



IDFC LIMITED

Corporate Social Responsibility Policy

Version No	Date
1.0	29-01-2015
2.0	31.01.2024

IDFC LIMITED

Corporate Social Responsibility (CSR) Policy

<p>CSR Fulfilment</p>	<p>CSR policy will apply to IDFC as well as IDFC Financial Holding Company Limited.</p> <p>Post selling of all businesses and simplifying corporate structure, Board of IDFC and IDFC FHCL have approved merger of IDFC and IDFC FHCL with IDFC FIRST Bank Limited.</p> <p>Before restructuring, Corporate Social Responsibility (“CSR”) Was carried out at group level through a wholly owned subsidiary, IDFC Foundation Limited.</p> <p>It is proposed to meet CSR obligation, now;</p> <ul style="list-style-type: none"> i. through external agencies, Trust, Society, NGOs having the requisite track record of 3 years in the relevant project/programme.
<p>Company’s Act Provisions on CSR</p>	<p>Section 135 of the Act, read with Companies (Corporate Social Responsibility Policy) Rules, 2014 (“Rules”) requires IDFC to mandatorily spend on CSR.</p>
<p>CSR Committee</p>	<p>The CSR Committee of the Board of Directors (“Board”) would consist of 3 or more directors, out of which at least 1 director shall be an Independent Director.</p> <p>The CSR Committee, as mandated under Section 135 (3) of the Companies Act, 2013 shall –</p> <ul style="list-style-type: none"> i. formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Act; ii. recommend the amount of expenditure to be incurred on the activities referred to in (i) above; iii. monitor the CSR Policy of the Company, from time to time; iv. annually report to the Board, the status of the CSR activities and contributions made by the Company; and v. any other requirements mandated under the Act or Rules issued thereunder.

	<p>The Objects and the Role of the Company shall also be dependent on the extant provisions of the Act, the Rules and other applicable Regulations, as amended from time to time.</p>
<p>CSR Activities</p>	<p>1. Schedule VII lists out the activities which may be included by companies in their CSR activities. The said activities include the following:</p> <ul style="list-style-type: none"> ➤ eradicating hunger, poverty and malnutrition, promoting 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 the differently abled and livelihood enhancement projects; ➤ promoting gender equality, empowering women, setting up homes/hostels for women & orphans; setting up old age homes, day care centres & such other facilities for senior citizens and measures for reducing inequalities faced by socially & economically backward groups; ➤ ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, 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; ➤ 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; ➤ measures for the benefit of armed forces veterans, war widows and their dependents; ➤ training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports; ➤ contribution to the 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 Scheduled Tribes, other backward classes, minorities and women; ➤ contribution or funds provided to technology incubators located within academic institutions which are approved by the Central Government; ➤ rural development projects; ➤ slum area development and ➤ such other activities, as may be prescribed, from time to time.

Restricted Activities	<ol style="list-style-type: none"> 1. The Company shall endeavour not to include any of the business activities undertaken in the normal course of business of the Company within the ambit of CSR activities. 2. Contribution of any amount directly or indirectly to any political party under Section 182 of the Act. 3. CSR Projects or activities that benefit only the employees of the Company and their families. 4. No contribution to be made for any activities undertaken outside India. The surplus, if any arising out of the CSR projects or programmes or activities shall not form part of the business profit of the Company. 5. One off events such as Marathons/Awards/Charitable contributions/ Advertisement/Sponsorships of TV programmes etc. 6. Expenses incurred by companies for fulfilment of any Act/Statute of regulations. 7. Contribution in kind cannot be monetized 8. Monetization of pro-bono services of employees.
CSR Expenditure	<p>Every year, IDFC would spend an amount equivalent to at least 2% of its average net profits (calculated as per Section 198 of the Act) made during the three immediately preceding financial years (less any contribution made directly by the Company or through any external agency/NGO) towards CSR activities.</p>
Collaboration	<p>The Company may undertake the CSR activities on its own or through a Trust/ Society/ Not for Profit Company.</p> <p>The Company may collaborate for undertaking the CSR activities along with its group companies, including its eligible holding or subsidiary companies or any other companies outside the group, as the case may be.</p> <p>The Company may also undertake CSR activities through external agencies, NGOs having the requisite track record of 3 years in the relevant project/ programme and a report on the same shall be disclosed separately as may be prescribed from time to time under applicable provisions of Companies Act, 2013.</p>
Monitoring/ Evaluation	<p>The Board shall ensure activities as are included in its CSR Policy of the Company are undertaken by the Company.</p>



Mechanism and Assessment	<p>The CSR Committee shall monitor the CSR Policy of the Company from time to time.</p> <p>The CSR Committee shall institute a transparent monitoring mechanism for implementation of the CSR projects or programmes or activities undertaken by the Company which shall include the following:</p> <ul style="list-style-type: none">i) <u>Review by Board/CSR Committee:</u> The Board and CSR Committee will review the implementation of CSR on Annual basis.ii) <u>Utilisation Certificate:</u> Funds released to the implementing agency would be based on satisfactory utilization certificate duly certified by an authorised officer of the Implementing Agency.iii) <u>External Agency assessment:</u> The impact assessment/ evaluation of major projects may be carried out by an external agency to critically assess the fulfilment of project objectives.iv) <u>Audit:</u> The amount spent on CSR by the Company will be subject to audit at such intervals, as may be required, from time to time.
Tax Treatment	<p>Tax treatment of CSR spent will be in accordance with Income Tax Act, 1961, as amended from time to time and other applicable rules or circulars issued by the Central Board of Direct Taxes.</p>
Dissemination of Information	<p>The CSR Policy of the Company shall be placed on the website of the Company viz. www.idfclimited.com. A detailed status report on the CSR activities carried out by the Company shall be disclosed every year as a part of the Boards' Report in the Annual Report. The CSR Committee will also make a Responsibility Statement stating that the CSR Policy implementation and monitoring thereof is in letter and spirit, in compliance with the CSR objectives of the Company.</p>
Approved by	<p>IDFC Board after recommendation by CSR Committee of the Company.</p>
Amendment	<p>This Policy may be amended, from time to time, by the Board on the recommendation of the CSR Committee.</p>
Review History	<p>Approved on January 29, 2015. Reviewed on January 30, 2024.</p> <p>This CSR Policy shall be reviewed, as and when required.</p>