CENTRUM HOUSING FINANCE LIMITED

Document Title	**Corporate Social Responsibility Policy ('CSR Policy')**
Approved by	**Board of Directors at its meeting held on 28th January, 2022**
Date of latest Review	**6th August, 2025**

Corporate Social Responsibility Policy

1. *Background*

As per Section 135 of the Companies Act, 2013 ("Act") and Companies (Corporate Social Responsibility Policy) Rules, 2014 ("Rules"), Every company having Net worth of Rs. 500 crore or more, or Turnover of Rs. 1,000 crore or more, or a Net profit of Rs. 5 crore or more during any financial year, *inter alia*, shall have a CSR Committee, adopt a CSR Policy, and draw out a framework for undertaking CSR activities.

In accordance with the said mandate, since Centrum Housing Finance Limited ('CHFL' or 'Company') qualifies on the criteria mentioned above, it is required to formulate and adopt Corporate Social Responsibility Policy ("CSR Policy").

This policy, which encompasses the company's philosophy for delineating its responsibility as a corporate citizen, lays down the guidelines and mechanism for undertaking socially useful programs for welfare & sustainable development of the community at large, is titled as **" Centrum Housing Finance Limited- CSR Policy"**

This policy aims to ensure that the Company as a socially responsible corporate entity contributes to the society at large.

This policy shall apply to all CSR initiatives and activities taken up at the various work-centers and locations of the Company, for the benefit of different segments of the society, specifically the deprived, under-privileged
and differently abled persons.

2. *Vision and Mission*

The Company believes in engaging and giving back to the community in line with the Company's commitment to philanthropy. It intends to undertake the CSR activities strategically, systematically and more thoughtfully and to move from institutional building to community development through its various CSR programs and projects.

At CHFL, we intend to make a positive difference to society and contribute our share towards the social cause of betterment of society. We believe in benefitting the underprivileged and those who have been deprived of even the basics in life. Helping, caring and sharing in whatever way possible is the approach, we follow when it comes to registering our presence beyond the realm of just business.

3. *Definitions*

(a) “Act” means the Companies Act, 2013

(b) "Corporate Social Responsibility (CSR)” means and includes one or more activities which is in conformity with Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy)Rules, 2014 and Schedule VII of the Companies Act, 2013 as amended from time to time, enumerated below:

(i) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach 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 and 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, agroforestry, 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 arts and handicrafts;

(vi) Measures for the benefit of armed forces veterans, war widows and their dependents;

(vii) Training to promote rural sports, nationally recognized 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 Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes,

minorities and women;

(ix) 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

(x) 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)

(xi) Rural development projects.

(xii) Slum area development.

Explanation.- For the purposes of this item, the term `slum area' shall mean any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force.

(xii) Disaster management, including relief, rehabilitation and reconstruction activities

(c) "**CSR Committee**" means the **Corporate Social Responsibility (CSR) Committee** to be constituted/reconstituted by the Board from time to time in terms of the requirements of section 135 of the Companies Act, 2013 read with the rules thereunder and other applicable provisions of the Act.

(d) "**Net Profit**" means the net profit of the Company as per its financial statement prepared in accordance with the applicable provisions of the Companies Act, but shall not include the followings, namely :

a. Any profit arising from any overseas branch 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 Companies Act.

(e) "**Ongoing Project**" means a multi-year project undertaken by a Company in fulfillment of its CSR obligation having timelines not exceeding three years

excluding the financial year in which it was commenced, and shall include such project that was initially not approved as a multi-year project but whose duration has been extended beyond one year by the board based on reasonable justification.

(f) Public Authority" means 'Public Authority' as defined in clause (h) of section 2 of the Right to Information Act, 2005 (22 of 2005).

4. Corporate Social Responsibility Committee

(a) Composition

The Composition of the CSR Committee shall be as per provisions of Section 135 of Companies Act, 2013 read with the rules made thereunder, as notified/amended from time to time. It shall consist of at least 3 directors which includes at least 1 independent director and the Managing Director.

The term of reference of the Committee will be as under:

(b) Terms of Reference

(i) To establish and review corporate social responsibility policy;

(ii) To identify, segment and recommend the CSR projects/programs/activities to the Board of Directors;

(iii) To recommend the amount of expenditure to be incurred on the activities as identified for CSR by the Company;

(iv) To oversee the implementation of corporate social responsibility projects/programs/activities;

(v) To review the annual budgets/expenditure with respect to corporate social responsibility programs;

(vi) To work with the management to establish and develop the Company's strategic framework and objectives with respect to corporate social responsibility matters;

(vii) To receive reports on the Company's corporate social responsibility programs/projects/activities;

(viii) To establish and review the implementation mechanism for the CSR programs/projects/activities undertaken by the Company;

(ix) To establish and review the monitoring mechanism of CSR projects/programs/activities;

(x) To review the CSR Initiatives and Programs/projects/activities undertaken during the year;

(xi) To review the Company's disclosure relating to corporate social responsibility matters in accordance with the requirements of the regulatory provisions;

(xii) To obtain legal or other independent professional advice/assistance, and

(xiii) To form and delegate authority to any sub-committee or employee(s) of the Company or one or more members of the committee.

5. Board of Directors and their Role in CSR

(a) To approve the activities to be undertaken as per the CSR Policy proposed/ recommended by the CSR Committee, if any.

(b) To ensure the programs/projects/activities undertaken by the Company are in line with the activities as listed in this policy.

(c) To ensure that the Company spends, every financial year, at least two percent of the average net profits of the Company made during the preceding three financial years as prescribed under the Companies Act, 2013 towards CSR initiatives and ensure that in case the prescribed amount could not be spent on CSR Activities, the reason for not spending full amount to be disclosed in the Boards' Report.

(d) To ensure that the Boards' Report of the Company includes an annual report on CSR as specified under the Companies (Corporate Social Responsibility Policy) Rules, 2014.

(e) The Board of Directors of the Company shall have the authority to reconstitute the CSR Committee and to revise/amend the terms of reference of the CSR Committee, as may be required.

(f) The Board of Directors of the Company shall 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.

(g) In case of ongoing project, the Board of Directors of the Company shall monitor the implementation of the project with reference to the approved timelines and year-wise allocation and shall be competent to make modifications, if any, for smooth implementation of the project within the overall permissible time period

6. *Identification and Implementation of projects/programs/activities to be undertaken*

(a) Specific Programs/projects/activities shall be identified by the CSR Committee/ Board.

(b) Post identification of potential areas/projects/activities/programs, CSR Committee/ Board to ensure adequate due diligence of the proposed activities to be undertaken.

(c) Recommend the CSR Budget and ensure spending of the allocated funds.

(d) Spend the allocated CSR amount on the CSR activities once it is approved by the Board of Directors of the Company in accordance with the Act and the CSR Rules.

(e) In case of programs/projects/activities that are undertaken through an outside entity, due diligence of the implementation partner/agency along with the details relating to competence, track record, management, creditability and their reports/certificates shall form part of the supporting documents of the project report for the activities undertaken, which shall be placed before the CSR Committee/Board as required under section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time.

(f) The Board of Directors shall review, consider and post considering the recommendations of the CSR Committee approve the identified programs/projects/activities.

(g) The CSR Committee/ Board shall regularly monitor the implementation process of the identified projects/programs/activities undertaken by the Company and updatethe Board on the same at regular intervals.

7. *CSR Obligation*

(a) In accordance with the provisions of Section 135 of the Companies Act, 2013, the Company is required to spend at least 2% of its average net profits of the company made during three years immediately preceding financial years, towards CSR programs/projects/activities and ensure that in case the prescribed amount could not be spent on CSR Activities, the reason for not spending full amount to be disclosed in the Board's Report.

(b) The surplus arising out of the CSR programs/projects/activities shall not form part of the business profits of the 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

(c) The CSR Expenditure that remains unspent / unutilised for the particular year shall be carried forward to the next year.

(d) Where a company spends an amount in excess of requirement provided under sub-section (5) of section 135 of Companies Act , 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 CSR rules

ii. the Board of the company shall pass a resolution to that effect.

(e) CSR programs/projects/activities meant exclusively for employees and their families will not qualify under CSR spent.

(f) Contribution of any amount directly or indirectly to any political party shall not be considered as CSR program/project/activity.

(g) CSR Expenditure shall not include any expenditure on any program or project or activities which is not in conformity with the Company's CSR Policy and the activities enumerated under Schedule VII of the Companies Act, 2013.

8. Transfer of Unspent Amount to Unspent CSR Account

a. Unless the unspent amount relates to any ongoing project referred to in sub-section (6), of section 135 of the Companies Act, the Company shall transfer such unspent amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.

b. Any amount remaining unspent under sub-section (5) of section 135 of the Companies Act, pursuant to any ongoing project, fulfilling such conditions as may be prescribed, undertaken by a company in persuance of its Corporate Social Responsibility Policy, shall be transferred by the company within a period of thirty days from the end of the financial year to a special account to be opened by the company in that behalf for that financial year in any scheduled bank to be called the Unspent Corporate Social Responsibility Account, and such amount shall be spent by the company in pursuance of its obligation towards the Corporate Social Responsibility Policy within a period of three financial years from the date of such transfer, failing which, the company shall transfer the same to a Fund specified in Schedule VII, within a period of thirty days from the date of completion of the third financial year.

9. *Execution of CSR activities*

Identification of Priority Areas

- Priority Areas:

i. Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach 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 and 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. Measures for the benefit of armed forces veterans, war widows and their dependents;

- The Policy shall be open to accommodate any activities as defined in Schedule VII of the Companies Act, 2013 as and when required.

Company will seek to identify suitable programs/projects/activities as per the Company's CSR Policy and the activities enumerated under section 135 & Schedule VII of the Companies Act, 2013, for execution/implementation in line with the CSR objectives of the Company that will benefit the community for which those programmes are intended. The implementation of the CSR programs/projects/activities may be undertaken by the Company itself or through entities mentioned from point number (a) to (d) as mentioned below :

(a) A company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80 G of the Income Tax Act, 1961 (43 of 1961), established by the company, either singly or along with any other company, or

(b) A company established under section 8 of the Act or a registered trust or a registered society, established by the Central Government or State Government

(c) Any entity established under an Act of Parliament or a State legislature;

(d) A Company established under section 8 of the Companies Act, or registered public trust or a registered society, registered under section 12A and 80G of the Income Tax Act, 1961 and having an established track record of at least

three years in undertaking similar activities; Provided that, every entity, covered under clause (a) to (f), as above who intends to undertake any CSR activity, shall register itself with the Central Government by filing the form CSR-1 electronically with the Registrar, with effect from the 01st day of April 2021 and to get the unique CSR Registration number, with effect from 1st April, 2021 , as required under Rule 4 of Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021.

(e) Company may build CSR capacities of its own personnel as well as those of its Implementing agencies as above, but the administrative overheads shall not exceed 5% of the total CSR expenditure of the company for one financial year.

(f) CSR programs or projects or activities undertaken in pursuance of the Company's normal course of business shall not qualify as CSR expenditure.

(g) Preference shall be given to the local area and areas around where the company operates for CSR spending.

(h) CSR programs or projects or activities undertaken in India only shall amount to CSR expenditure, except for training for Indian sports personnel, representing any State or Union Territory at National level or India at International level

(i) Following Activities shall also be not considered as CSR Expenditures :

- Contribution of any amount directly or indirectly to any political party under section 182 of the Act;
- Activities benefitting employees of the company as defined in clause (k) of section 2 of the Code on Wages, 2019
- Activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services
- Activities carried out for fulfillment of any other statutory obligations under any law in force in India

10. Reporting

The Company shall disclose the contents of the CSR Policy in its Board's report in the format given in the CSR Rules and the same shall be displayed on the Company's website.

11. Monitoring Mechanism

(a) CSR committee, if any, shall be required to meet up as and when required to discuss,review and monitor the CSR activities of the Company.

(b) CSR Committee, if any, shall obtain and review the relevant progress reports and impact of various CSR programs/projects/activities implemented and to

identify gaps/slippages therein and to plan corrective measures as may be required for the purpose.

(c) CSR Committee, if any, shall ensure that the projects/programs/activities that are undertaken by the Company are in compliance with various applicable laws/regulations of the areas as identified for CSR expenditure.

(d) CSR Committee, if any, shall ensure that appropriate documentation of all the programs/projects/activities, statements of the budget & expenditure are being undertaken on regular basis.

(e) The CSR Committee , if any, shall formulate and recommend to the Board, an annual action plan in pursuance this CSR policy, which shall include the following, namely :-

i. the list of CSR projects or programs that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act
ii. the manner of execution of such projects or programs as specified in sub-rule (1) of rule 4 of Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021
iii. the modalities of utilisation of funds and implementation schedules for the projects or programs
iv. monitoring and reporting mechanism for the projects or programs and
v. details of need and impact assessment, if any, for the projects undertaken by the company as per provisions of Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 .

Provided that Board may alter such plan at any time during the financial year, based on the reasonable justification to that effect.

12. General

(a) The Board shall have the right to modify or change the policy from time to time.

(b) Any or all provisions of the CSR policy would be subject to revision / amendment in accordance with the guidelines, Rules or Notifications on the subject as may be issued from Government, from time to time.

(c) All the records pertaining to the CSR programs, projects, activities& accounts of the expenditures made by the Company thereon, shall be kept in the custody of the Chief Financial Officer or any designated person.

(d) In case of any amendment(s) in section 135, Schedule VII and rules made thereunder, the provisions of the same will prevail.

****