



U.Y. Fincorp Limited
(Formerly Known as Golden Goenka Fincorp Limited)

U. Y. FINCORP LIMITED

CORPORATE SOCIAL RESPONSIBILITY POLICY

Effective- February 14, 2022

[As revised and approved by Board of Directors on February 14, 2022]

U. Y. Fincorp Limited

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U.Y. FINCORP LIMITED

CORPORATE SOCIAL RESPONSIBILITY POLICY (Framed under Section 135(3)(a) of the Companies Act, 2013)

The Board of Directors (the “Board”) of U. Y. Fincorp Limited (the “Company”) had initially adopted this Corporate Social Responsibility Policy (the “Policy”), as required in terms of Section 135(3)(a) of the Companies Act, 2013, as amended (‘Act’) read with the Companies (Corporate Social Responsibility) Rules, 2014, as amended (Rules) and Schedule VII made thereunder (collectively referred to as the ‘Applicable Law’) on January 18, 2016. The Policy was previously amended on March 28, 2019 in view of the changes in the Applicable Law. Considering the recent amendments in Section 135 and the Rules and to align the Policy with the provisions of the Applicable Law, the Policy has been further amended on February 14, 2022.

I. INTERPRETATION

For the purposes of this Policy references to the following shall be construed as:

1. “Administrative overheads” means the expenses incurred by the Company for ‘general management and administration’ of Corporate Social Responsibility functions in the Company but shall not include the expenses directly incurred for the designing, implementation, monitoring, and evaluation of a particular Corporate Social Responsibility project or programme;
2. “Annual Action Plan” means a plan framed in terms of this Policy;
3. “Board of Directors” or “Board” means the Board of Directors of the Company;
4. “Corporate Social Responsibility” (‘CSR’) means the activities undertaken by the Company in pursuance of its statutory obligation laid down in Section 135 of the Act and in accordance with the provisions contained in the Rules made thereunder, but shall not include the following, namely:
 - (i) Activities undertaken in pursuance of normal course of business of the Company;
 - (ii) any activity undertaken by the Company outside India except for training of Indian sports personnel representing any State or Union territory at national level or India at international level;
 - (iii) contribution of any amount directly or indirectly to any political party under Section 182 of the Act;
 - (iv) activities benefitting employees of the Company as defined in Clause(k) of Section 2 of the Code on Wages, 2019;
 - (v) activities supported by the Company on sponsorship basis for deriving marketing benefits for its products or services;
 - (vi) activities carried out for fulfilment of any other statutory obligations under any law in force in India;
5. “Corporate Social Responsibility Committee” or “CSR Committee” shall mean a Committee consisting of three or more Directors of which at least one director shall be an Independent Director having the terms of reference as mentioned hereunder;

- (i) Recommend to the Board, a CSR Policy (and modifications thereto from time to time) which shall provide an approach and the guiding principles for selection, implementation and monitoring of CSR activities to be undertaken by the Company as well as formulation of the annual action plan;
 - (ii) Approve and recommend annual action plan, and any modifications thereof, to the Board comprising of following information;
 - the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
 - the manner of execution of such projects or programmes;
 - the modalities of utilization of funds and implementation schedules for the projects or programmes;
 - monitoring and reporting mechanism for the projects or programmes; and
 - details of need and impact assessment, if any, for the projects undertaken by the company;
 - (iii) Approve specific projects, either new or ongoing, in pursuance of the Areas of Interest outlined in this Policy, either for undertaking such projects by the Company itself, directly or through its subsidiaries, for inclusion in the annual action plan or for supporting such projects by way of donations, contributions or financial assistance.
 - (iv) Recommend to the Board, the amount of expenditure to be incurred on the CSR activities in a financial year, the amount to be transferred in case of ongoing projects and unspent amounts, and the set off of the excess amount spent on CSR activities.
 - (v) Review the progress of CSR initiatives undertaken by the Company.
 - (vi) Monitor the CSR Policy of the Company from time to time and institute a transparent monitoring mechanism for implementation of the CSR projects referred to above.
 - (vii) Review and recommend to the Board, the Annual Report on CSR activities to be included in Board's Report and certificate submitted by the Chief Financial Officer.
 - (viii) Review and recommend to the Board, the impact assessment report, if any, obtained by the Company from time to time.
 - (ix) Undertake such activities and carry out such functions as may be provided under Section 135 of the Act and the Rules.
6. "CSR Cell" shall consist of a specified number of whole-time employees of the Company, as identified by the Management, who will perform the work relating to the Company's CSR initiatives, its implementation and monitoring;
 7. "CSR Policy" shall mean this Policy;

8. "CSR Projects" shall mean projects or programs mentioned in Schedule VII of the Act, as amended from time to time;
9. "CSR Unspent Account" shall mean an account opened by the Company with a scheduled commercial bank in terms of Section 135(5) of the Act;
10. "Minimum allocation of CSR" shall mean 2% of the average Net Profits of the three immediately preceding financial years in relation to the financial year in question;
11. "Net Profits" mean the net profit before tax of the Company as per its financial statement prepared in accordance with the applicable provisions of the Companies Act, 2013, but shall not include the following, namely:
 - (i) any profit arising from any overseas branch or branches of the Company, if any, whether operated as a separate company or otherwise; and
 - (ii) any dividend received from other companies in India, which are covered under and complying with the provisions of Section 135 of the Companies Act, 2013;
12. "Ongoing Project" means a multi-year project undertaken by the Company in fulfilment of its CSR obligation having timelines not exceeding three years excluding the financial year 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;
13. "Priority Projects" shall mean such CSR projects which are selected by the CSR Committee as priority projects to be pursued by the Company within the territory of India;

II. MISSION AND VISION

U. Y. Fincorp Limited (hereinafter called "the Company") and its people are committed to society, ecology and environment. The Company realises that caring for the society, country and the planet is not philanthropy or generosity- it is the very way of doing sustainable business. The Company also realises that the Company is not being generous by following the CSR Policy - it is only being relevant and meaningful to the society of which it is a corporate citizen.

Vision: The CSR Committee's Vision is "improving lives in pursuit of collective development and environmental sustainability". This vision should encompass all CSR activities of the Company.

Mission: The CSR Committee's Mission is primarily to pursue initiatives directed towards enhancing welfare measures of the society based on long term social and environmental consequences of the CSR activities. Within the above mission, the CSR Committee will choose Priority Projects from time to time.

The objective of this Policy is not only to guide the Company and its people to indulge in social activities but also to integrate the business processes with social processes. The Company believes that CSR Policy is the Company's faith in socially inclusive and sustainable business, as the way doing business.

III. APPROACH TOWARDS CSR

The Company recognises that good CSR embraces all aspects of sustainable development and the way the Company affects people through its business operations. The Company recognises that CSR is not all about spending – it is orientation of the Company and its people to larger social causes. The Company encourages its people to contribute to its CSR efforts in every possible way.

The policies to be pursued by the CSR Committee are as follows:

General business policies:

1. The Company realises that one of the most important parameters for a socially responsible corporate citizen is to carry out its business in accordance with the principles of sustainability, balance and equity. The Company will always strive to align its business interests with those of the society in general, ecology and environment. The Company further encourages any stakeholder or any member of the public to make thoughtful suggestions, addressed to Chairperson of the CSR Committee, for sustainable business practices.
2. The Company will encourage voluntary efforts of its directors and employees to CSR Projects. The Company also encourages its directors and employees to recommend to the CSR Committee meaningful projects in accordance with the Guiding Principles that may be taken up by the Company, under the supervision of the CSR Committee.
3. The Company shall strive to enhance corporate value while achieving a stable and long- term growth for the benefit of stakeholders.
4. The Company respects and honors the human rights of people involved in its business and, in particular, does not use or tolerate any form of forced or child labour.
5. As far as possible, the Company shall strive to create self-sustainability in its CSR efforts, that is to say, over a long run, a CSR Project should be able to generate sufficient resources, whether by way of profits or by way of a regular flow of contributions, so that it does not have to depend on the Company's contribution on a regular basis.

CSR Expenditure

1. The Company shall, in each financial year, spend a minimum amount of 2% of the average net profits made during three immediately preceding financial years or such higher amount as may be recommended by the CSR Committee and approved by the Board of Directors of the Company.
2. Pursuant to Rule 7(1) of the Rules, the Administrative overheads shall not exceed 5% of Minimum allocation of CSR or such limit as prescribed under the law.
3. In any financial year, if the Company is unable to spend the Minimum allocation of CSR, the Company shall, in its Board's Report prepared under Section 134(3)(o) of the Companies Act, 2013, specify the reasons for not spending the amount.
4. The Company shall deal with the unspent amount, if any, in the following manner:
 - a. where the unspent amount is related to an Ongoing Project, such unspent amount shall be transferred to the CSR Unspent Account within a period of 30 days from the end of the financial year and the same shall be spent in the manner as prescribed in Section 135(6) of the Act and the Rules; and
 - b. where the unspent amount is not related to an Ongoing Project, such unspent amount shall be transferred to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year or such other time period, as permissible under the Applicable Law

5. The CSR Committee would be authorized for sanctioning the amount for any specific activity/initiative and/or to delegate authority from time to time to CSR Delegation Committee to allocate amount for any such specific activity within the approved ceiling limit.

6. Any surplus arising out of the CSR activities 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 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.

7. Where a company spends an amount in excess of the Minimum allocation of CSR, such excess amount may be set off against the Minimum Allocation of CSR of three immediately succeeding financial years subject to the conditions that–

(i) the excess amount available for set off shall not include the surplus arising out of the CSR activities, if any, in pursuance of Rule 7(2) of the Rules.

(ii) the Board of the Company shall pass a resolution to that effect.

8. The CSR amount may be spent by a company for creation or acquisition of a capital asset, which shall be held by –

(a) a company established under Section 8 of the Act, or a Registered Public Trust or Registered Society, having charitable objects and CSR Registration Number under Rule 4(2) of the Rules; or

(b) beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities; or

(c) a public authority.

IV. GUIDING PRINCIPLES

A. Selection of CSR Projects

1. The CSR Committee shall, from time to time, identify the Priority Projects of CSR to be carried out by the Company from the areas specified under Schedule VII of the Act;

2. Notwithstanding the listing of the Priority Projects, the CSR Committee may undertake projects which are relatable to the activities as stated in Schedule VII of the Companies Act, 2013, by taking a liberal interpretation so as to capture the essence of the subjects enumerated in the said Schedule.

3. The Company shall give preference to the local area and areas around it where it operates, for spending the amount earmarked for CSR Projects.

4. A CSR Project may be selected by the CSR Committee, either based on its own discretion or based on recommendations/ proposal received from any stakeholder as mentioned above. The CSR Committee will accord priority to projects in the areas covered by Priority Projects.

5. The CSR Committee shall approve an Annual Action Plan in terms of the Policy and recommend the same to the Board of Directors for its approval.

6. The CSR Committee, after identifying and approving a CSR Project, shall fix a target spending as per the Annual Action Plan or any modification thereof, and direct the CSR Cell to carry out the execution thereof.

B. Implementation of CSR Projects/ activities

1. The Projects may be taken up by the Company directly or through an external qualified agency covered under Rule 4(1) of the Rules or in collaboration with other companies or entities, including its group companies, to carry out any CSR Projects, in accordance with this Policy and Applicable Law.

2. In case the CSR Committee decides to execute a CSR Project through an external agency, it would adhere to the following:

i. The agency must be eligible for carrying out the CSR Project in terms of Rule 4 of the Rules.

ii. Subject to the above, any director of the Company may be associated/ affiliated as a trustee, governing body member or in any other manner with the agency, provided that no personal benefit, directly or indirectly, should flow from such agency to any such director.

iii. The Committee shall provide specific Project agenda, targets, target spending, accomplishments, manner of execution, etc., to the agency, subject to discussions with the Agency.

iv. The disbursement of funds to the agency must be done on a progressive basis so as to align with the funding needs of the Project, and to permit the evaluation of the activity carried so far.

v. The agency must provide periodically reports, to the satisfaction of the Committee, about execution of the Project.

3. The investment in CSR Projects shall be project-based with specific time frames. The Company, along with pursuing CSR Projects at its own, will also constitute a CSR Cell consisting of a specified number of whole time employees of the Company, as identified by the Management, who will perform the work relating to the Company's CSR initiatives, its implementation and monitoring.

4. The CSR Cell would further be actively involved in implementation of projects in accordance with the Guiding Principles and General Policies as consented by the CSR Committee.

5. The CSR Cell may work singly or in partnership with any eligible trust(s) including but not limited to NGO(s) or other organisation(s), as approved by the CSR Committee.

C. Monitoring and Evaluation of CSR

1. The CSR Committee shall periodically monitor and evaluate the performance of the Projects and the achievement of targets.

2. The CSR Committee shall seek statements and reports on the progress of CSR Projects from the CSR Cell on a periodical basis.

3. The CSR Committee shall periodically review and discuss the progress of Projects undertaken including spending thereon and make any decision including allocation/ reallocation of funds, with respect to the Projects which it thinks fit and recommend the same to the Board of Directors for approval.

4. Where, the CSR Committee requires further funds for undertaking any new CSR Project, the Committee shall request the Board of the Company to approve such higher amount.

5. Where the CSR Cell has failed to spend the allocated amount or failed to meet the timeline for execution of its projects, the CSR Committee shall furnish to the Board, the reasons for the same.

6. The Board of Directors of the Company shall satisfy itself that the funds so disbursed have been utilized 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 that effect.

7. In case of Ongoing Project, the Board of the 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.

D. Formulation of the Annual Action Plan

1. The Management shall place before the CSR Committee as well as before the Board, the Annual Action Plan.

2. The Annual Action Plan shall include the following:

- a. the list of CSR projects or programmes that are approved to be undertaken in the areas or subjects specified in Schedule VII of the Act;
- b. the manner of execution of such projects or programmes as specified in Rule 4(1) of the Rules;
- c. the modalities of utilisation of funds and implementation schedules for the projects or programmes;
- d. monitoring and reporting mechanism for the projects or programmes; and
- e. details of need and impact assessment, if any, for the projects undertaken by the Company:

3. The Board may alter such plan at any time during the financial year, as per the recommendation of its CSR Committee, based on the reasonable justification to that effect.

E. IMPACT ASSESSMENT

1. The Company shall carry out impact assessment for the CSR project(s) on fulfillment of the following conditions:

- a. The average CSR obligation of the Company, in pursuance of Section 135(5) of the Act, in the three immediately preceding financial years is Rupees ten crore or more;
- b. The Amount outlay for such CSR project(s) is Rupees one crore or more for any of the Projects undertaken by it; and
- c. Such CSR project(s) mentioned in clause (b) above have been completed not less than one year before undertaking the impact study.

2. The Company shall undertake impact assessment, through an independent agency, of such CSR project(s) fulfilling the above criteria, as mentioned above.

3. The impact assessment reports shall be placed before the Board and shall be annexed to the annual report on CSR.

4. The Company may book the expenditure arising out of the impact assessment towards Minimum CSR allocation for the financial year in which the assessment is being carried out, which shall not exceed five percent of the total CSR expenditure for that financial year or fifty lakh rupees, whichever is less.

A. AMENDMENTS

Amendments from time to time to the CSR Policy, if any, shall be considered by the Board of Directors of the Company, based on the recommendations of the CSR Committee. This Policy has been made as per the provisions of the Companies Act, 2013 and the Rules made thereunder ('Applicable law'). Any amendments in the Applicable Law, including any clarifications/ circulars of relevant regulator, if mandatory, shall be read into this Policy such that the Policy shall automatically reflect the contemporaneous applicable law at the time of its implementation.

Date:14.02.2022

Place: Kolkata

For U. Y. Fincorp limited

Sd/-

Udai Kothari

Chairman

Annexure I

Activities which may be included by companies in their Corporate Social Responsibility Policies Activities relating to: -

(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 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, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows;

(vii) training to promote rural sports, nationally recognised 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) 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;

(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) Such other projects or purposes as may be notified by the Government from time to time.