



ASHIMA LIMITED

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

(Approved by Board of Directors on 11th November, 2017)

The Corporate Social Responsibility Policy ('CSR Policy') of Ashima Limited ('the Company') has been formulated in accordance with Section 135 of the Companies Act 2013 and the rules made thereunder. The CSR Policy shall apply to all the CSR activities undertaken by the Company.

A. PROLOGUE:

As member of and being a part and parcel of the Society, every Corporate Entity has a responsibility towards the Society. It is therefore, the duty of every Corporate Entity to contribute what it can to the Society. Ashima Limited is a flagship Company of Group Ashima. Group Ashima has always been committed towards carrying out activities which have a positive impact on the society in several ways.

B. OBJECTIVES:

- a. To directly or indirectly take up programmes that benefit the communities in and around its work centers and results, over a period of time, in enhancing the quality of life and economic well-being of the local populace.
- b. To generate, through its CSR initiatives, a community goodwill for the Company and help reinforce a positive image of the Company as a socially responsible Corporate citizen.
- c. To ensure commitment and compliance at all levels within the organization and create meaningful partnerships with stakeholders to achieve desired outcomes of the Policy.
- d. To strive for economic development that positively impacts the society at large with minimal resource footprint.

C. DEFINITIONS:

In this Policy, unless the context otherwise requires, words and expressions used shall have the meaning as defined or assigned to them in the Companies Act, 2013 and the Rules made thereunder.

D. RECOGNIZED ACTIVITIES FOR THE PURPOSE OF CSR:

Ashima CSR Policy relates to the activities to be undertaken by the Company as specified in Schedule VII to the Companies Act, 2013 ('Act') and the expenditure thereon, excluding activities undertaken in pursuance of normal course of business of a Company.

The activities as specified in Schedule VII as per the Companies Act, 2013, that can be undertaken by a company to fulfill its CSR obligations are mentioned below:

1. eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation, including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water;
2. promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
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, animal welfare, agro forestry, 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
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, Paralympics 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 purpose 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.

12. Any further activities as may be included in the SCHEDULE VII of the Companies Act, 2013 by way of amendments or notification or circulars or clarification issued by Ministry of Corporate Affairs, New Delhi, from time to time relating to the CSR Activities shall be deemed to form part of this CSR Policy.

E. CSR PROJECTS OR PROGRAMS, MODALITIES OF EXECUTION AND IMPLEMENTATION:

Company will seek to identify suitable programmes for implementation in line with the CSR objectives of the Company and for the benefit of the stakeholders and the community for which those programmes are intended. These works may be done by company as project/program/activity by the company itself or through a company established under Section 8 of the Companies Act, 2013 or a registered trust or a registered society, either singly or alongwith any other company or in any other mode or manner as may be permissible under the Companies Act, 2013, the Rules made thereunder or notification, circular or clarifications issued from time to time by the Ministry of Corporate Affairs.

F. MONITORING PROCESS:

The CSR Committee shall monitor and review the progress on implementation of CSR Projects or Programs or activities, including as regards timelines, budgetary expenditure and achievement of objects at such time as it may deem fit.

G. CSR COMMITTEE:

The composition of CSR Committee shall be in accordance with the provisions of the Companies Act, 2013 and rules made there under as applicable to the Company from time to time.

The CSR Committee may delegate the responsibility pertaining to the monitoring and overseeing the implementation of the CSR activities or programme to any employee of the Company or any other person, from time to time.

The CSR Committee shall:-

- Formulate, recommend and update the CSR Policy.
- Institute a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the company.
- Recommend amount of expenditure for CSR activities.
- At the end of every financial year, submit its report to the Board.
- Monitor the CSR policy and its implementation from time to time.
- Ensure that to the extent possible, preference is given to the local area & area surrounding the operations of the Company for CSR activities and CSR expenditure.

H. CSR BUDGET:-

- a. For achieving its CSR objectives through implementation of meaningful and sustainable CSR programmes, company will allocate at least 2% of the average net profit of the Company made during the last three immediately preceding financial years,
- b. Total expenditure in the CSR Annual Plan shall be approved by the Board upon recommendation by the CSR Committee,
- c. In case the Company fails to spend the statutory minimum limit of 2% of average net profits of the Company during the immediately preceding three years, in any given financial year, the Board shall specify the reasons for the same in its report in terms of clause (o) of sub-section (3) of section 134.

I. GENERAL:

- a. The surplus arising out of the CSR Programs, Projects or Activities shall not form part of the business profit of the Company.
- b. The Company may build CSR capacities of their own personnel as well as those of their implementing agencies through institutions with established track records of at least three Financial Years but such expenditure, including expenditure on administrative overheads shall not exceed 5% of the total CSR expenditure of the Company in one Financial Year.
- c. If the Company ceases to be a company covered under sub-section (1) of Section 135 of the Companies Act, 2013 for three (3) consecutive financial years, it will not be required to follow the provisions of sub-section (2) to (5) of the said Section, till such time it meets the criteria specified in Section 135 (1) of the Companies Act, 2013.
- d. CSR Policy may be reviewed by the CSR Committee at such intervals as it may deem fit. The CSR Policy may be revised/modified/amended by the CSR Committee, subject to the approval of the Board of Directors
- e. Any amendment in the Companies Act, 2013 or Rules made thereunder or through any circular, notification or clarification shall be deemed to be incorporated in this Policy from the date of such amendment, modification or clarification or any other effective date stated therein.
