

HINDUJA FINANCE LIMITED

(CIN: U65993MH2006PLC166340)

Regd. Office: Hinduja House, 171, Dr. Annie Besant Road, Worli, Mumbai 400018

CORPORATE SOCIAL RESPONSIBILITY POLICY

I. CONSTITUTION:

- 1.1. The Board of Directors of Hinduja Finance Limited (“the Company”) at their Meeting held on 19th December, 2014 resolved to constitute a Committee of the Board with the nomenclature “Corporate Social Responsibility Committee” (“the Committee”).
- 1.2. The Committee will act in accordance with the terms specified in Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility) Rules, 2014.
- 1.3. The Committee shall come into force with immediate effect.

II. DEFINITIONS:

- a) “**Act**” means Companies Act, 2013 including any Statutory modification or re- enactment thereof;
- b) “**Board**” means Board of Directors of the Company.
- c) “**Corporate Social Responsibility**” generally means and includes but it is not limited to:
 - Projects or programs relating to activities specified in Schedule VII of the Act; or
 - Projects or programs relating to activities undertaken by the Board in pursuance of recommendations made by the CSR Committee as per CSR policy of the Company subject to the condition that such policy includes the subject covered under Schedule VII of the Act.
- d) “**CSR Committee**” means Corporate Social Responsibility Committee of the Board.
- e) “**CSR Policy**” refers to activities to be undertaken by the Company as determined by the CSR Committee and approved by the Board of Directors from such projects or programmes relating to activities specified in Schedule VII or covered as Corporate Social Responsibility as per this policy and the expenditure thereon, excluding activities undertaken in pursuance to normal course of business of the Company.

III. MEMBERSHIP:

3.1. The Committee members shall be appointed by the Board. The Committee shall be constituted with a minimum of 3 members out of which at least one shall be an Independent Directors.

3.2. The Committee Chairman shall be appointed by the Board. In the absence of the Committee Chairman, the members present at any meeting of the Committee shall elect one of their members to chair the meeting.

3.3. Only members of the Committee have the right to attend Committee meetings. However, all Directors may be invited to attend all or part of any meeting as and when appropriate. In addition, other individuals such as Company employees or external advisors may be invited to attend all or part of any meeting as and when appropriate.

3.4. The requisite quorum shall be any two members present at the Meeting.

3.5. The Company Secretary shall act as the secretary to the committee.

IV. FREQUENCY OF MEETINGS:

4.1. The Committee shall meet physically **at least once a year** and otherwise by audio or video conferencing, as may be required. Additional meetings may be held to ensure that the Committee take note of the CSR activities, the expenditure thereon as budgeted, the service level agreements with any NGO qualified to undertake CSR projects if required, and monitoring thereof.

V. NOTICE OF THE MEETING:

5.1 Meeting of the Committee shall be called by the Secretary of the Committee at the request of any of its members.

5.2 Meetings may be held with the physical presence of the Members or via video-conference mode.

5.3 Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded to each member of the Committee, any other person required to attend along with the supporting papers.

5.4 Any member desirous of participating through video-conference may communicate the same to the Company or the Secretary at least 2 days before the date of Meeting. The Company while arranging for a video-conferencing Meeting shall comply with the conditions specified in Section 173 of the Act read with relevant Rules made thereunder.

5.5 Additional meetings may be held at the discretion of the Board or any member (s) of the Committee and shall be held at such time, date and venue as may be decided by the person calling the Meeting.

VI. ACTIVITIES TO BE UNDERTAKEN AND MODE OF EXECUTION:

6.1. The Committee undertakes one or more of the following activities, which relate to Schedule VII of the Companies Act, 2014 as its projects for CSR activity viz,

- a) Eradicating hunger, poverty and malnutrition, promoting 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;
- b) Promotion of education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
- c) 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;
- d) 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 including contribution to the Clean Ganga Fund set up by the Central Government for rejuvenation of river Ganga.

- e) 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;
- f) measures for the benefit of armed forces veterans, war widows and their dependents;
- g) training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports;
- h) Contribution to the 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;
- i) contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
- j) rural development projects.
- k) Slum area development

6.2. The Committee intends to carry out its CSR activities through its own personnel/ department established with persons qualified to undertake such activities. The Committee also decided that, the Company may engage the services of Hinduja Foundation and enter into a service level agreement with Hinduja Foundation, who have got an established track record of at least three financial years of having done CSR activities within the norms prescribed under the Companies (Corporate Social Responsibility Policy) Rules, 2014.

6.3. The Company may also collaborate with its Group/Associate Companies for undertaking the said activities.

VII. EXPENDITURE TO BE INCURRED

The Committee shall determine an amount equivalent to 2% average of the net profit made during the three immediate preceding financial years in accordance with the provisions of Section 198 and shall thereafter prepare a budget of expenditure to be applied for the CSR projects contemplated in the annual policy of the Company.

The Committee may request the Board of Directors to cause the statutory auditors to audit the Company's expenditure on CSR projects for the purpose of true and fair reporting of its accounts as part of its balance sheet, at the annual general meeting. In the event that the

Company is not able to carry out the activities through its department/personnel and the Company needs to appoint Hinduja Foundation for carrying out the CSR activities, then in such an event, the Committee may cause Hinduja Foundation to maintain its accounts on an imprest account basis and to submit monthly audited statements of expenditure made on CSR to the Company's CFO for inclusion in the quarterly accounts presented to the Board/ to the Company and its shareholders.

VIII. MONITORING

The Committee shall through its members monitor the expenditure incurred vis-à-vis the budgets and moneys provided to its departments or through Hinduja Foundation appointed in accordance with Companies (Corporate Social Responsibility Policy) Rules, 2014, read with Section 135 of the Companies Act.

The Committee may also nominate one or two directors to physically examine the CSR undertaken and to submit a report of activities undertaken and performed.

IX. REPORTING

The Board's Report shall include an annual report on CSR containing particulars as specified.

X. PUBLICATION OF THE POLICY:

The CSR policy recommended by the Committee and approved by the Board shall be displayed in the Company's website for public viewing.

XI. AMENDMENT

The Company or the Board reserves its right to amend or modify this Policy in whole or in part, at any time without assigning any reason whatsoever. However, no such amendment or modification shall be inconsistent with the applicable provisions of the Act or any law for the time being in force.