

Corporate Social Responsibility Policy

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1 Objective

This document sets out the corporate social responsibility of the Company.

The Government of India enacted the Companies Act 2013 in August 2013. Section 135 of the Companies Act 2013 (hereinafter referred to as 'the Act') deals with the subject of Corporate Social Responsibility (CSR). It lays down the qualifying criteria based on net worth, turnover, and net profit for companies which are required to undertake CSR activities and, inter alia, specifies the broad modalities of selection, implementation and monitoring of the CSR activities by the Boards of Directors of companies. The provisions of Section 135 of the Companies Act, 2013 ('the Act') read with The Companies Corporate Social Responsibility Policy) Rules, 2014 require those companies that are falling within the purview of the said Section to undertake Corporate Social Responsibility (CSR) activities and allocate a percentage of its profit before tax for such activities. Provided further that a company having any amount in its Unspent Corporate Social Responsibility Account as per sub-section (6) of Section 135 shall constitute a CSR Committee and comply with the provisions contained in Sub-Sections (2) to (6) of the said section." Extract of the relevant provisions of the Act is attached at Annexure I to this document.

IFTAS aims at conducting its business in a way that the Company achieves its business goals and objectives with a due consideration of community's economic, environmental and social aspirations and therefore commits to integrate Corporate Social Responsibility ('CSR') with its business processes.

The objectives of CSR Policy of the Company are:

- build a framework of CSR activities with a philanthropic approach in line with business unit objectives, which also benefits the organization at large.
- Shape sustainability for the organization by 'Engaging the Community'.
- Build a corporate brand through CSR.
- For other stakeholders, make it "an integral part of the Company's DNA.

2 Policy

2.1 Governance Framework

The roles & responsibilities of the Board and CSR Committee are detailed in the subsequent sections.

2.1a) Board of directors – Responsibilities:

The Board has the primary responsibility for constitution of the CSR Committee and establishing the CSR policy, framework and approval of CSR projects / programs to be undertaken by the Company. The Board's responsibility, with regard to CSR, shall include the following activities:

- Constitution of CSR Committee along with delegation of suitable powers to the CSR Committee.
- Maintain oversight over the CSR Committee.
- Approve the CSR Policy as formulated & recommended by the CSR Committee.

- Recommend and approve CSR programs/ projects, put forth by the CSR Committee, to be undertaken by the Company and amount of expenditure to be incurred on each of the CSR programs/ projects.
- Ensure that the activities as are included in Corporate Social Responsibility Policy of the company are undertaken by the company.
- Disclose the names of the CSR Committee members, ensure annual reporting of its CSR activities in the Annual Report, on the Company website and elsewhere as appropriate.
- Disclose contents of such CSR Policy in its report and also place it on the company's website, if any, in such manner as may be prescribed.
- Ensure reporting of reasonable reasons as to the Company's inability to spend the allocated amount on approved CSR activities.

2.1b) CSR Committee – Constitution

The CSR Committee shall be constituted and governed by the Board of Directors of the Company. The CSR Committee shall comprise of minimum of 3 directors. Any 3 directors may be members of CSR committee.

2.1c) CSR Committee – Responsibilities

The CSR Committee has the primary responsibility of managing the operations of CSR and the below:

- Formulate and recommend the CSR Policy to the Board for approval.
- Monitor the CSR Policy, CSR programs/ projects from time to time and recommend changes to the Board.
- Identify specific CSR programs/ projects areas to be undertaken during the financial year at the start of the financial year.
- Recommend to the Board, for its consideration and approval, CSR programs/ projects identified and to be undertaken during the financial year which are in lines with the activities specified in Schedule VII and amount of expenditure to be incurred for each programs/ project.
- Identify a CSR Team for identifying suitable and deserving projects and implementation of CSR programs and projects.
- Constitute a transparent monitoring mechanism for ensuring implementation of the CSR programs/ projects undertaken by the Company.
- Update the Board on the status of CSR programs/ projects undertaken by the Company during the financial year and amount of expenditure incurred.

2.1d) CSR Committee – Meeting

The CSR Committee shall meet as often as its members deem necessary to perform the duties and responsibilities but not less than once in a year.

2.1e) Quorum for CSR Committee meetings

The quorum shall be 1/3 of the members or 2 members whichever is higher.

2.2 Corporate Social Responsibility Budget

IFTAS shall endeavor that fund to the tune of at least 2% of the average net profits of the Company during the immediately preceding three financial years is allocated towards the CSR programs/ projects as mentioned above.

The CSR Committee will recommend the allocation of funds for each program or project or activities for approval by the Board. The Company may collaborate or pool resources with other organization or companies to undertake CSR activities.

The surplus arising out of the CSR projects or programs, or activities shall not form part of the business profit of the Company.

2.3 Qualifying activities

IFTAS shall support projects that the CSR Committee considers deserving keeping in mind the following factors, among others:

- The project is covered within the suggested areas in the Act or rules made thereunder with amendments/modification in the Act or rules made thereunder or new rules or provisions inserted in the Act or rules.
- The project can be assessed on an ongoing basis.
- Where the impact is measurable and is capable of creating long term impact.

The Company will consistently explore and undertake CSR Programs/ Projects relating to the activities in any of the fields enumerated as per Revised Schedule VII of the Act including amendment/modification to the said Schedule as and when done, which have been listed in **Annexure 1**.

Activities not considered as CSR Activities

Following activities will not be considered as CSR activities:

- Activities that benefit only the employees of the Company and their families
- Activities that involve contribution of any amount directly or indirectly to any political party under the provisions of the Companies Act, 2013
- Activities undertaken outside the sovereign territories of the Republic of India
- Activities undertaken in pursuance of normal course of business of a Company

2.4 Implementation of CSR activities

The following steps shall be carried out in order to facilitate the implementation of CSR Activities

- CSR programs/ projects to be undertaken by the Company will be identified by the CSR Committee
- The CSR Committee shall detail out the proposal to be presented to the Board for approval along with the CSR Team, detailed plan, modalities of execution, implementation schedule, monitoring process and amount to be allocated to each project
- The CSR Committee shall recommend the CSR programs/ projects, specifying modalities of its execution and the amount of expenditure to be incurred on the programs/ projects
- Upon recommendations of the CSR Committee, the Board shall specifically approve such CSR projects/programs and the amount of expenditure
- The time period/ duration over which a particular program will be spread, will depend on its nature, extent of coverage and the intended impact of the program
- The mode of implementation of CSR program/ projects may include a combination of direct implementation or implementation through government, own foundation, charity partners, registered societies, civil societies, social partners etc. The Company will select its partners after appropriate due diligence

- The Company may engage the services of external expert agencies, consultancy firms etc. for carrying out any survey, assessment or report with regards to any CSR programs/ projects to be undertaken by the Company
- Any surplus arising out of the CSR Projects or programs or activities shall not form part of the business profit of the Company
- The CSR Committee is authorized to settle all queries, differences or doubts that may arise in relation to the implementation of the CSR programs/ projects as may be approved by the Board

2.5 Monitoring and Reporting Framework

The CSR Committee will institute a suitable monitoring and evaluation mechanism to ensure that each CSR program/ project has:

- Clear objectives developed out of the societal needs
- Clear targets, timelines and measurable parameters wherever possible
- A progress monitoring and reporting framework that is aligned with the requirement of the Act
Progress on CSR initiatives will be reviewed and monitored on a half yearly basis by the CSR Committee and annually by the Board

2.6 Annexure I – Revised Schedule VII to the Companies Act, 2013.

- i. Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation including contribution to the Swachh Bharat Kosh 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 centres 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 arts and handicrafts
- vi. Measures for the benefit of armed forces veterans, war widows and their dependents;
- vii. Training to promote rural sports, nationally recognized 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 Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled 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 Government
- x. Rural development projects
- xi. Slum area development.

2.7 Policy Exception

Any exception to this Policy shall be approved by IFTAS Management and the same should be approved by the Board by CSR Committee recommendation.

3 Review Process

The Policy shall be put through a review process in any of the following instances (i) A regular annual review process (ii) Policy or changes to the provisions of applicable Statute or laws in India (iii) Any external triggers like mergers and acquisitions with another entity (iv) any other change in working conditions that is likely to impact the said policy.

Review Process:

- Depending on the scenarios as listed above, IFTAS Board Secretariat Team will initiate the policy review and suggest draft policy changes to the CEO for review.
- Post review, CEO will submit the same to the CSR Committee for their advice.
- The changes, if any, to be incorporated as deliberated before the final policy is put up to the Board for their approval.

TRUE COPY



Shri Santosh Mohile
Chief Executive Officer