



2026

Corporate Social Responsibility Policy

Enterprise wide-applicable

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I. PREAMBLE

Capfloat Financial Services Private Limited ('the Company') is committed to conducting its business in a responsible and sustainable manner that benefits its employees, customers, and the communities in which it operates.

As part of the Company's commitment to responsible and sustainable business practices, we are committed to building a sustainable business for our employees, customers, and communities. We are driving toward a netzero carbon future where the people that support our entire value chain are treated with dignity and respect.

The Company contributes progressively to the socio-economic and environmental advancement of the planet with 'Corporate Social Responsibility' ("CSR") at the very core of its existence.

A statement of intent, the CSR Policy of the Company (the "Policy") vividly lays out its progressive developmental agenda. More than just a compliance document, the Policy reaffirms our commitment to leverage our resources to strengthen communities where our employees and customers live and work. The CSR Policy lays down the guidelines for undertaking programmes geared towards social welfare activities or initiatives. Guided by the values of equity, dignity and equal opportunities, the ethos of 'giving back', in ways that matter, is enshrined in its culture. In the context of India, words and expressions used and not defined in this Policy but defined in the Companies Act, 2013 (the "Act") and Schedule VII of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 ("CSR Rules"), as amended from time to time ("Applicable Laws"), shall have the same meanings respectively assigned to them under the Applicable Laws.

II. VISION STATEMENT, OBJECTIVE AND APPLICABILITY

- a) The Company's CSR vision is to "create opportunities and transform lives". The Company will use its resources including but not limited to its strengths of innovation, technology and logistics to support India's development goals in the communities it operates.
- b) The CSR Policy lays down the guidelines/ principles and strategies for selection, implementation, monitoring and undertaking CSR projects/ programmes geared towards social welfare activities or initiatives as well as formulation & implementation of CSR annual action plan.
- c) This Policy has been framed in accordance with the applicable laws, as amended from time to time.
- d) The objective of this policy is to articulate Company's core philosophy of social responsibility, to define the areas chosen by the Company to impact the society with its efforts towards the CSR and to define the governance and monitoring framework for ensuring the effectiveness of the policy.

III. DEFINITION AND INTERPRETATION

- a) "Board" means the Board of Directors of the Company.
- b) "Company" means Capfloat Financial Services Private Limited.
- c) "CSR Activities" means such programs and projects as may be approved by the Board in terms of this CSR Policy.
"CSR
- d) " Rules" means the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time.



- e) "CSR Expenditure" means 2% (two percent) of average Net Profits of the Company made during the three immediately preceding financial years in terms of the provisions of Section 198 of the Act and the CSR Rules as approved by the Board from time to time.
 - f) "Director" means a member of the Board of the Company.
 - g) "Implementing Agency" means an implementing agency as defined under paragraph V(A).
 - h) "Implementation Group" means an implementation group as defined under paragraph VII(A).
 - i) "Net Profits" means the net profit of the Company calculated in accordance with the provisions of Section 198 of the Act and shall not include such sums as may be prescribed.
 - j) "Society" means a society registered under the Societies Registration Act, 1860 or any other applicable law in India.
 - k) "Trust" means a public charitable trust registered under the Indian Trusts Act, 1882 or any other applicable law in India.
- Any term not defined above, shall have the meaning assigned to it under the Act or the CSR Rules ("Applicable Laws").

IV. KEY CSR STREAMS

The Company is a Reserve Bank of India registered Non-Banking Financial Company engaged in the business of digital lending, and providing personal and merchant finance solutions to customers across India through web and mobile-based platforms. The Company has steadily expanded its Corporate Social Responsibility (CSR) efforts and prioritized building a positive social and environmental impact into its business model.

The Company is committed to making a positive difference around the world. Whether it's using our unique assets to solve the world's most pressing issues, or supporting causes we care about, The Company is dedicated to building a world where every person has the opportunity to live a life of dignity.

The Company strives to being a good neighbor, and we aspire to be socially responsible leaders in the locations and regions where we have the greatest presence.

The Company has steadily expanded its Corporate Social Responsibility (CSR) efforts and prioritized building a positive social and environmental impact into its business model. Below are some key CSR initiatives the Company is currently undertaking to enhance and expand its social accountability:

- Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation;
- Promoting education, employment enhancing vocation skills, livelihood enhancement projects;
- Promoting gender equality, empowering women and measures for reducing inequalities faced by socially and economically backward groups;
- Disaster management, including relief, rehabilitation and reconstruction activities;

Environmental sustainability, ecological balance, conservation of natural resources. The Company aims to continue its work in the above-mentioned areas and scale up further for better reach, deeper engagement and impact.

Further, the Company may undertake such other CSR activities within the scope of Schedule VII of the Companies Act, 2013 as may be approved by the Board from time to time.

Our strategy going forward will be to further strengthen the domains that we are already engaged as enumerated above. We may also choose to add to and modify our domains of engagement in future as



appropriate. Our network of partners has been instrumental in the effectiveness of our programs and we will continue to leverage and develop the partnership model to the extent that is required.

The Company may take up other CSR activities as may be appropriate from time to time, in accordance with the approval of the Board.

The Policy issued pursuant to the Corporate Social Responsibility Policy Rules, 2014, has been adopted by the Board of Directors.

V. GUIDING PRINCIPLES FOR SELECTION, IMPLEMENTATION, MONITORING & EVALUATION OF CSR ACTIVITIES

Company's CSR Policy is supported by the following principles:

- We look to leverage our unique assets (including but not restricted to technology, logistics and human resources) for good and use our ability to innovate quickly to strengthen communities around India.
- We work side-by-side with community partners to find solutions to the India's most pressing challenges and build long-term, innovative programs that have a lasting, positive impact
- We are committed to conducting our operations with integrity and respect, in the interest of our stakeholders.
- We collaborate and engage with different stakeholders including Government and NGOs to tackle the challenges faced by the society.

A. Selection:

The projects identified by the Implementing team shall be presented to the Board for review and approval. The Board shall approve the projects which are in line with this Policy.

The CSR activities can be undertaken either directly or through an implementing agency. The Implementing Agency should meet the statutory eligibility criteria laid down under the Applicable Laws. While engaging implementing agencies, the Company will evaluate the credentials of the implementing entity and seek relevant documents, information and details as per **Annexure 1**. Additionally, the Company shall also conduct appropriate due diligence of the implementation agency before associating the agency. Such due diligence shall inter alia cover aspects of financial position of the agency, credibility, history and experience in the relevant area, any potential conflict of interest and existing and past litigations.

B. Implementation and Monitoring:

The CSR activities undertaken by the Company either directly or through an implementing agency shall be periodically monitored. While monitoring, the Company shall ensure the Implementing Agency or the vendor, follow ethical practices. The Monitoring process adopted by the Company may include obtaining of reports of different kind, self-declaration, On-site visit, etc.

The impact assessment shall be conducted for eligible CSR projects or programs as mentioned under the Act, namely, where the average CSR obligation of the Company is Rupees ten crore or more in the three immediately preceding financial years, in respect of a CSR project or programme having an



outlay of Rupees one crore or more which has been completed not less than one year before undertaking the impact assessment. The cost of conducting such impact assessment shall not exceed two percent of the total CSR Expenditure for that financial year, or Rupees fifty lakh, whichever is higher.

The fund utilization made in projects/activities as approved by the Board, will be certified by the person responsible for financial management of the Company.

C. Annual Action Plan:

All the guiding principles as required to be followed for implementing and monitoring the CSR Activities shall also be followed while formulating the Annual Action Plan. The Annual Action plan shall be simple, action oriented, measurable, relevant and time bound and shall consist of the following:

- list of CSR projects or activities that are approved to be undertaken in areas specified in Schedule VII of the Act.
- manner of execution of such projects or activities.
- the modalities of utilization of funds and their implementation schedules for the projects or activities.
- monitoring and reporting mechanism for the projects or activities.
- details of need and impact assessment, if any, for the projects or activities undertaken by the Company; and
- any other details which may deem fit to include in the Annual Action Plan by the Board.

VI. GOVERNANCE

The Company has a well-defined and robust governance structure to oversee the implementation of the CSR Policy, in compliance with the requirements of Section 135 of the Act and The Companies (Corporate Social Responsibility Policy) Rules, 2014 read with The Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 ("Rules").

1. Role of Board of Directors

- a) The Board shall be responsible for implementing the mandate of the CSR Policy and shall ensure that the CSR Activities are carried out in accordance with the CSR Policy read with the Act and CSR Rules and the annual action plan formulated and approved by the Board.
- b) The Board of Directors shall endeavor that the Company spends 2% of the average pretax net profits of the Company made during the 3 immediately preceding financial years in pursuance of its CSR Policy.
In case of failure to ensure the minimum CSR Expenditure i.e. 2% (two percent) of average Net Profits of the Company made during the three immediately preceding financial years, detailed reasons for the same should be submitted to the Board. Further the Board shall duly include such explanation in their annual board of directors' report.
- c) The Board of Directors of the Company shall disclose the CSR Policy and Projects approved by them on their website, if any, for public access.
- d) In case of ongoing project, the Board of the 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.

- e) The Board may extend a non-ongoing project beyond one year based on reasonable justification.
- f) The Board of the Company shall satisfy itself that the funds so disbursed have been utilized for the purposes and in the manner as approved by it and the person responsible for financial management shall certify to the effect.
- g) The Board may alter the CSR Annual Action Plan at any time during the financial year, based on reasonable justification to that effect.
- h) The Board shall ensure that the administrative overheads shall not exceed five percent of total CSR expenditure of the Company for the financial year.
- i) Where the Company spends an amount in excess of requirement, such excess amount may be set off by the Board against the requirement to spend up to immediate succeeding three financial years subject to the conditions that –
 - the excess amount available for set off shall not include the surplus arising out of the CSR activities, if any.
 - the Board of the Company shall pass a resolution to that effect
- j) The Board shall empower the Implementation Group to finalize, approve and execute various agreements, deeds, writings, confirmations, undertakings or other documents, as may be necessary, under the Common Seal of the Company or otherwise, with any party including Implementing Agencies and/or others for the purposes of the CSR Policy and accept modifications, changes and amendments to any such documents/ agreements as it may deem fit.

2. Role of CSR Committee

- a) The Board shall constitute a CSR Committee comprising two or more Directors of the Company, in accordance with Section 135(1) of the Act.
- b) The CSR Committee shall formulate and recommend to the Board this CSR Policy, the Annual Action Plan, and the amount of CSR Expenditure to be incurred on the CSR Activities undertaken by the Company.
- c) The CSR Committee shall monitor the CSR Policy and the Annual Action Plan of the Company from time to time and institute a transparent monitoring mechanism for implementation of the CSR Activities.
- d) The CSR Committee shall meet at least once in a financial year and shall report its recommendations to the Board, which may delegate the day-to-day implementation of such recommendations to the Implementation Group.

VII. MODE OF IMPLEMENTATION:

- a) While Company's employees at all levels are encouraged to involve themselves and participate in its CSR activities, in order to retain focus and organizational commitment, Company's CSR programs will be driven by a dedicated Implementation group under the guidance and support of Board. The Implementation group would play a significant role in implementation of the CSR programs ensuring that the same are in line with the policy and the purview of the applicable laws governing CSR. The Implementation group will be responsible inter alia for:
 - Identify CSR projects and proposals and present the same to the Board for approval



- Coordination with the business function/ unit/ location and the implementing agencies for successful implementation of the CSR programs;
 - Reporting the progress and the impact of the CSR programs on a quarterly basis to the Board
- a) The CSR Activities may be undertaken by the Company directly through its Implementation Group or with the prior approval of the Board, through any of the following entities as “Implementation Agency” being duly registered with the Central Government and having a unique CSR Registration Number (with effect from 1 April 2021):
- 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
 - 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; or
 - 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.
- b) The Company shall conduct due diligence prior to selection of an entity as its implementation agency, to inter alia verify the credentials and ensure that the proposed implementation agency is eligible and capable to be appointed as such.
- c) The Company may engage international organizations 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.

The Company may also collaborate with other companies for undertaking projects or programmes or CSR activities with the prior approval of the Board, in such a manner that the Board of Directors of respective companies are in a position to report separately on such projects or programmes in accordance with these rules.

The Company may collaborate with the group companies / affiliates, to identify, conduct due diligence and contribute to CSR projects. As part of such collaboration, any one of the group companies / affiliates may engage with Implementation Agencies (including execution of the appropriate memorandum of understanding or any other documents as approved by the Board) on behalf of the Company.

I. CSR EXPENDITURE

- a. The Company shall spend at least 2% (two percent) of average Net Profits of the Company made during the three immediately preceding financial years in accordance with the Act and the Rules and the CSR Policy.



- b. The Board shall recommend the manner in which the CSR Expenditure shall be incurred in a year i.e. allocation of CSR budget towards the specific CSR initiatives/ projects and approval of all projects undertaken by the company, in accordance with the Act and the Rules and the CSR Policy.
- c. The Board shall be responsible for sanctioning the CSR Expenditure for taking steps to ensure that the amount for the CSR Expenditure is available to the Implementation Group for application towards the CSR Activities.
- d. Any surplus arising out of the CSR Activities shall not form part of the business profit of the Company and shall be:
 - re-allocated to the CSR Activities being undertaken in terms of this CSR Policy and the annual action plan for the financial year in which such surplus has arisen or;
 - transferred to the Unspent CSR Account and spent in pursuance of CSR policy and annual action plan of the Company; or
 - transferred to a fund specified in Schedule VII within a period of six months of the expiry of the financial year.
- e. Any amount that remains unspent by the Company pursuant to its CSR obligation under the Act (other than the surplus referred to above) shall be dealt with as follows:
 - where such unspent amount relates to a CSR Activity or project other than an ongoing project, the Company shall transfer the same to a fund specified in Schedule VII, within a period of six months of the expiry of the financial year; or
 - where such unspent amount relates to an ongoing project, the Company shall transfer the same, 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, to be styled as the “Unspent Corporate Social Responsibility Account”, and shall spend such amount towards the ongoing project within a period of three financial years from the date of such transfer, failing which the Company shall transfer the unspent amount to a fund specified in Schedule VII within thirty days from the completion of the third financial year.
- f. CSR expenditure of the Company may include creation or acquisition of capital assets.
- g. In order to count towards CSR Expenditure, CSR Activities must be undertaken in compliance with the applicable laws and shall not include the following:
 - activities undertaken in pursuance of 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 national level or India at 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 sponsorship basis for deriving marketing benefits for its products or services; and
 - activities carried out for fulfilment of any other statutory obligations under any law in force in India.
- h. The Board shall ensure that the administrative overheads shall not exceed five percent of total CSR expenditure of the Company for the financial year.

II. CSR ACTIVITIES

- a) The Board shall ensure that the CSR Activities that are undertaken by the Company should be within the scope of Schedule VII of the Companies Act, 2013.
- b) The Board may take assistance (viz. data collection, survey, quotations and costs involved etc.) of appropriate designated Implementation group and may also approach external consultants as it may deem fit at such costs.
- c) The following details of any CSR Activities to be undertaken by the Company shall be tabled before the Board :
 - The list of CSR projects or programmes to be undertaken in areas or subjects specified in Schedule VII of the Act;
 - The objectives and expected results of the CSR Activity;
 - The relevant sector and the nature of the CSR Activity;
 - The focus area/ location for implementation of the CSR Activity;
 - The modalities of utilisation of funds and amount to be allocated towards the CSR Activity;
 - The implementation schedules for the projects or programmes with indicative timelines for completion of the CSR Activity;
 - The manner of execution - whether the CSR Activity should be undertaken by the Implementation Group or any Implementing Agency or in collaboration with any other company;
 - Monitoring and reporting mechanism;
 - details of need and impact assessment, if any, for the projects undertaken by the company; and
 - Such other details as it may deem necessary.
- d) In case any of the CSR Activities to be undertaken are anticipated to be long-term i.e. an ongoing project being of a term of 3 (three) years excluding the financial year in which it was commenced, then the Board shall consider the detailed estimate on implementation schedule or milestones.
- e) The Board shall approve the CSR activities of the Company for a given financial year.

III. MONITORING & EVALUATION PROCESS

- a) To ensure that the objectives of CSR Policy are being met in an efficient and effective manner, the utilization of the amount sanctioned towards CSR Activities should be reported by the Implementation Group to the Board.
- b) In the event any of the CSR Activities are undertaken through an Implementing Agency, the Implementation Group should obtain relevant information from the Implementing Agency. The Implementation Group will play a critical role in routine monitoring and analysis of the different parameters that represent the programmes through:
 - Impact assessment studies
 - Routine program monitoring to track key operational strategies
 - Focus on beneficiary acceptance and course correction
- c) For the purposes of monitoring, the Implementation Group may visit the Implementation Agency site to review CSR project and carry out inspections as recommended by the Board from time to time.
- d) The Implementation Group shall ensure that the progress report of CSR Activity, evaluation report of Implementing Agencies is submitted to the Board and CFO/person in-charge of the financial statements on a quarterly basis.
- e) Person in-charge of the financial statements to certify that the funds disbursed towards CSR activities been utilized for the purposes and in the manner as approved by the Board.
- f) Upon receipt of such reports by the Implementation Group, the Board may review and deliberate upon such reports



IV. REPORTING AND RECORD KEEPING

- a) The Board's report of the Company shall include an annual report on CSR containing the particulars set out under the Applicable Laws.
- b) In respect of the reporting, the Board will be responsible to ensure that:
 - The report of the Board includes the annual report on CSR Activities of the Company and sets out the requisite information in terms of the Act and the Rules;
 - The contents of the latest and updated version of the CSR Policy is included in the report of the Board;
 - The contents of the CSR Policy, and projects approved by the Board are also made available on the website (if any) of the Company.
 - In case of failure to ensure the minimum CSR Expenditure, detailed reasons for the same are adequately disclosed in the Board Report

V. LIMITATION AND AMENDMENTS

The Board of Directors may in their discretion, make any changes/modifications and/or amendments to this Policy from time to time for making suitable amendments for better implementation of the Policy. In the event of any conflict between the provisions of this Policy and statutory requirements, law shall prevail over and automatically be applicable to this Policy.

ANNEXURE 1 - Indicative list of aspects to be considered while engaging with implementing agencies

1. Due diligence of the implementing agency would be conducted to check the credentials of the organization. The following information from the interested implementing agencies would be sought, as relevant:
 - i. Memorandum/Article of Association or Constitution
 - ii. Registration Certificate;
 - iii. Registration Certificate under Section 12A;
 - iv. Audited Accounts of last three years;
 - v. IT Exemption Certificate under Section 80G; (Lifetime validity)
 - vi. Pan Card;
 - vii. IT Exemption Certificate under Section 35(i), if available;
 - viii. Acknowledgement of Income Tax Return along with IT Return filed (last three years);
 - ix. Description of the project.
 - x. CSR Registration Number by filing Form CSR-1 electronically with the Registrar of Companies.
2. Ensure that the project/ programme is consistent with list of activities in Schedule VII.
3. The team may visit and/or meet the representatives to assess the organization (as required).
4. Quarterly reporting on the progress in implementation of the projects/ programmes and utilization of the amounts.
5. Reserving the rights, to be exercised at its sole discretion, of stopping the funding at any stage of the project, if the program is not being implemented as per program objectives and goals.