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OXYZO FINANCIAL SERVICES LIMITED
(FORMERLY KNOWN AS OXYZO FINANCIAL SERVICES PRIVATE LIMITED)
(COMPANY OR OXYZO)

CORPORATE SOCIAL RESPONSIBILTY POLICY

REVIEW & APPROVING AUTHORITY

Authority	Designation
Prepared By	Company Secretary
Reviewed By	Level 1- Operational Committee Level 2: CSR Committee
Approved By	Board of Directors

VERSION HISTORY

Version	Issue Date	Brief Description
1.0	November 10, 2020	Created
2.0	June 30, 2022	Modification.
2.1	February 15, 2023	Reviewed by Operational Committee.
3.0	May 23, 2023	Modified by CSR Committee
3.1	April 15, 2024	Reviewed by Operational Committee.
3.1	May 28, 2024	Noted by Directors

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TABLE OF CONTENT

S.No.	PARTICULARS	PAGE NO.
1.	Title and Applicability	3
2.	Policy Statement, Vision, and Objective	4
3.	Governance 1. Scope 2. Structure • CSR Policy: Governance Structure and approach • CSR Committee • Composition	5
4.	Annual Action Plan	6
5.	CSR Budget	7
6.	Criteria for Selection of CSR Projects	7
7.	Supervision	7
8.	Implementation	8
9.	Disbursement	8
10.	Monitoring	8
11.	Impact Assessment	9
12.	Disclosure: Publishing a CSR Report	9
13.	Location	9
14.	Compliance Statement	9
15.	Reporting	9
16.	Amendments to the Policy	10
17.	Contacts	10

1. TITLE AND APPLICABILITY

1.1 Preamble

OXYZO Financial Services Limited (herein referred to as **"OXYZO"** or **"the Company"**) is a part of the Ofbusiness group. OXYZO pride us in having a deep understanding of SMEs' business needs. Aiming to transform small and medium enterprises into large and offers credit solutions and other loans in business that are customized to help SMEs expand their operations, revenue, and consequently their profit margins using our credit line.

This, combined with our custom-tailored loan products across term loans, working capital solution, low-interest rates, collateral-free credit options, and 48 hours loan processing timelines transforms OXYZO into a leading lending option for SMEs in India.

1.2 Definitions

a) **"Act"** means the Companies Act, 2013.

b) **"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.

c) **"Annexure"** means Annexure appended to this policy.

d) **"Corporate Social Responsibility (CSR)"** means the activities undertaken by a Company in pursuance of its statutory obligation laid down in section 135 of the Act.

e) **"CSR Committee"** means the Corporate Social Responsibility Committee of the Board referred to in section 135 of the Act.

f) **"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.

g) **"Annual Action Plan"** will include the list of CSR projects or programmes 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 programmes, modalities of utilization of the CSR funds and implementation schedules for the projects or programmes, monitoring and reporting mechanism for the projects or programmes and details of need and impact assessment for the projects undertaken by the Company. CSR Committee 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 year, the CSR Committee will update such

alteration to the Board.

Any term used but not defined in this CSR Policy shall have the meaning assigned to it under the Act or the CSR Rules.

1.3 Title and Scope

This Policy:

I. shall be called the "Corporate Social Responsibility Policy" or "CSR Policy" of the Company which is developed and implemented in the letter and spirit of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended time to time.

II. outlines the Company's philosophy and 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.

III. shall be applicable to all CSR Activities taken up by the Company at various locations in India for the benefit of different segment of the society at large, specifically the deprived and underprivileged segment.

2. POLICY STATEMENT, VISION, AND OBJECTIVE

Mission

The Company's CSR mission is to contribute to the social and economic development of the community through a series of interventions in the area of Health, Education, Environment, Poverty etc. The Company seeks to provide medical facilities and promote healthcare services, promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.

Vision

The Company's strategy is to integrate its activities in community development, social responsibility and environmental responsibility and encourage each business unit or function to include these considerations into its operations.

The Company is committed to identifying and supporting programs aimed at fulfilling its purpose of building trust and solving important problems in society.

This policy serves as a guiding document to help identify, execute and monitor CSR Projects in keeping with the spirit of the policy.

The CSR Policy functions as a self- regulating mechanism for the Company's CSR activities and enables adherence to laws, ethical standards, and international practices in this regard.

Objective

Our Corporate responsibility is an embedded value at OXYZO. While we strive to deliver excellence in our business, we wholeheartedly contribute towards being a part of societal

change. We endeavor to:

- do the right thing by playing a key role in addressing issues that are central to our business - from the quality of our services and the diversity of our people to our engagement with communities and our environmental footprint, and
- be a catalyst for change by using our skills, voice and relationships to work with others and influence activities that make a difference, bring about change, and have a lasting impact on the communities we operate in.

The Company's strategy is to integrate its activities in community development, social responsibility and environmental responsibility and encourage each business unit or function to include these considerations into its operations.

3. GOVERNANCE

Scope

The Provisions of Section 135 of the Companies Act, 2013 ("the Act") read with The Companies (Corporate Social Responsibility Policy) Rules, 2014 require those companies that are falling within the purview of the said section to undertake Corporate Social Responsibility (CSR) have to formulate a policy framework. Accordingly, a policy framework for CSR is being proposed.

OXYZO endeavors to reach out to underprivileged and underserved communities to address fundamental challenges of our society.

Structure

Overall governance of CSR is the responsibility of the CSR Committee of the Board. The Designated person of the Company will be responsible for administering and executing the policy.

1. CSR policy: Governance structure and approach

1.1 Board of Directors:

In line with the provisions of Section 135 of the Act, OXYZOs Board of Directors will be responsible for the following:

- Constitute a CSR committee and approve the CSR policy;
- Make sure the company spends, in every financial year, at least 2% of its average net profit* during the three preceding financial years, in pursuance of this policy.
- Approve the CSR action plan and budget as proposed by the CSR

committee in accordancewith of the Companies Act, 2013

- Make disclosures in the Board report as per clause (o) of sub-section (3) of section 134 including particulars specified in Annexures to the CSR rules. If the company fails to spend the amount, reasons for not spending to be specified in the above report.

**** "Net profit" shall not include such sums as may be prescribed and shall be calculated in accordance with the provisions of section 198 of Companies Act, 2013."***

1.2 CSR committee

Roles and powers of the CSR committee:

- Formulate CSR policy and seek approval from the Board of Directors of the company. Review the policy on a yearly basis.
- Formulate and share the CSR action plan with budget **(Refer Point-4 & 5)** for the year with the Board of Directors and seek approval. Implement the activities either through the Implementation Partner or directly through its own team.
- Spend the allocated amount on CSR activities once approved by the Board of Directors and create a transparent monitoring mechanism of CSR initiatives.
- Submit periodic reports to the Board on the activities undertaken.
- recommend the amount of expenditure to be incurred by the Company on the CSR activities. The basis for such a recommendation will be the profits of the Company and the percentage prescribed under the Act. Despite the allocation of funds to be spent as above, the Company may not spend the amount so allocated and specify the reasons for not spending such a sum in the Board's report.

1.3 Composition:

The CSR Committee shall be constituted/reconstituted by the Board of Directors of the Company as per the requirement. **Refer to Annexure-I.**

4. Annual Action Plan

The CSR Committee, at the beginning of every financial year shall formulate and recommend to the Board, an annual action plan, comprising of an amount to be spent during the said financial year, the CSR activities upon which the Company would focus during the said financial year including exploring the new CSR projects and monitoring the implementation of ongoing CSR projects.

The annual action plan shall include the following, namely:-

(a) the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;

(b) the manner of execution of such projects or programmes

(c) the modalities of utilization of funds and implementation schedules for the projects or programmes;

(d) monitoring and reporting mechanism for the projects or programmes; and

(e) details of need and impact assessment, if any, for the projects undertaken by the company.

The Board may alter the annual action plan at any time during the financial year, as per the recommendation of the CSR Committee based on reasonable justification to that effect.

5. CSR Budget

The overall amount to be committed to CSR will be approved by the Board as a part of the Company's overall Annual Budget / Plan. Within the budgeted amount, specific CSR initiatives/projects will be approved in line with the process approved by the CSR Committee of the Board. Any surplus arising out of the CSR Projects or Programs or activities shall not form part of the business profit of a company and will be ploughed back into the project or shall be transferred to the Unspent CSR Account and spent in pursuance of CSR policy and annual action plan of the company or transfer such surplus amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year. All projects undertaken by the Company will be approved / ratified by the Company's CSR Committee.

Any amount remaining unspent pursuant to any ongoing project undertaken by a company in pursuance of its Corporate Social Responsibility Policy, will be transferred by the company within a period of thirty days from the end of the financial year to a special account to be opened by the company in that behalf for that financial year in any scheduled bank to be called the Unspent Corporate Social Responsibility Account. Such amount shall be spent by the company in pursuance of its obligation towards the Corporate Social Responsibility Policy within a period of three financial years from the date of such transfer, failing which, the company shall transfer the same to a Fund specified in Schedule VII, within a period of thirty days from the date of completion of the third financial year. For other projects, such amount will be transferred to a fund specified in Schedule VII within 6 months of the expiry of the financial year.

Any excess expenditure i.e., beyond the prescribed CSR budget will be disclosed in the Board's CSR Report and shall be made available for set off against the CSR requirement to spend in any of the three succeeding financial years as per the provisions of the CSR Laws.

6. Criteria for Selection of CSR Projects

OXYZO shall support projects that the CSR Committee considers deserving keeping in mind the following factors, among others:

- The project is covered within the suggested areas in the Act or rules made thereunder.
- can be assessed on an ongoing/other than ongoing basis; and
- is capable of creating long term impact.

7. Supervision

The Board monitors and reviews the performance and impact of the CSR programmes, provides input and course corrections if required and satisfies that the CSR funds so disbursed have been utilized for the purposes and in the manner as

approved by it. The CFO or the person responsible for financial management shall certify to the fact that CSR funds so disbursed have been utilized for the purposes and in the manner approved by the Board.

8. Implementation

The Company will undertake CSR projects which are closely linked with the principles of sustainable development and shared value, with the involvement of local institutions and the community at large.

The designated person would assist in implementation and monitoring of the CSR projects/initiatives.

The actual implementation of various initiatives will be broad-based with the involvement of various employees /units of the Company or through implementing agencies.

The Board shall ensure that the CSR activities are undertaken by the company itself or through –

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

Company may also collaborate with other companies for undertaking projects or programs or CSR activities in such a manner that the CSR Committees of respective companies are in a position to report separately on such projects or programmes in accordance with Companies (Corporate Social Responsibility Policy) Rules, 2014.

9. Disbursement

The disbursal of funds will be either in tranches as per milestones agreed with the partner or one-time payment depending on the nature and requirement of the project. The terms, conditions and timing of disbursement will form part of the Memorandum of Understanding/ Grant Agreement with the entity implementing the project.

10. Monitoring

The CSR Committee will ensure a transparent monitoring mechanism for ensuring effective implementation of the projects/ programs/activities proposed to be undertaken by the Company.

The Designated person would have the responsibility of monitoring approved projects and funds disbursals for such projects. Monitoring mechanism will include visits, meetings and progress/ status reporting by the project teams. The Company's

CSR activities will be reviewed by the CSR Committee. A system will be put in place to maintain a transparent monitoring and reporting mechanism across all the stakeholders involved in the CSR activities of the Company, as desired by the CSR Rules (Section 135, Companies Act, 2013).

11. Disclosure: Publishing a CSR report

Reporting will constitute an integral part of our CSR initiatives, as we at OXYZO, remain committed to being transparent and accountable to our stakeholders. The objective of reporting is not only to update our stakeholders, but also to receive their feedback, and incorporate their suggestions into our future CSR strategies.
The CSR Policy shall be displayed on the Company's website http://www.oxyzo.in

12. Location

The CSR Committee will decide on the location for CSR activities.

13. Compliance statement

The CSR policy of the company was approved by the company's Board of Directors on November 10, 2020 for adoption as the company's CSR policy. The contents of this policy shall be appropriately disclosed in the Board report in accordance with the requirements of the Companies Act, 2013, and rules framed thereunder.

In compliance with the requirements of the Companies Act, 2013 it is confirmed that

- a copy of this policy will be placed on the Company's website / internal portal, and
- any surplus arising out of the CSR projects, programmes or activities shall not form part of the business profit of the company.

14. Reporting

a) The progress of CSR programmes under implementation will be reported to the CSR Committee at half yearly intervals.
b) Quarterly review of the CSR Activities by the Management of the Company;
c) Half yearly review by CSR Committee and Board

The minutes of the meetings of the CSR Committee shall be placed before the Board.
The Company may conduct impact assessment on a periodic basis, either on its own or through an independent professional or professional institution, especially on the flagship programmes.
The CSR Committee may be directed by the Board to present the amount spent on CSR Activities annually and also the impact assessment thereof as appropriate.

15. Amendments to the policy

The Board of Directors on its own and/or as per the recommendations of the CSR committee can amend this policy, as and when deemed fit. Any or all provisions of this CSR policy are subject to the applicable provisions of the Companies Act, 2013 and any subsequent amendments thereof from time to time.

16. Contact

For query related to CSR Policy, please contact at **Compliance @oxyzo.in**

CSR ANNUAL ACTION PLAN

Sr. No.	Thematic Area	Schedule VII Clause	Brief Nature of CSR activities & Location	Budget 2021 - 22 (Rs/Lacs)	Mode of implementation (Direct/ Implementation Agency)	Expected completion Timeline
1	Children Education	Clause ii	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;	60,00,000 (Sixty Lakhs Only)	Through Implementing Agency as per rule 4.	31st March 2022
GRAND TOTAL				**60,00,000**		

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ANNEXURE-I

NAME OF THE COMMITTEE	COMPOSITION
Corporate Social Responsibility Committee	1. Mr. Asish Mohapatra 2. Mr. Rohit Kapoor 3. Ms. Ruchi Kalra

ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARD'S REPORT

The CSR activities report in the Annual Report of the company shall be in the attached format according to the Companies (CSR Policy) Amendment Rules, 2021.