



Allstate Solutions Private Limited

Corporate Social Responsibility (CSR) Policy

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Corporate Social Responsibility

I. Purpose

Allstate Solutions Private Limited (“**ASPL**” or “**Company**”) strives to help the community around its locations to live and thrive better. The Corporate Social Responsibility (CSR) activities are done with a very focused intent on a regular basis with an active calendar of events.

Along with sustained economic performance, environmental and social stewardship is also a key factor for holistic business growth. ASPL’s programs and volunteer efforts are all part of the bigger picture of making our communities better and safer places to live.

II. Scope and Limitations

The scope of this Policy extends to all ASPL locations in India.

This Policy has been formulated in accordance with Section 135 of the Companies Act, 2013 and the rules framed thereunder, which is effective from April 1, 2014. Every company which meets the criteria detailed in Section 135 of the Companies Act, 2013 is required to constitute a CSR Committee of the Board for implementation of CSR projects or programs or activities.

Limitations

In accordance with Section 135 of the Companies Act, 2013 the rules framed thereunder, the following activities would not qualify as CSR activities:

- (i) The CSR projects or programs or activities that benefit only the employees of ASPL and their families or activities undertaken in pursuance of normal course of business of ASPL.
- (ii) The employee contribution towards CSR projects or programs or activities.
- (iii) One-off events such as marathons/ awards/ charitable contribution/ advertisement/sponsorship of television programs etc.
- (iv) Contribution of any amount directly or indirectly to any political party.
- (v) Projects, programs or activities undertaken outside India.

III. Definitions

- (i) **Company** means Allstate Solutions Private Limited.



- (ii) **Board** means Board of Directors of the Company.
- (iii) **CSR** means and includes but is not limited to :
 - a) Projects or programs relating to activities specified in Schedule VII to the Companies Act, 2013; or
 - b) Projects or programs relating to activities undertaken by Company in pursuance of the recommendations of the CSR Committee and approved by the Board as per this Policy and in compliance with the Companies Act, 2013.
- (iv) **CSR Committee** means the Corporate Social Responsibility Committee constituted by the Board pursuant to Section 135 of the Companies Act, 2013.
- (v) **Net Profit** means the net profit of the Company as per its financial statement prepared in accordance with the applicable provisions of the Companies Act, 2013, but shall not include the following, namely :-
 - a) any profit arising from any overseas branch or branches of the Company whether operated as a separate company or otherwise; and
 - b) Any dividend received from other companies in India, which are covered under and complying with the provisions of Section 135 of the Companies Act 2013.
- (vi) **Policy** means this Corporate Social Responsibility Policy, as may be amended from time to time.

Words and expressions used in this Policy but not defined herein shall have the meanings assigned to them under the Companies Act, 2013.

IV. Objective

This Policy has been formulated and adopted pursuant to Section 135 of the Companies Act, 2013 and the Rules framed thereunder. ASPL will undertake CSR activities in relation to activities specified in Schedule VII to the Companies Act, 2013.

For details of the activities covered under Schedule VII please refer **Annexure A**.

V. Constitution of the CSR Committee:

- (i) The CSR Committee shall consist of 3 (three) or more directors of the Company.
- (ii) The CSR Committee may delegate its responsibility to any senior or key managerial person(s) or a sub-committee as and when deemed fit for implementation of CSR programs. The key managerial person(s) or a sub-committee shall work under the supervision of the Board, the CSR



Committee and report the activities and expenditures in accordance with this Policy and the Companies Act, 2013.

- (iii) The Board shall reconstitute the CSR Committee as and when required to comply with the provisions of the Companies Act, 2013 and applicable statutory requirements or on movement of Directors from the Board.
- (iv) The quorum for the CSR Committee Meeting(s) shall be 2 members and CSR Committee shall hold at least one meeting, either in person or through video conferencing, during a Financial Year. The CSR Committee may transact the business through passing of circular resolutions.
- (v) Composition of the CSR Committee shall be disclosed in the Board's report to the shareholders of ASPL.

VI. Role of the CSR Committee

The CSR Committee shall carry out the following activities:

- (i) To formulate and recommend to the Board, a CSR policy which shall indicate the activities to be undertaken by the Company towards CSR initiatives as per the Companies Act, 2013 and monitor the CSR policy and advise on the changes, if required, from time to time.
- (ii) To review and recommend the amount of expenditure to be incurred on the activities to be undertaken by the Company.
- (iii) To monitor the mechanism adopted for implementing the CSR activities and reporting on the CSR activities.
- (iv) To advise and recommend in forming a CSR support team and efficient functioning of CSR Policy
- (v) To perform screening of the eligible Trust/ Society/ Section 8 Company etc. and getting into agreement/ engagement to undertake CSR activities
- (vi) Any other matter as may be entrusted to the CSR Committee by the Board from time to time.

The contribution will be made for any activities undertaken within India. The CSR Committee will give preference to the local area and areas around it where it operates in spending the amount earmarked for CSR activities.

Surplus arising out of the CSR activities will be utilized for the benefit of the community.

VII. Role of the Board

The roles and responsibilities of the Board shall include:



- (i) Review the recommendations made by the CSR Committee in respect of annual budget for CSR.
- (ii) Disclose contents of the Policy in the Board's reports and website of ASPL.
- (iii) Ensure that ASPL spends in every financial year, at least two (2%) percent of the average net profits (before tax) made during the 3 (three) immediately preceding financial years on CSR activities.
- (iv) Ensure that the CSR activities are undertaken and executed by the Company as per the Policy and the applicable laws.
- (v) Specify in the Board report, the reasons, if the minimum amount of CSR expenditure is not fully spent on CSR activities.

VIII. Inclusions and exclusions as amount of expenditure to be incurred on the CSR activities

The Board shall ensure that the Company spends the following amounts for CSR activities in pursuance of this Policy:

- (i) In every financial year, at least 2 (two) per cent of the "average net profits" of the Company made during the 3 (three) immediately preceding financial years. The "average net profits" shall be calculated in accordance with the provisions of Section 198 of the Companies Act, 2013 and the rules framed thereunder from time to time. The average net profit shall be profit before tax.
- (ii) Any income arising from the activities mentioned above.
- (iii) Surplus arising out of CSR activities.
- (iv) Contribution of any amount directly or indirectly to any political party under Section 182 of the Companies Act, 2013, shall not be considered as CSR activity.
- (v) Amount spent on CSR activities shall include all expenditure including contribution to corpus for projects or programs relating to CSR activities approved by the Board on the recommendations of the CSR Committee, but will not include any expenditure on an item not in conformity or not in line with the activities detailed Schedule VII of the Companies Act, 2013.
- (vi) Any surplus arising out of the CSR activity will not be part of the business profits of the Company.
- (vii) The CSR Committee will approve the expenditure on CSR activities within monetary limits sanctioned by the Board for such activities.

IX. Implementation



CSR activities may be initiated / implemented/ executed:

- (i) By the Company directly; or through
 - a) A registered trust, registered society or a company established by the Company or its holding or subsidiary or associate company under Section 8 of the Companies Act, 2013.
 - b) If such trust, society or a company is not established by the Company or its holding or subsidiary or associate company, the eligible CSR activities will be undertaken by a trust, society or company which has an established track record of 3 (three) years in undertaking CSR projects or programs.
 - c) The Company may also collaborate with other companies for undertaking CSR projects or programs or activities in such a manner that each company's part in such activity may separately be identified.
 - d) CSR capacities may be built of company personnel as well as those of implementing agencies through institutions with established track record of at least 3 (three) financial years but such expenditure shall not exceed 5% of the total CSR expenditure of the Company in one financial year.

CSR Committee shall have full discretion to specify or modify the modalities of execution of CSR projects or programs and to determine implementation schedules.

X. Monitoring

It will be the responsibility of the CSR Committee to monitor periodically the implementation of the projects / programs / activities under this Policy and to ensure compliance of the provisions related to CSR mentioned in the Companies Act, 2013 and rules framed thereunder from time to time. The progress of CSR initiatives and activities will be reported to the Board on a regular basis.

XI. CSR reporting

The Board's report shall include an annual report on CSR containing the following particulars:

- (i) A brief outline of the Company's Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the Policy and projects or programs;
- (ii) The composition of the CSR Committee;



- (iii) Average net profit of the Company for last 3 (three) financial years;
- (iv) Prescribed CSR Expenditure (2% of the amount of the net profit for the last 3 (three) financial years);
- (v) Details of actual CSR spend during the financial year;
- (vi) In case the Company has failed to spend 2% (two percent) of the average net profit of the last 3 (three) financial years or any portion thereof, provide reasons for not spending such amounts;
- (vii) A responsibility statement of the CSR Committee that the implementation and monitoring of the Policy is in compliance with the Company's CSR objectives.

XII. Amendments

Any modification/amendment in the Policy may be carried out by the Board on the recommendation of the CSR Committee of the Company. The Policy will be subject to change as per the applicable act, rules, regulations and government guidelines.

The Board will review the Policy on an annual basis or such shorter period as may be required.



**Annexure – A
Schedule VII**

In accordance with the requirements under the Companies Act, 2013, the key areas of focus for CSR activities of the Company shall include:

- (i) Hunger, Poverty, Malnutrition and Health: 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) Education: Promoting education, including special education and employment-enhancing vocational skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects; monetary contributions to academic institutions for establishing endowment funds, chairs, laboratories, etc., with the objective of assisting students in their studies;
- (iii) Gender Equality and empowerment of women: 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) Environmental Sustainability: 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 setup by the Central Government for rejuvenation of river Ganga;
- (v) National Heritage, Art and Culture: 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;
- (vi) Measures for the benefit of armed forces veterans, war widows and their dependents;
- (vii) Training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports;
- (viii) Contribution of Funds: 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;
- (ix) Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
- (x) Rural development projects;



- (xi) Slum area development.