



**AREION ASSETS MANAGEMENT PRIVATE
LIMITED**

**CORPORATE SOCIAL RESPONSIBILITY
POLICY**

Version 1.0



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1. INTRODUCTION TO THE POLICY

The Corporate Social Responsibility Policy (hereinafter referred to as the “**CSR Policy**”) is framed in terms of the Companies Act, 2013 (hereinafter referred to as “**the Act**”) read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 (hereinafter referred to as “**CSR Rules**”) as amended from time to time.

Corporate Social Responsibility (“**CSR**”) in India has traditionally been seen as a philanthropic activity. While the corporate houses have been engaged in doing CSR activities voluntarily, the CSR provisions put formal and greater responsibility on companies to set out clear framework and process to ensure strict compliance.

The Act has introduced the idea of CSR to the forefront and mandates qualifying companies to constitute CSR Committee to effectively monitor CSR activities of a Company. Further the CSR Rules lay down the framework and modalities of carrying out CSR activities which are specified in Schedule VII of the Act.

2. SCOPE OF THE POLICY

Areion Assets Management Private Limited (hereinafter referred to as AMC) believes that every company has the responsibility to give back to the society where it operates, and it possesses not only financial resources but also transformational capacity to ensure that the society moves towards a better and brighter future. In accordance with this belief, AMC will also take initiatives which will be independent of its ordinary course of business and aligned with the activities listed in Schedule VII of the Act read with Section 135 of the Act and the CSR Rules.

The various programs, projects, and activities (hereinafter collectively referred to as the CSR Programs) to be carried out by AMC along with its governance are the subject matter of this Policy.

This CSR Policy will be in line with the Policy of ACAIPL Investment & Financial Services Private Limited, the Holding Company.

3. DEFINITIONS

- a) “Act” means the Companies Act 2013 & Amendments thereto.
- b) “Administrative overheads” means the expenses incurred by AMC for ‘general management and administration’ of Corporate Social Responsibility functions in the AMC but shall not include the expenses directly incurred for the designing, implementation, monitoring and evaluation of a particular Corporate Social Responsibility project or program.
- c) “Annexure” means the Annexure appended to Rules.
- d) “The Board” refers to Board of Directors of AMC.
- e) “This policy” refers to Corporate Social Responsibility Policy of AMC.

- f) "Ongoing Project" means a multi-year project undertaken by AMC in fulfilment of its CSR obligation having timelines not exceeding three years excluding the financial year in which it was commenced and shall include such project that was initially not approved as a multi-year project but whose duration has been extended beyond one year by the board based on reasonable justification.
- g) "Net profit" means the net profit of AMC as per its financial statement prepared in accordance with the applicable provisions of the Act.
- h) "Rules" means Companies (Corporate Social Responsibility Policy Rules, 2014 & amendments thereto.
- i) "Subsidiary Companies" includes the following companies:
 - Areion Asset Management Private Limited
 - Areion Finserve Private Limited
 - Areion Fincap Private Limited
 - Areion Credittech Private Limited
 - Areion Real Estate Services Private Limited

4. APPLICABILITY OF THE POLICY

According to Section 135 (1) of the Act, provisions of CSR are applicable to every company having turnover of Rs. 1000 crore or more or net worth of Rs. 500 crore or more, or a net profit of Rs. 5 crore or more during any financial year.

i. CSR AREAS

AMC has identified the following focus areas for its CSR Programs in accordance with Schedule VII of the Act:

- a. 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.
- b. Promoting education including special education and employment enhancing vocation skills, especially among children, women, elderly and the differently abled; promoting livelihood enhancement projects.
- c. Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care center and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.
- d. 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.

- e. 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.
- f. Taking measures for the benefit of armed forces veterans, war widows and their dependents, Central Armed Police Forces (CAPF) and Central Paramilitary Forces (CPMF) veterans, and their dependents including widows.
- g. Training to promote rural sports, nationally recognized sports, paralympic sports and Olympic sports.

The following activities/contributions shall not constitute CSR expenditure:

- a) Activities undertaken in pursuance of normal course of business of AMC.
- b) Any activity undertaken by AMC outside India except for training of Indian sports personnel representing any State or Union territory at national level or India at international level.
- c) Contribution of any amount directly or indirectly to any political party under Section 182 of the Act.
- d) Projects benefitting the directors or employees (as defined in clause (k) of section 2 of the Code on Wages, 2019 and as amended from time to time) of AMC and its subsidiary companies.
- e) Activities supported on sponsorship basis for deriving marketing benefits for services offered by AMC.
- f) Activities carried out for fulfilment of any other statutory obligations under any law in force in India.

ii. CSR IMPLEMENTATION

AMC's CSR Programs shall be implemented:

- a. By AMC itself; or
- b. 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
- c. 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
- d. Any entity established under an Act of Parliament or a State legislature; or

AMC may engage International Organizations for designing, monitoring, and evaluation of CSR Projects as well as capacity building of its own personnel for CSR.

AMC may also collaborate with other companies to undertake CSR projects, provided the CSR Committees of the respective companies are able to report separately on such projects.

In case CSR Programs are implemented through external agencies, the programs to be undertaken by such agencies will be specified and it will be ensured that such programs are covered in the objects laid down in the charter documents of such agencies. Further, the external entities shall be registered with the Central Government as required under the Act.

iii. GOVERNANCE

- a. The CSR Committee shall be responsible for formulating and recommending to the Board of Directors of AMC (the Board) the CSR Policy and a CSR Annual Action Plan. If the Company is not required to have a CSR Committee, then the Board shall formulate and adopt the CSR Policy and approve the CSR Annual Action Plan.
- b. AMC may obtain omnibus approval from the CSR Committee / Board at the beginning of each financial year in respect of the CSR plan (i.e., the permitted activities in which AMC wants to spend the CSR expenditure).
- c. The Board shall consider and approve the CSR Plan with such modification that may be deemed necessary. The CSR Plan may also be modified by the Board during the financial year, on the recommendation of the CSR Committee, if constituted, based on reasonable justification to that effect.
- d. The CSR Committee / Board shall assign the task of implementation of the CSR Plan within specified budgets and time frames to such persons or bodies as it may deem fit and ensure implementation thereof.
- e. The CSR Committee / Management shall keep the Board apprised on the status of implementation of the CSR Programs. The report back shall include:
 - i. summary of impact assessment report(s), if applicable, for the CSR Programs.
 - ii. in case of ongoing CSR Programs (having time schedule of 3 years or more), progress of their implementation with reference to approved timelines and year-wise allocation.
- f. The Chief Financial Officer, and in absence of CFO, the Executive Director, shall confirm to the Board that the funds disbursed for CSR Programs are being utilized for the purposes and in the manner as approved by it and certify the same.
- g. The CSR Committee / Board shall monitor the CSR Policy of AMC from time to time.

iv. CSR EXPENDITURE

- a. AMC shall endeavor to spend, in every financial year at least 2% of the average net profits made during the 3 immediately preceding financial years on CSR Programs in pursuance of this Policy. For this purpose, "average net profit" shall be calculated in accordance with provisions of Section 198 of the Act, after deducting therefrom the dividends that may be received from companies in India which are covered under and complying with the provisions of Section 135 of the Act.

- b. AMC shall give preference to the local area(s) in and around the offices in India.
- c. AMC may spend up to 5% of its total CSR expenditure in one financial year towards Administrative Overhead expenses relating to the general management and administration of CSR functions in AMC.
- d. Any surplus generated from CSR activities shall not form part of the business profits of AMC and shall be utilised for CSR activities only.
- e. In case of an ongoing project, if any, the Board shall monitor the implementation of the project with reference to the approved timelines and year-wise allocation and shall make necessary modifications, if any, for smooth implementation of the project within the overall permissible time period. Any amount remaining unspent pursuant to any ongoing project, shall be dealt with in the manner provided in the Act and CSR Rules.
- f. All reasonable efforts shall be made to ensure that the CSR amount so disbursed is fully utilised in the respective year in the manner as approved by the Board. However, if AMC fails to spend such amount, the Board shall, in its report specify the reasons for not spending the amount.

If AMC has any unspent amount relating to ongoing projects, it shall open a special account, called 'Unspent Corporate Social Responsibility Account', for a financial year in any scheduled bank, to transfer such unspent amount to such account within 30 days (or such other period prescribed by applicable law) from the end of financial year and spend such amount towards its CSR obligations as per approved fund deployment schedule for such ongoing project, and in any event within such period as may be legally prescribed from time to time.

If there is any unspent amount which does not relate to any ongoing projects, AMC shall transfer such unspent amount to any fund specified in Schedule VII of the Act within 6 months of the end of the financial year, or such other period prescribed by applicable law. This requirement shall also be applicable to:

- (i) any amount set aside in the past years for ongoing projects which is not used within the legally prescribed time period, such amount shall be transferred to fund specified in Schedule VII as otherwise required under applicable law; or
 - (ii) where amount set aside for any ongoing project is otherwise not used for such project, and the Board of the Company may decide that such amount would be transferred to one of the funds specified in Schedule VII of the Act.
- g. In case AMC spends an amount in excess of the requirements of its CSR obligations in a financial year, such excess amount may be set-off against the CSR Expenditure for the next 3 financial years as per provisions of the CSR Rules.
 - h. AMC may spend its CSR amount for creation or acquisition of the capital asset as per provisions of the CSR Rules.

- i. A responsibility statement of the CSR Committee / Management that the implementation & monitoring of CSR policy, is in compliance with CSR Objectives & Policy of AMC.

v. CSR COMMITTEE, REPORTING AND DISCLOSURE

a. CSR COMMITTEE:

- The CSR Committee shall have at least three members from the Board of Directors, out of which at least one director shall be an independent director.
- The CSR Committee shall undertake its statutory responsibilities under the Act and the CSR Rules and any other matters that may be assigned to it by the Board and shall work under the oversight of the Board in this regard as per its terms of reference. The CSR Committee will be responsible for driving CSR initiatives of AMC.
- The Board of Directors may review the Minutes of the CSR Committee Meetings at subsequent Board Meetings.
- Where the CSR amount to be spent by the Company does not exceed Rs. 50 lakhs, the requirement for constitution of the CSR Committee shall not be applicable and the functions of such Committee provided shall be discharged by the Board.

b. CSR REPORTING AND DISCLOSURE

- The Board's Report of a Company pertaining to any financial year shall include an Annual Report on CSR containing particulars specified in Annexure II of CSR Rules.
- AMC shall ensure the composition of the CSR committee, CSR Policy and Projects approved by the Board shall be displayed on the website.
- AMC shall furnish a report on CSR in Form CSR-2 every year to the Registrar as an addendum to FORM AOC-4 or AOC-4 XBRL or AOC-4 NBFC, as required.
- AMC shall place impact assessment report, if required, before the Board and executive summary of the impact assessment shall be annexed to the annual report along with web-link to access the complete impact assessment reports.

vi. IMPACT ASSESSMENT

- a. AMC shall undertake an impact assessment, through an independent agency, of their CSR projects having outlays of one crore rupees or more, and which have been completed not less than one year before undertaking the impact assessment study.
- b. AMC undertaking impact assessment may book the expenditure towards CSR for that financial year, which shall not exceed 2% of the total CSR expenditure for that financial year or Rs. 50 lakhs, whichever is higher.

- c. The Impact Assessment Reports shall be placed before the Board and executive summary of the impact assessment shall be annexed to the Annual Report.

5. POLICY UPDATE & REVIEW

The Board, either on its own or as per the recommendations of CSR Committee, can amend this Policy, as and when required. The decision of the Board on all matters, relating to this Policy, shall be final and binding upon all concerned. This Policy is subject to continuous review and updates as required from time to time.

AMC shall review & update (if required) this Policy at least on an annual basis. It shall be ensured that updated version of the CSR Policy, committee composition & projects approved, is displayed on the website of the Company.

In the event of any inconsistency between this Policy and the applicable laws, the applicable law will prevail.
