



# **Corporate Social Responsibility Policy**

April 2021

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# Document Validation Note

IIFL Finance Limited (Erstwhile IIFL Holdings Limited and hitherto referred to as 'IIFL Finance') (Corporate Identity Number L67100MH1995PLC093797) was incorporated at Mumbai on October 18, 1995 as a private limited company with the name Probity Research & Services Private Limited under the Companies Act, 1956. It has obtained a Certificate of Registration dated March 06, 2020 bearing Registration No. N-13.02386 issued by the Reserve Bank of India (RBI) to commence the business of a non-banking financial institution without accepting public deposits under Section 45 IA of the RBI Act, 1934. It is a Systemically Important Non-Deposit taking Non-Banking Finance Company (NBFC). The equity shares of the Company are listed on BSE Limited and the National Stock Exchange of India Limited.

This Corporate Social Responsibility (CSR) policy has been formulated and adopted in accordance with the provisions of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014 (CSR Rules).

Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, requires IIFL Finance to constitute a CSR Committee, adopt a CSR Policy, spend at least 2% of its average net profits made during the immediate preceding three financial years towards CSR activities as set out in Schedule VII to the Companies Act, 2013 and confirm compliance thereof in the Annual Report.

Accordingly, the Board of Directors at its Meeting held in July 2016 approved and adopted this CSR policy.

This policy, post review by the CSR Committee and per its recommendation, has been amended by the Board of Directors of the Company at its meeting held on May 06, 2021.

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ॐ सर्वे भवन्तु सुखिनः । सर्वे सन्तु निरामयाः ।  
सर्वे भद्राणि पश्यन्तु । मा कश्चिद्दुःखभाग्भवेत् ।

ॐ शान्तिः शान्तिः शान्तिः ॥

Om, May All become Happy  
May All be Free from Illness  
May All See what is Auspicious  
May no one suffer  
- Upanishads

## 1. Preamble

IIFL Finance is one of India's largest and most trusted financial services provider. IIFL Finance, along with its subsidiaries IIFL Home Finance Limited and Samasta Microfinance Limited, is focused on retail lending. Its diverse product spectrum comprises Home Loans, Gold Loans, Business Loans including Loans against Property and MSME Financing, Microfinance, Construction & Real Estate Finance and Capital Markets Finance.

IIFL Finance is guided by the group's vision to become the most respected brand in the financial services space in India. Playing an active role in undertaking sustainable development of its communities is crucial to realize this vision. The approach to the business focuses on one hand; on building trust, knowledge and delivering quality service to its customers and on the other; to provide timely assistance to the country's under-banked/un banked customers. Furthermore, IIFL Finance's CSR projects are in sync with the objectives of the Company. This enables it to become one of the most committed and responsible companies in the industry.

## 2. Purpose

The key purpose of this policy is to:

- Define the broad development areas/CSR objectives that IIFL Finance shall undertake
- Outline the governance structure for management of CSR activities within IIFL Finance
- Serve as a guiding document to help identify, execute and monitor CSR projects
- Explain the manner in which the surpluses from the CSR projects will be treated

## 3. Policy Statement

IIFL Finance's CSR policy and projects are steered by the same values that guide the business of all group companies. It can be summarized in one acronym – FIT, which stands for:

- Fairness: To everybody - government, stakeholders, customers, employees and society.
- Integrity: Honesty. We never compromise on it.
- Transparency: We are transparent about whatever we do.

## 4. Scope of CSR Policy

This policy applies to all CSR projects undertaken by IIFL Finance and the policy fulfils all the requirements of Section 135 of the Companies Act 2013 and the Rules made thereunder. IIFL Finance shall ensure all these activities are over and above the normal course of business and are in line with Schedule VII of the Companies Act 2013 and as amended by the Ministry of Corporate Affairs from time to time. The policy will be periodically reviewed and updated in line with relevant codes of legislation, international standards and best practices followed globally.

## 5. India Infoline Foundation

India Infoline Foundation was constituted under Section 8 of the Companies Act, 2013, to act as the umbrella organization for managing and implementing all CSR projects of IIFL and its subsidiaries and other companies. The Foundation partners with implementation agencies that best fit the group's values and priorities. The Foundation is working towards achieving its vision 'to eradicate girl child illiteracy and inspire them for higher education'. India Infoline Foundation has registered with the Central Government by filing the form CSR-1 and has received its CSR Registration Number of CSR00002470.

## 6. Key Focus Areas

The CSR projects undertaken by India Infoline Foundation are clubbed under the heading HELP (Health, Education, Livelihood and Poverty alleviation).

Focus area	Approach	Initiatives and Projects
<b>6.1 Health</b>	India Infoline Foundation's primary focus is on promoting preventive healthcare, undertaking healthcare initiatives and supporting medical research institutions. The objective is to enhance healthcare access, especially to the disadvantaged and underprivileged sections.	<ul style="list-style-type: none"> <li>• Aarogya</li> <li>• COVID-19 prevention/treatment</li> <li>• Mega health camps</li> <li>• Distribution of oxygen concentrators</li> </ul>
<b>6.2 Education</b>	India Infoline Foundation believes that a literate population can catapult India towards realizing its demographic dividend. The focus is on providing education to out-of-school girls, setting up and upgrading educational facilities and supporting institutes for higher education. Special focus shall be levied on promotion of education in rural areas and among female population to	<ul style="list-style-type: none"> <li>• Sakhiyon Ki Baadi</li> <li>• Volunteering</li> <li>• Maa Baadi centers</li> <li>• Construction of schools</li> <li>• Mobile schools</li> <li>• Scholarships</li> </ul>

	enhance literacy rate of girls.	
<b>6.3 Livelihood</b>	India Infoline Foundation has identified the key strengths and limitations of people belonging to its communities. Accordingly, it has identified animal husbandry, women employment and promotion of local art and craft as its key focus areas.	<ul style="list-style-type: none"> <li>• Animal husbandry</li> <li>• Women employment</li> <li>• e-Mela</li> </ul>
<b>6.4 Poverty alleviation</b>	IIFL Finance has been fulfilling the aspirations of borrowers belonging to all sections of the society, including microfinance borrowers. The Foundation has focused actively on promoting financial literacy among its communities.	<ul style="list-style-type: none"> <li>• Financial literacy</li> <li>• Micro finance</li> </ul>

In addition to the above, India Infoline Foundation will also continue to make contribution to several schemes of the governments, undertake active disaster relief activities, drive environment sustainability and promote sports. It may also undertake one-time projects based on the needs of the communities.

India Infoline Foundation will continue to add more initiatives under each of its focus areas from time to time.

## 7. Partnering Organizations

IIFL Finance undertakes its CSR activities in multiple ways such as:

- Utilizing the contributions received by the Foundation
- Working with implementing agencies
- Undertaking collaborative projects with other corporates

The Foundation executes the CSR responsibilities of IIFL Finance and its subsidiaries and other companies either (i) directly, by executing and implementing programs permitted under Schedule VII and approved by the CSR Committee or (ii) by entering into partnerships with implementing organizations registered in India and having a track record of service, performance, governance and accountability.

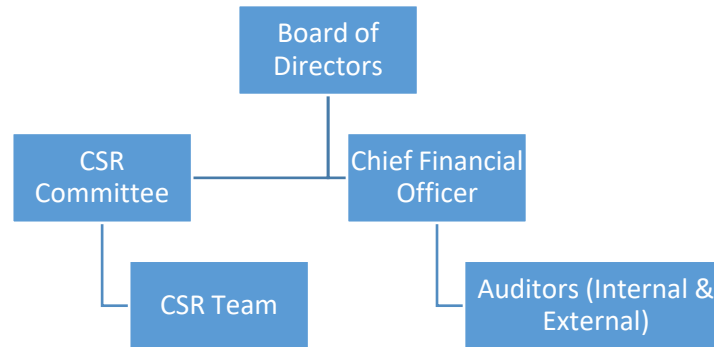
## 8. Governance Structure

IIFL Finance has constituted a robust and transparent governing mechanism to oversee the implementation of its CSR projects in line with the CSR Policy, in compliance with the requirements of Section 135 of the Companies Act 2013 and Rules made thereunder as may be amended from time to time.

At the helm of this mechanism is the Board of Directors of the Company, who is ultimately accountable for the CSR projects undertaken by the Company.

IIFL Finance has constituted a CSR Committee at the Board level. The CSR Committee is supported by India Infoline Foundation's CSR Team, and comprises representatives from IIFL Finance as well as India Infoline Foundation.

### CSR governance structure



## 9. Responsibilities of the Board of Directors

The Board of Directors of IIFL Finance will be responsible for:

- Constituting CSR Committee in accordance with requirements of the Companies Act 2013 and Rules made thereunder as maybe amended from time to time.
- Approving the CSR policy after taking into account the recommendations made by the CSR committee
- Ensuring that the Company shall, in each of the financial year spend at least the amount on CSR initiatives as has been prescribed by the Companies Act, 2013 and the rules made thereunder and as amended from time to time.
- Ensuring that primarily the activities as included in CSR Policy of the Company are undertaken by the Company.
- Monitoring that in every financial year, funds committed by the Company for CSR activities are utilized effectively and implementation is regularly reviewed.
- Reporting/providing the details as may be prescribed by the Act and the rules made thereunder.

## 10. CSR Committee

- IIFL Finance has constituted a CSR Committee, established by Resolution of the Board of Directors of the Company (The 'Board') and is to be known as the 'CSR Committee'. It shall report to the Board and oversee CSR matters.
- The CSR Committee shall be constituted in accordance with the requirements of the Companies Act, 2013 and the Rules made thereunder as amended from time to time. The CSR Committee may invite any person as they may deem fit to attend meetings of the CSR Committee when required, notwithstanding that they are not members of the CSR Committee.
- Quorum shall be two members personally present at the meeting. A duly convened meeting of the CSR Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the CSR committee.
- The Company Secretary/Assistant Company Secretary shall act as the Secretary of the CSR Committee and shall keep a record of the membership of and the dates of any changes to the membership of the CSR Committee. He/she shall be responsible to record the minutes of the meeting.
- Meetings shall be held at such times as the CSR Committee deems appropriate and in compliance with Companies Act 2013 and the Rules made thereunder as amended from time to time.
- Meetings of the CSR Committee shall be convened by the Company Secretary of the Company at the request of the Chairman or any member thereof.
- CSR activities shall be activities as specified in Schedule VII of the Companies Act, 2013, and as amended by the Ministry of Corporate Affairs from time to time.
- The CSR Committee may at the direction of the Board of the Company, investigate any matter within its terms of reference. The CSR Committee may at the direction of the Board, secure external professional advice and attendance of third parties with relevant experience and expertise at meetings of the CSR Committee, if it considers this necessary.
- The CSR Committee shall have all necessary authority to carry out its duties and responsibilities. Without limitation to the generality of the foregoing, the Committee shall have the authority to engage (including authority to approve fees and other retention terms) and terminate the engagement of any social responsibility consulting firm to provide data or recommendations with respect to CSR projects.
- The Company shall provide and make available to the Committee, as it may determine, funds for undertaking CSR activities and to pay compensation to any advisers engaged by the Committee as per Companies Act 2013 and rules made there under as amended from time to time.
- The CSR Committee is empowered to frame, review and modify the criteria / processes for selecting the projects, laying down the criteria for performance evaluation of the projects, selecting the implementation entities / partners and decide on any matter that it may deem pertinent to effectively discharge its responsibilities which are in line with the objectives of the CSR policy.
- CSR Committee shall monitor the implementation of the CSR projects in line with the CSR policy through periodic reviews of the activities of the external agencies/NGOs in compliance with the Act and ensure that funds spent on CSR programs are creating the desired impact.

### 10.1 CSR Team

This team is at the core of all CSR activities at India Infoline Foundation. It is responsible for ensuring effective implementation of all CSR projects.

Key responsibilities of the team include:

- Identification of the project and the partner(s)



- Conducting due diligence on the partner(s)
- Executing the decisions taken by the CSR Committee
- Implementing and assessing impact
- Reporting periodically to the CSR Committee
- Reviewing progress of projects every quarter
- Ensuring compliance with applicable acts

## 10.2 CSR Advisory Committee

The Advisory Committee constituted by India Infoline Foundation shall provide inputs to the CSR team to help them plan and implement CSR projects.

## 11. Third Party Implementing Bodies

It is the responsibility of the CSR Committee to ensure that the implementation modality of a CSR project/ program is defined and that the external body that would execute the said project / program is clearly identified. In case the external body is an NGO or an Agency other than an NGO, it shall meet the following criteria:

- i. Have a permanent office/address in India
- ii. Be a registered society under Societies' Registration Act or a Sec 25 Company (Registered under the Companies Act, 1956) or a Sec 8 Company (Registered under the Companies Act, 2013)
- iii. Be registered under the CSR 1 certification guidelines
- iv. Have a track record of at least three financial years
- v. Have verifiable antecedents and verifiable credentials
- vi. Maintains duly audited annual accounts
- vii. Preferably possesses a valid Income-tax Exemption Certificate
- viii. Complies with the Criteria of the Companies Act

## 12. CSR Budget

The total budget for the CSR projects is decided annually in accordance with the goals and priorities of IIFL Finance.

## 13. Approach for Utilizing the CSR Budget

The CSR Committee decides on the following aspects of utilizing the CSR amount:

- Percentage of total amount to be contributed to the Foundation for undertaking earmarked projects
- Percentage of total amount to be used for directly funding the implementing organizations and/or for collaborative projects with corporates, if any
- Any income arising from the contributions received by the Foundation and surplus arising out of the CSR activities will be used for CSR projects only

- Amount to be contributed for building the capacities of the CSR team. Such expenditure, including expenditure on administrative overheads, will be subject to the limits prescribed under the Companies Act, 2013 and CSR Rules as amended from time to time.

## 14. Project Life-Cycle

India Infoline Foundation plans, implements, monitors and manages all CSR projects of IIFL Finance. The Foundation works closely with the CSR Committee, the CSR team and the CSR Advisory committee to identify projects that are in alignment with the vision and goals of IIFL Finance.

Following the approval of the Board of IIFL Finance and the Chief Financial Officer, the CSR team shall formulate implementation plans for the projects specifying the following:

- I. Activities to be undertaken
- II. Budgets proposed
- III. Time frame of implementation
- IV. Responsibilities and authorities for implementation
- V. Results expected to be achieved post implementation

The India Infoline Foundation is responsible for ensuring the smooth execution of all CSR projects approved by the Company. The Foundation may choose to implement the projects by itself or ensures that projects are awarded to implementation agency that is a Registered Trust or a Society or a Section 8 Company. Potential partner/ NGOs must have a clearly explained mission and vision and should be able to provide their latest audit, annual reports and registration forms according to 80G/12A.

### 14.1 Monitoring

The Foundation's CSR team shall monitor the implementation and progress of the approved projects through appropriate mechanisms such as site visits, review meetings and progress reports. Mechanisms to track data and monitor projects shall be established to ensure the transparency and efficiency of the implementation process. The projects are evaluated against the milestones defined in the implementation plan of each project. The CSR team shall present monitoring reports of the projects to the CSR Committee on a periodic basis.

### 14.2 Reporting

The Board of the Company holds the responsibility that funds earmarked for CSR are utilized for the purposes and in the manner as approved by it and the Chief Financial Officer, certifying its effect.

The CSR Committee, based on the reports presented by the CSR team, shall annually publish report on the CSR projects as a part of the Directors' report. The report shall disclose information in the format prescribed by the Section 135 of the Companies Act of 2013. The CSR Committee shall also submit a responsibility statement to the Board that the implementation and monitoring of the CSR Policy is in compliance with the approved CSR policy of the Company.

The CSR policy and any modifications made thereof, once approved by the Board, shall be displayed on the website of the Company.

## 15. Impact Assessment

In pursuance to the subsection (5) of Section 135 of the Act, for an average CSR obligation of ten crore rupees or more, in the three immediately preceding financial years, an impact assessment, through an independent agency, of the CSR projects having outlays of one crore rupees or more, and which have been completed not less than one year before undertaking the impact study, shall be conducted.

## 16. Treatment of Surpluses

Any surplus generated from the projects undertaken by the Foundation will be tracked and channelized into the CSR corpus of the Foundation. These funds will be further used in development of the CSR projects and will not be added to the normal business profits.

## 17. Effective Date

The policy is effective from May 06, 2021.

## 18. Policy Review

- This CSR Policy shall be reviewed once in three years and suitable improvisations shall be done as required.
- This CSR policy shall be subservient to the provisions of the Companies Act, 2013, and Rules made there under, as amended from time to time.

## 19. Contact

For queries related to CSR policy, please write to us at: [csr@iifl.com](mailto:csr@iifl.com).