

AVANSE FINANCIAL SERVICES LIMITED

CORPORATE SOCIAL RESPONSIBILITY POLICY

VERSION CONTROL

Version	Date of Adoption*	Change reference	Owner	Approving Authority
1	12-Oct-2017	Adoption of Policy	People Practice	Board of Directors
2	06-May-2021	Revision of Policy	People Practice	Board of Directors
3	02-Aug-2022	Review of Policy	People Practice	Board of Directors
4	02-Aug-2023	Review of Policy	People Practice	Board of Directors

** The Policy version controls are maintained from 2013 and onwards.*

“If at any point a conflict of interpretation/information between this Policy and any Regulations, Rules, Guidelines, Notification, Clarifications, Circulars, Master Circulars/ Directions by RBI arise then interpretation of such Regulations, Rules, Guidelines, Notification, Clarifications, Circulars, Master Directions issued by RBI shall prevail.

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PREAMBLE

The Policy outlines the Company's responsibility as a corporate citizen and lays down the guidelines and mechanism for undertaking Corporate Social Responsibility (CSR) activities for welfare and sustainable development of the community at large.

This policy shall apply to all CSR initiatives and activities taken up at the various location of the Company for the benefit of different segments of the society as may be decided by the CSR Committee/Board.

CSR OBJECTIVES

To attain its CSR objectives in a professional manner and integrated manner, the main objectives are:

To promote, carry out, support activities relating to:

Education and Training including in Science and Technology, Humanities etc; Healthcare; Welfare of Children, Women, Senior Citizens, and Differently Abled Persons; Employment enhancing Vocational skills; Sanitation; Water management; Agriculture; Horticulture; promotion of Culture; Art & Craft; Conservation of Natural Resources; Promotion and development of traditional Arts & Handicrafts; Employment Generation; Environment Sustainability; Science & Technology; Rural Development; Animal Welfare; welfare and development measures towards reducing inequalities faced by Socially and Economically Backward groups; and such activities may include establishing, supporting and / or granting aid to institutions engaged in any of the activities referred to above.

To conduct and support studies & research; publish and support literature, publications & promotion material; conduct and support discussions, lectures, workshops & Seminar in any of the areas covered above.

To promote, carry out, support any activities covered in Schedule VII to the Companies Act, 2013, as amended from time to time.

PROJECTS / PROGRAMS

Various activities may be undertaken on the basis of objectives as set out herein as projects or programs.

Such projects or programs may be undertaken through an external implementing agencies viz; registered public trust or registered society or a company established under section 8 of the Companies Act, 2013 established by the Central Govt./State Govt. or any entity established under an act of parliament or legislature, or through such agencies with established track record of at least three years and/or such other requirements as per the provisions of the applicable laws, as amended from time to time or a company established by the Company or by its holding or subsidiary Company or associate company as approved by the CSR Committee / Board.

COMPOSITION OF CSR COMMITTEE

The Company has a duly constituted CSR Committee in terms of the provisions of the Companies Act, 2013 and rules made thereunder.

The Committee shall be empowered to select programs in line with the objectives of the CSR Policy.

Details of composition of CSR committee, CSR policy and projects approved by the Board is also available on website of the company

TERMS OF REFERENCE

Terms of reference of the CSR Committee shall include the following:

- To frame and review CSR Policy;
- To recommend the amount of expenditure to be incurred on the activities as identified for CSR of the Company;
- To oversee the implementation of CSR projects/programs/activities;
- To delegate any authority to any employee(s)/committee of the Company.
- To do all the activities as per the provisions of the applicable laws, as amended from time to time.

BUDGET

The Company to spend 2% of the Average Net Profits made in the immediately preceding 3 (three) financial years on Corporate Social Responsibility (CSR) or such amount required to be spent on CSR activities as per the provisions of the Companies Act, 2013, as amended from time to time. Net Profit shall be calculated as per the provisions of Companies Act, 2013 or such other laws as may be applicable from time to time.

CSR EXPENDITURE:

a) Set-off excess spent on CSR

The Company, basis the recommendation of the CSR Committee and approval by the Board of Directors, can spend an amount in excess of the requirement under the Companies Act, 2013 and rules made thereunder (Act) and such excess amount may be set-off against the requirement to spend under the provision of the Act 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 Directors shall pass a resolution to that effect.
- b) Any surpluses arising out of CSR projects or programmes or activities shall not form part of the business profits of the Company.
- c) The administrative overheads shall not exceed five percent of total CSR expenditure of the Company for the financial year.

MONITORING MECHANISM

- i. CSR Committee/Board shall review and monitor the CSR activities of the Company.
- ii. CSR Committee shall ensure that the projects/programs/activities that are undertaken by the Company are in compliance with the various applicable laws.

ANNUAL ACTION PLAN

The CSR Committee shall formulate and recommend to the Board, an Annual Action Plan which shall include;

- i. the list of CSR projects or programmes that are approved to be undertaken;
- ii. the manner of execution of such projects or programmes;
- iii. the modalities of utilisation of funds and implementation schedules for the projects or programmes;
- iv. monitoring and reporting mechanism for the projects or programmes;
- v. details of need and impact assessment, if any, for the projects undertaken by the company and
- vi. Any other details/information as the CSR Committee may deem fit.

GENERAL

- i. Any amendments / modifications in the applicable laws shall automatically apply to this policy.
- ii. The Board of Directors shall have the right to modify or change the policy from time to time as per the requirement of the applicable laws basis the recommendation of the CSR Committee of the Company or as the Board of Directors may be deem fit.