

RAR FINCARE LIMITED	
Policy:	CSR Policy
Vesrsion	1
Reviewing Authority:	Corporate Social Responsibility Committee
Approving Authority:	Board of Directors
Date of approval	June 26, 2024
Date of Review	October 23, 2024
Review Cycle:	Annually or as recommended by the Board of Directors

## Preamble

The Company's CSR Policy has been framed in accordance with Section 135 of the Companies Act, 2013 (Act) and the Rules framed thereunder. The Policy shall apply to all CSR programs/activities undertaken/sponsored by the Company and executed either by itself or through any Trust/Society/Section 8 Company or implementation partner or through any other means permissible or made permissible by the Ministry of Corporate Affairs through its notifications/orders from time to time.

## CSR Purpose Statement

The primary purpose of the Company's CSR philosophy is to enable inclusive growth and creating opportunities for the unserved / underserved communities with specific focus on creating sustainable livelihoods, supporting rural development projects, promoting education and skill development, promoting environmental sustainability and supporting projects that largely benefit the unserved and deserving communities.

## CSR Focus Areas

- Employment enhancing vocational skills
- Ensuring environmental sustainability
- Contributions or funds provided to technology incubators
- Rural development projects
- Promoting gender equality and empowering women
- Building an enabling ecosystem
- Projects with the objective of Social Welfare  
Disaster/pandemic or such other relief activities as may be approved/notified by the Regulators, from time to time

**The broad details on the CSR initiatives that the Company shall undertake/support/initiate is Annexed to this Policy vide Annexure I.** The CSR Committee may undertake any other projects or initiatives as laid down in Schedule VII of the Companies Act (as may be modified/amended from time to time).

## CSR Governance Structure

The CSR Policy of the Company shall be governed by the Board of Directors (Board). The Board shall be responsible for the following:

- To approve the CSR Policy of the Company after considering the recommendation of CSR Committee and disclose contents of such policy in its report and placing on the Company's website in such a manner as prescribed in the Act.
- To ensure the projects included in the Policy are undertaken by the Company
- To ensure that the Company spends, in every financial year, at least 2% of the average net profits (before tax) of the Company made during the three immediately preceding financial years in pursuance of the Policy; or such other amounts as may be stipulated by the regulatory authorities from time to time.
- To make any change(s) in the constitution of the CSR Committee as deemed suitable
- To approve the annual action plan and CSR framework (including annual budget);
- To approve projects / NGOs to be partnered or associated with;
- To ensure that the funds disbursed for the CSR Projects as part of the Company's obligation for each financial year have been utilized for the purpose and in the manner allocated and approved by it,

within the same financial year;

- To ensure that the administrative overheads shall not exceed 5 (five) percent of total CSR expenditure of the Company for the financial year or such other limit as may be prescribed under the Act;
- To monitor the implementation of any ongoing projects with reference to the approved timelines and year-wise allocation;
- To suggest modifications, if required, for smooth implementation of the CSR project within the overall permissible time period under the Act.

### **CSR Committee**

- The Corporate Social Responsibility Committee (CSR Committee) is duly constituted as per the requirements of Companies Act 2013.
- The terms of reference of the CSR Committee (CSR Committee Charter) shall be decided and approved by the Board of the Company.

*Responsibilities: The Committee shall be responsible:*

- To formulate CSR Policy which shall indicate the activities to be undertaken by the company and recommend the same to the Board of the Company for approval
- To recommend CSR activities as stated under Schedule VII of the Companies Act 2013
- To recommend the amount of expenditure to be incurred on the activities to the Board
- To monitor CSR programs of the Company from time to time and submit a report on the same to the Board Review the outcome of the CSR projects/activities and make recommendations to the Board of Directors;
- Monitor the CSR activities of the Company; Decide whether CSR activities are to be undertaken directly or through an Implementing Agency or in collaboration with any other company or organization as may be permissible;
- Formulate/finalise and recommend to the Board the following matters with respect to the CSR projects/activities:
  - Annual action plan; Annual budget;
  - Time required for project implementation, with clear identification of Ongoing Projects; and
  - Prospective outcome of the project/activity.

### **Mode of Implementation**

All CSR programs/activities shall be executed by the Company itself or through any other Trust/Section 8 Company/Society or agencies, implementation partners and entities as it deems suitable.

If external Implementing Agencies are used, the Company shall ensure that they satisfy the conditions prescribed under the Act, as amended from time to time, which inter alia currently includes that Implementing Agencies should be registered under sections 12A and 80 G of the Income Tax Act, 1961 (subject to any amendments to these sections from time to time) and with the Ministry of Corporate Affairs, by filing e-Form CSR 1, as required and have a 3 (three) year track record in undertaking similar activities.

The qualifying conditions also need to be satisfied by any step-down Implementing Agencies that are engaged by the Company's primary Implementing Agency;

- In all cases where Implementing Agencies are engaged, the Company will execute formal documentation with such agencies and ensure coverage of key terms that will enable the Company remain in compliance with its obligations under the Act;
- The Company may, however, also directly contribute to any of the Funds prescribed in Schedule VII of the Act, to fulfil its annual obligation; Need based assessments may be conducted, on a case to case basis, before the commencement of the CSR Projects.

### **Monitoring**

The CSR Committee of the Company shall recommend to the Board of the Company the amount of expenditure to be incurred on CSR programs/ activities, monitor the CSR activities of the Company and review its implementation through any other Trust/ Section 8 Company or other agencies/ implementation partners and entities as it deems suitable.

### **CSR Budgeting, Resource allocation and Disbursement**

The Company shall spend on CSR activities, 2% of its average net profits (before tax) made during the three immediately preceding financial years or in accordance with the limits prescribed under applicable law from time to time, in line with the Board approved business plan for the respective year. Any additional CSR spending shall be made with the approval of the CSR Committee, the Board and Shareholders (as may be applicable).

CSR expenditure shall include all expenditures including contribution to corpus for projects or programs relating to CSR activities approved by the Board on the recommendation of its CSR Committee, but does not include any expenditure on any item not in conformity or not in line with activities that fall within the purview of Schedule VII of the Companies Act 2013.

The surplus arising out of the CSR activities, projects or programs shall not form part of the business profit of the Company. In case the company fails to spend the allocated CSR amount, the Board shall specify in its Report the reasons for not spending the allocated amount.

### **Reporting Framework**

The progress of CSR projects and expenditure shall be reviewed by the CSR Committee at least once in 6 months.

- Quarterly Progress Report to be submitted by the implementing agencies, if any;
- The Company shall report on CSR performance in its Annual Report as per the structure and format prescribed in the notified CSR Policy Rules
- CFO/CEO of the Company shall collate and certify the annual financial information on expenditure received from the implementing agencies
- The Board of a company shall satisfy itself that the funds so disbursed have been utilised 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 the effect. Any unspent amount shall be treated as per extant regulatory /statutory guidelines. The Company will make necessary disclosures in the CSR Annual Report and the website as prescribed in the Act.

The CSR Committee, may appoint such professionals, firms, agencies etc., as it may deem fit, for effective monitoring/ evaluation/ implementation/ designing of the programs and projects of the Company, including appointing an agency that would carry out an impact assessment study of the projects, if so required, under the Act or deemed necessary by the Committee.

**Review and Revision of the Policy**

The CSR Committee shall review its CSR policy annually or more frequently as may be required; and make suitable additions/deletions as may be required and submit the same for approval to the Board.

**ANNEXURE I**

1. Employment enhancing vocational skills of Rural Folk
2. Promote education and employment enhancing vocational skills
3. Extend Financial Support to Rural & Urban Poor for higher education, skill development and improve employability by extending various training programs.
4. Nurture youth with innovative ideas having solution oriented approach with entrepreneurial aspirations and passion for innovation and excellence with focus on sustainability and job creation.
5. Promote and facilitate alternate economic activities like livestock, nursery etc in the community to enable multiple income generating sources
6. Promote micro-irrigation (sprinkler, drip irrigation), water harvesting system to enable judicious utilization of water in the community
7. Support establishment of Gosala's and ensure welfare of Cows & Calf's.
8. Support renovation of ancient temples, sponsor temple cleaning programs and extend financial support for day-to-day maintenance
9. Support 'Annadanam' (community feeding) during religious festivals
10. Construct and establish low-cost boarding and lodging facilities for pilgrims in various places of worship.
11. Promote projects which focus on welfare of women and enable them to achieve financial independence.
12. Establish Veda Patasala, Old Age Homes and support preservation of ancient religious scriptures including donating to temples and charitable trusts to preserve heritage and ancient education of India
13. Participate in Relief Activities: Disaster/pandemic or such other relief activities as may be approved/notified by the Regulators, from time to time;
14. Promoting 'Health & Hygiene' by giving financial support to Hospitals and treatment and medical support for the underprivileged and the community at large, arranging health camps in collaboration with hospitals and nursing homes.
15. Promoting education by donating to educational institutions imparting to knowledge with the community at large.
16. Ensuring environmental sustainability program like tree plantation and afforestation measures; etc.
17. Collaborate with various Financial institutions / Regulators / Self-Regulatory Organizations (SRO), to impart Financial Literacy amongst the unserved and/or the underserved sections of the society and the community at large with special focus to women.

*Reviewed by the Board of Directors in its meeting held on October 23, 2024*

<b>Senior Management – Reviewer</b>	<b>Senior Management – Approver</b>	<b>Custodian</b>
SD/- Company Secretary	SD/- Chief Operations Officer	SD/- Company Secretary
SD/- Chief Risk Officer	SD/- Chief Executive Officer	
SD/- Chief Financial Officer		