

# Corporate Social Responsibility Policy

For IIFL Group of Companies



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ॐ सर्वे भवन्तु सुखिनः । सर्वे सन्तु निरामयाः ।  
सर्वे भद्राणि पश्यन्तु । मा कश्चित् दुःखभागभवेत् ।  
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 Holdings Limited (henceforth mentioned as IIFL) is the apex holding company of all companies that constitute the IIFL Group. The Group companies are united by the vision to become the most respected brand in the financial services space in India. To realize this vision, IIFL recognizes the importance of contributing to sustainable social transformation. 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 customers. Furthermore, the Group's CSR (Corporate Social Responsibility) projects are aligned to the focus of the business, and thereby help IIFL carve out a reputation for being 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 that the Group shall undertake
- Outline the governance structure for CSR management within the Group
- Serve as a guiding document to help identify, execute and monitor CSR projects
- Explain the manner in which the surpluses from CSR projects will be treated

## 3. Policy Statement

IIFL's CSR Policy and projects are steered by the same values that guide the business of the Group of Companies. It can be summarized in one acronym – GIFTS, which stands for:

- **G**rowth
- **I**ntegrity
- **F**airness
- **T**ransparency
- **S**ervice Orientation



By applying these values to the CSR projects, IIFL aims to undertake initiatives that create sustainable growth and empowers underprivileged sections of society.

#### **4. Scope of CSR Policy**

This Policy applies to all CSR projects undertaken by IIFL and fulfills all the requirements of Section 135 of the Companies Act 2013. IIFL 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. This Policy will be periodically reviewed and updated in line with relevant codes of legislation and international standards and best practices.

#### **5. Normal Course of Business**

Through its subsidiaries, IIFL is engaged in the businesses of non-banking finance, housing finance, wealth management, mutual funds and asset management, equities, commodities and currency broking, investment banking, insurance and other financial products distribution. IIFL is committed to, providing quality services to its customers while continuously undertaking measures to grow the business by expanding the Group's reach and through other innovative measures. IIFL conducts its operations in compliance with applicable laws, regulations and standards while conforming to the highest standards in design, procurement, resource management and construction practices.

#### **6. IIFL Foundation**

IIFL has constituted the IIFL Foundation, a section 25 company, to act as the principal arm that undertakes CSR initiatives for the Group. The Foundation is entrusted with managing and implementing CSR projects on behalf of the Group companies. The Foundation partners with implementation agencies that best fit the Group's values and priorities.

#### **7. Key focus areas**

The CSR projects at IIFL focus on the following areas of intervention that are aligned with the items listed in Schedule VII of the Companies Act 2013.

##### **7.1. Rural Development for Holistic Transformation and Change.**

IIFL understands that all social problems are intertwined and to bring about a total change it is important to take a holistic view of the situation. The "Gram Vardhan " yojana adopts rural underdeveloped villages to bring about a complete change.

##### **7.2. Sustainable Livelihood**

IIFL recognizes that it is imperative to mainstream the disengaged to participate in the labour force of the country and adapt to a sustainable livelihood in order to contribute positively to the nation building process. The intervention areas under livelihoods for IIFL encompass two broad verticals:

Entrepreneurship and Employment. IIFL Foundation will support holistic development in regions identified by engaging with the said communities and enabling them to attain sustainable livelihood opportunities.

### **7.2.1. Entrepreneurship**

IIFL undertakes projects that support small-scale enterprises run by marginalized communities and equip them with skills and resources to run the enterprises. These projects are further divided into those that are focused on agro-based enterprises and those that focus on non-agro-based enterprises

### **7.2.2. Employment**

Projects that fall under this category focus on enhancing employment potential of unskilled or underskilled populations. These include pre-livelihood training, which involves career counseling for school children that focus on reducing drop-out rates of students.

## **7.3. Education**

Education is one of the basic building blocks of a great nation. A literate population can catapult India towards realizing its demographic dividend. For IIFL, education is one of the key focus areas for CSR. The CSR projects in education will include promoting education, setting up and upgrading educational facilities and supporting institutes of higher education.

## **7.4. Financial literacy**

IIFL believes that individuals with basic financial knowledge can make informed financial decisions and therefore, maintain better financial health. Through the IIFL Foundation, the Group will endeavor to provide information of financial products, especially of rewards and risks, in order to better equip the financially excluded to make informed choices with respect to money. The company has undertaken projects that focus on educating school students and slum women in this respect. The school children targeted are largely those who are studying in 8<sup>th</sup> or 9<sup>th</sup> standard, and include students both from urban schools (both private and municipal schools) and rural schools.

## **7.5. Healthcare**

In its endeavor to promote healthcare (including preventive healthcare), CSR projects of IIFL seek to support those healthcare initiatives and medical research institutions that aim to enhance healthcare access, especially to the disadvantaged and underprivileged.

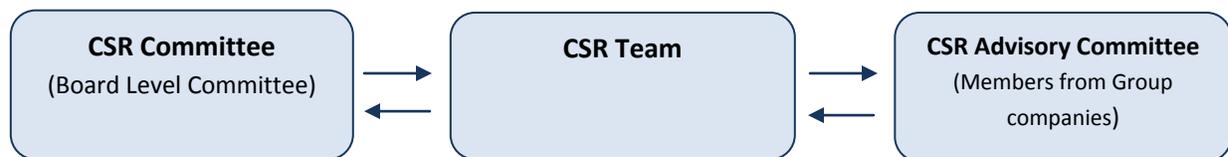
## **7.6. Disaster Relief & Rehabilitation**

Major natural disasters can and do a severe negative short run economic impacts. Disasters also appear to have adverse longer term consequences for economic growth and development . India is vulnerable to natural disasters and she has to face nature's fury atleast once or twice each year. As a responsible company, IIFL should support the relief & rehabilitation where ever needed.

## 8. Governance Structure

IIFL has constituted a robust and transparent governing mechanism to oversee the implementation of its CSR Policy, in compliance with the requirements of Section 135 of the Companies Act 2013. At the helm of this mechanism is the Board of Directors of each of the Group companies, who is ultimately accountable for the CSR projects undertaken by the company.

Each of the Group companies has constituted a CSR Committee at the Board level. The CSR Committee is supported by the CSR Team, comprised of representatives from the companies as well as the Foundation and is guided by the CSR Advisory Committee.



### 8.1. CSR Committee

The Group has constituted a CSR Committee that reports to the Board of the company with respect to matters related to CSR.

#### 8.1.2 Responsibilities

- Formulate and update IIFL's CSR Policy, to be approved by the Board of IIFL
- Suggest areas of intervention to the Board of IIFL
- Approve projects that are in line with the CSR Policy
- Put monitoring mechanisms in place to track the progress of each project
- Recommend the CSR expenditure to the Board of IIFL, for approval
- Meet periodically a year to review the progress made

### 8.2. CSR Team

CSR Team is at the core of all CSR activities at IIFL. They are responsible for ensuring effective implementation of CSR projects.

#### 8.2.1. Responsibilities

- Responsible for the execution of the decisions taken by the Board level CSR Committee
- Project and partner identification
- Partner due Diligence
- Implementation and impact assessment
- Report periodically to the Board level CSR Committee
- Review progress every quarter

### 8.3. CSR Advisory Committee

The Advisory Committee provides inputs to the CSR Team to help them plan and implement CSR projects.

## 9. CSR Budget

The total budget for the CSR projects will be decided annually in accordance with the goals and priorities of the IIFL Holdings Limited.

## 10. Project Life-Cycle

IIFL Foundation will plan, implement, monitor and manage all CSR projects for the IIFL Group either directly or through other implementing partners which would be chosen after a thorough due diligence. The Foundation will work closely with the CSR Committees of the Board of the Group companies, the CSR Team and the CSR Advisory Committee to identify projects that are in alignment to the vision and goals of the companies.

Following the approval of the Boards of the companies of IIFL Group, the CSR Team will 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 IIFL Foundation is responsible for ensuring the smooth execution of all CSR projects undertaken by the Group. The Foundation will choose to implement the projects by itself or ensure 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 produce their latest audit, annual reports and registration forms according to 80G/12A.

### Monitoring

The CSR Team will 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 will be established to ensure the transparency and efficiency of the implementation process. The projects will be evaluated against the milestones defined in the implementation plan of the project. The CSR Team will present monitoring reports of the projects to the Board level CSR Committee on a periodic basis.

## **Reporting**

The CSR Committee of the Board, based on reports presented by the CSR Team, will annually publish report on the CSR projects as a part of the Director's report. The report will disclose information in the format as prescribed by the Section 135 of the Companies Act 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 on being approved by the Board shall be displayed on the website of the Company and any modifications carried out from time to time shall also be updated on the website of the Company respectively.

## **11. Treatment of Surpluses**

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

## **12. Effective Date**

The policy is effective from April 1, 2014

## **13. Contact**

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

