

## **CORPORATE SOCIAL RESPONSIBILITY POLICY**

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**Uttrayan Financial Services Private Limited**

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## CSR POLICY OF UFSP

### 1. PREAMBLE

'Provide access of the financial services' to the last people standing in the queue has been at the forefront of Uttrayan Financial Services Private Limited ("UFSP" "Company") business philosophy and remains the principal purpose of doing business. The initiatives taken by the Company as part of Corporate Social Responsibility (CSR) programmes effectively contribute to developing a sustainable and resilient community.

Being a good corporate citizen is an integral part of UFSP's core value. Over the last two decades, the Company has carried out the Micro Credit Program for the underprivileged sections of the people through cost effective micro lending operation and help them to overcome out of below poverty level. Uplifting economic conditions & higher income generation at affordable ticket size loan has always been UFSP's focus.

### 2. DEFINITIONS

- a) "Act" mean Companies Act, 2013 and includes any other rules, regulations made under the Act, statutory amendments, from time to time, and any other statutory enactment thereof;
- b) "Administrative Overhead" means and includes the expenses incurred by UFSP for 'general management and administration' of Corporate Social Responsibility functions in the Company;
- c) Board shall mean Board of Directors of the Company [Uttrayan Financial Services Private Limited]
- d) "Annexure" means the Annexure appended to these rules;
- e) "Corporate Social Responsibility (CSR)" means and includes but is not limited to:
  - Projects and programs relating to activities specified in Schedule VII to the Act; or
  - Projects and programs relating to activities undertaken by Board of Directors of UFSP in pursuance of recommendations of the CSR Committee of the Board as per declared CSR policy of UFSP subject to the condition that such policy will cover subjects enumerated in Schedule VII of the Act.
- f) "CSR Committee" means CSR Committee of the Board referred to in Section 135 of the Act;
- g) Activities shall mean the CSR activities as prescribed by the Committee to the Board in cohesion with those enunciated in the schedule VII of the Act, for the benefits of the localities of nearby area of the company mainly or in any other part of India as may be deemed fit by the Board or CSR committee;
- h) "Net Profit" means the net profit of UFSP as per its annual financial statements prepared in accordance with the applicable provisions of the Act.

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- i) “Ongoing Project” means a multi-year project undertaken by a company in fulfillments of its CSR activities having timeliness not less than three years excluding the financial years in which it was commenced and shall include such project that was initially not approved as a multi-year project but whose duration has been extended beyond one year by the board based on reasonable justification.
- j) Beneficiaries shall mean the person (s) or sector of people fructifying the benefits from the activities as mentioned in the policy and shall include ecology, environment;
- k) Directors’ report shall mean the report as prescribed under the section 134 of the Act.

### 3. CSR IMPLEMENTATION

(1) The Board shall ensure that the CSR activities are undertaken by the company itself or through–

- (a) a company established under section 8 of the Act, or a registered public trust or a registered society, exempted under sub-clauses (iv), (v), (vi) or (via) of clause (23C) of section 10 or registered under section 12A and approved under 80 G of the Income Tax Act, 1961 (43 of 1961), established by the company, either singly or along with any other company, or
- (b) 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; or
- (c) any entity established under an Act of Parliament or a State legislature; or
- (d) a company established under section 8 of the Act, or a registered public trust or a registered society, exempted under sub-clauses (iv), (v), (vi) or (via) of clause (23C) of section 10 or registered under section 12A and approved under 80 G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities.

Explanation- For the purpose of clause (c), the term “entity” shall mean a statutory body constituted under an Act of Parliament or State legislature to undertake activities covered in Schedule VII of the Act.

(2) The board shall ensure that the entity covered in above point no (1) (“hereinafter called as implementing agency”) who intends to undertake any CSR activity shall be registered with the Central Government as per provisions of rule 4 (2) (a) of the Companies (Corporate Social Responsibility Policy) Rules, 2014;

(3) The company may engage international organisations for designing, monitoring and evaluation of the CSR projects or programmes as per its CSR policy as well as for capacity building of their own personnel for CSR;

(4) The company may also collaborate with other companies for undertaking projects or programmes or CSR activities in such a manner that the CSR committees of respective companies are in a position to report separately on such projects or programmes in accordance with Companies (Corporate Social Responsibility Policy) Rules, 2014;

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(5) The Board of a company shall satisfy itself that the funds so disbursed have been utilised 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;

(6) In case of ongoing project, the Board of a Company 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.

### **4. CSR COMMITTEE**

CSR Committee of the Board has been formed as required under the Act. It shall have in its Corporate Social Responsibility Committee two or more directors. The composition of the said committee is mentioned below and the Board has absolute power to alter the composition of this committee.

#### **COMPOSITION OF THE CSR COMMITTEE**

<b>Member's Name</b>	<b>Designation</b>	<b>Category</b>
Mr. Kartick Biswas	Managing Director	Chairman
Mr. Apu Dhar	Director	Member

### **5. CSR BUDGET & EXPENDITURE**

CSR committee shall recommend the Budget for the CSR activities to the Board. The committee shall ensure that at least 2% of the average net profit of the company made during the three immediately preceding financial years, as prescribed in Section 135 of the Act, is utilized for its CSR activities in pursuance of its Corporate Social Responsibility policy.

CSR expenditure shall include all expenditure including contribution to corpus, for projects or programmes relating to CSR activities approved by the Board on the recommendation of the CSR Committee, but does not include any expenditure on an item not in conformity or not in line with activities which fall within the purview of the Schedule VII of the Act.

The amount to be spent on CSR activities shall be calculated in accordance with the provisions of the Act and Rules made thereunder.

Any surplus arising out of CSR projects, programmes or activities shall not form part of the business profit of the Company.

### **6. CSR REPORTING**

The Board's Report of a company shall include a report on Corporate Social Responsibility containing particulars of the CSR activities in the manner as specified in specified in Annexure I or Annexure II of the Companies (Corporate Social Responsibility Policy) Rules, 2014 as applicable.



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### **7. RESPONSIBILITY OF THE BOARD OF DIRECTORS**

Approving the CSR policy as recommended by the CSR Committee, subject to necessary changes/modifications as the Board may deem fit.

- Ensuring that in each financial year, the Company spends such amount for CSR activities as may be stipulated in the Companies Act, 2013, as amended from time to time.
- Ensuring that the activities included in the CSR Policy are undertaken by the Company.

### **8. ACTIVITIES FOR CSR EXPENDITURE**

As per Schedule VII of the Companies Act, 2013, following activities can be undertaken by the company for the purpose of CSR expenditure:

- (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 centers 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, agro forestry, 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 recognized 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) 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;

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(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;

**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;

(xiii) Any other activity enumerated in the Schedule VII of the Act from time to time.

### **9. TARGET AREA AND COMMUNITIES:**

UFSP will conduct its CSR activities in all areas where it has a significant presence, either by itself or through a group/ partner company. The CSR policy will focus on social development in UFSP area of operation targeting economically and socially marginalized communities. No employee of UFSP will be a direct or indirect beneficiary of the CSR programmes of the Company. In terms of the Section 135(5) of the Companies Act, 2013 the Company shall give preference to the local area and areas around the areas where it operates, for spending the amount earmarked for Corporate Social Activities.

### **10. EXECUTION, MONITORING & REPORTING**

The CSR Committee shall:

1. Prepare and propose the CSR plan with the execution modalities and implementation schedules to the Board.
2. Periodically appraise the Board on the status of the CSR plan.
3. Institute a transparent monitoring mechanism for implementation of the CSR projects, programmes or activities undertaken by the Company.

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To fulfill the above responsibilities, the CSR Committee would be equipped with necessary resources. The dedicated CSR team shall be setup to ensure effective implementation of the CSR activities. The CSR team would submit status reports of the projects/programmes to the CSR Committee on a periodic basis.

All disclosures, display and reporting requirement related to CSR shall be made in accordance with the provisions of the Act and Rules made thereunder.

### **11. AMENDMENTS TO THE CSR POLICY**

The Board of Directors of the Company shall have the powers to revise/modify/amend this policy from time to time, as the Board may deem fit, based on the recommendations to be made by the CSR Committee to confirm to the revision/amendments, if any, to be made to the CSR rules by the MCA, under the Act.

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