

# CORPORATE SOCIAL RESPONSIBILITY POLICY

## ASIA PRAGATI CAPFIN PRIVATE LIMITED



**Authorised by: CSR Committee**

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**CORPORATE SOCIAL RESPONSIBILITY POLICY**  
**OF**  
**ASIA PRAGATI CAPFIN PRIVATE LIMITED**

**FRAMED UNDER SECTION 135(3) (a) OF THE COMPANIES ACT, 2013**

**I. INTERPRETATION**

For the purposes of this Policy references to the following shall be construed as:

1. "Corporate Social Responsibility" or "CSR" means as defined in Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended from time to time.
2. "Corporate Social Responsibility Committee" or "CSR Committee" shall mean a Committee constituted by the Board of Directors as per the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014.

**Functions of the Committee**

- (a) Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII;
  - (b) Recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and
  - (c) Monitor the Corporate Social Responsibility Policy of the company from time to time.
3. "CSR Policy" shall mean the contents herein including any amendments made by the board of directors of the Company from time to time.

4. "Priority Projects" shall mean such CSR projects which are selected by the CSR Committee to be pursued by the Company within the territory of India.
  
5. "Annual spends"/ "CSR Spends" shall mean that the Company would spend not less than 2% of the average net profits of the company made during the three immediately preceding financial years. The surplus arising out of CSR activity will not be part of business profits of the company and it would be added back to the CSR spends.

Average net profits shall be calculated in accordance with the provisions of section 198 of the Companies Act, 2013.

## **II. GUIDING PRINCIPLES**

Asia Pragati Capfin Private Limited (hereinafter called "the Company") and its people are committed to society, ecology and environment. Company also realises that caring for the society, country and the planet is not philanthropy or generosity – it is the very way of doing sustainable business. The Company realises that the Company is not being generous by following the CSR Policy.

### **Vision:**

The CSR Committee's Vision is "improving lives in pursuit of collective development and environmental sustainability". This vision should encompass all CSR activities of the Company.

**Mission:** The CSR Committee's Mission is primarily to pursue initiatives directed towards enhancing welfare measures of the society based on long term social and environmental impact of the CSR activities. Within the above mission, the CSR Committee will choose Priority Projects from time to time.

The objective of this Policy is not only to guide the Company and its people to indulge in social activities but also to integrate the business processes with social processes. The Company believes that CSR Policy is the Company's faith in socially inclusive and sustainable business as the way of doing business.

## **III. GENERAL POLICIES**

The Company recognises that good CSR practices embraces all aspects of sustainable development and the way the Company affects people through its business operations. The Company recognises that CSR is not all about spending – it is orientation of the Company and its people to larger social causes. The Company encourages its people to contribute to its CSR efforts in every possible way.

The policies to be pursued by the CSR Committee are as follows:

**General business policies:**

1. The Company realises that one of most important parameters for a socially responsible corporate is to carry business in accordance with principles of sustainability, balance and equity. The Company will always strive to align its business interests with those of the society in general, ecology and environment. The Company further encourages any stakeholder or any member of the public to make thoughtful suggestions, addressed to Chairperson of the CSR Committee, for sustainable business practices.
2. The Company shall strive to enhance corporate value while achieving a stable and long-term growth for the benefit of stakeholders.
3. The Company respects and honours the human rights of people involved in its business and, in particular, does not use or tolerate any form of forced or child labour.

**CSR Projects:**

1. The Company will encourage voluntary efforts of its directors and employees to CSR Projects. The Company also encourages its directors and employees to recommend to the CSR Committee meaningful projects in accordance with the Guiding Principles that may be taken up by the Company, under the supervision of the CSR Committee.
2. In addition to Projects that may be taken up by the Company directly, the Company may also collaborate with other companies or entities, including its group companies, to carry out any CSR Projects, in accordance with this Policy.
3. The investment in CSR projects shall be project-based with specific timeframes.
4. As far as possible, the Company shall strive to create self-sustainability in its CSR efforts over a long run, a CSR Project should be able to generate sufficient resources, whether by way of profits or by way of a regular flow of contributions, so that it does not have to depend on the Company's contribution on a regular basis.
5. The progress of all CSR Projects, including the spending thereon, shall be periodically reviewed by the CSR Committee.

**Manner of selection and execution of CSR Projects:**

1. A CSR Project may be selected by the CSR Committee, either based on its own discretion, or based on recommendations. The CSR Committee will accord priority to projects in the areas covered by Priority Projects. The Company shall give preference to the Local Area and areas around where it operates, for spending the amount earmarked for Corporate Social Responsibility activities. The Company will thus give preference to conducting CSR activities in the localities, where it has its operations. However, the Committee may identify such areas other than stated above, as it may deem fit and recommend it to the Board for undertaking CSR Activities.

2. The CSR Committee, after identifying and approving a CSR Project, may fix a target spending, and direct the CSR Cell to carry out the execution thereof.
3. The CSR Committee shall periodically monitor and evaluate the performance of the Projects and the achievement of targets.

### **Priority Projects**

The Company has currently identified the following Priority Projects to be undertaken by the CSR Committee–

1. Promoting education including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects
2. Ensuring animal welfare
3. Promoting health care including preventive health care and sanitation and making available safe drinking water
4. Promoting gender equality, empowering women, setting-up homes and hostels for women and orphans
5. Rural development projects

Notwithstanding the listing of the Priority Projects, the CSR Committee may accept CSR Projects falling within the activities listed out in Annexure -1, at its discretion.

Carrying out of CSR Projects through company established under section 8 of the Companies Act, 2013, registered trust or a registered society etc;

The Board of a company may decide to undertake its CSR activities approved by the CSR Committee, through

- (a) a company established under section 8 of the Act or a registered trust or a registered society, established by the company, either singly or alongwith any other company
- (b) a company established under section 8 of the Act or a registered trust or a registered society, established by the Central Government or State Government or any entity established under an Act of Parliament or a State legislature:

Provided that- if, the Board of a company decides to undertake its CSR activities through a company established under section 8 of the Act or a registered trust or a registered society, other than those specified above, such company or trust or society shall have an established track record of three years in undertaking similar programs or projects; and the company has specified the projects or programs to be undertaken, the modalities of utilisation of funds of such projects and programs and the monitoring and reporting mechanism

In case the CSR Committee decides to execute a CSR Project through company established under section 8 of the Act, registered trust or a registered society, it would adhere to the following guiding principles:

1. The Committee shall provide specific Project agenda, targets, target spending, accomplishments, manner of execution etc. to the Agency, subject to discussions with the Agency.
2. The disbursement of funds to the Agency must be done on a progressive basis so as to align with the funding needs of the Project, and to permit the evaluation of the activity carried so far.
3. The Agency must provide periodically reports, to the satisfaction of the Committee, about execution of the Project.

### **CSR Expenditure**

1. CSR spending shall include spending in kind, that is, application of any of the assets or properties of the Company to a CSR project/program. Where any such property or asset is so utilized by the Company, the lower of its fair value or WDV shall be treated as the monetary amount of the spending.
2. Any direct and/or indirect expenses incurred by the Company in accordance to this Policy for projects or programs relating to CSR activities shall construe as CSR Expenditure.

### **IV. MONITORING AND EVALUATION**

1. The Committee shall discuss the progress of each project undertaken and make any decision with respect to the project which it thinks fit.
2. At least one member of the Committee shall have financial knowledge and ability to read financial statements.
3. Where, after the adoption of this Policy by the Board of the Company, the Committee requires further funds for undertaking any new CSR project, the Committee shall request the Board of the Company to approve such higher amount.
4. Where there is, any surplus lying in the "Expenditure for CSR Account" (which need not be a separate fund, but merely an accounting reserve), the same shall not be considered a part of the business profits of the Company. Such surplus shall be carried forward to the next financial year.
5. The CSR Committee shall furnish to the Board the reasons for not spending the allocated amount or failed to meet the timeline for execution of its projects
6. The Company will review the Policy from time to time based on changing requirements of the target beneficiaries and make such modification(s), as may be necessary.

## ANNEXURE – I

List of activities that may be taken up by the Company other than the Priority Projects -

1. eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water;
2. 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;
3. 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
4. ensuring environmental sustainability, ecological balance, protection of flora and fauna, agroforestry, conservation of natural resources and maintaining quality of soil, air and water;
5. 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;
6. measures for the benefit of armed forces veterans, war widows and their dependents;
7. training to promote rural sports, nationally recognised sports, Paralympic sports and Olympic sports;
8. contribution to the Prime Minister's National Relief 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;
9. contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
10. rural development projects;
11. 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.]

Place: -----  
Date: -----

For \_\_\_\_\_  
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