

ANNEXURE VI

Business Responsibility Report for the Financial Year Ended March 31, 2019

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. Corporate Identity Number (CIN) of the Company	L65100MH2009PLC268160
2. Name of the Company	IndoStar Capital Finance Limited
3. Registered address	One Indiabulls Center, 20 th Floor, Tower 2A, Jupiter Mills Compound, Senapati Bapat Marg, Mumbai - 400013
4. Website	www.indostarcapital.com
5. E-mail id	icf.legal@indostarcapital.com
6. Financial Year reported	April 1, 2018 to March 31, 2019
7. Sector(s) that the Company is engaged in (industrial activity code-wise)	Non-Banking Financial Company engaged in lending and allied activities - NIC Code 649
8. List three key products/services that the Company manufactures/provides (as in balance sheet)	Corporate Lending Vehicle Finance Small and Medium Enterprises Finance
9. Total number of locations where business activity is undertaken by the Company	
(a) Number of International Locations (Provide details of major 5)	Not Applicable
(b) Number of National Locations	Apart from operating from Registered Office, your Company has an extended network of over 150 branches spread across India
10. Markets served by the Company - Local/State/ National/International	Your Company serves the Local, State and National Markets of India

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. Paid up Capital (INR)	92.27 crore
2. Total Turnover (INR)	1,177.17 crore
3. Total profit after taxes (INR)	255.13 crore
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	Please refer the Annual Report on Corporate Social Responsibility (CSR) Activities at Annexure IV to the Board's Report.
5. List of activities in which expenditure in 4 above has been incurred:-	

SECTION C: OTHER DETAILS

1.	Does the Company have any Subsidiary Company/ Companies?
	The Company has two wholly-owned subsidiaries:
	a. IndoStar Asset Advisory Private Limited
	b. IndoStar Home Finance Private Limited
2.	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)
	Some of the BR initiatives of the Company are also implemented by the subsidiary companies.
3.	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]
	No. However, the Company encourages participation by its business associates and representatives in the BR initiatives of the Company.

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR

(a)	Details of the Director/Directors responsible for implementation of the BR policy/policies	
	1. DIN Number	00136697
	2. Name	R. Sridhar
	3. Designation	Executive Vice-Chairman & CEO
(b)	Details of the BR head	
	1. DIN Number (if applicable)	--
	2. Name	Pankaj Thapar
	3. Designation	Chief Financial Officer
	4. Telephone number	+91 22 4315 7000
	5. e-mail id	icf.legal@indostarcapital.com

2. Principle-wise (as per NVGs) BR Policy/policies

The 9 principles outlined in the National Voluntary Guidelines are as follows:

P1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability
P2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle
P3	Businesses should promote the well being of all employees
P4	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised
P5	Businesses should respect and promote human rights
P6	Business should respect, protect, and make efforts to restore the environment
P7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner
P8	Businesses should support inclusive growth and equitable development
P9	Businesses should engage with and provide value to their customers and consumers in a responsible manner

(a) Details of compliance

No.	Questions	P 1	P 2	P 3	P 4	P 5	@P 6	P 7	P 8	P 9
1.	Do you have a policy/ policies for....	Y	NA	Y	Y	Y	Y	NA	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	--	Y	Y	Y	Y	--	Y	Y
3.	*Does the policy conform to any national / international standards? If yes, specify? (50 words)	Y	--	Y	Y	Y	Y	--	Y	Y
4.	**Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	--	Y	Y	Y	Y	--	Y	Y
5.	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	--	Y	Y	Y	Y	--	Y	Y
6.	Indicate the link for the policy to be viewed online?	https://www.indostarcapital.com/investors.html#codes-policies-wrap								
7.	#Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	--	Y	Y	Y	Y	--	Y	Y
8.	^Does the company have in-house structure to implement the policy/ policies.	Y	--	Y	Y	Y	Y	--	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	--	Y	Y	Y	Y	--	Y	Y
10.	^Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	--	Y	Y	Y	Y	--	Y	Y

@Considering the nature of business of the Company, the Principle 6 may not be strictly applicable to the Company

*the Policies are developed and aligned with applicable legal provisions including circulars, regulations, guidelines, notifications issued by the Securities and Exchange Board of India, the Reserve Bank of India, the Ministry of Corporate Affairs and best practices adopted by the Company.

**the Policies have been approved by the Board of Directors of the Company and signed by persons duly authorised by the Board.

#The Policies have been hosted on the Company's website and on the Company's intranet for communicating to the relevant external / internal stakeholders.

^The Management Committee constituted by the Board of Directors of the Company assesses adequacy and implementation of codes / policies of the Company on an on-going basis.

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why:

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1.	The company has not understood the Principles									
2.	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3.	The company does not have financial or manpower resources available for the task									Not Applicable
4.	It is planned to be done within next 6 months									
5.	It is planned to be done within the next 1 year									
6.	Any other reason (please specify)									

3. Governance related to BR

(a)	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year
	Annually.
(b)	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?
	Yes. The Company is publishing its first BRR report for financial year 2018-19 as part of its Annual Report and will be published annually with the Annual Report for each year. The Annual Report is available on the Company's website at https://www.indostarcapital.com/investors.html#agm-wrap

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?

The Company expressly advocates that commitment to corporate governance is essential for delivery of strategic priorities and enhancement of shareholder's value. The Company conducts its businesses in compliance with applicable laws and regulations, fairness, mutual respect and integrity under a comprehensive Code of Conduct for Directors and Employees.

The Company has also adopted an Anti-Corruption Policy to further affirm Company's zero-tolerance approach towards corruption and to conduct business in an honest and ethical manner by preventing and countering corruption in its business dealings, and covers every person connected with the Company.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

Investor Complaints

Complaints at the beginning of the year	Nil
Complaints received during the year*	52
Complaints remaining unresolved at the end of the year	0
% of Complaints resolved	100%

*almost all the complaints were related to initial public offering of equity shares of the Company.

Customer Complaints

Complaints at the beginning of the year	0
Complaints received during the year	60
Complaints remaining unresolved at the end of the year	3
% of Complaints resolved	95%

Complaints, if any, received from other stakeholders were satisfactorily dealt with.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

The Company aims at providing credit solutions for growing corporates, emerging SME businesses, and catering to the aspirations of the growing customer base of Middle-India. Retail lending business focuses on customers currently underserved financially and the growing "Middle India" population, which aspires to improve its lifestyle and financial well-being. Loans given to middle India borrowers enable them to own assets and grow their businesses. The Vehicle Finance business largely focuses on lending against secured assets, while targeting the large underserved customer base across 18 states in India. The key focus customers in the

SME Finance space are, traders, manufacturers, self-employed professionals and service businesses, a large portion of the portfolio comprising customers falling under the priority sectors.

Also, in line with the Government's initiative "Housing for all by 2022", the Company, through its subsidiary company IndoStar Home Finance Private Limited, provides affordable housing loans to economically weaker sections of society.

While the Company empowers its customers, it also co-creates new opportunities for them to increase business through its products portfolio.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):

(a) Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?

(b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

Not Applicable.

3. Does the company have procedures in place for sustainable sourcing (including transportation)?

(a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

Not Applicable.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

(a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

Not Applicable.

5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

Not Applicable.

Principle 3: Businesses should promote the wellbeing of all employees

1. Please indicate the Total number of employees: **1,151**

2. Please indicate the Total number of employees hired on temporary/contractual/casual basis: **None**
3. Please indicate the Number of permanent women employees: **152**
4. Please indicate the Number of permanent employees with disabilities: **1**
5. Do you have an employee association that is recognised by management: **No**
6. What percentage of your permanent employees are members of this recognised employee association? **Not Applicable**
7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1.	Child labour/forced labour/involuntary labour	Nil	Nil
2.	Sexual harassment	Nil	Nil
3.	Discriminatory employment	Nil	Nil

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

- (a) Permanent Employees: **54%**
- (b) Permanent Women Employees: **11%**
- (c) Casual/Temporary/Contractual Employees: **Not Applicable**
- (d) Employees with Disabilities: **Not Applicable**

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.

1. Has the company mapped its internal and external stakeholders? Yes/No
Yes
2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalised stakeholders.
Yes
3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalised stakeholders. If so, provide details thereof, in about 50 words or so.

It is one of the objectives of the Company to enhance value creation in the society and the community in which it operates, through its services, conduct and initiatives, so as to promote sustained growth for the society and the community. Further, through partnerships with various recognised organisations engaged in social upliftment activities, the Company has supported various programs broadly in the field of education, women empowerment, health care and humanitarian relief. Details of such initiatives supported by the Company are listed at Annual Report on Corporate Social Responsibility (CSR) Activities at Annexure IV to the Board's Report.

Principle 5: Businesses should respect and promote human rights

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

The Company has adopted various policies to protect rights of not only its employees but all other stakeholders, some of the relevant policies are also implemented by the subsidiary companies.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

None with respect to violation of Human Rights.

Principle 6: Business should respect, protect, and make efforts to restore the environment

Considering the nature of business of the Company, Principle 6 may not be strictly applicable to the Company.

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.

The Company's Corporate Social Responsibility Policy lists down various fields which shall be explored by the Company for providing support as a part of its corporate social responsibility initiatives, which includes 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.

In its effort of contributing towards environment protection, the Company has supported various organisations working in these fields and shall continue to look for more initiatives in these fields.

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.

The Company is engaged in the financial services sector and hence the Company's operations have no direct impact on the environment. However, the Company is vigilant on the need for conservation of the environment.

3. Does the company identify and assess potential environmental risks? Y/N

Not Applicable.

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

Not Applicable.

5. Has the company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

Not Applicable.

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Not Applicable.

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

None.

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

The Company is a member of the Bombay Chamber of Commerce & Industry, IMC Chamber of Commerce and Industry, Federation of Indian Chambers of Commerce, International Market Assessment Private Limited and All India Management Association.

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

The Company endeavors to provide suggestions for development of the financial services sectors through various forums.

Principle 8: Businesses should support inclusive growth and equitable development

1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

The Company focuses to serve people who do not have easy access to the conventional banking system. The Vehicle Finance business largely focuses on lending to underserved customers in India. The key focus customers in the SME Finance space are, traders, manufacturers, self-employed professionals and service businesses, with a large portion of the portfolio comprising customers falling under the priority sectors. Also, in line with the Government's initiative "Housing for all by 2022", the Company, through its subsidiary company IndoStar Home Finance Private Limited, focuses on providing affordable housing loans to economically weaker sections of society.

Further, the Company has adopted a Corporate Social Responsibility Policy which inter-alia lists down various fields which shall be explored by the Company for providing support as a part of its corporate social responsibility initiatives, which includes 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. Please refer Annual Report on Corporate Social Responsibility (CSR) Activities at Annexure IV to the Board's Report for details of various programs supported by the Company and its impact on the society.

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organisation?

Some corporate social responsibility initiatives are undertaken by the Company directly while majority support is extended through external agencies who have experience and expertise in their respective areas.

3. Have you done any impact assessment of your initiative?

Yes. Update on impact of corporate social responsibility initiatives undertaken by the Company is placed before the Corporate Social Responsibility Committee and the Board of Directors of the Company. Please refer Annual Report on Corporate Social Responsibility (CSR) Activities at Annexure IV to the Board's Report for details of various programs supported by the Company and its impact on the society.

4. What is your company's direct contribution to community development projects - Amount in INR and the details of the projects undertaken.

Please refer to Annual Report on Corporate Social Responsibility (CSR) Activities at Annexure IV to the Board's Report for details of various programs supported by the Company, amount contributed and impact on the society.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

Yes. The Company actively engages itself with its partnered agencies who execute the corporate social responsibility programmes supported by the Company. Employees of the Company participate in the programs and assist the agencies in effectively executing these initiatives. The Company also closely monitors utilisation of the money granted for various programs and impact of each program on the target population. Basis the impact analysis of each program, the Company decides on the requirement of further support.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.

None.

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./Remarks (additional information)

Not Applicable.

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

No.

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

The Company has not carried out formal customer survey to evaluate customer satisfaction. The Company deals with its customers fairly and with transparency. In the Company's endeavor to ensure complete customer satisfaction, the Company has also established a formal process to ensure customer grievances, if any, are handled with responsibility and resolved satisfactorily.