Corporate Social Responsibility Policy

Digamber Capfin Limited

Document Control Page

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DEFINITIONS

(1) Company shall mean the Digamber Capfin Limited ("The Company or DCL") incorporated under the provisions of the Companies Act, 1956 with its registered Office at J 54-55, Anand Moti, Himmat Nagar, Gopalpura, Tonk Road, Jaipur-302018;

(2) Act mean the Companies Act, 2013 and includes any other rules, regulations made under the Act, statutory amendments, from time to time, and any other statutory enactment thereof;

(3) Administrative overheads mean 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;

(4) Board shall mean Board of Directors of the Company (Digamber Capfin Limited);

(5) Independent Director shall mean the Director as defined and enunciated in sub section 6 of section 149 of the Act, 2013;

(6) 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 in accordance with the provisions contained in Companies (CSR Policy) Rules 2014, but shall not include the following, namely:

(i) activities undertaken in pursuance of normal course of business of the company;
(ii) any activity undertaken by the company outside India except for training of Indian sports personnel representing any State or Union territory at national level or India at international level;
(iii) contribution of any amount directly or indirectly to any political party under section 182 of the Act;
(iv) activities benefitting employees of the company as defined in clause (k) of section 2 of the Code on Wages, 2019;
(v) activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services;
(vi) activities carried out for fulfilment of any other statutory obligations under any law in force in India;

(7) CSR Committee means the Corporate Social Responsibility Committee of the Board referred to in section 135 of the Act;

(8) Activities shall mean the CSR activities as prescribed by the Committee to the Board in cohesion with those enunciated in the schedule VII of the Act, for the benefits of the

localities of nearby area of the company mainly or in any other part of India as may be deemed fit by the Board or CSR committee;

(9) International Organisation means an organisation notified by the Central Government as an international organisation under section 3 of the United Nations (Privileges and Immunities) Act, 1947, to which the provisions of the Schedule to the said Act apply;

(10) 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;

(11) Beneficiaries shall mean the person (s) or sector of people fructifying the benefits from the activities as mentioned in the policy and shall include ecology, environment;

(12) Directors' report shall mean the report as prescribed under the section 134 of the Act.

CSR IMPLEMENTATION

(1) 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, exempted under sub-clauses (iv), (v), (vi) or (via) of clause (23C) of section 10 or registered under section 12A and approved under 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, exempted under sub-clauses (iv), (v), (vi) or (via) of clause (23C) of section 10 or registered under section 12A and approved under 80 G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities.

Explanation- For the purpose of clause (c), the term "entity" shall mean a statutory body constituted under an Act of Parliament or State legislature to undertake activities covered in Schedule VII of the Act.

(2) The board shall ensure that the entity covered in above point no (1) ("hereinafter called as implementing agency") who intends to undertake any CSR activity shall be registered with the Central Government as per provisions of rule 4 (2) (a) of the Companies (Corporate Social Responsibility Policy) Rules, 2014;

(3) The company may engage international organisations for designing, monitoring and evaluation of the CSR projects or programmes as per its CSR policy as well as for capacity building of their own personnel for CSR;

(4) The company may also collaborate with other companies for undertaking projects or programmes 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;

(5) The Board of a company shall satisfy itself that the funds so disbursed have been utilised for the purposes and in the manner as approved by it and the Chief Financial Officer or the person responsible for financial management shall certify to the effect;

(6) In case of ongoing project, the Board of a Company 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.

COMMITTEE

The Board of the company has constituted a committee known as Corporate Social Responsibility Committee ("CSR Committee"). The composition of the said committee is mentioned below and the Board has absolute power to alter the composition of this committee.

COMPOSITION OF THE CSR COMMITTEE

Member's Name	Designation	Category
Mr. Rajiv Jain	Managing Director	Chairman
Mr. Lalit Kumar Jain	Independent Director	Member
Mr. Jatin Chhabra	Non-Executive Director	Member

CSR EXPENDITURE

1. The Board shall ensure that the administrative overheads shall not exceed five percent of total CSR expenditure of the company for the financial year;

2. Any surplus arising out of the CSR activities shall not form part of the business profit of a company and shall be ploughed back into the same 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;

3. Where a company spends an amount in excess of requirement provided under sub-section (5) of section 135, such excess amount may be set off against the requirement to spend under sub-section (5) of section 135 up to immediate succeeding three financial years' subject to the conditions that:

   (a) The excess amount available for set off shall not include the surplus arising out of the CSR activities, if any, in pursuance of sub-rule (2) of this rule;
   (b) the Board of the company shall pass a resolution to that effect.

4. The CSR amount may be spent by a company for creation or acquisition of a capital asset, which shall be held by:

   (a) a company established under section 8 of the Act, or a Registered Public Trust or Registered Society, having charitable objects and CSR Registration Number under sub-rule (2) of rule 4; or

   (b) beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities; or

   (c) a public authority:

   Provided that any capital asset created by a company prior to the commencement of the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, shall within a period of one hundred and eighty days from such commencement comply with the requirement of this rule, which may be extended by a further period of not more than ninety days with the approval of the Board based on reasonable justification.

CSR REPORTING

The Board's Report of a company shall include a report on Corporate Social Responsibility containing particulars of the CSR activities in the manner as specified in specified in Annexure I or Annexure II of the Companies (Corporate Social Responsibility Policy) Rules, 2014 as applicable.

TRANSFER OF UNSPENT CSR AMOUNT

Until a fund is specified in Schedule VII for the purposes of subsection (5) and (6) of section 135 of the Act, the unspent CSR amount, if any, shall be transferred by the company to any fund included in schedule VII of the Act.

RESOLUTION PASS BY CIRCULATION

The CSR Committee can also pass the resolution by circulation, if the draft resolution along with necessary papers, has been circulated to all the members of the CSR Committee (not being less than the quorum fixed for a meeting of the CSR Committee), and has been approved by such of the members, or by majority of such of them, as are entitled to vote on the resolution.

CSR FUNDS

In every financial year, the company shall spend at least 2 percent of the Average Net Profits of the company made during the three preceding financial years.

However, at the recommendation of the CSR committee, the Board may decide to spend more amounts.

AMENDMENTS TO THE CSR POLICY

Board of Directors shall have the power to amend this Policy at any point of time after taking recommendation of CSR Committee.

ROLE OF BOARD OF DIRECTORS

a) Approval of CSR Policy after considering recommendations of CSR Committee;
b) The Board of Directors of the Company shall mandatorily disclose the composition of the CSR Committee, and CSR Policy and Projects approved by the Board on their website for public access;
c) Ensuring CSR activities undertaken are included in the CSR policy;
d) Approve amount of expenditure as recommended by the CSR committee;
e) Ensure 2% of average Net Profits of the company made during the three preceding financial years has been spend on CSR activities.

ROLE AND RESPONSIBILITY OF THE COMMITTEE

a) The CSR Committee shall formulate and recommend to the Board, an annual action plan in pursuance of the CSR policy, which shall include the following, namely:

b) The list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
c) The manner of execution of such projects or programmes as specified in sub-rule (1) of rule 4 of Companies (Corporate Social Responsibility Policy) Rules, 2014;
d) The modalities of utilisation of funds and implementation schedules for the projects or programmes;

e) Monitoring and reporting mechanism for the projects or programmes; and
f) Details of need and impact assessment, if any, for the projects undertaken by the company.

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

ACTIVITIES FOR CSR EXPENDITURE

As per Schedule VII of the Companies Act, 2013, following activities can be undertaken by the company for the purpose of CSR expenditure:

(i) 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;

(ii) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects;

(iii) Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;

(iv) Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, 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;

(v) 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;

(vi) Measures for the benefit of armed forces veterans, war widows and their dependents (Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows);

(vii) Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports;

(viii) Contribution to the prime minister's national relief fund or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) 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;

(ix) (a) 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; and

(b)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 Defense 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);

(x) Rural Development Projects;

(xi) Slum area development;

(xii) Disaster management, including relief, rehabilitation and reconstruction activities;

(xiii) Any other activity enumerated in the Schedule VII of the Act from time to time.

Explanation: - For the purposes of this item, the term `slum area' shall mean any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force.

IMPACT ASSESSMENT

(i) If the Company has an average CSR obligation of 10 crore (Ten Crore) rupees or more in pursuance of subsection (5) of section 135 of the Act, in the three immediately preceding financial years, it shall undertake impact assessment, through an independent agency, of their CSR projects having outlays of one crore (One Crore) rupees or more, and which have been completed not less than one year before undertaking the impact study;

(ii) The impact assessment reports shall be placed before the Board and shall be

annexed to the annual report on CSR.

(iii) If DCL undertakes impact assessment, it may book the expenditure towards Corporate Social Responsibility for that financial year, which shall not exceed two percent (2%) of the total CSR expenditure for that financial year or fifty lakh rupees, whichever is higher.

OTHERS

(i) Preference shall be given to local area and areas around it where it operates including branch offices;

(ii) CSR activities in India only shall be taken into consideration;

COMPUTATION OF NET PROFIT FOR CSR

For the purposes of this section, "Net Profit" shall be calculated in accordance with the provisions of section 198 of Companies Act, 2013.

CONTENT ON THE WEBSITE

- Appropriate disclosure regarding this Policy should be made on the Company website at www.digamberfinance.com
- The information published in the website should be updated whenever there is a change in the policy.

AMENDMENT

In case of any amendment(s), clarification(s), circular(s), etc. issued by the relevant authorities not being consistent with the provisions laid down in this Policy, then such amendment(s), clarification(s), circular(s), etc. shall prevail upon the provisions herein and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s), etc.

POLICY REPEALABLE

This policy constitutes the entire document in relation to its subject matter. In the event that any term, condition or provision of this policy being held to be a violation of any applicable law, statute or regulation, the same shall be repealable from the rest of this policy and shall be of no force and effect, and this Criteria shall remain in full force and effect as if such term, condition or provision had not originally been contained in this Policy.

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Digamber Capfin Limited

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