

CHARTERED FINANCE & LEASING LIMITED

CSR Policy

Corporate Social Responsibility Policy
As per Section 135 and the Companies (Corporate Social Responsibility)
Rules, 2014 of Companies Act, 2013

INTRODUCTION:

With the applicability of Section 135 of the Companies Act, 2013, the Board has examined the applicability of the provisions on the Company and has found that since the Company falls under the criteria of applicability of Section 135, it decided to constitute the CSR Committee and formulated the CSR Policy for spending 2% of average net profit of preceding three financial years on the activities as mentioned in Schedule VII to the Companies Act, 2013. We believe that the Company's CSR initiative would play a pivotal role in improving the lives of the communities and the Society at large. This would also enable us to fulfil our commitment to be a socially responsible corporate citizen.

OBJECTIVES:

The main objectives of Chartered Finance & Leasing Limited's ("CFL") CSR policy are:

1. To lay down guidelines to make CSR a key business process for sustainable development of the Society.
2. To directly/indirectly undertake projects/programs that will enhance the quality of life and economic well-being of the communities in and around our areas of operations and the Society at large.
3. To generate goodwill and recognition among all stakeholders of the Company.
4. Further, we recognize that we must integrate our business values and operations to meet the expectations of our stakeholders. They include customers, employees, investors, suppliers, the community and the environment.
5. We recognize that our social, economic and environmental responsibilities to these stakeholders are integral to our business. We aim to demonstrate these responsibilities through our actions and within our corporate policies.
6. We take seriously all feedback that we receive from our stakeholders and, where possible, maintain open dialogue to ensure that we fulfil the requirements outlined within this policy.
7. We shall be open and honest in communicating our strategies, targets, performance and governance to our stakeholders in our continual commitment to sustainable development.
8. The Directors are responsible for the implementation of this Policy and will make the necessary resources available to realize our corporate responsibilities. The responsibility for our performance on this Policy rests with all employees throughout the Company.
9. We shall encourage suppliers and contractors to adopt responsible business policies and practices.

II. OUR RESPONSIBILITIES

A) Towards our communities

We will involve communities surrounding our operations to bring about a positive change in their lives through holistic, sustainable and integrated development.

B) Towards our Customers

We will build gainful partnerships with the customers to understand their needs and provide right product and service solutions. We will adopt and actively encourage the best and fair business practices and shall endeavor to build solid bonds with them.

C) Towards our Business Partners

We will support our suppliers to cultivate ethical and fair business practices and give preference over other to those who demonstrate this.

D) As a Corporate Citizen

We reaffirm our commitment to conduct our business with environmental accountability. We will endeavor to adopt environment-friendly technologies and energy efficiency in our operations while continuously monitoring and reducing emissions.

E) Responsibilities towards our Employees

We will foster a work culture with high ethical principles and standards and encourage our employees to perform with total integrity, commitment and ownership. We will do all we can to support their professional growth and recognize high achievers.

We will continue to raise the bar of our standards and guidelines. We recognize that our employees and contractors deserve to work in safe and healthy work environment and will make it our responsibility to ensure zero harm to people.

III. CSR mainstay

CSR activities at CFL shall be carried out through Contribution / donation made to such other Organization / Institutions as may be permitted under the applicable laws from time to time or directly by the Company for fulfilling its responsibilities towards various stakeholders.

IV. CSR Activities: -

The scope of the CSR activities of the Company shall broadly cover the following areas but will not be limited to the same and may extend to other specific projects/ programs as permitted under the law from time to time.

Sl. No.	Area	Activities/Initiatives/Programs proposed to be undertaken
1a.	Eradicating hunger, poverty and malnutrition	Agro Based livelihoods, Better Cotton Initiatives, Agriculture Development, Krishi Vigyan Kendra
1b.	Promoting health care including preventive healthcare and sanitation	Health and Sanitation Development programs, medical camps, programs for HIV Aids, etc.

Sl. No.	Area	Activities/Initiatives/Programs proposed to be undertaken
1c.	Providing safe drinking water including contribution towards “Swachh Bharat Kosh”	Drinking water programs, construction of check dams, dykes, ponds, links, channels, wells and water storage tanks
2	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently able and livelihood enhancement projects;	Construction and running of schools and libraries, vocational training and special education institutes, providing financial assistance and scholarships for higher education. Undertaking and skills and entrepreneurship programs
3	Women Empowerment and Facilities for Senior Citizens	Setting up centers and institutions for women and senior citizens Promoting Self Help Groups (SHGs) amongst women for undertaking income generating activities
4.	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 Central Government for rejuvenation of river Ganga;	Horticulture plantation, agro farm forestry, afforestation, projects on non-conventional energy (biogas), animal husbandry programs, forest conservation projects, water resource management and soil conservation, promoting micro-irrigation, etc.
5.	Promotion and protection of 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
6.	Measures for the benefit of armed forces veterans, war widows and their dependents;	Activities/programs for benefit of armed forces and families
7.	Training to promote rural sports, nationally recognized sports, paralympic sports and Olympic sports;	Projects/programs promoting various sports activities
8.	Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;	Projects/programs for the development and upgrading of technology

Sl. No.	Area	Activities/Initiatives/Programs proposed to be undertaken
9.	Contribution/Financial Assistance	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 Castes, the Scheduled Tribes, other backward classes, minorities and women
10.	Rural development projects	Rural infrastructure projects and agriculture development programs and projects
11.	Slum Area Development	Slum Area Development and such other activities as may be prescribed by the Ministry from time to time.

V. Exclusion from CSR

The following activities shall not form part of the CSR activities of the Company: -

1. The activities undertaken in pursuance of normal course of business of the Company.
2. CSR projects/programs or activities that benefit only the employees of the Company and their families.
3. Any contribution directly/indirectly to political party or any funds directed towards political parties or political causes.
4. Any CSR projects/programs or activities undertaken outside India.

VI. CSR Committee

CSR Committee shall be formed as per the applicable laws and the committee shall be responsible for the implementation/monitoring and review of this Policy and various projects/activities undertaken under the policy. The CSR Committee shall submit periodical reports to the Board of Directors.

VII. CSR Spend/Sources of Funding

The Committee shall endeavor to spend atleast 2% of the average net profits of the preceding three (3) financial years on CSR activities as enumerated above. The allocation of the fund shall be made as follows: -

The amount sanctioned by the Board of CFL will have to be utilized for the projects/programs as specified by the CSR committees of CFL. The unspent amount, if any, at the close of the financial year shall be retained and shall be spent only on specified projects/programs.

Any surplus arising out of the contribution made for CSR Activities shall not form part of the business profit of the Company and redeployed for such activities.

VIII. Implementation

Project /programs covered under CSR activities shall be implemented by the Committee:

The CSR Committee of the Company should be in a position to evaluate and report the progress of such projects/programs.

The time period/duration of each project/programs shall depend on its nature, extent of coverage and intended impact of such activity.

IX. Monitoring and Reporting

The CSR Committee will be responsible for the monitoring of CSR activities and report to the Board from time to time.

The CSR Committee has the powers to:

1. Seek monitoring and implementation report from the Organization receiving funds.
2. Delegate a designated Company official to co-ordinate with the Organization receiving funds to inspect the activities undertaken and ensure information in a timely manner.

The following processes will be followed:

(a) **Activities and Budget**

The activities and budgets for CSR will be presented in detail to the Committee.

Additionally, the Committee may empower the Chief Executive Officer, Finance Director and any other official to spend such amount as they think appropriate for some other strategic CSR contingencies that may arise during any financial year. The amount spent as above shall be put up for ratification of the Committee at its next meeting, which shall report to the Board accordingly.

(b) **Continuous Monitoring**

1. The Committee Members will receive in a prescribed format the report of CSR spending;
2. A presentation on the progress of the CSR projects / activities will be made to the Committee members from time to time;
3. An annual presentation will be made to the Committee which will also include the details of the projects / activities planned for the next year and its respective budgets

X. Disclosures

The Annual Report for the relevant Financial Year of the Company shall include a section on CSR outlining the CSR Policy, CSR committee, CSR initiatives undertaken by Company, the CSR spent during the financial year and other information as required by the prevailing law.