



Caparo Financial Solutions Limited

Annexure III

Corporate Social Responsibility (CSR)

[Pursuant to clause (o) of sub-section (3) of section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

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 or programs.

CSR Policy

POLICY OBJECTIVE:

The objective of this Policy is to set guiding principles for carrying out CSR activities by the Company and also to set up process of execution, implementation and monitoring of the CSR activities to be undertaken by the Company.

LIST OF ACTIVITIES/PROJECTS

The Company shall undertake any of the following Activities/Projects or such other activities/ projects as may be notified by the Ministry of Corporate Affairs from time to time as a part of the Corporate Social Responsibility ("CSR"). CSR as per Schedule VII of the Companies Act, 2013 (the "Act") as amended from time to time (Collectively hereinafter referred to as "CSR Activities"):

- Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water;
- Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects;
- 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;
- 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;
- 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;
- Measures for the benefit of armed forces veterans, war widows and their dependents;
- Training to promote rural sports, nationally recognised sports, Paralympic and Olympic sports;
- Contribution to the 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;
- Contribution or funds provided to technology incubators located within academic institution which are approved by the Central Government;

For Caparo Financial Solutions Limited

Director & CEO



- Rural development projects;
- Slum area development;
- Any other activities in relation of the above.

BUDGET AND FUNDING

For achieving the CSR objectives, the Company will on yearly basis allocate atleast 2% of the average net profits of the Company made during the three immediately preceding financial years, as its annual budget for CSR activities. The average net profits for this purpose shall be computed in accordance with the provisions of the Companies Act, 2013 and CSR regulations.

The surplus arising out of the CSR activity will not be a part of business profits of the Company.

All reasonable efforts will be made to ensure that the annual CSR allocation is fully utilized in the respective year. However if the Company fails to spend such amount, the Board shall its report under section 134 of the Companies Act, 2013 specify the reasons for not spending the amount.

MONITORING AND REVIEW MECHANISM

The CSR Committee constituted by the Board will be responsible for recommending the amount to be spent on CSR activities, instituting a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the Company, and monitoring the CSR policy from time to time.

The CSR Committee may identify and authorize the official(s) of the Company to deal with the report on the matters related to implementation of CSR activities. The concerned official(s) should have suitable background and report directly to the CSR Committee or member nominated by the CSR Committee.

The CSR Committee shall have the authority to obtain professional advice from external sources and have full access to information contained in the records of the Company as well as the powers to call any employee/ external consultant or such other person(s) and for such purpose as may be deemed expedient for the purpose of accomplishment of CSR objectives of the Company.

IMPLEMENTATION

All projects or programs or activities under this CSR policy shall be approved by CSR Committee. Every project will specify the Implementation schedule indicating the starting the date, date of completion, likely benefits etc. The methodology of implementation shall be as follows:

- Directly on its own or through its own non-profit making registered trust/ registered society/ company incorporated under section 8 of the Companies Act, 2013 or section 25 of the Companies Act, 1956 collaborating or pooling their resources through other companies, or
- By making grants to an independent implementation partner who shall be a reputed non-profit making registered trust/ registered society/ company incorporated under section 8 of the Companies Act, 2013 or section 25 of the Companies Act, 1956 having track record of atleast three years in undertaking similar programs/ project/ activities, or

For Caparo Financial Solutions Limited

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Managing Director & CEO



MONITORING STRATEGY

The CSR Committee shall authorize one or more of the members any other officials of the Company or any other independent agency for monitoring the CSR activities for each or all different projects under the CSR activities of the Company and require submission of periodic progress report to the CSR Committee. The CSR Committee shall review the monitoring report for each of the projects and submit a consolidated periodic report to the Board of Directors.

GENERAL

- The competent authority to take decision on sanctioning works/ allocation of funds for CSR and appointing authorized agencies for implementation projects/ activities shall be as authorized by the Board or CSR Committee of the Company.
- If it is observed that any CSR activity taken up for implementation is found not properly implemented, the CSR Committee may, at its discretion, discontinue funding the project at any time during the course of implementation.
- The Board on its own and/ or as per the recommendation of the CSR Committee can amend or modify this CSR Policy, as and when required as deemed fit. Any or all provisions of the CSR Policy would be subject to revision/ amendment in accordance with the applicable laws/ regulations on the subject as may be issued by the relevant statutory authorities, from time to time.

EXCLUSIONS:

- The CSR Activities shall not include any activity undertaken by the Company in pursuance of normal course of business of the Company.
- The Company shall not make any payment directly or indirectly to Political Party(ies) for CSR Activities.
- The CSR projects or programs or activities that benefit only the employees of the company and their families shall not be considered as CSR activities in accordance with section 135 of the Act.
- Any surplus arising out of the CSR projects or programs or activities shall not form part of the business profit of the company but should be added in the CSR Fund.

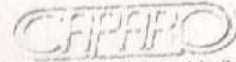
2. The Composition of the CSR Committee.

Name of the Member	Category	Present Position
Ms. Shaila Paul	Whole Time Director	Chairperson
Mr. Nilesh Sharma	Non-Executive Independent	Member
Mr Ketan Jagdishbhai Patel	Non-Executive Independent	Member

3. Average net profit of the company for last three financial years: Rs. 4,33,80,497/-

For Caparo Financial Solutions Limited

 
Chairman & Member



Caparo Financial Solutions Limited

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above); Rs. 8,67,609/- lacs (approx)

5. Details of CSR spent during the financial year:

(a) Total amount to be spent for the financial year; Rs 8,67,609/-

(b) Amount unspent, if any; Rs NIL

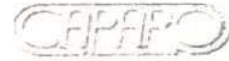
(c) Manner in which the amount spent during the financial year is detailed below:

S. No.	CSR project or activity identified	Sector in which the project is covered	Project or programs • Local area or others • Specify the state and district where project is undertaken	Amount outlay (budget) project of programs wise	Amount spent on the projects or programs	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
1.	Arya Bal Grah	Education, Health and Skills development of children	Delhi	4,25,000	4,25,000	4,25,000	Direct
2.	Kartavya Janhit Foundation (NGO)	Support education of economically weaker sections students	Delhi	4,50,000	4,50,000	4,50,000	Direct
		Total		8,75,000	8,75,000	8,75,000	

6. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report. – During the FY 2019-20 Company spent Rs. 8,75,000 on CSR activities out of budgeted amount of Rs. 8.67 Lacs. During the year under review, the Company had spent full amount on CSR activities.

For Caparo Financial Solutions Limited


Managing Director & CEO



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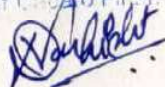
7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company

For and on behalf of the Board

For Caparo Financial Solutions Limited


Managing Director & CEO
(SHAILA PAUL)
Director
(DIN: 07072473)

For Caparo Financial Solutions Limited


Managing Director & CEO
(DHEERAJ VASHISHT)
Director
(DIN: 07503387)

Date: 23.12.2020
Place: London

Date: 23.12.2020
Place: New Delhi