



ASA INTERNATIONAL INDIA CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

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Introduction:

ASAI India has framed a policy for Corporate Social Responsibility (hereinafter referred to as “**CSR Policy**”) in accordance with the Section 135 of Companies Act, 2013, effective 1st April 2014 and The Companies (Corporate Social Responsibility Policy) Rules, and subsequent amendments released therein by the Ministry of Corporate Affairs (hereinafter referred to as “**The Act**”) and rules framed there under, our company, **ASA International India Microfinance Ltd.** (hereinafter referred to as the “**ASA India**”).

Policy Objective:

ASAI India is committed to fulfill its responsibilities towards the society. ASA India, independently and also jointly (with partnering institutions) intervenes to bring qualitative improvement for the underprivileged and the community it serves. These interventions are not limited to its clients and their but the whole community benefits from them. Special focus is to be given to the students who are client’s children or children from the local areas where ASAI serves, girl child, Women etc.

CSR Objective:

Responsible lending, financial inclusion together with socially relevant interventions is the core objective and philosophy of ASAI India. ASA India as a part of its mission to improve the quality of life of the economically challenged families, besides providing Microfinance also intervenes in improving the quality of life of the poor by reaching other services in the field of health, hygiene and education, disaster relief and also working for the environment. In past few years, ASA India besides its own program has worked towards making a positive impact for the underprivileged through responsible social initiatives.

1. To promote education especially among children, scholarship, and employment enhancing vocation skills and livelihood enhancement projects for women.
2. To promote health care including health care support through camps, sanitation, safe drinking water, appliances for differently-abled persons.
3. To promote gender equality
4. To ensure environmental sustainability.
5. To protect the national heritage, art, traditional skills; promotion and development of traditional art and handicrafts.
6. To contribute to the Prime Minister’s national relief fund or any other fund set up by the government for socio economic development.
7. To provide disaster relief(s) support.

Geographical Span:

The CSR activities by ASAI India will be undertaken both in Rural as well as Urban areas, as approved by the Board especially where the company is having its presence.

CSR Committee:

The CSR Committee should be consisting of three or more directors out of which at least one director shall be an Independent Director. To discuss and review the CSR Policy and CSR activities, the Committee shall meet at least twice a year. As permitted by the Act, the committee

members can meet either physically or by means of audio-visual. For any proceeding, a quorum of two members of the committee is mandatory. The Company Secretary shall act as Secretary to the Committee.

Sl. NO.	NAME OF THE MEMBERS	DESIGNATION
1.	Md. Enamul Haque	Director
2.	Mr. Ashish Singh	Director
3.	Ms. Dolly Guha	Independent Director
4.	Mr. Anjan Dasgupta	Managing Director

The CSR Committee should formulate and recommend to the Board, an annual action plan which shall include the followings:

- 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 as specified in sub-rule (1) of rule 4;
- 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; 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.]

Execution:

The company shall have a Social Performance Manager who will report to the Managing Director. The SPM shall be responsible for the execution of the projects.

Focus Areas:

To attain the CSR objectives of the company, and in accordance with the requirements under the Companies Act, 2013 the ASA India CSR will focus on the areas mentioned below considering the need of the community in general:

1. Education
2. Skill development especially focused on Women
3. Health care
4. Gender equality
5. Environmental sustainability.
6. Promotion of national art, traditional handicrafts
7. Disaster relief support
8. Others – Any other program(s) / project(s) relatable to Schedule VII, Companies Act, 2013, as amended from time to time that are approved by CSR Committee of the Company from time to time.

CSR activities shall not include activities undertaken by the Company during the normal course of its business.

Monitoring, Evaluation and Impact Measurement

For the effective implementation of CSR activities and programs, an internal monitoring mechanism as approved by the CSR Committee is to be used:

- i. Approval is to be taken before taking an activity forward
- ii. Periodic reporting to CSR Committee on the amount spent and activities undertaken by ASAI India
- iii. Impact measurement as and when suggested by the CSR committee.
- iv. Annual Report submission to the Board of Directors which will reflect the short-term and long term effect of the CSR Projects wherein the data will be collected on a regular basis.
 - a. Time to time data collection
 - b. Analysis of the data and case studies
 - c. Sharing of details periodically with the board
 - d. Yearly submission of CSR report which will cover both short-term and long term effect of the CSR activities
 - e. Project evaluation based on the input received
- v. Annual review of CSR activities by the Board of Directors and the CSR Committee.

Annual Spent:

According to the aforesaid Act, a Company having a Net worth of INR. 500 crores or more, or a turnover of INR. 1,000 crores or more, or a Net Profit of INR. 5 crores or more during the immediately preceding financial year shall constitute a Corporate Social Responsibility (CSR) Committee of the Board consisting of three or more directors, out of which at least one director shall be an Independent Director, to undertake CSR activities. Provided that where a company is not required to appoint an independent director under sub-section (4) of section 149, it shall have in its Corporate Social Responsibility Committee two or more directors. If a Company falls under any of the criteria mentioned, at least 2% of the company's average net profits before taxes of the preceding three immediately preceding financial years to be spent, towards CSR activities to improve the quality of life of the communities it serves and also to support the healthy and prosperous environment as a whole. The company should give preference to the local area and areas around it where it operates, for spending the amount earmarked for CSR activities.

Administrative Overheads:

Administrative overhead means the expenses incurred by the company for general management and administration of CSR functions in the company. Administrative overhead should not include the expenses directly incurred for the designing, implementation, monitoring, and evaluation of a particular CSR project or program.

Surplus Arises Out of CSR Activities:

If any, surpluses arise from CSR activities, projects or programs by The Company; those shall be redeployed back to other CSR works and cannot be used as a part of the business profit of the company 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.

Transfer of Unspent CSR Amount:

If any CSR amount unspent it shall be transferred by the company to any fund included in Schedule VII of the Act until a fund is specified in Schedule VII for the purpose of transferring unspent CSR amount.

Special Unspent CSR Account: If any amount remaining unspent pursuant to any ongoing project, undertaken by the company in pursuance of its CSR Policy shall be transferred by the company in the unspent CSR Account to be opened by the company in any scheduled bank within a period of thirty days from the end of the financial year.

The amount transferred to the unspent CSR account shall be spent by the company in pursuance of its obligation towards the CSR Policy within a period of three financial years from the date of such transfer.

Business Expenditure:

The Company cannot claim any expenditure under CSR as business expenditure.

Acquisition of Capital Asset:

Company may spend CSR amount for the creation or acquisition of a capital asset, which shall be held by:

- a) A company established under section 8 of the Act, or a Registered Public Trust or Registered Society, having charitable objects and CSR Registration Number under Rule 4(2).
- b) Beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities; or
- c) A public authority.

Tax Exemption:

There's no Tax exemption applicable to the CSR activities even if the contribution is for the activities like contribution to Prime Minister's Relief fund or Rural Development projects or scientific researches, or Skill development or Agricultural extension projects; which are already part of schedule vii and enjoys exemption under income tax act, 1965.

Activities Not Qualified under CSR:

Below activities will not be considered as part of the CSR plan as per the act:

- I. activities undertaken in pursuance of normal course of business of the company: Provided that any company engaged in research and development activity of new vaccine, drugs and medical devices in their normal course of business may undertake research and development activity of new vaccine, drugs and medical devices related to COVID-19 for financial years 2020-21, 2021-22, 2022-23 subject to the conditions that-
 - (a) such research and development activities shall be carried out in collaboration with any of the institutes or organizations mentioned in item (ix) of Schedule VII to the Act;
 - (b) details of such activity shall be disclosed separately in the Annual report on CSR included in the Board's Report;

- 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.
- IV. activities benefitting employees of the company.
- 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;

Excess Amount Spent for CSR:

Any excess amount spent over the 2% as specified by the Section 135 can be set off against 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 shall not form part of the business profit of a 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.
- ii. the Board of the company shall pass a resolution to that effect.

CSR Focus Areas:

ASA India, as part of its CSR policy, will mainly focus on the areas – Education, Health, Sanitation, Livelihoods, Skill Development and Infrastructure. Apart from those, the company will also support and intervene in the areas of disaster relief, environment and sports, etc.

The Company will collaborate with like-minded organizations, NGOs; Community based organizations, donors and funding agencies, Hospitals, Government and Government organizations etc. based on the requirement of the particular CSR activity and this will be based on well-defined selection criteria. The partners can support in many ways, that includes resources, influence, expertise etc.

The CSR Policy of ASA India:

The CSR Policy has been framed in line with the Section 135 of Companies Act, 2013, and rules effective 1st April 2014 and is as below:

- I. The Company will be spending at least 2% of the company's average net profit of the immediately preceding financial towards CSR activities each year.
- II. The CSR committee has been formed in accordance with the rule, three or more directors out of which at least one director shall be an Independent Director.
- III. The company will be promoting education, including special education and employment enhancing especially among children, women and people below the poverty line.
- IV. The company will be promoting and support the causes like preventive health care and sanitation and making available safe drinking water
- V. The company will be supporting the livelihood enhancement projects;
- VI. The Company will be supporting the environmental causes.
- VII. As and when required the company will be providing support to the relief fund.

- VIII. The company will be publishing the CSR policy and will be sending the same through mailers and the same will be displayed properly.
- IX. The Company will plan and train the employees on the details of the CSR activities.
- X. The CSR committee will monitor the activities time to time
- XI. Initiatives taken under the CSR, will be documented properly under company profile, reports etc.
- XII. The CSR committee will be provided with the details of the activities undertaken time to time.

Review and Amendment of the CSR Policy:

The CSR committee will review the CSR policy document time to time and any changes, if necessary, will be approved by the CSR Committee of the Board.

Display of CSR activities on Company's website:

The Board of Directors of the Company shall mandatorily disclose the composition of the CSR Committee, and CSR Policy and Projects approved by the Board on their website, if any, for public access.

Reporting:

CSR activities will form part of the company's Director's Report. The reporting would be in the format prescribed under the Companies Act, 2013 and the Rules in respect thereof.

The CSR Policy will be reviewed time to time by the board and any modification/ amendment to the same can be made only with the approval of the board.