



IDFC FIRST Bank Limited

CORPORATE SOCIAL RESPONSIBILITY POLICY	
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1.1	27-07-2017	Secretarial	Annual Review of Policy
1.2	24-10-2018	Secretarial	Annual Review of Policy
1.3	22-05-2020	CSR Team	Review of Policy pursuant to regulatory amendments
1.4	30-04-2021	CSR Team	Review of Policy pursuant to regulatory amendments
1.5	30-04-2022	CSR Team	Review of Policy pursuant to regulatory amendments
1.6	21-01-2023	CSR Team	Annual Review of Policy
1.7	29-04-2023	CSR Team	Review of Policy to align with business needs
1.8	27-04-2024	CSR Team	Annual Review of Policy
1.9	26-10-2024	CSR Team	Addition of more points under Schedule VII applicability
2.0	26-07-2025	CSR Team	Modification of Policy basis audit & internal recommendations

CORPORATE SOCIAL RESPONSIBILITY POLICY

Contents

A. Our Vision	4
B. Bank's Philosophy on CSR	5
C. CSR & ESG Committee	6
D. CSR Activities	7
E. Restricted Activities	7
F. CSR Expenditure	8
G. Implementation.....	9
H. Accounts and Audit	9
I. Board Responsibilities	10
J. Tax Treatment	10
K. CSR reporting.....	11
L. Approved by	11
M. Amendment.....	11

Corporate Social Responsibility Policy

A. Our Vision

Corporate Social Responsibility ('CSR') has been a way of life within IDFC Group ingressed into its philosophy and vision.

The 'headline' objective of IDFC FIRST Bank Limited ('IDFC FIRST Bank' or the 'Bank') CSR policy is to ensure that CSR activities are not performed in silos and that it be skillfully and inextricably woven into the fabric of the Bank's business strategy for overall value creation to all stakeholders.

IDFC FIRST Bank believes that profitability must be complemented by a sense of responsibility towards all stakeholders with a view to make a material, visible and lasting difference to the lives of disadvantaged sections of the society, preferably in the immediate vicinity in which the Bank operates but at the same time ensure widespread spatial distribution of its CSR activities all over India befitting its status as a conscientious corporate citizen.

This policy shall apply to all CSR initiatives and activities undertaken/ to be undertaken by IDFC FIRST Bank at various locations, within India:

- i. Directly
- ii. through implementing agencies covered under Rule 4 (1) of the Companies (Corporate Social Responsibility Policy) Rules, 2014.
- iii. Via Contributions to Schedule VII eligible funds
- iv. Joint implementation with one or more companies

B. Bank's Philosophy on CSR

IDFC FIRST Bank's CSR mission is very integral to the business. We believe in the philosophy of enabling individuals to become self-sufficient in the long-run and aim to fuel the aspirations of those who have a disadvantage due to their socio-economic background. We truly believe that every human – irrespective of their current reality deserves the basic human right to access high quality education, earn a living and be a productive member of society and to live a life that is safe and secure.

We carefully select and work with social impact organizations such as non-profits, incubators and social enterprises who are working at the grass-roots to make a change. We adopt a collaborative approach where we co-create programs together and support on-ground strategy for our implementation partners as and when the need arises.

We also ensure all our social impact partners align with our governance standards and are transparent, accountable and proactive in their approach to ensuring our funding and support is being used towards the mutually agreed theory of change we have agreed upon. We also significantly invest time and resources in building capacities of our social impact partners so that they are able to succeed in their endeavors.

IDFC FIRST Bank would carry out CSR activities directly or through other implementing agencies as and when it falls within the purview of Section 135 of the Companies Act, 2013 ('Act') in the manner provided in Companies (Corporate Social Responsibility Policy) Rules, 2014 ('Rules').

C. CSR & ESG Committee

The CSR & ESG Committee of the Board of Directors ('Board') would consist of 3 or more directors, out of which at least 1 director shall be an Independent Director.

The CSR & ESG Committee of the Bank, as mandated under Section 135(3) of the Companies Act, 2013 read with Rules thereto shall:

- i. Formulate and recommend to the Board, a CSR Policy (and modifications thereto from time to time) which shall indicate the activities to be undertaken by the Bank in areas or subject, specified in Schedule VII of the Act;
- ii. Recommend, the amount of expenditure to be incurred on the CSR activities and the amount to be transferred in case of ongoing projects (if any) and corresponding unspent amounts;
- iii. Monitor the Corporate Social Responsibility Policy of the company from time to time.
- iv. approve specific projects, either on-going or other than ongoing, in pursuance of the CSR Policy and approved annual action plan & subsequent changes therefore that may arise during the applicable year;
- v. monitor, review the progress of CSR initiatives undertaken from time to time;
- vi. review and recommend to the Board, the Annual Report on CSR activities to be included in Board's Report and certificate submitted by the Chief Financial Officer;
- vii. Formulate and recommend to the board, an annual action plan in pursuance of its CSR policy, and any modifications thereof, which shall include the following information: -
 - a. the list of CSR projects or programs that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
 - b. the manner of execution of such projects or programs as specified in sub-rule (1) of rule 4 of the Rules;
 - c. the modalities of utilization of funds and implementation schedules for the projects or programs;
 - d. monitoring and reporting mechanism for the projects or programs and;
 - e. details of need and impact assessment, if any, for the projects undertaken by the company.
- viii. Undertake such activities and carry out such functions as may be required under Section 135 of the Act and the Rules issued thereunder.

The Objects and the role of the Bank shall also be dependent on the extant provisions of the Act, the Rules and other applicable Regulations, as amended from time to time.

D. CSR Activities	1. IDFC FIRST Bank's CSR activities would be in the form of short term or long term programs, the outcomes of which could be measured objectively. The projects would be conceptualized and designed based on a need assessment exercise carried out in consultation with relevant stakeholders wherever necessary and applicable such as in case of long-term programs. Wherever applicable, an impact assessment study will be conducted post completion of programs as per timelines defined by CSR rules. The learning from such impact studies may be shared with the government agencies/relevant stakeholders, to demonstrate replicable solutions. 2. The scope of activities that the bank will undertake towards fulfillment of its CSR obligation shall be in line with Schedule VII of the Act. The bank proposes to focus on the following areas termed as 'Priority Focus Areas' - i. Livelihoods & Skilling ii. Entrepreneurship iii. Education Apart from the priority focus areas as identified above, the bank may also choose to undertake any other activities as mentioned in Schedule VII of the Act
E. Restricted Activities	1. The Bank shall endeavour not to consider the following as CSR activities: i. activities undertaken in the normal course of business of the business ; ii. activities undertaken by the Bank outside India except for training of Indian sports personnel representing any State or Union territory at national level or India at international level; iii. Contribution of any amount directly or indirectly to any political party under Section 182 of the Act; iv. activities benefitting employees of the Bank as defined in clause (k) of the Code on Wages, 2019; v. activities carried out on sponsorship basis for deriving marketing benefits for its products or services; vi. activities carried out for fulfilment of any other statutory obligations under any law in force in India.

F. CSR Expenditure

Every financial year,

- i. The Bank shall spend at least 2% of its average net profits (calculated as per Section 198 of the Act) made during the three immediately preceding financial years towards CSR activities as required in terms of Section 135(5) of the Act.
- ii. In case, the Bank spends an amount in excess of requirement of its CSR obligations in a financial year, such excess amount may be set off against the requirement of CSR spending up to immediate succeeding three financial years subject to fulfilment of conditions specified under the Companies (CSR Policy) Amendment Rules, 2021 as may be amended from time to time.
- iii. IDFC FIRST Bank shall give preference to the local area and areas around where it operates, for spending the amount earmarked for CSR activities. CSR Projects or programs or activities undertaken in India only shall amount to CSR Expenditure.
- iv. Any unspent amount shall be reported by the Board in its report specifying the reasons for not spending the amount and shall be dealt with in accordance to Section 135 of the Act and Rules.
- v. Any amount remaining unspent for 'Ongoing projects' as per sub section (5) of Section 135, shall be dealt as per sub section (6) of Section 135 of the Companies Act 2013.
- vi. The Bank may spend its CSR budget for creation or acquisition of a capital asset subject to fulfilment of conditions specified under the Companies (CSR Policy) Amendment Rules, 2021 and any amended to the same.
- vii. The Board of the Bank shall ensure that the administrative overheads shall not exceed 5% of total CSR expenditure of the Bank for the financial year.

'administrative overheads' would mean the expenses incurred by the Bank for 'general management and administration' of CSR functions in the Bank but shall not include the expenses directly incurred for the designing, implementation, monitoring, and evaluation of a particular CSR project or programs.

- viii. Expenditure on Impact assessment shall be subject to sub section (8) of Companies (CSR) Amendment Rules 2021.
- ix. The Board shall ensure that the CSR amounts disbursed have been utilized for the purposes and in the manner approved by it, and the Chief Financial Officer ("CFO") or the person responsible for financial management shall certify to the effect.
- x. Any surplus generated from CSR activities shall not form part of the business profit of the Bank and shall be treated as follows:
 - a. Ploughed back into the same project
 - b. Transferred to a designated Unspent CSR Account (UCSRA) and spent in pursuance of CSR policy and Annual Action Plan of the Company
 - c. Transferred to a Fund specified in Schedule VII, within the prescribed timeline as specified in the CSR Rules.

G. Implementation	The Bank may undertake the CSR activities on its own or through an implementing agency covered under rule 4 (1) & (2) of the Companies (CSR) Rules 2021. The Bank may engage international organizations for designing, monitoring and evaluation of CSR projects as well as for capacity building of its own personnel for CSR The Bank may collaborate for undertaking the CSR activities along with its group companies, including its eligible holding or subsidiary companies or any other companies outside the group, as the case may be, in such a manner that the CSR & ESG Committees of respective companies are in a position to report separately on such projects or programs.
H. Accounts and Audit	A separate accounting for CSR related expense and receipts shall be maintained. In case specified projects or program are to be undertaken through third party implementing agencies, the implementing agencies will ensure that the records and accounts are properly maintained to be able to ascertain the utilization of funds The amount spent on CSR by the Bank may be subject to audit at such intervals, as may be required, from time to time.

I. Board Responsibilities	The Board of the Bank shall i. approve the CSR policy; ii. ensure disclosure of contents of such policy in its report and also place it on the company's website, if any; iii. ensure disclosure of composition of CSR & ESG Committee and projects approved by the board on the bank's website iv. ensure that the activities included in the CSR policy are undertaken by the company; v. ensure that the company spends, in every financial year, at least two per cent of the average net profits of the company made during the three immediately preceding financial years; vi. satisfy itself that the funds so disbursed have been utilized for the purposes and in the manner as approved by it and the Chief Financial Officer or the person responsible for financial management shall certify to the effect vii. if the company fails to spend at least two per cent of the average net profits of the company, the Board shall, in its report made under clause (o) of sub-section (3) of section 134, specify the reasons for not spending the amount and transfer the unspent CSR amount as per provisions of sections 135(5) and 135(6) of the Act. viii. May decide on the eligibility criteria for selection of the independent agency for impact assessment. ix. May undertake impact assessment of completed projects of previous financial years basis CSR rules applicability. x. In case of ongoing projects, the board shall carry out the following responsibilities a. identification of the ongoing projects; b. year-wise allocation of funds; c. transferring the unspent money to a separate bank account as prescribed under sub-section (6) of section 135; d. monitoring the implementation of the projects with reference to the approved timelines and year-wise allocation; and making modifications, if any, for smooth e. implementation of the projects within the overall permissible time period; f. the Board may abandon or modify an ongoing project, partially or wholly, under exceptional circumstances, during the prescribed project period as per the recommendation of CSR & ESG Committee, and by providing reasonable justification to that effect.
J. Tax Treatment	Tax treatment of CSR spent will be in accordance with Income Tax Act, 1961, as amended from time to time and other applicable rules or circulars issued by the Central Board of Direct Taxes.

K. CSR reporting	• The Board's Report pertaining to any financial year, for a CSR-eligible company, shall include an annual report on CSR containing particulars as may be specified in the CSR Rules. • Basis eligibility, impact assessment shall be conducted subject to sub section (8) of Companies (CSR) Amendment rules 2021 and impact assessment reports shall be placed before the Board and annexed to Annual report on CSR. • The CSR Policy, the composition of CSR & ESG Committee of the Bank and the CSR projects approved by the Bank shall be placed on the website of the Bank viz. www.idfcfirstbank.com. • Bank shall furnish a report on Corporate Social Responsibility in E-Form CSR-2 to the Registrar for (2020-2021) and onwards.
L. Approved by	IDFC FIRST Bank Board after recommendation by CSR & ESG Committee of the Bank.
M. Amendment	This Policy may be amended, from time to time, by the Board on the recommendation of the CSR & ESG Committee of the Bank. This Policy is framed based on the provisions of the Act and Rules thereunder and other applicable law. In case of any subsequent changes in the provisions of the Act and Rules thereunder or other applicable law, the relevant amended provisions would prevail over the Policy and the provisions in the Policy would be modified in due course to make it consistent with law. This Policy shall be reviewed by the CSR & ESG Committee/ Board as and when any changes are to be incorporated in the Policy due to change in applicable law or on an annual basis.