



# Whizdm finance

**Whizdm Finance Private Limited**

**Corporate Social Responsibility (CSR) Policy**

## **CONTEXT**

Whizdm Finance Private Limited (“Company”) is committed to grow in a socially and environmentally responsible manner. Serving the needy people is the top priority of the Company. The Company’s Corporate Social Responsibility (CSR) initiatives aim to provide a long-term sustainable impact for the community.

The Company has finalized this policy in line with Section 135 of the Companies Act 2013 (Act) and the rules made thereunder. If the relevant provisions of the Act are amended, this Policy should be construed to have adopted such amendment from the effective date of such amendment.

The CSR Policy (the “Policy”) shall be applicable to all CSR initiatives and activities undertaken by Whizdm Finance Private Limited.

## **OBJECTIVES**

Whizdm Finance Private Limited endeavors to reach out to underprivileged and economically weaker communities including persons with disability to address key challenges in the society. The Company shall aim at undertaking/participating in CSR activities aimed at contributing towards education, vocational skills, financial literacy, women empowerment, healthcare and other social welfare activities and initiatives and shall ensure that its activities extend beyond its business and include initiatives and endeavors for the benefit and development of the community and society at large.

The CSR initiatives shall, however, not directly relate to (i) the business of the Company and (ii) welfare of its employees and their families.

The Company shall focus on undertaking/contributing to CSR activities that are permitted as per Section 135 and Schedule VII of Companies Act 2013.

## **GOVERNANCE**

The CSR Committee of the Board of the Company shall be responsible for the governance and review of the CSR activities. The CSR Committee shall, *inter alia*, recommend annual objectives, budget and general framework in respect of the CSR activities of the Company to the Board for its approval.

The Committee will meet as frequently as desired and shall meet at least once a year.

## **CSR COMMITTEE**

The CSR governance structure of the Company will be headed by a Board committee, the CSR Committee (the “Committee”), which will be ultimately responsible for overseeing all the CSR activities of the Company and will make necessary recommendation to the Board.

The CSR Committee shall –

- formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the company in areas or subjects, specified in Schedule VII of the Companies Act, 2013;
- recommend the amount of expenditure to be incurred on such activities;
- monitor the CSR Policy of the company from time to time; and
- formulate and recommend to the Board, an annual action plan (beginning of the financial year) in pursuance of CSR policy.

The CSR Annual Action Plan shall, *inter alia*, include the following:

- list of CSR activities to be undertaken as permitted under the Act.
- manner of execution of such approved CSR activities.
- modalities relating to utilisation of funds and implementation of the approved CSR activities.
- monitoring and reporting mechanism for the CSR activities; and
- details of the impact assessment, as and when applicable.

The Board as per recommendation of CSR Committee may approve and/or alter the annual action plan, at any time, during the financial year, based on the reasonable justification to that effect.

CSR Committee may nominate any officer of the Company as Nodal Officer for CSR activities and all connected matters relating to CSR compliances. Project proposal for any CSR activity shall be examined by the Nodal Officer, if any, (as designated from time to time) and the proposal shall be submitted as recommendations to the CSR committee.

### **SELECTION/IDENTIFICATION OF CSR PROJECTS:**

- The Company shall ensure that for identifying the CSR Projects, preference shall be given to the local area and areas around which the Company (including its Units) operates. However, this shall not bar the Company from pursuing its CSR objects in other areas.
- As a cardinal principle, the CSR Projects shall be identified on the basis of a assessment and ensure that such CSR project must fulfill the criteria as prescribed in Section 135 and rules made there under. Every year, the CSR Budget, along with its implementation schedule shall be presented to the Board, by the CSR Committee, for its approval.
- The Members of the CSR Committee of the Company and/or Nodal Officer are authorized severally to decide the Projects to be implemented as recommended by the CSR Committee and approved by the Board.
- The CSR Committee may engage external professionals /firms /agencies "Specialized Agencies", if required, for the purpose of identification and implementation of CSR initiatives.

### **BUDGETS AND EXPENDITURES:**

The annual budget for the CSR initiatives of the Company shall be recommended by the CSR Committee and approved by the Board of Directors of the Company.

The Company shall spend 2% of its average 3 (three) years 'Net Profits' on CSR, each financial year. 'Net Profit' shall be calculated in the manner prescribed by the Act and CSR Rules. Any 'Income' or 'Surplus' that may arise from its CSR activities should be included in the CSR corpus and shall not form part of business profits.

In case the Company fails to spend such an amount or spends in excess, the unspent amount or the excess amount respectively, shall be dealt with in accordance with the Act and Rules and requisite explanation shall be provided in the Board's Report.

The administrative overheads, if applicable, shall not exceed five percent of total CSR expenditure of the Company for the financial year.

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

- 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 sub- rule (2) of rule 4; or
- beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities;
- or a public authority

### **IMPLEMENTATION PROCESS**

- The CSR projects and programs will be undertaken based on CSR Policy as recommended by the Committee which gets approved by the Board.
- The CSR programs will be implemented through specialized Agencies (Implementing Agency), provided such Specialized Agencies are eligible for carrying out the CSR project. The Company will select its partners after appropriate due diligence.
- The disbursement by the Company to the Specialized Agencies shall be made only upon receipt of proposal along with budget and implementation schedule.
- The specialized agencies shall keep the Nodal Officer, if any, informed who in turn will keep the CSR committee and Board informed about any information or circumstances that will affect the ability of the agency to carry out the CSR project or program.
- In case of ongoing project, if any, the Board 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.
- The Company shall carry out impact assessment of the CSR projects, if the CSR Obligation/contribution reaches the limits as prescribed under the Companies Act.
- The company may book the expenditure on impact assessment towards Corporate Social Responsibility for that financial year ensuring that it will not exceed two percent of the total CSR expenditure for that financial year or fifty lakh rupees, whichever is higher.
- Impact assessment report shall be placed before the board and shall be annexed to the annual report on CSR.

## **MONITORING & REPORTING**

### Monitoring

Monitoring will include one or more of following which shall be implemented based on the size, quantum, and tenure of the CSR programmes:

- Feedback from beneficiaries
- Field visits by Nodal Officer. The visits may be informed or surprised also.
- Receiving feedback/updates from specialized agencies on a quarterly/annual basis in the format mutually decided.
- Audit of CSR programmes as and when required.
- Monitoring by the Board in a manner and periodicity as may be required by the Act / the Rules.

### Reporting:

- The Board's Reports shall also include an annual report on CSR containing particulars as specified in the format prescribed in CSR rules.
- The Composition of the CSR Committee and CSR Policy and Projects approved by the Board shall be disclosed, if required, on the website of the Company as per CSR Rules.
- The Board will ensure that the Statutory requirements as may be prescribed from time to time under the Companies Act, 2013, as amended and the CSR Rules are complied with.

## **AMENDMENTS TO THE POLICY**

The Board shall have the powers to revise/modify/amend this Policy from time to time, as the Board may think fit, based on the recommendations made by the CSR Committee.