



IKF Finance Limited

Corporate Social Responsibility Policy

Version 3.0

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Reviewed By	P Chandrasekhar – Vice President
Approved By	BOD- IKF Finance Limited

Preamble

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We are constantly aware of our role in society as a corporate entity, we strive at every stage to integrate economic, environmental and social objectives with our core operations and growth. We endeavour to evolve our relationship with all our stakeholders for the common good, and validate our commitment in this regard by adopting appropriate business processes and strategies.

The provisions related to CSR are incorporated under Section 135 of Companies Act, 2013 (the Act) read with Schedule VII to the Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014 (the Rules) and further amendments thereto along with General Circular No. 21/2014 w.r.t. Clarification with regard to provisions of Corporate Social Responsibility under section 135 of the Companies Act, 2013. The Ministry of Corporate Affairs (MCA) has, vide its Notification dated 27th February 2014, implemented provisions related to CSR which will be effective from 1st April, 2014.

The provisions related to CSR are incorporated under Section 135 of Companies Act, 2013 (the Act) read with Schedule VII to the Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014 (the Rules) and amendments there under time to time along with General Circular No. 21/2014 w.r.t. Clarification with regard to provisions of Corporate Social Responsibility under section 135 of the Companies Act, 2013.

This Policy has been formulated under the above provisions of the Act and shall be applicable to all CSR initiatives and activities undertaken by the Company, for the benefit of different segments of society.

CSR Objectives

As a responsible corporate citizen, the Company is committed to sustainable development and inclusive growth and has been focusing on issues relating to water, environment, healthy living, music, grass roots education, social advancement and promoting gender equality and empowerment of women over the past several years. Whilst the Company will continue to support activities as per Schedule VII of the Act listed below, from 2016 onwards, the Company will focus its efforts on key areas of focus, i.e., Water, Agriculture and Recycling. The specific projects and activities under these pillars are being worked on and more specifics will be finalised in due course. In terms of the CSR rules issued by the MCA the Company will be focusing on undertaking the project /programs /activities listed below, as specified in Schedule VII to the Act excluding activities undertaken in pursuance of normal course of business of a Company:

- i.** Eradicating hunger, poverty and mal-nutrition, promoting preventive health care and sanitation including contribution to the “*Swachh Bharat Kosh*” set-up by the Central Government for promotion of sanitation and making available safe drinking water;
- ii.** Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and 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 centers 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, and protection of flora and fauna, animal, welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the “Clean Ganga Fund” setup by the Central Government for rejuvenation of river Ganga;
- 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 arts and handicrafts;
- vi.** Measures for the benefit of armed forces veterans, war widows and their dependents;
- vii.** Training to promote rural sports, nationally recognized sports, Para Olympic sports and Olympic sports;

- viii. Contribution to Prime Minister's National Relief 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;
- ix. Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
- x. Rural development projects.
- xi. Slum area development.

Amendments to the CSR Policy:

The Board of Directors of the Company shall have the powers to revise/modify/amend this Policy from time to time, as the Board may think fit, based on the recommendations to be made by the CSR Committee to confirm to the revision/amendment, if any, to be made to the CSR Rules by the MCA, under the Act.

CSR spend:

Beginning with the financial year 2014-15 the Company intends to spend on its CSR activities every year, 2% of its average Net Profits during every block of three years. 'Net Profit' shall be calculated in the manner prescribed by the Act and the CSR Rules. Any 'Income' or 'Surplus' that may arise from its CSR activities would also be included in the CSR corpus and will not form part of business profits of the Company. The CSR activities of the Company shall not include any benefits which are exclusively for the employees of the Company or their family members.

Monitoring of CSR Projects:

The CSR Committee of the Board has devised a "transparent monitoring mechanism" for various CSR Projects / Programs / Activities undertaken by the Company including conduct of impact studies of CSR Projects / Programs. Simultaneously, also obtains feedback from various beneficiaries of CSR Projects / Activities / Programmes undertaken by the Company to measure their benefits.

Constitution of CSR Committee:

The CSR Committee shall consist of two or more Directors, as may be deemed fit by the Board. The Committee shall meet, whenever required, to discuss and review CSR activities and Policy. Quorum for the CSR Committee Meeting shall be one-third of its total strength (any fraction contained in that one-third be rounded off as one) or two members, whichever is higher.

The Committee members may attend the meeting physically or via such audio-visual means as permitted under the Act. The Committee shall have the authority to invite such employee(s), senior official(s) and or external experts, as it may deem fit, to attend the CSR Committee Meeting(s). The Company Secretary, if any, shall act as Secretary to the Committee.

Scope & Functions of CSR Committee:

The functions / terms of reference of CSR Committee shall, inter-alia, include the following:

- a. To formulate a Plan to carry out the activities to be undertaken by the Company as per the Act;
- b. To review and approve the amount of expenditure to be incurred on the activities to be undertaken by the Company;
- c. To monitor the implementation of CSR Policy of the Company from time to time;
- d. To review the CSR activities of the Company and provide progress update to the Board of Directors at such interval as may be deemed fit.
- e. To carry out any other activities as the CSR Committee may deem appropriate within the Board approved Policy or as may be directed by the Board of Directors, from time to time.

Review of the Policy:

The Policy will be reviewed at reasonable intervals or as and when the Board deems it necessary.
