



CORPORATE SOCIAL RESPONSIBILITY POLICY

VRAMATH FINANCIAL SERVICES PRIVATE LIMITED

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1. Background

In compliance with the requirements of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended, the Company is, inter alia, required to:

- (i) Constitute a Board Committee to formulate and recommend to the Board a Corporate Social Responsibility (CSR) Policy, recommend the amount of CSR expenditure and monitor the CSR activities of the Company from time to time.
- (ii) Ensure that the Company spends, in every financial year, at least two per cent of the average Net Profits before Tax (PBT) of the Company, made during the three immediately preceding financial years, in pursuance of its CSR Policy

2. CSR Objectives

As a responsible corporate citizen, the Company is committed to sustainable development and inclusive growth and has been focusing on issues relating to water, environment, healthy living, music, grass roots education, social advancement and promoting gender equality and empowerment of women.

3. RESOURCES & AREAS TO BE COVERED

3.1 Funding & Allocation:

3.1.1. For achieving its CSR objectives through implementation of meaningful & sustainable CSR programmes, the company will allocate 2% of its average annual net profits made during 3 immediately preceding financial years, as its Annual CSR Budget.

3.1.2. From the annual CSR Budget allocation, a provision will be made towards the CSR activities made under relevant expenditure heads, on a year on year basis as per

the amount spent on the activities covered under Schedule VII of the Companies Act, 2013 and amendment thereon as follows:

- i. eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach 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 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 arts and handicrafts;
- vi. measures for the benefit of armed forces veterans, war widows and their dependents;
- 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 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;
- ix. contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
- x. rural development projects.

xi. Slum area development

Any unspent/unutilized CSR allocation of a particular year shall not form part of the business profits of the company. Any unspent/unutilized CSR allocation or any excess expenditure made in a particular year shall be treated in the manner provided under the Companies Act, 2013 and rules made thereunder (including statutory re-enactment/modifications from time to time)

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

4. CSR spend:

Amount will be declared at the beginning of the FY confirming the government's CSR rules available at that time. Any 'Income' or 'Surplus' that may arise from its CSR activities would also be included in the next year CSR budget and will not form part of business profits of the Company.

5. Monitoring of CSR Projects:

The Board would devise a "transparent monitoring mechanism" for various CSR Projects / Programs / Activities undertaken by the Company including conduct of impact studies of CSR Projects / Programs on a periodic basis. Simultaneously, it also obtains feedback from various beneficiaries of CSR Projects/Activities/ Programs undertaken by the Company to measure their benefits.

6. 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.

7. Impact Assessment

If the Company having average CSR obligation of Rs. 10 Crores (Rupees Ten crores) or more in pursuance of subsection (5) of section 135 of the Act, in the three immediately preceding financial years, the Company will undertake impact assessment (through an independent agency) for CSR projects that have outlays of Rs. 1 crore or more and have been completed atleast one year before undertaking the impact study and the impact assessment reports will be placed before the Board and disclosed as per the Act and CSR Rules.

8. Implementation Of CSR Activities

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, 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, 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 80G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities.

9. 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.

Any subsequent amendment / modification in the CSR Rules made by the MCA, under the Act and / or any other laws in this regard shall automatically apply to this Policy.