

**CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY****1. Introduction****1.1. KIFS Financial Services Limited**

At KIFS Financial Services Limited, we are committed to the 'Good & Green' vision of creating a more inclusive and greener India. We never lose sight of our responsibility to the environment and society. Our commitments towards Corporate Social Responsibility include but not limited to, promotion of education and healthcare, animal welfare, protection of national heritage, art and culture, Eradicating hunger, poverty and malnutrition and betterment of the society through respect for universal human rights and the environment, acting with integrity and accountability and operating responsibly and sustainably.

**1.2. CSR in India**

Corporate bodies' involvement in CSR activities is not a new concept in India. Industrial majors are engaged in social development activities since long back. However, the Companies Act, 2013 has brought it under the legal purview. It mandates qualifying companies to constitute Corporate Social Responsibility Committee to effectively monitor CSR activities of the Company. Further the Companies (Corporate Social Responsibility Policy) Rules, 2014 (hereinafter referred to as "the CSR Rules") lay down the framework and modalities for carrying out CSR activities which are specified in Schedule VII of the Act.

**2. Objective and Scope****2.1. Objective**

The main objective of the CSR Policy is to lay down guidelines to make CSR as one of the key focus areas to adhere to interest in environment and society that focuses on making a positive contribution to society through effective impact and sustainable development programs.

This Policy covers the proposed CSR activities to be undertaken by the Company and ensuring that they are in line with Schedule VII of the Act as amended from time to time. It covers the CSR activities which are being carried out in India only and includes strategy that defines plans for future CSR activities.

**2.2. Scope & Coverage**

The CSR activities of the Company shall include, but not limited to any or all of the sectors / activities as may be prescribed by Schedule VII of the Companies Act, 2013 amended from time to time. Further, the Company will review the sectors / activities from time to time and make additions / deletions / clarifications to the above sectors / activities.

**3. Corporate Social Responsibility (CSR) Committee****3.1. Constitution**

Pursuant to the provisions of Section 135 of the Act, the Board of Directors shall constitute the Corporate Social Responsibility (CSR) Committee. The Members of CSR shall be appointed by the Board of Directors of the Company which must consist of at least two or more Directors. Accordingly, the constitution of CSR Committee is as follows:

Sr. No.	Name	Position held in the Committee	Designation	DIN
1.	Mr. Rajesh P. Khandwala	Chairman	Managing Director	00477673
2.	Mr. Dharmendra Soni	Member	Director	01659489
3.	Mr. Devang Shah	Member	Director	01788760

### 3.2. Functions and Powers of Committee

To effectively implement the objectives of the Company with respect to CSR, the Committee is vested with the following functions and powers:

- a) Formulate CSR Policy and recommend the same to the Board of Directors of the Company for approval.
- b) Recommend CSR activities as stated under Schedule VII of the Act.
- c) Approve to undertake CSR activities, if necessary, in collaboration with group companies / other companies / firms / NGOs etc., and to separately report the same in line with the CSR Rules.
- d) Recommend the CSR Budget.
- e) Spend the allocated CSR amount on the CSR activities.
- f) Create transparent monitoring mechanism for implementation of CSR initiatives in India.
- g) Submit the Reports to the Board in respect of the CSR activities undertaken by the Company.
- h) Monitor & amend the CSR Policy from time to time to fall in line with section, 135 of the Companies Act, 2013. The amended policy shall also be intimated to the Board for its approval.
- i) Authorize executives of the Company to attend the CSR Committee Meetings, if necessary.

### 3.3. Meetings of the Committee

For smooth functioning of the Committee, the members shall meet as and when required to discuss such matters and to take such decisions as may be necessary.

- a) The members of the Committee may mutually agree between them regarding time and place for the said meetings.
- b) The 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.
- c) The Members of the Committee may participate in the meeting either in person or through video conferencing or other audio-visual means as may be convenient.

## 4. CSR Spend

- a) The Companies Act, 2013 prescribes that the companies which meet the criteria specified under section 135 shall allocate two percent of its average annual net profits (calculated as per Sec. 198) during the three immediately preceding financial years to be spent on CSR Activities that fall under the categories specified under Schedule VII of the Act.
- b) The expenditure under CSR can be done by the committee with due compliance under section 135 of the Companies Act, 2013. However, the same shall be informed to the Board.

### 4.1. CSR Expenditure

Net profit for the purpose of allocation towards CSR means profit more fully described under Rule 2(f) of the CSR Rules. The CSR expenditure shall include all expenditure including contribution to corpus or on projects or programs relating to CSR activities approved by the Board of Directors on the

recommendation of its CSR Committee but does not include any expenditure on an item not in conformity or not in line with activities stated under Schedule VII of the Act.

#### **4.2. Failure to spend the CSR Money**

If the Company fails to spend the required amount in a particular financial year, it is the duty of the Committee to submit a report in writing to the Board of Directors specifying the reasons for not spending the amount, which in turn shall be reported by the Board of Directors in their Annual Report pertaining to that particular Financial Year.

Surplus, if any, arising out of the CSR projects or programs or activities shall not form part of the business profit of the Company.

### **5. CSR Initiatives**

Pursuant to Schedule VII of the Act and the CSR Rules, the Company shall undertake CSR activities included in its Annual CSR Plan, as recommended by the CSR Committee. The Committee is authorized to approve any modification to the existing Annual CSR Plan or to propose any new program during the financial year under review.

#### **5.1. Annual CSR Plan**

The Annual CSR Plan is a yearly plan of CSR activities that would be placed before the Board of Directors of the Company based on recommendation of its CSR Committee which outlines inter-alia the following aspects of CSR initiatives of the Company:

- Project Proposals
- Targeted Beneficiaries and their key needs
- Alignment with Schedule VII
- Project Goals and milestones
- Activities and Timelines including expected closure dates
- CSR Budget with projections
- Monitoring mechanism
- Progress reporting and frequency of reports
- Risks and mitigation strategies
- Any other information as may be required by the CSR Committee

#### **5.2. Collaboration**

It is expressly allowed under the CSR Rules that the Company may collaborate with any other Company or association formed in this regard subject to approval by CSR Committee, to implement CSR activities and the same shall form a part of the Annual CSR Plan.

### **6. Reporting and publication of CSR policy**

As per the CSR Rules, an annual report on CSR activities shall be included in the Directors' Report and composition of the CSR Committee, and CSR Policy and Projects approved by the Board shall be displayed on the Company's website, if any.

### **7. Policy review and future amendment**

The administration of the CSR Policy of the Company and the execution of identified CSR projects, programs and activities under it shall be carried out under the control and overall supervision of the committee.

Further, the Board of Directors may revise / amend this CSR Policy based on the recommendations of the CSR committee or to bring the same in line with the guidelines or amendments issued from time to time by the respective authorities on the subject.

For & on behalf of **CSR Committee**  
**KIFS Financial Services Limited**

Sd/-

**Rajesh P. Khandwala**

(Chairman – DIN: 00477673)