

2020

Corporate Social Responsibility Policy

This document details the Corporate social responsibility policy of the Company



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1) *PREAMBLE*

CapFloat Financial Services Private Limited (“**CapFloat**”) understands the responsibility it has against its stakeholders, society, and the public. Through Corporate Social Responsibility (“**CSR**”), CapFloat Financial Services Private Limited shall engage in impactful welfare-driven activities in India which shall contribute towards the betterment of the life of the neighbours in the communities that the Company has presence in.

2) *PURPOSE*

This CSR Policy establishes the scope, funding priorities and process associated with the CSR goals of CapFloat. This CSR Policy shall operate as the Corporate Social Responsibility Policy of CapFloat for the purposes of Section 135 of the Companies Act, 2013, the Companies (Corporate Social Responsibility) Rules, 2014, as amended and modified from time to time, and other applicable laws and regulations.

3) *Definitions*

1. “Act” – Companies Act, 2013, as amended and modified from time to time;
2. “Board” – Board of directors of CapFloat Financial Services Private Limited;
3. “CSR Activities” – shall mean the specific activities that various CSR Partners shall engage in which shall be funded by the Grants (as defined below) received from CapFloat Financial Services Private Limited;
4. “CSR Committee” – the committee of the Board constituted to implement, supervise and manage the CSR initiatives of CapFloat Financial Services Private Limited;
5. “CSR Corpus” – shall mean the corpus accumulated by CapFloat Financial Services Private Limited pursuant to Clause (8) of this CSR Policy for conducting its CSR Activities;
6. “CSR Partner” – shall mean a potential CSR partner who has received the approval of the CSR Committee to receive Grant(s) from CapFloat Financial Services Private Limited in furtherance of CapFloat Financial Services Private Limited’s CSR initiatives;
7. “CSR Policy” – this CSR Policy of CapFloat Financial Services Private Limited Services Private Limited;
8. “CSR Proposal” – shall have the meaning as prescribed in Clause (8)(3) of this CSR Policy;
9. “CSR Rules” – the Companies (Corporate Social Responsibility) Rules, 2014 issued by the Ministry of Corporate Affairs, as amended and modified from time to time;

10. “Grants” – shall mean the disbursements that are made to a CSR Partner pursuant to this CSR Policy, with the prior approval of the Board and the CSR Committee;
11. “Net Profit” – shall have the meaning as prescribed to it in the CSR Rules;

4) AIMS AND OBJECTIVES

Areas of Interest

The Company is committed to sustainable development and inclusive growth and shall focus on social issues including but not limited to poverty, healthy living, grass root education, malnutrition and promoting gender equality. In terms of the CSR Rules, the Company will focus on undertaking the project/programs/activities listed below, as specified in Schedule VII to the Act, excluding activities undertaken in pursuance of normal course of business of the Company:

- i. taking measures to eradicate extreme hunger and poverty;
- ii. promoting education;
- iii. promoting gender equality and empowering women;
- iv. reducing child mortality and improving maternal health;
- v. combating human immunodeficiency virus, acquired immune deficiency syndrome, malaria and other diseases;
- vi. ensuring environmental sustainability;
- vii. employment enhancing vocational skills;
- viii. social business projects;
- ix. contributing to the Prime Minister’s National Relief Fund or any other fund set up by the Central Government or the State Governments for socio-economic development and relief and funds for the welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women; and
- x. such other matters as may be prescribed.

CapFloat Financial Services Private Limited may, in its sole discretion, update the above list as per Section 135 and Schedule VII of the Companies Act, 2013, as amended from time to time.

5) COMPOSITION OF CSR COMMITTEE

1. The CSR Policy and programs of CapFloat Financial Services Private Limited shall be implemented, managed and supervised by the CSR Committee appointed by the Board of Directors of CapFloat Financial Services Private Limited.

2. The CSR Committee shall comprise of 3 (three) directors. Subject to the requirements of the Act, the Board may increase or decrease the strength of the CSR Committee by passing a resolution.
3. Invitees to the CSR Committee
The CSR Committee may, at its discretion, invite such members of senior management of CapFloat Financial Services Private Limited from time to time to participate in the meetings of the CSR Committee and assist the CSR Committee in the implementation of the CSR Policy. It is clarified that while the persons nominated in accordance with this Clause (4) shall be entitled to participate in the deliberations of the CSR Committee, such persons shall not be entitled to vote at the meetings of the CSR Committee.
4. The CSR Committee shall institute a transparent monitoring mechanism for implementation of the CSR projects or programmes or activities undertaken by the Company.

6) DECISIONS BY THE CSR COMMITTEE

1. The CSR Committee shall at all times act in a manner that is consistent with the provisions contained in this CSR Policy, the Act and CSR Rules.
2. The CSR Committee shall endeavor to arrive at all decisions by a consensus of all members. However, in the event the CSR Committee is unable to arrive at such a consensus, the Committee may take decisions with the consent of the majority of the members present and entitled to vote; however, such decisions shall need to be ratified by the Board.
3. The CSR Committee shall be responsible to determine the modalities of the implementation of this CSR Policy and actions taken under it.

7) MEETING OF THE CSR COMMITTEES

1. The CSR Committee shall meet as frequently as it determines necessary.
2. The CSR Committee shall maintain minutes in relation to each of its meetings.
3. The CSR Committee shall review any proposed projects and make recommendations for implementation and funding of approved projects/activities to the board of directors in accordance with the CSR Committee charter.
4. The final decision with regarding to the acceptance or rejection of a CSR Proposal shall be with the Board.

8) *CSR CORPUS*

1. The CSR Corpus of CapFloat Financial Services Private Limited shall comprise of the following:
 1. 2% (two percent) of the average Net Profits of CapFloat Financial Services Private Limited for the last 3 (three) financial years;
 2. any income arising from the CSR Corpus; and
 3. surplus arising out of CSR activities, if any.
2. The CSR Corpus shall be used exclusively for undertaking the CSR Activities in compliance with the requirements of the Act and CSR Rules.
3. For the avoidance of doubt, it is expressly clarified that the surplus arising out of CSR Activities shall not form part of the business profits of CapFloat Financial Services Private Limited.

9) *MONITORING MECHANISM*

The Company shall devise a transparent monitoring mechanism for various CSP projects/ programs/ activities undertaken by the Company. Company shall also obtain feedback from various beneficiaries of the CSR Activities undertaken by the Company to measure their benefits.

10) *REPORTING MECHANISM*

The Board shall furnish a report on CSR Activities (“**Report**”) pertaining to a financial year, and shall contain the following particulars:

1. A brief outline of the Company’s CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects and programs;
2. The composition of the CSR Committee;
3. Prescribed CSR expenditure (two per cent of the amount as stipulated in clause H(1)(a));
4. Details of the CSR amount spent during the financial year – with the total amount allocated, the amount that has been unspent, and the manner in which the amount was spent during the financial year;
5. If the two per cent has not been spent, the Report shall also contain the reasons why it had not been spent; and
6. A responsibility statement by the CSR Committee that the implementation of the Policy is in line with its CSR objectives of the Company, and is compliant with all applicable laws.

11) TO BE PUBLISHED ON WEBSITE

The Board of Directors of CapFloat Financial Services Private Limited shall, after taking into account the recommendations of CSR Committee, approve the CSR Policy and disclose contents of such Policy in its report and the same shall be displayed on the CapFloat Financial Services Private Limited's website, if any, as per the particulars specified above.

12) EXCEPTIONS

Any exceptions to this Policy or procedure must be approved in writing in advance by the Chairman of the CSR Committee and the Board.

13) AMENDMENTS

The Board of the Company shall have the power to revise /modify/ amend this Policy from time to time, as the Board may think fit, based on the recommendations to be made by the CSR Committee, if any.