

CORPORATE SOCIAL RESPONSIBILITY POLICY

Invent Assets Securitisation and Reconstruction Private Limited

(Review date- 2nd June, 2023)

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Introduction:

Invent Assets Securitisation and Reconstruction Pvt. Ltd. (Invent) has been set up by a group of professionals from diverse fields with outstanding Caliber, as one of the early movers to establish a private asset Securitisation and Reconstruction Company under the Securitisation Act, 2002.

Invent aims at conducting its business in a way that is sustainable, facilitating greater and more inclusive prosperity for current and future generations. Invent CSR policy has been formulated by a Board approved CSR policy on 18th December, 2014 in Compliance with the provisions of the Companies Act, 2013, as a conscientious corporate citizen, to make a material, visible and lasting difference to the lives of disadvantaged sections of the society and a sustained positive contribution to the welfare of society at large through a dedicated CSR budget carved out of its profits for assorted but deserving CSR initiatives pan-India.

Objective:

The main objective of Invent's CSR policy is:

- To lay down guidelines related to social causes and development of environment, disaster relief and community support and to make CSR a key business process for sustainable development of the society.
- To directly/indirectly undertake projects/programs which will enhance the quality of life and economic well-being of the communities in and around our business and society at large.
- To generate goodwill and recognition among all stake holders of the company.

Project Identification:

The Company shall support projects that its CSR Committee considers deserving, based on the following broad factors:

- The project is covered within the suggested areas in the Act or rules made thereunder or such other areas as identified by the Committee as it may deem appropriate considering the need;
- is capable of creating long term impact; and
- any other project as may be deemed appropriate by the CSR Committee.

“Ongoing Project” for the purpose of this Policy, shall mean a project which is a multi-year project undertaken by the Company in fulfilment of its CSR obligation, having estimated timeline not exceeding 3 (three) years excluding the financial year in which it was commenced, and shall include a project that was initially not approved as a multi-year project, but whose duration has been extended beyond 1 (one) year and approved by the Board of Directors of the Company based on reasonable justification.

Formulation of Annual Action Plan:

As per the applicability of CSR every year, if any, the CSR Committee shall recommend to the Board of Directors of the Company for its approval, an Annual Action Plan to, inter-alia, include the following:

- list of CSR projects or programmes to be undertaken in areas or subjects specified in Schedule VII to the Act;
- manner of execution of such projects or programmes;
- direction for utilisation of funds and implementation schedule for the projects or programmes;
- monitoring and reporting mechanism for the projects or programmes; and
- details of Need and Impact Assessment, if any, for the projects undertaken by the Company.

If the CSR provisions are applicable for any particular year, the said Action Plan shall be submitted to the Board during their meeting in which annual financials are adopted. The Board of Directors of the Company may alter such plan at any time during any financial year, based on the recommendations of the CSR Committee.

Core Focus Areas for CSR:

Invent has adopted the following core areas for its CSR initiatives, all of which are culled from the activities spelt out under Schedule VII of the Companies Act 2013, as redrawn through the MCA notification of February 27, 2014 and further via MCA circular dated June 18, 2014:

- (i) Promoting Healthcare (including preventive healthcare and sanitation) and Poverty Eradication

Invent's CSR initiatives in the Healthcare & Poverty Eradication area shall include activities aimed at eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation and making available safe drinking water.

- (ii) Promoting Education (including specialized and employment oriented vocational skills) and Livelihood enhancement projects

Invent's CSR initiatives in the area of promotion of Education and Livelihood enhancement may aim at promoting access to education, including special education, financial literacy and employment enhancing vocational skills, especially among children, women, elderly and the differently abled and livelihood enhancement projects.

- (iii) Promoting Gender Equality and Socio-economic Empowerment

Invent's CSR initiatives in the area of promoting Gender Equality and Socio-economic Empowerment may include interventions aimed at promoting gender equality and empowering women, women's safety, setting up homes and hostels for women and orphans, setting up old age homes, day care centers and such other facilities for senior citizens, among others.

(iv) Ensuring Environmental Sustainability

Invent's CSR initiatives in the Environment sector may include ensuring environmental sustainability (including climate change), ecological balance, protection of flora and fauna, animal welfare, agro-forestry, conservation of natural resources and maintaining quality of soil, air and water.

(v) Protecting and Preserving National Heritage, Culture and Art

Invent may take up CSR activities aimed at protection of national heritage, art and culture, including restoration of buildings, sites of historical importance and works of Art; setting up public libraries; promotion and development of traditional arts and handicrafts.

(vi) Welfare measures for Armed Forces Veterans and their Dependents

Invent's CSR initiatives in this area may include measures for the welfare of armed forces veterans, war widows and their dependents.

(vii) Promotion of Sports activities

Invent's CSR initiatives in this area may include providing support for training to promote rural sports, nationally recognised sports, Paralympic sports and Olympics sports.

(viii) Contribution to Central Government Relief and Welfare Funds (as admissible under the Act)

Invent's CSR initiatives in this area may include 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 Scheduled Castes, Scheduled Tribes, other backward classes, minorities and women.

(ix) Contribution/Funding to GOI approved Technology Incubators

Invent's CSR initiatives in this area may include contributions or funds provided to technology incubators located within academic institutions approved by the central government.

(x) rural development projects;

(xi) slum area development;

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

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(xiii) Invent's CSR activities may include any other activities allowed under Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility) Rules, 2014, as amended from time to time.

CSR Implementation:

The CSR Committee shall review the proposals presented by the Management team for the projects to be supported, detailed plans of such projects, modalities of execution, implementation schedule, monitoring process and amount to be allocated to each project.

The CSR Committee will satisfy itself about the projects, their efficacy, implementation schedule, project timeline, budget etc., as well as ensuring that the projects fall within the areas mentioned in the Act/Rules. Based on its deliberations, the Committee will recommend to the Board of Directors, the projects and the amount to be allocated for the same.

The Committee shall give its recommendation and approval in compliance of this Policy.

CSR activities shall be undertaken by the company itself or through implementing partners/executing agencies which may include a company established under Section 8 of the Act, or a registered public trust or a registered society registered under Sections 12A and 80G of the Income Tax Act, 1961 and having an established track record of at least 3 (three) years and registered as an implementing agency to carry out CSR activities. A certificate from the Chief Financial Officer certifying that the funds disbursed have been utilised for the purposes and in the manner as approved by the Board shall be placed before the Board of Directors. In the event of non-applicability of CSR for year under review, a declaration stating so, should be presented to the board.

Exclusions from CSR

The activities, which benefit only the employees and their families, shall not be considered as CSR activities.

CSR activities to be undertaken by Invent as per its stated CSR Policy shall exclude activities undertaken in pursuance of its normal course of business.

Contribution of any amount directly or indirectly to any political party under Section 182 of the Companies Act, and towards activities, which are political/religious/sectarian in nature, shall not be considered as CSR activity.

Incidental Expenses:

It is imperative to carry out appraisal, monitoring, documentation and dissemination of CSR activity effectively in order to create the desired impact. Towards this end, the expenses on preparation of reports, documentation, monitoring, coordination of activities, fees to external experts such as designers/engineers/professional consultants etc., expenditure on social audit and for organizing

dissemination activities etc. shall be allocated from the overall CSR budget and would be covered under CSR.

As notified by MCA, the surplus arising out of the Invent's CSR projects or programs or activities shall not form part of the business profits of the Company and shall be spent/transferred in the manner prescribed under the applicable provisions of the Act and the Rules.

CSR Budget and Expenditure:

1. The budgets allocated for CSR shall be as per Section 135 of the Act, which is two percent of the average net profits of last 3 years subject to the applicability of the CSR Rules for the year.
2. The Company may collaborate or pool resources with other organizations or companies to undertake CSR activities.
3. The Company's CSR Expenditure shall be in accordance with The Companies (Corporate Social Responsibility Policy) Rules, 2014

Roles and responsibilities:

The Board:

The Board of Directors of the Company will be responsible for:

- approval of the CSR Policy of the Company
- disclosing the content of the Policy in its report as prescribed under Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 ('CSR Rules') and placing the Policy on the Company's website, if any.
- ensuring that the projects included in the Policy are undertaken by the Company
- ensuring that the Company endeavors to spend, in every financial year, at least 2% of the average net profits of the Company made during the three immediately preceding financial years in pursuance of the Policy subject to the applicability of the CSR Rules for that year.
- ensuring that it specifies the reasons in its report for not spending the allocated amount in case the Company fails to spend such amount.

CSR Committee:

Composition of the CSR committee: The composition of the CSR Committee of the Board shall be as per the applicable provisions of the Companies Act, 2013.

The Board shall have the power to make any change(s) in the constitution of the Committee. Meetings shall be held at such times as the CSR Committee deems appropriate.

2. Responsibility of the CSR Committee:
 - Formulate and recommend the CSR Policy to the Board for approval.

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- monitor the Policy from time to time and recommend changes to the board
- recommend CSR projects, which are in line with the activities specified in Schedule VII, to be undertaken by the Company
- recommend the amount of expenditure to be incurred on CSR projects
- constitute a transparent monitoring mechanism for ensuring implementation of the CSR projects undertaken by the Company

General:

In case of any clarification with regard to any provision of the policy and also in respect of matters not specifically covered herein a reference has to be made to the Chairman of the Committee.

In all such matters, the decision of the Chairman of the Committee shall be final.

However, the same would be in accordance with revisions/modifications in the statute, rules and guidelines issued by the Government, from time to time.

Invent reserves the right to modify, cancel, add or amend all/any of the clause(s) of this policy, with the approval of the Board based on the recommendation of the CSR committee of the Board.

Reporting / Amendment to the Policy

This policy would be reviewed annually. Any amendment in this Policy may be carried out before the due annual review with the approval of the Board of Directors of the Company.

In case any amendments, clarifications, circulars and guidelines as issued by the regulatory body(ies)/authority(ies) and such amendments, clarifications, circulars and guidelines are not consistent with the requirements specified under this Policy, then the provisions of such amendments, clarifications, circulars and the guidelines shall prevail and accordingly this Policy shall stand amended effective from the date as laid down under such amendments, clarifications, circulars and guidelines.