

Corporate Social Responsibility Policy

Policy Owner

1 DEFINITIONS

Company shall mean the Digamber Capfin Ltd, a Company incorporated under the provisions of the Companies Act, 1956 with its registered Office at J-54, 55, Anand Moti, Near Toyota Showroom, Tonk Road, Jaipur;

Act shall 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;

Board shall mean Board of Directors of the Company (**Digamber Capfin Ltd**)

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

CSR shall mean the Corporate Social Responsibility as defined in the Section 135 of the Act, 2013 and rules made there under; Committee shall mean the CSR Committee formed by the Board of Directors of the Company;

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, 2013 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 BOD or CSR committee;

NGO shall mean the non-profit organizations be it a Registered trust, society, section 8 companies of the Act, 2013 made by the company or its holding, subsidiary or associate company, or any association formed and registered under the respective statutory body in India;

Beneficiaries shall mean the person (s) or sector of people fructifying the benefits from the activities defined in clause 1.7, and shall include ecology, environment;

Directors' report shall mean the report under the section 134 of the Act 2013, by the Company;

2 COMMITTEE

The Board has constituted a committee especially for CSR known as CSR committee. The committee should constitute of three or more directors and one among them is an Independent Director. The list of the committee members is annexed as Annexure A to this policy and the Board has absolute power to alter the composition of this committee. The members of the committee should be of age not less than 21 years.

3 MEETING

The committee members will meet as per requirement, minimum 2 times in a financial year.

Notice of any meeting of the CSR Committee has to be given at least 7 day prior to any such meeting to be held, unless all Members unanimously waive such notice.

4 QUORUM

Quorum shall be either two members or one third of the members of the committee, whichever is higher.

5 RESOLUTIONS

All decisions shall be taken by simple majority. In case of equality of votes on any matter, Chairman shall have a casting vote.

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 as are then in India, or by majority of such of them, as are entitled to vote on the resolution.

6. MINUTES

Minutes of the proceedings and resolutions of the CSR Committee meetings shall be signed and confirmed by the Chairman of the meeting. Minutes so signed and confirmed shall be conclusive evidence of such proceedings and resolutions.

Minutes of all Committee meetings will be open for inspection at any reasonable time on reasonable notice by any member of the Board of Directors of the Company.

Minutes of the committee meeting shall be recorded in loose sheets bound and shall be initialed by the Chairman or in electronic form and shall be digital signed by the Chairman.

7. MAINTENANCE OF RECORDS

Company Secretary of the Company be nominated as a responsible person for maintaining the records of all the Meetings and duly signed minutes of the Meeting of the CSR Committee at a place designated by the Committee.

8. CSR FUNDS

In every financial year, the company should 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.

9. NOT FOR EMPLOYEES ONLY

The CSR activities should not be exclusively for the benefit of employees of the Company or their family members.

10. AMENDMENTS TO THE CSR POLICY

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

11. ROLE OF BOARD OF DIRECTORS

- a) Approval of CSR Policy after considering recommendations of CSR Committee.
- b) Contents of CSR Policy on company's website.
- c) Ensuring CSR activities undertaken are included in CSR policy.
- d) Approve amount of expenditure as recommended by 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.

12. ROLE AND RESPONSIBILITY OF THE COMMITTEE

The Committee shall

- i. Recommend the computed amount that shall be spend on CSR.
- ii. Formulate policy and recommend to board of directors & then monitor CSR policy.
- iii. The bifurcation on the recommended amount for the activities to be undertaken for nearby areas and for rest of country.
- iv. Determine the beneficiaries of the activities.
- v. Mode of serving the beneficiaries i.e. directly or indirectly through an NGO
- vi. Identify the NGO through which the beneficiaries shall be served.

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- vii. Determine the mode of payment to the identified NGOs.
- viii. Derive the method of verifying whether the amount allotted is spend for the beneficiaries.
- ix. Derives and implement a snap check procedures.
- x. Audit and assess the activities implemented
- xi. Report to the Board and aids in disclosing in the Directors' report of the Board under section 134 of the Act, 2013 as well as uploading in the official web site of the Company.
- xii. Review CSR activities on half yearly basis

13. THE NGO SELECTION CRITERIA ARE

- i. Legal identity and its organization
- ii. Registration under the Income Tax and Foreign Exchange department, if applicable.
- iii. Members in the Board of NGO.
- iv. Past donors and recipients of NGO.
- v. Impact assessment on the activities undertaken.
- vi. Input output ratio of the activities undertaken.
- vii. Directors', employees, volunteers remuneration.
- viii. Future projects appraisal;
- ix. Beneficiaries of the activities.
- x. Projected impact assessment of the activities.
- xi. Fund required for the activity and plan for contribution.
- xii. Other donors contributing for these chosen activities.

14. ACTIVITIES MAY BE INCLUDED IN CSR POLICY

- i. As per Schedule VII of the Companies Act, 2013, there are 10 specified generic categories of activities:
- ii. 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.
- iii. Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.
- iv. 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.
- v. 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.
- vi. 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;
- vii. 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) ;
- viii. training to promote rural sports, nationally recognized sports, paralympic sports and Olympic sports
- ix. Contribution to the prime minister's national relief fund or [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;
- x. (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

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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).]

- xi. rural development projects
- xii. Slum area development.
- xiii. Disaster management, including relief, rehabilitation and reconstruction activities.

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.

15. ASSESSMENT

- i. Accounting on the money spent on CSR.
- ii. Auditing and submission of activity report for the approval of the Board before the AGM.

16. REVIEW OF ACTIVITIES

- i. Frequency of review will be on half year basis.
- ii. Implementation of changes desired.
- iii. Alternate NGO performing better for the cause.
- iv. Recommendation of the identified NGO for the review of Board.

17. OTHERS

- i. Preference shall be to local area and areas around it where it operate
- ii. The company may spend on CSR activities by way of an organization which is registered as Trust or Section 8 Company or Society or Foundation, directly or any other form of entity operating within India. by way of a company established under section 8 of the Act or a registered trust or a registered society, established by the company, either singly or along with any other company, or by way of 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 any entity established under an Act of Parliament or a State legislature
- iii. The company may incorporate/registered a separate trust, society, foundation, section 8 of the Companies Act, 2013 to facilitate CSR Activities. If company decides to undertake its CSR activities through a company established under section 8 of the Act or a registered trust or a registered society, other than those specified in the companies act, 2013, such company or trust or society shall have an established track record of three years in undertaking similar programs or projects; and the company has specified the projects or programs to be undertaken, the modalities of utilisation of funds of such projects and programs and the monitoring and reporting mechanism".
- iv. CSR activities in India only shall be taken into consideration.
- v. Expenditure thereof is eligible for computing CSR spending.
- vi. The CSR policy of the Company as amended from time to time, shall be posted on the website of the Company.
- vii. Surplus arising out of the CSR Activity will not be part of business of the Company.
- viii. The Company may collaborate or pool resources with other companies to undertake activities.

18. COMPUTATION OF NET PROFIT FOR CSR

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

ANNEXURE "A"

Name of Members

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

DIGAMBER CAPFIN LIMITED

Registered office Address:

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Tonk Road, Gopalpura, Jaipur, Rajasthan 302018

