



Capsave Finance Private Limited

Corporate Social Responsibility Policy

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Policy owner	Company Secretary
Review and recommended	Corporate Social Responsibility Committee of the Board of Directors
Approved by	Board of Directors of the Company
Version 1	Adoption of Policy
Version 2	<ul style="list-style-type: none"> • Addition of Applicability of Corporate Social Responsibility (CSR) Rules • Addition of Composition of CSR Committees
Version 3	Annual Review with no Changes
Version 4	Annual Review

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1. INTRODUCTION

Capsave Finance Private Limited (“CFPL”) is a Non-Deposit Accepting – Systemically Important Non-Banking Finance Company (“NBFC-ND-SI”) and is registered with the Reserve Bank of India (“RBI”).

Corporate Governance means the system of rules, practices and processes by which a company is administered and controlled. It involves balancing the interests of the various stakeholders of the company including shareholders, employees, customers and the community within which it operates. These corporate governance guidelines will help the Company in attaining its objectives/goals, since it encompasses every sphere of operations, management, action plans, internal controls and regulatory disclosure.

As a responsible Corporate Citizen, it is imperative that the business of the company is undertaken in a responsible and fair manner with all the stakeholders. CFPL is committed to and conducts its business activities lawfully and in a manner that is consistent with its compliance obligations and meets the highest ethical standards.

2. OBJECTIVES

With the introduction of CSR regulations under the Companies Act, 2013, the corporates now have a legal mandate to actively support and undertake their responsibilities towards the society at large. The Company pledges itself for the continued CSR activities within the corporate policy framework. This Policy shall be read in line with Section 135 of the Companies Act, 2013, Companies (Corporate Social Responsibility Policy) Rules, 2014 and such other rules, regulations, circulars and notifications (collectively referred hereinafter as ‘Regulations’) as may be applicable and as including any amendment from time to time.

3. CSR ACTIVITIES

The Policy recognizes that CSR is not merely a compliance; it is a commitment to support initiatives that measurably protect environment, spread/promote education, and improve the lives of underprivileged. CSR activities that may be undertaken by the Company shall include all the items or activities that are recognized as such under the regulations as amended from time to time.

The Company may focus on the following activities:

- a. Contribution to 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;
- b. Eradicating, hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to Swachh Bharat Kosh set by the Central Government for promoting sanitation and making available safe drinking water;
- c. Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
- d. 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;
- e. 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 or rejuvenation of river Ganga;
- f. 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;
- g. Measures for the benefit of armed forces veterans, war widows and their dependents; Training to promote rural sports, nationally recognized sports, paralympic sports and Olympic sports;
- h. Such other activities and projects covered in Schedule VII to the Companies Act, 2013 from time to time;

4. APPLICABILITY OF CORPORATE SOCIAL RESPONSIBILITY (CSR) RULES

The CSR rules are applicable to Indian Companies or subsidiaries of Indian Companies and Foreign Companies operating in India and having net worth of Rs. 500 Crore or more, turnover of Rs.1,000 Crore or more, net profit of Rs. 5 Crore or more during the previous financial year.

5. MODALITIES AND IMPLEMENTATION SCHEDULE FOR EXECUTION OF PROJECTS OR PROGRAMS OR CSR ACTIVITIES

The Company will undertake its CSR activities, approved by the CSR Committee either directly or through a Registered Trust or through a Registered Society or establish another company under Section 8 of the Companies Act, 2013 or even to collaborate with other entities as approved by the CSR Committee. The implementation Schedule for CSR activities will be dependent on the availability of eligible projects. The surplus arising out of the CSR activities, projects or programs shall not form part of the business profits of the Company.

6. EXPENDITURE

The Company shall endeavour to spend, in every financial year at least 2 per cent of the average net profits of the Company made during the 3 immediately preceding financial years for CSR Policy. The Company may use the CSR capacities of their own personnel in executing the CSR activities and also effectively monitoring the same but such CSR expenditure shall not exceed 5% of its total CSR expenditure in one financial year.

7. LOCATION OF CSR EFFORTS/ACTIVITIES

The Regulations provides that the corporates shall give preference to the local area and areas around where it operates, for spending the amount earmarked for CSR activities. The Company will thus give preference to conducting CSR activities in the States, where it has its operations. However, the Committee may also identify such areas other than stated its operational place, as it may deem fit, and recommend it to the Board for undertaking CSR activities.

8. COMPOSITION OF CSR COMMITTEE

The CSR Committee should consist of 3 or more directors, out of which at least 1 director must be an independent director. An unlisted public company or a private company shall have its CSR Committee without any independent director if an independent director is not required in accordance with the applicable provisions of the Companies Act, 2013, Listing Regulations.

9. RESPONSIBILITIES OF CSR COMMITTEE

The responsibilities of the CSR Committee include:

- a) Formulating and recommending to the Board of Directors the CSR policy and indicating activities to be undertaken;
- b) Disclose composition of CSR Committee;
- c) Recommending the amount of expenditure for CSR activities mentioned in (a) above;
- d) Ensure CSR activities are undertaken by the Company; and
- e) Monitoring CSR activities from time to time.

10. REPORTING AND DISCLOSURE

The Company shall provide, in prescribed format as set out under Companies (Corporate Social Responsibility Policy) Rules, 2014, the details of CSR initiatives and activities in its Director's report. Further, the same will also be placed on the website of the Company, if any.

11. REVIEW OF POLICY

This CSR policy document will be reviewed from time to time and any changes, if necessary, as recommended by the CSR Committee shall be approved by the Board but atleast once in a year.