

CORPORATE SOCIAL RESPONSIBILITY POLICY  
OF CENTRUM FINANCIAL SERVICES LIMITED

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Authorized by	Board
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## 1. CONTEXT

The Companies Act, 2013 has vide Section 135 and the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time (hereinafter referred to as “the Act”) made it mandatory for the Board of Directors of a prescribed class of companies to constitute a Corporate Social Responsibility Committee which is entrusted with certain duties in alignment with the objectives of corporate social responsibility and to ensure that a company spends, in every financial year, at least two per cent of the average net profits of the company made during the three immediately preceding financial years.

Corporate Social Responsibility is strongly connected with the principles of Sustainability; an organization should make decisions based not only on financial factors, but also considering the social and environmental consequences. As a Corporate Citizen receiving various benefits out of society, it is our co-extensive responsibility to pay back in return to the society in terms of helping needy people by providing foods, clothes, etc., keeping the environment clean and safe for the society by adhering to the best industrial practices and adopting best technologies, and so on. It is the Company's intent to make a positive contribution to the society in which the Company operates.

This policy, which encompasses the Company's philosophy for delineating its responsibility as a corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programmes for welfare & sustainable development of the community at large, is titled as the **"Corporate Social Responsibility Policy of CENTRUM FINANCIAL SERVICES LIMITED" or "CSR Policy"**. It has been prepared keeping in mind the Company's code of business ethics and to comply with the requirements of the Act.

This policy shall apply to all CSR initiatives and activities taken up at the various work- centers and locations of the Company, for the benefit of different segments of the society, specifically the deprived, under-privileged and differently abled persons.

The Company is a part of Centrum Group, which has established ‘Centrum Foundation’, which is registered trust and formed with the aim of providing a dedicated approach to community development and also to fulfil CSR commitments of Centrum Group of Companies in letter and spirit. The Group's focus has always been to contribute to the sustainable development of the society and environment, and to make our planet a better place for future generations.

## 2. OBJECTIVES

The Company's CSR Policy intends to:

- Strive for economic development that positively impacts the society at large with minimal resource footprint.
- Embrace responsibility for the Company's actions and encourage a positive impact through its activities on hunger, poverty, malnutrition, environment, communities, stakeholders and the society.
- To function as a built-in, self-regulating mechanism whereby the business will monitor and ensure its active compliance with the spirit of law, ethical standards and international norms. The main objective of this Policy is to set guiding principles for carrying out CSR activities by the Company and also to set up process of execution, implementation and monitoring of the CSR activities to be undertaken by the Company.

### 3. FOCUS AREAS

In accordance with the requirements under the Companies Act, 2013, the Company's CSR activities, amongst others, will focus on:

- **ASISSTING CENTRUM FOUNDATION:** Assisting Centrum Foundation in any CSR related activities conducted by them.
- **PROVIDING ASSISTANCE IN THE AREAS OF HUNGER, POVERTY, MALNUTRITION, HEALTH, MEDICAL, DISASTER AND EMERGENCY RELEIF:** Eradicating extreme hunger, poverty and malnutrition, promoting preventive healthcare and sanitation and making available safe drinking water. Providing Food, medical and other basic essentials to affected families with the objective of easing food troubles in times of crisis.
- **EDUCATION, LITERACY, TRAINING & EMPLOYMENT:** Promoting computer literacy to help bridge the technology gap between urban and rural schools by providing better education, training and career opportunities. Providing old/unused laptops also serve as a way to recycle E-waste. Providing financial education and assisting in digitalization of finances.
- **WOMAN & OLD AGED:** 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.
- **Any other activities as may be permitted under** Schedule VII of the Act, as amended from time to time. Schedule VII is an indicative list of activities, while activities other than those mentioned in Schedule VII can be carried but in substance they should be based on subjects outlined therein. Further, the activities mentioned in Schedule VII should be interpreted liberally.

### 4. UNDERTAKING CSR ACTIVITIES

- i. The Company will undertake its CSR activities as approved by the CSR Committee/ Board, through itself or through Centrum Foundation or such other entity/organization/ Trust/ Section 8 Company, as approved by the CSR Committee/ Board, from time to time, provided that such entity, who intends to undertake an CSR activity, has registered itself with the Central Government by filing form CSR-1 electronically with the Registrar.
- ii. The Company may also collaborate with other companies for undertaking projects or programmes 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 rules.
- iii. The Board of the Company shall ensure that the administrative overheads shall not exceed five percent of total CSR expenditure of the company for the financial year.
- iv. Any surplus arising out of the CSR activities shall not form part of the business profit of a company and shall be ploughed back into the same project or shall be transferred to the Unspent CSR Account and spent in pursuance of CSR policy and annual action plan of the company or transfer such surplus amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.
- v. The CSR amount may be spent by a company for creation or acquisition of a capital asset, which shall be held by -
  - (a) 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
  - (b) beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities; or
  - (c) a public authority:

## 5. LOCATION OF CSR EFFORTS

The CSR Committee/ Board will decide on the locations for CSR activities. The Company will strive to give preference to the local area and areas around it where it operates, for spending the amount earmarked for CSR activities.

## 6. GOALS

The Company's primary goals will include the following:

Sl. No	Goal area	Actions
1	FOOD & MEDICAL CARE	The Company will both individually and in collaboration with Centrum foundation work to provide food and other basic essentials as support to families affected by poverty, disease, Global Pandemic, Super cyclonic storms or other natural calamities.
2	EDUCATION AND LITERACY	The Company's focus will be on following fronts: (a) Better schooling and college opportunities for students (b) Bridging the Technological Gap giving all students an equal advantage. (c) Better career and growth opportunities for all students. (d) Education and literacy to the needy. (e) Financial education and enabling Digitalization.
3	PROVIDING TRAINING & EMPLOYMENT	Continual hiring of Individuals through the National Apprenticeship Promotion Scheme (NAPs). The focus would be: (a) Address industry skill gap (b) Increases availability of industry ready skilled manpower well versed with culture of the company (c) Better employment opportunities for trained staff
4	WOMEN & OLD AGED	a) Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; b) setting up old age homes, day care centres and such other facilities for senior citizens c) measures for reducing inequalities faced by socially and economically backward groups.
5	OTHERS	The company shall take other initiatives as and when required depending upon the economic scenario and requirements of society.

## 7. COMPOSITION OF CSR COMMITTEE

The CSR Committee shall be comprised in accordance with the requirements of the Companies Act, 2013 and the Rules made thereunder. The details of the composition will be hosted on the Company's website at

[www.centrum.co.in](http://www.centrum.co.in).

The requirement of constitution of CSR Committee shall not be applicable, in case the amount required to be spent does not exceed Rs. 50 lakhs. The functions of CSR Committee may be discharged by the Board of Directors of the Company in such case.

## 8. RESPONSIBILITIES OF THE COMMITTEE

The responsibilities of the CSR Committee may include:

- Formulating and recommending to the Board of Directors the CSR Policy and indicating activities to be undertaken,
- Recommending the amount of expenditure for the CSR activities, and
- Approving the CSR activities;
- Monitoring CSR activities from time to time; and
- To undertake all such acts, deeds and things as may be applicable to under the CSR activities and related matters.

The aforesaid functions may be discharged by the Board, in case the amount to be spent by a Company towards CSR does not exceed fifty lakh rupees in a financial year.

## 9. GOVERNANCE

The Company through a registered trust or a registered society can undertake CSR activities as per the provisions of the Companies Act, 2013. Accordingly, Centrum Foundation or such other entity will work closely with and support the Board and the CSR Committee in implementing CSR activities of the Company. Centrum Foundation or such other entity will assist the CSR Committee in identifying the areas of CSR activities, programs and execution of initiatives as per defined guidelines. Centrum Foundation or such other entity will also assist the Board and the CSR Committee in reporting the progress of deployed initiatives and in making appropriate disclosures (internal/external) on a periodic basis.

The Board of the Company shall review and approve the Corporate Social Responsibility Policy for Company's website, and ensure the Company and ensure to disclose contents of such Policy in its report and also place it on the that the activities as are included in Corporate Social Responsibility Policy of the company are undertaken by the company.

Further, the Board of Directors shall satisfy itself that the funds so disbursed have been utilised for the purposes and in the manner as approved by it and the Chief Financial Officer or the person responsible for financial management shall certify to the effect.

The Company shall not be required to undertake impact assessment for the projects undertaken by the company till it reached the size and scale as mentioned under the Act.

## 10. FUNDING, SELECTION AND MONITORING PROCESS

The Company / Centrum Foundation or such other entity will receive requests for funding of projects throughout the calendar year. The Company will evaluate proposals received under the Foundation's focus areas and projects will be prioritized by assessing their impact. The Company/ Centrum Foundation or such other entity will then forward its recommendations to the CSR Committee. The CSR Committee will deliberate on the proposals and approve proposals for implementation at its discretion.

Centrum representatives and/or Centrum Foundation or such other entity will collaborate with stakeholders to monitor the status of each project and will report its findings to the CSR Committee / Board periodically.

The Company may fulfill its CSR obligation by way of a donation to Centrum Foundation or to any other fund established / approved by the Government or any other appropriate authority on the recommendation of the CSR Committee/ Board, and this shall be deemed to be adequate discharge of its CSR obligation as per the Act.

In case of an ongoing project initiated by the Company, the Board of the Company 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.

## 11. UNSPENT AMOUNT

In case the company fails to spend its CSR obligation amount, the Board shall, in its Boards' Report specify the reasons for not spending the amount and, unless the unspent amount relates to any ongoing project referred to in section 135 (6), transfer such unspent amount to a Fund specified in Schedule VII of the Act, within a period of six months of the expiry of the financial year.

Further, any amount remaining unspent, pursuant to any ongoing project, fulfilling such conditions as may be prescribed, undertaken by the Company in pursuance of its Corporate Social Responsibility Policy, shall be transferred by the Company within a period of thirty days from the end of the financial year to a special account to be opened by the Company in that behalf for that financial year in any scheduled bank to be called the **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, failing which, the Company 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.

## 12. EFFECTIVE DATE

This policy is effective from May 7, 2021.

## 13. CONTACT

For queries related to the CSR Policy, please write to us at: [cs@centrum.co.in](mailto:cs@centrum.co.in)