



**AYE FINANCE P LTD
CORPORATE SOCIAL RESPONSIBILITY POLICY**

1. AYE'S VISION, MISSION & OBJECTIVE ON CORPORATE SOCIAL RESPONSIBILITY

1.1 VISION

Aye's vision is to be a Leading finance company in India, admired by Customers, Employees, Investors and Regulators for its Service and Innovations.

1.2 MISSION

Aye's mission is to provide innovative & customer centered financial services to micro businesses through knowledgeable team, effective technology & robust processes, to power their growth into the new-age India.

1.3 CSR Policy: Objective

The objective of the policy is to define Aye's Corporate Social Responsibility (CSR) approach in alignment with Section 135 of the Companies Act, 2013 read with applicable rules.

Aye plans to empower and enable the micro enterprises through non-financial guidance and support, so that they may build a modern and vibrant commercial community that can compete in the world and thereby create value for their customers, employees and owners.

Aye's CSR activities will primarily focus on professionalising micro enterprises and improving quality of lives through social development projects

- Education and skill development
- Promoting gender equality, empowering women,
- Promoting health care
- Community development projects
- Social business projects
- Employment enhancing vocational skills

2. CSR Policy: Governance structure and approach

2.1 Board of Directors

The Board of Directors of Aye has constituted a committee for CSR called as Corporate Social Responsibility Committee which constitutes of three Directors including one Independent Director.

In line with the provisions of Section 135 of the Company's Act, Aye's Board of Directors will be responsible for the following:

1. Constitute a CSR committee and approve the CSR policy on recommendation of the CSR Committee

2. To ensure Aye spends, in every financial year, at least 2% of its average net profit during the three preceding financial years, in pursuance of this policy
3. Approve the CSR action plan and budget as proposed by the CSR committee in accordance with Schedule VII of the Companies Act, 2013
4. Make disclosures in the Board Report as per clause (o) of sub-section (3) of section 134 including particulars specified in Annexures to the CSR rules. If Aye fails to spend the amount, reasons for not spending to be specified in the above report.

2.2 CSR Corpus

The corpus for the purpose of carrying on the aforesaid activities would include the following:

1. 2% of the average Net Profit made by Aye during the immediate preceding three financial years
2. Any Income arising there from
3. Surplus arising out of CSR activities carried out by Aye and such surplus will not be part of the profits of Aye

2.3 Foundation for Advancement of Micro Enterprises (FAME)

Aye has incorporated FAME, a wholly owned Section 8 subsidiary. FAME has been set up for planning and implementing the CSR activities and providing non-financial support to the target beneficiaries.

The responsibilities of FAME are:

1. Plan and execute Aye's CSR projects, programs and activities as approved under the annual budget or any ad-hoc approvals, by Aye's CSR Committee under the CSR policy approved by the Board of Directors in accordance with the Companies Act, 2013
2. Monitor all programmes implemented in collaboration with partner organisations.
3. Provide periodic reports to the CSR committee of Aye.

2.4 CSR committee

Roles and powers of the CSR committee:

1. Formulate CSR policy and seek approval from the Board of Directors of Aye. Also, review the policy on a yearly basis.
2. Formulate and share the CSR action plan with budget for the year with the Board of Directors and seek approval. Implement the activities either through its Section 8

Company Foundation for Advancement of Micro Enterprises (FAME) or directly through its own team or through any other permitted mode

3. Monitor the spending of the allocated amount on CSR activities once approved by the Board of Directors and create a transparent monitoring mechanism of CSR initiatives.
4. Submit periodic reports (six months at the minimum) to the Board for the activities undertaken.

3. Measurement of CSR performance

Aye's goal is to maintain high quality standards on all its activities including its CSR activities. Aye will institutionalise a transparent measurement system which will help it measure its performance against the set key performance indicators (KPIs) and best practices. The measurement process will also help set its future action plans.

4. Disclosure: Publishing a CSR report

Reporting will constitute an integral part of Aye's CSR initiatives, as Aye remains committed to being transparent and accountable to its stakeholders. The objective of reporting is not only to update its stakeholders, but also to receive their feedback, and incorporate their suggestions into its future CSR strategies.

5. Amendments to the policy

The Board of Directors on its own and/or as per the recommendations of the CSR committee can amend this policy, as and when deemed fit. Any or all provisions of this CSR policy are subject to the applicable provisions of the Companies Act, 2013 and any subsequent amendments thereof from time to time.

6. Compliance statement

The CSR policy of Aye is approved by Aye's Board of Directors on 25th September 2019 for adoption as Aye's CSR policy. The contents of this policy shall be appropriately disclosed in the Board report in accordance with the requirements of the Companies Act, 2013, and rules framed thereunder.

In compliance with the requirements of the Companies Act, 2013 it is confirmed that -

1. A copy of this policy will be placed on Aye's website / internal portal, and
2. any surplus arising out of the CSR projects, programmes or activities shall not form part of the business profit of Aye.