



CSR POLICY

Evolute Fintech Innovations Private Limited
(Formerly known as “Evolute Systems Private Limited”)

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1. INTRODUCTION:

Corporate Social responsibility (CSR) is a continuing commitment by the businesses to integrate social and environmental concerns in their business operations. Changes in the global environment increasingly challenges the businesses around the world to look beyond financial performance, and to integrate social and environmental concerns into their strategic management.

CSR in India has traditionally been seen as a philanthropic activity. And in keeping with the Indian tradition, it was believed that every company has a moral responsibility to play an active role in discharging the social obligations, subject to the financial health of the company. However, with the introduction of Section 135 in the Companies Act 2013, India became the first country to have statutorily mandated CSR for specified companies.

Our Company commits itself to contribute to the society in ways possible for the Company to undertake CSR Activities in accordance with the provisions of Section 135 of the Companies Act, 2013 and the rules made thereunder.

This Corporate Social Responsibility Policy (“the CSR Policy”) has been framed and adopted by Evolute Fintech Innovations Private Limited (formerly known as “Evolute Systems Private Limited”) (“Our Company”) in accordance with the provisions of Section 135, Schedule VII of the Companies Act, 2013 and the CSR Rules, 2014 and the relevant amendments / notifications / circulars issued by the Ministry of Corporate Affairs.

2. OBJECTIVES OF THE POLICY:

- 2.1. To behave ethically and contribute to sustainable development
- 2.2. To contribute to Society through the Company’s Business
- 2.3. To comply with the provisions of Companies Act, 2013 and rules made thereunder
- 2.4. To play an effective role in addressing issues such as access to education, health care and livelihood opportunities.

3. DEFINITIONS:

Unless the context otherwise requires, the definitions mentioned in the Companies Act, 2013 and the rules made thereunder shall apply to this CSR Policy.

4. SCOPE AND APPLICABILITY:

- 4.1. This Policy is formulated based on the provisions of Companies Act, 2013, Companies (Corporate Social Responsibility Policy) Rules, 2014 and notification made thereunder.
- 4.2. The Policy must be followed by such Directors who are appointed from the Board of the Company from time to time. The members of Corporate Social Responsibility Committee may modify this Policy if required with the approval of Board of Directors of the Company. The Board shall abide by this Policy.

5. ACTIVITIES TO BE UNDERTAKEN:

- 5.1. The Company is committed towards environmental and social safety and protection. In compliance of the Schedule VII of the Companies Act, 2013 and the Company's Policy any of the below mentioned activities shall be carried out by the Company to contribute towards CSR:
- 5.1.1. 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.
 - 5.1.2. Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.
 - 5.1.3. 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,
 - 5.1.4. 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.
 - 5.1.5. 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.
 - 5.1.6. Measures for the benefit of armed forces veterans, war widows and their dependents, 9[Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows.
 - 5.1.7. Training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports
 - 5.1.8. Contribution to the prime minister's national relief fund 8[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
 - 5.1.9. 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.
 - 5.1.10. 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 Defence 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).

- 5.1.11. rural development projects
- 5.1.12. slum area development
- 5.1.13. disaster management, including relief, rehabilitation and reconstruction activities.

5.2. The Above list is illustrative not exhaustive. All activities under the CSR activities should be environment friendly and socially acceptable to the environment, people and Society.

6. EXCLUSIONS FROM THE CSR ACTIVITIES:

- 6.1. The following activity shall not form part of the CSR activities of the Company:
 - 6.1.1. The activities undertaken in pursuance of normal course of business of the Company.
 - 6.1.2. CSR Projects / Programs or activities that benefit only the employees of the Company and their families.
 - 6.1.3. Any contribution directly / indirectly to political party or any funds directed towards political parties or political causes.
 - 6.1.4. Activities supported by the Company on sponsorship basis for deriving marketing benefits for its products or services.
 - 6.1.5. Any CSR Projects / Programs or activities undertaken outside India.
 - 6.1.6. Activities carried out for fulfilment of any other statutory obligations under any law in force in India.

7. CSR COMMITTEE:

7.1. The Company has constituted CSR Committee in accordance with the provisions of the Companies Act, 2013. The CSR Committee consists of the following members of the Board:

Sr. No	Name	Designation
1.	Mr. Parag Kirit Mehta	Chairperson
2.	Mr. Paras Kirit Mehta	Member

The Members of the CSR Committee may be changed by the Board of Directors as and when required.

- 7.2. Duties and Responsibilities of the CSR Committee:
 - 7.2.1. Formulating and recommending to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company.
 - 7.2.2. Recommend the amount of expenditure to be incurred on the CSR activities.
 - 7.2.3. Review of CSR activities of the Company
 - 7.2.4. Monitoring and Implementation of CSR policy.
 - 7.2.5. Recommend to the Board, modifications to the CSR Policy as and when required.
 - 7.2.6. Formulate and recommend to the Board an Annual Action Plan in pursuance of its CSR Activities.

7.3. Meetings of the CSR Committee:

7.3.1. Frequency of the Meeting:

The CSR Committee shall meet in person at least two times in a financial year and one meeting shall be held to recommend CSR activities and to allocate the funds for CSR programs/projects and one meeting shall be held to review the activities of CSR and any other meetings at such appropriate times as is deemed necessary by the Committee.

7.3.2. Quorum and Place of the Meeting:

The quorum necessary for the meeting shall be minimum of two Directors present in person.

7.3.3. The Meeting can be held at any place as the Directors decide.

7.3.4. Any person other than Directors of the Committee may attend the Meeting.

7.3.5. If CSR activities are outsourced to any external organization, a representative from such organization shall attend one meeting of the CSR Committee.

7.3.6. Notice of the Meeting:

7.3.6.1. Meeting shall be called by any Director or at the request of the Board of Directors of the Company.

7.3.6.2. Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded to each Director of the Committee, any other person required to attend and all other non-executive directors, not later than seven days before the date of the meeting.

7.3.7. Minutes of the Meeting:

7.3.7.1. Any authorized person shall minute the proceedings and decisions of all the meetings of the Committee including recording the names of those who are present and in attendance.

7.3.7.2. Draft minutes of Committee meetings shall be circulated promptly to all Directors of the Committee and should be signed by the Chairman of that meeting not later than 30 days after the meeting.

7.3.7.3. Once approved, minutes should be circulated to all other members of the Company's Board of Directors and shall be taken on record in the immediately subsequent meeting of the Company's Board of Directors.

8. RESPONSIBILITIES OF THE BOARD OF DIRECTORS IN RESPECT OF CSR:

8.1. After taking into account the recommendations made by the CSR Committee, 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, if any, in such manner as may be prescribed; and

8.2. Ensure that the activities as are included in CSR Policy of the company are undertaken by the company.

8.3. Ensure that the Company spends in every financial year, at least 2% of its average net profits of the Company made during the 3 immediately preceding financial year.

8.4. 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.

8.5. In case of an Ongoing Project, the Board 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.

9. IMPLEMENTING CSR ACTIVITIES:

- 9.1. The Company will undertake CSR activities either:
- 9.1.1. By itself, OR
 - 9.1.2. Through 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, 1961 established by the Company, either singly or along with any other Company, who are engaged in activities or programs which fall within the purview of the Company's CSR policy, OR
 - 9.1.3. Through a Company established under Section 8 of the Act, or a registered public Trust, or a registered society, established by the Central Government or the State Government, OR
 - 9.1.4. Through any entity established under an Act of the Parliament or a State Legislature, OR
 - 9.1.5. Through 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, 1961 and having an established track record of at least 3 years in undertaking similar activities, OR
 - 9.1.6. Such other entities prescribed under the Act

10. BUDGET FOR CSR ACTIVITIES & CSR EXPENDITURE:

- 10.1. The Company shall allocate budget for the CSR activities. The minimum budgeted amount for a financial year shall be 2% of the average net profit of the three (3) immediately preceding financial years on applicability of CSR as per the provisions of Section 135 of the Companies Act, 2013.
- 10.2. The Company may allocate more fund than the amount prescribed under Section 135 of the Companies Act, 2013, towards the CSR Activities for any financial year.
- 10.3. The CSR Committee shall calculate the total fund for the CSR Activities and recommend to the Board for their approval. The Board shall approve the total fund to be utilized for the CSR Activities for the respective financial year.
- 10.4. CSR expenditure shall include all expenditure including contribution to the corpus for projects or programs relating to CSR activities approved by the Board on the recommendations of its CSR Committee but does not include any expenditure on an item not in conformity or not in line with the activities which fall within the approved CSR Activities.
- 10.5. The surplus arising out of the CSR Projects or programs or activities shall not form part of the business profit of the Company. Such surplus should be utilized for the purpose of other CSR activities under this Policy only.
- 10.6. The tax treatment of the CSR spent will be in accordance with the Income Tax Act, 1961 as may be notified by the Central Board of Direct Taxes from time to time.
- 10.7. The Board shall ensure that the administrative overheads shall not exceed 5% of the total CSR expenditure of the Company for the financial year.
- 10.8. Any amount spent in any financial year in excess of the requirement of Section 135, may be set off against the requirement to spend under Section 135, up to immediate three (3) succeeding financial years.
- 10.9. The CSR Committee shall endeavour to spend at least 2% of the average Net Profit during the preceding 3 financial years on CSR Activities as enumerated above.

11. COMPUTATION OF NET PROFIT:

The Net profit as referred to in this Policy shall be calculated in accordance with the provisions of Section 198 of the Companies Act, 2013.

12. CSR REPORTING:

- 12.1. The Company must prepare an annual report containing all the particulars of activities conducted during every financial year.
- 12.2. The annual report on CSR Activities shall be prepared in accordance with the provisions of the Companies Act, 2013.
- 12.3. The Board of Directors must in its Report to the Shareholders disclose by way of a detailed report the composition of the CSR Committee, a description of the programs/projects initiated and implemented, ongoing status and impact of the CSR activities proposed and undertaken by the Company.
- 12.4. The Board of Directors of the Company shall disclose the content of this Policy and such other information as may be required in its annual Report and the same shall be made available on the Company's website.

13. AMENDMENTS TO THE POLICY:

The Board of Directors on its own and/or on the recommendation of CSR committee can amend this policy as and when required. Any or all provisions of CSR Policy would be subjected to revision/amendment in accordance with the regulations on the subject as may be issued from relevant statutory authorities, from time to time.

14. DISCLOSURE

All disclosures, display and reporting requirement related to CSR shall be made in accordance with the provisions of the Companies Act, 2013 and the rules made thereunder.