

CORPROATE SOCIAL RESONSIBILITY POLICY (CSR POLICY)

Document Summary

Item	Value
Document Name	CSR Policy
Classification	Internal
Policy Name	Corporate Social Responsibility Policy

INTRODUCTION

1. We, Progfin Private Limited (Progfin), is registered and have registered office at 76, 1st floor, Okhla, Industrial Estate, Okhla New Delhi -110020, India (**"Progfin"**).
2. We provide financial opportunities for micro and small businesses in the last mile (applying as individuals or individuals acting in the capacity of duly authorised representatives of juristic persons, in each case hereinafter referred to as (**"Customer"**). We facilitate online access to information about Progcap and the products, services, and opportunities We provide at Progcap either directly or through our partner financial institutions (**"Services"**).
3. Progfin is revolutionising the way financial access is delivered to underserved segments of the Indian retail economy, through specialized financing and technology products that empower small and medium businesses (SMBs) to progress without obstacles.
4. Progfin is committed in conducting its business in a socially responsible and ethical manner. This CSR Policy outlines our commitment to giving back to society and contributing to the well-being of the communities we serve.
5. Progfin is a private company incorporated under the Companies Act, 2013, is liable Company meets the provisions specified in the Companies Act 2013 for implementing CSR activities.
6. The CSR Policy of the Company is as appended below:

A: Objective: A.1 The CSR policy aims to lay down norms to enable the Company to contribute to the society through the activities it envisages from time to time.

B: Title:

B.1 The policy framed hereunder may be called as "Progfin " Corporate Social Responsibility Policy

B.2 It shall come into force with immediate effect.

C: Definitions:

C.1 In this Policy, unless the context otherwise requires:

- a) "Act" means the Companies Act, 2013;

- b) "Rules" means the Companies (Corporate Social Responsibility) Rules, 2014 and any modifications and/or re-enactment made thereof from time to time;
- c) "CSR Policy" means a policy framed by the Company under the provisions of section 135 of the Companies Act, 2013, the Companies (Corporate Social Responsibility) Rules, 2014, Schedule VII to the Companies Act, 2013 and any other applicable provisions of the Companies Act, 2013 and any modifications, re-enactment made thereof from time to time;
- d) "Board" means the Board of Directors of DIVPL Limited;
- e) "CSR" / "Corporate Social Responsibility" means the projects or programs relating to activities undertaken by the Board of the Company in pursuance of recommendations of the CSR Committee of the Board as per declared CSR Policy of the Company
- f) "CSR Committee" means the Committee of the Board on CSR constituted under the provisions of section 135 of the Companies Act, 2013 and includes any reconstitution thereof from time to time;
- g) "CSR Team" means the group of the Company's personnel formed for the purpose of effective implementation and accomplishment of the CSR activity(ies) under the Company's CSR Policy;
- h) "Agency" means an NGO/Trust/Society/CMRC/any such bodies who will be chosen as an implementation partner
- i) "Net Profit" means the net profit of the Company as per its financial statement prepared in accordance with the applicable provisions of the Companies Act, 2013;

D: CSR Activities

D.1. CSR activities taken up by the Company shall include the activity / activities amongst and relating to the list provided and enumerated under Schedule VII to the Companies Act, 2013 or any relevant act/provisions as envisaged by the Government of India from time to time.

E: CSR Activities to be undertaken by the company:

E.1. Looking into the reach Progfin has in the field and the delivery channel of the activities to be undertaken, Progfin would focus on the following broad areas as stipulated under the Companies Act, 2013:

- a) Health and Sanitation: Promoting preventive health care, sanitation and making available safe drinking water by way of organizing health camps, promoting health awareness, building health and sanitation infrastructure, drinking water structures, etc.
- b) Ecology & Environment: Conservation of natural resources by following eco-friendly practices both within the Company and promoting eco-friendly practices in major cities and towns where DIVPL has its presence.
- c) Promotion of Education: All activities facilitating promotion of education among weaker sections of society including distribution of Text books/uniforms in public school, support to digital education etc.
- d) Skill Development Training: Employment enhancing skills development training programs for target community and activities incidental thereto.
- e) Promotion of Gender Equality / Woman Empowerment: Organizing Street plays, workshop for women capacity building etc.
- f) 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, Scheduled Tribes, other backward classes, minorities and women.

E.2 Any other activity covered under Scheduled VII of the Companies Act, 2013 and deemed appropriate by the CSR Committee shall be taken up by the Company under its CSR. The activities shall be reviewed at regular intervals.

E.3 The CSR policy shall adhere to the following basic principles:

- i) The identified CSR activities shall not directly promote the business of Progfin uphold the spirit of CSR program.
- ii) Care shall be taken while selecting the agencies for implementing the CSR projects so that there shall not be conflict of interest.
- iii) It shall be ensured that CSR activities are beneficial to the community and to the extent possible, the benefits are available on long term basis.
- iv) Preference shall be accorded to the projects in the area of operation of Progfin.
- v) The projects shall be identified by or through its branch offices located at various places in its operational area.

F: DIVPL CSR Committee :

F.1. The Board of Directors shall constitute CSR committee for scrutinizing and apprising the CSR Proposals to Sanctioning Authority for approval.

F.2. The responsibility of the CSR team shall be as under:

- a) To ensure compliance to CSR Policy and alignment of the proposed project/activity with the priority areas identified by the CSR Committee
- b) To identify, scrutinize and propose projects related to activities mentioned under Para E.1 above
- c) To assess the need of the project and its impact on target beneficiaries
 1. To identify of delivery mechanism for a given activity
 2. To prepare timeline and estimated expenditure for a particular activity
 3. To identify of implementing agency and allotting the project after sanction
 4. To frame terms of reference for implementation of a given activity
 5. To ensure proper and timely utilization of the CSR fund earmarked by the company
 6. To examine sustainability of the project after the implementation

F.3. On satisfactory compliance to above, proposal shall be submitted to the Board of Directors for approval

F.4. The CSR team shall be responsible for facilitating CSR audit in the company and is shall be responsible for any finding, related to deviations from the CSR policy of the company. The team shall perform any other responsibilities as may be defined by the Board of Directors from time to time.

G: Selection of implementing agency:

G.1. The CSR projects of DIVPL shall be implemented through external agencies which can a registered entity like Trust, Cooperative, Company, NBFC, Bank, foundations etc. or un- registered entity like SHG, Farmers' Club, JLG, Producer Collective etc. CSR Projects can also be implemented through Govt. institutions, Panchayats, Anganwadi Centres, and School, Committees etc. The CSR team shall select the relevant institutions in the particular area/locality based on the following criteria:

- a) Reach in the field (number of projects implemented earlier, their interaction with SHGs/people in the field)
- b) Availability of infrastructure (training center, etc.,)
- c) Availability of qualified staff and number of staff to undertake the activity
- d) Experience in undertaking similar projects

H: CSR Budget and sanction of the projects:

H.1 The Company shall in each financial year earmark the amount prescribed under the provisions of the Companies Act, 2013.

H.2 Once the project/activity placed by finance is approved by the management, the same shall be placed before the CSR Committee for its approval

H.3 Progfin will allocate a minimum of 2% of its average net profits of the last three financial years towards CSR activities

H.4 CSR expenditure will be incurred in India only

I: Implementation and Monitoring:

I.1 The Board of Directors of the Company shall ensure a transparent mechanism for implementation of activities under CSR projects or programs undertaken by the Company and shall report the status of the same to the CSR Committee at regular intervals.

J: CSR Reporting:

J.1. The Company shall report the details of CSR Program or projects undertaken under its CSR policy as specified under the Companies Act, 2013.

K: Approval & Amendment:

K .1. This Policy is approved by the Board and may be amended by the Board of Directors of Progfin as may be required.