



## CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

KARVY FINTECH PRIVATE LIMITED



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## **1. PREAMBLE**

Section 135 of Companies Act, 2013 mandates every company having a net worth of Rs. 500 Crore or more or revenue of Rs. 1,000 Crore or more or net profit of Rs. 5 Crore or more shall constitute a Corporate Social Responsibility (CSR) Committee and the CSR Committee is responsible for formulating Company's CSR policy and monitoring the CSR programs and their performance.

It is the Company's philosophy, firm belief and intent to effectively implement CSR and make a positive difference to society. It recognizes that it cannot do it all; so that if there are choices to be made, bias will be towards doing fewer projects with better outcomes and good impact and will focus initiatives on communities in which the Company lives, operates and particularly forming community whose development is the basic mission of the Company.

## **2. CSR POLICY**

This Policy shall be read in line with Section 135 of the Companies Act 2013, Companies (Corporate Social Responsibility Policy) Rules, 2014 and such other rules, regulations, circulars, and notifications (collectively referred hereinafter as 'Regulations') as may be applicable and as amended from time to time.

Karvy Fintech Private Limited ("KFPL" or "the Company") believes that the actions of the organization and its community are highly inter-dependent. Both on its own and as part of Karvy Group, through constant and collaborative interactions with our external stakeholders, KFPL strives to become an asset in the communities where it operates. As part of our Corporate Social Responsibility (CSR) program, we actively implement projects and initiatives for the betterment of society, communities, and the environment.

## **3. SCOPE AND APPLICABILITY**

This policy shall be applicable to all CSR initiatives and activities undertaken by KFPL either directly or through corporate foundations/trusts/other charitable organizations for the benefit of different segments of the society.

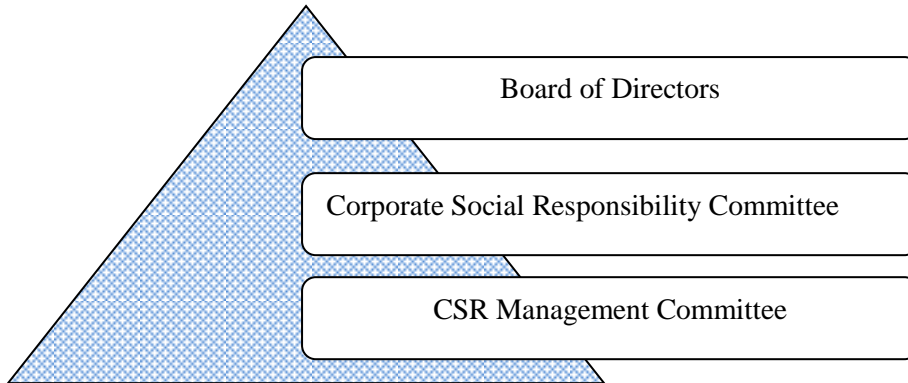
## **4. OBJECTIVE OF CSR POLICY**

The objective of this policy is to continuously and consistently:

- To recognize and frame the segments the Company shall chase towards achieving its CSR objectives
- To formulate the modus operandi of the CSR activities and implementation of the processes
- Initiate projects that benefit communities;

- Encourage an increased commitment from employees towards CSR activities and volunteering.
- Generate goodwill in communities where KFPL operates or are likely to operate;

**5. GOVERNANCE STRUCTURE**



The Corporate Social Responsibility Committee (“CSR Committee”) of the Board is responsible to formulate and recommend to the Board the CSR Policy indicating the activities falling within the purview of Schedule VII to the Companies Act, 2013, to be undertaken by the Company, to recommend the amount to be spent on CSR activities presented by the CSR Management Committee and to monitor the CSR Policy periodically. The CSR Management Committee will be supported by the identified volunteers from the employees made up of cross-functional team, for implementation of the approved projects.

**CSR Committee:**

The CSR Committee of the Board of Directors comprises of the following Members:

1. Mr. C Parthasarathy, Chairman of the CSR Committee
2. Mr. Sandeep A Naik, Member
3. Mr. V Ganesh, Member
4. Ms. Sonu H Bhasin, Member

The following senior management team, *ex-officio*, are represented on the **CSR Management Committee:**

1. Managing Director & CEO
2. Chief Human Resource Officer
3. Chief Financial Officer
4. Chief Operating Officer

**6. RESPONSIBILITIES OF THE CSR COMMITTEE:**

The responsibilities of the CSR committee include-

- i. Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company in areas or subject, specified in Schedule VII of the Companies Act, 2013;
- ii. Recommend the amount of CSR expenditure to be incurred on the activities referred to in clause (i) above;
- iii. Monitor the Corporate Social Responsibility Policy of the company from time to time including monitoring the progress of projects or programs against which CSR expenditure is contributed;
- iv. Ensure that the activities as are included in Corporate Social Responsibility Policy of the company are undertaken by the Company;
- v. Give preference to the local area and areas around it where it operates, for spending the amount earmarked for Corporate Social Responsibility activities

**7. MEETING OF THE COMMITTEE:**

The Committee shall hold meeting as and when required, to discuss various issues on implementation of the CSR Policy of the Company. The members would thrive to hold at least two meetings in a financial year.

**8. BUDGET AND ALLOCATION**

For achieving the CSR objectives through implementation of meaningful and sustainable CSR Projects, the CSR Committee will allocate for its Annual CSR Budget, 2% or more of the average net profits (profit before tax) of the Company made during the three immediately preceding financial years, calculated in accordance with the relevant provisions of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014.

The Company may also make contributions to Corporate Foundations / Registered Trusts / other charitable organizations (NGOs) towards its corpus for projects approved by the Board. The CSR Committee will approve the CSR budget annually on receiving the recommendations from CSR Management Committee.

The Company may implement CSR programs through institutions / NGOs with established track records of at least 3 financial years.

## 9. VOLUNTEERING OF EMPLOYEES FROM THE ORGANIZATION

The Company will encourage and recognize its employees for volunteering with the spirit of serving and sharing with the community.

The Company shall endeavor to increase employee participation at all levels in the organization, by encouraging employees to participate in the Company’s CSR activities.

## 10. FOCUS AREAS/GOALS

#	Goal area	Projects / Actions / Activities
1	Healthcare	<ul style="list-style-type: none"> <li>• KFPL will work with organizations working in providing medical or health related projects such as Health and Sanitation Development programs, medical camps, Old age home etc.</li> </ul>
2	Development of art and culture	<ul style="list-style-type: none"> <li>• KFPL will work with organizations working in 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</li> <li>• To sponsor art exhibition and few cultural activities, partnering with NGOs (registered trusts)</li> </ul>
3	Underprivileged Children Education	<ul style="list-style-type: none"> <li>• Support for Underprivileged Child Education</li> <li>• Scholarships for Children to admit them in good schools</li> <li>• If in day school, support children with post school activities and coaching</li> <li>• KFPL employees can also engage in helping children in activities, counseling and coaching</li> </ul>
4	Contribution/Financial Assistance	<ul style="list-style-type: none"> <li>• Contribution to 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;</li> </ul>
5	Promoting Employment Enhancing Vocational Skills	<ul style="list-style-type: none"> <li>• Contribute to workforce productivity through academic, training and extension programs</li> <li>• Support job placement and career progression</li> <li>• Imparting vocational skills to impoverished and unemployed youth</li> </ul>

## 11. IMPLEMENTATION

- The CSR Committee shall provide guidance on the allocation of the CSR budget among the thrust areas on an annual basis.
- CSR Projects will be undertaken based on the recommendation of the CSR Committee to the best possible extent, within the defined Focus / Thrust Areas.
- KFPL's support to any project will depend on the scale of the project and feasibility of the project. The CSR Committee has a formal process of evaluating and approving CSR programs and shall evaluate the project progress and impact on each of their meetings.

## **12. MONITORING PROCESS OF CSR ACTIVITIES**

- To ensure effective implementation of the CSR activity at each location, a monitoring mechanism will be put in place by the CSR Management Committee.
- Annual CSR Calendar activities will be cleared / signed off by the CSR Management Committee.
- Any other donations will be cleared / signed off by any one of the CSR Committee member.
- The CSR Committee will monitor and review on a periodical basis the progress of CSR activities undertaken / completed.
- All the CSR initiatives of the Company shall be reported in the Director's Report of the Company.
- In order to ensure transparency and communication with all stakeholders, the CSR Management Committee will document the details of the Company's CSR initiatives and CSR expenditure and ensure that the same are reported in the Annual Report of the Company.

## **13. CRITERIA FOR IDENTIFYING CSR PROJECTS**

While identifying the projects all efforts must be made to the extent possible to define the following:

- a. Project objectives;
- b. Baseline survey – it would give the basis on which the outcome of the Project would be measured;
- c. Implementation schedules- Timelines for milestones of the Project will need to be prescribed;
- d. Responsibilities and authorities;
- e. Major results expected and measurable outcome.

#### **14. CRITERIA FOR IDENTIFYING THIRD PARTY CSR ORGANIZATIONS**

The Company may also undertake CSR projects through identified external agencies such as corporate foundations/Registered trusts/other charitable organizations (NGOs) who would execute the said Project on our behalf. In case of Project execution by them the following minimum criteria need to be ensured:

- The NGO / Agency has a permanent office in India;
- The NGO is a registered society under Societies' Registration Act / Public Trust Act/ not-for profit company under Section 8 of the Companies Act, 2013 (erstwhile Section 25 of the Companies Act, 1956);
- Possesses a valid Income-tax Exemption Certificate;
- The NGO has submitted a detailed project proposal and budget which has been approved by the CSR Committee.

The Company may also collaborate with other companies to undertake CSR Projects or Programs, provided the CSR Committees of the respective companies are in a position to report separately on such projects or programs.

#### **15. EFFECTIVE DATE**

This policy shall be effective from **1<sup>st</sup> April 2019**

#### **16. CONTACT**

For queries related to CSR policy, please contact

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