

KHUSHBU AUTO FINANCE LIMITED

CORPORATE SOCIAL RESPONSIBILITY POLICY (CSR Policy)

1. OBJECTIVE

The objective of CSR Policy at Khushbu Auto Finance is to support the guiding principle of “Together We Grow”. Through the CSR initiatives, the Company strives to provide equitable opportunities for sustainable growth, thereby aligning with our goal to build Khushbu Auto Finance into an organization which maximizes Stakeholder Value.

The Company would engage in activities whereby business further contributes to make a positive and distinguishing impact on the environment, customers, employees, suppliers and other stakeholders.

The CSR Policy of the Company would develop a systematic approach to administer CSR activities undertaken as per the Policy.

2. DEFINITION

Corporate Social Responsibility means to balance economic, social and environmental objectives while addressing stakeholder expectations and enhancing shareholders value. It is a responsible way of doing business.

3. CORE AREAS OF CSR

A. The CSR objective of the Company will be achieved through concentrated and dedicated initiatives encompassing the following identified core areas:

- Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swachh 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;
- Training to promote rural sports, nationally recognised sports, paralympic sports and olympic sports
- Contribution to the prime minister's national relief 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;

- Contributions or funds provided to technology incubators located within academic institutions which are approved by the central govt.
- Rural development projects.
- Slum area development.
- Disaster management, including relief, rehabilitation and reconstruction activities.

B. Alternatively the Board of Directors (“the Board”) may choose to focus on any one or more of the above core areas for its efforts dedicated towards CSR.

4. EXECUTION/ IMPLEMENTATION AND MONITORING MECHANISM

A. Execution/ Implementation of CSR activities:

Khushbu Auto Finance may conduct/implement its CSR activities through any one or all or a combination of any of the following ways:

- (a) Directly by the Company, through its employees.
- (b) Through Atul Chandra Charitable Trust, a Trust established by the Promoters of the Company for undertaking CSR activities
- (c) Through any other Trusts, Societies, or Section 8 companies By participating in the CSR projects/schemes (of the nature as prescribed in Schedule VII of the Companies Act) as prescribed under Section 35 of the Income Tax Act
- (d) Collaborating or pooling resources with other companies/organizations to undertake CSR activities.

B. A sample list of Projects/ initiatives to be undertaken would be as follows:

EDUCATION

- To encourage the development of human capital of the Nation by expanding human capabilities through skills development, vocational training etc.
- Including special education and employment enhancing vocation skills specially among children, women, elderly, and differently abled and livelihood enhancement projects
- Sponsoring computer teachers in schools of nearby localities/ villages.
- Providing financial assistance to schools for construction/ renovation/ repair of hostels, school buildings, classrooms etc.,
- Contribution or funds provided to technology incubators, located within academic institutions which are approved by the Government;
- Awards/scholarships to meritorious students.
- Providing infrastructure support to educational institutions

HEALTH & MEDICAL CARE

- Promoting preventive Health care measures
- Donation of ambulances to Medical Centres/Hospitals/NGOs, hearing aids/wheel chairs to physically challenged people,
- Financial assistance and medical equipment to hospitals, dispensaries etc.
- Actively supporting healthcare programmes of nearby hospitals
- Funding their charity hour programs etc.

ENVIRONMENT

- Ecological balance, protection of flora and fauna, animal welfare, conservation of natural resources and maintaining quality of soil, air and water
- Recycling waste for energy production and installation of solar panels
- Reducing paper usage for prints etc. Observing no print day atleast once a month
- Generation of alternative energy through renewable resources i.e. Wind Turbine, Solar plants etc.

PROMOTION TO NATIONAL HERITAGE, ART AND CULTURE

- Organize activities, competitions, seminars to promote national heritage, art and culture
- Publish the material on national heritage, art and culture
- Awarding the persons for their excellency in the field of national heritage, art and culture

ERADICATING HUNGER AND POVERTY

- To provide food, clothes etc. to hungry and poor women, children, old age persons etc.
- To run or support institutions providing food to such people

WAR WIDOWS AND THEIR DEPENDENTS

- Providing finance to armed forces and their families for education, food, shelter etc.

COMMUNITY AT LARGE

- Setting up homes and hostels 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.
- Rural development projects

The above is a sample list of activities and may be expanded by the Board anytime.

C. MONITORING MECHANISM

The Board shall monitor the overall CSR initiatives of the Company:

- To formulate CSR policy
- To approve expenditure to be incurred on CSR activities;
- To monitor the CSR policy of the company from time to time.

The Board shall prepare a transparent monitoring mechanism for ensuring Implementation of the initiatives/ activities undertaken by the Company. Report on progress of the projects to be shared by the Core CSR team with the Board on a semi-annual basis.

5. CSR CORPUS

The Board shall assign the corpus for CSR activities, which shall be invested to cover all the expenditures on CSR activities from the returns that the fund earns.

CSR corpus to comprise of the following:

- 2 percent of average net profits of the Company for the preceding three financial years.
- Any income arising therefrom;
- Surplus arising out of CSR activities
- Other operational items

Surplus arising out of the CSR activities will not be part of business profits of the Company.

6. GENERAL GUIDELINES

- The CSR team shall produce and disseminate information on CSR to the public through different media, as per the mandate of the Board.
- The endeavor shall be to create a spirit of volunteerism amongst the employees for execution of the projects under this policy.
- The Company shall adopt fair and inclusive practices throughout the operations and seek to eliminate all prejudice.
- Compliance with this policy shall be continuously monitored, reviewed and updated subject to review by the Board.
- Preference for undertaking CSR activities may be given to the local areas in and around the area of operation of Khushbu Auto Finance Limited in India.

7. CHANGES AND MODIFICATIONS

Any changes and modifications in the policy to be at the discretion of the Board of Directors only.