

HOME FIRST FINANCE COMPANY INDIA LIMITED

CORPORATE SOCIAL RESPONSIBILITY POLICY

A. PREAMBLE:

Corporate Social Responsibility (“CSR”) is a form of corporate self-regulation integrated into a business model. The concept of CSR is strongly connected with the principles of sustainability. CSR is a company’s sense of responsibility towards the community and environment (both ecological and social) in which it operates.

Pursuant to section 135 of Companies Act, 2013 and the rules made thereunder every company having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during any financial year is required to carry out CSR Activities.

Home First Finance Company India Limited (the “**Company**”) believes integrating its business model with the social welfare of people and society in which it operates.

B. SCOPE, APPLICABILITY AND TITLE:

This Policy on Corporate Social Responsibility encompasses the company’s philosophy for giving back to the society as a corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programmes for the welfare and sustainable development of the community at large and is titled as “CSR Policy of HFFC”.

This Policy shall apply to all CSR initiatives and activities taken up at various work centers, branches and locations of the Company.

C. OBJECTIVES:

The main objective of introduction of CSR policy is to lay down guidelines and general framework of action for the Company and to make CSR a key to contribute and add value for sustainable development for the society. The Policy will function and strive to create value in the society and in the community in which it operates, through its services, conduct & initiatives, so as to promote sustained growth for the society and community.

D. CSR COMMITTEE:

A Company falling under the ambit of section 135 of Companies Act, 2013 is required to form a CSR Committee.

1. Composition of Committee:

The Corporate Social Responsibility Committee (CSR Committee) shall comprise of three or more Directors, out of which at least one shall be an Independent Director.

2. Role of the CSR Committee:

- a. To formulate and recommend to the Board of Directors, the CSR Policy, indicating the CSR activities to be undertaken, as prescribed under applicable law;
- b. To recommend the amount of expenditure to be incurred on the CSR activities, which is to be at least 2% of the average net profit of the Company in the three immediately preceding financial years;
- c. To monitor the CSR Policy and its implementation by the Company from time to time; and
- d. To perform such other functions or responsibilities and exercise such other powers as may be conferred upon the CSR Committee in terms of the provisions of Section 135 of the Companies Act, 2013 and the rules framed thereunder.

3. Meetings of Committee:

The CSR Committee shall meet as and when required during a financial year. The CSR Committee may invite executives, advisors, representatives of social organizations, Auditors of the Company or such other person(s) as it may consider necessary to attend the meeting.

4. Quorum of Meeting:

The Quorum of the meeting of the CSR Committee shall be one third of the total strength or two Directors, whichever is higher.

E. CSR ACTIVITIES:

The Company shall decide to undertake any of the following CSR activities/ projects as enumerated in Schedule VII of the Companies Act, 2013 or such other CSR activities/ projects as may be notified by Ministry of Corporate Affairs from time to time:

- I. Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and 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 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;
- 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 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 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 (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.

F. CSR EXPENDITURE:

The Company shall allocate 2% of its average net profits made during the 3 immediately preceding financial years as its Annual CSR Budget. The Annual CSR Budget shall be spent on activities laid down in the CSR Policy of Company.

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

G. IMPLEMENTATION OF CSR THROUGH VARIOUS CHANNELS:

- a. CSR programmes shall be undertaken by the Company at various work centers/ branches/ locations of Company to the best possible extent within the defined ambit of the identified project/ programme.
- b. The Board may decide to undertake CSR activities approved by the CSR Committee, through a registered trust or a registered society provided that such a registered trust or society shall have an established track record of three years in undertaking the similar programs or projects

Company shall also specify the project or programs to be undertaken through the abovementioned registered trust or society, the modalities of utilization of funds on such projects and programs and the monitoring and reporting mechanism.

- c. Company may also collaborate with other companies for undertaking projects and programs or CSR activities in such a manner that the CSR Committee of the respective companies are in a position to report separately on such projects or programs.
- d. Company may build CSR capacities of own personnel as well as those of the Implementing agencies through Institutions with established track records of at least three financial years but such expenditure shall not exceed five percent of total CSR expenditure of the company in one financial year.

The time period over which a particular project/programme will be spread, shall depend on its nature, extent of coverage and the intended impact of the project/programme. By and large, it shall be ensured that the CSR programmes shall be executed in and around the areas adjoining Company's workplace/ work centers/ branches/ locations.

H. EXCLUSIONS:

An amount spent towards CSR activities carried outside India shall not be considered in CSR Expenditure.

The CSR activities shall not include any activity undertaken in pursuance of normal course of business of the Company.

Any contribution of any amount directly or indirectly to any political party by the Company shall not be considered as CSR activity.

The CSR projects or programmes or activities that benefit only the employees of the Company and their families shall not be considered as CSR activities in accordance with section 135 of the Companies Act, 2013.

I. MONITORING AND REPORTING:

The management of Company shall ensure the effective implementation of the identified CSR projects/ programmes. The management shall monitor the progress of the CSR projects/ programmes on quarterly basis and update the same to the CSR Committee.

The CSR committee shall monitor and review the CSR activities as well as policy and also provide its feedback and inputs for improvement and better implementation of the CSR Policy.

The Board shall be kept informed about the CSR activities undertaken and the progress thereof. CSR initiatives undertaken by the Company shall be reported in the Annual Report and the Board's Report of the Company in the format as prescribed by the Ministry of Corporate Affairs from time to time in accordance with provisions of the Companies Act, 2013 and the Rules made thereunder.

J. AMENDMENT IN POLICY:

In case of any doubt with regard to any provision(s) of the Policy, a reference can be made to the CSR Committee. In all such matters, the interpretation and decision of the CSR Committee shall be final. Any or all provisions of the CSR Policy would be subject to revision/amendment in accordance with the guidelines as may be issued by Government, from time to time.

The Company reserves the right to modify, add, or amend any provisions of this Policy from time to time.
