



KIFS Housing Finance Limited

CORPORATE SOCIAL RESPONSIBILITY POLICY

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ANNUAL REVIEW		Board	CSR Committee	Board	June 11, 2020
2.0	Supriya Naik	Deepak Kumar Ajmera	-	CSR Committee/Circular Resolution	March 26, 2021
-	-	Board	CSR Committee	Board/Circular Resolution	March 31, 2021
ANNUAL REVIEW			CSR Committee	Board	June 03, 2021
ANNUAL REVIEW			CSR Committee	Board	May 27, 2022
ANNUAL REVIEW			CSR Committee	Board	May 30, 2023
ANNUAL REVIEW			CSR Committee	Board	August 14, 2024

CORPORATE SOCIAL RESPONSIBILITY POLICY

1. Introduction

The Company's Act, 2013 ("Act") has made it compulsory for Companies to carry out Corporate Society Responsibility Activities. The Government of India, on February 27, 2014, notified provisions and corresponding Rules pertaining to CSR.

Corporate Social Responsibility is a Company's sense of responsibility towards the community and environment in which it operates. It is the continuing commitment by business to behave ethically and contribute to economic development of the society at large.

KIFS is committed to remain a responsible corporate entity mindful of its social responsibilities and to make a positive impact in the society.

2. Scope:

The CSR Policy applies to the formulation, execution, monitoring, evaluation, and documentation of CSR activities in the target locations, in and around the Company's office.

3. Aims and Objectives:

As a responsible corporate entity, KIFS will consistently strive for opportunities to meet the expectation of its stakeholders by pursuing the concept of sustainable development with focus on the following:

- (a) To take up programmes that benefit the communities where it operates in enhancing the quality of life & economic well- being of the local populace.

- (b) To serve the socially and economically weak, disadvantaged, underprivileged, & destitute sections of the society regardless of age, class, colour, culture, disability, ethnicity, family structure, gender, marital status, nationality origin, race or religion with intention to make the group or individual self-dependent and live life more meaningfully.
- (c) To extend humanitarian services in the community to further enhance the quality of life like health facilities, education, basic infrastructure facilities to areas, that have so far not been attended to.
- (d) To generate through its CSR initiatives, a community goodwill for KIFS and help reinforce a positive & socially responsible image of KIFS as a corporate entity.

4. Activities under Corporate Social Responsibility

KIFS Housing Finance Limited would endeavor to adopt an integrate approach to address the community, societal & environmental concerns by taking up projects relation to the activities under Schedule VII of Companies Act, 2013 (“Act”) and the rules made thereunder.

- (i) Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking;
- (ii) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects;
- (iii) Promoting gender equality, empowering women, sitting 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, 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 set-up 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 art and handicrafts;
- (vi) 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;
- (vii) training to promote rural sports, nationally recognised sports, paralympic sports and olympic sports

- (viii) contribution to the prime minister's national relief fund or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund or any other fund set up by the central govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;
- (ix) (a) 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; and
 - (b) 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)
- (x) Rural Development projects;
- (xi) Slum development projects;
- (xii) disaster management, including relief, rehabilitation and reconstruction activities.
- (xiii) Such other activities as are allowed under section 135 of the Act read with rules.

5. Location/ Geography of CSR Activities

The CSR activities will be primarily taken up in the State/ District of KIFS Housing Finance Limited offices. Apart from these areas, CSR activities may also be taken up in Urban, Rural and Tribal communities, wherein social engagement by KIFS Housing Finance Limited is warranted as per needs assessment.

6. Implementation Mechanism

While identifying the CSR activities, KIFS and Partnering Organization (if any) would consider the following broad parameters to select the projects or programs:

Preference would be given to the local areas and states where the offices of KIFS are located. CSR activities would be undertaken as a project or a program or a donation to a firm/association/Companies engaged in activities as mentioned in Schedule VII so as to create social impact and visibility.

Further the Board shall ensure that the CSR activities are undertaken by the Company itself or through such entities and in such manner as prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014.

Further KIFS may engage international organisations for designing, monitoring and evaluation of the CSR projects or programmes as per its CSR policy as well as for capacity building of its own personnel for CSR. and may also collaborate with other companies for undertaking projects or programmes or CSR activities in such a manner that the CSR committee is in a position to report separately on such projects or programmes in accordance with the rules.

The Board shall satisfy itself that the funds so disbursed have been utilized for the purposes and in the manner as approved by it and the Chief Financial Officer or the person responsible for financial management shall certify to the effect.

7. Budget for CSR Activities

The CSR Committee shall, after the end of each financial year, recommend to the Board, the amount of expenditure to be incurred on the CSR activities.

The amount of such expenditure shall not be less than 2% of the Average Net Profits of KIFS made during the three immediately preceding financial years.

The CSR Committee shall formulate and recommend to the Board, an annual action plan in pursuance of CSR policy, which shall include the list of CSR projects or programmes approved to be undertaken as per Schedule VII, manner of execution, the modalities of utilisation of funds and implementation of activities, monitoring and reporting mechanism and details of need and impact assessment, if any.

The Board may alter such plan at any time during the financial year, as per the recommendation of CSR Committee, based on the reasonable justification to that effect.

CSR Committee will arrive at the focus areas, set priorities, and define the profile of the partnering organization and the territory on which the approved budget will be based. The managing Director of KIFS would be authorized to allocate funds for different projects on the basis of identified CSR Plans on yearly basis

CSR Expenditure

The expenses incurred by the company for 'general management and administration' of Corporate Social Responsibility functions in the company but shall not include the expenses directly incurred for the designing, implementation, monitoring, and evaluation of a particular Corporate Social Responsibility project or programme shall not exceed five percent of total CSR expenditure of the company for the financial year.

Any surplus from CSR activity shall not form part of Business profit and be utilized for the same project or shall be transferred to unspent CSR account and the same be spent as per CSR policy and action plan or transfer the same in fund specified in Schedule VII. Further excess amount spent under CSR can be set off against the requirement to spend up to immediate succeeding three financial years provided the excess amount shall not include any surplus and the Board shall pass a resolution to this effect.

The CSR amount may be spent by KIFS for creation or acquisition of a capital asset, which shall be held by a Company as mentioned in the Act and its rules.

8. Monitoring Process of CSR Policy:

The Committee would be apprised on the implementation and progress of CSR activities. The CSR policy shall be periodically reviewed by the Board and the management of the Company. The CSR committee shall also provide feedback and inputs to formulate and improve the projects or programs, from time to time, as per need and requirement.

9. Reporting

The Board's Report pertaining to any financial year shall include an annual report on CSR containing particulars as specified in the Act and its rules.

Every company having average CSR obligation of ten crore rupees or more in the three immediately preceding financial years, shall undertake impact assessment, through an independent agency, of their 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.

Further such impact assessment reports shall be placed before the Board and shall be annexed to the annual report on CSR.

If KIFS is undertaking impact assessment it may book the expenditure towards CSR for that financial year, which shall not exceed five percent of the total CSR expenditure for that financial year or fifty lakh rupees, whichever is less. ”

10. General

The surplus arising out of CSR projects or programs shall not form part of the business profits of KIFS.

KIFS shall mandatorily disclose the composition of the CSR Committee, and CSR Policy and Projects approved by the Board on their website, if any, for public access.

Any amendment or modification to the CSR Policy shall be approved by the Board on the recommendation of CSR committee.