

**CORPORATE SOCIAL
RESPONSIBILITY POLICY
(‘CSR POLICY’)**

USHA FINANCIAL SERVICES LIMITED

PREAMBLE

Usha Financial Services Limited (“the **Company**”) has been incorporated under the Companies Act, 1956 on **16th May, 1995**. The Company is committed to operate in an economically, socially and environmentally sustainable manner and to work in these areas in order to meet the norms of the Corporate Governance. The Company shall give preference where it operates to improve the quality of people living, lay special emphasis on education, skill enhancement, environment, health, community development, social welfare and promotion of cultural activities as envisaged in the provisions of law.

TITLE AND APPLICABILITY

The Ministry of Corporate Affairs, has, *vide* its notification dated February 27, 2014 made the provisions of section 135 of the Companies Act, 2013 and Schedule VII of the said Act relating to Corporate Social Responsibility applicable to the Company with effect from 1st April, 2014. The Companies (Corporate Social Responsibility Policy) Rules 2014 (“**CSR Rules**”) are notified on 27th February, 2014 and are effective from 1st April 2014.

The Ministry of Corporate Affairs (MCA) has amended the Companies (Corporate Social Responsibility Policy) Rules, 2014 through a notification dated January 22, 2021, thus giving effect to the changes introduced in CSR by the Companies Amendment Acts of 2019 and 2020.

The Companies (Amendment) Act has also inserted a new Sub-section 9 in Section 135 of the Companies Act, which provides that where the amount to be spent by a company on CSR activities is less than Rs. 50 Lakh, the requirement with respect to constitution of a CSR committee will not apply and the functions of the CSR committee in such cases will be discharged by the company's board of directors.

VALIDITY OF CSR POLICY

The Board shall review the CSR Policy at least once a year.

DEFINITIONS

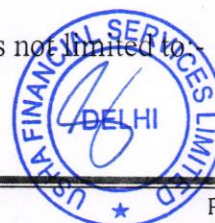
Some of the key terms used in the Corporate Social Responsibility Policy are as under:

‘**Act**’ means the Companies Act, 2013 including any amendments as may be applicable from time to time.

‘**Average Net Profit**’ means net profit as computed in accordance with section 198 of the Act.

‘**Board**’ means the Board of Directors of **Usha Financial Services Limited** or the Company.

‘**Corporate Social Responsibility (“CSR”)**’ means and includes but is not limited to



USHA FINANCIAL SERVICES LIMITED

- i) Projects or programs relating to activities specified in Schedule VII of the Act; or
- ii) Projects or programs relating to activities undertaken by the Board in pursuance of recommendations of the Corporate Social Responsibility Committee of the Board as per this policy of the Company and will cover subjects enumerated in Schedule VII of the Act.

'CSR Activities' means the activities which may be included by the Company in its CSR Policy in accordance with Schedule VII of the Act.

'CSR Committee' means the Corporate Social Responsibility Committee of the Board referred to in section 135 of the Act. As per Section 135(9), this provision is not applicable to the Company

'CSR Policy' means the Corporate Social Responsibility Policy of the Company formulated and recommended by the CSR Committee to the Board of the Company.

'Net Profit' as defined in the said CSR Rules means the net profit of the Company as per its financial statement prepared in accordance with the applicable provisions of the Act. Net profit means net profit before tax as per books of accounts of the Company and shall not include profits arising from branches outside India.

Word and expressions used and not defined in the Rules but defined in the Act shall have the same meaning respectively assigned to them in the Act.

CSR PROGRAMMES/PROJECTS

The Company will consistently explore and undertake CSR Programs/ Projects relating to the activities in any of the fields enumerated below with a preference to carry on such activities, wherever it operates:

- a) Contribution to the Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund ("PM CARES Fund") and Prime Minister's National Relief Fund;
- b) Swach Bharat Kosh set-up by the Central Government for the promotion of Sanitation
- c) Contribution to the Clean Ganga Fund Set-up by the Central Government for rejuvenation of river Ganga

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Where the amount to be spent by a company does not exceed 50 (fifty lakh rupees), the requirement for the constitution of the CSR Committee shall not be applicable to Company and the functions of such Committee provided under this section shall, in such cases, be discharged by the Board of Directors of such company.



USHA FINANCIAL SERVICES LIMITED

CSR BUDGET

UFSPL shall endeavor that funds to the tune of at least 2% of the average net profits of the Company during the immediately preceding three financial years is allocated towards the CSR programmes/projects as mentioned above. The CSR Committee will recommend the allocation of funds for each programme or project or activities for approval by the Board.

The Company may collaborate or pool resources with other organization or companies to undertake CSR activities

CSR ACTIVITIES – IMPLEMENTATION AND MONITORING

The CSR Activities shall be undertaken by the Company as per this policy by way of projects or programs or activities (either new or ongoing) in India, excluding the activities undertaken in pursuance of the normal course of business. The Company shall give preference to the local area and areas around it where it operates, for spending the amount earmarked for CSR Activities.

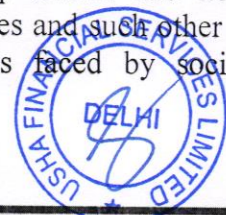
The Board may decide to undertake CSR Activities approved by the Board, through a registered trust or a registered society or a company established by the company or subsidiary or associate company under Section 8 of the Act or otherwise and subject to conditions as specified in the CSR Rules.

The Company may also collaborate with other companies for undertaking projects or programs or CSR Activities in such a manner that the CSR Committee of respective companies are in a position to report separately on such projects or programs in accordance with the CSR Rules.

CSR expenditure shall include all expenditure including contribution to corpus, or on projects or programs relating to CSR Activities, approved by the Board, but shall not include a) any expenditure on an item not in conformity or not in line with activities which fall within the purview of Schedule VII of the Act. b) CSR projects or programs or activities that benefit only the employees and their families. c) Contribution of any amount directly or indirectly to any political party under section 182 of the Act.

CSR Activities include:-

- i) Eradicating hunger, poverty and malnutrition, promoting health care including 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;
- ii) Promoting education, including special education and employment enhancing vocational 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;



USHA FINANCIAL SERVICES LIMITED

- iv) Ensuring environmental sustainability, ecological balances, 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 arts, setting up of public libraries, promotion and development of traditional arts 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 recognized 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 Castes, the Scheduled Tribes, other backward classes, minorities and women;
- ix) Contribution or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
- x) Rural development projects;
- xi) Slum area development.
- xii) disaster management, including relief, rehabilitation and reconstruction activities

The list of CSR projects or programs which the Company plans to undertake will fall within the purview of schedule VII of the Act.

Amount of CSR expenditure

The Board shall ensure that the Company spends, in every financial year, at least two percent of average net profits of the Company made during the three immediately preceding financial years, in pursuance of this CSR Policy. If the Company fails to spend such amount, the Board shall, in its report made under Section 134 (3) (o) of the Act specify the reasons for not spending the amount.

Dissemination of Information

The status of the CSR Projects or CSR Activities undertaken along with the report on the impact created by such projects or activities in compliance with the law.

The Company shall disclose the contents of the CSR Policy in its Board's report in the format given in the CSR Rules and the same shall be displayed on the Company's website.

Amendment to CSR Policy

This CSR Policy is constituted under the provisions of the said Act and CSR Rules. In the event of any dispute between the contents of this CSR Policy and Act and CSR Rules, the provisions of Act and CSR Rules will be made applicable to the matter. This CSR Policy shall stand

USHA FINANCIAL SERVICES LIMITED

amended in accordance with the amendments in the said Act and CSR Rules from time to time.

Any amendment to this CSR Policy will be in writing except as stated in 8.1 above.

Approval

This CSR Policy was initially approved by the Board of the Company at its meeting held on **5th February, 2021** and came into force with immediate effect.

