CORPORATE SOCIAL RESPONSIBILITY POLICY

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CORPORATE SOCIAL RESPONSIBILITY POLICY

Introduction:

At ICL Fincorp Limited, Corporate Social Responsibility (CSR) is an integral component of our organizational values and business philosophy. The Company is committed to carrying out its business operations in a responsible, ethical, and sustainable manner, acknowledging that the growth and success of the business are closely connected with the well-being of society and the environment. Our commitment extends beyond financial and commercial objectives to supporting social progress, environmental conservation, and the overall development of the communities in which we operate.

This CSR Policy has been formulated in accordance with the applicable provisions of the Companies Act, 2013 and the rules framed thereunder. The Policy establishes a structured framework for planning and implementing CSR initiatives that generate sustainable and meaningful value for society through responsible corporate conduct and active community participation.

Through this Policy, ICL Fincorp Limited seeks to encourage ethical business practices, build stronger stakeholder relationships, and contribute towards inclusive and sustainable growth. The Company is dedicated to implementing its CSR initiatives in a transparent, accountable, and effective manner, with the objective of creating measurable and long-term social impact.

Pursuant to Section 135 of the Companies Act, 2013, every company having a net worth of ₹500 crores or more, or a turnover of ₹1,000 crores or more, or a net profit of ₹5 crores or more during the immediately preceding financial year is required to constitute a Corporate Social Responsibility ("CSR") Committee. The CSR Committee shall oversee and recommend CSR activities in accordance with Schedule VII of the Companies Act, 2013. In compliance with the said provisions, the Company has adopted and implemented this CSR Policy to guide and govern its CSR initiatives and activities.

Definitions

a) **"Act"** Means the Companies Act, 2013;

b) **"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;

c) **"Board"** means Board of Directors of ICL Fincorp Limited.

d) "Company Means" ICL Fincorp Limited.

e) "CSR Committee" means the Corporate Social Responsibility Committee of the Board referred to in section 135 of the Act;

f) "CSR Policy" means a statement containing the approach and direction given by the board of a company, taking into account the recommendations of its CSR Committee, and includes guiding principles for selection, implementation and monitoring of activities as well as formulation of the annual action plan;

g) "CSR Rules" or "Rules" – means Companies (Corporate Social Responsibility Policy) Rules 2014; and any amendments effected thereto subsequently;

h) "Corporate Social Responsibility" (CSR) means the activities defined in the Policy.

i) "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;

j) "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: -.

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

- 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;

k) "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;

Objective:

With the enactment of Section 135 of the Companies Act, 2013 read with Schedule VII thereof, relating to Corporate Social Responsibility ("CSR"), and the rules framed thereunder ("CSR Rules"), companies meeting the prescribed thresholds of net worth, turnover, or profitability are required to undertake CSR activities specified under the said provisions, as part of their responsibility towards society at large. Through its CSR initiatives, the Company aims to contribute to the holistic development of society.

CSR Activities

As part of CSR initiatives, the Company is currently engaged in several socially relevant and need-based projects in the areas surrounding its corporate office. The Company may continue to undertake or fund projects, programmes, or activities of the following nature, and may also undertake such other activities as may be approved by the Board from time to time, falling within the ambit of Schedule VII of the Act.

- Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water;

- Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects;

- 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;

- 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 including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga;

- 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 art and handicrafts;

- Measures for the benefit of armed forces veterans, war widows and their dependents, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows;

- Training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports;

- Contribution to the prime minister’s national relief fund or Prime Minister’s Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) or any other fund set up by the central govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;

- Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government; and

- Contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defense Research and Development Organisation (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).

- Rural development projects

- Slum area development. For the purposes of this item, the term `slum area' shall mean 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.

- Disaster management, including relief, rehabilitation and reconstruction activities.

CSR Contribution and CSR Spendings

The Company’s contribution towards CSR activities, programmes, and projects in every financial year shall be at least two per cent of its average net profits of the three immediately preceding financial years.

For this purpose, “average net profit” shall be computed in accordance with the provisions of Section 198 of the Companies Act, 2013. The Company shall accord preference to local areas while undertaking CSR initiatives.

CSR spendings shall be governed by the following principles:

- It is hereby explicitly stated that any surplus arising out of the CSR Activities shall not form a part of the business profits of the Company.

- The CSR expenditure that remains unspent / unutilised for the particular year shall be carried forward to the next year.

- CSR programs / projects / activities meant exclusively for employees and their families will not qualify under CSR spent.

- Contribution of any amount directly or indirectly to any politically party shall not be considered as CSR program / project / activity.

- CSR Expenditure shall not include any expenditure on any program or project or activities which is not in conformity with the Company's CSR Policy.

Composition of CSR Committee:

The CSR Committee shall consist of minimum three Directors out of which at least one director shall be an independent director.

Functioning of the CSR Committee

The CSR Committee constituted for the implementation of CSR activities shall identify and recommend specific CSR activities to the Board of Directors for its consideration and approval. Upon approval by the Board, the requisite funds shall be allocated to the approved CSR initiatives. Such allocation shall be deemed as the Company's CSR contribution for the relevant financial year.

The Committee shall institute a transparent monitoring mechanism for implementation of the CSR activities such as:

- The CSR Committee shall meet at regular intervals to discuss, review, and monitor the CSR activities of the Company.

- The CSR Committee shall obtain and review periodic progress reports and assess the impact of various CSR programmes, projects, and activities implemented, and shall identify gaps or shortfalls, if any, and recommend corrective measures as required.

- The CSR Committee shall ensure that all CSR projects, programmes, and activities undertaken by the Company comply with applicable laws and regulations governing the areas identified for CSR expenditure.

- The CSR Committee shall ensure proper documentation of all programmes, projects, and activities, including maintenance of statements of budget and expenditure on a regular basis.

- The CSR Committee shall provide periodic updates on the progress of CSR activities to the Board of Directors from time to time.

Overall Improvement in Functioning and Discharge of CSR

The Committee shall, from time to time, identify and evaluate measures for improving the Company's CSR activities and ensure that appropriate steps are taken promptly to implement such improvements in an effective and diligent manner.

Manner of execution of projects, modalities of utilisation of funds, implementation schedule, monitoring and reporting process

a) Manner of Execution of CSR Activities/Programmes/Projects

The Company shall undertake its CSR activities either directly or through a registered trust, a registered society, or by establishing a Section 8 company under the Companies Act, 2013, or through collaboration with other eligible entities. Preference shall be given to local areas in and around the Company's offices for implementation of CSR initiatives.

Where CSR activities are implemented through a registered trust, registered society, or Section 8 company, such entity shall be duly qualified to undertake CSR activities on behalf of the Company in accordance with the applicable provisions of the Companies Act, 2013 and the rules made thereunder, as amended from time to time.

b) Modalities of utilisation of Funds

The Company will utilise the CSR outlay for each financial year in sectors or activities specified as "CSR Activities". Further, the Chief Financial Officer of the Company shall issue a certificate to the effect that the funds disbursed towards CSR have been utilised for the relevant purposes and in the manner as approved by the Board.

c) Implementation Schedule, Monitoring and Reporting process

The CSR Committee shall oversee the implementation and monitoring of all CSR projects, programmes, and activities, and shall ensure that periodic reports are submitted to the Board for its review. Where considered necessary, the Board may recommend on-site visits for due diligence purposes, except in cases of contributions made to the Central or State Government(s), and such on-site visits may be conducted either by employees of the Company or through an independent external agency.

Disclosure

The Company shall comply with the requirements relating to disclosure of its CSR Policy and/or CSR activities in the Board's Report and on the Company's website, or through any other mode as may be prescribed, in accordance with the provisions of the Act, as amended from time to time.

Amendment

In the event of any amendment or modification to the Act, the Rules, Schedule VII of the Act, or any other applicable law, the relevant statutory provisions shall prevail over this Policy to the extent of such inconsistency. The CSR Committee is authorised to amend this Policy to ensure compliance with such changes in law.
