

CORPORATE SOCIAL RESPONSIBILITY POLICY (“CSR POLICY”)



CAPITAL

Exclusive Leasing and Finance Private Limited

(Formerly known as Exclusive Leasing and Finance Limited)

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CORPORATE SOCIAL RESPONSIBILITY



“The business of business should not be about money, it should be about responsibility. It should be about public good, not private greed.”

1.0 INTRODUCTION:

1.1 Exclusive Leasing and Finance Private Limited (**"EZ Capital "**) is dedicated to conducting its business with a strong sense of responsibility, acknowledging the interconnectedness of People, Planet, and Profit. We firmly believe in a holistic approach to addressing societal challenges, aiming for sustainable outcomes that benefit all living beings. Our commitment extends to fostering inclusive growth, particularly among marginalized and deprived communities. Through our Corporate Social Responsibility (CSR) initiatives, we strive to complement governmental efforts and, where necessary, take independent action. These initiatives are primarily directed towards areas where we operate, with a preference for our Operational Areas, as we endeavor to contribute to the well-being and advancement of Indian society.

1.2 Vision

To support responsible and sustainable initiatives, we prioritize the well-being of People, the health of the Planet, and the prosperity of our Profit. By integrating these considerations into our operations, we aim to foster positive outcomes that benefit both society and the environment

1.3 Mission

We are dedicated to continuously improving our economic, environmental, and social performance, guided by the principles of the triple bottom line. We engage our employees and relevant stakeholders in this commitment, fostering their active involvement in driving positive change. Our goal is to create social wealth within the communities we serve, promoting sustainable development and equitable growth.

1.4 Strategy

EZ Capital is deeply committed to Corporate Social Responsibility ("CSR") initiatives focused on key pillars such as Education, Hunger and Poverty Eradication, Healthcare, Access to Safe Drinking Water, Support for Armed Forces Veterans, War Widows, and their Dependents, as well as Environmental Sustainability.

Our CSR endeavors are dedicated to enhancing the welfare of the communities where we operate. In line with this commitment, we prioritize initiatives aimed at promoting Education, Healthcare, Nutrition, and Access to Safe Drinking Water in our operational areas. These efforts underscore our dedication to fostering positive and sustainable impact at the grassroots level.

All projects outlined in our Annual Action Plan, as per our CSR policy, align with these focus areas. Additionally, we remain open to incorporating new focus areas into our CSR policy annually, subject to approval by the Board."

This version maintains clarity and coherence while emphasizing EZ Capital commitment to CSR and its focus areas.

2.0 DEFINITIONS:

2.1 "Exclusive Leasing and Finance Private Limited" means EZ Capital /Company.

2.2 "Act" means the Companies Act, 2013 (18 of 2013) and its subsequent amendments such as Companies (amendment) Act 2020,

2.3 "Section" means a section of the Act,

2.4 "Rules" means the Companies (CSR Policy) Rules issued by the Ministry of Corporate Affairs (MCA) as amended from time to time. Any subsequent revisions to the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 & the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2022 will be construed to be accepted by EZ Capital,

2.5 "Corporate Social Responsibility (CSR)" refers to the initiatives undertaken by EZ Capital in compliance with its statutory obligations as outlined in section 135 of the Act, and in accordance with the regulations specified therein. However, the following activities shall not be considered as part of CSR:

- (i) Activities conducted as part of EZ Capital's regular business operations,
- (ii) Any activity conducted by EZ Capital outside India, except for the training of Indian sports personnel representing any State or Union territory at the national level, or representing India at the international level,
- (iii) Contributions, whether direct or indirect, to any political party under section 182 of the Act,
- (iv) Activities solely benefiting the employees of the company, as defined in clause (k) of section 2 of the Code on Wages, 2019 (29 of 2019),
- (v) Activities supported by the company on a sponsorship basis for the purpose of deriving marketing benefits for its products or services,
- (vi) Activities carried out to fulfill any other statutory obligations under existing laws in force in India.

2.6 "CSR Committee" means the Corporate Social Responsibility Committee of the Board referred to in section 135 of the Act,

2.7 "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,

2.8 "Net Profit" means the net profit of a company as per its financial statement prepared in accordance with the applicable provisions of the Act, but shall not include the following, namely:-

(i) any profit arising from any overseas branch or branches of the company, whether operated as a separate company or otherwise, and

(ii) any dividend received from other companies in India, which are covered under and complying with the provisions of section 135 of the Act: Provided that in case of a foreign company covered under these rules, net profit means the net profit of such company as per profit and loss account prepared in terms of clause (a) of sub-section (1) of section 381, read with section 198 of the Act,

2.9 "Annexure" means the Annexure appended to the amended CSR rules notified in January 2021

2.10 "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,

2.11 "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,

2.12 "Public Authority" means 'Public Authority' as defined in clause (h) of section 2 of the Right to Information Act, 2005 (22 of 2005),

2.13 "International Organisation" means an organisation notified by the Central Government as an international organisation 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.

3.0 PURPOSE:

The CSR policy of EZ Capital serves as a comprehensive directive, reflecting the intent, approach, and guidance set forth by the Board of EZ Capital, in consideration of recommendations from its CSR Committee. It encompasses guiding principles for the selection, implementation, and monitoring of activities, as well as the formulation of an annual action plan. This policy outlines the mode of implementation for CSR projects and establishes monitoring mechanisms to oversee their execution, while also evaluating their impact on Sustainable Development Goals (SDGs).

Key components of this policy include:

Intent and Direction: Clearly articulating EZ Capital commitment to CSR, guided by its vision, mission, and core values, and emphasizing the importance of aligning CSR initiatives with broader organizational goals and societal needs.

Guiding Principles: Establishing principles to guide the selection of CSR activities, ensuring alignment with EZ Capital values, priorities, and areas of expertise, while also emphasizing inclusivity, sustainability, and stakeholder engagement.

Implementation Framework: Providing a framework for the effective implementation of CSR projects, including resource allocation, partnership development, and project management methodologies.

Monitoring and Evaluation: Defining mechanisms for ongoing monitoring and evaluation of CSR projects, aimed at assessing progress, identifying challenges, and capturing learnings to inform future initiatives.

Adoption of Similar Practices: To persuade our business partners for adopting similar practices for CSR and Sustainable development.

This includes the establishment of Key Performance Indicators (KPIs) and reporting mechanisms to track impact and compliance with SDGs.

By adhering to the principles and directives outlined in this policy, EZ Capital reaffirms its commitment to responsible corporate citizenship and sustainable development, striving to create positive and lasting impact in the communities it serves.

4.0 SCOPE AND INTERPRETATION:

EZ Capital has formulated this Corporate Social Responsibility (CSR) and Sustainability Policy in alignment with the CSR Policy framework outlined in

Section 135 of the Companies Act, 2013 (the Act), and in compliance with the Companies (CSR Policy) Rules, 2014 (the Rules), as notified by the Ministry of Corporate Affairs, Government of India. Additionally, the policy incorporates amendments introduced in the Rules, including the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, issued by the Ministry of Corporate Affairs in January 2021 & the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2022, issued by the Ministry of Corporate Affairs in September 2022.

This policy applies to all CSR projects and programs undertaken by EZ Capital, as enumerated in EZ Capital CSR policy and duly approved by the Board of EZ Capital upon recommendation from the CSR Committee of the Board. These initiatives are confined within the geographical boundaries of India, with the exception of activities related to the training of Indian sports personnel representing any State or Union territory at the national or international level.

The primary focus of these endeavors is to benefit marginalized, disadvantaged, impoverished, and deprived sections of society, as well as to contribute to environmental sustainability and the achievement of Sustainable Development Goals.

In instances where specific provisions are not addressed within this Policy, interpretation shall be guided by the Companies (CSR Policy) Rules, 2014, the Companies (CSR Policy) Amendment Rules of 2021 and the Companies (CSR Policy) Amendment Rules of 2022. In the event of any discrepancy, the provisions outlined in the Companies (CSR Policy) Rules, 2014, the Companies (CSR Policy) Amendment Rules of 2021 and the Companies (CSR Policy) Amendment Rules of 2022 shall take precedence.

5.0 GOVERNANCE:

5.1 The Board of EZ Capital, taking into account the recommendations of its CSR Committee, will establish guiding principles for the selection, implementation, and monitoring of CSR activities. This includes formulating the annual action plan for CSR activities, defining the mode of implementation for CSR projects, devising monitoring mechanisms to oversee project implementation, and evaluating the impact of CSR projects on Sustainable Development Goals.

5.2 The Board of EZ Capital shall approve multi-year projects undertaken by EZ Capital to fulfil its CSR obligations. These projects shall have timelines not exceeding three years, excluding the financial year in which they commenced.

The Board may also approve the extension of the duration of a project beyond one year, based on reasonable justification.

5.3 For Ongoing Projects, the Board of EZ Capital shall monitor implementation with reference to approved timelines and year-wise allocations. Modifications may be made, if necessary, to ensure smooth project implementation within the overall permissible time period.

5.4 The Board of EZ Capital reserves the right to alter the annual action plan of CSR activities at any time during the financial year, based on the recommendation of its CSR Committee and with reasonable justification.

5.5 Administrative overheads shall not exceed 5% of the total CSR expenditure of the company for the financial year, as mandated by the Board of EZ Capital.

5.6 The Board of EZ Capital shall ensure that funds disbursed for implementing CSR projects are utilized as approved. The Chief Financial Officer or the person responsible for financial management shall certify compliance with this requirement.

5.7 The Board of EZ Capital shall monitor the progress of approved CSR projects and programs through the CSR Committee of EZ Capital. A monitoring framework for CSR project implementation may be devised with the assistance of expert organizations.

5.8 The CSR Committee of the Board shall formulate and recommend to the Board an annual action plan in line with the CSR policy.

This plan shall include:

(a) List of approved CSR projects or programs in accordance with Schedule VII of the Act.

(b) Implementation methodology specified in the Companies (Corporate Social Responsibility Policy) Rules, 2014 , the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 & the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2022.

(c) Utilization modalities and implementation schedules for projects or programs.

(d) Monitoring and reporting mechanisms for projects or programs.

(e) Details of need and impact assessment for projects undertaken by EZ Capital.

The Board may alter this plan during the financial year based on recommendations from the CSR Committee and with reasonable justification

The policy may be revised with the approval of the Board of EZ Capital based on recommendations from the CSR Committee, to align with government guidelines and amendments.

6.0 CSR ACTIVITIES:

6.1 "Corporate Social Responsibility (CSR)" refers to the activities outlined in clause 2.5 of the CSR and Sustainability Policy of EZ Capital

6.2 Projects/Programs will be identified and approved by the Board of EZ Capital based on recommendations from the CSR committee of the board at the outset of each financial year. These approved initiatives will be incorporated into the policy document, which will be publicly accessible on the EZ Capital website as may be.

6.3 Budget allocations for CSR projects will follow a structured process involving the identification of suitable projects, collaborating or implementation agencies, need assessments where necessary, and clear articulation of desired outcomes. All CSR projects, programs, and initiatives undertaken must align with the provisions outlined in Schedule VII of the Companies Act, 2013, as amended from time to time.

6.4 All CSR activities will be in the form of projects / programs, which will, as far as possible, entail the following components:

- i. Need-Based Assessment/Baseline Survey/Study will be conducted where deemed necessary and feasible.
- ii. Specific and measurable objectives/goals will be identified for the selected sectors and geographies.
- iii. Projects will be formed, and Detailed Project Reports (DPRs) will be prepared.
- iv. Clear timelines, including start and end dates, will be specified for each project.
- v. Annual financial allocations will be outlined for each project.
- vi. Beneficiaries will be clearly identified, including by name where possible.
- vii. Milestones will be identified for the entire duration of the project/program.
- viii. Agreements/Letter of Engagement will be prepared and signed with Collaborating /Implementing Agencies.
- ix. Comprehensive documentation procedures will be established and implemented concurrently with project activities.

x. Robust periodic reviews and monitoring will be conducted to ensure project progress.

xi. Evaluation and assessment, preferably both concurrent and final, will be carried out, with consideration given to engaging competent third parties where appropriate.

xii. Mandatory reporting will be conducted using the Management Information System devised specifically for monitoring the progress of CSR project.

6.6 Opportunities for complementing or supplementing Government initiatives or programs will be actively explored. However, funds will not be deposited into Government accounts unless mandated by the Act or Rules governing such allocations.

6.7 EZ Capital will also prioritize multi-year projects and programs of medium or long duration in the near future whenever feasible, with timelines not exceeding 3 years (excluding the year of approval). This strategic approach underscores our commitment to achieving long-term outcomes and impacts that positively influence our communities.

6.8 EZ Capital will place significant emphasis on the sustainability of its projects and programs, ensuring their relevance and viability even after disengagement at the end of the project period.

6.9 EZ Capital will actively explore opportunities for collaboration and cooperation with other corporate, national, multilateral, and bilateral agencies. This approach aims to synergize efforts, increase financial resources, and enhance outcomes and impacts. Such collaborations will be structured to enable the CSR Committee to report separately on these projects or programs in accordance with regulatory requirements.

7.0 CSR PLANNING:

7.1 To facilitate activity planning, the Annual Action Plan will outline indicative budget allocations for various sectors. This plan, formulated and recommended by the CSR Committee, will be submitted to the Board for approval. It will encompass:

a) A list of approved CSR projects or programs aligned with Schedule VII of the Act.

b) Execution modalities as per sub-rule (1) of rule 4 of the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021.

- c) Fund utilization modalities and project implementation schedules.
- d) Monitoring and reporting mechanisms for projects or programs.
- e) Details of need and impact assessments, if applicable, for company undertakings.

7.2 The Board reserves the right to amend this plan during the financial year based on the CSR Committee's recommendations and reasonable justifications.

7.3 The CSR Annual Action Plan will align with EZ Capital CSR Strategy, focusing on Education, Hunger and Poverty Eradication, Healthcare, Access to Safe Drinking Water, Support for Armed Forces Veterans, War Widows, and their Dependents, as well as Environmental Sustainability.

7.4 EZ Capital will prioritize well-defined project operating principles during the planning stage to ensure optimal utilization of the CSR budget.

7.5 EZ Capital is committed to continuously building and developing the skills of its CSR team and enhancing CSR awareness within the organization.

8.0 CSR IMPLEMENTATION:

8.1 The implementation of CSR projects or programs shall be conducted either directly or through agencies that meet the criteria outlined in the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 (and subsequent amendments). Implementing agencies must satisfy the criteria specified in **Annexure-1** of this Policy. Only agencies duly registered on the MCA portal with a valid registration number will be engaged for CSR project implementation.

8.2 EZ Capital is committed to continuously building and developing the skills of its CSR team and enhancing the level of CSR awareness within the company.

9.0 CSR BUDGET AND CSR EXPENDITURE:

9.1 The Board of EZ Capital will ensure that in each Financial Year (FY), a minimum of two percent of the average net profit (calculated as per Section 198 of the Companies Act 2013) accrued during the three immediately preceding Financial Years is allocated for CSR activities, projects, or programs.

The Board will verify that the disbursed funds have been utilized in accordance with its approved purposes and methods, with certification provided by the Chief Financial Officer or the person responsible for financial management.

9.2 If the allocated amount specified in paragraph

9.1 is not entirely expended in a given Financial Year, the reasons for this occurrence will be outlined in accordance with section 134(3)(o) of the Act, and shared with stakeholders through the Annual Report. The unspent amount will be transferred to a fund included in Schedule VII of the Act until such a fund is specified in Schedule VII.

9.3 In the event that EZ Capital generates any surplus or profit from its CSR projects or programs, these proceeds will not be considered part of business profits. Instead, they will either be reinvested into the same project or transferred to the unspent CSR Account and utilized in alignment with the CSR Policy and Annual Action Plan of the Company, or they will be transferred to a fund specified in Schedule VII within six months following the end of the financial year.

9.4 In an event where CSR expenditure is in excess of requirement as per section 135 of Companies Act, 2013, such excess amount may be offset against the spending requirement for the immediate succeeding three financial years. This offsetting is subject to conditions, including that the excess amount does not include any surplus from CSR projects and that the Board of EZ Capital passes a resolution to this effect.

9.5 Any capital asset created or acquired using CSR funds will be held by a company established under section 8 of the Companies Act, 2013, or a registered Public Trust or Registered Society with charitable objectives and a CSR Registration Number. Alternatively, beneficiaries of the project, such as self-help groups, collectives, entities, or Public Authorities may hold the asset.

9.7 Expenditure related to Impact Assessment will be classified as Corporate Social Responsibility expenditure for the respective financial year. This expenditure shall not exceed five percent of the total CSR expenditure for that financial year or fifty lakh rupees, whichever is less.

10.0 MONITORING & EVALUATION:

10.1 In the case of ongoing projects, the Company's Board will oversee their implementation, adhering to approved timelines and yearly allocations. The Board retains the authority to make adjustments, as necessary, to ensure the project progresses smoothly within the allotted timeframe.

10.2 EZ Capital will establish a robust monitoring mechanism to ensure compliance with CSR regulations and guidelines. This mechanism will entail:

- ❖ Collaboration with National Organizations/Agencies for project design, monitoring, and evaluation.

- ❖ Allocation of a dedicated budget for implementing and sustaining the monitoring system.
- ❖ Deployment of an electronic Management Information System (MIS) and human resources to ensure accurate tracking of expenditures and project execution.
- ❖ Disbursement of funds only upon verification of their appropriate utilization.

10.3 The monitoring system will encompass:

- ❖ Real-time monitoring of CSR project progress via digital platforms and adherence to monitoring standards through physical inspections.
- ❖ Regular site visits by designated teams to assess project/program implementation.
- ❖ Thorough documentation and compilation of field reports.
- ❖ Continuous engagement with beneficiary communities for feedback.
- ❖ Oversight of timely fund utilization to ensure alignment with budgeted projects/programs.
- ❖ Any additional activities deemed necessary by the CSR Committee to advance CSR initiatives.
- ❖ Quarterly reports on project monitoring/implementation may be submitted to the CSR Committee, with the option to engage professional agencies for external monitoring and evaluation purposes.

11.0 IMPACT ASSESSMENT/EVALUATION OF CSR:

11.1 EZ Capital is committed to evaluating the impact of its CSR Projects and Programmes to enhance outcomes and foster sustainability, scalability, and replicability.

To achieve this, the following measures will be undertaken:

- ❖ Collection of baseline data prior to project commencement whenever feasible.
- ❖ Utilization of Quasi Experimental Research design whenever possible to assess the impact of CSR projects effectively.

Additionally:

Independent Impact Assessment may be conducted by an external agency for CSR projects with a budget of Rs. 1 Cr. or more, provided they have been operational for at least one year before the assessment.

The findings of Impact Assessment reports will be presented to the Board and appended to the annual CSR report for transparency and accountability.

12.0 REPORTING:

12.1 EZ Capital will compile a comprehensive report detailing its CSR projects and programmes executed in the preceding year, following the format specified for the "Annual Report on CSR Activities to be included in the Board's Report" as outlined in the Companies (CSR Policy) Amendment Rules, 2021 and as per Sub-rule (1B) of Rule 12 of Companies (Accounts) Rules, 2014 a report on Corporate Social Responsibility in the web- e-form CSR-2 ie. Addendum to AoC-4 CSR shall be filed accordingly for respective financial year(s).

This report aligns with the provisions of section 134(3)(o) of the Act.

13.0 DOCUMENTATION:

13.1 EZ Capital is committed to establishing effective documentation processes for all projects and programmes. This comprehensive documentation will encompass various formats including printed material, audio recordings, and video recordings.

13.2 Additionally, Project Completion Reports will be created to document key project parameters, implementation processes, anticipated deliverables, achieved outcomes, end-line data, and suggestions/recommendations for scalability and replicability, wherever feasible.

14.0 DISCLOSURE:

EZ Capital is committed to compliance with Section 135(2), 135(4)(1), and 134(3)(o) of the Act, ensuring comprehensive disclosure of its CSR Policy, Strategy, Projects/Programmes, Activities, monitoring mechanism, Implementing Agencies, Expenditure details, and the composition of the CSR Committee of the Board on its corporate website, www.ezcapital.in.

15.0 ACCOUNTING AND AUDITING:

EZ Capital will adhere to the Accounting and Auditing Guidance Note/Standards approved by the Ministry of Corporate Affairs, Government of India, as applicable

CRITERIA TO BE FULFILLED BY IMPLEMENTING AGENCIES

a) a company established under section 8 of the Act, or a registered public trust or a registered society or 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,

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 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

- ❖ Every entity, covered under sub-rule (1) of Rule 4 to the Rules of Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, 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.
- ❖ All organizations desirous of implementing CSR projects must have established track record of 3 years in similar activity.
- ❖ All Implementing Partners will have to furnish the relevant information pertaining to the eligibility criteria as above and this will be in addition to the information already required to be furnished as per existing EZ Capital CSR Checklist.
- ❖ Agencies not fulfilling the criteria as mentioned above will not be considered as Implementing Agencies for CSR Project.