



EDGRO FINANCE PRIVATE LIMITED

® U65929KA2022PTC160962 ✉ finance@edgrofin.com

🌐 www.edgrofin.com ☎ +91-7669571400

🏠 1613 & 1614, 7th Cross, 19th Main Road, 1st Sector, HSR Layout,
Bangalore, Karnataka 560102, India

Corporate Social Responsibility Policy

OF EDGRO FINANCE PRIVATE LIMITED

Approved by the Board of Directors
On

Bibhu Prasad Das

Document History:

Version	Approved on	Comments/ Remarks/ Changes	Prepared By	Recommended By	Approved By
01	19.05.2026	Initial Approved CSR Policy	Compliance Team	-	Board of Directors

Contents

1	Background.....	3
2	Definitions.....	3
3	CSR Vision and Mission.....	3
4	CSR Activities as specified in Schedule VII of the Companies Act, 2013.....	5
5	Corporate Social Responsibility Committee.....	7
6	CSR Expenditure.....	8
7	Disclosures and Transparency.....	9
8	Frequency and Quorum.....	9
9	Conclusion.....	10

1. Background

Corporate Social Responsibility (“CSR”) reflects a company’s commitment to operate in an economically, socially, and environmentally sustainable manner while balancing the interests of all stakeholders. As a financial institution, Edgro Finance Private Limited (“the Company”), being a Non-Banking Financial Company (NBFC), recognizes its role not only as a provider of financial services but also as a contributor to inclusive growth and societal development.

The Ministry of Corporate Affairs (“MCA”) has introduced the concept of CSR in the Companies Act, 2013. In line with the provisions of **Section 135 of the Companies Act, 2013, read with the Companies (Corporate Social Responsibility Policy) Rules, 2014**, as amended from time to time, the Company is committed to undertaking CSR activities in a structured and strategic manner.

The Company has formulated and adopted this Corporate Social Responsibility Policy (“CSR Policy”) in accordance with the applicable provisions of Section 135 of Companies Act, 2013 (“Act”) and the Companies (Corporate Social Responsibility) Rules, 2014 framed thereunder (including any statutory amendments, modifications). This Policy aims to lay down guidelines for CSR activities and to bring a positive impact on the society and environment where it operates as a part of its social objectives.

This CSR Policy outlines the Company’s philosophy, guiding principles, governance framework, and implementation approach for its CSR initiatives, ensuring that such activities are aligned with statutory requirements as well as internationally accepted standards, and create meaningful and measurable social impact.

2. Definitions

“**Act**” means Companies Act, 2013 and the Rules framed thereunder including statutory amendments, modifications, re-enactments, notifications, circulars and orders issued 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.

“**Board of Directors**” or “**Board**” means Board of Directors of the Company.

“**Company**” means Edgro Finance Private Limited

“**Corporate Social Responsibility**” means the activities undertaken by the 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 and/or such activities which are excluded by the Ministry in this regard from time to time, namely:

- 1) activities undertaken in pursuance of normal course of business of the company
- 2) 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;
- 3) contribution of any amount directly or indirectly to any political party under section 182 of the Act;

- 4) activities benefitting employees of the company as defined in clause (k) of section 2 of the Code on Wages, 2019 (29 of 2019);
- 5) activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services;
- 6) activities carried out for fulfilment of any other statutory obligations under any law in force in India.

“CSR Activities” means such eligible programs and projects in such areas and subject as may be recommended by CSR Committee and/or approved by the Board in terms of this CSR Policy.

“CSR Committee” means a committee constituted by the Board of Directors in terms of Section 135 (1) of the Act and the CSR Rules.

Note: Pursuant to Section 135(9) of the Companies Act, 2013 where the amount to be spent by the Company under section 135(5) does not exceed fifty lakh rupees, the requirement under section 135(1) for constitution of the Corporate Social Responsibility Committee shall not be applicable and the functions of such Committee provided under this section shall, in such cases, be discharged by the Board of Directors of the Company.

“CSR Expenditure” means the amount recommended by the CSR Committee and/or Board to be incurred on the CSR Activities in terms of the Act and the CSR Rules.

“CSR Rules” means the Companies (Corporate Social Responsibility Policy) Rules, 2014 (including any statutory amendments and modifications).

“CSR Policy” means a statement containing approach and direction given by the Board of the Company, taking into account the recommendations of its CSR Committee, wherever applicable, and includes guiding principles for selection, implementation, and monitoring of activities as well as the formulation of the annual action plan;

“Employee” means any person (other than apprentice) engaged under the Apprentices Act, 1961; employed on wages by an establishment to do any skilled, semi-skilled or unskilled, manual, operational, managerial, administrative, technical or clerical work for hire or reward whether the terms of employment be express or implied, and also includes a person declared to be an employee by the appropriate Government, but does not include any member of the Armed Forces of the Union.

“Implementing Agency” means such eligible entities being duly registered with the Central Government (through filing e-form CSR-1) and having unique CSR Registration Number.

“Net Profits” means the net profit of the Company as per its financial statement prepared in accordance with the applicable provisions of the Act.

“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.

Any term not defined above or given reference to the Act, shall have the meaning assigned to it under the Companies Act 2013 and/or the CSR Rules.

3. CSR Vision and Mission

- **CSR Vision**

To contribute towards sustainable and inclusive socio-economic development by empowering underserved communities, promoting financial inclusion, and creating long-term value for society through responsible and ethical business practices.

- **CSR Mission**

- a. To design and implement impactful CSR initiatives in alignment with Schedule VII of the Companies Act, 2013, focusing on areas such as financial literacy, education, livelihood enhancement, and environmental sustainability.
- b. To promote financial inclusion by supporting initiatives that improve access to credit, financial awareness, and economic opportunities for underserved and marginalized sections of society.
- c. To ensure transparent, accountable, and ethical implementation of CSR activities with measurable outcomes and sustainable impact.
- d. To collaborate with stakeholders, communities, and implementing agencies to maximize the effectiveness and reach of CSR programs.

4. CSR Activities as specified in Schedule VII of the Companies Act, 2013

The Corporate Social Responsibility (“CSR”) activities of the Company shall be undertaken in accordance with the provisions of Section 135 of the Companies Act, 2013 read with Schedule VII thereto, as amended from time to time. The Company shall ensure that its CSR initiatives are aligned not only with statutory requirements but also with its role as a Non-Banking Financial Company (NBFC) contributing to financial inclusion and sustainable economic development.

In this regard, the Company shall focus on the following broad areas, as specified under Schedule VII, with particular emphasis on sectors relevant to its business operations:

- i. Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swachh 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 abled 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, 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;
- 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 art and handicrafts;
- vi. 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;
- vii. training to promote rural sports, nationally recognised sports, paralympic sports and olympic sports;
- viii. 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 the schedule caste, tribes, other backward classes, minorities and women;
- ix. (a) 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; and
(b) 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 Defence 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), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).
- x. rural development projects
- xi. slum area development.
- xii. disaster management, including relief, rehabilitation and reconstruction activities.

The Company may undertake the above activities either directly or through eligible implementing agencies, and shall give preference to areas where it operates, in order to create sustained and measurable impact.

Any other activity as may be included in Schedule VII of the Companies Act, 2013 from time to time shall also be considered as part of the Company's CSR activities.

5. Corporate Social Responsibility Committee

5.1 Constitution of the CSR Committee

The Board of Directors of the Company shall constitute a Corporate Social Responsibility (“CSR”) Committee in accordance with the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time.

The CSR Committee shall comprise such number of directors as required under applicable law, and shall include at least one Independent Director, where applicable.

5.2 Roles and Responsibilities of the CSR Committee

The CSR Committee shall be responsible for overseeing and guiding the CSR initiatives of the Company and, in this regard, shall:

- a. Formulate and recommend to the Board, the CSR Policy indicating the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013.
- b. Recommend the amount of expenditure to be incurred on CSR activities and ensure that the Company meets the prescribed CSR spending obligations.
- c. Identify and approve CSR projects/programs, giving preference to areas where the Company operates, with a focus on financial inclusion and community development in line with its NBFC operations.
- d. Institute a transparent monitoring mechanism for implementation of CSR projects or programs undertaken by the Company, including periodic review of progress and impact.
- e. Review the CSR Policy from time to time and recommend changes, if any, to the Board for approval.
- f. Ensure compliance with applicable statutory requirements, including disclosures, reporting, and impact assessment (where applicable).
- g. Oversee engagement with implementing agencies, ensure due diligence, and monitor utilization of funds.
- h. Align CSR initiatives with recognized standards such as ISO 26000:2010 on social responsibility, and ensure that activities are carried out in an ethical, transparent, and sustainable manner.

5.3 Reporting to the Board

The CSR Committee shall periodically report to the Board on the status of CSR activities, including progress against approved projects, utilization of funds, and compliance with statutory requirements. The Board shall, based on such reports, ensure that the CSR activities are undertaken in accordance with the approved CSR Policy.

5.4 Disclosure

The composition of the CSR Committee and details of CSR activities shall be disclosed in the Board’s Report and on the Company’s website, in accordance with applicable laws.

6. CSR Expenditure

a. Statutory Requirement

The Company shall, in every financial year, spend at least 2% of the average net profits of the Company made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility ("CSR") Policy, in accordance with the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time.

b. Computation of Net Profit

The net profit for the purpose of determining CSR expenditure shall be calculated in accordance with the Section 198 and all other applicable provisions of the Companies Act, 2013.

c. CSR Budget and Allocation

The CSR Committee shall recommend to the Board the annual CSR budget and allocation of funds to various CSR projects and programs. The Board shall ensure that the funds are utilized for approved CSR activities in a transparent and accountable manner.

d. Preference to Local Areas

The Company shall give preference to the local areas and areas around which it operates, particularly focusing on financial inclusion and community development initiatives relevant to its NBFC operations.

e. Modes of Implementation

The CSR expenditure may be incurred through:

- Direct implementation by the Company; or
- Through eligible implementing agencies as prescribed under applicable laws.

f. Treatment of Unspent Amount

- In case the Company fails to spend the required CSR amount, the Board shall specify the reasons for not spending in its report.
- Any unspent amount relating to **ongoing projects** shall be transferred to a separate "Unspent CSR Account" within the prescribed time limits and utilized in accordance with applicable laws.
- Any amount remaining unspent, other than for ongoing projects, shall be transferred to a fund specified under Schedule VII within the prescribed timeframe.

g. Excess CSR Spend

Any amount spent by the Company in excess of the required CSR obligation may be set off against the CSR requirement of subsequent financial years, subject to conditions prescribed under applicable laws.

h. Administrative Overheads

The administrative overheads shall not exceed the limits prescribed under the Companies (CSR Policy) Rules, 2014, as amended from time to time.

i. Exclusions from CSR Expenditure

The following shall not be considered as CSR expenditure:

- Activities undertaken in the normal course of business of the Company;
- Activities benefiting only the employees of the Company and their families;

- Contributions to political parties;
- Any activities not in line with Schedule VII of the Companies Act, 2013.

7. Frequency and Quorum

The CSR Committee/ Board of Directors should meet at least once in a year and also as & when required. Further, the quorum for CSR committee/ Board of Directors meeting shall either be two members or one third of the members of the CSR committee/ Board of Directors, whichever is higher, provided that at least one Independent Director shall be present at the meeting

8. Disclosures and Transparency

The Company shall ensure transparency, accountability, and proper disclosure of its Corporate Social Responsibility (“CSR”) initiatives in accordance with applicable laws and best governance practices.

a. Board's Report Disclosures

The Company shall include in its Board's Report an annual report on CSR containing particulars as prescribed under **Section 135 of the Companies Act, 2013** read with the **Companies (Corporate Social Responsibility Policy) Rules, 2014**, as amended from time to time, including:

- Composition of the CSR Committee;
- CSR Policy and overview of CSR initiatives;
- Details of CSR expenditure (amount required to be spent and amount actually spent);
- Reasons for any unspent CSR amount, if applicable;
- Details of ongoing and completed CSR projects/programs.

b. Website Disclosure

The Company shall disclose the following on its official website, if any:

- CSR Policy approved by the Board;
- Composition of the CSR Committee;
- CSR projects approved by the Board;
- Annual CSR report and impact assessment reports, where applicable.

c. Transparency in Implementation

The Company shall ensure that all CSR activities are implemented in a transparent manner, with:

- Proper documentation and record-keeping;
- Defined monitoring and reporting mechanisms;
- Periodic review by the CSR Committee and the Board.

d. Utilization and Reporting by Implementing Agencies

In cases where CSR activities are undertaken through implementing agencies, the Company shall:

- Conduct due diligence of such agencies;
- Obtain periodic reports on utilization of funds;
- Ensure that funds are used only for the intended purposes.

e. **Impact Assessment (where applicable)**

The Company shall undertake impact assessment of CSR projects, where required under applicable laws, through independent agencies, and disclose a summary of such reports in the manner prescribed.

f. **Compliance and Governance**

The Company shall ensure compliance with all applicable provisions relating to CSR disclosures and shall maintain high standards of corporate governance, accountability, and ethical conduct in all CSR matters.

9. Conclusion

The Company is committed to conducting its business in a socially responsible, ethical, and sustainable manner. Through this Corporate Social Responsibility (“CSR”) Policy, the Company aims to contribute meaningfully towards inclusive growth and development, particularly in areas aligned with its role as a Non-Banking Financial Company (NBFC).

The Company shall continuously strive to enhance the effectiveness of its CSR initiatives by adopting best practices, ensuring transparency and accountability, and aligning its efforts with applicable legal requirements as well as globally recognized principles such as ISO 26000:2010 on Social Responsibility.

This Policy shall be subject to annual review by the CSR Committee and the Board of Directors, and may be amended from time to time to ensure its continued relevance and effectiveness in light of evolving regulatory requirements and societal needs.