

CORPORATE SOCIAL RESPONSIBILITY POLICY

OF

S V CREDITLINE PRIVATE LIMITED

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CORPORATE SOCIAL RESPONSIBILITY POLICY

OF

S V CREDITLINE PRIVATE LIMITED

(As Approved on _____)

1) PREAMBLE

S V Creditline Pvt. Ltd. (herein after referred to as “SVCL”) is registered as a Non Banking Finance Company (NBFC-MFI) under Reserve Bank of India under Section 451A having its Corporate Office in Gurgaon (Haryana). It has been involved in microfinance since January, 2010 and started its operations in three states - Uttar Pradesh, Madhya Pradesh & Rajasthan. SVCL is one of the few new generation MFI to have high initial capitalisation since inception. In the medium to long term, SVCL plans to be an MFI having a strong regional focus and present in the Northern and Central India.

SVCL has been promoted by Vans Pte. Ltd. and SV Corporation Pvt. Ltd. with the vision of uplifting “entrepreneurial poor” through giving them easy access to credit for their income generation endeavors. Objective to promote these entrepreneurs is complemented with relevant financial tools enabling them in re-engineering and uplifting their financial status as a long-term impact.

SVCL’s value proposition is to be customer-centric which is amply reflected in product offerings, simplified and efficient processes, transparent pricing structure & strong customer service orientation. Customers are reached through trained field staff operating from conveniently located and easily accessible branches. Field staff is trained to drive SVCL objective at grass root level and providing the much needed comfort to the customers. Leadership team's focus is to use technology in streamlining business operations and work continuously to innovate processes based on valuable customer feedbacks.

2) SCOPE & APPLICABILITY OF CSR

With the promulgation of the Companies Act, 2013 (Act) on September 2013 and the notification of Section 135 of the Act read with in Schedule VII to the Act, dealing with the aspect of corporate social responsibility as also of the Rules laid down to such effect to the Act, which have come into force on the 1st day of April, 2014 (the CSR Rules), it has become mandatory for the corporate entities falling within the purview of the limits as to Networth, Turnover or Profitability as laid down in the said section read with the CSR Rules, to undertake any one or more of the activities as laid down thereunder, towards the discharge of their responsibility towards the society in general (the “Corporate Social Responsibility” or briefly “CSR”).

The Company being a corporate entity falling within the purview of Section 135 of the Act read with CSR Rules, the Board of Directors hereby form the Committee and devise a draft CSR Policy and authorize the Committee members with the responsibility of formulation of a CSR Policy, which may approved by the Board with or without modifications as the Corporate Social Responsibility Policy of the Company, elaborated as under:

3) Mission

Driving positive impact in communities.

4) Objective of CSR Policy

The objective of this policy is to continuously and consistently:

- ❖ Generate goodwill in communities where SVCL operates or are likely to operate;
- ❖ Initiate projects that benefit communities;
- ❖ Encourage an increased commitment from employees towards CSR activities and volunteering.

5) DEFINITIONS

a) **Company:** means SVCL.

b) **Corporate Social Responsibility Activities (CSR Activities):** mean any one or more of the following objectives/ purposes, being pursued/ undertaken/ to be undertaken by the Company, either directly or in collaboration with other companies or through SVCL for the purpose of undertaking programs or projects within the purview of CSR Rules:

- eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water;
- Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
- 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;
- ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water;
- 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 arts and handicrafts;
- Measure for the benefit of armed force veterans, war widows and their dependents;
- Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports;

- Contribution to the prime minister's National Relief Fund or any other fund set up by the central government for socio-economic development and relief and welfare of the Scheduled Castes, the Schedule Tribes, other backward classes, minorities and women;
 - Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
 - Rural Development projects.
 - Activities as to be pursued by Company as mentioned under Schedule VII of the Companies Act, 2013 read with CSR Rules.
 - Any other Activities as may be decided by the committee within the purview of provisions of Companies Act, 2013 with modifications and amendments issued by MCA from time to time.
- c) **Committee:** means the Corporate Social Responsibility Committee as constituted for the purpose, by the Board of Directors of the Company.
- d) **Net Profit:** means the net profit computed for a financial year in accordance with the applicable provisions of the Act, not being profit arising from any overseas branch of the Company and/or any dividend income accruing to the Company in any financial year. excluding the surplus arising out of CSR Activities, if any.

6) **CSR FUNDING AND ALLOCATION**

For achieving the CSR objectives through implementation of meaningful and sustainable CSR Projects, the CSR Committee will allocate for its Annual CSR Budget, 2% of the average net profits of the Company made during the three immediately preceding financial years, calculated in accordance with the relevant Sections of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014.

The contribution by the Company in any financial year towards CSR Activities shall be a minimum of 2% of its average Net Profits for three immediately preceding financial years.

7) **CSR THRUST AREAS**

The Company has identified CSR Thrust Areas for undertaking CSR Projects/ programs/ activities in India. The actual distribution of the expenditure among these thrust areas will depend upon the local needs as may be determined by the need identification studies or discussions with local government/ Grampanchayat/ NGOs. The Company shall give preference to the local area and areas around which the Company operates for CSR spending.

Thrust areas:

- **Education:** Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.
- **Health:** Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation and making available safe drinking water.

- **Environment:** Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water.
- **Others:**
 - 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.
 - 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 arts and handicrafts.
 - Measures for the benefit of armed forces veterans, war widows and their dependents.
 - Training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports.
 - Contribution to the Prime Minister's National Relief Fund or any other fund set up by the central government for socio-economic development and relief and welfare of the scheduled castes, the scheduled tribes, other backward classes, minorities and women.
 - Contribution or funds provided to technology incubators located within academic institutions which are approved by the central government or Rural development projects.
 - Any other activities that the CSR Committee of the Company may define from time to time.

8) **FUNCTIONING OF THE COMMITTEE**

The Committee towards effectuation and implementation of the CSR Activities shall identify and recommend the specific CSR activity (ies) to the Board of Directors of the Company (Board) for its consideration and approval. Based on the approval of the Board, required funds shall be infused into the Board approved CSR activities. The same shall constitute the CSR Contribution of the Company for the relevant financial year.

The Committee shall institute a transparent monitoring mechanism for implementation of the CSR activities, towards which end, progress updates on CSR activities undertaken, shall be submitted to the Board, from time to time.

9) **IMPLEMENTATION**

1. The CSR Committee shall provide guidance on the allocation of the CSR budget among the thrust areas on an annual basis.
2. CSR Projects will be undertaken based on the recommendation of the CSR Committee to the best possible extent, within the defined Thrust Areas.

3. SVCL support to any project will depend on the scale of the project and feasibility of the project. The CSR Committee shall develop a formal process of evaluating and approving CSR Projects. The CSR Committee will evaluate the project progress and impact quarterly.

10) MONITORING PROCESS OF CSR ACTIVITIES

- ✚ To ensure effective implementation of the CSR activity at each location, a monitoring mechanism will be put in place by the CSR Committee.
- ✚ Annual CSR Calendar activities shall be prepared.
- ✚ Any other donations will be cleared/ signed off by requisite Authority as approved by the Board of Directors of the Company.
- ✚ The CSR Committee will monitor and review on a quarterly basis the progress of CSR activities undertaken/ completed.
- ✚ All the CSR initiatives of the Company will form part of the Directors' Report and also be reported in the Sustainability Report of the Company.
- ✚ In order to ensure transparency and communication, the CSR Committee will document the details of the Company's CSR initiatives and CSR expenditure and ensure that the same are available in the public domain i.e. the Website of the Company.

11) PROGRESS MONITORING

- a) To ensure effective implementation of the CSR programmes undertaken at each work centre, a transparent monitoring mechanism will be put in place by the work centre head. The progress of CSR programmes under implementation at work centre will be reported to corporate office on a monthly basis.
- b) The CSR committee will conduct *impact studies* on a periodic basis, through independent professional third parties/professional institutions, especially on the strategic and high value programmes.
- c) The CSR committee should delegate the responsibility of monitoring that whether the policy as laid down is achieved as per the estimates and also try to obtain feedback from beneficiaries about the programmes.
- d) Appropriate documentation of the CSR Policy, annual CSR activities, executing partners, and expenditure entailed will be undertaken on a regular basis and the same will be available in the public domain.
- e) CSR initiatives of the Company will also be reported in the Director's Report of the Company.

12) REPORTING

The progress report of the activities undertaken shall be reported as under:

- a) Quarterly report by CSR committee to the BOD.

b) Annual Report by Board of Director in consultation with CSR committee.

The CSR approach made available at the start of the project and the impact so quantified on completion of the project shall be documented for record purposes and future use as well as for sharing of experience. The same shall be uploaded on Company website. CSR initiatives of the company will be reported in the Director's Report of the Company. Activities undertaken under CSR activities shall be also be reported in the manner as prescribed under Companies Act, 2013 and amended from time to time.

13) COMMUNICATION

The CSR policy of the Company shall be placed at www.svcl.in.

14) TREATMENT OF SURPLUS ARISING OUT OF CSR ACTIVITIES

It is hereby explicitly stated that any surplus arising out of the CSR Activities shall not form a part of the business profits of the Company.

15) OVERALL IMPROVEMENT IN FUNCTIONING AND IN DISCHARGE OF CSR

The Committee shall from time to time explore the ways and means whereby improvements that need to be brought about towards the discharge of CSR by the Company are identified and steps taken to ensure that measures necessary to effectuate the areas of improvement so identified are taken in the right earnest.

16) GENERAL

Any term or aspect not specifically defined or set out in this Policy shall be construed to mean what is laid down in respect thereof under the Act or the CSR Rules.
