



**IKF HOME FINANCE LIMITED**

<b>Name of Policy</b>	CSR Policy
<b>Date of Last Approval/Review</b>	August 4, 2025
<b>Prepared by</b>	Secretarial Department
<b>Approving Authority</b>	Board of Directors
<b>Version</b>	2025

## **CORPORATE SOCIAL RESPONSIBILITY POLICY**

### **1. Background**

Section 135 of the Companies Act, 2013 mandates the following companies to formulate and adopt a Corporate Social Responsibility (CSR) Policy and draw out a framework for CSR:

- a) Net worth of Rs. 500 Crore or more; or
- b) Turnover of Rs. 1000 Crore or more; or
- c) Net profit of Rs. 5 Crore or more

In accordance with the said mandate, since IKF Home Finance Limited (IKFHFL) qualifies on the criteria mentioned, it is required to formulate and adopt CSR Policy.

The objective of this Policy is to provide an overall CSR framework, which shall at all relevant times be closely aligned with the requirements of relevant provisions of the Companies Act, 2013.

### **2. Overview**

IKFHFL intends to make a positive difference to society. The Company firmly believes that it has commitment to all its stakeholders - customers, employees and the community in which it operates and it can fulfil this commitment only by sustainable and inclusive growth.

IKFHFL's key CSR initiatives will be undertaken with a sustainable long-term view to benefit the society at large.

### **3. CSR Governance**

At IKFHFL, the Board of Directors of the Company shall establish a CSR Committee (if required/applicable as per law for the time being enforced). The Board/Committee has been entrusted with formulating a CSR Policy and transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the company. The Board/Committee shall also annually monitor the Corporate Social Responsibility Policy of the company.

### **4. Scope**

The scope of activities which, the Company will undertake towards fulfilment of its CSR shall be in line with Schedule VII of the Companies Act, 2013, as amended from time to time, and any other applicable laws, regulations etc.

The company shall give preference to the local area and/or areas in the vicinity, for spending the amount earmarked for CSR activities. The CSR projects or programs or activities that benefit only the employees of the company and their families shall not be considered as CSR.

## **5. Constitution of CSR Committee**

Keeping in line with section 135 of the Companies Act, 2013 and the rules thereunder (hereinafter referred to as 'the Act'), the Board of Directors of the Company has formed a Corporate Social Responsibility Committee (hereinafter referred to as the 'CSR Committee'), to inter alia, carry out the following functions:

- Formulate and recommend to the Board a CSR Policy.
- Recommend the amount of expenditure to be incurred on the CSR activities.
- Monitor the CSR Policy of the company from time to time.
- Ensure that the CSR activities are undertaken in compliance with Schedule VII of the Act and the approved CSR Policy.

The CSR Committee shall comprise the following members:

1. Managing Director
2. Non-Executive Director
3. Independent Director

## **6. Collaboration for CSR**

The CSR Committee after seeking approval from the Board of Directors of the Company may undertake its CSR activities either directly or through a registered trust or a registered society or a company established by the company or its holding or subsidiary or associate company under section 8 of the Companies Act, 2013. Further, the company may choose to collaborate with other companies for undertaking projects or programs or CSR activities in such a manner that the CSR Committees of respective companies are in a position to report separately on such projects or programs in accordance with Companies (Corporate Social Responsibility Policy) Rules, 2014 and amendments thereto.

## **7. CSR Budget**

The annual budget for IKFHFL shall be approved by the Board upon recommended by CSR Committee which is to be utilized for CSR Projects.

## **8. CSR Annual Action Plan (CAAP)**

The CSR Committee shall formulate and recommend to the Board of Directors, a CAAP in pursuance of this Policy, which shall include focus areas for the year, the list of projects to be undertaken, manner of execution, fund utilization, monitoring mechanism, etc. The Board of Directors may approve the CAAP with such further conditions as it deems fit and further alter CAAP at any time during the financial year, as per the recommendation of the CSR Committee (if required), based on the reasonable justification to that effect.

## **9. CSR Expenditure:**

The company shall endeavor to spend, in every financial year, at least 2% of the average net profits made during the three immediately preceding financial years or as per regulatory guidelines, in pursuance of its CSR Policy and if the company fails to spend such amount, the Board shall, in its report

specify the reasons for not spending the amount, and, unless the unspent amount relates to any ongoing project referred in Companies Act, 2013, transfer such unspent amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.

CSR expenditure shall include all expenditure relating to CSR activities approved by the Board 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 which fall within the areas or subjects, specified in Schedule VII of the Companies Act, 2013.

Any surplus arising out of the CSR activities shall not form part of the business profit of the company and shall be ploughed back into the same project or shall be transferred to the Unspent CSR Account and spent in pursuance of CSR policy and annual action plan of the company or transfer such surplus amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.

Where a company spends an amount in excess of requirement provided under sub-section (5) of section 135, such excess amount may be set off against the requirement to spend under sub-section (5) of section 135 up to immediate succeeding three financial years subject to the conditions that –

- (i) the excess amount available for set off shall not include the surplus arising out of the CSR activities, if any, in pursuance of sub-rule (2) of this rule.
- (ii) the Board of the company shall pass a resolution to that effect

The CSR projects or programs or activities undertaken only in India shall qualify as CSR Expenditure.

The CSR spending can be either revenue expenditure or capital expenditure or both.

(Note: “Average Net Profit” shall be calculated in accordance with the provisions of section 198 of the Companies Act, 2013)

Nature of unspent amount	Action required	Timelines
Unspent amount pertains to ‘ongoing projects’	Transfer such unspent amount to a separate bank account of the company to be called as ‘Unspent CSR Account’ and utilized within the regulatory timeframe i.e., up to a maximum of 3 years	Within 30 days from the end of the financial year.
Unspent amount pertains to ‘other than ongoing projects’	Transfer unspent amount to any fund included in Schedule VII of the Act.	Within 6 months from the end of the financial year.

## 10. Activities under Schedule VII to the Act

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 malnutrition, promoting health care including preventive health care

and sanitation including contribution to the Swatch Bharat Kosh set-up by the Central Government for the 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 the 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, 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) measure for the benefit of armed force 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 recognized sports, Paralympic sports and Olympics sports;

(viii) contribution to the Prime Minister's National Relief Fund or Prime Minister's Central Assistance and Relief in Emergency Situations Fund (PM CARES 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) (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 area development.

Explanation- For the purposes of this item, the term 'slum area' shall mean any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force.

(xii) disaster management, including relief, rehabilitation and reconstruction activities.

## **11. Monitoring and Feedback**

The Board or CSR Committee shall meet as and when the need arises to review and guide the CSR activities of the Company. They shall meet *inter alia* to monitor the progress of CSR programs, CSR spending, and review if any changes are required.

The Company will incorporate the details of CSR activities, including a physical and financial process in the annual report of the Company. The minutes of the CSR Committee shall be presented to the Board for its review and scrutiny.

The Company may communicate its CSR efforts to all its employees and external stakeholders through emails/ its own website or other appropriate dissemination channels.

The Board of Directors of the Company may disclose the composition of the CSR Committee, and CSR Policy and Projects approved by the Board on their website, if any, for public access.

Following activities may be undertaken for monitoring of CSR:

- Appropriate documentation of the CSR Policy, annual CSR activities, executing partners, and expenditure entailed will be undertaken on a regular basis and the same may be available in the public domain
- In order to closely monitor and manage the field action projects, the Audit team at the Corporate Office may conduct periodic field visits, impact studies and social audits on an annual basis, through itself or independent professional third-party institutions, especially on the strategic and high value programs.
- CSR initiatives will also be reported in its Annual Report

## **12. Review of the policy**

The Board of Directors of the Company shall have the powers to revise/modify/amend this Policy at reasonable intervals or as and when necessary, 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.

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