

**CHARTERED FINANCE & LEASING LTD.**  
**(CFL)**

**("NBFC/ B-13.02480")**

**SUMMARY OF POLICY**

| Particular                  | Details                                               |
|-----------------------------|-------------------------------------------------------|
| Policy Name                 | Corporate Social Responsibility (CSR) Policy          |
| Version                     | V3                                                    |
| Latest Approval/Review Date | 20 <sup>th</sup> May, 2025                            |
| Review Cycle                | Annually                                              |
| Approver                    | Board of Directors of Chartered Finance & Leasing Ltd |

**VERSION HISTORY**

| Version no. | Approval                                       | Version Description | Regulatory Reference | Remarks                     |
|-------------|------------------------------------------------|---------------------|----------------------|-----------------------------|
| I           | Board Meeting dated 30th March, 2016           | 2016                | RBI Regulation       | Policy adopted by the Board |
| II          | Board Meeting dated 27th March, 2021           | 2022                | RBI Regulation       | Reviewed by Board           |
| III         | Board Meeting dated 20 <sup>th</sup> May, 2025 | 2025                | RBI Regulation       | Reviewed by Board           |

## CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

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| 1. Preamble                     | Defines CSR as a company's commitment to ethical behavior and community development under the Companies Act, 2013.                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| 2. CSR Vision                   | Commitment to sustainable social, economic, and environmental development ensuring community participation.                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| 3. CSR Programmes               | (a) Healthcare: Medical support, sanitation, safe drinking water.<br>(b) Education: Scholarships, skill training, digital literacy.<br>(c) Rural Development: Infrastructure, water, sanitation.<br>(d) Gender Equality: Women's empowerment, support for elderly and orphans.<br>(e) Environmental Sustainability: Tree plantation, renewable energy.<br>(f) Heritage & Culture: Restoration, art, sports.<br>(g) Disaster Response: Relief, rehabilitation.<br>(h) Funds: As per Schedule VII of the Companies Act.<br>(i) Other Initiatives: As per statutory CSR norms. |
| 4. CSR Committee                | Voluntarily constituted. Recommends, monitors, and reports CSR activities; ensures legal compliance.                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| 5. Annual CSR Action Plan       | Prepared yearly by CSR Committee and approved by the Board, including budget, execution, and reporting.                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| 6. Selection and Identification | Programmes selected based on impact, sustainability, community input, and alignment with Schedule VII.                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| 7. Implementation               | Carried out directly or through registered entities (NGOs, Trusts, etc.) with track record.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| 8. Monitoring and Governance    | Strategic oversight by CSR Committee. Annual CSR Report submitted to Board.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| 9. CSR Expenditure              | Target: 2% of avg. net profits of past 3 years.<br>Caps admin overhead at 5%.<br>Unspent or excess CSR funds to be managed as per Act.                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| 10. Disclosure                  | CSR Policy hosted on company website and summarized in Board's Report.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| 11. Review & Amendments         | Policy reviewed periodically; amended automatically with any change in law. Applicable law prevails over policy.                                                                                                                                                                                                                                                                                                                                                                                                                                                            |

## CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

### PREAMBLE

Corporate Social Responsibility (hereinafter referred to as 'CSR') is a company's sense of responsibility towards the community and environment in which it operates. It is the continuing commitment by a business to behave ethically and contribute to the economic development of communities who are unequally endowed.

CSR covers the entire process by which an organization approaches, defines and develops its relationships with stakeholders for the common good, and demonstrates its commitment in this regard by adoption of appropriate strategies and projects.

This CSR Policy is framed in terms of the Companies Act, 2013 (hereinafter referred to as 'the Act') read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 (hereinafter referred to as 'the CSR Rules'), as amended from time to time.

### CSR VISION

Through sustainable measures, actively contribute to the Social, Economic and Environmental development of the community in which we operate ensuring participation from the community and thereby create value for the nation.

Programmes, projects and activities (hereinafter collectively referred to as 'CSR Programmes') carried out in this regard are the subject matter of this Policy.

### CSR PROGRAMMES

The Company has identified the following thrust areas around which the Company shall be focusing its CSR initiatives/programmes:

- (a) **HEALTHCARE:** Promoting healthcare including preventive healthcare and sanitation, eradicating hunger, poverty and malnutrition and making available safe drinking water, providing financial support for healthcare, conducting health camps and providing consultation, medicines etc.
- (b) **EDUCATION:** Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects, providing support at every stage of a child's educational cycle including but not limited to developing infrastructure for schools/educational centers/universities/hostels, scholarships including financial support to students for education, conducting education programs, skill development and vocational training, support to sports for development of students in both urban and rural settings, digital literacy initiatives and other holistic education initiatives for rural & urban youth.

- (c) **RURAL DEVELOPMENT:** Improving water conservation and rain-water harvesting, developing community infrastructure and strengthening rural areas by improving accessibility, education, healthcare, housing, street roads /lights, drinking water, sanitation, power and livelihoods, thereby creating sustainable villages.
- (d) **GENDER EQUALITY AND EMPOWERMENT OF WOMEN:** 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.
- (e) **ENVIRONMENTAL SUSTAINABILITY:** Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources, maintaining quality of soil, air and water, tree plantation, promoting renewable energy and developing gardens.
- (f) **NATIONAL HERITAGE, ART AND CULTURE:** 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 and preserving & promoting music and sports.
- (g) **DISASTER RESPONSE:** Supporting disaster management, including relief, rehabilitation and reconstruction activities and provide relief and assistance to victims of disasters and calamities.
- (h) **CONTRIBUTION TO FUNDS:** Contribution to various funds, projects, universities, bodies, departments, etc. as specified in Schedule VII of the Companies Act, 2013.
- (i) **OTHER INITIATIVES:** To undertake other need-based initiatives in compliance with Schedule VII of the Companies Act, 2013 and amendments thereto from time to time.

## **CSR COMMITTEE**

Section 135 of the Companies Act 2013 does not imply to your company, nonetheless your Company understands the importance of its responsibilities towards the Society under which we cater our services. Your Company has voluntarily adopted the CSR Policy to shoulder its responsibilities towards the society and has also constituted the CSR Committee to ascertain the activities undertaken by the Company in the best interest of the Society.

The Board of Directors of the Company (hereinafter referred to as the 'Board') has formed the CSR Committee in accordance with the requirements of the Act.

Role of CSR Committee shall include *inter-alia* the following:

- formulate and recommend to the Board for its approval, a CSR Policy which shall indicate the activities to be undertaken by the Company in area or subject, specified in Schedule VII of the Act;
- recommend the amount of expenditure to be incurred on the CSR Programmes;
- monitor and review the CSR Policy of the Company from time to time;

- formulation of a transparent monitoring mechanism for ensuring implementation of the CSR programmes proposed to be undertaken by the Company or the end use of the amount spent by it towards CSR programmes;
- ensure overall governance and compliance of the CSR Policy;
- annually report to the Board of Directors, the status of the CSR activities undertaken and contributions made by the Company;
- formulate and recommend to the Board for its approval, an annual CSR action plan in pursuance of the CSR Policy; and
- any other requirements mandated under the Act and Rules issued thereto.

### **ANNUAL CSR ACTION PLAN**

Every year, the CSR Committee will place for the approval of the Board, an annual CSR Action Plan (hereinafter referred to as 'CSR Plan') delineating the CSR Programmes to be carried out during the financial year, including the budgets thereof, their manner of execution, implementation schedules, modalities of utilisation of funds, and monitoring & reporting mechanism for the CSR Programmes. The Board will consider and approve the CSR Plan with such modification that may be deemed necessary; the CSR Plan may also be modified by the Board during the financial year, on the recommendation of the CSR Committee.

### **SELECTION AND IDENTIFICATION**

CSR Programmes to be undertaken shall be in line with Section 135 read with Schedule VII of the Act and the Rules made thereunder, as amended from time to time and would be identified in a participatory manner in consultation with the community and for selection of any Programme, the scope, impact, cost, timelines, sustainability, visibility of the Company and other relevant factors needs to be evaluated.

### **IMPLEMENTATION**

The Company's CSR Programmes will be implemented:

- (a) Directly by the 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, registered under section 12A and 80 G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities.

The Company may also collaborate with other companies or institutions for undertaking CSR Programmes in accordance with the CSR Rules.

In case CSR Programmes are implemented through external agencies or Trusts, the programmes to be undertaken by those agencies or Trusts will be specified, and it will be ensured that such programmes are covered in the Objects laid down in the respective Trust Deeds / Memoranda and Articles of Association of the external agencies / Trusts.

## **MONITORING AND GOVERNANCE**

The CSR Committee will review, monitor and provide strategic direction to the Company's CSR practices towards fulfilling its objectives.

At the end of every financial year, the CSR Committee will consider an Annual Report on CSR activities and recommend the same for the approval of the Board. The said Report will be disclosed as part of the Report of the Board of Directors of the Company (hereinafter referred to as the 'Board's Report').

## **CSR EXPENDITURE**

- (a) It will be the Company's endeavour to spend in every financial year, two percent of its average net profits during the three immediately preceding financial years (or such other limit as may be prescribed under the Act), on CSR Programmes in pursuance of this Policy.
- (b) The CSR expenditure will include all expenditure, direct and indirect, incurred by the Company on CSR Programmes undertaken in accordance with this Policy and the administrative overheads shall not exceed five percent of total CSR expenditure of the company for the financial year.
- (c) Any surplus arising out of the CSR Programmes will be used for CSR activities within six months from the end of the relevant financial year and shall not form part of the business profit of the company and shall be ploughed back into the same project or shall be transferred to the Unspent CSR Account and spent in pursuance of the 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.
- (d) If CSR expenditure in a financial year exceeds the statutory limit, such excess may be set-off against CSR expenditure for the next three financial years with the approval of the Board, on the recommendation of the CSR Committee.
- (e) The CSR amount may be spent by the Company for creation or acquisition of a capital asset in accordance with the Act and the CSR Rules.
- (f) In case of any unspent amount arising in any financial year out of the CSR Programmes, other than ongoing Programmes, such unspent amount shall be transferred within six months from the end of the financial year to a fund specified in Schedule VII of the Companies Act, 2013 or to such specific fund as may be prescribed from time to time for this purpose under the Act and the CSR Rules and the reasons for not spending the amount to be specified by the Board in Board's Report.
- (g) Where the unspent amount is in respect of any ongoing CSR Programmes, the company shall within thirty days from the end of the financial year (or such other period as may be specified) transfer such unspent amount to a separate account called Unspent Corporate Social Responsibility Account to be opened in any scheduled bank by the Company for that financial year. The company shall utilise such unspent amount for the ongoing projects within a period of three financial years from its transfer, failing which such amount shall be transferred to a fund specified in Schedule

VII of the Act or to such specific fund as may be prescribed from time to time for this purpose under the Act or Rules framed thereunder within 30 days from the end of the third financial year.

(h) The Company may collaborate or pool resources with other entities to undertake CSR Programmes.

## **DISCLOSURE**

This Policy will be posted on the Company's corporate website [www.charteredfinanceleasing.com/](http://www.charteredfinanceleasing.com/) and web link thereto will be disclosed in the Board's Report of the Company.

## **REVIEW AND AMENDMENTS IN THE POLICY**

This Policy will be reviewed by the Board, on the recommendation of the CSR Committee, as and when deemed necessary.

Any subsequent amendment / modification to the CSR provisions as contained under the Act or Rules framed thereunder or other applicable laws in this regard shall automatically apply to this Policy and the Policy shall be deemed to have been amended accordingly.

In the event of any inconsistency between this Policy and the applicable laws, the applicable laws will prevail.