



TruCap Finance Limited
(formerly known as Dhanvarsha Finvest Limited)

Policy on Corporate Social Responsibility (CSR)

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VERSION CONTROL:

Sr. No.	Details of Changes	Date of Creation/Change	Department	Version No	Approved By
1.	Original Document	August 10, 2022	HCM	Version 1.0	Board of Directors



1. **Preamble:** This policy in relation to the Corporate Social Responsibility (“**CSR**”) of TruCap Finance Limited (“**the Company**”) and is titled as the Policy on Corporate Social Responsibility (“**Policy**”) and shall include any alterations, amendments or modifications hereto from time to time.

2. **Vision Statement, Objective and Applicability:**
 - 2.1 The Policy sets out our commitment to ensuring that our activities extend beyond business and include initiatives and endeavors for the benefit and development of the community and society at large, social responsibility, and environmental sustainability to benefit the economically & socially disadvantaged sections of the society. The Policy lays down the guidelines for undertaking programmes geared towards social welfare activities or initiatives. Through this Policy, the Company proposes to adopt CSR programs and initiatives.

 - 2.2 This Policy has been framed in accordance with the applicable provisions of the Companies Act, 2013 and the rules made thereunder including circulars, notifications, etc., issued by the Ministry of Corporate Affairs (“**MCA**”) (hereinafter to be referred as “**Act**”).

3. **CSR Committee:**
 - 3.1 The Board of Directors of the Company has constituted a Corporate Social Responsibility Committee (“**CSR Committee**”) to assist the Board to effectively discharge its corporate social responsibility obligations. The Committee is consisting of three members of the Board and is headed by Independent Director. The Committee shall hold meeting as and when required, to discuss various matters related to CSR activities of the Company. The Committee shall meet as frequently as it may deem necessary.

 - 3.2 Role of CSR Committee: The CSR Committee shall exercise the below powers and responsibilities vested in it under the Act, or any re-enactment thereof. The Board will continue to have the overall responsibility in respect of all CSR matters.
 - 3.2.1 Formulate and recommend to the Board, the Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Act;
 - 3.2.2 Formulate and recommend to the Board, an annual action plan;
 - 3.2.3 Recommend the minimum expenditure to be incurred on the CSR activities. If the Company spends an amount in excess of the requirements provided under Act in any financial year, the CSR Committee, after seeking approval from the Board of Directors to this effect, may consider and set off such excess amount against the



requirement to spend for such number of succeeding financial years as may be permissible under the Act;

- 3.2.4 approve projects/activities and amount to be spent towards CSR projects upto a limit of Rs. 1 Crore for each financial year;
- 3.2.5 Review the Policy of the Company from time to time and recommend any amendments in accordance with the laws; and
- 3.2.6 To approve for transfer of unspent CSR Amount if any in accordance with the law.

4. Monitoring:

The Company shall have an internal monitoring CSR Committee comprising of the below: ("**Monitoring Committee**").

- 1. Legal & Secretarial Team – Executive
- 2. Human Resources Team – Assistant Manager
- 3. Accounts & Finance Team – Senior Manager

The role of the Monitoring Committee shall include the below:

- 4.1.1 To plan, execute and monitor the CSR activities.
- 4.1.2 To ensure that the administrative overheads are not more than 5% of the total CSR Expenditure.
- 4.1.3 To ensure that the funds so disbursed have been utilized for the purposes and in the manner as approved by Sanctioning Authority and the Chief Financial Officer shall certify to that effect.
- 4.1.4 To ensure that the objectives of the Policy are being met in an efficient and effective manner.
- 4.1.5 To ensure a transparent mechanism for implementation of activities under CSR projects or programs undertaken by the Company and shall report the status of the same to the Board of Directors at regular intervals.
- 4.1.6 To report to the CSR Committee and the Board the utilisation of the amount sanctioned towards CSR activities on an annual basis.

5. Focus Areas of CSR Committee:

5.1 **Primary Focus areas:** The main focus area of the CSR activities of the Company shall be aligned to the following activities:



- Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports;
- Promoting education, including special education and employment enhancing vocational skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;

5.2 **Secondary focus areas:** The Company may also contribute to other CSR activities mentioned in the Schedule VII to the Act.

6. CSR Budget and Sanctioning Authority:

6.1 The Company shall in each financial year earmark the amount prescribed under the provisions of the Act. The Board of Directors, on recommendation of the CSR Committee shall approve the minimum budget which shall be allocated and spent towards CSR activities. Once the project/activity is identified by the Monitoring Committee, the same shall be placed before the 'Sanctioning Authority' for approval.

6.2 'Sanctioning Authority' for approving projects/activities and amount to be spent towards such projects from the approved budget shall be as under:

Amount (INR) per financial year	Sanctioning Authority
Up to Rs. 20 lacs	Executive Director
Above Rs.20 lacs – up to Rs.1 Crore	CSR Committee, on recommendation of Executive Director
Above Rs.1 Crore	Board of Directors, on recommendation of CSR Committee

7. Implementation:

7.1 The Company shall undertake CSR activities through such non-government or government affiliated organizations, as approved by the Sanctioning Authority (“**CSR Partners**”). The Monitoring Committee shall identify such CSR Partners and recommend the projects to the Sanctioning Authority(s) for granting its approval for allocating funds to them for specific CSR projects. The Monitoring Committee may engage specialized agencies, if necessary, for identification of such CSR Partners.

7.2 The Company may also partner with other companies or corporate foundations or trusts in order to fulfil its CSR obligations. The Monitoring Committee shall broadly follow the same



parameters mentioned hereinabove while identifying such companies or corporate foundations or trusts and seek approval from the Sanctioning Authority(s).

Further, the CSR Committee may also allocate funds to government / non-government schemes which fall under the purview of Schedule VII of the Act.

7.3 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.

8. **Special Unspent CSR Account: In the event there is an unspent amount in any financial year,** a special bank account, called an Unspent CSR Account for each financial year shall be opened by the Company in any scheduled bank. The account shall be credited with following:

- i. Any amount remaining unspent pursuant to any ongoing project, undertaken by a Company in pursuance of its Policy shall be transferred within a period of thirty days from the end of the financial year.
- ii. The amount transferred to the unspent CSR account shall be spent by the Company in pursuance of its obligation towards the Policy within a period of three financial years from the date of such transfer.
- iii. Any surplus amount from CSR Project which is discontinued or completed.

For ongoing projects if the Company fails to spend the amount within a period of three financial years, the amount shall be transferred to a Fund specified in the Act and rules made there under, within a period of thirty days from the date of completion of the third financial year.

9. **CSR Reporting:** The Company shall report the details of CSR Program or projects undertaken under its Policy in the format as specified under the Companies (Corporate Social Responsibility Policy) Rules, 2014 mentioning the brief outline of the Company's CSR Policy, composition of CSR Committee, average net profit of last 3 financial years and including other details as required. The annual report of the CSR shall form part of the Board's Report of the Company.



10. Review/Revision: If at any point a conflict of interpretation / information between the Policy and any regulations, rules, guidelines, notification, clarifications, circulars, master circulars/ directions issued by relevant authorities (“Regulatory Provisions”) arises, then interpretation of the Regulatory Provisions shall prevail.

In case of any amendment(s) and/or clarification(s) to the Regulatory Provisions, the Policy shall stand amended accordingly from the effective date specified as per the Regulatory Provisions. The Board reserve (s) the right to alter, modify, add, delete or amend any of the provisions of the Policy.