

# IndiaFirst Life Insurance Company Ltd.

## Corporate Social Responsibility Policy

Version	Date of Meeting	Approved by	Remarks
Ver 1	Jan 31, 2017	Board of Directors	Approved by Board of Directors
Ver 2	May 07, 2021	Board of Directors	<ul style="list-style-type: none"> <li>• Incorporated the reference of Companies (CSR) Rules 2014 and IRDAI Corporate Governance Guidelines in Section 1 on Introduction</li> <li>• Incorporated Separate Section 2 on Mandating CSR</li> <li>• Incorporated additional details which will not form part of CSR activities in Section 3 on Objective and Scope</li> <li>• Incorporated additional responsibility for CSR Committee in Section 4 on Governance Structure</li> <li>• Incorporated details in Section 5 on Selection of Projects and Programs for Undertaking CSR activities.</li> <li>• Incorporated additional details in Section 6 on Expenditure on CSR activities.</li> <li>• Incorporated Separate Section 8 on Exception Handling</li> <li>• Incorporated the disclosure related information on CSR section in annual report in Section 9 on Communication of Policy and CSR Initiatives</li> <li>• Incorporated the changes based on MCA amendment issued for CSR rules, 2021</li> </ul>

## Document Control & Classification

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<b>Prepared by</b>	<b>Reviewed by</b>	<b>Approved by</b>
Christina Naidu 15 April, 2021	Praveen Menon 16 April, 2021	Board of Directors <b>07 May, 2021</b>

## **Index**

1. Introduction
2. Mandating Corporate Social Responsibility
3. Objective and Scope
4. Governance Structure
5. Selection of projects and programs for undertaking CSR activities
6. Expenditure on CSR activities
7. Monitoring and feedback
8. Exception Handling
9. Communication of the policy and CSR Initiatives
10. Amendments to the policy

## CORPORATE SOCIAL RESPONSIBILITY POLICY

### 1. Introduction

The Corporate Social Responsibility (CSR) policy of IndiaFirst sets out the framework guiding the Company’s CSR activities. The policy sets out the rules that need to be adhered to while taking up and implementing the CSR activities. The policy would ensure compliance to Section 135 of the Companies Act, 2013, Companies (Corporate Social Responsibility Policy) Rules, 2014 (“Rules”) and IRDAI Corporate Governance Guidelines dated 18th May 2016 for effective CSR execution at IndiaFirst based on CSR Committee directions.

### 2. Mandating Corporate Social Responsibility

**The Mandate:** With the passage of Companies Act, 2013 the mandate for Corporate Social Responsibility (CSR) has been formally introduced to the dashboard of Boards of Indian Companies. The inclusion of CSR mandate under Companies Act, 2013 is an attempt to supplement the government efforts of delivering the benefits of growth and to engage the Corporate world with the country’s development programme.

The stipulated CSR rules has been legally binding on all companies fitting the following criteria during any given financial year:

Companies Act 2013 – Applicability	
Company Performance Measures	Performance (in INR)
Net Worth	> = 500 Crore
Turnover	> = 1,000 Crore
Net Profit	> = 5 Crore

### 3. Objective and Scope

IndiaFirst will undertake CSR projects thereby add value to the society in line with the Companies Act and list of activities prescribed under Schedule VII of the Companies Act, 2013 as amended from time to time

- i. Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation and making available fresh 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 hospitals for women and orphans, setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups

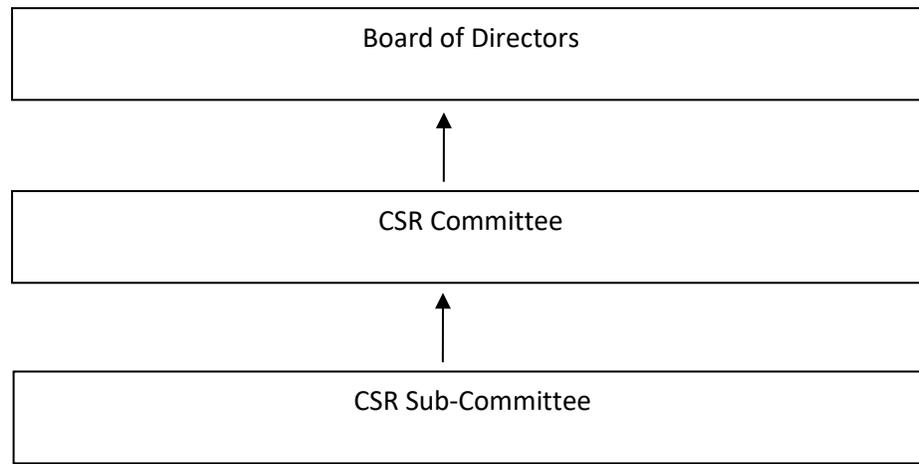
- iv. Ensuring environment sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water
- v. Protection of natural heritage, art and culture including restoration of buildings and sites 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 sources veterans, war widows and their dependents
- vii. Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports
- viii. Contribution to Prime Minister National Relief Fund or any other fund set up by Central Government for socio economic development and relief and welfare of the scheduled castes and schedule tribes, other backward classes, minorities and women
- ix. Contribution or funds provided to technology incubators located within academic institutions which are approved by the Central Government
- x. Rural development projects

CSR activities does not include the following:

- Activities undertaken in pursuance of Company's normal course of business
- Activities which benefit only the employees and their families of the Company
- Contribution of any amount directly or indirectly to any political party under Section 182 of the Act
- Activities undertaken outside India
- Expenses incurred by the Company for fulfilment of any Act, statute of the regulations (such as Labour laws, land acquisitions)
- Any other activities specified under the Act and the rules made thereunder amended from time to time.
- One-off events such as marathons/awards/advertisement/sponsorships of TV programmes etc. would not be qualified as part of CSR expenditure.

#### 4. Governance Structure

The organization structure for the governance of CSR will be as follows:



#### Board

The Board is required to form CSR Committee.

The Board of Directors shall approve the CSR policy

The Board shall review the CSR policy and the activities atleast annually to ensure that expenditure incurred for CSR activities is in accordance with provisions of Companies Act 2013 and rules notified thereunder

#### Corporate Social Responsibility Committee

The CSR Committee shall be constituted in accordance with the provisions of the Act. The Committee shall consist of three or more directors, out of which atleast one Director should be independent director.

The CSR Committee shall be responsible for the following:

(a) Formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the company as permitted under Companies Act, 2013 and the rules notified thereunder from time to time.

(b) To annually report to the Board the implementation and monitoring of CSR policy is in compliance with CSR objective and policy of the Company.

(c) Ensure compliance with respect to disclosures in the annual reports of the Company and obligations as per provisions of Section 135 of the Act and rules made thereunder

(d) To monitor surplus arising from the CSR activities and issuance of necessary directions in this regard.

(e) The board is now required to satisfy itself that the amounts disbursed for CSR have been utilized for the purposes and in the manner approved by the board. The chief financial officer must certify the same.

(f) The CSR Committee meeting to be held annually.

### **Corporate Social Responsibility Sub-Committee**

CSR sub-committee comprising of representatives from Finance, Strategy, Governance shall screen the proposals received, decide on the CSR activities to be undertaken for the financial year, oversee execution of the projects/programs for the purpose of satisfactory completion and do all such incidental and allied things in connection therewith.

The CSR Sub-Committee shall be responsible for the following:

(a) Formulate and recommend to the CSR Committee, a CSR Policy which shall indicate the activities to be undertaken by the company as permitted under Companies Act, 2013 and the rules notified thereunder from time to time

(b) Decide the amount of expenditure to be incurred on the CSR activities. The CSR Sub Committee shall enlist and recommend the projects and programmes for undertaking CSR activities in consonance with the objectives of the policy. For the purpose of carrying out CSR activities, a preference shall be given to the local areas where the Company or its branch office operates

(c) Review the progress of CSR activities undertaken and review the audited annual statements of the CSR projects from time to time

(d) To review the CSR responsibility, from time to time, in light of changes in industry best practices and evolving priorities in local area of operations

(e) To report to the CSR Committee the implementation and monitoring of CSR policy is in compliance with CSR objective and policy of the Company.

### **5. Selection of Projects and Programs for Undertaking CSR activities**

- The CSR Sub-committee will identify the projects falling within the preview of Schedule VII of the Companies Act 2013, for undertaking CSR activities in line with the objective of the policy.
- The entity shortlisted to carry out the CSR activity has to register itself with the Central Government (effective April 1, 2021) by filing Form CSR-1 electronically. Disclosures in the annual report to include the CSR registration number of such entity.

## 6. Expenditure on CSR activities

- IndiaFirst is committed to spend at-least 2% of the average net profits before tax made by the Company during every block of three immediately preceding financial years or such other amounts as may be prescribed under the Companies Act or under any rules, regulations, and circulars issued/amended from time to time on CSR initiatives.
- In case, the entire budgeted amount is not spent, reasons shall be specified and disclosed in the Board's report.
- Any income or the surplus, if any, arising from conducting the CSR activities shall not form part of business profits of the Company
- Any unutilized CSR allocation for a particular year shall be carried forward to the following year, i.e. the CSR budget will be non-lapsable in nature
- The tax treatment in respect of CSR activity shall be in accordance with the notification issued by the CBDT from time to time.
- The expenses incurred on CSR activities should not be charged to Policyholders Account.
- To set off excess amounts spent towards CSR obligations against the CSR spending requirements for the immediately succeeding three financial years.
- Surplus arising from CSR activities: Any surplus funds arising out of CSR activities not forming a part of business profits of the company, must be (i) used for the same CSR project; or (ii) transferred to unspent CSR account of the company, and spent as per its CSR policy and annual action plan; or (iii) transferred to any of the Schedule VII Funds.
- **Capital Assets:** CSR funds may be used to create capital assets, which may be held by specified third parties but not the company in question. Additionally, capital assets created from CSR funds and held by the companies prior to January 22, 2021 ('**Notification Date**') are also required to be held only by such approved third parties (which implies transfer of such capital assets) within timelines specified under law (180 days from the Notification Date, which may be extended by 90 days with board approval based on reasonable justification). This may also result in possible impairments.

## 7. Monitoring and Feedback

- CSR Sub-Committee shall monitor the implementation of the CSR policy through periodic reviews of activities undertaken.
- To ensure effective implementation, monitoring mechanism such as MIS reporting, regular audits including appropriate documentation of annual CSR activities, due diligence on each project shall be done
- **Impact Assessment of CSR Projects:** Companies having a CSR obligation of Rs 10 crore or more in the three immediately preceding financial years, have to undertake an impact assessment, through an independent agency, of CSR projects having outlay of Rs 1 crore or more, and which have been completed at least one year before undertaking the impact study.

## 8. Exception Handling

Any exception to this policy shall be pre-approved by the Board. The exception request will be prepared by CSR Committee.

## 9. Communication of Policy and CSR Initiatives

The CSR policy and CSR initiatives shall be disclosed on Company's website.. The company shall include the following information on CSR in its annual report.

- I. Description of contents of CSR policy;
- II. An overview of CSR activities/projects or programs and reference to weblink of CSR policy;
- III. The composition of CSR Committee;
- IV. Average Net profit of the preceding three financial years;
- V. Prescribed CSR expenditure;
- VI. Details of amount spent;
- VII. Amount unspent, if any, and reasons for not spending the amount;
- VIII. Responsibility statement of the CSR committee that the implementation and monitoring of the CSR policy is in compliance with the CSR objectives and CSR policy;
- IX. Any such other matters as may be specified by the governing body from time to time for inclusion in annual report.

## 10. Amendments to the policy

The CSR Committee subject to the approval of the Board in its meeting may revoke, add to, alter, amend or vary any of its terms and conditions of the policy or any or all of the rights and obligations of the parties concerned with the implementation of CSR activities subject to compliance with Section 135 of the Companies Act read with Schedule VII of the Act and the CSR rules.

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