

BERAR FINANCE LIMITED

CORPORATE SOCIAL RESPONSIBILITY

POLICY

1. Background:

- Berar Finance Limited (The Company) is a Asset Finance Company-Deposit Taking , engaged in the business of vehicle financing ,major portion is two wheeler.
- The Company aims at conducting its business in a way that is sustainable, facilitating greater and more inclusive prosperity for current and future generations.

2. Title and applicability:

- The Company has developed Corporate Social Responsibility Policy of the Company ‘Berar CSR Policy’ encompassing the Company’s philosophy for being a responsible corporate citizen and lays down the principles and mechanisms for undertaking various programmes in accordance with section 135 of the Companies Act, 2013 (‘the Act’) for the community at large .
- The Policy shall guide the CSR programmes and activities undertaken by the Company in the communities in which it operates.

3. CSR Vision Statement:

In alignment with the vision of the Company, through its CSR initiatives, strives to create value in the society and in the community in which it operates, through its services, conduct & initiatives, so as to promote sustained growth for the society and community.

4. Objective:

The main objective of the Policy is to establish and lay down the basic principles and the general framework of action for the Company to undertake and fulfill its corporate social responsibility. The Policy will function as a built-in, self regulating mechanism whereby the business will monitor and ensure its active compliance with the spirit of law, ethical standards and requisite norms.

5. Corporate Social Responsibility Committee:

The Corporate Social Responsibility Committee shall consist of three or more Directors amongst which one shall be an Independent Director.

The Committee shall hold meetings as and when required, to discuss various issues on implementation of the CSR Policy .

6. CSR Activities:

The Company shall identify any one or more of the following areas for its CSR activities:

- 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 able 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, agro-forestry, 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, Paralympics sports and Olympic sports;

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- 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;

7. Role and Responsibilities:

The Board:

The Board of Directors of the Company will be responsible for:

- Approval of the CSR Policy of the Company
- disclosing the content of the Policy in its report and placing the Policy on the Company's website in such manner as prescribed under Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014.('CSR Rules')
- ensuring that the projects included in the Policy are undertaken by the Company
- ensuring that the Company endeavors to spend, in every financial year, at least 2% of the average net profits of the Company made during the three immediately preceding financial years in pursuance of the Policy.
- ensuring that the Company gives preference to the local areas around its operations for spending the amount earmarked for CSR projects
- ensuring that it specifies the reasons in its report for not spending the allocated amount in case the Company fails to spend such amount

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- ensuring that while undertaking CSR activities ,the Company complies with the provisions of the rule 4 of the Companies (Corporate Social Responsibility Policy) Rules,2014 .

The Board shall have the power to make any changes in the constitution of the Committee.

Responsibilities of the CSR Committee:

- ❖ To formulate and recommend to the Board, a CSR policy which shall indicate the activities to be undertaken by the Company as per the Companies Act, 2013;
- ❖ To review and recommend the amount of expenditure to be incurred on the activities to be undertaken by the company;
- ❖ To monitor the CSR policy of the Company from time to time;
- ❖ Any other matter as the CSR Committee may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors from time to time.

8. CSR Budget:

- i. The Board shall endeavor that the Company spends at least 2% of the average net profit made during the immediate three preceding financial years.
- ii. CSR expenditure shall include all expenditure 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 an item not in conformity with the CSR Policy.

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9. Exclusions:

The CSR activities shall be undertaken by the Company (either new or ongoing), excluding activities undertaken in pursuance of its normal course of business.

Any Contribution of any amount directly or indirectly to any political party under section 182 of the Act, by the Company shall not be considered as CSR activity.

The CSR projects or programs or activities that benefit only the employees of the Company and their families shall not be considered as CSR activities in accordance with section 135 of the Act.

Any surplus arising out of the CSR projects or programs or activities shall not form part of the business profit of the Company

10. Implementation process:

- CSR programme will be undertaken by the Company within the defined ambit of Base Line Survey and Need Assessment.
- The time period/duration over which a particular programme will be spread, will depend on its nature, extent of coverage and the intended impact of the program.
- The Company will enter into partnerships with the government, charity partners, civil society, social enterprises and communities to create multiplier effect of its social projects.
- The mode of implementation of CSR programmes will include a combination of direct implementation or implementation through foundation, charity partners, registered societies etc. The Company will select its partners after appropriate due diligence.
- The mode of implementation will also include employee volunteering. The employee volunteering will involve the company's employees in the community initiatives it undertakes and help them contribute towards the society.
- The Company will use services of expert agencies, consultancy firms etc. wherever required for carrying out base line surveys, guidance on project design and implementation, impact assessment surveys etc.

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11. Monitoring and Feedback:

The CSR Committee at the corporate office will conduct impact studies on a periodic basis, through independent professional third parties/professional institutions, especially on the strategic and high value programmes.

To insure effective implementation of the CSR programmes, the CSR Committees will have monitoring mechanism which will report to the Committee about execution of CSR activities.

CSR initiatives of the Company will be reported in the Annual Report of the Company & the Board's Report in compliance with Section 135 and rules made there under.

12. General:

In case of any doubt with regard to any provision of the policy and also in respect of matters not covered herein, a reference to be made to CSR Committee. In all such matters, the interpretation & decision of the Committee shall be final.

Any or all provisions of the CSR Policy would be subject to revision/amendment in accordance with the guidelines on the subject as may be issued from Government, from time to time.

The Company reserves the right to modify, add, or amend any of these Policy Rules/Guidelines.