

**ABANS FINANCE PRIVATE**  
**LIMITED**

**CORPORATE SOCIAL RESPONSIBILITY POLICY**

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## **I. PREFACE**

Abans Finance Private Limited (the ‘Company’) is a subsidiary of Abans Holdings Limited and has a Certificate of Registration from RBI enabling the Company to carry on its business as a Non-banking Finance Company without acceptance of public deposits

As a responsible Corporate Citizen, the Company endeavors to maintain high standards of responsibility towards the society in which operates. The Company conducts its business in such a manner that integrates economic, social and environment requirements into their activities.

## **II. SCOPE AND APPLICABILITY**

The Company’s CSR Policy has been developed in conformity with the provisions of Section 135 of the Companies Act, 2013 (referred to as the “Act”) and in accordance with the CSR Rules (hereby referred to as “the Rules”) notified by the Ministry of Corporate Affairs, Government of India. Further, this Policy is revised to conform with the amendments in the Act and the Rules.

This policy shall be applicable to all CSR initiatives and activities undertaken by all the employees of the Company for the benefit of different segments of the Society.

## **III. OBJECTIVES**

The objective of this policy is to continuously and consistently:

- Generate goodwill in communities where the Company operates or are likely to operate;
- To support the activities/programs/ projects that benefit communities specially the areas like Health Care, Education, etc.;
- Encourage an increased commitment from employees towards CSR activities and volunteering.

## **IV. DEFINITIONS**

In this Code unless the context otherwise requires;

“**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;

“**Corporate Social Responsibility (CSR)**” means the activities undertaken by the Company in pursuance of its statutory obligation laid down in section 135 of the Act and in accordance with this policy, but shall not include the following, namely:-

- (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;
- (vi) activities carried out for fulfilment of any other statutory obligations under any law in force in India;

“**Net profit**” means the net profit of the Company calculated in compliance of Section 198 of the Act.

## **V. SCOPE OF CSR ACTIVITIES**

The Scope of CSR activities as identified by the Company which are in line with Schedule VII of the Companies Act, 2013 are enumerated below:

- (i) 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.
- (ii) promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.
- (iii) 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.
- (iv) ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, 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.
- (v) 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 art and handicrafts;
- (vi) 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;
- (vii) training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports
- (viii) 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 govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;
- (ix) (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).

(x) rural development projects

(xi) 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.

(xii) disaster management, including relief, rehabilitation and reconstruction activities.

The Company shall give preference to the local area and areas around where it operates, for spending the amount earmarked for CSR activities and thus will thus give preference to conducting CSR activities in the States, where it has its operations. However, the Committee may also identify such areas other than stated its operational place, as it may deem fit, and recommend it to the Board for undertaking CSR activities.

The annual action plan for selection and implementation of the CSR projects covering one or more of the above lists of activities will be formulated by the Board of Directors and/or CSR Committee and approved by the Board of Directors from time to time.

## **VI. MODE FOR EXECUTION OF PROJECTS OR PROGRAMS OR CSR ACTIVITIES**

The Company will undertake its CSR activities, approved by the Board of Directors and/or CSR Committee through:

- 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 (43 of 1961) 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.

The Company may collaborate or pool resources with other organizations or companies or entities within the same group for undertaking projects or programmes or CSR activities in such a manner that the Board of Directors and/or CSR Committee shall adequately report on

such projects or programmes in accordance with the Companies (Corporate Social Responsibility Policy) Rules, 2014 (as amended from time to time).

## **VII. EXPENDITURE**

The Company shall endeavour to spend, in every financial year at least 2 % of the average net profits of the Company made during the 3 immediately preceding financial years as prescribed under section 135 of the Companies Act 2013 and rules made thereunder towards the CSR programme as mentioned above. The Board of Directors and/or CSR Committee shall recommend the allocation of funds for each programme or project or activities for approval by the Board.

The administrative overheads of the project to be undertaken shall not exceed five percent of total CSR expenditure of the Company for the financial year.

Moreover, any surplus arising out of the CSR projects or activities shall not form part of the business profit of the 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.

Where the company spends an amount in excess of requirement provided under section 135(5) of the Companies Act, 2013, such excess amount shall be set off against the requirement to spend under section 135(5) up to immediate succeeding three financial years.

## **VIII. CSR MONITORING**

The Board of Directors shall review the progress of the CSR activities and satisfy itself that the funds so disbursed have been utilised for the purposes and in the manner as approved by Board of Directors and/or CSR Committee.

## **IX. COMPOSITION OF CSR COMMITTEE**

According to Section 135(9) of the Companies Act, 2013, if the amount to be spent by a company is less than or equal to fifty lakh rupees, the requirement to form a Corporate Social Responsibility Committee is not applicable. In such cases, the Board of Directors will undertake the responsibilities typically assigned to the Committee.

The CSR Committee, if any, shall consist of three or more Directors amongst whom at least one shall be an Independent Director. The Company Secretary shall act as the Secretary to the Committee.

## **X. CSR COMMITTEE MEETINGS**

The Committee, if any, shall hold meeting as and when required, to discuss various issues on implementation of the CSR Policy of the Company. The members would thrive to attend all the meetings held in a Financial Year.

## **XI. RESPONSIBILITIES OF CSR COMMITTEE**

The responsibilities of the CSR Committee, if any, shall include:

- a. Formulating and recommending to the Board of Directors the CSR policy and indicating activities to be undertaken;
- b. Recommending the amount of expenditure for CSR activities mentioned in (a) above;
- c. Ensure CSR activities are undertaken by the Company; and
- d. Monitoring CSR activities from time to time.

## **XII. REPORTING AND DISCLOSURE**

The Board's Report of the Company should include a report on CSR containing particulars as more briefly specified under Companies (Corporate Social Responsibility Policy) Rules, 2014.

In case the CSR obligation of the Company exceeds Rupees Ten crore or more in three immediately preceding financial years, the Company shall undertake impact assessment, through an independent agency, of its CSR projects having outlays of one crore rupees or more, and which have been completed not less than one year before undertaking the impact study.

The impact assessment reports should be placed before the Board and should be annexed to the annual report on CSR.

## **XIII. ANNUAL ACTION PLAN:**

As per Rule 5(2), the CSR committee, if any, shall formulate & recommend an annual action plan to the Board. The annual action plan by the CSR committee, if any, shall interalia include:

- a. the list of CSR projects or programs 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 programs.
- c. The modalities of utilization of funds and implementation schedules for the projects or programs.
- d. Monitoring and reporting mechanism for the projects or programs.
- e. The details of need and impact assessment, if any, for the projects undertaken by the company

The CSR Committee shall formulate and recommend to the Board an annual action plan on the implementation of the CSR activities in a timely manner. As the name suggests the action plan is expected to be an annual activity and thus the CSR Committee shall annually recommend to the Board a plan on the effective CSR implementation. As the annual plan would differ depending upon the type of CSR project/ activity recommended to the Board, the annual plan is not included in the policy and it will be decided annually by the CSR committee and the Board respectively. The board may alter such plan at any time during the financial year, as per the recommendation of its CSR Committee.

## **XIV. AMENDMENT**

The Board of Directors of the Company reserves the power to review and amend this Policy from time to time, subject to revision / amendment in accordance with applicable laws as may

be issued by relevant statutory, governmental and regulatory authorities, from time to time. In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant statutory, governmental and regulatory authorities are not consistent with the provisions laid down under this Code, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder.