

TOYOTA FINANCIAL SERVICES INDIA LIMITED

**CORPORATE SOCIAL RESPONSIBILITY
POLICY**

Version 1.55



Classification	Corporate Social Responsibility Policy
Department	HR
Owner	Manoj Kumar
Version	1.5
Date	27-May-21
Total no of pages	05

Approval and sign off of Board of Directors: This document has been approved by the Board of Directors and signed off by the Managing Director & CEO as token of approval.

Narayanaswamy Raja, MD & CEO	
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TFSIN distribution and signoff list: This document has been issued to the following people for sign-off, review, information & recommendation.

Name	Designation	Action Required	Signature
Narayanaswamy Raja	MD & CEO	Recommend	
Manabu Ueno	WTD	Recommend	
Anupam Vasdani	CFO	Recommend	
Samrat Ghosh	CRO	Recommend	
C L Harish Sharma	CHRO	Recommend	
Nithya Prabhu R	Company Secretary	Review	
Manoj Kumar	DVP	Review	

Version history:

No.	Description	Reason for Change	Reference to Update	Date
1	Policy Approval	NA	Initial issue	12-Aug-2016
1.1	Change in Constitution of CSR Committee due to change in directorship. A general statement on the constitution of committee updated herein. Inclusion of a paragraph on Modalities of execution of projects and its implementation	In accordance with the requirement laid in the Companies Act and Rules made thereunder	The Companies Act, 2013 read with The Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended from time to time	26-May-2017
1.2	Corporate Social Responsibility activities marked as annexure to this policy is updated for Financial Year 2018-19			11-Jul-2018
1.3	Corporate Social Responsibility activities marked as annexure to this policy is updated for Financial Year 2019-20			28-May-2019
1.4	Corporate Social Responsibility activities which was marked as annexure to the policy is removed	To avoid the revision of the policy every year	The Companies Act, 2013	18-Jun-2020
1.5	Changes made due to amendments to Section 135 of Companies Act, 2013 and CSR Rules.	Due to amendment under Companies Act 2013	The Companies Act, 2013	27-May-2021

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CSR OBJECTIVE

As a corporate citizen, Toyota Financial Services India Limited (TFSIN) is well aware of its responsibility towards society where it operates in. TFSIN wishes to contribute to sustainable development of society by undertaking various projects and programs which will enhance the quality of life and well-being of diverse people clusters in society.

Corporate Social Responsibility (CSR) Policy is a framework of the Company's CSR activities, being pursuant to the Section 135 of the Companies Act, 2013 (hereinafter referred as "the Act") read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time.

FOCUS AREA

Guided by the Act and Toyota's basic philosophy regarding CSR, the TFSIN would focus on any of the below listed areas for undertaking CSR activity:

- Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water
- Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and differently abled and livelihood enhancement projects
- Promoting gender equality and empowering women, setting up homes, hostels and day care centers for women and orphans; setting up old age homes and such other facilities for senior citizens; and adopting measures for reducing inequalities faced by socially and economically backward groups
- Promoting and ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro-forestry, conservation of natural resources and maintaining the quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga]
- Protecting national heritage, art and culture including restoration of building and sites of historical importance and works of art; setting up public libraries; promoting and developing traditional arts and handicrafts
- Measures for the benefit of armed forces veterans, war widows and their dependents
- Provide training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports
- Promoting Sanitation and Cleanliness and creating a Healthy Environment
- Strengthening rural areas by improving accessibility, housing, drinking water, sanitation, power and livelihoods, thereby creating sustainable village
- Promoting road safety including traffic rule awareness program and improvement of road facilities
- Rural development projects
- Slum area development
- Contributing to Prime Minister's National Relief Funds or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Schedule Castes, the Scheduled Tribes, other backward classes, minorities and women.
- Such other areas of activity as may be notified by Ministry of Corporate Affairs from time to time and found appropriate by TFSIN.

CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

TFSIN has constituted a CSR Committee as per the provisions of section 135 of Companies Act, 2013. The CSR Committee consists of 03 (three) members of Which at least one of them will be an independent director.

ROLE AND RESPONSIBILITIES OF THE COMMITTEE

The CSR Committee is responsible to undertake following activities / terms of reference which shall be inclusive but not limited to the following terms:

- Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company.
- Recommend the amount of expenditure to be incurred on the activities.
- Monitor the Implementation of the CSR activities/ projects.
- Institute a transparent monitoring mechanism for implementation of the projects / programmes / activities undertaken.
- Provide “Responsibility Statement” in the Annual Report, stating that the implementation and monitoring of the CSR policy is as per the CSR objectives and Policy of the Company.
- Ensure the administration overhead, i.e., expense incurred for ‘general management and administration’ of CSR Activities, shall not exceed 5% of the total CSR Expenditure of the Company in any given financial year.

CSR BUDGET

In accordance with the Section 135 of the Companies Act, 2013, TFSIN’s CSR budget will be, but not restricted to, at least two percent of the average net profits made by the Company during the three immediately preceding financial years or as may be prescribed by Companies Act and rules thereunder, as amended from time to time.

Such budget and allocation on CSR activities to be approved by the CSR Committee as well as the Board of Directors of TFSIN.

In case of TFSIN fails to spend such amount decided as CSR Budget, the Board shall, in its report shall specify the reasons for not spending the amount.

Further, if such unspent amount is not related to any Ongoing Project, then TFSIN needs to transfer such amount to any Fund specified in Schedule VII of the Companies Act, 2013, as amended from time to time, within a period of six months of the expiry of the financial year or such other period as may be prescribed under the Companies Act.

Explanation: “Ongoing Project” means a multi-year project undertaken by the Company in fulfilment of 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.

In case of unspent amount is related to the Ongoing Project undertaken by TFSIN, then such amount needs to be transferred to Special Account to be opened by TFSIN designated as “Unspent Corporate Social

Responsibility Account” (UCSRA) within 30 days from the end of Financial Year.

TFSIN to ensure such funds in UCSRA be utilized within three financial years or same needs to be transferred within 30 days at end of such three financial year, into a Fund specified in Schedule VII of the Companies Act, 2013.

If TFSIN spends an amount in excess of the requirements provided under sub-section 5 of Section 135 of Companies Act, 2013, TFSIN may set off such excess amount spend in succeeding Financial Years as prescribed under the provisions of Companies Act 2013 and rules made thereunder.

MODALITIES OF EXECUTION OF PROJECTS

The Company shall from time to time depending upon the area that would need utmost attention and support for the development of the society and to meet the needs of the society, decide upon the kind of programmes/ projects / activities that can be undertaken by the Company for a particular tenure including multi-year projects not exceeding three years. Implementation of such programmes / projects / activities can be either directly through Company’s personnel or through appointment of external agencies, trusts, institutions etc. depending upon the best suitable way or method of execution of such observed activity (ies). Company’s personnel shall liaise to undertake such programme.

Also, the CSR Project that was initially not approved as a multi-year project can be made Ongoing by extending the duration beyond one year by the Board based on reasonable justification but not exceeding three financial year excluding the Financial Year in which it had commenced.

MONITORING

The CSR Committee will be responsible for monitoring implementation of CSR activities and expenditure thereon, with reporting to the Board from time to time. The CSR Committee shall be able to access record of CSR expenditure. In case surplus arises out of CSR activities, it shall not form part of the business profit of the Company. The CSR Committee shall overlook the implementation and monitoring of CSR activity.

DISCLOSURE

The list of projects/ programmes/ activities proposed to undertake by the Company, as recommended by CSR Committee and approved by the Board of Directors shall be displayed on the Company’s website in line with the disclosure requirements under the Act and Rules made thereunder.

The Annual Report of the Company shall include a section on CSR outlining the CSR policy, CSR Committee, CSR initiatives undertaken by Company, the CSR spending during the financial year and other information as may be required by the prevailing law.

POLICY REVIEW AND AMENDMENT

This policy shall remain in force unless modification approved by the Board of Directors of TFSIN
