

CORPORATE SOCIAL RESPONSIBILITY POLICY

Approvals

Date	Approving Authority
October 27, 2023	Board of Directors
July 31, 2023	Board of Directors
July 30, 2022	Board of Directors
November 02, 2021	Board of Directors
February 12, 2021	Board of Directors

Version Control

Version	Date	Change History
2.0	October 27, 2023	No Change
1.3	July 31, 2023	Drafts presented to board as per applicable provisions and amendments thereof
1.2	July 30, 2022	No change
1.1	November 02, 2021	Changes w.r.t. amendments in CSR provisions
1	February 12, 2021	Changes w.r.t. amendments in CSR rules in board reporting, disclosures in board report, website disclosure

Policy Owner: Secretarial Department

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CORPORATE SOCIAL RESPONSIBILITY POLICY

1. Background

Section 135 of the Companies Act, 2013 mandates the following companies to formulate and adopt a Corporate Social Responsibility (CSR) Policy and draw out a framework for CSR:

- a) Net worth of Rs. 500 Crore or more; or
- b) Turnover of Rs. 1000 Crore or more; or
- c) Net profit of Rs. 5 Crore or more

In accordance with the said mandate, since India Shelter qualifies on the criteria mentioned, it is required to formulate and adopt CSR Policy.

The objective of this Policy is to provide an overall CSR framework, which shall at all relevant times be closely aligned with the requirements of relevant provisions of the Companies Act, 2013 read along with the Companies (Corporate Social Responsibility) Rules, 2014, including any amendment therein from time to time.

2. Overview

India Shelter proposes to make a positive difference to society. The Company firmly believes that it has commitment to all its stakeholders - customers, employees and the community in which it operates and it can fulfil this commitment only by sustainable and inclusive growth. The company aims to improve quality of life through its positive intervention in the community.

India Shelter's key CSR initiatives will be undertaken with a sustainable long-term view to benefit the society at large.

3. CSR Governance

At India Shelter, the Board of Directors of the Company has established a CSR Committee in compliance with Section 135 of the Companies Act, 2013, which has been entrusted with formulating a CSR Policy and transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the company. The Committee shall also annually monitor the Corporate Social Responsibility Policy of the company.

4. Policy

The scope of activities which, the Company will undertake towards fulfilment of its CSR shall be in line with Schedule VII of the Companies Act, 2013, as amended from time to time, and any other applicable laws, regulations etc.

The company shall give preference to the local area and/or areas in the vicinity, for spending the amount earmarked for CSR activities. The CSR projects or programs or activities that benefit only the employees of the company and their families shall not be considered as CSR.

5. Collaboration for CSR

The CSR Committee after seeking approval from the Board of Directors of the Company may undertake its CSR activities either directly or through a registered trust or a registered society or a company established by the company or its holding or subsidiary or associate company under section 8 of the Companies Act, 2013. Further, the company may choose to collaborate with other companies for undertaking projects or programs or CSR activities in such a manner that the CSR Committees of respective companies are in a position to report separately on such projects or programs in accordance with Companies (Corporate Social Responsibility Policy) Rules, 2014 and amendments thereto.

6. CSR Budget

The annual budget for India Shelter's CSR initiative shall be approved by the CSR Committee and Board of Directors of the Company.

7. CSR Expenditure:

The company shall endeavour to spend, in every financial year, at least 2% of the average net profits made during the three immediately preceding financial years or as per regulatory guidelines, in pursuance of its CSR Policy and if the company fails to spend such amount, the Board shall, in its report specify the reasons for not spending the amount, and, unless the unspent amount relates to any ongoing project referred in Companies Act, 2013, transfer such unspent amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.

CSR expenditure shall include all expenditure relating to CSR activities approved by the Board on the recommendation of its CSR Committee, but does not include any expenditure on an item not in conformity or not in line with activities which fall within the areas or subjects, specified

in Schedule VII of the Companies Act, 2013.

Any surplus arising out of the CSR activities shall not form part of the business profit of a company and shall be ploughed back into the same project or shall be transferred to the Unspent CSR Account and spent in pursuance of CSR policy and annual action plan of the company or transfer such surplus amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.

Where a company spends an amount in excess of requirement provided under sub-section (5) of section 135, such excess amount may be set off against the requirement to spend under sub-section (5) of section 135 up to immediate succeeding three financial years subject to the conditions that –

- (i) the excess amount available for set off shall not include the surplus arising out of the CSR activities, if any, in pursuance of sub-rule (2) of this rule.
- (ii) the Board of the company shall pass a resolution to that effect

The CSR projects or programs or activities undertaken only in India shall qualify as CSR Expenditure.

The CSR spending can be either revenue expenditure or capital expenditure or both.

(Note: “Average Net Profit” shall be calculated in accordance with the provisions of section 198 of the Companies Act, 2013)

8. Capacity Building:

If the Company chooses to undertake CSR activities directly, it may resort to capacity building, which shall be the expenditure on training the CSR staff regarding the CSR project. However, as mandated by the provisions of the Companies Act, 2013, such expenditure including expenditure on administrative overhead shall not exceed 5% of the total CSR expenditure of the Company in one financial year or such limits as may be prescribed under the legislation from time to time.

9. CSR Reporting:

The CSR Committee shall forward a report to the Board on an annual basis containing following particulars:

- The list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Companies Act, 2013;
- The manner of execution of such projects or programmes as specified in sub-rule (1) of Rule 4;

- The modalities of utilization of funds and implementation schedules for the projects or programmes;
- Monitoring and reporting mechanism for the projects or programmes;
- Details of need and impact assessment, if any, for the projects undertaken by the company;
- Compliance with CSR objectives and Policy of the company;
- Obtain a certificate from Chief Financial Officer that the amount spent on CSR has been utilized for the purpose and in the manner approved by Board;

The Board may alter such plan at any time during the financial year, as per the recommendation of its CSR Committee.

The Board's Report of a company pertaining to any financial year shall include an annual report on CSR containing particulars as specified in the Companies Act, 2013.

10. Monitoring and Feedback

The CSR Committee shall meet as and when the need arises to review and guide the CSR activities of the Company. They shall meet *inter alia* to monitor the progress of CSR programs, CSR spending, and review if any changes are required.

The Company will incorporate the details of CSR activities, including a physical and financial process in the annual report of the Company. The minutes of the CSR Committee shall be presented to the Board for its review and scrutiny.

The Company may communicate its CSR efforts to all its employees and external stakeholders through emails, its own website, and other appropriate dissemination channels. The Board of Directors of the Company shall mandatorily disclose the composition of the CSR Committee, and CSR Policy and Projects approved by the Board on their website, if any, for public access.

Following activities may be undertaken for monitoring of CSR:

- Appropriate documentation of the CSR Policy, annual CSR activities, executing partners, and expenditure entailed will be undertaken on a regular basis and the same may be available in the public domain
- In order to closely monitor and manage the field action projects, the Audit team at the Corporate Office may conduct periodic field visits, impact studies and social audits on an annual basis, through i t s e l f o r independent professional third party institutions, especially on the strategic and high value programs.
- CSR initiatives will also be reported in its Annual Report

11. Disclosure of the Policy

- The CSR Policy recommended by the CSR Committee and approved by the Board shall be displayed on the Company's website and the link of the same shall be disclosed in the Board's report as well.
- CSR initiatives of the Company will also be reported in the Company's Annual Report as specified in the Companies (Corporate Social Responsibility Policy) Rules, 2014.

12. Miscellaneous

This Policy shall be updated from time to time, by the Company in accordance with the amendments, if any, to the Companies Act, 2013, rules made there under, or any other applicable enactment for the time being in force. In the event of any inconsistency between this Policy and the applicable laws, the applicable laws will prevail.

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