

GIC HOUSING FINANCE LIMITED

CSR Policy & Procedures

[As per Section 135 of Companies Act, 2013 and rules made thereunder]

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| Approved by Board of Directors | 06.05.2015 |
| Last Reviewed on | 07.08.2023 |
| Last Amended on | 07.08.2023 |

A. PREFACE

GIC Housing Finance Ltd. (GICHFL) is committed to improve the lives of the society in which it operates. The Company believes in “looking beyond business” and strives to create a positive impact on the communities it serves and on the environment. The Company is committed not just to profits, but also towards leaving a deeper imprint on the society as a whole. We understand that there is a need to strike a balance between the overall objectives of achieving corporate excellence vis-à-vis the company’s responsibilities towards the community.

B. OBJECTIVE

The main objective of CSR policy is to lay down guidelines for the company to make CSR a key business process for sustainable development for the society. It aims at supplementing the role of the government in actively contributing to the social and economic development of the communities in which we operate. The Company will act as a good Corporate Citizen.

C. OVERVIEW OF THE COMPANIES ACT, 2013

Section 135 of the Companies Act, 2013 has made CSR as a mandatory provision for prescribed Companies to add a sense of responsibility and contribution among Corporates. The said section has to be read along with the Rules prescribed by the Act for implementation of CSR and any amendments thereto from time to time.

D. APPLICABILITY

CSR as per the rules will be applicable if any one of the following conditions is satisfied by the Company during the immediate preceding financial year:

- Turnover of Rs.1000 Crores
- Net worth of Rs.500 Crores
- Net Profit of Rs.5 Crores

E. COMMITTEE AS PER ACT

Companies falling under the purview of section 135 shall constitute a CSR Committee of the Board consisting of three or more Directors out of which at least one Director shall be Independent Director.

F. PRE-REQUISITES OF CSR POLICY

- a. The CSR Policy shall include:
 1. A list of CSR Projects or programmes which the Company plans to undertake falling within the purview of schedule VII of the Act (as amended from time to time), specifying the modalities of execution of such project or programmes and their implementation schedules.
 2. Monitoring process of such projects or programmes.
- b. The CSR Policy of the Company shall specify that the surplus arising out of the CSR Projects or Programmes or activities shall not form part of the business profit of the Company.

G. CSR POLICY OF THE COMPANY:

The Board, on recommendation of CSR Committee, shall undertake any one or more of the following activities which falls within the provisions of the **Schedule VII** of the Companies Act 2013 read with any amendments/clarification issued by MCA from time to time:

- 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 vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.
- iii. 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.
- iv. ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, 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.
- v. 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;

- vi.measures for the benefit of armed forces veterans, war widows and their dependents, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows.
- 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 Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES 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;
- a) Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government; and
- b) Contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defense Research and Development Organisation (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).
- ix.rural development projects.
- x.slum area development.
- xi.disaster management, including relief, rehabilitation and reconstruction activities.

H. SELECTION OF IMPLEMENTING AGENCY

In case of project execution through any registered TRUST/SOCIETY/Section 8 – Company, the following criteria needs to be ensured:

- ✓ Should be a registered organization under section 12A and 80 G of the Income Tax Act, 1961 and shall have MCA Registration also.
- ✓ The organization should have been in existence for at least a minimum of three years.

- ✓ It should be working in any one or more of the CSR thrust areas of the Company.
- ✓ It should not have any religious or political affiliation.
- ✓ Other funding sources have to be declared.
- ✓ Social credibility of the Implementing Agency should be above par.
- ✓ Selection of Projects is at the sole discretion of the Company.
- ✓ Implementing Agency should not have any outstanding litigation pending against it or any regulatory warnings or actions during the last three years period.
- ✓ Implementing Agency as selected by Public Sector Banks, Insurance Companies, or other PSU Enterprises would be given priority.

I. ACTION PLAN

CSR Committee shall frame annual action plan and recommend the same to the Board for thrust areas for CSR activities as per Schedule VII of the Companies Act, 2013. The Annual Action plan shall include Budget allocation, manner of implementation of Board approved CSR Projects, monitoring & reporting mechanism for CSR Project etc.

J. IMPLEMENTATION

The Board of the Company will implement its CSR activities in accordance with Section 135 of the Companies Act 2013 and rules notified thereafter including any amendments thereto from time to time. The Board, on recommendation of CSR Committee, shall undertake and/or initiate CSR activities (as per schedule VII) either directly or through any registered Trust/Society/ Company under section 8 of the Companies Act 2013.

K. MONITORING, REVIEW & REPORTING

It will be the responsibility of the CSR committee to monitor periodically the implementation of the projects/programmes/activities under this CSR policy. Annual CSR Calendar activities will be cleared/ signed off by CSR Committee. The CSR committee shall frame a Management Level committee which shall be responsible for identification, recommendation, implementation of different CSR Projects and for submitting the progress report of the CSR Projects on time to time basis.

The Board of Directors will monitor and review on time to time basis the progress of CSR activities undertaken/ completed.

The Board shall be responsible to report the activities in the Annual Report under an exclusive heading and also explain in cases where the required amount is not spent in selected projects or the Company could not select any projects for implementation.

The Contents of the Policy shall be displayed on the Company's website as per the particulars specified in the annexure to the Rules.

L. ACCOUNTING

The Management Level Committee shall render accounts to the CSR Committee every year taking into account the surplus for the year and fix the amount of CSR corpus appropriately.

M. INTERNAL STRUCTURE

- a. **Board Level Committee (CSR Committee)** – The Committee shall consist of at least 3 Directors including one Independent Director.
- b. **Management Level Committee** – The Management Level Committee shall consist of Managing Director & CEO, Chief Financial Officer and Company Secretary.

N. FUNCTIONS OF THE COMMITTEES

a. BOARD LEVEL COMMITTEE (CSR COMMITTEE) –

The Board level Committee shall oversee the entire process of implementation of CSR related activities through review meeting on the reports of Management level Committee and shall report to the Board time to time basis.

b. MANAGEMENT LEVEL COMMITTEE –

The Committee shall:

1. identify the projects for CSR activities.
2. estimate the amount of expenditure needed on each of the activities.
3. oversee the implementation of CSR and Sustainability agenda of the Company within the organization and also outside, i.e. covering internal as well as external stakeholders.
4. submit reports regarding the progress in the implementation of CSR and Sustainability activities to the Board level Committee on time to time basis.
5. implement CSR projects as per approval accorded by the Board.

O. FINANCIAL BUDGET –

The corpus shall include the following:

- a. 2% of the average net profits made by the Company during every block of three years.
- b. any income arising there from
- c. surplus arising out of CSR activities.

"Net profit" means the net profit of a Company as per its financial statement prepared in accordance with the applicable provisions of the Act, but shall not include the following, namely:

- a) any profit arising from any overseas branches or branches of the Company, whether operated as a separate Company or otherwise and
- b) Any dividend received from other Companies in India which are covered under and complying with the provisions of Section 135 of the Act.

P. EFFECTIVE DATE

The CSR Policy shall come into force immediately on its approval by the Board.

Q. AMENDMENTS TO THE POLICY/REVIEW

The Board of Directors on its own and/or on the recommendation of CSR Committee can amend this policy as and when required. Board shall review the Policy annually.
