



# **FINCFRIENDS PRIVATE LIMITED**

## **Corporate Social Responsibility (CSR) Policy**

## History of Policy

<b>Owner of the Policy</b>	<b>Version Number</b>	<b>Creation/ Modification Date</b>	<b>Approving Authority</b>
Legal & Compliance Department	1	Created on 3 <sup>rd</sup> February, 2023	Board of Directors

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## **1. Title & Applicability**

Fincfriends Private Limited (“Fincfriends” or “Company”) has prepared the CSR Policy (“Policy”) in alignment with its objective, principles, and values, delineating its responsibility as a socially and environmentally responsible corporate citizen. This Policy lays down the principles and mechanisms for undertaking various programs in accordance with the requirements provided under Section 135 of The Companies Act 2013, read with Schedule VII to the Companies Act 2013 and The Companies (Corporate Social Responsibility Policy) Rules, 2014 along with subsequent amendments and Gazette notifications (together referred as ‘Legal Provisions’). The Policy shall apply to all the CSR projects, programs and activities undertaken by the Company at various locations in India for the benefit of diverse sections of the society.

## **2. Objectives of the CSR Policy**

The CSR Policy inter-alia, provide for the following:

- a) Establishing guidelines for compliance with the provisions of regulations to dedicate a percentage of Company’s profits for social projects or programs or activities.
- b) Ensuing the implementation of CSR initiatives in letter and spirit through appropriate procedure and reporting.
- c) Creating opportunities for employees to participate in socially responsible initiatives.

## **3. Functions of Board of Directors**

Since, the amount to be spend by the Company towards CSR activities in this financial year is less than INR 50 Lacs, the Board of Directors shall inter alia, carry out the following functions:

- a) To formulate a corporate social responsibility policy which shall indicate the activities to be undertaken by the Company;
- b) To decide the amount of expenditure to be incurred on the activities referred to in clause (a) above;
- c) To monitor the corporate social responsibility policy from time to time;
- d) To disclose the contents of CSR Policy in its report and also place it on the Company’s website;
- e) To ensure that the Company shall give preference to the local area and areas around it where it operates, for spending the amount earmarked for Corporate Social Responsibility activities;

## **4. CSR Expenditure**

- a) The Company shall spend, in every financial year at least 2% of the average net profits of the Company made during the 3 immediately preceding financial years;
- b) If the Company fails to spent such amount, the Board in its report shall specify the reason for not spending the amount and, unless the unspent amount relates to any ongoing project referred to in point c) below, transfer such unspent amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year;
- c) Any amount remaining unspent under point a) above, pursuant to any ongoing project, undertaken by a company in pursuance of its Corporate Social Responsibility Policy, shall be transferred by

the company within a period of thirty days from the end of the financial year to a special account to be opened by the company in that behalf for that financial year in any scheduled bank to be called the Unspent Corporate Social Responsibility Account, and such amount shall be spent by the company in pursuance of its obligation towards the Corporate Social Responsibility Policy within a period of three financial years from the date of such transfer, failing which, the company shall transfer the same to a Fund specified in Schedule VII, within a period of thirty days from the date of completion of the third financial year;

- d) If the Company spends an amount in excess of the requirement, the company may set off such amount up to immediate succeeding three financial years;
- e) The Company shall ensure that the administrative overheads shall not exceed five percent of total CSR expenditure of the company for the financial year;
- f) Any 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, within a period of six months of the expiry of the financial year.

## **5. CSR Activities**

The Company may plan to undertake any of the following CSR projects or programs or activities falling within the purview of Schedule VII of the Act or as inserted in Schedule VII from time to time:-

- i. Eradicating, hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to Swach Bharat Kosh set-up by the Central Government for promoting 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 or 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 arts 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 recognized sports, paralympic sports and Olympic sports;
- viii. Contribution to 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 Government for socio - economic development and relief and welfare of the scheduled caste, tribes, other backward classes, minorities and women;
- ix. (a) Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government; and  
  
(b) Contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defense Research and Development Organisation (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs);
- x. Rural development projects;
- xi. Slum Area development;
- xii. Disaster management, including relief, rehabilitation and reconstruction activities;
- xiii. Such other activities and projects covered in Schedule VII to the Companies Act, 2013 from time to time.

## **6. CSR Implementation**

The Board shall ensure that the CSR Activities are undertaken by the Company either Itself or through any of the following entity:

- i. A company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80 G of the Income Tax Act, 1961 (43 of 1961), established by the company, either singly or along with any other company

- ii. A company established under section 8 of the Act or a registered trust or a registered society, established by the Central Government or State Government
- iii. any entity established under an Act of Parliament or a State legislature
- iv. A company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities.

The Board shall satisfy itself that the funds so disbursed for CSR activities have been utilized for the purposes and in the manner as approved by it and the Chief Financial Officer or the person responsible for financial management shall certify to the effect.

In case of ongoing projects, the Board shall monitor the implementation of the project with reference to the approved timelines and year-wise allocation and shall be competent to make modifications, if any, for smooth implementation of the project within the overall permissible time period.

#### **7. Reporting and Disclosure**

The Company shall provide, the content of CSR Policy, reason for unspent CSR amount, the details of CSR initiatives and activities in prescribed format as set out under Companies (Corporate Social Responsibility Policy) Rules, 2014, in its Director's report along with the composition of its CSR Committee (if any).

Further, the Company will also place the composition of its CSR Committee (if any) along with CSR Policy and CSR Project undertaken by the Company on the website of the Company.

#### **8. Approval & Review of CSR Policy**

The Board of the Directors of the Company has approved this Policy. The Board may amend the Policy as may be required from time to time. Any or all provisions of this Policy are subject to the applicable provisions of the Companies Act, 2013, and any subsequent amendments thereof made from time to time.

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