



INDSEC SECURITIES AND FINANCE LTD.

• Corporate Members •
BSE Ltd.

National Stock Exchange of India Ltd.
Metropolitan Stock Exchange of India Ltd.

Regulated by SEBI

• Depository Participant •
National Securities Depository Ltd.

• Portfolio Manager •

CORPORATE SOCIAL RESPONSIBILITY POLICY

Introduction

Corporate Social Responsibility (CSR) is a practice through which a Company contributes to the economic and social development of communities in which it operates. Indsec Securities and Finance Limited (ISFL) shall also strive to make a positive difference to the Society with its CSR activity.

ISFL frames this policy in compliance with Section 135 of the Companies Act, 2013 (the Act) read with the Companies (Corporate Social Responsibility Policy), Rules 2014 (the CSR Rules) and to determine the scope of CSR activities to be undertaken by the Company in accordance with schedule VII of the Companies Act, 2013.

Corporate Social Responsibility Committee: The Board of Directors of the Company has constituted a Corporate Social Responsibility Committee (“CSR Committee”) to assist the Board to effectively discharge its corporate social responsibility obligations. The CSR Committee shall exercise the powers and responsibilities vested to it under the Companies Act, 2013 and rules thereunder, or any re-enactment thereof. The CSR Committee shall function as per responsibilities outlined in this policy and shall monitor the policy from time to time. The Board will continue to have the overall responsibility in respect of all CSR matters.

CSR Committee shall:

- (a) formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII;
- (b) recommend the amount of expenditure to be incurred on the activities referred to in clause a);
- and
- (c) review and monitor the Corporate Social Responsibility Policy of the company from time to time

Frequency of meetings: The meetings of the Committee can be held at such periodic intervals as may be required.

Quorum: Minimum two (2) members shall constitute a quorum for the Committee meeting. The CSR Committee of the Company shall, at all times, consist of three or more Directors and shall include at least one Independent Director.

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CSR Activities: The Company endeavor to pursue any one or more activities as covered / authorized in terms of provisions of Schedule VII of the Companies Act, 2013, and the same are listed herein below:

- i. To carry on activities for eradicating hunger, poverty and malnutrition, in order to promote health care including preventive health care and sanitation including making contribution to the Swach 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. To carry on activities for 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, 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.
 - 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;
 - 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 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. Contributions or funds provided to technology incubators located within academic institutions which are approved by the central govt.
 - x. Rural development projects.
 - xi. Slum area development.
- and such other matters as may be prescribed.

Budget for CSR Activity & CSR Expenses: The Company shall allocate the budget for CSR activities. The minimum budgeted amount for a financial year shall be 2% of the average net profit of three immediate preceding financial years. The Company may allocate more fund/amount than the amount prescribed under section 135 of the Companies Act, 2013, for the CSR activities for any financial year. The Committee shall calculate the total fund for the CSR



activities and recommend to the Board for the approval. The Board shall approve the total fund to be utilized for CSR activity for respective financial year. CSR expenditure shall include all expenditure including contribution to corpus for projects or programs 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 approved CSR activities. The CSR activities undertaken in India only shall amount to CSR Expenditure. Any activity for the exclusive benefit of the employees of the Company or their family members shall not be considered as a CSR activity.

Identification of activities/projects: Out of approved CSR activities, the Committee shall decide which activity/project should be given priority for the respective financial year. While arriving at the decision of the activity to be undertaken for the respective year, the Committee shall analyze the basic need of the community/ area in which the Company operates or at the place where the Registered office of the Company is situated. The Committee shall record its findings and prioritize the CSR activities.

Implementation process: After prioritizing the activity the Committee shall finalise the detail implementation project/programme, including planning for expenses against the total budget allocated for CSR activities. The Company shall undertake CSR activities through such non-government or government affiliated organizations, as approved by the CSR Committee. The CSR Committee shall identify such Organizations and allocate funds to them for specific CSR projects. The Committee may engage specialized agencies, if necessary, for identification of such Organizations.

The CSR Committee may also partner with other companies or corporate foundations or trusts in order to fulfill its CSR obligations. The CSR Committee shall broadly follow the same parameters mentioned hereinabove while identifying such companies or corporate foundations or trusts. The Company may build CSR capacities of its own personnel as well as those of its Implementing Agencies, if any, but such expenditure shall not exceed 5% of the total CSR expenditure of the Company in any one financial year;

Further, the CSR Committee may also allocate funds to government / non-government schemes which fall under the purview of Schedule VII of the Companies Act 2013.

Monitoring by the Board and its responsibility: The Board of Directors shall constantly monitor implementation of the CSR activities and suggest recommendations, if any, to the committee with regard to implementation process. In the event, the Company fails to spend the amount as required towards CSR, the Board of Directors shall specify the reasons for not spending such amount in the Directors' report of that financial year.



Compliance and Reporting to Board: The Committee is responsible to undertake CSR activities as per the approved CSR Policy. Apart from periodic reporting to the Board about the implementation of CSR activity, an annual detailed report containing the details pertaining to implementation, total budget allocated in the FY along with actual expenses incurred and surplus arising, if any, may be provided by the CSR Committee. The Company specifically declares that any surplus arising out of the fund allocated for CSR activity shall not be a part of the business profit of the Company and shall be ploughed back to the CSR initiatives of the Company.

Disclosure of the Policy: The CSR policy recommended by the CSR Committee and approved by the Board shall be displayed on the Company's website and shall be disclosed in the Board's report as well.

Miscellaneous: This Policy shall be updated from time to time, by the Company in accordance with the amendments, if any, to the Companies Act, 2013, rules made there under or any other applicable enactment for the time being in force.