

**IFFCO KISAN FINANCE LIMITED**  
**(Formerly Known as Kisan Rural Finance Limited)**

**Corporate Social Responsibility Policy**

**1.0 Short Title and Applicability:**

- 1.1** This policy, which encompasses the Company's philosophy for delineating its responsibility as a corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programmes for welfare & sustainable development of the community at large, is titled as the 'KISAN FINANCE CSR Policy' (hereinafter referred to as 'CSR Policy').
- 1.2** This policy has been designed in consonance with Section 135 of The Companies Act, 2013 (hereafter referred to as 'Act') to lay down the guidelines for undertaking Corporate Social Responsibility (hereafter referred to as 'CSR') initiatives at KISAN FINANCE in accordance to Companies (Corporate Social Responsibility Policy) Rules, 2014 (hereafter referred to as 'Rules').
- 1.3** This Policy lays down the guiding principles or rules that shall apply to all CSR programs/projects as per Schedule VII of the Act within the geographical limit of Republic of India.
- 1.4** This policy shall apply to all CSR initiatives and activities taken up at the various offices and locations of the Company spread across the country or else where for the benefit of different segments of the society, specifically the deprived, underprivileged and differently abled persons.

**2.0 KISAN FINANCE's CSR Philosophy, Vision Statement and Objectives**

- 2.1 CSR Philosophy:** CSR is the way of conducting business by which corporate visibly contributes to the social good. Socially responsible companies do not limit themselves to using resources to engage in activities that increase only their profits. KISAN FINANCE believes that fulfilment of CSR obligation may be used to integrate economic, environmental and social objectives with the company's operations and growth.
- 2.2 Vision Statement:** KISAN FINANCE, through its CSR initiatives, will continue to enhance value creation 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, in fulfilment of its role as a Socially Responsible Corporate, with environmental concern.

**2.3 CSR Objectives:**

The Objectives of KISAN FINANCE's CSR Policy is:

- To become a responsible Corporate Citizen, by contributing to nation building through CSR Projects/ Programmes, in true letter and spirit, as enshrined in the Act.
- To ensure an increased commitment at all levels in the organization, to operate its business in an economically, socially & environmentally sustainable manner, while recognizing the interests of all its stakeholders.
- To directly or indirectly take up CSR initiatives that benefits the communities in & around its area of operations and results, over a period of time, in enhancing the quality of life and economic well-being of the local populace. The initiatives should also be replicable, scalable and sustainable on long term basis.
- To generate, through its CSR initiatives, a community goodwill for KISAN FINANCE and help reinforce a positive & socially responsible image of KISAN FINANCE as a corporate entity.

### **3.0 Focus Area of CSR Activities/ Projects to be undertaken by the Company:**

Within the activities specified in Schedule VII of the Companies Act, 2013, focus of KISAN FINANCE will be to undertake CSR activities mainly in the following areas:

#### **➤ Integrated Rural Development**

To work towards filling the rural urban gap by undertaking various initiatives in the area of Community Health, Sanitation, Safe Drinking Water, Water Resource Development, Women Empowerment, Agriculture Development, Skill Development of Youths, Environment Up-gradation, Live Stock Development etc.

#### **➤ Health Care & Safe Drinking Water**

To address issues around affordability and accessibility of quality healthcare and bring about improvement in awareness and health seeking behavior by assisting/ funding various health care programs, providing health care services, organizing preventive health care programmes, reducing child mortality, combating infectious diseases and malnutrition.

To address the issue of availability of safe drinking water by installation of Water treatment plants, Water purifiers, bore wells, improving the water supply infrastructure by providing assistance to the communities etc.

#### **➤ Disaster Response & Assistance**

To take various initiatives for providing effective and timely response and relief in the areas affected by disasters such as Floods, Earthquakes, Cyclone and the like and to undertake rehabilitation of the poor and downtrodden communities affected by natural calamities and thereby eradicating hunger, poverty and malnutrition.

#### **➤ Education**

To work on several educational initiatives to provide quality education, training skill enhancement amongst adults, women and children, to impart vocational skills and guiding livelihood enhancing projects and to provide support and assistance to educational institutions for the same etc.

#### **➤ Women Empowerment**

To promote Gender Equality by formation of Women Self Help Groups, providing training on skill development, creating employment/ earning opportunities for the women etc.

#### **➤ Other**

To undertake other need based initiatives in compliance with Schedule VII to the Companies Act, 2013.

### **4.0 Budget:**

- a) The Board of the Company will ensure that in each Financial Year, at least two per cent of the Average Net Profit (calculated as per Section 198 of the Act) made during the three immediately preceding Financial Years is spent on CSR initiatives undertaken by the Company. Any change in this regard brought in the relevant Statute will be implemented in compliance with the revised guidelines.
- b) In case the amount indicated at (a) above is not spent in a Financial Year, the reasons thereof will be outlined in the Board Report as per Section 134 (3)(o) of the Act.
- c) Any surplus generated out of the CSR activities of the Company will not form part of the business profit of the Company and will be ploughed back and utilized in the future CSR Activities only.

- d) When undertaking a CSR project in collaboration with other companies, institutions, the company will report on its share of CSR expenditure only.
- e) All expenditure towards the CSR Projects/ Programs will be documented suitably.

## **5.0 Implementation Modalities and Supervision :**

**5.1 Annual CSR Plan:** An Annual CSR Plan of the Company for each financial year shall be prepared, specifying the CSR projects/ Activities/ Programs to be undertaken/implemented during that Financial Year, amount to be incurred on each such activity and their implementation schedule with time lines. Moreover, the mode of implementation of such CSR Activity/ Program would also be indicated in the program. This Annual CSR Plan shall be in line with the CSR Policy of the Company and can be reviewed and amended by the CSR Committee/Board from time to time to incorporate/resolve the changes/difficulties arise during the course of implementation of the Annual CSR Plan.

**5.2 Implementation Modalities:** The Company will implement its CSR Projects/ Programs either directly through engaging some credible CSR Implementing Partners who have technical expertise and experience to undertake various programmes in the identified core focus area of CSR. Company will also endeavor to build up its capacities to undertake more and more CSR activities directly by developing and hiring professionals and expert manpower for the same.

**5.3 CSR Committee:** Pursuant to Section 135 (9) of the Companies Act, 2013, the Board shall discharge the functions of CSR Committee and oversee the implementation of the CSR Policy of the Company. The CSR committee shall be formed by the Company as and when the CSR expenditure exceeds the amount prescribed by the Act in this regard (presently being Rs Fifty Lacs). All the CSR project/ activities/ programmes directly or indirectly executed by the Company shall be monitored by the CSR Committee/Board, as applicable.

## **6.0 Governance Mechanism and Monitoring:**

- CSR Committee/the Board of Directors, as applicable and the CSR Implementation Committee are collectively responsible for the decision making and implementation of CSR Policy of the Company.
- A team of senior executives of the Company (CSR Implementation Committee) will be formed to oversee/ monitor day to day implementation of the CSR Projects and decision making for the same. This team will meet frequently on need to need basis and at least once in a quarter to take stock of the CSR Projects and based on the progress, to release the budget funds to the projects. This team will directly report to the Board/CSR Committee.
- The Board/CSR Committee, as applicable and CSR Implementation Committee are collectively responsible for the decision making and implementation of CSR Policy of the Company.
- A comprehensive Monitoring Mechanism will be devised by the Company to ensure that the CSR Projects and Programs are functioning in the manner as mandated by the Act and Rules ensuring that all Projects/ Programs as budgeted are duly implemented.

## **7.0 Reporting and Measuring of Outcomes and Impact:**

- Meticulous documentation of projects / programmes will be done to ensure that progress is continuously tracked; course corrections are provided, lessons learnt and objective feedback is received.
- Company will continuously strengthen its existing processes to capture the impact (social/ economic and developmental) made through its various initiatives.

- The details of CSR activities / projects undertaken during the year and the amount spent thereon shall be placed before the CSR Committee of Directors / Board of Directors for review. The Board shall also report the same to the shareholders by way of Annual CSR Report as Annexure to their Report.
- The Company shall follow and comply with the requirements for disclosure of the CSR Policy and/or CSR activities in the Board's Report and on the website of the Company or otherwise, as may be required, in terms of the provisions of the Act.