

# POLICY ON CORPORATE SOCIAL RESPONSIBILITY

Chinmay Finlease Limited

<i>Proposing Unit</i>	<i>Compliance Department</i>
<i>Month of Issue</i>	<i>April 2025</i>
<i>Approving Authority</i>	<i>Board of Directors</i>
<i>Version</i>	<i>V 1.0</i>
<i>Approval of current version by Board on</i>	<i>15<sup>th</sup> April 2025</i>



NBFC registration number B.01.00558  
(CIN) U67120GJ1996PLC031275

**TABLE OF CONTENTS****PAGE NO**

<b>1. INTRODUCTION.....</b>	<b>3</b>
<b>2. OBJECTIVE.....</b>	<b>3</b>
<b>3. APPLICABILITY ON CSR.....</b>	<b>3</b>
<b>4. CSR COMMITTEE.....</b>	<b>3</b>
<b>5. CSR PROGRAMMES/PROJECTS.....</b>	<b>4</b>
<b>6. CSR BUDGET.....</b>	<b>4</b>
<b>7. CSR IMPLEMENTATION.....</b>	<b>4</b>
<b>8. PROGRAMME DURATION.....</b>	<b>4</b>
<b>9. RESPONSIBILITIES OF THE BOARD .....</b>	<b>5</b>
<b>10. MONITORING AND EVALUATION.....</b>	<b>5</b>
<b>11. AMENDMENT TO THE POLICY.....</b>	<b>5</b>

## 1. INTRODUCTION

Chinmay Finlease Limited (CFL) is a Non-Deposit taking, Non-Banking Financial Company (NBFC) classified as Base Layer (“NBFC”) registered with the Reserve Bank of India as a NBFC duly incorporated under the Companies Act 1956 and validly exist under the Companies Act, 2013.

## 2. OBJECTIVE

At Chinmay Finlease Limited, our Corporate Social Responsibility (CSR) objective is to actively contribute to the social, economic, and environmental development of the communities in which we operate. We believe in fostering a synergetic relationship between the Company and society, where sustainable and inclusive growth is a shared responsibility.

Our CSR initiatives are aimed at creating meaningful and measurable impact in areas that require developmental support, thereby promoting equity, empowerment, and long-term value creation. We are committed to acting as a responsible corporate citizen, ensuring that our growth is both professionally rewarding and socially accountable.

This CSR Policy shall operate as the Corporate Social Responsibility Policy of the Company for the purpose of Section 135 of the Companies Act, 2013 and the rules made thereunder including the Companies (Corporate Social Responsibility Policy) Rules 2014 (“CSR Rules”) as amended from time to time.

## 3. APPLICABILITY OF CSR POLICY

The Company’s CSR Policy has been developed in conformity with the provisions of Section 135 of the Companies Act, 2013 (referred to as “the Act” in this Policy) and in accordance with the CSR Rules (hereby referred to as “the Rules”) framed thereunder as notified by the Ministry of Corporate Affairs, Government of India from time to time.

This Policy shall apply to all CSR initiatives and activities taken up at the various locations in India, preferably in the vicinity where the Company carries out its business operations and for the benefits of different segments of the society, specifically the deprived and under- privileged.

## 4. CSR COMMITTEE

In accordance with Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company shall constitute a Corporate Social Responsibility (CSR) Committee if its CSR obligation in a financial year exceeds the threshold limit of ₹50 lakh, as prescribed under the Act.

If the CSR obligation for any financial year does not exceed ₹50 lakh, the CSR Obligatory functions shall be discharged by the Board of Directors of the Company as per the provision of the Companies Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014, including monitoring the implementation of CSR activities and ensuring compliance with statutory requirements until its CSR obligation in a financial year exceeds the threshold limit of ₹50 lakh, as prescribed under the Act.

## 5. CSR PROGRAMMES/PROJECTS

The Company will spend the CSR amount on the eligible projects allowed / specified in Schedule VII of the Companies Act, 2013 read with Rule 2(d) of Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021.

## 6. CSR BUDGET

The Company will utilize at least 2% of the Average Net Profit earned over the 3 (three) immediately preceding financial years on CSR activities within the ambit of Schedule VII of the Companies Act read with the CSR Rules.

The Company will ensure that the administrative overheads spend are not more than 5% of the total CSR Expenditure in a financial year.

Any surplus arising out of the CSR Projects or Programs or activities shall not form part of the business profit of the Company and will be ploughed back into the project in the current Financial Year or be allocated for an ongoing project to be spent in any of the three succeeding financial years or will be transferred to a fund specified in Schedule VII.

Any excess expenditure, i.e., beyond the prescribed CSR budget may be made available for set off against the CSR requirement to spend in any of the three succeeding financial years and will be disclosed in the Board's CSR Report. However, the excess amount available for set off shall not include the surplus arising out of the CSR activities, if any.

## 7. CSR IMPLEMENTATION

The Company shall carry out the CSR activities through the following:

- i. Directly taking up the activities as detailed in its focus area and/or
- ii. 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
- iii. 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
- iv. Any entity established under an Act of Parliament or a State legislature; or
- v. 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.

## 8. PROGRAMME DURATION:

The time of implementation of the programme will depend on its nature, extent of coverage and the impact of the programme as decided by the Board.

The Company will follow a project-based accountability approach to stress on the long-term sustainability of its CSR projects. Based on the tenure of the identified projects, they will be qualified as:

- i. Short Term – Up to 1 year
- ii. Long term / Ongoing project

## 9. RESPONSIBILITIES OF THE BOARD

The roles and responsibilities of the Board of Directors towards CSR shall include but not be limited to:

- Approve and Monitor from time to time as necessary the CSR Policy;

- Formulate and approve Annual Action Plan and Modify such plan at any time during the financial year
- Disclose contents of such policy in its report and also place it on the company's website, if any;
- Ensure implementation of the activities under CSR;
- Ensure expenditure of requisite amount on CSR every year as per law;
- Disclose reasons for not spending the amount (if applicable) in the Annual Report to the Shareholders of the Company;
- Ensure that the administrative overheads are not more than 5% of the total CSR Expenditure;
- Ensure that the funds so disbursed have been utilized for the purposes and in the manner as approved by Board;
- In case of ongoing project, monitor the implementation of the project with reference to the approved timelines and year-wise allocation and to make modifications, if necessary, in such timelines and allocation;
- Approve transfer of unspent CSR Amount in accordance with the law;
- To set off excess amount spent against the requirement to spend up to immediate succeeding three financial years. The Board of the Company shall pass a resolution to that effect.

## 10. MONITORING AND EVALUATION

The CSR activities of the Company will be duly monitored. The monitoring process adopted by the Company may include obtaining of reports, documents, invoices, etc. of different kind, On-site visit, pictures or videos of project sites, etc. Further, the monitoring process may involve:

- To ensure effective implementation of the CSR programmes undertaken at various locations, a monitoring and evaluation mechanism will be put in place.
- The progress of CSR programmes under implementation at various locations will be reported to the Board on a periodical basis.
- Project locations will try to obtain feedback from beneficiaries about the programmes implemented at the area.
- Appropriate documentation of the Company's CSR activities, executing partners, and expenditure entailed will be undertaken on a regular basis.
- CSR initiatives of the Company shall be disclosed separately in the Annual Report of CSR included in the Board's Report in compliance with Section 135 of the Act and rules made thereunder.

## 11. AMENDMENT

The Board may amend, alter, revise, or modify any or all the clauses of this Policy and as per provisions of the Companies Act, 2013 and rules made thereunder as may be required from time to time.