Policy on Corporate Social Responsibility

INDIA

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1	All the shareholders of Unimoni Financial Services Ltd and its Associates/Affiliates and Subsidiaries.
2	All members of the Board of Directors and other members forming part of the Management of Unimoni Financial Services Ltd.

CONCEPT

Corporate social responsibility is a management concept whereby the company would integrate social and environmental concerns in its business operations and interactions with the stakeholders. CSR is generally understood as being the way through which a company achieves a balance of economic, environmental and social imperatives, while at the same time addressing the expectations of shareholders and stakeholders.

The concept of CSR underpins the impact that businesses have on society at large and the societal expectations of them. Therefore it is clear that:

- The CSR approach is holistic and integrated with the core business strategy for addressing social and environmental impacts of businesses.
- CSR needs to address the well-being of all stakeholders and not just the company's shareholders.
- Philanthropic activities such as donations, charity, relief work etc. are only a part of CSR, which otherwise constitutes a much larger set of activities entailing strategic business benefits.

<u>Key words & meanings</u>

- **Act**- means the Companies Act, 2013 as amended from time to time
- **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.

- **CSR-** means the activities undertaken by a Company in pursuance of its statutory obligation laid down in section 135 of the Act in accordance with the provisions contained in these rules, but shall not include the following, namely: -

  (i) Activities undertaken in pursuance of normal course of business of the company;

  (i) Any activity undertaken by the company outside India except for training of Indian sports personnel representing any State or Union territory at national level or India at international level;

  (ii) Contribution of any amount directly or indirectly to any political party

  (iii) Activities benefitting employees of the company

(iv) Activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services.

(v) Activities carried out for fulfilment of any other statutory obligations under any law in force in India.

- **CSR Policy –** means a statement containing the approach and direction given by the board of a company, taking into account the recommendations of its CSR Committee, and includes guiding principles for selection, implementation and monitoring of activities as well as formulation of the annual action plan**;**

- **International Organization -** means an organization notified by the Central Government as an international organization under section 3 of the United Nations (Privileges and Immunities) Act, 1947 (46 of 1947), to which the provisions of the Schedule to the said Act apply;

- **Implementing Agencies – means**
(i) 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
(ii) 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
(iii) any entity established under an Act of Parliament or a State legislature; or
(iv) 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;

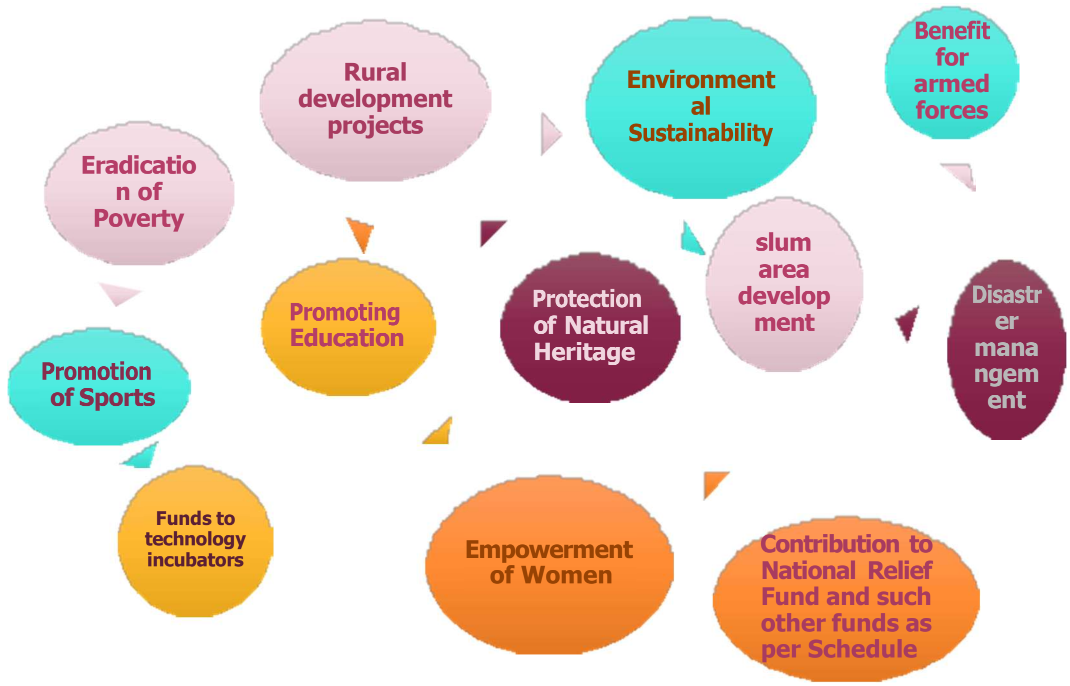
- **Ongoing Project**- means a multi-year project undertaken by a Company in fulfilment of its CSR obligation having timelines not exceeding three years excluding the financial year in which it was commenced, and shall include such project that was initially not approved as a multi-year project but whose duration has been extended beyond one year by the board based on reasonable justification.

Words and expressions used and not defined in this policy but defined in the Act and relevant rules shall have the same meanings respectively assigned to them in the Act and relevant rules.

BACKGROUND – THE ACT

In India, the concept of CSR is governed by clause 135 of the Companies Act, 2013. As per the CSR provisions of the new Act, the Company is required to set-up a CSR committee consisting of three or more of their board members, including at least one independent director. The Act encourages companies to spend at least 2% of their average net profits in the previous three years on CSR activities.

The Act lists out a set of activities eligible under CSR. The following are the activities under Schedule VII of the Act for which CSR can be spent:



1. Eradicating hunger, poverty and malnutrition, promoting 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;

2. Promoting education including special education and employment enhancing vocation skills especially among children, women, elderly and differently abled and livelihood enhancement projects;

3. Promoting gender equality, empowering women, setting up homes and hostels for women and orphans, setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;

4. Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, 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;

5. Protection of natural heritage, art and culture including restoration of buildings and sites of historical importance and works of art, setting up of public libraries, promotion and development of traditional arts and handicrafts;

6. 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;

7. Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports;
8. Contribution to Prime Minister's National Relief Fund or 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 the Scheduled Castes, Schedules Tribes, other backward classes, minorities and Women;
9. Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
10. 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 Organisation (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR)
11. Rural development Projects.
12. Slum area development
13. Disaster management, including relief, rehabilitation and reconstruction activities.

PURPOSE AND APPLICABILITY

The purpose of this policy is to ensure that Unimoni Financial Services Limited, its affiliates, and associated companies consistently operate in a manner that minimises detrimental impacts to society and the environment. Through globalisation and a range of social, ethical and environmental issues involved in the conduct of international business, the Company faces numerous challenges and opportunities in meeting the corporate social responsibilities. This policy clearly sets the Company's social responsibility objectives and provides guidance on the social responsibilities of all individuals associated with the Group.

The Company, therefore is determined to bring together the existing operating principles into one framework policy under the heading of Corporate Social Responsibility (CSR). The principles encompassed in this policy cover all areas of the Group's operations and are subject to continuous monitoring and reviews.

The Policy applies to all directors, officers and employees of the Company.

CSR AT UNIMONI

The Company is committed to promote environmental care, increase understanding of environmental issues and take steps for the betterment of the same for future generations to come. Unimoni performs various initiatives as good corporate citizen to fulfil the responsibilities to the society where we operate. Some such initiatives include:

- **Education:** Education has been the core initiative where prime focus has been Government schools, which are often supported with educational aids like bags, study materials, computers, video conferencing equipment, infrastructures and other classroom facilities. Majority of India still lives in villages and quality and access to education is the major concern in local schools. As part of promoting child education, company had implemented Educational Scholarships to students of local government schools and also distributed sports equipment for the students of Government schools across the nation. Initiatives for financial support for skill development was also commenced at several instances.

- **Environment:** Environment being a vulnerable sector with dire necessities that calls for specialized care from all living at particular demography. Maintaining an equilibrium among the variant demography, the company has taken up the initiative of "Plant trees and save environment for future" with much diligence, which has been taken up each year with rejuvenated rigor. All the internal functions and events like inaugurations, customer meet celebrations etc. are conducted with the prime activity being free distribution of plant saplings. Unimoni also partners with local campaigners and movements in promoting different environmental initiatives like 'Save Tree', 'Save Tiger', the 'World Environment Day' and so on. We are also quite passionate about our consistent efforts in liaison with the National Safety Council in ensuring Road and Traffic safety as well as 'Pollution Free' campaigns. We also do our best at promoting cleanliness and maintenance of our public places throughout the country.

- **Health:** Robust health being a principal essential with a scope for vast arena for social investment, the Company has only used meagre parts of its CSR funds for these necessities depending on the rising wants. Safe drinking water was a small initiative which led to the installation of water dispensers at old age /specially-abled homes for healthy drinking. Relevant initiatives were prompted for the support of Cancer patients and for the aid of surgery and treatments. Further, the Company arranges health camps and medical check-up facilities for children as an effort at ensuring health and hygiene in their lifestyle.

Apart from this, Unimoni always takes its role of Corporate Social Responsibility seriously, by providing support and financial help to deserving and needy families for education, jobs, marriage expenses of girls etc. Precisely, the Company's CSR policy forms and includes, its initiatives to:

1. Ensure sustainable development and serve society in an ethical and lawful manner;
2. Operate in an environmentally friendly manner by identifying and evaluating our businesses environmental effects and managing those effects;
3. Respect the rule of law and not indulge in any form of corruption or bribery;
4. Encourage open communications and support appropriate environmental initiatives within the community;
5. Enable sustainable development through good environment management;
6. Ensure activities to promote and advance internationally recognised principles for Environment Management;
7. Be respectful of local and indigenous people, their values, traditions and culture;
8. Ensure that the communities in which we operate are informed about the organisational developments which affect them;
9. Provide financial support to different educational programmes in developing the society;
10. Ensure all relevant employees are provided with cultural and human rights training and guidance;
11. Encourage good industrial relations and ensure work done on our behalf is performed in a healthy and safe working environment;
12. Integrate social responsibilities within core management systems and decision-making processes;
13. Communicate our commitments and performances relating to social responsibility.

COMPLIANCE AND MONITORING

Unimoni consistently complies with the laws and regulations applicable wherever they do business. The Company carefully consider and evaluate how it contributes to funds or causes.

The Board of Directors has constituted Corporate Social Responsibility Committee consisting of Directors of the Company as its members, which is responsible for instituting a transparent monitoring mechanism and timely review of implementation of various CSR projects, programmes or activities undertaken by the Company. The CSR Committee would meet at regular or quarterly intervals to carry out the same.

The CSR committee will be responsible for

- preparing a detailed Annual action plan on list of CSR projects and programmes, including the expenditure, the type of activities, roles, manner of execution, modes of utilization of fund and responsibilities of various authorised personals for the same.
- formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company in areas or subject, specified in Schedule VII;
- recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and
- monitor the Corporate Social Responsibility Policy of the company from time to time.

All the kinds of income accrued to the company by way of CSR activities and any surplus arising out of the CSR projects, programmes or activities does not form part of the business profit of the Company and subject to the companies Act, transfer such amount to the Unspent CSR account or fund specified under Schedule VII as the case may be.

If there is unspent amount with respect to ongoing projects, then the Company will transfer the amount to a Unspent Corporate Social Responsibility Account, and such amount shall be spent by the company in pursuance of its obligation towards the Corporate Social Responsibility Policy within a period of three financial years from the date of such transfer, and in the event of the company failing to spent the said amount, shall transfer the same to a Fund specified in Schedule VII, within a period of thirty days from the date of completion of the third financial year.

In case of unspent amount related with those other than ongoing ones, the Company shall transfer to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.

Note:

<u>The funds specified in Schedule VII</u>

(i) Swachh Bharat Kosh
(ii) Clean Ganga Fund
(iii) Prime Minister’s National Relief Fund (PMNRF)
(iv) Prime Minister’s Citizen Assistance and Relief in Emergency Situations Fund (PM

CARES Fund)

(v) Any other fund set up by the Central Government and notified by the Ministry of Corporate Affairs, for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women.

The administrative overheads shall not exceed five percent of the total CSR expenditure of the Company for that Financial Year.

Annual Action Plan

The CSR committee shall envisage an Annual Action plan in pursuance of the CSR Policy which shall be the road map for the implementation of CSR projects, which will be approved by the Board of Directors. The Annual action plan shall be formulated keeping in mind the following parameters:

(i) The list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
(ii) The manner of execution of such projects or programmes;
(iii) The modalities of utilisation of funds and implementation schedules for the projects or programmes;
(iv) Monitoring and reporting mechanism for the projects or programmes; and
(v) Details of need and impact assessment**, if any, for the projects undertaken by the company

**Company shall undertake an impact assessment of projects by an Independent agency with an outlay of one crores or more and which have been completed not less than one year before undertaking the impact study. The report of the impact assessment shall be annexed to the Annual report on CSR.

Execution of projects/programs

The company may undertake one or more projects or programs or activities provided in the policy

- either as its own or
- through any implementation agency.

For the purpose of implementing CSR projects, a company may engage such other trusts, Company as mentioned in Rule 4 of the CSR Rules, 2014.

If, the Board of a company decides to undertake its CSR activities through a company established under section 8 of the Act or a registered trust or a registered society such company or trust or society, other than above mentioned, shall have an established track record of three years in undertaking similar programs or projects; and the company has specified the projects or programs to be undertaken, the modalities of utilisation of funds of such projects and programs and the monitoring and reporting mechanism.

The Company may engage international organizations for designing, monitoring and evaluation of the CSR projects or programmes as per its CSR policy as well as for capacity building of their own personnel for CSR.

REPORTING AND COMMUNICATION

A brief outline of CSR policy, including overview of projects or programs proposed to be undertaken, details of amount unspent on such activities during the financial year along with reasons, the composition of CSR committee, Annual Report on CSR (Annexure II) also form part of the Board of Directors' Report.

CONCLUSION

While CSR remains a successful medium for improving the role of business in society, it is also an ongoing challenge to which companies must remain vigilant, especially in emerging markets. By investing in CSR, the companies are investing in sustainability and broader economic, social, and environmental goals. With our broader plan of actions to contribute the best in CSR initiatives, the Company tries to carve its own niche in building relationships across the community.

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