

**AXIS ASSET MANAGEMENT COMPANY LIMITED**

**POLICY ON CORPORATE SOCIAL  
RESPONSIBILITY (CSR)**

**October 2021**

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## **I. Introduction**

1. Axis Asset Management Company Limited ("Company/ Axis AMC") recognizes the importance of good corporate governance and corporate social responsibility in promoting and strengthening the trust of its shareholders and other stakeholders.
2. The CSR Policy is guided by the Company's corporate vision and the aspiration to be the Company of Choice for Customers, Shareholders, Employees and Community at large.
3. The Company's CSR Policy has been framed and adopted in accordance with Section 135 of the Companies Act, 2013 (including amendments thereof) read with the Companies (CSR Policy Amendment) Rules, 2021 (the Rules) and Schedule VII of the Act and the Rules framed thereunder. The CSR Policy sets out the approach and direction given by the Board of Directors (the Board) of the Company, as per the recommendations of the CSR Committee (CSR Committee), and includes guiding principles for selection, implementation and monitoring of CSR Project(s)/Program(s) and formulation and adoption of the Annual Action Plan (AAP) in respect of CSR Project(s)/Program(s) to be undertaken/ supported by the Company.

The Policy shall apply to all CSR programs/activities undertaken/sponsored by the Axis AMC or executed through Axis Bank Foundation or through any other Trust/Society or any other implementation partner or any other fund set up by the Government and approved by the Board of Directors of the Company.

### **4. Axis Bank Foundation**

Axis Bank Foundation (ABF) was established by Axis Bank Limited in 2006. Axis Bank Foundation has been registered as a Trust since 2006 under the Bombay Public Trust Act 1950 and is governed by a Board of Trustees and managed by a team with the required expertise. The Trust is registered under 12 AA and 80 G of the Income Tax Act 1962. As per the stipulations in the new Rules, Axis Bank Foundation is required to register with the Central Government and obtain the CSR Registration number.

As such, ABF is equipped to implement CSR project(s) in all themes as listed in the Schedule VII of the Companies Act 2013 and the Rules framed thereunder.

## **II. CSR Purpose Statement**

The primary purpose of the Company's CSR philosophy is to make a meaningful and measurable impact in the lives of economically, physically and socially challenged communities of the country at large by supporting initiatives aimed at creating conditions suitable for sustainable livelihood in these communities. The Company shall also promote initiatives that preserve, restore and enhance environment, ecological balance, and natural resources, and improve sanitation and hygiene.

## **III. CSR Focus Areas**

The Company may support programs and activities in the following areas. The broad program areas under CSR focus areas are given in the Annexure to this Policy.

1. To create meaningful socio-economic impact in the lives of vulnerable and underprivileged sections of the society that include amongst others, differently-abled, street children, destitute women, children of sexually exploited women, economically

- weaker sections and victims of natural and other disasters including war and acts of terrorism.
2. To enhance sustainable livelihood through interventions in the areas of natural resource management, agriculture, horticulture and livestock development, rural development, traditional arts and handicrafts, micro-enterprise, vocational training and skill development.
  3. To promote measures to eradicate hunger, poverty and malnutrition, and to promote preventive health care and sanitation.
  4. To promote education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently-abled, and livelihood enhancement projects. This would also include initiatives to promote financial literacy, consumer education and awareness, and capacity and skill building in various sectors of the economy in alignment with the various Government initiatives.
  5. To promote environmental sustainability, ecological balance and conservation of natural resources and maintaining quality of soil, air and water through various initiatives such as resource conservation, renewable energy and energy efficiency amongst others.
  6. To contribute to the Prime Minister's National Relief Fund or any other fund set up by the Government for socio-economic development.

#### **IV. CSR Budget**

The Company remains committed to spend in each financial year, the mandatory 2% of the average net profits of the preceding three financial years as calculated under the provisions of Section 198 of the Companies Act 2013 or any other amount as may be prescribed from time to time under Companies Act / Circulars etc. for undertaking CSR Project(s)/Program(s) as set out in the CSR Policy.

- i. The CSR Committee shall take into account the recommendations of the Companies Management whilst finalizing the amount(s) allocated for the individual Project(s)/Program (s) to be undertaken by the Company during a financial year and will be included in the Annual Action Plan.
- ii. In the event the Company fails to spend the mandated amount for CSR Project(s)/Program(s) in any financial year, the reasons should be specified in its CSR Report forming part of the Company's Annual Report, and ensure the transfer of the unspent CSR funds to the Unspent CSR Account or to a Fund(s) included in Schedule VII of the Companies Act 2013 for Ongoing and Other than ongoing CSR projects, respectively, within the timelines stipulated in the Rules.
- iii. In the event the Company expends an amount for CSR Project(s)/Program(s) in excess of the spending requirement of the Company in a financial year, the CSR Committee may recommend to the Board setting off the excess amount against the CSR spending requirement of the Company for the 3 immediate succeeding financial years, subject to the conditions mentioned in the Rules.
- iv. The Company shall ensure that surpluses, if any, arising out of its CSR Project(s)/Program (s) shall not form part of the business profit of the Company and shall be ploughed back to the respective Project(s)/Program(s).

- v. The CSR Committee will abide by the provisions relating to annual expenditure on CSR activities as laid down in Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended from time to time.

#### **V. Onboarding of Implementation Partners**

- i. The Company may undertake the CSR activities either directly/ indirectly or through Axis Bank Foundation (ABF) and/ or through any other eligible Implementation Partner(s), in accordance with the extant CSR norms.
- ii. In line with the extant CSR norms, all the Implementation Partner(s) must register themselves with the Central Government by filing e-form CSR-1 post 1<sup>st</sup> April 2021 and remain fully compliant with applicable regulations.
- iii. The Board shall review the recommendations made by the CSR Committee, with regards to the CSR Project(s)/Program(s) proposed to be undertaken/supported by it, under the AAP.
- iv. The Board may consider and approve the amendments/additions proposed to the CSR Project(s)/ Program(s), which forms part of the AAP, as recommended by the CSR Committee.
- v. Company may undertake/support CSR Project(s)/Program(s) or collaborate with other like-minded companies, subject to the approval of the CSR Committee and the Board of the Company.
- vi. All CSR Project(s)/Program(s) ('Ongoing' and/or 'Standalone'), shall be considered as have been undertaken/ supported by the Company, subject to its review and approval by the CSR Committee and the Board, and its incorporation in the AAP.

#### **VI. Modalities of utilization of funds and implementation schedules for CSR project(s)/ program(s)**

Axis AMC shall establish an effective mechanism with regard to the following:

- i. Monitoring the status of usage of funds allocated for CSR Project(s)/ Program(s) and ensure that such funds are being spent for stated objectives and in the manner as set out in the Annual Action Plan as approved by the Board.
- ii. Axis AMC shall ensure that relevant documentary evidences in respect of the funds disbursed for the said CSR Project(s)/Program(s) are duly submitted by ABF or any other Implementing Partner(s) to facilitate such monitoring.

#### **VII. Monitoring Mechanisms**

Axis AMC shall monitor the following aspects from a regulatory as well as good governance perspective.

- i. Every entity that intends to engage with Axis AMC for undertaking CSR Project(s)/Program(s) has registered itself with the Central Government by filing the Form CSR-1 electronically with the Registrar, post 1<sup>st</sup> April 2021;
- ii. Objectives for each Project/Program are developed out of societal needs and are in line with the CSR Policy of Axis AMC.

- iii. A progressive monitoring and reporting framework, aligned to the requirements under the Act and the Rules made thereunder, is put in place.
- iv. The Company shall monitor activities of Axis Bank Foundation or any other Implementing Partner(s) engaged by the Company for the said CSR Project(s)/ Program(s). Monitoring framework may include reports / photographs of the projects submitted by Axis Bank Foundation or any other Implementing Partner(s). Such mechanism shall be developed taking into account the size, extent and intended impact of the said CSR Project(s)/ Program(s).

### **VIII. Validity of CSR Policy**

On the recommendation of the CSR Committee, the Board reserves the right to amend the CSR Policy as may be required from time to time.

### **IX. Execution of CSR**

The Company shall undertake CSR Project(s)/Program(s) in relation to the said areas specified in **Annexure I** to this Policy, either directly or indirectly, through the Axis Bank Foundation or any other implementation partner(s).

The CSR Committee shall review the recommendations made by Axis AMC with regards to the CSR Project(s)/Program(s) proposed to be undertaken, decide the manner in which they shall be implemented and allocate adequate funds, subject to availability of net profits, to be calculated in accordance with Section 135 of the Companies Act, 2013, read with the Companies (CSR Policy Amendment) Rules, 2021 (the Rules) and Schedule VII of the Act and the Rules framed thereunder including any amendment thereof.

The CSR Committee shall ensure that only those CSR Project(s)/Program(s) are undertaken that are stated/added in the Annual Action Plan, as approved by the Board.

Axis AMC may undertake multi-year Project(s)/Program(s). Such Project(s)/Program(s) may be renewed by the Axis AMC for additional period(s) after the completion of the initial period subject to satisfactory performance and impact of the Project(s)/Program(s). Axis AMC may also, if deemed appropriate, undertake other than on-going Project(s) during the year, the decision of which shall be taken on a case-to-case basis and will be subject to approval of the Board.

All CSR programs/ activities will be executed by the Axis Bank Foundation or any other Implementing Partner(s). The Company may also make contributions to any fund set up by the Government of India.

### **X. Annual Action Plan (AAP)**

In alignment with the Rules, the CSR Committee shall formulate an Annual Action Plan that shall include the modalities of each CSR Project/Program that Axis AMC shall undertake in a financial year.

The CSR Committee shall, in consultation with the Axis AMC, recommend to the Board, the Annual Action Plan in pursuance of the CSR Policy as stipulated by the Rules.

## **XI. CSR Project(s)/Program(s)**

The Company shall undertake CSR Project(s)/Program(s) in accordance with Schedule VII of the Companies Act 2013 and the relevant provisions of the Companies (Corporate Social Responsibility Policy Amendment) Rules, 2021, as set out in **Annexure I**, to this Policy.

However, it shall not undertake CSR Project(s)/ Program(s) under any of the areas which is specifically prohibited in terms of the said Rules, as set out in **Annexure II**, to this Policy.

## **XII. CSR Governance Structure**

### 1. Roles and Responsibilities

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

- a. Approval of the CSR Policy of the Company.
- b. Disclosure of the Policy in its report and placing the same on the Company's website as prescribed under Section 135 of the Companies Act, 2013.
- c. Ensuring that it specifies the reasons in its report for not spending the earmarked amount in case the Company does not spend such amount during the financial year.
- d. Making any change(s) in the constitution of the CSR Committee as deemed suitable.
- e. Reviewing proposals for Ongoing as well as 'stand alone CSR Project(s)/Program (s) to be undertaken/supported by the Company, in terms of the CSR Policy and allocation of funds for the same
- f. Review of the Annual Action Plan in relation to the CSR Project(s)/Program(s), to be undertaken by the Company, during a financial year.
- g. Monitoring the usage of funds allocated for Ongoing/Other than Ongoing CSR Project(s)/Program(s), and satisfy itself that the funds so disbursed have been utilized for the purposes and in the manner as approved by it and review and take on record the certificate issued by the Chief Financial Officer (CFO) of the Company, to that effect.
- h. Such other matters as mandated under the CSR norms, as amended and notified, from time to time.

### 2. Frequency of Meeting of CSR Committee

The CSR Committee of the Board meets as often as necessary to discuss and deliberate upon the CSR activities - proposed/existing, and takes account of the spends and the monitoring activities from the entities engaged to implement the CSR activities like Axis Bank Foundation.

The Ministry of Corporate Affairs (MCA) vide Notification No. GSR 409(E) dated June 15, 2021, notified the amendment in Companies (Meetings of Board and its Powers) Rules, 2014. As per the amendment, w.e.f. 15th June, 2021, all matters can now be dealt with in a meeting through video conferencing or other audio visual means.

### 3. Chief Financial Officer (CFO) – Axis AMC

The Chief Financial Officer of Axis AMC shall certify that the funds allocated for the CSR Project(s)/Program(s) that have been disbursed as per the Board approved Annual Action Plan, have been utilized for the stated purposes and in the manner as approved.

### 4. Others

The Company's CSR Committee may choose to select program areas which are included under Schedule VII of the Companies Act, 2013, as amended from time to time (program areas detailed in the Annexure) in addition to those specified in the CSR Policy in the course of fulfilment of the Company CSR objectives as decided by the CSR Committee from time to time.

## **XIII. Impact Assessment**

The Company shall undertake impact assessment studies, if applicable as per Companies Act, 2013 and the Companies (CSR Policy) Rules, as amended and notified from time-to-time

The outcomes from such Impact Assessment studies, if applicable, shall be placed before the CSR Committee and Board, in compliance with the extant CSR norms.

## **XIV. Reporting Framework**

The Company shall review the activities of Axis Bank Foundation or any other Implementing Partner(s) engaged by the Company for the said CSR Project(s)/ Program(s). Review may include reports / photographs of the projects submitted by Axis Bank Foundation or any other Implementing Partner(s). Such mechanism shall be developed taking into account the size, extent and intended impact of the said CSR Project(s)/ Program(s).

The outcomes of such reviews/ reports shall be provided to the Chief Financial Officer (CFO) of the Company.

The status of the usage of the CSR Funds so allocated for CSR Project(s)/Program(s) as approved by the Board shall be reviewed and certified by the Chief Financial Officer of Axis AMC and such certificate shall be placed before the Board annually.

## **XV. Disclosures and related Compliances:**

- i. Axis AMC shall ensure that requisite disclosures are made in its Annual Report in the prescribed format, containing details relating to the CSR Committee, impact assessments conducted, if applicable, CSR spends carried forward and/or set off, and such other information, as prescribed in the Companies Act, 2013 and the Companies (CSR Policy) Rules, as amended and notified from time-to-time;
- ii. The Axis AMC shall perform such other duties with respect to its CSR activities as may be required under any law, statute, rules, regulations etc. as may be enacted by Government of India, SEBI, the Reserve Bank of India or by any other regulatory/statutory authority or as mandated by the Board, from time to time.



**XVI. Capital Assets:**

In the course of implementation of the Company's CSR Project(s)/Program(s), the Company shall ensure that for any capital asset so created, its ownership shall rest solely with the implementation partner, direct beneficiary, or public authority, as stipulated in the Rules.

**XVII. Authority and Review:**

This CSR Policy shall be reviewed at least once annually and/ or pursuant to any amendments to the CSR norms or for any reason as deemed appropriate by the CSR Committee/ Board. Any amendment to the CSR Policy shall be approved by the Board.

## ANNEXURE I

### ➤ CSR PROGRAM AREAS

An illustrative list of various programs and activities that may be supported under the Company's CSR focus areas are given below:

#### 1. Education

1. a. Special education for the differently-abled: Support basic, secondary and vocational education for differently-abled children and youth. Increase outreach to the differently-abled and provide them with access to education (at the primary, secondary and higher secondary levels) and vocational training.
1. b. Access to quality education for street children and children of sexually-exploited women: Provide education to street children and children of sexually exploited women and facilitate access to age-appropriate formal education and vocational opportunities.
1. c. Financial literacy: Advance the agenda of Financial Inclusion by creating awareness, educating and empowering sections of society which do not have access to formal banking system through financial literacy initiatives.
1. d. Consumer education and awareness: Promote financial education and awareness amongst consumers at large and school children. Disseminate knowledge on managing finances etc. to consumers at large which may include aspects of safe banking practices, tax planning, saving and investing and other relevant financial knowledge.
1. e. Support MSME sector capability enhancement: Provide support to MSME sector through dissemination of knowledge leading to enhancement of sector capabilities.

#### 2. Vocational Education and Training

2. a. Support vocational education, life skill coaching and career counselling: Provide orientation and handholding support to children of secondary and higher secondary level on available career options, and employable vocational and technical skills.
2. b. Skill development through vocational education and training: Provide skilling, re- skilling and multi-skilling support to youth for gainful employment.

#### 3. Livelihood Enhancement and Rural Development

3. a. Natural resource management, soil and water conservation: Management of natural resources leading to more productive outcome for agriculture and associated livelihood. Support rural and village communities through non-farm based livelihood development.
3. b. Access to finance/financial inclusion and entrepreneurship development: Support creation of sustainable income sources through micro-finance and micro-enterprise development and strengthen mechanisms for alternative livelihood.

4. **Medical Relief and Trauma Care**: The Company could work on providing medical relief and trauma care for victims of accidents through Axis Bank Foundation. It could also create a trained community of service providers who can provide immediate assistance to victims of accidents. The Company may work on such programs as part of its overall contributions towards promoting healthcare.

5. **Environmental Sustainability:** The Company is sensitive towards its role in ensuring environmental sustainability, ecological balance and conservation of natural resources and may pursue projects that conserve resources and enhance environment such as renewable energy and energy efficiency.
6. **Sanitation:** The Company may work towards improving/providing sanitation facilities for communities/schools.
7. **Reducing inequalities:** The Company may undertake activities singly and/or in conjunction with the Government initiatives and schemes to reduce inequalities faced by socially and economically backwards groups.
8. **Humanitarian Relief:** The Company may support relief efforts during natural and other calamities in India.
9. **Armed Forces Veterans:** The Company may institute a program for the benefit of armed forces veterans, war widows and their dependents, widows of armed forces injured in action.
10. **Capacity Building of Personnel and NGO Partners:** The Company may build the capabilities of its own personnel as well as that of executing and implementing agencies through training, conferences and experience sharing programmes.

➤ Further, as per Companies Act, 2013 and the rules made thereunder, following are the activities prescribed under **Schedule VII (as amended from time to time) for spending the CSR amount:**

- (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) contributions or funds provided to technology incubators located within academic institutions which are approved by the central govt.
- (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

## **ANNEXURE II:**

Corporate Social Responsibility (CSR)" means the activities undertaken by a Company in pursuance of its statutory obligation laid down in Section 135 of the Companies Act, 2013, in accordance with the Rules, but shall **not** include the following, namely:-

- (i) Activities undertaken in pursuance of normal course of business of the company. However, exemption is provided for three financial years, till FY 2022-23, to companies engaged in R&D activities for new vaccines, drugs, and medical devices in their normal course of business, related to COVID19. This exclusion is allowed only in case the companies are engaged in R&D in collaboration with organisations as mentioned in item (ix) of Schedule VII and disclose the same in their Board reports.
- (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;

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