



	Policy Owner	Company Secretary
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		2.0

TVS CREDIT SERVICES LIMITED

CORPORATE SOCIAL RESPONSIBILITY POLICY

Corporate Social Responsibility Policy – TVS CREDIT SERVICES LIMITED (As approved by the Board of Directors on 27th March 2015 and amended as on 3rd May 2023)

I. PREAMBLE

TVS Credit Services Limited (TVS CS) is engaged in the business of providing financial assistance / loan to its prospective customers for the purchase of Two wheeler (TVS), Auto (TVS), used Car and Tractor.

The Company in accordance with the requirements under the Companies Act, 2013 (“Act”) and the Companies (Corporate Social Responsibility Policy) Rules, 2014 (“Rules”), constituted a CSR Committee, which formulated Policy on Corporate Social Responsibility (“CSR Policy”) and recommended the same to the Board of Directors of the Company (“Board”) for its approval. The Board vide its resolution dated 27th March 2015 approved and adopted the CSR Policy with immediate effect.

This policy encompasses the Group’s philosophy for giving back to society as a corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programmes for the welfare and sustainable development of the community at large through its social arm, namely SST.

This policy shall apply to all CSR initiatives and activities taken up not only at the various work-centres and locations of the Company but also in any other parts of the country, for benefit of the society.

II. CSR VISION

To be a catalyst in creating self-reliant villages and transforming communities by deploying skills and resources in key areas such as economic development, quality education, health care, conservation of environment and the creation, maintenance of infrastructure, art, culture and protection of places of public and historical importance.

III. OBJECTIVES

CSR Policy intends to:

- (a) Strive for (i) economic development, (ii) healthcare (iii) quality education (iv) conservation of environment and (v) infrastructure development that positively impact the society at large, especially the weaker Sections of society and rural parts;

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- (b) Embrace responsibility for the Company's actions and encourage a positive impact through its activities on eradicating poverty, promoting education, enhancing employment skills, promoting environment sustainability, amongst others;
- (c) Empower the people to ensure sustainable and permanent improvement in the lives of the people living in the villages;
- (d) Protecting the national heritage, art and culture including restoration of places of public and historical importance; and
- (e) 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.

IV. CSR SPEND

The CSR Committee shall recommend to the Board the amount of expenditure to be incurred on the CSR activities to be undertaken by the company in areas or subject specified in Schedule VII of the Companies Act 2013, as amended from time to time.

a) Unspent CSR amount

Any amount remaining unspent pursuant to any ongoing project shall be transferred within a period of 30 days from the end of the financial year to a special account called the 'Unspent Corporate Social Responsibility Account', and such amount shall be spent by the company in pursuance of its obligation towards the Corporate Social Responsibility Policy within a period of 3 financial years from the date of such transfer, failing which the amount remaining unspent at the end of the 3 financial years in 'Unspent Corporate Social Responsibility Account' shall be transferred to a Fund specified in Schedule VII, within a period of 30 days from the date of completion of the third financial year.

Unspent CSR amount other than the amounts related to ongoing projects, shall be transferred to a Fund specified in Schedule VII within a period of 6 months of the expiry of the financial year.

b) Surplus arising out of CSR Spend

Any surplus arising out of CSR activities shall not form part of business profits of the Company. The Surplus amount shall be ploughed back into the same project or shall be transferred to the Unspent Corporate Social Responsibility Account and spent pursuant to this policy and annual action plan (or) transfer such surplus amount to the Fund specified in Schedule VII of the Companies Act 2013 within six months of the expiry of the financial year.

c) Excess CSR Spend

In case the Company spends an amount in excess of the requirement under Section 135 of the Companies Act, 2013, such excess amount may be set off against the future CSR Spend up to immediate succeeding three financial years subject to the conditions prescribed under the Rules.

V. CSR PROJECTS OR PROGRAMS

The Company shall implement the CSR Policy in accordance with the requirements under Section 135 of the Companies Act, 2013 and the Rules framed thereunder, and currently, the Company's CSR activities will focus on:

- (a) **ECONOMIC DEVELOPMENT:** Empowering women through self help groups; promoting improved agriculture practices through adoption of scientific methods of agriculture; improve livestock management through organizing of regular veterinary camps in rural areas; improve employability by providing enhancing vocational skills and providing career counselling. Survival, protection and education of girl children will be given primary focus to improve child sex ratio.
- (b) **EDUCATION:** Promoting education, including special education, especially among children, women and the differently abled, including by way of setting up of balwadis in rural areas; establishing village level adult education centres, contributing towards improving the infrastructure of schools by building additional classrooms and other infrastructure, providing study and play materials, building of toilets and ensuring adequate water supply. Providing special care to introduce digital technology in primary and secondary education for improving quality of education.
- (c) **ENVIRONMENT:** 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, including by way of : (i) educating the public on effective solid waste management; (ii) construction and periodic cleaning of drains for free flow of liquid waste; (iii) undertaking afforestation measures and supporting conservation measures to protect forest areas and prevent forest fires; and (iv) construction of various water and soil conservation structures, including rain water harvesting systems to increase the groundwater level, reduce soil erosion and increase crop cultivation area.
- (d) **HEALTH:** Reduction of infant mortality and maternal mortality rate; reduction of malnutrition among children; reduction of anaemia among women by conducting nutrition demonstration programmes and supply of iron and calcium supplements to women and especially people belonging to the weaker Section of society. Reduction of open defecation by individuals by construction of toilets and promoting awareness of the disadvantages of open defecation; and promoting access to safe drinking water.
- (e) **HUNGER, POVERTY, MALNUTRITION AND HEALTH:** Eradicating extreme hunger, poverty and malnutrition, promoting preventive healthcare and sanitation.

- (f) NATIONAL HERITAGE, ART AND CULTURE: Protecting national heritage, art and culture including restoration of buildings and sites of historical importance and works of art, setting up public libraries and promoting and developing traditional arts and handicrafts.
- (g) 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.
- (h) Training to promote rural sports, nationally recognised sports, Paralympic sports and Olympic sports.
- (i) contribution to the Prime Minister's National Relief Fund or Prime Minister's Central 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 Scheduled Castes, the Schedule Tribes, other backward classes, minorities and women.
- (j) 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.
- (k) 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).
- (l) rural development projects.
- (m) slum area development.
- (n) disaster management, including relief, rehabilitation and reconstruction activities.

The CSR activities shall be undertaken within the territory of the Republic of India, and the Company shall give preference to the local area/ areas around where it operates, for spending the amount earmarked for CSR activities.

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CSR projects, programmes or activities that benefit only the employees of the Company and their families shall not be considered as CSR activities. Also, activities undertaken in pursuance of the normal course of business of the Company and any direct / indirect contributions to any political party shall not constitute CSR activities.

VI. CSR COMMITTEE

- (a) CSR Committee shall consist of three or more directors of which, at least one will be an independent director, unless otherwise required under applicable law.
- (b) The CSR Committee of the Company will be responsible for:
1. To review, agree and establish the Company's corporate strategy to ensure that CSR is and remains an integral part of its business strategy.
 2. To review the standards, policies and conduct of the Company relating to the application of CSR principles.
 3. To review the effectiveness of the compliance programme, including compliance with the Code of Conduct.
 4. To review reports of CSR progress and audits of CSR performance against key performance indicators across programme areas.
 5. To review an annual budget for CSR activities approved by the Board, as part of the overall budget.
 6. To ensure that the Company's website communicates and reports its CSR approach and performance in a timely, complete and coherent manner.
 7. To perform such other function related or incidental to the CSR Policy of the Company, at the request of the Board.

VII. BOARD

The Board of the Company will be responsible for:

1. approving the CSR policy as formulated by the CSR Committee, with or without modifications; considering the recommendations of the CSR Committee and providing appropriate instructions / directions to the CSR Committee when required;
2. preparing a budget of expenditure to be applied for CSR projects contemplated in the annual policy of the Company;
3. ensuring that in each financial year the Company spends at least 2% of the average net profits of the Company, made during the 3 (three) preceding financial years, or such other amount as prescribed under the Act and Rules framed thereunder, in pursuance of its CSR Policy.

4. disclosing in the Report of the Board, the names of CSR Committee Members and ensure annual reporting of its CSR activities in the format as prescribed under the Act and the Rules framed thereunder.
5. Complying with the requirements of the Act and the Rules regarding corporate social responsibility.

VIII. EVALUATION AND IMPLEMENTATION OF CSR ACTIVITIES:

- i. The Company shall undertake CSR project/programmes identified by the CSR Committee and approved by the Board of Directors in line with the CSR Policy.
- ii. The Company shall implement its CSR programmes/projects by itself or through an implementing partner as specified under Rule 4 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and registered with the Central Government.
- iii. The Company may use the services of internal teams, expert agencies, consultancy firms etc., whenever required for carrying out base lines surveys, guidance on project design and implementation, due diligence of implementation partners, impact assessment surveys, monitoring the programs, etc. The Company may also implement programme in collaboration with other company(ies), if feasible and the Companies are in a position to report separately on such projects or programmes.
- iv. The Company shall formulate criteria and procedure for selection, screening and due diligence of its implementing partners. In case of ongoing projects, the CSR Committee shall also monitor the implementation with reference to the approved timelines and year-wise allocation. The CSR Committee is empowered to make modifications for implementation of on-going projects.
- v. The total expenditure incurred towards administrative overheads including salary paid to the employees engaged in CSR activities should not exceed 5% of the total CSR expenditure attributable for the relevant financial year.

IX. MONITORING PROCESS:

- (a) The Company recognizes that monitoring is critical for assessment of the progress as regards timelines, budgetary expenditure and achievement of objects of the CSR Policy. Monitoring may be done periodically with the help of identified key performance indicators.

- (b) Monitoring may be done in project mode by way of a continuous feedback mechanism or in such intervals as determined by the CSR Committee, and recourse shall always be available for mid-course correction in implementation, whenever required.
- (c) Implementation and monitoring of the CSR activities will be overseen by the CSR Committee. The monitoring and evaluation may be assigned by the CSR Committee to an external agency including SST for the sake of objectivity and transparency.
- (d) If the projects are being implemented by external agencies, the Company may in consultation with CSR Committee designate special executives for this purpose.
- (e) In case the average CSR obligation is ten crore or more the Company shall undertake impact assessment through an independent agency of their CSR projects having outlays of one crore or more and which have been completed not less than one year before undertaking the impact study. The Company may book the expenditure of undertaking Impact assessment, towards Corporate Social Responsibility for that financial year, which shall not exceed two percent of the total CSR expenditure for that financial year or fifty lakh rupees, whichever is higher.

X. GENERAL

- (a) The CSR Policy recommended by the CSR Committee and approved by the Board shall be displayed in the Company's website for public viewing.
- (b) In case of any doubt with regard to any provision of this CSR Policy and also in respect of matters not covered herein, a reference should be made to the CSR Committee. In all such matters, the interpretation and decision of the CSR Committee shall be final.
- (c) All provisions of the CSR Policy would be subject to revision/amendment in accordance with the applicable laws.