



**Dar Credit & Capital Ltd.**

...we make life simple

# **Dar Credit & Capital Ltd**

## **Corporate Social Responsibility (“CSR”) Policy**



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## 1. Policy Statement

Corporate Social Responsibility (“CSR

”) at Dar Credit & Capital Limited (“the Company” or “DCCL”) portrays a deep symbiotic relationship that the Company enjoys with the communities it is engaged with. As a responsible corporate citizen, DCCL believes in regularly contributing to social and economic development.

## 2. Purpose

DCCL is committed to society and encourages its employees to serve the community in need and give back to society through developmental activities designed around thematic areas detailed in this policy. The thematic areas the Board of Directors of DCCL identified are women and child development and environmental sustainability (including natural calamities). DCCL seeks to leverage its IT strength, global presence, and strong employee base to transform the delivery of its social programs efficiently and effectively. Simultaneously, DCCL also ensures that CSR programs are in line with statutory norms defined in Schedule VII of the Companies Act, 2013, or any other Acts, as applicable. In countries outside India, CSR initiatives are selected based on the local community’s needs in alignment with the Company’s vision & strengths and in compliance with local laws governing CSR, if any. The purpose of this document is to lay down the policies and procedures of the Corporate Social Responsibility initiatives (“CSR initiatives”) of the Company.

The Corporate Social Responsibility Policy (“CSR Policy”) of Dar Credit & Capital Limited has been renewed approved by the Board of Directors at its meeting held on 11th June, 2025.

## 3. Vision

DCCL aims to create a need-based, sustainable, community-driven model for its CSR initiatives.

## 4. Compliance Standard

This Policy is formulated by Section 135 of the Companies Act 2013 and the Rules made thereunder and is reviewed and updated from time to time to incorporate best practices and statutory requirements as laid down by the Act and subsequent amendments/notifications/rules etc.

## 5. Definitions

a. In this Policy unless the context otherwise requires:

- i) “Act” means the Companies Act, 2013, as amended from time to time.
- ii) “Administrative Overheads” means 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 program.

- iii) "Board" means the Board of Directors of the Company.
- iv) "Company" means Dar Credit & Capital Limited
- v) "CSR" means the activities undertaken by the Company in pursuance of its statutory obligation laid down in Section 135 of the Act per the provisions contained in Corporate Social Responsibility Rules, as may be notified from time to time, but shall not include the following, namely: -
  - activities undertaken in pursuance of the normal course of business of the Company.
  - any activity undertaken by the Company outside India except for training of Indian sports personnel representing any State or Union territory at the national level or India at the international level.
  - contribution of any amount directly or indirectly to any political party under Section 182 of the Act.
  - activities benefitting employees of the Company as defined in clause (k) of Section 2 of the Code on Wages, 2019 (29 of 2019).
  - activities supported by the Companies on a sponsorship basis for deriving marketing benefits for its products or services.
  - activities carried out for the fulfillment of any other statutory obligations under any law in force in India.
- vi) "CSR Committee" means Corporate Social Responsibility Committee of the Company constituted by the Board. However, as per Section 135(9) of the Companies Act, 2013 if total CSR obligation of the Company is less than Rs.50 lakhs, the functions of the CSR Committee shall be discharged by the Board of Directors, and the constitution of a separate CSR Committee is not required.
- vii) "CSR Rules" means Companies (Corporate Social Responsibility Policy) Rules, 2014 and amendments thereon.
- viii) "CSR Policy" means this Policy.
- ix) "CSR Expenditure" shall include all expenditures including contribution to the corpus, for projects or programs relating to CSR activities approved by the Board.
- x) "Implementing Agency" means an entity amongst the following categories and having unique CSR registration number issued by MCA:
  - A Company established under section 8 of the Companies Act, 2013 with section 12A and section 80G registrations under the Income Tax Act, 1961, established by the Company, either singly or along with any other company



or having an established track record of at least three years in undertaking similar activities

- Registered Public Trust with section 12A and section 80G registrations under the Income Tax Act, 1961, established by the company, either singly or along with any other company or having an established track record of at least three years in undertaking similar activities.
- Registered Society with section 12A and section 80G registrations under the Income Tax Act, 1961, established by the Company, either singly or along with any other company or having an established track record of at least three years in undertaking similar activities.
- Company established under section 8 of the Companies Act, 2013 or Registered Trust or Registered Society established by the Central Government or State Government.
- Entity established under an Act of Parliament or State Legislature.

x) “Net profit” shall have the meaning ascribed to it in the Act.

xi) “Ongoing Project” as per rule 2(i) of CSR rules means a multi-year project undertaken by the Company in fulfillment 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.

b. Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Act or the Rules made thereunder, as may be amended from time to time, shall have the meaning respectively assigned to them therein.

## 6. Functions of CSR Committee

Since the total CSR obligation of the Company is less than ₹50 lakhs, in accordance with the provisions of the Companies Act, 2013, the functions of the CSR Committee shall be discharged by the Board of Directors, and the constitution of a separate CSR Committee is not required. Accordingly the Board shall:

- a) To formulate and recommend a CSR Policy indicating the activities to be undertaken by the company in areas or subject specified in Schedule VII to the Act;
- b) To recommend the amount of expenditure to be incurred on the activities referred to in clause (a);
- c) To monitor the CSR Policy from time to time.

The Board should recommend the approach and direction of CSR activities to be undertaken by the company and also provide Guiding principles for

- (i) Selection of CSR projects / programmes / activities
- (ii) Implementation of CSR projects / programmes / activities
- (iii) Monitoring of CSR projects / programmes / activities
- (iv) Formulation of the annual action plan



## 7. CSR Activities

The Company shall give preference to the local area and areas around it where it operates, for spending the amount earmarked for Corporate Social Responsibility activities.

The Board of every Company:

(a) after approving the Corporate Social Responsibility Policy for the Company and disclose contents of such Policy in its report and also place it on the Company's website, if any, in such manner as may be prescribed; and

(b) ensure that the activities as are included in Corporate Social Responsibility Policy of the Company are undertaken by the Company.

### **A. The Company shall undertake such activities which are broadly related to any of the following as per Schedule VII:**

(i) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation

(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 centres 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, agroforestry, conservation of natural resources and maintaining quality of soil, air and water.

(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 recognised sports, paralympic sports and olympic sports

(viii) Rural development projects

(ix) Development of area declared as "slum area" by the Government or Competent Authority.

(x) Disaster management, including relief, rehabilitation and reconstruction activities.

### **B. The company may also contribute to the following funds as part of CSR activities:**

(i) Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.



- (ii) Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga;
- (iii) Prime Minister's National Relief Fund or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) or any other fund set up by the Central Government for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;
- (iv) 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;
- (v) 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).

The above areas as enshrined in Schedule VII to the Act and included in this policy aims to provide macro areas in which CSR projects should be undertaken by the Company. The Board should consider details of CSR projects as elaborated in the annual action plan for each financial year. Any CSR activity proposed to be undertaken as a CSR initiative, but not specifically covered in the aforesaid, may be undertaken only with the prior approval of the Board.

## **8. Annual Action Plan**

The Board shall formulate an annual action plan which shall include the following:

- (a) the list of CSR projects or programmes that are approved and to be undertaken by the Company as specified in Schedule VII to the Act;
- (b) the manner of execution of such projects or programmes
- (c) the modalities of utilisation of funds and implementation schedules for the projects or programmes;
- (d) monitoring and reporting mechanism for the projects or programmes; and
- (e) details of need and impact assessment, if any, for the projects undertaken by the Company.

The Board of Directors are empowered to alter the annual action plan during the financial year based on the reasonable justification for such change.

## **9. CSR Spending**

The company shall endeavor to achieve the objectives of CSR Policy and allocate every year:

- a. Minimum 2% of its average net profits made during the three immediately preceding financial years



b. Any income or surplus arising out of the CSR activities, projects or programs shall not form part of the business profit of the company and the same shall be ploughed back for use in CSR activities

However, the Company fails to spend such amount, the Board shall, in its report made under clause (o) of sub-section (3) of section 134 of the Companies Act 2013 specify the reasons for not spending the amount.

All the expenditure relating to CSR shall be approved by the Board.

The CFO shall monitor the utilization of funds for the purposes set forth and certify to this effect.

Unspent CSR amount, if any, shall be transferred to separate account in accordance with the applicable CSR Rules from time to time.

## **10.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, registered under section 12A and 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, registered under section 12A and 80G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities.

(2) Every entity, covered under sub-rule (1), who intends to undertake any CSR activity, shall register itself with the Central Government by filing the form CSR-1 electronically with the Registrar, with effect from the 01st day of April 2021

(3) A 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) A 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 these rules.

(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.



## 11. Mode of implementation

CSR programs, projects or activities of the company should be implemented through following methods:

- i. Directly by the company;
- ii. Implementing Agencies;
- iii. Any foundation or body incorporated by the company and eligible to undertake such CSR projects.
- iv. in collaboration with other organizations/group companies

While the company can engage suitable Implementing Agencies to undertake approved CSR projects. The Company can also partner with local governance bodies, such as Gram Panchayats, Civic Bodies, Municipality to directly undertake approved CSR projects with the help and support of these bodies.

## 12. 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

(3) The unspent amount relates to any ongoing project , transfer such unspent amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year

(4) Any amount remaining unspent under sub-section (5) of section 135 of Companies Act 2013 pursuant to any ongoing project, undertaken by a Company in pursuance of its Corporate Social Responsibility Policy, shall be transferred by the Company within a period of thirty days from the end of the financial year to a special account to be opened by the Company in that behalf for that financial year in any scheduled bank to be called the “Unspent Corporate Social Responsibility Account”. Such amount shall be spent by the Company in pursuance of its obligation towards the CSR Policy within a period of three financial years from the date of such transfer. If the Company fails to do so, the unspent amount shall be transferred to a Fund specified in Schedule VII, within a period of thirty days from the date of completion of the third financial year.

(5) 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 –

(i) 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) rule 4 of (Corporate Social Responsibility Policy) Rules, 2014 (ii) the Board of the company shall pass a resolution to that effect.

(6) 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 of (Corporate Social Responsibility Policy) Rules, 2014; or



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

(c) a public authority:

### **13. Capital Assets**

Capital asset acquired or created by CSR projects should be held by the beneficiaries of the said CSR project or a trust or a public authority for the benefits of all. The Company should take appropriate measure to ensure that such assets are utilized for the purpose it was meant for and should not be transferred or disposed off without prior permission of the Company.

### **14. Information dissemination**

CSR Policy and activities undertaken shall be disseminated on website for public access and shall be published in the Annual Report of the Company in the format prescribed under the Act and CSR Rules.

### **15. Review**

The Board shall be fully responsible for the monitoring and review of the implementation of this policy in accordance with applicable laws from time to time. The Board if necessary amend/ modify/ revise the CSR Policy.