



ASHIMA LIMITED

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

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

(Revised by Board of Directors on 26th October, 2021)

ASHIMA LIMITED

POLICY ON CORPORATE SOCIAL RESPONSIBILITY

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 ('the Act') and the Rules made there under ('Rules') and has been lastly amended on 26th October, 2021 in accordance with the changes made in Act /Rules . 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 Act and the Rules.

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 Act and the expenditure thereon.

The activities as specified in Schedule VII as per the Act 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 Swachh 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; Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows];
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 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;
9. (a) 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; and

(b) 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 Organisation (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).

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. disaster management, including relief, rehabilitation and reconstruction activities

13. Any further activities as may be permissible and/or added/amended or included in the Act, applicable Rules and Schedule from time to time relating to the CSR Activities shall be deemed to form part of this CSR Policy.

In order to count towards CSR Expenditure, CSR Activities must be undertaken in compliance with the applicable laws and shall not include the following:

- (i) activities undertaken in pursuance of normal course of business of the company
- (ii) any activity undertaken by the company outside India except for training of Indian sports personnel representing any State or Union territory at national level or India at international level;
- (iii) contribution of any amount directly or indirectly to any political party under Section 182 of the Act;
- (iv) activities benefitting employees of the company as defined in clause (k) of Section 2 of the Code on Wages, 2019 (29 of 2019);
- (v) activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services; and
- (vi) activities carried out for fulfilment of any other statutory obligations under any law in force in India.

E. CSR PROJECTS OR PROGRAMMES, 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 any of the following entities as being duly registered with the Central Government and having a unique CSR Registration Number (with effect from 1 April 2021):

(a) a company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80 G of the Income Tax Act, 1961, established by the company, either singly or along with any other company, or

(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

(c) any entity established under an Act of Parliament or a State legislature; or

(d) a company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities.

(e) any other mode or manner as may be permissible under the Act, 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 Act and rules made there under as applicable to the Company from time to time.

The CSR Committee shall be responsible for providing recommendations to the Board with respect to CSR Activities that may be undertaken by the Company in accordance with the CSR Policy as well as the Act and the CSR Rules.

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 / agency, from time to time.

The CSR Committee shall formulate and recommend to the Board, an annual action plan in pursuance of its CSR policy in accordance with the applicable law, and inclusive of the following items:

(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;
- (c) the modalities of utilisation 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 its CSR Committee, based on the reasonable justification to that effect.

The CSR Committee shall consider and deal with any matter prescribed under the Act and applicable rules and provisions

The CSR Committee shall 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 programme, company will allocate at least 2% of the average net profit of the Company made during the last three immediately preceding financial years or any other sum as may be prescribed under the Act.
- 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 or any other sum as may be prescribed under the Act, 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 and shall comply with the applicable provisions relating to transfer of unspent amount.
- d. if the Company spends an amount in excess of the requirements provided under the Act /Rules, it may set off such excess amount against the requirement to spend for such number of succeeding financial years and in such manner, as may be prescribed under the Act.

GENERAL:

- a. The surplus arising out of the CSR Programs, Projects or Activities shall not form part of the business profit of the Company and shall be dealt with in the manner prescribed under the Act.

- 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 Act for three (3) consecutive financial years, it will not be required to constitute a CSR Committee and comply with the provisions of sub-section (2) to (6) of the said Section, till such time it meets the criteria specified in Section 135 (1) of the Act.
- 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 Act 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.
