

KARVY FINANCIAL SERVICES LIMITED

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

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 Financial Services Limited (KFSL 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 KFSL Group, through constant and collaborative interactions with our external stakeholders, KFSL strives to become an asset in the communities where it operates. As our Corporate Social Responsibility (CSR) 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 KFSL 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:

- Initiate projects that benefit communities;
- Encourage an increased commitment from employees towards CSR activities and volunteering.
- Serve the communities where KFSL operates for their economic and social benefit.

5. FUNDING 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 of the Company made during the three immediately preceding financial years, calculated in accordance with the relevant Sections of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014.

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

The Company shall make contributions to corporate foundations/ trusts/ other charitable organizations (NGO's) towards its corpus for projects approved by the Board. The CSR Committee shall approve the budget annually on receiving recommendations from CSR Council.

The Company may build CSR capacities of its own personnel as well as those of its implementing agencies through Institutions with established track records of at least 3 financial years but such expenditure shall not exceed 5% of the total CSR expenditure of the company in one financial year.

6. CSR FOCUS AREAS

The Company has identified the following CSR focus areas for undertaking projects/ programs/ activities in India:

S. NO	CSR Thrust/ Focus area	Actions
1	Eradicating Hunger Poverty, Mal nutrition	Karvy will work with various Non-profit organization, NGO, Registered societies that pledge to feed poor people.
2	Healthcare	Karvy will work with organizations working in providing medical or health related projects such as day care centres, Health and Sanitation Development programs, medical camps
3	Development of art and culture	Karvy 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
4	Promotion of Sports	Conducting projects / programs promoting various sports activities
5	Contribution/Financial	Contribution to Prime Minister's National Relief Fund or any

S. NO	CSR Thrust/ Focus area	Actions
	Assistance	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;
6	Underprivileged Children Education	<ul style="list-style-type: none"> • Support NGOs for Underprivileged Child Education • Scholarships for Children to admit them in good schools • Children selected at the age of 10 years • All expenses to be paid by the foundation • Tie-up with larger charity foundations (Harvard Business School Education) • If in day school, support children with post school activities and coaching • Hand hold children till they are 18 years • This can also be done through setting up a foundation and doing this ourselves. • Karvy Employees can also engage in helping children in activities, counseling and coaching

7. 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 Thrust Areas.
- KFSL's support to any project will depend on the scale of the project and feasibility of the project. The CSR Council has a formal process of evaluating and approving CSR Projects. The CSR Council will evaluate the project progress and impact quarterly.

8. 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 Council.
- Annual CSR Calendar activities will be cleared/ signed off by CSR Council.
- Any other donations will be cleared/ signed off by the Chairman and Managing Director.

- 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 Directors' Report of the Company.
- In order to ensure transparency and communication with all stakeholders, the CSR Council will document the details of the Company's CSR initiatives and CSR expenditure and ensure that the same are available in the public domain i.e. the Annual Report and Website of the Company.

9. 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.

10. CRITERIA FOR IDENTIFYING THIRD PARTY CSR ORGANIZATIONS

CSR projects may be undertaken through identified external agencies such as corporate foundations/trusts/other charitable organizations (NGOs) who would execute the said Project on behalf of the company. 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 Council.

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.