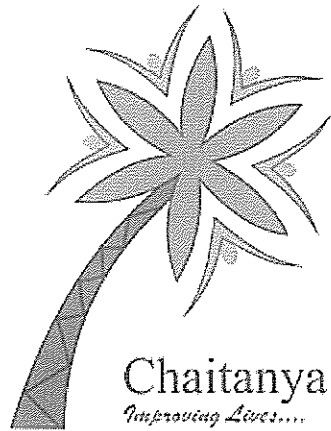


**CORPORATE SOCIAL RESPONSIBILITY POLICY  
FOR CHAITANYA INDIA FIN CREDIT PRIVATE LIMITED**



Version No.	CSR/1.0/2019-20
Originally adopted Date of Policy	02-12-2019
Amended/Modified Date of Policy	-
Policy owner	Anand Rao
Approved by	Board of Directors
Signature	

## **INTRODUCTION**

Chaitanya India Fin Credit Private Limited (“Chaitanya”) has been involved in Community Engagement Activities since its inception in various ways, including financial literacy programs, skill development camps, disaster relief and other volunteer actions. With a Mission of “Improving lives of low- and middle-income families” Chaitanya firmly believes that there are multiple avenues to reach this goal.

Chaitanya recognizes the reach it has among communities that are underserved from traditional systems through its employee network and believes that it has a tremendous opportunity to improve the lives of these communities and aims to be a trusted partner contributing to the social, economic and environmental progress of these communities.

In conformity with the requirements laid down under The Companies (Corporate Social Responsibility Policy) Rules, 2014 (hereinafter referred to as the “CSR Rules”) issued by the Ministry of Corporate Affairs (“MCA”), Government of India under Section 135 of the Companies Act, 2013 (“the Act”), Companies that earn a net profit of INR 5 Crores or more during any financial year are required to spend at least two per cent (2%) of their average net profits over three years. The CSR Committee of the Board, in relation to the aforementioned act, has drafted a CSR Policy which has been approved by the Board of Directors.

## **CSR POLICY OBJECTIVES**

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

Chaitanya endeavours to reach out to underserved rural communities to address key challenges in these societies. Chaitanya shall focus on undertaking the projects /programs /activities listed below, as specified in Schedule VII to the Act excluding activities undertaken in pursuance of normal course of business of a Company:

- (i) Efforts towards alleviating hunger, poverty and malnutrition, promoting health care including preventive health care, 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;

- (vii) training to promote rural sports, nationally recognised sports, Paralympic sports and Olympic sports
- (viii) rural development projects
- (ix) disaster management, including relief, rehabilitation and reconstruction activities.
- (x) contribution to the prime minister's national relief 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;
- (xi) contribution to incubators funded by Central Government or State Government or any agency or Public Sector Undertaking of Central Government or State Government, and contributions to public funded Universities, Indian Institute of Technology (IITs), National Laboratories and Autonomous Bodies (established under the auspices of Indian Council of Agricultural Research (ICAR), Indian Council of Medical Research (ICMR), Council of Scientific and Industrial Research (CSIR), Department of Atomic Energy (DAE), Defence Research and Development Organisation (DRDO), Department of Science and Technology (DST), Ministry of Electronics and Information Technology) engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).

## **GOVERNANCE**

The CSR Committee of the Board will govern and review the CSR activities of the company from time to time.

The CSR Committee will recommend the Annual objectives, budget and general framework for CSR activities to the Board for its approval. The plan will include resource requirements and allocations across interventions and locations.

Pursuant to Section 135 of the Companies Act 2013, the Board of Directors has constituted the Corporate Social Responsibility (CSR) Committee with following members:

K S Ravi - Independent Director - Chairman  
 Nandakumar R - Independent Director – Member  
 Anand Rao - Joint Managing Director Member

## **BOARD OF DIRECTORS**

The Board of Directors shall take into account the recommendations made by the CSR Committee and approve the CSR programs for Chaitanya.

## **ROLE OF THE CSR COMMITTEE**

- a) To formulate and recommend to the Board of Directors, the CSR Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Act and the applicable Rules;
- b) To recommend areas of interest under which CSR activities can be undertaken by the Company in collaboration with Chaitanya affiliate companies or any other company or any other entity;

- c) To recommend the amount of expenditure to be incurred on the CSR activities;
- d) To formulate the CSR Budget based on the CSR activities planned for the year;
- e) To create an effective due diligence and monitoring mechanism for implementation of the approved CSR activities;
- f) To submit reports to the Board of Directors in respect of the CSR activities undertaken by Chaitanya;

**BUDGETS AND EXPENDITURES:**

Chaitanya shall allocate a budget towards each of the CSR activities falling within the purview of the objectives of this policy. The CSR expenditure shall include all actual expenditures including contribution to corpus or on projects or programs relating to CSR activities recommended by the CSR Committee and approved by the Board of Directors but shall not include any expenditure that does not fall within the purview of Schedule VII of the Act.

Beginning with the financial year 2019-20 the Company has undertaken to spend on its CSR activities every year, 2% of its average Net Profits during every block of three years.

'Net Profit' shall be calculated in the manner prescribed by the Act and the CSR Rules. Any 'Income' or 'Surplus' that may arise from its CSR activities would also be included in the CSR corpus and will not form part of business profits of the Company.

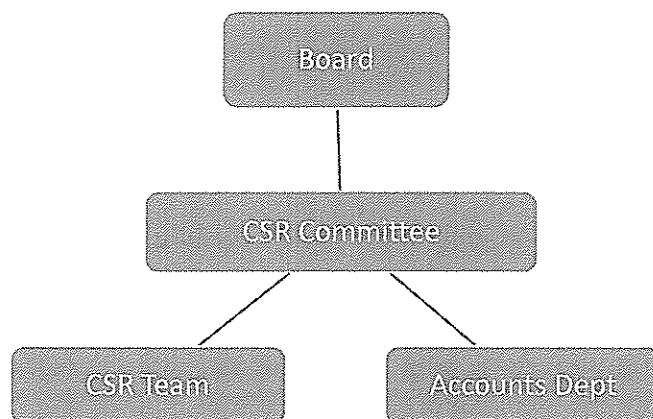
The CSR activities of the Company shall not include any benefits which are exclusively for the employees of the Company or their family members.

**IMPLEMENTATION, MONITORING AND REPORTING OF THE CSR PROGRAMS**

**Implementation**

The Committee shall form a CSR Team who will be responsible for implementing the CSR Projects as approved by the Board.

The CSR Team will consist of Employees of Chaitanya and shall be headed by a CSR Committee Member as decided by Board. The CSR Team shall report to the Committee every Half Year on the Implementation and progress of CSR Activities.



### **CSR Activities/ Projects/Programs**

At the beginning of each financial year the CSR Committee of the Board, in consultation with the CSR Team, will prepare a list of CSR Objectives which the Company proposes to achieve during the financial year, specifying the modalities of execution in the areas/sectors chosen with implementation schedules for approval of the Board.

In addition to this, the CSR Team, with approval from the CSR Committee, or CSR Committee itself may recommend taking up other Activities/Projects/Programs on an ad-hoc bases as it may consider appropriate anytime during the course of the financial year with the approval of Board.

### **PROGRESS-MONITORING AND REPORTING**

- CSR Committee will monitor the implementation of the projects on regular basis and establish evaluation framework for supported causes;
- CSR Team shall submit Half Yearly reports on the progress of the CSR Activities to the Committee.
- CSR Team shall present the expenses incurred under the CSR Activities to the Accounts Department within 15 days of incurring the said expenses.
- Account Department shall submit a detailed report to the Committee on the expenditure incurred on CSR Projects by the Company every Half Year.
- CSR committee shall report and keep the Board updated, regarding the activities and expenses incurred on donations and CSR activities for the year.

The expenditure and CSR activities progress update for the financial year shall be tracked by the Committee and reported to the Board members in the meetings.

Chaitanya shall disclose its CSR Policy, Programs/Projects undertaken, and the expenditures made towards CSR activity in the Annual Report.

### **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 think fit, based on the recommendations to be made by the CSR Committee to confirm to the revision/amendment, if any, to be made to the CSR Rules by the MCA, under the Act

Annexures

Template for recording and presenting the expenditures incurred for the CSR activities

Sl No	Party Name	Expenses/Amount Paid	Date	Cheque/Bank	Purpose/Project Name	Category