Annexure VI

BUSINESS RESPONSIBILITY REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022

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 World Center, 20th 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 01, 2021 to March 31, 2022
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)	Vehicle Finance Small and Medium Enterprise Finance Corporate Lending
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 369 branches spread across India
10.	Markets served by the Company – Local / State / National / International	Your Company serves Local, State and National Markets of India

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1.	Paid-up Capital (₹)	136.08 crore
2.	Total Turnover (₹)	1,053.55 crore
3.	Total profit / (loss) after taxes (₹)	(769.19) 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 Board's Report 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 Home Finance Private Limited
   b. IndoStar Asset Advisory 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	09412860
	2. Name	Deep Jaggi
	3. Designation	Chief Executive Officer
(b)	Details of the BR head*	
	1. DIN Number	--
	2. Name	--
	3. Designation	Chief Financial Officer
	4. Telephone No.	+91 22 43157000
	5. Email id	icf.legal@indostarcapital.com

**Chief Financial Officer of the Company is the BR Head as per the Company's Internal Policy. However, currently the position is vacant.*

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 wellbeing of all employees

P4 Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

P5 Businesses should respect and promote human rights

P6 Businesses 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? If 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-corner#investor-services								

No.	Questions	P 1	P 2	P 3	P 4	P 5	@P 6	P 7	P 8	P 9
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 governance practices and standards adopted by Company.*

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

#the Policies are 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. Implementation of codes and policies adopted by the Company is also assessed by an external audit firm.

(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	Not Applicable								
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									
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 publishes its BRR annually with the Annual Report for each year. The Annual Report is available on the Company's website at https://www.indostarcapital.com/investors-corner#investor-relations.

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 value. The Company conducts its business 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.**

Investors Complaints

Complaints at the beginning of the year	:	Nil
Complaints received during the year	:	2
Complaints remaining unresolved at the end of the year	:	Nil
% of Complaints resolved	:	100

Customer Complaints

Complaints at the beginning of the year	:	29
Complaints received during the year	:	407
Complaints remaining unresolved at the end of the year	:	9
% of Complaints resolved	:	97.94%

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 strives to provide 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 20 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 on housing for all, 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. However, considering presence in various states across the Country, the Company endevours to procure goods and services for supporting functioning of branches, from local vendors.

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: **2,613**
2. Please indicate the Total number of employees hired on temporary / contractual / casual basis: **304**
3. Please indicate the Number of permanent women employees: **115**
4. Please indicate the Number of permanent employees with disabilities: **1**
5. Do you have an employee association that is recognized by management: **No**

6. What percentage of your permanent employees are members of this recognized 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: **89.58%**

   (b) Permanent Women Employees: **4.82%**

   (c) Casual / Temporary / Contractual Employees: **10%**

   (d) Employees with Disabilities: **0.03%**

Creating Awareness:
Employees are being sensitised and educated about COVID-19 through regular emails and SMS.

Changes in Policy & Processes:

- Biometric attendance system has been discontinued due to the risks associated with COVID-19 spread.
- Activated Business Continuity Plan & Work from Home (WFH) policy.

Branch operations:
Branch opening was done in a phased manner depending on local situation and rules set up by the local governing authorities. Each branch was thoroughly sanitized before being opened for employees. Sanitization kits were dispatched to branches being opened, so that adequate care is taken. Standard Operating Process (SOP) in easy to understand PPT format has detailed instructions for employees as well as precautions to be followed.

Employee Wellness

- Vaccination drives for employees were arranged in states having major impact of COVID-19;
- Employees who tested positive of COVID-19 were guided to get admitted and get a bed in network hospitals;
- Sessions on Maintenance of Health & Hygienic at work – Healthy Eating, Staying Hydrated, Virtual open mic sessions – a platform to help employees showcase their talent and Personal wellness were conducted for employees;
- Services of clinical psychologist were provided to extend emotional support to employees.

Care for Employees beyond work (COVID-19 care scheme for bereaved families):
Your Company extended support to families of deceased employees due to COVID-19 through following initiatives:

- Financial assistance with salary payment for 24 months subject to minimum of ₹ 10 lacs and maximum of ₹ 25 lacs;
- Education assistance upto ₹ 2 lacs per child for two children up to graduation or 21 years whichever is higher; mediclaim benefit for the family of deceased employee as per existing coverage for a period of 2 years for the spouse and 2 children;
- Consider spouse / children for suitable job roles based on Company's policy as per requisite qualification skills. Skill training entitlement of ₹ 2 lacs for spouse who don't avail of the employment opportunity or are not eligible;
- Awareness of statutory benefits to such families was made.

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

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 & marginalized stakeholders.**

   Yes.

3. **Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized 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 recognized organisations engaged in social upliftment activities, the Company has supported various programs broadly in the field of education, women empowerment, health care, sanitation and environment protection. 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 contributing towards environmental sustainability.

   In its effort of contributing towards environment protection, the Company has supported various organizations 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:**

   During the year under review, the Company was a member of the South Indian Hire Purchase 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 sector to 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 and focus on housing for all, 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. 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 organization?**

   During the year under review, the Company extended support 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 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 ₹ 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 its 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 programs supported by the Company. Employees of the Company participate in the programs and assist the agencies in effectively executing their initiatives.

   The Company also closely monitors utilization 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.**

   9 customer complaints i.e. 2.06% of aggregate complaints outstanding at the beginning of the year and received during the year in the ordinary course of business, were pending to be resolved as on March 31, 2022.

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 behaviour 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 during the year under review, 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.