

Karvy Stock Broking Limited

Corporate Social Responsibility Policy

1. PREAMBLE

Section 135 of Companies Act, 2013 mandates every company having a net worth of Rs. 500 Crore or more or turnover of Rs. 1,000 Crore or more or a net profit of Rs. 5 Crore or more during the immediately preceding year 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 Stock Broking Limited (KSBL 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 KSBL Group, through constant and collaborative interactions with our external stakeholders, KSBL 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 KSBL either directly or through corporate foundations/trusts/other charitable organizations for the benefit of different segments of the society.

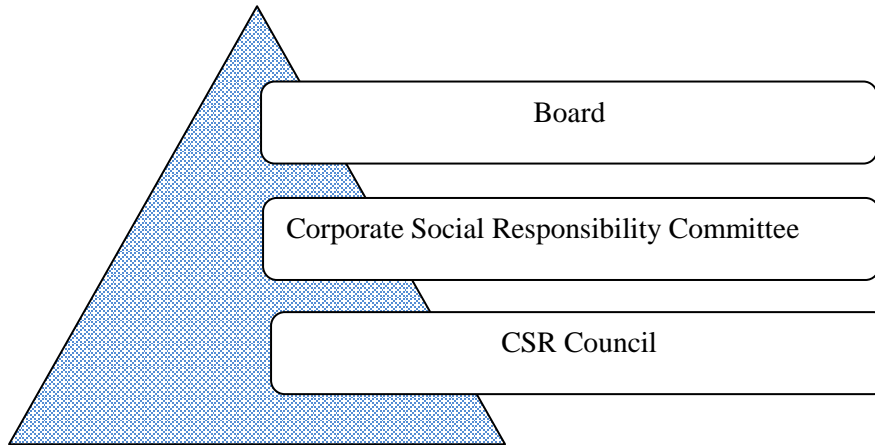
4. OBJECTIVE OF CSR POLICY

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 KSBL operates for their economic and social benefit.

5. RESOURCES

Structure



The Corporate Social Responsibility Committee (‘CSR Committee’ Board level) is responsible to formulate and recommend to the Board the CSR Policy indicating the activities falling within the purview of Schedule VII to the Companies Act, 2013, to be undertaken by the Company, to recommend the amount to be spent on CSR activities presented by the CSR Council and to monitor the CSR Policy periodically.

The CSR Committee of the Board of Directors shall comprise of three or more directors, out of which at least one director shall be an independent director.

The following members shall represent on the CSR Council:

1. Mr. C. Parthasarathy, CMD
2. Mr. M. Yugandhar, Director
3. Head of Finance & accounts

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 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.

6. CSR FOCUS AREAS

Pursuant to Schedule VII of the Act and the CSR Rules, the Company may also undertake CSR activities included in its Annual CSR Budget, as recommended by the CSR Committee at the beginning of each year. The Committee is authorized to approve any modification to the existing Annual CSR Budget or to propose any new program during the financial year under review.

The activities wherein the company shall spend the CSR amount are

- (i) 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.
- (ii) Promoting education, including special education and employment enhancing vocational skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.
- (iii) 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;
- (iv) 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.
- (v) 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.
- (vi) Measures for the benefit of armed forces veterans, war widows and their dependents;
- (vii) Training to promote rural sports, nationally recognised sports, paralympic sports and olympic sports
- (viii) 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;
- (ix) Contributions or funds provided to technology incubators located within academic institutions which are approved by the central govt.
- (x) Rural development projects promoting the cause of education, healthcare, empowering women, development of vocational skills, handicrafts, handloom and other cottage industries, measures for issues faced by socially and economically backward groups, projects which focus on eradication of hunger, malnutrition, eradication of poverty, rural sports.

(xi) Slum area development activities focusing on working towards organization and upgradation of the slum areas, safe drinking water, sanitation, solid-waste management, education and health care and eradication of poverty and hunger.

(xii) Such other areas as may be notified in schedule VII to the Companies Act, 2013 from time to time.

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.
- KSBL'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);
- The NGO shall have an established track record of three years in undertaking similar programs or projects;
- 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.