

BHANIX FINANCE AND INVESTMENT LIMITED

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

Adopted / Amendment Date by Board	Reviewed By	Approved By	Version No	Last Review Date
25th April 2024	Chief Compliance Officer	Chief Executive Officer	2	21st April 2022

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1. PREAMBLE

Bhanix Finance and Investment Limited ('BFIL' or 'Company') is a public limited company and licensed as a Non-Deposit Taking Non-Banking Financial Company Middle Layer (NBFC-ND-ML) by the Reserve Bank of India ("RBI") as per Master Direction – Reserve Bank of India (Non-Banking Financial Company– Scale Based Regulation) Directions, 2023.

The Ministry of Corporate Affairs ("MCA") has introduced the concept of Corporate Social Responsibility ("CSR") in the Companies Act, 2013. CSR is a Company's sense of responsibility towards the community and environment in which it operates. It is a continuing commitment by businesses to behave ethically and contribute to the economic development of the society at large and building for sustainable livelihoods.

2. OBJECTIVE OF CORPORATE SOCIAL RESPONSIBILITY POLICY

To provide a broad framework, principles and guidelines to the CSR Committee for the conduct of CSR activities of the company. This policy will serve as a guiding document to help identify, execute and monitor CSR Projects in keeping with the spirit of the policy.

The CSR Policy would function as a self-regulating mechanism for the company's CSR activities and enable adherence to laws, ethical standards and international practices in this regard.

3. SCOPE

This policy will apply to all projects/programs undertaken as a part of the company's Corporate Social Responsibility activities and will be developed, reviewed and updated by reference to relevant codes of corporate governance and international standards or best practices. This policy is in line with the Section 135 of Companies Act, 2013 (Act), The Companies (Corporate Social Responsibility Policy) Rules, 2014 (Rules) and Schedule VII of Companies Act, 2013 as amended from time to time ('CSR Laws').

4. CSR PROGRAM/ PROJECTS

The company is highly supportive of the involvement of its employees in its CSR initiatives and in community activities/ charities of their choice and will therefore proactively engage with employees and other key stakeholders to solicit their active involvement in the company's CSR programs.

To provide a focused and structured approach to the program, the company will focus its support and CSR spending on specific pre-determined causes and areas of intervention as outlined below as per Schedule VII of the Companies Act 2013:

- a. Eradicating hunger, poverty and malnutrition, promoting healthcare including preventive healthcare and sanitation.
- b. Contribution to the Swachh Bharat Kosh set up by the Central Government for the promotion of sanitation and making available safe drinking water.
- c. Promoting education including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.
- d. 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.
- e. 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.
- f. 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.
- g. 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.
- h. Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports.
- i. 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 Government for socio-economic development and relief and welfare of Scheduled Castes, the Scheduled Tribes other backward classes, minorities and women.
- j. 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.
- k. 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 Organization (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).

- Rural development projects
- Slum area development
- Disaster management including relief, rehabilitation and reconstruction activities

The scope of CSR Activities shall always be subject to the provisions of the Act and shall suo-moto stands amended in line with the amendments in the Act from time to time.

The company may undertake a multi-year project (an 'Ongoing Project') in fulfilment of its CSR obligations. 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. The period and treatment of such Ongoing Projects shall be as per the CSR Policy of the company and CSR Laws.

5. ANNUAL ACTION PLAN

The CSR Committee, at the beginning of every financial year, shall formulate and recommend to the Board for their approval, an annual action plan comprising of an amount to be spent during the said financial year, the CSR activities upon which the company would focus during the said financial year including exploring new CSR projects and monitoring the implementation of ongoing CSR projects.

The annual action plan shall include the following, namely:

- a. The list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act.
- b. The manner of execution of such projects or programmes as specified in sub-rule (1) of Rule 4.
- c. The modalities of utilization 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.
- f. Any other details/information as the CSR Committee may deem fit.

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

6. CSR COMMITTEE

The Board of Directors of the company shall constitute a CSR Committee consisting of such number of members as may be required under the Companies Act, 2013.

Further, subject to the provisions of the Act, the Board of Directors of the company may remove, appoint and re-appoint members of the CSR Committee from time to time as they deem fit.

The CSR Committee shall meet as often as its members deem necessary to perform the duties and responsibilities.

The CSR Committee will play the following role in fulfilling the Corporation's CSR objectives:

- Formulate and recommend the CSR Policy to the Board of Directors
- Monitor the CSR policy of the Company from time to time.
- Recommend the amount of annual expenditure to be incurred on the CSR activities.
- Review the annual action plan for each financial year and recommend the same to the Board.
- Review and recommend to the Board, certain CSR projects/programmes as ongoing projects in accordance with the CSR Rules.
- Review the impact assessment reports of CSR projects.
- Annually report to the Board, the status of the CSR activities and contributions made by the Corporation.

The CSR Committee shall do all such acts, deeds, matters and things to ensure compliance with applicable provisions relating to CSR and the CSR policy as amended from time to time.

The overall execution of the policy and day-to-day administration will be the responsibility of the CSR team, or such other officers as may be designated by the CSR Committee working under the guidance of the CSR Committee to ensure that the CSR initiatives are in line with this policy.

7. CSR BUDGET

The total budget for the CSR projects will be decided annually in accordance with the goals and priorities of the company as per the CSR Laws.

The Company to spend 2% of the Average Net Profits made in the immediately preceding 3 (three) financial years on Corporate Social Responsibility (CSR) or such amount required to be spent on CSR activities as per the provisions of the Companies Act, 2013, as amended from time to time. Net Profit shall be calculated as per the provisions of the Companies Act, 2013 or such other laws as may be applicable from time to time.

8. CSR EXPENDITURE

The company shall endeavor to spend in every financial year, at least 2% of its average net profits made during the 3 immediately preceding financial years in pursuance of this CSR Policy and in the manner as specified in Section 135 of the Companies Act, 2013 and the Rules made thereunder from time to time.

- a. Set-off excess spent on CSR
 - i. The excess amount available for set-off shall not include the surplus arising out of the CSR activities, if any
 - ii. The Board of Directors shall pass a resolution to that effect.

The Company, based on the recommendation of the CSR Committee and approval by the Board of Directors, can spend an amount in excess of the requirement under the Companies Act, 2013 and rules made thereunder (Act) and such excess amount may be set-off against the requirement to spend under the provision of the Act up to immediate succeeding three financial years subject to the conditions that –

- b. Any surpluses arising out of CSR projects or programmes or activities shall not form part of the business profits of the Company.

“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. Administrative overheads shall not exceed five percent of the total CSR expenditure of the company for the financial year.

9. SUPERVISION

The company’s CSR activities will be driven by the CSR Committee, or the person(s) identified by CSR Committee. The CSR Committee will play a significant role in ensuring that the CSR Policy is embedded across the Company’s operations and CSR projects are in line with the policy.

The Board of Directors will 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 will certify the same to that effect if required.

10. IMPLEMENTATION

The company will undertake CSR projects which are closely linked with the principles of sustainable development and shared value with the involvement of local institutions and the community at large.

The designated person would assist in the implementation and monitoring of the CSR projects/initiatives. The actual implementation of various initiatives will be broad-based with the involvement of various employees/units of the company or through implementing agencies.

The Board shall ensure that the CSR activities are undertaken by the company itself or through

- a. A company established under section 8 of the Act, or a registered public trust or a registered society, exempted under sub-clauses (iv), (v), (vi) or (via) of clause (23C) of section 10 or registered under section 12A and approved under 80 G of the Income Tax Act, 1961 (43 of 1961), established by the company, either singly or along with any other company; or
- b. 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
- c. Any entity established under an Act of Parliament or a State legislature; or
- d. A company established under section 8 of the Act, or a registered public trust or a registered society, exempted under sub-clauses (iv), (v), (vi) or (via) of clause (23C) of section 10 or registered under section 12A and approved under 80 G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities.

The Company aims to implement its major CSR activities through the “CASHe Foundation”, which is a company established under section 8 of the Companies Act, 2013.

Every entity, covered under sub-rule (1), who intends to undertake any CSR activity, shall register itself with the Central Government by filing the form CSR-1 electronically with the Registrar, with effect from the 01st day of April 2021.

The company may also collaborate with other companies for undertaking projects or programs or CSR activities in such a manner that the CSR Committees of respective companies are in a position to report separately on such projects or programmes in accordance with the CSR Laws.

11. DISBURSEMENT

The disbursement of funds will be either in tranches as per milestones agreed with the partner or one-time payment depending on the nature and requirement of the project. The terms, conditions and timing of disbursement will form part of the Memorandum of Understanding/ Grant Agreement with the entity implementing the project.

12. MONITORING

The CSR Committee will ensure a transparent monitoring mechanism for ensuring effective implementation of the projects/ programs/activities proposed to be undertaken by the company.

The designated person would have the responsibility of monitoring approved projects and funds disbursements for such projects. The monitoring mechanism will include visits, meetings and progress/ status reporting by the project teams.

The company's CSR activities will be reviewed by the CSR Committee. A system will be put in place to maintain a transparent monitoring and reporting mechanism across all the stakeholders involved in the CSR activities of the company as desired by the CSR Laws.

13. IMPACT ASSESSMENT

The impact assessment shall be conducted of the CSR projects in such a manner as prescribed in CSR Laws through an independent agency.

Furthermore, the impact assessment reports shall be placed before the Board and shall be annexed to the annual report on CSR. Expenditure towards Impact assessment may be booked towards Corporate Social Responsibility for that financial year and shall not exceed as prescribed under CSR Laws.

14. REPORTING/ DISCLOSURES

The significant CSR activities and achievements will be reported as a part of the Director's Report in the company's Annual Report as per the CSR Laws and also as per any other statutory and regulatory reporting requirements.

The company shall disclose the composition of the CSR Committee and CSR Policy and Projects approved by the Board on their website, if any, for public access.

15. REVIEW/ AMENDMENTS

The policy shall be reviewed by the Committee/Board as and when any changes are to be made in the Policy or at such intervals as may be considered necessary to ensure compliance with any regulatory or statutory requirement from time to time. Any changes in or modifications to the Policy as recommended by the Committee shall be presented to the Board for their approval.

Version Control

Sr. No.	Version Control No.	Date created/ updated
1.	Version 1	21 st April 2022
2.	Version 2	25 th April 2024