

CORPORATE SOCIAL RESPONSIBILITY ("CSR") POLICY

**OF
FDPL FINANCE PRIVATE LIMITED**

("FFPL" OR "THE COMPANY")

Approval Date	Version History	Approval Authority
11-09-2025	V-FY2401	Board of Directors

Contents

1. Introduction and Objectives
 - 1.1 Introduction
 - 1.2 Objectives
2. Definitions
3. Powers of the Board
4. Scope of Activities
5. Other Provisions
6. CSR Expenditure Budgeted
7. Implementation of Corporate Social Responsibility (CSR) Projects
8. CSR Initiatives
9. Monitoring Process
 - 10.1 The CSR Annual Action Plan
 - 10.2 Periodic review by Board
10. Disclosure / Reporting
11. Policy Review and Amendment
12. Transfer of Unspent CSR Amount

CORPORATE SOCIAL RESPONSIBILITY ("CSR") POLICY

1. INTRODUCTION AND OBJECTIVES

1.1 Introduction

FDPL Finance Private Limited ("FFPL" or "the Company"), is a company incorporated under Companies Act, 2013 and a Non-Banking Financial Company (NBFC) – Base Layer (BL) (CoR No N-13.02471) registered with the Reserve Bank of India (RBI).

1.2 Objectives

This Policy shall be called the "Corporate Social Responsibility Policy" or "CSR Policy" of the Company which is developed and implemented in accordance with the provisions of Section 135 of the Companies Act, 2013, read with the CSR Rules framed thereunder. The Policy will outline the Company's philosophy, responsibility, and lays down the guidelines and mechanism for undertaking socially impactful programs towards welfare and sustainable development of the community around the area of its operations and other parts of the country. The Policy shall be applicable to all CSR Activities taken up by the Company at various locations in India for the benefit of different segments of the society. This policy shall be applicable to all CSR initiatives and activities undertaken by the Company, either directly or through entities, as mentioned in rule 4 of the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2019 for the benefit of different segments of the society at large, specifically the deprived and underprivileged segment.

2. DEFINITIONS

- (a) **"Act"** means the Companies Act, 2013;
- (b) **"Board"** means Board of Directors of the company;
- (c) **"Company"** means FDPL Finance Private Limited ("FFPL");
- (d) **"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 program;
- (e) **"Corporate Social Responsibility (CSR) Activities"** means the activities undertaken by a Company in pursuance of its statutory obligation laid down in Schedule VII and Section 135 of the Companies Act, 2013 in accordance with the provisions of the Act and rules contained thereunder.
- (f) **"CSR Policy"** means a statement containing the approach and direction given by the Board of a Company, and includes guiding principles for selection, implementation and monitoring of activities as well as formulation of the annual action plan;
- (g) **"CSR Expenditure Budgeted"** means the amount recommended and approved by the Board from time to time, to be incurred on the CSR Activities in India in a financial year in terms of Section 135 of the Companies Act, 2013 (Act) and the rules framed thereunder. CSR expenditure will include all expenditure incurred by the Company on CSR Program undertaken in accordance with the approved Annual Action Plan.

- (h) **“Annual Action Plan”** will include the list of CSR projects or programs that are approved to be undertaken in areas or subjects specified in Schedule VII to the Act, the manner of execution of such projects or programs, modalities of utilization of the CSR funds and implementation schedules for the projects or programs, monitoring and reporting mechanism for the projects or programs and details of need and impact assessment, if any, for the projects undertaken by the Company. The Board would recommend the Annual Action Plan to the Board. In case there is any alteration in the Annual Action Plan at any time during the financial year, the Board may alter such plan, based on the reasonable justification to that effect;
- (i) **“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/or rules shall have the same meanings respectively assigned to them in the Act or rules.

3. Powers of Board:

The Board shall have the following powers:

- i) Approve the CSR policy for the company and disclose contents of such policy in its report and also place it on the Company's website;
- ii) Ensure that the activities as are included in CSR policy of the company are undertaken by the Company;
- iii) Ensure that the Company spend in every financial year such amount/s as is required to be spent under the extant provisions of Companies Act 2013 read with Rules and Regulations for the same;
- iv) If the company fails to spend such amount, the Board shall in its report specify the reason for not spending the requisite amount; and
- v) The Board may at all times amend this Policy, as required under law.

4. Scope of Activities

The Company shall undertake such CSR activities as approved by the Board from time to time pursuant to Schedule VII and Section 135 of the Act read with CSR Rules framed thereunder.

- a) The CSR Activities shall include the following: Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation including contribution to the Swacchh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water;
- b) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
- c) 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;
- d) 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;
- e) 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;
- f) 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;
- g) training to promote rural sports, nationally recognized sports, Paralympics sports and Olympic sports;
 - h) 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 govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;
 - i) 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;
 - j) 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), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs);
 - k) rural development projects;
 - l) slum area development
 Explanation. - For the purposes of this item, the term slum area' shall mean any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force.
 - m) Disaster management, including relief, rehabilitation and reconstruction activities; and
 - n) Such other areas as may be included in Schedule VII of the Companies Act, 2013 from time to time.

The Projects / Programs in the aforementioned Identified Areas would be of a continual nature requiring long-term commitment from the Company for which fixed implementation schedules cannot be specified.

The Projects / Programs may be undertaken by the Implementation Agency or the Company directly provided that such projects / programs are in line with the activities enumerated in Schedule VII of the Companies Act, 2013. The Board, while formulating the Annual Action Plan, will accord priority to projects in the specific areas of the Company as mentioned above. The CSR activities specified under this Policy would be undertaken only in India and the preference shall be given to the local area and/or areas in the vicinity, where the Company operates, for spending the amount earmarked for CSR activities.

5. Other Provisions

- i) The Company may collaborate with other Companies, as may be approved by the Board, to implement CSR activities and the same shall form a part of the Annual CSR Plan. The Company may form trusts on its own to carry out CSR activities in accordance with the CSR Rules and to administer its CSR activities. The Company may also collaborate its CSR activities with other Company as may be eligible and approved by the Board of Directors and towards this effort, the Company may jointly along with other Company form Trusts to administer the CSR activities;
- ii) The Company may build CSR capacities of their own personnel as well as their implementing agencies through institutions while complying with respective provisions and amendments, if any, under Companies Act, 2013; and
- iii) The CSR initiatives of the Company shall focus the areas surrounding its plant locations or where the Company has its offices.

6. CSR Expenditure Budgeted

- i) In the beginning of every financial year, the Board shall determine whether the provisions of Section 135 of the Act for mandatory CSR spend are applicable to the Company and accordingly, determine the CSR Expenditure Budgeted for the Financial Year and recommend the same for approval of the Board.
- ii) CSR Expenditure Budgeted shall include all expenditure including contribution to corpus or on projects/programs relating to the CSR Activities. For achieving the CSR objectives through implementation of meaningful and sustainable CSR programs, the Company shall allocate the following as its annual CSR Expenditure Budgeted:
 - a) 2% of its average net profits made during the three immediately preceding financial years, as prescribed under the Act and Rules framed thereunder from time to time;
 - b) Any income arising there from;
 - c) Surplus arising out of CSR Activities; and
 - d) Such other amount as may be determined by the Board from time to time.
- iii) Any surplus arising out of CSR Activities shall not form part of the business profits of the Company and the same shall be spent on CSR activities.
- iv) Likewise, any excess amount spent on CSR activities may be set off against CSR expenditure to be incurred in the succeeding financial years in accordance with the provisions of Section 135 of the Act and CSR Rules framed thereunder.
- v) Unspent amount, if any, on the CSR Activities shall be dealt with in accordance with the provisions of Section 135 of the Act and CSR Rules framed thereunder.

7. Implementation of Corporate Social Responsibility (CSR) Projects

In pursuance to the Rule 4 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board shall ensure that the CSR activities are undertaken by the Company itself or through –

- i) company established under section 8 of the Act, or a registered public trust or a registered society, exempted under sub-clauses (iv), (v), (vi) or (via) of clause (23C) of section 10 or registered under section 12A and approved under 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, exempted under sub-clauses (iv), (v), (vi) or (via) of clause (23C) of section 10 or registered under section 12A and approved under 80 G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities.

Every entity, covered above, who intends to undertake any CSR activity, must be registered with the Central Government by filing the form CSR-1 electronically with the Registrar. The Board of a company shall satisfy itself that the funds so disbursed have been utilized 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.

In case of ongoing project, the Board of a 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.

Further, the Company may meet its CSR obligations by funneling its activities either on its own or through its foundation, if any or a third party, such as a society, trust, foundation or Section 8 company (i.e., a Company with charitable purposes) that has an established record of at least three years in CSR activities

but the expenditure of such institution shall not exceed 5% of total CSR expenditure in one financial year. The Company may also collaborate with other companies or institutions for undertaking projects or programs for CSR activities.

8. CSR Initiatives

In line with Schedule VII of the Act and the CSR Rules, the Company shall undertake CSR activities included in its Annual CSR Plan, as recommended by the Board at the beginning of each year. The Board is authorized to approve any modification to the existing Annual CSR Plan or to propose any new program during the financial year under review.

9. Monitoring Process

- i) The Board shall monitor all CSR Activities, including utilization of funds to ensure their effective implementation in accordance with the Section 135 of the Act read with CSR Rules framed thereunder;
- ii) The progress of CSR programs under implementation will be reported to the Board;
- iii) Broadly, the following procedure will be adopted by the Board for implementing and monitoring the CSR Activities:

9.1 The CSR Annual Action Plan

The Annual action plan will be formulated by the Board. The annual action plan in pursuance of its CSR policy, shall include the following, namely: -

- The list of CSR projects or programs that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
- the manner of execution of such projects or programs;
- the modalities of utilization of funds and implementation schedules for the projects or programs;
- monitoring and reporting mechanism for the projects or programs; and
- Details of need and impact assessment, if any, for the projects undertaken by the company.

The Board may alter such plan at any time during the financial year, based on the reasonable justification to that effect.

9.2 Periodic review by the Board

- The Board will monitor and review on a periodical basis the progress of CSR activities undertaken / completed; and
 - In order to ensure transparency and communication with all stakeholders, the Board will document the details of the Company's CSR initiatives, CSR expenditure, CSR unspent amount and ensure that the same are reported in the Annual Report on CSR Activities forming part of Board's Report of the Company.
- iv) The Company may conduct impact assessment on a periodic basis, either on its own or through independent professional or professional institutions; and
 - v) The Board to present the amount spent on CSR Activities annually and also the impact assessment thereof as appropriate.
 - vi) Even if the CSR Committee is optional at the current stage, the Board will designate responsibility or a sub-committee for oversight.

10. Disclosure / Reporting

The Board's report of a Company shall include a report on Corporate Social Responsibility containing particulars of the CSR activities in the manner as specified in the Companies (Corporate Social Responsibility Policy) Rules, 2014.

11. Policy Review and Amendment

The Board shall review and amend this policy as and when required.

If at any point a conflict of interpretation / information between the policy and any regulations, rules, guidelines, notification, clarifications, circulars, master circulars/ directions issued by relevant authorities ("Regulatory Provisions") arises, then interpretation of the Regulatory Provisions shall prevail.

In case of any amendment(s) and/or clarification(s) to the Regulatory Provisions, the policy shall stand amended accordingly from the effective date specified as per the Regulatory Provisions.

12. Transfer of Unspent CSR Amount

Until a fund is specified in Schedule VII for the purposes of subsection (5) and (6) of section 135 of the Act, the unspent CSR amount, if any, shall be transferred by the company to any fund included in schedule VII of the Act.