



## **Indiabulls Limited**

*(formerly Yaari Digital Integrated Services Limited)*

CIN: L64200HR2007PLC077999

Registered Office: 5th Floor, Plot No. 108, IT Park, Udyog Vihar, Phase 1, Gurgaon – 122016, Haryana

Website: [www.indiabulls.com](http://www.indiabulls.com), Email: [support@indiabulls.com](mailto:support@indiabulls.com), Tel: 0124-6685800

### **CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY**

#### **1. Concept**

##### **1.1 Background**

Indiabulls Limited (*formerly Yaari Digital Integrated Services Limited*) (the “**Company**” or “**IBL**”), a well-established and successful corporate conglomerates, has since long been involved in activities of social welfare and betterment as one of the essential tenets of its philosophy towards which end four of the flagship companies of its various business segments had as far back as the beginning of the year 2010 established a Public Charitable Trust by the name Indiabulls Foundation, with the basic object of contributing and alleviating the pain and sufferings of the poor and needy sections of the country in general while at the same time ensuring that there is a general upliftment of population of the country at large on every front thereby ensuring that those deprived of the opportunities for growth and development, because of their social and financial status, get to participate in equal measure in reaping the benefits of growth and development of the Country.

##### **1.2 Title & Scope**

- a) This policy shall be called “IBL CSR Policy” as envisaged under Section 135 of the Companies Act, 2013 and the Rules framed thereunder.
- b) It outlines the Company’s philosophy and responsibility as a good and responsible corporate of India and lays down the guidelines and mechanism for undertaking socially useful programmes for welfare & sustainable development of the community in and around its area of operations and other parts of the country.
- c) This policy shall apply to all Corporate Social Responsibility (CSR) initiatives & activities taken up by the Company at the various locations in India, for the benefit of different segments of the society at large, specifically the deprived and underprivileged.

##### **1.3 CSR Vision Statement and Guiding Principles**

IBL is committed to build a sustainable enterprise for the benefit of its present and future generations of stakeholders. The Company shall integrate and follow best practices into its business strategies and operations, to manage the three challenges – economic prosperity, social development and environmental integrity.

##### **1.4 Definitions.**

- (a) “**Administrative overheads**” means the expenses incurred by the company for ‘general management and administration’ of Corporate Social Responsibility functions in the company but

shall not include the expenses directly incurred for the designing, implementation, monitoring, and evaluation of a particular Corporate Social Responsibility project or programme.

**(b) “International Organisation”** means an organisation notified by the Central Government as an international organisation under section 3 of the United Nations (Privileges and Immunities) Act, 1947 (46 of 1947), to which the provisions of the Schedule to the said Act apply.

**(c) “Net profit”** means the net profit of a company as per its financial statement prepared in accordance with the applicable provisions of the Act, but shall not include the following, namely:

**(i)** any profit arising from any overseas branch or branches of the company, whether operated as a separate company or otherwise; and

**(ii)** any dividend received from other companies in India, which are covered under and complying with the provisions of section 135 of the Act: Provided that in case of a foreign company covered under these rules, net profit means the net profit of such company as per profit and loss account prepared in terms of clause (a) of sub-section (1) of section 381, read with section 198 of the Act.

**(d) “Ongoing Project”** means a multi-year project undertaken by a Company in fulfilment of its CSR obligation having timelines not exceeding three years excluding the financial year in which it was commenced, and shall include such project that was initially not approved as a multi-year project but whose duration has been extended beyond one year by the board based on reasonable justification.

**(e) “Public Authority”** means ‘Public Authority’ as defined in clause (h) of section 2 of the Right to Information Act, 2005 (22 of 2005).

**(f)** Terms that have not been defined in this policy shall have the same meaning assigned to them under the Companies Act, 2013 and rules made thereunder.

## **1.5 Constitution of CSR Committee**

- a) The Committee shall consist of a minimum 3 Directors where one of whom shall be Independent Director.
- b) Minimum two (2) members shall constitute a quorum for the Committee meeting.
- c) Membership of the Committee shall be disclosed in the Annual Report.
- d) Terms of the Committee shall be continued unless terminated by the Board of Directors

## **1.6. Chairman**

- a) Chairman of the Committee shall be appointed by the Board of Directors or the Committee itself.
- b) Chairman of the Company may be appointed as a member or Chairman of the Committee.
- c) In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.
- d) Chairman of the CSR Committee should present at the Annual General Meeting or may
- e) nominate some other member to answer the shareholders’ queries.

## **1.7 Function of CSR Committee**

### **The CSR Committee shall:**

- a) Formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company in terms of Schedule VII of the Companies Act, 2013 or any amendment thereof.
- b) Recommend the amount of expenditure to be incurred on CSR activities and
- c) Monitor the CSR policy from time to time.
- d) Formulate and recommend to the Board, an annual action plan in pursuance of its CSR policy, which shall include the following, namely:-
  - (i) the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
  - (ii) the manner of execution of such projects or programmes
  - (iii) the modalities of utilisation of funds and implementation schedules for the projects or programmes;
  - (iv) monitoring and reporting mechanism for the projects or programmes; and
  - (v) details of need and impact assessment, if any, for the projects undertaken by the company

Provided that Board may alter such plan at any time during the financial year, as per the recommendation of its CSR Committee, based on the reasonable justification to that effect.

## **2. Resources**

### **2.1 Funding & Allocation**

- a) For achieving its CSR objectives through implementation of meaningful & sustainable CSR programmes, the Board of Directors of IBL shall ensure that the Company spends at least 2% of its average net profits made during the three immediately preceding financial years, in pursuance of its CSR Policy.
- b) If the company fails to spend such amount, the Board shall, in its report, specify the reasons for not spending the amount and, unless the unspent amount relates to any ongoing project, transfer such unspent amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.
- c) Where a company spends an amount in excess of requirement provided under sub-section (5) of section 135, such excess amount may be set off against the requirement to spend under sub-section (5) of section 135 up to immediate succeeding three financial years subject to the conditions that –
  - (i) the excess amount available for set off shall not include the surplus arising out of the CSR activities, if any;
  - (ii) the Board of the company shall pass a resolution to that effect.
- d) Any amount remaining unspent under sub-section (5), pursuant to any ongoing project, fulfilling such conditions as may be prescribed, undertaken by a company in pursuance of its Corporate Social Responsibility Policy, shall be transferred by the company within a period of thirty days from the end of the financial year to a special account to be opened by the company in that behalf for that financial year in any scheduled bank to be called the Unspent Corporate Social Responsibility Account, and such amount shall be spent by the company in pursuance of its obligation towards the Corporate Social Responsibility Policy within a period of three financial years from the date of such transfer, failing

which, the company shall transfer the same to a Fund specified in Schedule VII, within a period of thirty days from the date of completion of the third financial year.

- e) Any surplus arising out of the CSR activities shall not form part of the business profit of a company and shall be ploughed back into the same project or shall be transferred to the Unspent CSR Account and spent in pursuance of CSR policy and annual action plan of the Company or transfer such surplus amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.
- f) The CSR amount may be spent by a company for creation or acquisition of a capital asset, which shall be held by -
  - (i) a company established under section 8 of the Act, or a Registered Public Trust or Registered Society, having charitable objects and CSR Registration Number; or
  - (ii) beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities; or
  - (iii) a public authority:

## **2.2 Mode of Implementation**

The Committee shall from time to time explore the ways and means whereby improvements that need to be brought about towards the discharge of CSR by the Company are identified and steps taken to ensure that measures necessary to effectuate the areas of improvement so identified are taken in the right earnest.

## **3. CSR Activities**

The Company shall undertake and execute all or any of the following CSR activities (“CSR projects/ programmes”):

- Eradicating hunger, poverty and malnutrition, in particular, the following activities:
  - Generating awareness on malnourishment and measures to eradicate it.
  - Providing mid-day meal through recognized trust & other institutions.
  - Monitoring growth of children below 5 years age.
  - Developing village level health entrepreneurs to make available the MNP (Micro Nutrient Powder) at low cost.
- Promoting health care including preventive health care facilities to the society through recognized trust or societies and hospitals including the following activities:
  - ICTC center for HIV testing and awareness on HIV/AIDS Immunization.
  - Safe drinking water availability.
  - Engaging health workers locally from the villages for addressing Mother.
  - Taking care of mentally retarded children.
  - Taking care of old age people.
  - Running health center for ANC checkup, pre and post natal care.

- DOTS center for Tuberculosis.
- Health clinics for diagnosis of communicable diseases.
- Promoting education through schools and other organization:-
  - Providing education to mentally retarded children.
  - Support the schools for meeting the expenses relating to educational aids and other expenses.
  - Scholarships to students.
  - Improving sanitation- Toilet construction.
  - Setting up libraries.
  - Improving/maintaining infrastructure for education & sports activities.
  - Supporting in teaching aids.
  - Teacher's training.
  - Providing funds for Higher Education for needy students relating to socially and economically backward groups.
  - Providing education to under privilege children.
  - Others- financially, logistically and organizationally.
- Employment enhancing vocational skills, in particular, the following activities: Vocational training focused on employment generating skills, Entrepreneurship development programmes.
- Promoting gender equality and empowering women, in particular, the following activities:
  - Women centric training programs at Vocational Training Centers.
  - Promoting formation of women SHGs for their economic independence.
  - Providing loans without interest to start micro enterprises.
- Ensuring environmental sustainability, including plantation by school children.
- Rural development projects, in particular, support the community infrastructure for improving sanitation, drainage systems etc.
- Contributing to the funds, agencies, Government/Non-government authorities, associations, body corporates etc as authorized/specified under the Schedule VII of the Act from time to time.
- Disaster management, including relief, rehabilitation and reconstruction activities.
- Any other activity as defined in Schedule VII of the Companies Act, 2013

The CSR Committee may identify other areas for CSR activities, from time to time.

#### **4. Monitoring & Feedback**

Monitoring and Evaluation Mechanisms include the following, one or more of which shall be implemented based on the size, quantum and tenure of the CSR programmes:

- a) To ensure effective implementation of the each CSR programmes undertaken, a monitoring mechanism will be put in place by the CSR Team.
- b) Feedback would also be obtained from the beneficiaries by CSR team about the programmes, as and when required.
- c) Field visits would be conducted by the respective CSR teams to ensure the progress of the programmes. The visits would be informed and surprised also.
- d) Implementing Agencies would be required to report narrative as well as financial updates on a quarterly/annual basis in the format mutually decided.
- e) The Finance and Accounts/Internal Audit Team of IBL may conduct audit of the CSR programmes as and when required. The Finance and Accounts may, from time to time, also guide the respective Implementing Agencies and CSR team of IBL on necessary compliances.
- f) Impact Assessment may be conducted on a periodic basis, through CSR team of IBL and/or independent professional third parties, if need be, especially on the strategic and high value programmes.
- g) A company may engage outside agency or international organisations for designing, monitoring and evaluation of the CSR projects or programmes as per its CSR policy as well as for capacity building of their own personnel for CSR.

#### **5. Board Responsibility**

The Board of Directors of the Company shall ensure that:

- CSR activities, as per clause 3 of this Policy, are undertaken by the Company.
- The Company spends, in every financial year, at least two percent of the average net profits of the Company made during the three immediately preceding financial years, in pursuance of this Policy.
- The Board of a company shall satisfy itself that the funds so disbursed have been utilised for the purposes and in the manner as approved by it and the Chief Financial Officer or the person responsible for financial management shall certify to the effect.
- In case of ongoing project, the Board of a Company shall monitor the implementation of the project with reference to the approved timelines and year-wise allocation and shall be competent to make modifications, if any, for smooth implementation of the project within the overall permissible time period.
- The board shall ensure that the administrative overheads shall not exceed five percent of total CSR expenditure of the company for the financial year.

#### **6. CSR Reporting**

1. The Board's Report of a company shall include an annual report on CSR containing particulars specified in Annexure I or Annexure II, as applicable.

2. The Board of Directors of the Company shall mandatorily disclose the composition of the CSR Committee, and CSR Policy and Projects approved by the Board on their website i.e. <https://www.indiabulls.com> , for public access.
3. (a) In case the company having average CSR obligation of ten crore rupees or more in pursuance of subsection (5) of section 135 of the Act, in the three immediately preceding financial years, shall undertake impact assessment, through an independent agency, of their CSR projects having outlays of one crore rupees or more, and which have been completed not less than one year before undertaking the impact study (b) The impact assessment reports shall be placed before the Board and shall be annexed to the annual report on CSR.
4. A Company undertaking impact assessment may book the expenditure towards Corporate Social Responsibility for that financial year, which shall not exceed five percent of the total CSR expenditure for that financial year or fifty lakh rupees, whichever is less.

## **7. Review and Amendment**

The Board may amend, abrogate, modify or revise any or all clauses of this Policy, on recommendation of the CSR Committee and in accordance with the provisions of Companies Act, 2013 and rules framed thereunder as and when required and that will be followed by the CSR Committee.

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Amended w.e.f. 12.05.2021