10) Such other activities as the Board may consider to be appropriate.

VI. Our approach to implementation:

CSR initiatives will be implemented either directly by the company or through implementing partners/players which will include:-

- (1) Entities such as a company established under section 8 of the Act, or a registered public trust or a registered society having an established track record of at least 3 years in undertaking similar activities for which the grant is being given. Such entities also assist the Board and CSR committee in reporting the progress of deployed initiatives.
- (2) These entities mentioned in (1) above, would need to be registered under section 12A and 80 G of the Income Tax Act, 1961 (43 of 1961). These entities intending to undertake CSR activities shall register itself with the Central Government by filing the form CSR-1 electronically with the Registrar, with effect from the 01st day of April, 2021.
- (3) The company may engage international organizations 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.

(4) The company may also collaborate with other companies for undertaking projects or programmes or CSR activities in such a manner that the CSR committees of respective companies are in a position to report separately on such projects or programmes in accordance with the requirements of Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules 2014.

VII. CSR Committee and its Composition :

The CSR Committee of the Board shall consist of minimum three (03) directors including one Independent Director. The Committee will meet at least once in a year. The CSR Committee reports to the Company's Board of Directors.

VIII. Terms of Reference of the Committee :

(1) The CSR Committee shall formulate and recommend to the Board, an annual action plan in pursuance of its CSR policy, which shall include the following, namely:

—

- (a) the list of CSR projects or programmes 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 programmes as specified in sub-rule (1) of rule 4 of Companies (Corporate Social Responsibility Policy) Rules, 2014;
- (c) the modalities of utilization of funds and implementation schedules for the projects or programmes;
- (d) monitoring and reporting mechanism for the projects or programmes; and
- (e) details of need and impact assessment, if any, for the projects undertaken by the company:

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

(2) The CSR Committee shall meet on half yearly basis to review the progress made, or at such intervals periods and may be required by the Company.

IX. Determination of allocation of amounts:

(1) CSR committee will determine the amount to be collected for each activity yearly basis subject to a minimum 2% (Two percent) of average net profit of the company as per section 135(5) of the Companies Act, 2013, for immediately preceding three financial years.

(2) To ensure that the administrative overheads shall not exceed 5% (five percent) of total CSR expenditure of the company for the financial year.

Whereas “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 programme.

(3) 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.

(4) Where a company spends an amount in excess of requirement provided under sub-section (5) of section 135, such excess amount may be set off against the requirement to spend under sub-section (5) of section 135 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, in pursuance of sub-rule (2) of this rule.

(ii) the Board of the company shall pass a resolution to that effect.

(5) 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 under sub-rule (2) of rule 4 of Companies (Corporate Social Responsibility Policy) Rules, 2014; 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 (180) days from such commencement comply with the requirement of this rule, which may be extended by a further period

of not more than ninety (90) days with the approval of the Board based on reasonable justification.

X. Disbursement:

The disbursement of funds will be either in tranches form or one-time payment depending on the nature and requirement of the project. The terms, conditions and timing of disbursement will be approved by the CSR Committee.

XI. Monitoring:

The CSR Committee will, through Company Secretary/ HR Head, ensure monitoring mechanism for confirming implementation of the projects/ programs/activities proposed to be undertaken by the Company.

The Company Secretary/ HR Head would have the responsibility of monitoring approved projects and funds disbursements for such projects. Monitoring mechanism may include visits, meetings and progress/ status reporting by the NGOs. The Company's CSR activities will be reviewed by the CSR Committee.

XII. Reporting:

CSR initiatives of the Company will also be reported as a part of the Board's Report in the Annual Report of the Company as per the annexure of CSR Rules and also as per any other statutory and regulatory reporting requirements.

XIII. Communication & Information Dissemination:

CSR Policy and composition of CSR Committee of the company can be viewed at the website of the company.

XIV. Effective date:

This policy is effective from July 24, 2018 and as amended by board from time-to-time viz.

i. 18th October, 2018 (notification dated 19th September, 2018);

- ii. 02nd September, 2020 (notification dated 24th August, 2020); and
- iii. 13th February, 2021 (Updation as per Companies (Corporate Social Responsibility Policy) Amendment Rules 2021).